

## PROPOSED CONSTITUTIONAL AMENDMENT--

# Alternative to Complex Land-Use Bill: Eliminate the Tax on Improvements!



When or if the unbelievably complex 45-page land-use bill is finally passed by the Colorado General Assembly, it may be slightly better than nothing. What is more likely is that if the bill ever becomes law, its intricate provisions will be beneficial in only an odd sense: They will strangle all kinds of development, both desirable and otherwise. It will take an unusual breed of self-flagellating developer to wade through the mass of bureaucratic entanglements to be established by the bill; and in a period of almost runaway inflation, will only add further to the already bloated expenses of home builders and other genuine producers.

### A Simple Constitutional Remedy

*Let me suggest an extremely simple remedy, which requires only that a short phrase be added to the Colorado Constitution, and would not increase the bureaucracy--in fact, would result in the dismantling of some of the tax-gathering bureaucracy that now prevails, and would have more beneficial effects than the encyclopedic "land-use" bill now moving so painfully through the General Assembly.*

*I suggest that the Assembly abandon its debate over its voluminous land-use bill and consign the project to the legislative ashcan; and instead, sponsor and propose to the voters an amendment to Article X, Sec. 2, Par. 1, Colorado Constitution, which would only add the phrase, "NO PROPERTY TAX SHALL BE LEVIED ON IMPROVEMENTS."*

### How It Would Work

1. The removal of taxes from improvements--that is, houses, barns, corrals, fences, irrigation ditches, business buildings, additions to buildings, and general improvement of all property--would encourage activity in property betterment that would astound the state and nation. No longer would people be penalized for improving their lands, as though they had committed a public crime.

2. With the removal of the property tax on improvements, only that part of the tax that falls on land values would remain. Assessors would be compelled to appraise land values at something like the levels that are required by Colorado law, but rarely if ever achieved in practice. While productive farm-

ers and ranchers who work large acreages of small value per square foot would be relieved of their taxes on improvements, the parasitic speculators and land despoilers in both urban and rural areas would be compelled to improve their lands for purchase by users, or sell them at low cost to genuine developers, or turn them back to the public domain for non-payment of taxes.

3. This carrot-stick approach of elimination of taxation of improvements and higher taxation of land values would have the same beneficial effects on slum clearance that have been noted everywhere that this device has been tried.

4. This plan would also put an end to the speculative holding of large tracts of land within cities, which presently causes the leap-frog expansion of urban centers over empty, speculatively held land, and threatens to extend Colorado front-range urban sprawl to the borders of Wyoming and Kansas. With development of Colorado cities on presently unused lands within their borders, the costs of urban transit systems, power and telephone lines, water and sewer mains and other connections, would be much reduced.

### Summary

The untaxing of improvements and the consequent higher taxation of speculatively swollen land values would encourage a socially useful development of land in response to the genuine needs of an expanding population.

*What happens to the land, in other words, would be determined by those who intend to use it, not those who wish to secure swollen and unearned gains from holding it out of use or devastating it with bulldozers in the hope of enticing families to pay grossly inflated prices.*

Let us hope that the short phrase, "No property tax shall be levied on improvements," commends itself to the General Assembly more than does the proposal to heap another unwieldy layer of tax-consuming bureaucracy on the people of Colorado.

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