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ASSESSED & DETERMINED VALUES

ASSESSING REAL ESTATE

At the last meeting of the North Carolina Club at the University, James M. Mitchell, a senior, read a paper on the Assessment of Rural Real Estate. An abstract of his paper follows:

The tax on real estate is the backbone of our present system of taxation. Sixty-six percent of all the taxes collected in the counties of North Carolina in 1926 was from real estate. The fact that other forms of wealth can be more easily hidden and that other forms of taxation can better elude the tax collector, has led to the use of the real estate tax as the basic source of revenue. Nevertheless, the system contains numerous weaknesses and is justly criticized. The chief complaints are the high rates and the inequalities of assessment. In fact a high rate is often the result of inequalities in assessment.

There has been some improvement in the assessing of urban real estate, but the prevailing methods of assessing rural property are extremely backward throughout the United States. The system in use in North Carolina is antiquated, inaccurate, and unfair. The plan, as outlined by the law, is not bad, but in practice it is very unsatisfactory. The constitutional requirement that property be assessed at full value is not enforced. The ratio of true to assessed value varies greatly. Much taxable property escapes the eye of the tax assessor entirely.

Assessors Deficient

Most of the trouble arises from the lack of importance assigned to the office of assessor. The average assessor is unqualified, unequipped, and underpaid. Perhaps he is not underpaid for what he does, but the salary paid does not attract men of the calibre needed. Assessors in North Carolina are not, as a rule, drawn from the most capable class of citizens. The position is one which few are anxious to have, and consequently it falls into inefficient hands. The assessors are not altogether at fault, for they have little equipment to work with and generally no standard to go by.

Without any standard to guide them, assessors will almost invariably assess properties of small or moderate value at a higher rate than the more valuable properties. A study of several counties in Pennsylvania showed that in nearly every case a small farm was assessed higher relatively than a large farm. In Westmoreland county property valued at \$2,500 and under was assessed at 91 percent of its true value and property valued at over \$100,000 was assessed at 27.4 percent. It is not surprising that an untrained assessor, working without adequate records to guide him, can guess better at the value of small estates such as he has himself bought, sold, or owned, than at the value of the larger estates with which he is not familiar.

It is also generally true that valuable land yielding a large income is not taxed as high in proportion as land which yields a small income. Referring again to the Pennsylvania study of 1926, it was discovered that taxes on business and residential property absorbed 17.5 percent of the net income while taxes on owner-operated farms represented 33.9 percent of the income derived. Many land-owners in North Carolina are willing to rent their farms for the amount of the taxes.

Great Inequalities

Two assessors will differ greatly in their estimates of the value of the same or similar property. In Kansas the assessments of adjoining tracts of similar quality, but separated by township lines, varied about 100 percent. There is great variation among the counties of North Carolina in assessment standards. A report of a special tax investigation committee of the railroads placed the ratio of assessed to true value in certain counties as follows: Guilford 70 percent; Davidson 54; Forsyth 71; Stokes 59; Cherokee 65; Clay 71.5; Henderson 87; Surry 55; Buncombe 69; Bertie 60.5; Carteret 98.6; Washington 52; Durham 68; Wayne 36. In these cases true value was based upon sale value.

The entire escape of a large acreage of land from the tax books is due to the lack of tax maps and to the lack of

a full-time tax supervisor who is constantly endeavoring to perfect the tax-roll. Assessment maps of every county, showing the boundary lines of farms, the number of acres, the class of land, and its location in relation to highways, railways, towns, etc., should be made. These maps can be made by the old survey method or by the newer system of aerial photography. By means of aerial maps Connecticut recently discovered vast amounts of land that had for years escaped the tax books. Along with the tax maps there should be a card file with a card for each property owner, which can be corrected every time a transfer of property is made in the taxing district.

The general property tax may in time be abandoned but the land tax is not likely to be discarded. It is therefore important both in the interest of expediency and of justice that the assessment of real estate be put upon a scientific basis. This means the selection of expert assessors through civil service examinations or some other means, and then that they be furnished with every possible aid in the way of maps and records.

