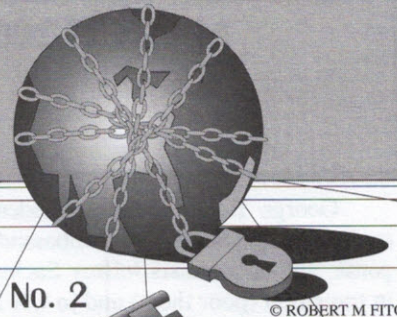


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ENVIRONMENTAL TAX SHIFTERS HEAR GEONOMISTS by Jeffery J. Smith, Portland, OR

You can't get any closer to being an advocate of shifting the property tax than advocating a shift of taxes in general for environmental benefit. Organizers of the Third Annual Global Conference on Environmental Taxation, April 12-13, did include a panel on the property tax, "Can Innovations in Property Taxation Produce Better Land Use," concurrent with two other sessions on taxing "bads" in general. About one-third of the about 111 government officials, lawyers, and economists from all over the world heard property tax shifters Bill Batt and Tony Vickers on this panel moderated by this reporter, Jeff Smith, his second appearance at this world series. A grant from the Robert Schalkenbach Foundation (www.schalkenbach.org) made Smith's presence possible.

Six universities worldwide sponsored and Merck co-funded the conference. Its venue, Larry Rockefeller's Woodstock Inn - a large wooden palace rebuilt from its original century-old design - lies in Woodstock in a narrow river valley in central Vermont close to the Connecticut River, the border with New Hampshire. After taxes, a standard \$85/night room totaled closer to \$100. Yet the inn's banquets were savory, and affordable restaurants were within walking distance in the village, as were all other shops.

James Jeffords, the Vermont US senator who switched parties and shifted the balance of power in Washington, DC, keynoted the event, which was concurrent with the meeting in Canada of G8 environment ministers on persuading the rest of their cabinets to factor the environment into development policy. Afterwards, Jeff Smith shook hands and engaged in conversation. Jeffords had no "security" present. He left wearing a Hanno Beck "Tax Bads, Not Goods" (www.progress.org) button given to him by Bill Batt.

Since green taxists seek alternatives to regulation, they are tolerant of the Property Tax Shift. More enthusiastic about the power of recovering ground rent in lieu of taxing buildings was the local media. Out of the myriad of topics, The Valley News in two lengthy Sunday articles chose to cover only land use and Singapore's harsh regimen to curtail car-dependency. Out of all the presenters, the paper quoted only Singapore's speaker and the three (above) proponents of the property tax shift. Batt nailed it, saying, "taxing land

value fosters people's investment in land."

In the property tax panel, Phyllis Myers of State Resource Strategies (www.srsmyers.org) reported a story noted in an earlier Geonomist: how Massachusetts voters are willing to pay more property tax when funds are used to buy open space. Yet when buildable land shrinks, and demand for it doesn't, the cost of housing goes ballistic. Taxing site value would spur owners to seek best use, i.e., to develop for people, not cars, which takes up way less space. Co-panelist Eric Wilkinson of New Jersey Future (www.njfuture.org), a successfully funded group with office and staff, using beautiful Power Point told how localities, dependent on the property tax, over-zone for commercial; if the land gets used, it contributes greater property tax revenue at less government expenditure (stores don't need schools). Eric reported a victory for regionalism, how localities in northeast N.J. banded together to share revenue from a joint property tax base. He suggested a statewide property tax.

Noting that the poor spend more of their income on housing than do the rich, Eric concluded the property tax must be regressive. Actually, all basic necessities like food and clothing take a bigger chunk out of the poor's meager income. Yet lowering the property tax raises property price, inviting more speculation, so housing ends up costing the poor even more. Compared to other taxes on sales and income, the property tax is less regressive, while the property tax shift, since the poor tend to live in low-value areas, would save them money. Plus, collecting rent motivates owners to utilize their land, creating jobs, studies show. Striving for income parity, a jurisdiction could pay everyone an equal dividend from the recovered rents of all nature - sites, resources, spectrum, and sinks.

In his 15 minutes, Bill Batt showed how taxing site values could work in Vermont. Trying to shake up prevailing world-views, he cited the values at the high end and the middle - \$12.4 million per/acre for a tiny lot in Burlington, a town of 40,000, and \$770 p/a for the average statewide. After a property tax shift, most wealthy owners of prime commercial sites would pay more, most homeowners would pay less. Within two days of the end of the conference, Richard Minard, Co-E.D. of the N.H. Center for Public Policy Studies (www.unh.edu/ipssr/nhcpps), e-mailed Bill for a copy of his study. (continued on page 11)

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Tony Vickers also gave a lovely Power Point presentation including 3D (three dimension) land value contour maps. He offered site value as an accurate barometer of society's health. Where good things happen (like education), land values rise; where bad things happen (like pollution), land values fall. His last illustration, which lasted throughout Q&A, was a quote of Henry George on the absence of poverty in nature.

