

## Seminar on Property Tax Assessments



**E**ARLY THIS YEAR, under the auspices of the Robert Schalkenbach Foundation, the American Society of Planning Officials held a seminar on "Property Tax Assessments and their Effects on Land Use." This was a follow up meeting to one held in October, 1965 at the annual meeting of the American Institute of Planners.

In a paper on "Assessment Reform as a Factor in the Self-Renewal of Cities," Lyle C. Bryant explained how assessment policy in Arlington County, Virginia, indicated a path for further reforms. First of all the County had a good record of property tax assessment practice: it ranked in the nation's top three authorities in two government surveys. Secondly, the County had completely rejected the federal government's urban renewal programme under which land is acquired by municipal authorities and disposed of at "written down" values to accepted developers. Thirdly, there was the amazing story of redevelopment in Rosslyn, where in four years more than 180 acres of blighted property had been redeveloped, adding more than 1½ million square feet of new floor space to the town since 1940.

Mr. Bryant went on to describe how over a period of more than twenty years the leading planning and community development groups in Arlington had set about reforming their property tax assessment system. By 1957 the principle of annual re-assessments was accepted and the concept of assessing all parcels, including vacant sites, on the basis of the highest and best potential use had taken a firm hold in spite of considerable opposition. The determination of a few dedicated people, particularly that of Francis Austin, Director of Assessment, and Fred Gosnell, Chairman of the Re-assessment Board, had secured the acceptance of property tax reform. With the enthusiastic co-operation of the County's Director of Planning and Chief of Highways, the fiscal stage was set for rapid redevelopment and site amalgamation, following market value assessments of vacant and under-used sites.

In Mr. Bryant's view, in spite of the success achieved, there was a great need to press on with further reform, taxing land more heavily and buildings less. Putting the case to the land-use planners, Mr. Bryant said that the case for property tax reform is one that the planners have got to face if they are to be taken seriously.

The transcript\* of the discussion which followed reveals that the planners were stimulated by the paper. They voiced opinions in favour of further research work and

\* Assessments and their Effect on Land Use; Proceedings of Meeting of City Planners: Robert Schalkenbach Foundation, New York.

study projects. One member thought that land-value taxation was only one of a "bag of fiscal tools" which would be used to exert economic leverage to motivate community improvement and redevelopment; he nevertheless accepted its importance. M. C. Schwartz announced that the Federal Department of Housing and Urban Development was undertaking several related investigations into the redevelopment process and that the impact of property taxes would not be neglected.

In summing up, Mr. Bryant emphasised that planners needed to think more about the economics of land-use control, and he was glad of the interest being shown. In particular he stressed that more land-use economists should be employed in planning teams to produce results similar to those in Rosslyn.

The Chairman concluded by saying that arrangements had been made between the Society of Planning Officials and the Institute of Planners to have a joint session on property taxation in the future. The support of the Robert Schalkenbach Foundation was appreciated and he hoped that the interest in the subject would be maintained by members.

## Thought for the Month

**M**UCH IS HEARD today about the need to increase productivity. The unemployment by-product of the selective employment tax is supposed to be a start in this direction. There will, of course, be a gap while new sources for employment emerge, probably following the redistribution of taxpayers' earnings through taxation, channelled by the government into what is considered to be fields of development priority.

The real way to increase productivity is through competition. The relaxation of trade barriers, duties, imposts and quotas would soon have startling effects on the economy. If such measures were buttressed by a cheap land policy achieved through land-value taxation, and the nation had a firm currency, free to find its own level in the world money market, productivity would soar and the need for both selective employment taxes and government redistribution of capital investment would disappear.

## BOOKS RECEIVED

- The Company, the Shareholder and Growth* by F. R. Jervis. Hobart Paper 37. Institute of Economic Affairs Ltd., 7s. 6d.
- Industrial Advance*. Conservative Political Centre, 1s.
- After the Boom . . .* by Sir John Hicks. Occasional Paper 11. Institute of Economic Affairs Ltd., 3s. 6d.
- A Tax for our Time* by Antony Mitton. New Techniques No. 5. Conservative Political Centre, 1s.
- The Logic of Liberty* by Elliot Dodds and Erna Reiss. Published for The Unservile State Group by the Liberal Publication Dept., 5s.
- Financing University Education* by A. R. Prest. Occasional Paper 12. Institute of Economic Affairs Ltd., 3s.