EQUALIZING SCHOOL TAXES

The act of the legislature which increased the equalizing fund to \$3,250,000 left the distribution of the fund to an Equalization Board which in turn had the authority to determine the valuations of each county independent of the local assessment. This was necessary, because there is no uniformity among the counties in the ratio of assessed to true value of taxables. If the distribution of the fund were based entirely on local assessment it would offer a temptation to the participating counties to keep assessments as low as possible.

We are presenting elsewhere in this issue a table showing the 1927 valuations as fixed by the local assessors, and in a parallel column the valuations determined by the State Board of Equalization and used as a basis for distributing the equalization fund this year.

Of the ninety-seven counties shown in the table, sixty-nine were given increased valuations by the State Board of Equalization and twenty-eight reduced valuations. The board had such a short time to complete its work that it does not maintain that its estimates are correct, and it is continuing its investigations in the effort to make subsequent distributions as scientific and just as possible. The board has only one objective in mind, and that is to equalize the burden of school support just as far as its funds will permit. Of course the equalization is limited now to the eighty-eight participating counties, and for the six-months term. The twelve non-participating counties have relatively low school tax rates, and are not severely burdened as it is.

The most burdensome aspect of school taxation now is the local district tax. The rate is often 40, 50, or 60 cents on a hundred dollars' valuation. Frequently the local district tax is half or nearly half as large as the total county tax. The rates are high because these special taxing districts generally contain little or no corporate property. The special school tax is thus essentially an additional tax on farm lands. The only alternative to paying these burdensome taxes is to deny the children more than a six-months school term. There can be no equality of school taxation or equality of school opportunity until there is a state-wide eight-months term and equalization on that basis.

SOUTHERN FARM COLONIES

Rural regeneration of the South, involving ultimate reclamation of farm land, is seeking organized impetus now while representatives from seven southern states and officials of the Interior Department plan the \$10,000,000 farm colony plan submitted to Congress by Senator Kenneth McKellar of Tennessee and Representative Charles R. Crisp of Georgia.

Acting on congressional authority, the department already has selected seven widely separated development tracts having an aggregate area of about 136,000 acres. If the proposed

THE FORGOTTEN MEN

Is there no way to bring the state to the realization of the fact that men who are making the cities, the men who are occupying high places in affairs of the states, in professions and in the business world are, many of them, born and reared in the blue of the sparsely settled mountains and along the blue of the surging seas? Can we not join hands and hearts in bringing this good state to a realization of its duty to the sparsely populated sections that are within its borders?—Dr. John T. Burrus.

colony project is approved the government would purchase the land, divide each tract into from 100 to 300 farms, conduct whatever engineering work is needed to place the soil in shape for immediate tilling, erect houses and necessary buildings and even seed the ground to a cover crop before settlers are admitted.

Directed Farm Business

The department can buy the land at all prices, ranging from six dollars an acre in Mississippi to twenty-seven dollars an acre in Georgia. The actual cost of development would be added to the purchase price of the land which would be sold to white settlers on a deferred-payment plan. A community director would be in charge of each colony.

By its southern plan the Interior Department is blazing a new trail in reclamation. The new settler will have every advantage and none of the hardships that wrecked the western "homesteader." He will be started right, with the best type of agriculture suited to climate, soil and market conditions. He will have the benefit of community cooperation, financial assistance from the government and skilled supervision in diversified projects.

Dr. Elwood Mead, federal commissioner of reclamation, expects the beneficial effects of the farm colony system to result eventually in restoring southern waste land to productivity. Weeds, brush and impoverished cotton and corn "patches" cover vast areas once owned and cultivated by prosperous white planters.

Organized Farm Life

"Agriculture in the South," Dr. Mead declares, "is suffering from badly organized farming and a dreary rural life. Large areas are cultivated by Negroes or unskilled white farmers, who as tenants or hired laborers are unsuited to any but the most primitive farm practices. Slovenly cultivation and depletion of soil fertility are causing a decline and decay of rural prosperity and an exodus of farm workers."

"The advantages to settlers in this new scheme would attract a superior type of farmers and create a permanent community of earnest, intelligent people, able to utilize the benefits of scientific knowledge, modern farm machinery and teamwork in selection of crops to be grown and in the preparation and marketing of products."

"The farm colony plan, giving 200 or more families complete agricultural independence, has solved the reclamation problem in Australia. It has operated 40 years in Denmark and where 90 percent of the land once was held by tenant farmers 92 percent of it now is cultivated by prosperous owners."

