however, even if we confine the analysis to relatively large units of government. It is generally agreed that, according to the principal measure of the quality of administrative performance in the property tax—uniformly in the ratios of assessed to market value for individual properties—the existing quality of administration is very bad indeed. Moreover, some observers argue that the potential for high-quality performance at reasonable administrative costs is very limited, especially within large urban areas.[34]

There are two principal elements in the indictment of assessment administration. First, the evidence is clear that, within most assessing jurisdictions, even the most common, least heterogeneous properties—single-family nonfarm houses—are assessed at widely varying fractions of market value. Second, owners of different types of property in a single area are treated differently by assessors, sometimes systematically but often erratically.

The best evidence on the lack of uniformity within property types is that of the Census of Governments—comparisons of the selling prices of houses actually sold with their assessed values, and expressed as a "coefficient of dispersion," that is, the average deviation from the median assessment/sales ratio as a percent of the median ratio. As table 14 shows, in 1961, 21 percent of the areas located within SMSA's had coefficients of 15 percent or less and another 24 percent were in the 15 to 20-percent range. But a sizable number of areas, including six of the country's very large cities, had coefficients of 30 percent or more.

The 20-percent level is often taken to indicate good assessment quality. But it appears to be a very modest standard of administration when compared to sales or income tax administration. A 20-percent coefficient means that the typical homeowner can expect to be faced with a tax bill which is 20 percent more or less than it should be, given a legal requirement for uniformity. It is hardly conceivable that sales or income tax administrators would be satisfied with an average error in tax payments of 20 percent—5 percent would be a more likely standard, and one which is realized in Federal income tax administration. Not one place in SMSA's satisfied this more rigorous standard in 1961.

TABLE 14.—*Dispersion of assessment ratios for nonfarm houses in selected local areas in SMSA'S, 1961* [1]

	Number of areas	Percentage of total number
Total number of selected areas with coefficients in intraarea dispersion (in percent)[2] of	483	100
Less than 15	102	21
15 to 19.9	115	24
20 to 24.9	102	21
25 to 29.9	71	15
30 to 39.9	62	13
40 or more	31	6

[1] From U.S. Bureau of the Census, *1962 Census of Governments*, Vol. II, *Taxable Property Values*, Table 16.
[2] Average deviation of ratio of assessment to sales price (for houses sold in a 6-month period) from median ratio in the area, as a percent of the median ratio.

[34] Netzer, *op. cit.*, pp. 173–183.