

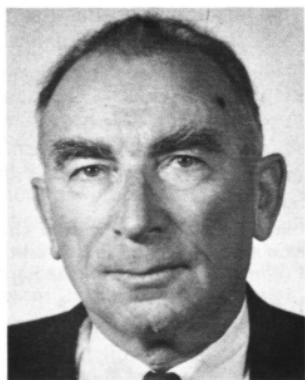
# HOW ONE RICH MAN BECAME RICHER

**A**RIZONA taxpayers have subsidised mystery billionaire Howard Hughes, declares land tax campaigner Joseph Zashin.

Mr. Zashin has submitted evidence to Governor Bruce Babbitt's task force on property assessment practices.

The task force has been holding public meetings throughout the State over the past two months, and Mr. Zashin has urged that his Tax Map Plan should be adopted.

He believes that the property tax would be more efficiently administered if information in the files of County Assessors was translated on to maps, showing – for each parcel



● Joseph Zashin

of land in the U.S. – the assessed valuation of land and of improvements, and whether the property is tax exempt.

And as an example of the need for greater public awareness of the effects of under-assessment of land values, he cites the sale of 12,381 acres of Tucson land owned by the estate of the late Howard Hughes.

The land went on sale in August 1980. Mr. Zashin immediately asked if the assessed value conformed to full cash value.

**A**NSWERS to this kind of question would be readily obtained by the public if Tax Maps were published.

On May 14, 1982 the *Arizona Daily Star* revealed that the Hughes

# 'Stop hoarders – tax vacant public land'

A BRITISH Member of Parliament is advocating a tax on publicly-owned vacant land.

The proposal was one of 15 points contained in a penetrating analysis of inner city problems by John Heddle at the annual Congress in Toronto of FIABCI, the international real estate organisation.

The Tory MP emphasised that the under-use of land is not a new phenomenon. He quotes some "prophetic words" uttered as long ago as 1649:

*"England hath many hundreds of acres of waste and barren land ... and many thousands of idle hands. If both these might be improved, England by God's blessing would grow to be a richer nation than it is now by far."*

Mr. Heddle's analysis, however, makes only one passing reference to the role of private speculation. In noting that the costs of holding land vacant are very low, he adds:

*"To the shame of the bodies concerned, this type of speculative land holding has spread from the private sector and nationalised industries – where it has always been rife – to the local authorities in recent years – not least because of the*



● John Heddle

willingness of planning authorities to treat planning as a bargaining process."

Mr. Heddle, who opposed site value rating – removal of the tax burden from capital improvements, and its transfer onto the value of all land – believes that a tax on publicly-owned vacant land would deter local authorities from holding such land too long.

Some political action is necessary, declares Mr. Heddle, who told *Land & Liberty*:

*"I despair of the Labour Party. Having tried on two previous occasions to nationalise land, they really should realise that it does absolutely nothing to bring forward land for development."*

Mr. Heddle says that

inner city dereliction is accelerating. He advocated that planning officers should inspect their areas at least once a year, and publish a register of vacant land.

There are controversial elements in Mr. Heddle's analysis. For example, while acknowledging the role of speculation in holding land vacant, he then explained its under-use as being largely the result of the lack of demand for redevelopment.

He points out that the public sector was responsible for wholesale slum clearance, which then left large sites vacant because the authorities ran out of the cash that was needed for comprehensive redevelopment. But Mr. Heddle does not acknowledge that it was the private sector that failed to ensure a continuous upgrading of the quality of housing that prompted public concern and action.

But while it is possible to criticise the detail of Mr. Heddle's proposals, his contribution to debates in Westminster is proving to be valuable. He is helping to educate other MPs on the macro-economic importance of land in industrial society.

land was to be sold for \$75m.

The interested buyer was Heron International, a British conglomerate that makes its profits from property and petrol.

And while the purchase was being negotiated, Heron made plans to resell some of the acres. Two Tucson businessmen get 25 per cent of the interest in the property in exchange for arranging sales of part of the land to raise the \$25m down-payment.

Says Mr. Zashin: "The purchase price is an average of over \$6,000 an acre for land bought by Hughes some 30 years ago at an average of about \$100 an acre.

"It is doubtful if Hughes came back to Tucson after he bought the land, but as Tucson continued to grow, his purchase increased in value.

"The present price is 50 per cent higher than the price of the acreage sold by Hughes to Pima County for

the Kino Hospital site only a few years ago. Nor will the price stop at the present level despite recession, unemployment and budget woes. It is not an extreme prediction that by 1990 the price of this acreage may increase 10-fold and sell for \$60,000 an acre and more.

"Such an increase will be borne by the community.

"The Arizona State Constitution mandates that land tax assessments should keep pace with full cash value. In fact, as County records will indicate, assessments for the past years have lagged woefully behind market values."

One result was that the burden on other taxpayers was greater than it would have been if Hughes' land had been properly assessed and taxed.

"Instead of the acreage providing equitable tax revenue, the taxpayers of Pima County were subsidising a billionaire," said Mr. Zashin.