Reclamation of southern farm land is expected to add tremendously to the economic independence of the South. Dr. E. C. Branson of the University of North Carolina estimates that \$2,500,000,000 worth of food and feedstuffs is purchased annually by southern states, all of which could be produced at home under an efficient agriculture.—The Durham Herald.

COUNTY SANATORIA

It is not too much to visualize a time when the tuberculosis death rate in North Carolina will be reduced to the irreducible minimum and a case of tuberculosis in the state becomes a rare thing.

To hasten this Utopian period for North Carolina, we need a system of county and joint-county sanatoria to give each county in the state a bed for each tuberculosis death in that county. The total number of deaths is found by taking the average for a year over a number of years.

Sanatorium treatment is universally realized today as the essential cure for tuberculosis. A few sanatoria scattered here and there throughout the state are really very little more than demonstration stations. They cannot hope to treat all cases of tuberculosis. Demonstration stations that point the way toward what might be accomplished if we had an efficient state-wide system.

Tuberculosis can be banished to the land of forgotten things. But it is not in that land yet. It may cost money to build sanatoria, but tuberculosis costs money, and not only money, but suffering, heartache, and poverty. When a case of tuberculosis is prolonged for years, the cost in money, suffering, heartaches, and often poverty is fearful. Many cases of tuberculosis are prolonged for years. Over a period of years the citizens of a county would actually pay out for their tuberculous sick enough money to build, equip, and maintain a first-class sanatorium.

Might as well go about the job in an efficient, up-to-date, businesslike manner, build sanatoria and maintain a

clinic and nursing service and get rid of another one of civilization's curses—Tuberculosis.—The Sanatorium Sun.

SCHOOL FORESTS

Schools in this section are to have forests. One is to be located in the section between Kenansville and Warsaw, we understand, and maintained by the schools in the two towns jointly.

It is a bright idea. There will be half a dozen such forests, to start with. We predict that the idea will spread until nearly every rural school in North Carolina has its "forest"—or thicket. For these will be small forests, an acre or a fraction of an acre in a forest, say. The state will furnish the trees.

The big good that will result will be the teaching of forestry rudiments to the young generation. That generation will need to be interested in trees. This generation has just begun to take stock of its wanton recklessness and plan the protection of what is left of our once tremendously valuable woods. It will be up to the new generation and those that follow it to restore the forests. They must be restored for too many good reasons to enumerate.

The forests in the future will be big groves—park-like affairs. For men will nurse and cherish the trees for their own preservation and the underbrush that chokes trees will be banned.—Kinston Free Press.

ASSESSED AND DETERMINED VALUATIONS, 1927

The Latter Being Fixed by the State Equalizing Board

We are presenting below a comparison of the valuations of each county as fixed by the local assessors, and the valuations adopted by the State Equalizing Board as a basis for the distribution of the equalizing fund for schools. These figures were supplied by Leroy Martin, Secretary of the Equalizing Board. The valuations for three counties are omitted because they had not been determined at the time this statement was prepared. After-listings and releases will cause the final figures in some counties to differ slightly from those given here.

It will be noticed that determined valuations exceed assessed valuations in sixty-nine counties and are less than assessed valuations in twenty-eight counties. The total assessed valuation in the 97 counties amounts to \$2,767,999,245 and the determined valuation to \$2,817,174,373. The amount by which determined valuation exceeds assessed valuation in the 88 counties which participate in the equalizing fund is \$50,740,064.

