

# Is Michigan Entering the Race?

UNTIL some five years ago local references to land value taxation were, unlike the present, nearly nonexistent, and the only state which sometimes afforded news for our eager HGN readers was Pennsylvania. Soon after that, California became a productive source of tax news, and they have by no means dropped out of the race.

Increasingly of late the West Coast has had a runner-up, possibly because the State of Michigan has become aware of what one test case (Southfield) can do to rehabilitate cities. How far that little candle spreads its flame! Lest we forget, Robert D. Benton has been for 18 years director of the Henry George extension in Michigan.

Much as we applaud the new look at appraisals, a story in the August 13 Detroit News has its wistful side—the title, “Unwilling Millionaire by Quirk in Law.”

The president of Michigan State University at Lansing, John A. Hannah, owned a working farm on which he hoped to retire. His 200 acres on the edge of the MSU campus came under the sharply upgraded tax program, and his taxes jumped to \$17,000—nearly half of his yearly salary.

He sold the land at \$5,000 an acre along with his livestock, becoming an “unwilling millionaire.” The buyer, a realty firm, admits that since the sale in June the land has “increased in value.” Wouldn’t you know?

## Careers for Bright Georgists

Last month Ted Gwartney, who at 26 is a trained assessor, the first to have been appointed to a city’s assessor’s job, was telling HGS conference members in Montreal that assessing was a good field for young men (and women?) and it was not overcrowded. Now we find, also in the Detroit News,

that Senator A. DeMaso, State Taxation Chairman, echoes this view. He himself had little assessment knowledge when he became a township assessor in Battle Creek. Last month he set up hearings to look at assessing practices. He is also concerned with setting up schools to train assessors, especially for the metropolitan areas. At present he says these officials get only a one-week course at the University of Michigan.

By the end of next year he wants every county to have an equalization department to see that assessments are equitable. He will propose that assessing schools be conducted on a regional basis, and that all assessing officials be certified.

Ted Gwartney, as an early indication of the forthright contribution he will make in his new position at Southfield, has issued the first of a series of weekly press releases. It touches knowingly on the social, economic and physical factors which are reflected in land values and indicates something of the wide scope of the assessor’s role.

## Lions at Play

At an August meeting of the Lions Club, the mayor of Royal Oak, Michigan announced his intention to run for a third term. Another member of the club, Robert F. Patnales, who has been mentioned in HGN for his courageous stand on lvt, gave strong indication, in a “non-political talk” on land value taxation, of becoming an opposition candidate.

Lions are dignified and to the point. The incumbent asked the speaker just one loaded question, “are you proposing to increase taxes on older homes?” He was told that all property must be assessed equally at 50 percent of cash value, as required under state law.

L. Curtis Potter, the present mayor, admitted the principle was good but said practice might be difficult. While older homes may be assessed too low he held that many are owned by senior citizens who cannot afford higher taxes.

Mr. Patnales cited the Homestead exemption law which frees those over 65 from paying taxes on the first \$2,500 of property valuations. Building values are weighted too much under current formulas, along with over-emphasized depreciation factors, he said. Low values have been placed on aging properties because of aging buildings.

That has resulted in a sub-par tax base for the city's needs.

Higher values placed on land might have encouraged re-development and prevented the current financial crisis, he said. Higher value tends to encourage owners either to re-develop or sell, since it is unprofitable to keep older property with a small return. Slumlords thrive on low maintenance, he warned. Because of depreciation factors some owners of old homes pay low taxes, and this results in owners of new homes paying an unfair cut of the tax bite.

## Texas Woman Senator Calls for LVT

by CLAYTON C. BAUER

**C**OULD race riots break out in Houston, Dallas and other Texas cities? Newly elected Senator Barbara Jordan of Houston, the first Negro to serve in the Texas Senate since 1881, believes they could.

All of the ingredients which made up the Newark environment are present in Houston, said the only woman member of the Lone Star legislature. "We don't have a ghetto as centralized as Newark's but we have the same situation decentralized."

While calling for effective programs directed toward slum conditions, Miss Jordan offered no set formula. She did however disassociate herself from the usual generalizations of professional politicians by attacking personal and corporate income taxes as a means of settling revenue problems.

"We would have enough money for our cities if we would get serious and do a complete reevaluation of the method of property taxation," she said. "But as long as we don't have a tax system that grows with the state we're going to continue to have fiscal problems." She objected to the scatter-gun approach to raising money—"a little

from gasoline, a little from liquor and from the sales tax." Lamenting the failure of Texas officials to thrash out proper sources of state revenue, she wanted no part of the one cent local option city sales tax passed by the legislature, nor did she think the legislature or the governor were ready to exploit fully the proposed liquor-by-the-drink taxation.

According to a Dallas Morning News report on July 23rd, Senator Jordan suggested that current assessment ratios too often failed to match property values; she believed that for the most part valuations were too low and the assessment ratio was also too low, and a periodic assessment was needed.

The Georgist movement has claimed and honored some of the great humanitarians of history, and it has never lacked for courageous spirits. A welcoming hand is extended to this wise and dauntless Texan who has advocated a forward-looking reform. Whether or not she ever heard of Henry George, she is in a position to join the vanguard of those who will plan the rehabilitated city of the future.