One way we geoists make para-scientists uncomfortable is our speaking in absolutes. Absolutes, so necessary to science, are so ugly in politics, and most people, especially wanna-be policymakers, are far more political than scientific. Partly it's due to our reliance on the term "Georgism" instead of something like geonomics, like calling geometry "Euclidism". What's essential is not any early proponent but the idea.

Gracious host Janet Milne of the Vermont Law School and her volunteer students (www.vermontlaw.edu/elc/envirotax) ran a flawless event. Her program included a delectable hike up a "mountain" (ridge, actually). An evening's raconteur told the local history, which had transformed into "gypsies" the land's original inhabitants.

In his second presentation on a mixed-bag panel, Bill Batt showed how travel costs are displaced rents. The farther from the urban core, the lower the housing costs but the higher the transportation costs, and vice versa. To use land optimally, the region would both collect rent and charge full-cost driving fees. The audience, believing in that labor/green recipe for political success, wanted more about how the environmental tax shift generates jobs for workers (not for anyone at the conference, and not leisure). Right after advising his listeners to be skeptical, the jobist presenter faithfully broadcast the NEPA statistic that claims ground rent to be "only under 5%". Even environmentalists fall victim to the two-factor analysis, finding only labor and capital in economies, and nothing beneath their feet, presenting their papers on a planet lacking land. For them, land is environment as it is only real estate for their opposition. Alas, poor Earth.

Most white, middleclass, First World (sub)urbanites live in denial about land rent, since almost all their equity is in their home. Yet burgeoning home values are due not to the guy selling out but to the people moving in. Taxing that value (or socializing it in other ways) - while not rebating any of it - threatens the security of homeowners. Meanwhile, axing other taxes is seen as letting the rich off the hook. To deal with this psychological opposition, wide and deep, geoists must research and broadcast the total of all rents, natural and social, and advocate not its taking/taxing (except to pro-taxists) but the sharing. (continued on page 12)

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the dividend. Doing so may yet yield a popular movement to pave the way for shifting the property tax and all other taxes and subsidies.

Registration packets included a list of registrants and their addresses (e- and snail) and the latest book by Lester Brown, founder of Worldwatch, Eco-Economics. He calls for a paradigm shift but writes little that helps people see themselves in their world differently. A few of his many pages recommended shifting taxes/subsidies, but he leaves out rent - its immensity, its impact, and its belonging to us all. Calling for an extra income from all the trillions we spend on the nature we use, now that would open humanity's eyes.

The various offerings on literature tables included only one title related to sharing rent, SmogRent, by Peter Barnes and Marc Breslow, fellow dreamers who yet manage to win funding. Of our offerings, the 50 "Geonomists" were gobbled up the first day. The literature of the Henry George Foundation (thanks, Josh Vincent) and of the Schalkenbach Foundation (thanks, Mark Sullivan) covered a large table; less than half went back home. Environmental crowds would take away even more were it packaged for them. By the end, Bill Batt had pinned Hanno Beck's button on nearly everyone.

Next year's conference will be in Sydney, Australia, one of the globe's few land-taxing cities. So next year's attendees can get on the same page with total tax-and-subsidy shifters (those who'd also shift the property tax), perhaps with the assessors of Sydney we can co-author and have ready a report on the city's land tax, site values, sprawl, and transit use compared to Melbourne and to other pairs of cities taxing land and not, such as Johannesburg and Cape Town and Pittsburgh and Philadelphia, which could perhaps be inserted into registration packets. To see rent recovery in action, close up, the Sydney program could even include a walking tour following a Vickerish 3D site value map, showing the locations of highest value, best use, and if present, worst speculation (biggest difference between value and use), and greatest recent change in value.

Sunday after the conference, board member of Schalkenbach and the Henry George Foundation, Al Hartheimer and Doris invited the Vickers Tony and Martha, the Haffs Courtney and something hard-to-catch in Swedish, Bill Batt and better half Karen, and this reporter to his comfortable home in the scenic Massachusetts hills just east of the New York border on an 80 acre land trust. The food, the post-lunch stroll, the company, the conversation all made life on Earth worth living. We watched colorful birds, recounted the conference, read out loud our quotes in the Sunday paper, debated how to make the Property Tax Shift less ignorable, compared the strategies of lobbying without popular backing to movement building with lobbying, and wondered how to raise more funds to make building a world that works right for all possible.

The following Tuesday in Albany, Batt and grateful guest Smith met Carl Gutman, a grant writer for the Dept. of Education of the State of New York. Lending us his expertise, Carl persuaded us that major foundations are ready to fund bringing geonomics to the world. It won't be a minute too soon for Albany, a capitol city, yet where even the centralest sites next door to the capitol are abandoned by speculators. It is a place that needs the rent-sharing medicine.

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