Department of Rural Social-Economics, University of North Carolina

County	Assessed valuations 1927	Valuations determined by state equalization board	County	Assessed valuations 1927	Valuations determined by state equalization board
Alamance.....	\$33,035,787.	\$ 34,624,128	Johnston....	\$ 43,079,931.	\$ 58,814,208
Alexander.....	8,773,401...	8,400,000	Jones.....	6,610,800...	7,261,652
Alleghany.....	4,893,131...	5,050,000	Lee.....	14,562,323...	15,160,314
Anson.....	21,560,450...	23,352,839	Lenoir.....	27,189,707...	31,295,133
Ashe.....	11,951,352...	12,650,000	Lincoln.....	16,392,087...	17,190,211
Avery.....	6,021,243...	6,000,154	Macon.....	7,315,848...	7,721,250
Beaufort.....	29,661,372...	26,413,631	Madison.....	10,606,877...	12,476,837
Bertie.....	15,042,703...	15,810,911	Martin.....	15,941,167...	17,685,879
Bladen.....	13,980,645...	13,069,088	McDowell.....	20,365,920...	22,684,500
Brunswick.....	10,059,954...	9,634,804	Mecklenburg...	173,054,390...	183,066,361
Buncombe.....	172,987,845...	155,937,677	Mitchell.....	9,416,250...	10,406,190
Burke.....	24,355,009...	22,411,286	Montgomery...	15,475,938...	12,250,903
Cabarrus.....	45,697,747...	41,675,067	Moore.....	26,775,909...	25,706,496
Caldwell.....	22,114,101...	22,200,000	Nash.....	33,863,373...	33,806,484
Camden.....	3,385,841...	4,236,836	New Hanover...	14,366,433...	15,428,858
Carteret.....	15,056,621...	13,604,431	Onslow.....	10,611,410...	11,176,775
Caswell.....	8,522,550...	9,603,890	Orange.....	17,645,194...	18,607,823
Catawba.....	40,566,528...	44,029,978	Pamlico.....	5,800,167...	5,715,972
Chatham.....	18,537,924...	19,265,684	Pasquotank...	19,144,587...	20,851,466
Cherokee.....	8,978,208...	9,638,250	Pender.....	10,104,118...	11,236,330
Chowan.....	10,106,264...	10,582,988	Perquimans...	8,235,830...	8,441,991
Clay.....	2,372,297...	2,396,250	Person.....	12,864,486...	13,969,247
Cleveland.....	38,069,314...	43,274,578	Pitt.....	48,800,242...	51,570,570
Columbus.....	21,469,616...	21,166,643	Polk.....	8,110,065...	7,987,500
Craven.....	28,137,865...	29,638,929	Randolph.....	27,466,362...	21,066,515
Cumberland.....	29,928,341...	31,813,793	Richmond.....	32,241,645...	31,279,515
Currituck.....	5,088,476...	5,301,722	Robeson.....	43,796,970...	46,794,379
Dare.....	2,750,927...	2,263,956	Rowan.....	36,302,627...	37,008,750
Davidson.....	38,450,414...	39,703,509	Sampson.....	22,511,324...	25,115,974
Davie.....	12,689,986...	13,068,231	Scotland.....	16,240,264...	17,024,865
Duplin.....	23,011,273...	27,481,292	Stanly.....	31,810,997...	31,950,000
Durham.....	95,151,761...	89,277,424	Stokes.....	13,027,780...	13,436,249
Edgecombe.....	34,241,701...	35,216,967	Surry.....	29,877,583...	30,384,614
Forsyth.....	198,555,211...	189,793,068	Swain.....	12,619,645...	13,312,500
Franklin.....	14,799,052...	16,009,732	Transylvania...	11,685,923...	9,585,600
Gaston.....	95,994,257...	97,535,041	Tyrrell.....	3,917,202...	3,942,310
Gates.....	7,434,174...	7,471,325	Union.....	22,721,934...	29,705,011
Graham.....	5,800,135...	4,899,000	Vance.....	20,292,993...	22,869,540
Granville.....	21,101,890...	24,034,418	Wake.....	96,921,396...	101,488,168
Greene.....	12,752,290...	12,092,630	Warren.....	13,417,875...	13,862,966
Guilford.....	192,823,410...	179,913,473	Washington...	9,821,982...	8,923,133
Halifax.....	38,476,368...	43,821,386	Watauga.....	9,135,546...	8,950,000
Harnett.....	24,599,441...	27,730,315	Wayne.....	49,012,146...	54,120,513
Haywood.....	23,142,322...	23,962,500	Wilkes.....	16,622,286...	21,024,928
Henderson.....	31,489,251...	23,430,000	Wilson.....	48,646,915...	49,581,727
Hertford.....	11,391,545...	12,162,639	Yadkin.....	9,288,424...	9,093,938
Hoke.....	9,971,698...	10,164,627	Yancey.....	7,785,607...	9,002,747
Hyde.....	5,185,847...	5,257,328			
Iredell.....	46,208,284...	47,550,000			
Jackson.....	10,644,946...	12,535,070			