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IS THERE ASSESSOR BIAS IN THE REAL ESTATE MARKET?

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The purpose of this paper is to determine if the valuation of property adheres to the 33 1/3 proportion of market value required by the state of Illinois or if assessors are over-valuing Bloomington real estate disproportionately across high and low income neighborhoods. Assessors have a motivation to over-value high-income properties disproportionately resulting in intentional and systematic bias which inequitably alters the property tax system. The results support this idea by showing a higher percent variation between market and assessed values in high-income households. This implies that higher income households are paying a disproportionately higher property tax than low and moderate-income households.