EXAMPLES OF ACTUAL TAXATION.

The following are a few typical examples from a large number of cases, comparing the assessed value with the actual value.

On one forty in one of the northernmost counties an estimate of the timber shows 765,000 board feet of white pine and 85,000 board feet of red pine, with a little scattering of hardwoods, mostly birch and maple. The value of the timber is easily $6,715, and the value of the land is placed at a little less than $4 per acre, or $150 for the forty, making a total estimated value of $6,865. The assessed value in 1909 was placed at $3,450, or practically 50 per cent of the true value. The tax rate in this case was .0246.

On another forty the estimated stand of timber is 810,000 board feet of white pine and 90,000 board feet of red pine, with practically no hardwoods in mixture. The stumpage value of the timber is conservatively placed at $7,110 and the value of the land at $150, making an estimated true value for the forty of $7,260. The assessed value in 1909 was $1,200 or 16 per cent of the true value. The tax rate in this case was .0242.

A very large number of forties in this county are assessed at a flat rate of $1,200, which makes a variation of from 16 to 60 per cent of the estimated true value of the forty.

The hardwood land is assessed at about the same ratio to its true value as the pine land. One forty, containing 100,000 board feet of hemlock, 10,000 board feet of basswood, and 160,000 board feet of birch, is estimated to be worth $800 for the timber alone. Adding $150 for the land gives a total value of $950. The assessed value in 1909 was $260 or 27 per cent of the estimated true value. The tax rate in this case was .0338.

One forty in another county has a stand of 540,000 board feet of white pine and 20,000 board feet of red pine. The timber itself is worth $6,680 and the land about $80, making a total value of $6,760. The forty was assessed at $2,418 in 1909 or about 36 per cent of its true value. The tax rate was .044.

Another forty contains 800,000 board feet of white pine which is worth $9,600. The land is worth about $2 per acre, making a total of $9,680. The assessed value is $2,780 or 28.7 per cent, and the tax rate was .044.

A high assessment appears in another forty which has a stand of 110,000 board feet of white pine worth approximately $1,320. The
timber and land together are worth $1,400 and were assessed in 1909 at $1,280, giving a ratio between assessed and true values of over 91 per cent, and the tax rate was .044.

A farm of 160 acres in the western part of the same county has 60 acres of cleared land. It is valued at about $35 per acre for cultivated land and $6 for unimproved land, which makes a total value of $2,700. The assessed value in 1909 was $840, or 31 per cent of the true value, and the tax rate was .044.

Much of the cut-over land in another county is assessed at $80 a forty or $2 an acre. As low assessments as $60 a forty, or $1.50 an acre, are found. Such land as is assessed at this latter figure is usually swampy and of practically no value for forest growth when once cut over, owing to the difficulty of getting the land naturally restocked with trees. It is probable that the average value of cut-over land in this county does not exceed $2.50 an acre, and much of it is worth less. Therefore, an assessment of $80 a forty on cut-over land is practically at the ratio of 100 per cent of its true value. There are large areas of cut-over land also that are assessed as high as $200 a forty, and in some cases individual assessments are found even higher. Such assessments are often in excess of the true value of the land. Timbered forties in the county are more or less uniformly assessed at an even figure of $200, $300, $360, $380, $400, $440, or $500. Five hundred dollars is practically the highest assessment on timbered land in the county. In certain townships a flat figure of $260, $340, or $400 a forty will be used for several sections of land.

In still another county one timber tract, which was taxed at about the average value, consists of 41 acres of good timber, running about 175,000 board feet and worth conservatively $550. The land is of value for farming and ought to bring $7 per acre. If the true value is put at $830 for the tract, the assessed value of $350 is about 42 per cent. The timber consists of 100,000 board feet of hemlock, 35,000 board feet of birch, 20,000 board feet of basswood, and 20,000 board feet of maple. The tax rate in this case in 1909 was .0308.

Another good 40-acre tract of timber is estimated to contain 60,000 board feet of basswood, 75,000 board feet of birch, 25,000 board feet of maple, and 25,000 board feet of hemlock. The timber is easily worth $800 and the land $7 per acre, making a total true value of $1,080 for the forty. The assessed value in 1909 was only $280, giving the low ratio of 25.9 per cent. The tax rate in this case was .0253. In this town, however, all assessing is done by the woods foreman of the principal
lumber company, which undoubtedly accounts for the low ratio of assessed to true values.

Cut-over lands in this county are appraised at uniformly higher figures in proportion to their value, as witness the following cases: A tract of 120 acres, all wild, cut-over land was sold in October, 1909, for $1,300. Its assessed value was $850, showing a ratio of 65 per cent. A similar tract of 80 acres, near a village, was sold in October of the same year for $800 which was only $20 more than its assessed value. The ratio in this case is, therefore, 97 per cent. Another cut-over tract—a pine slashing of 200 acres—was sold in 1907 for $660, at which figure it was assessed, making a ratio of 100 per cent.

