



Report Highlights

Orleans Parish Assessor

Tax Year 2024 Quadrennial Reappraisal

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Why We Conducted This Review

We evaluated the Orleans Parish Assessor's Office's (OPAO) property assessments for tax year 2024 in response to resolution R-23-342 adopted by the New Orleans City Council.

What We Found

Overall, we found that OPAO's assessments for tax year 2024 satisfied some key requirements for overall accuracy, but there were still some problems with how the assessor valued recently sold properties. Specifically, we found the following:

- **OPAO's assessments are within acceptable ranges for the three key measurements used by the Louisiana Tax Commission (LTC) and International Association of Assessing Officers (IAAO) to evaluate appraisal accuracy and uniformity. This means that, although some individual properties may have been overvalued or undervalued, OPAO's appraised values met IAAO and LTC standards for overall accuracy.** In addition, OPAO changed its policy so that all parcels would be reappraised for tax year 2024, resolving a finding from our 2020 performance audit that not all parcels had been reappraised as required by LTC regulations.
- **While OPAO did not over- or under-value properties in the aggregate, we found that OPAO likely used the LTC-prohibited practice of sales chasing for tax year 2024, which causes recently sold properties to be overvalued relative to properties that were not recently sold. For the owners of the 3,803 single-family and two-family houses that were potentially sales chased, this meant that their assessed values were 13.3% higher than those of similar properties without recent sales, equating to \$611 in extra taxes per house.** Sales chasing is the practice of appraising a property solely based on its most recent sales price, and it can result in people who have recently bought a home paying disproportionately more in property taxes than owners of similar properties who have owned them for multiple years. OPAO should continue working on its appraisal methodology to find a way to account for character changes in properties without needing to utilize an individual property's sales price to avoid placing a disproportionate share of the overall tax burden on recent purchasers.

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What We Found (Cont.)

The exhibit below shows an example of seven otherwise-similar properties, all located in the same neighborhood in New Orleans, with the same building area, lot size, and general design, except that the properties on the top row had been sold since the 2020 quadrennial reappraisal, while those on the bottom row were not.

Comparison of Sold and Unsold Properties Appraised Values and Estimated Taxes for Tax Year 2024

Group 1: Properties With Sales Since 2020 Quadrennial Reappraisal

Property #1	Property #2
 <ul style="list-style-type: none"> • Last Sale: \$265,000 in 2022 • OPAO Appraisal: \$238,600 (90.0% of last sale price) • Estimated Taxes: \$2,236 	 <ul style="list-style-type: none"> • Last Sale: \$220,000 in 2021 • OPAO Appraisal: \$198,000 (90.0% of last sale price) • Estimated Taxes: \$1,698

Group 2: Properties Without Sales Since 2020 Quadrennial Reappraisal

Property #3	Property #4	Property #5	Property #6	Property #7
 <ul style="list-style-type: none"> • Last Sale: \$169,000 in 2018 • OPAO Appraisal: \$181,400 • Estimated Taxes: \$1,478 	 <ul style="list-style-type: none"> • Last Sale: not available • OPAO Appraisal: \$181,500 • Estimated Taxes: \$1,480 	 <ul style="list-style-type: none"> • Last Sale: \$55,000 in 2009 • OPAO Appraisal: \$182,200 • Estimated Taxes: \$1,489 	 <ul style="list-style-type: none"> • Last Sale: \$16,000 in 1982 • OPAO Appraisal: \$173,500 • Estimated Taxes: \$1,374 	 <ul style="list-style-type: none"> • Last Sale: \$73,000 in 2006 • OPAO Appraisal: \$173,500 • Estimated Taxes: \$1,374

Note: Estimated taxes use anticipated 2024 millages with a homestead exemption.
Source: Prepared by legislative auditor's staff using information from OPAO.