Farm land, even where improved, is not assessed much higher than wild land in this county. Eighty acres of good, level farm land brought a price in July, 1907, of $4,000. Buildings included were not worth $200. The land at the time was assessed at $900 or only 23 per cent of its sale value. The ratio naturally increases with the proportion of wild, unimproved land.

In another county cut-over lands in a number of towns are assessed uniformly at $100 per forty or $2.50 an acre. In other towns they are assessed at from $160 to $200 a forty or $4 and $5 an acre, respectively. The true value of the land varies considerably in these towns, and it is not probable that it is uniform over a large area, such as one township, especially where one portion of the township contains good roads, villages, streams and improvements, and the other end of the township contains nothing but wild land; yet the assessments on cut-over lands are the same throughout the entire township. Agricultural land is assessed at a slightly higher rate than cut-over land, but farm improvements and buildings are assessed only at from $25 to $150 per farm. In many cases these improvements are easily worth several thousand dollars.

On one forty in the county there are estimated to be 15,000 board feet of white pine, 20,000 board feet of tamarack, 75,000 board feet of hemlock, 50,000 board feet of basswood, 15,000 board feet of birch, and 5,000 board feet of elm. The actual value of the land and timber is estimated to be $1,027. The assessed value for this forty was placed in 1909 at $600 or 58 per cent of the true value. The tax rate in this case was .0227.

In another county farther south, where there is a very large area of agricultural soil, one tract containing 160 acres sold in March, 1910, for $4,000, of which $3,040 represents the timber value. Hardwoods and
hemlock were estimated to run about 6,500 board feet per acre. The assessor valued this tract in 1909 at $1,080 or only 27 per cent of its sale value. The tax rate in this case was .0334.

Cut-over land is assessed very high. One tract of 80 acres, with nothing but cordwood remaining, is held for $300 and assessed for $200 or 66 per cent. Several typical forties of slash land, belonging to a large farm in the west of the county, could be bought for $280 per forty, while the assessed values are $200 per forty or 71 per cent. The tax rate was .0252.

One forty in the south of the county can be purchased from a land agent for $300. This same tract, which is cut over and windfall, was taxed in 1909 at a valuation of $250 or 83 per cent of its true value. The tax rate was .0433.

A 10-acre farm, entirely clear of stones and stumps, is assessed at $128. It was sold in February, 1909, for $580, which gives a ratio of only 22 per cent between assessed and true values. The tax rate was .0252.

Farms with a large proportion of wild land bear a heavier assessment compared to their true value, as is evident from the following case of a 160-acre farm in the southern part of the county. Only 30 acres are cultivated. The whole farm is worth about $2,700 and is assessed at $1,250, a little less than half its true value. The ratio is 46 per cent. The tax rate was .0433.

On one forty in another agricultural county an estimate of the timber shows 1,000 board feet of white pine, 20,000 board feet of hemlock, 25,000 board feet of birch, 5,000 board feet of ash, and 2,000 board feet of maple. The stumpage value of this timber is estimated at $177 and the value of the land at $6 an acre, making a total value for the forty of $417. The assessed value in 1909 was placed at $360 or 86.3 per cent of the true value. The tax rate in this case was .0221.

On another forty the estimated stand of timber is 70,000 board feet of hemlock, 4,000 board feet of basswood, 75,000 board feet of birch, 10,000 board feet of elm, 7,000 board feet of ash, and 10,000 board feet of maple. The estimated value of the timber is $563, and the value of the land at $6 an acre makes a total estimated value for the forty of $803. The assessed value in 1909 was $340 or 42.3 per cent of the true value. The tax rate was .0221.

In certain towns in the county land itself is assessed at $240 a forty or $6 an acre. Granting that the true value of the land is $6 an acre, this is an assessment of 100 per cent of the true value, and it is, there-
fore, a considerably higher ratio than the assessed value of timbered land in the same county. In other towns the assessment on cut-over land is from $280 to $340 a forty or from 116 to 142 per cent of the true estimated value.

The assessed value of farming land throughout the county is the same, or practically the same, as the assessed value of cut-over land, and the improvements, such as buildings, are assessed as a rule at from $25 to $50. Practically the lowest assessments on cut-over land in the county are $110 a forty. Such forties are usually a long way from villages, railroads, or roads. This is an assessment of $2.75 an acre, and is probably as much as the land is worth in such localities.

In still another county the estimated stand of timber on a tract of 80 acres in the southeastern part of the county is 350,000 board feet of hemlock, 10,000 board feet of tamarack, 15,000 board feet of basswood, 70,000 board feet of birch, and 20,000 board feet of elm. The land is worth about $6.25 per acre, and the timber should easily bring $1,350. The total estimated true value of the tract is, therefore, $1,850. The total assessed value in 1909 was $500 or about 28 per cent of the true value. The tax rate in this case was .026.

One of the highest assessments was noted on a forty on which timber was light; about 15,000 board feet of hemlock, 5,000 board feet of tamarack, 5,000 board feet of birch, and 2,000 board feet of basswood. The total value of the timber was about $85 and of the land $240, making a total of $325 as against an assessment of $265. This gives a ratio of assessed to true value of 81 per cent. The tax rate was .0344.

Cut-over land in this county is commonly assessed high. Forty acres of rolling or rather stony, wild land in the southeastern part was assessed as high as $250, whereas it certainly could not bear a higher valuation than $6 per acre. The ratio here in 1909 was, therefore, more than 100 per cent of the actual value, and the tax rate was .026.

Another 40 acres in the same town, but nearer the railroad, was assessed after being cut over at $250. The company believed it was worth $12 per acre, but if the true value is placed at $400 for the forty, the result is conservative and gives a ratio of assessed to true value of 62.5 per cent. The tax rate in this case was also .026.

A great deal of the best farm land in the county is assessed at only 20 per cent of its true value. A 200-acre farm in one town is assessed at $10 per acre, and yet the owner would not sell for less than $50 per acre, showing a ratio of 20 per cent. The tax rate in this case was .0252.
The rate of assessments in another northern county varies greatly, according to the towns and the control which the lumber companies have over the town boards. In one town the ratio of assessed to true value is 71 per cent, and in individual cases even greater. On one lot of 29 acres in this county the stand of timber is estimated as follows: White pine 8,500 board feet, tamarack 14,000 board feet, hemlock 68,000 board feet, birch 54,000 board feet, elm 5,000 board feet, ash 2,000 board feet, maple 8,000 board feet, and cedar 4,000 board feet. The value of the timber is estimated at $646, and the value of the land at $2 an acre, or $58 for the lot, making a total of $704. In 1909 this lot was assessed at $600, or 85 per cent of the estimated true value, and the tax rate was .039.

On one forty the stand of timber is as follows: White pine 82,000 board feet, spruce 15,000 board feet, tamarack 33,000 board feet, hemlock 18,000 board feet, basswood 7,000 board feet, birch 25,000 board feet, ash 2,000 board feet, maple 5,000 board feet, and cedar 5,000 board feet. The value of the timber in this case is estimated at $1,229 and the value of the land at $2 an acre, giving a total value or $1,309. The assessed value in 1909 was $990, or 75.6 per cent of the true value, and the tax rate was .039.

In another town in the same county the assessments are a great deal lower. On one forty there is estimated to be 100,000 board feet of white pine. The value of the timber is placed at $1,000 and the value of the land at $2 an acre, or $80 for the forty, making a total value for the forty of $1,080. The assessed value in 1909 was $110, or 10.2 per cent of the true value, and the tax rate was .0514.

The average ratio of assessed to true value of timbered forties in one town in the county is less than 20 per cent of the true value. In another town it is 71 per cent of the true value, in another town 13 per cent.

The small number of improved tracts in this county makes it difficult to get at the average ratio of the assessed to the true value in the case of farm lands. In one instance of a quarter section, having more than 80 acres partly cleared and on all of which crops are raised, the land, exclusive of improvements, is assessed at $910 or an average of $5.70 per acre. Taking into consideration the location and productivity of these lands and the improvements thereon, it would unquestionably be conservative to value the land at $2,800 or an average of $17.50 per acre. The true value of the improvements on this tract is not less than $2,300, yet they are assessed at $800. On a basis of the above estimate the true value of the lands and improvements is $5,500. The total as-
sessed value is $1,710, making the ratio of assessed to the true value a fraction over 32 per cent.

It is believed that for this entire county the average ratio of assessed to true value, in the case of farm lands, will not exceed 30 per cent. The 72 transfers of real estate, made during the year of 1909, show the ratio of assessed to market value (purchase price) to be 25.6 per cent or more than 4 per cent lower than the figure given above.

**Summary of Assessed Values Compared with Actual Values.**

**Assessments of Timberland.**

On pages 21 to 27 attention has been called to only a few specific cases, illustrating the inequality and arbitrariness in assessing timberland under the present method of taxation. In the course of the study the assessed and estimated true values were obtained for many other timbered descriptions, but it is not believed any useful end will be served by a separate discussion of each tract. However, they have been grouped by counties and are given in the following tables.

These tables clearly show the pronounced and unwarranted variance in the ratio of the assessed to the true value which now obtains. As will be observed, this variation in the ratio ranges from 16 to 62 per cent in County A, 12 to 60 per cent in County B, 22 to 83 per cent in County C, 42.1 to 88 per cent in County D, 12 to 81 per cent in County E, and 1.7 to 183.7 per cent in County F. It would seem that the assessor did not even attempt to base his assessed values upon a given percentage or fraction of the true values. Although there are a few instances of overvaluation, as well as a few instances where the assessed is not far short of the true value, yet in the general run of cases there has been gross undervaluation. An examination of these tables will also show that almost uniformly the ratio of the assessed to true value is highest on the tracts of least value, and that as the value of the tracts increases the ratio decreases. The figures given are for the year 1909.