

# CHAOS IN LOCAL GOVERNMENT

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WHILE ENGLAND is pushing ahead with one of the largest local government re-organisations in history - a virtual recasting of patterns established in the nineteenth century - problems of fragmented local control are being considered more earnestly in many parts of America. In the States, however, the complexity of the administrative organisations is far greater than anything encountered in England and so far it has been a mire in which the Federal Government has hardly dared to tread. Local feeling in the States and the smaller communities within them is very parochial and charged with high emotions. Nevertheless, attempts are being made to look at problems in a wider context by bringing together elected officials of the various disparate governments within limited geographical areas.

Kansas City, what most students of urban affairs would call a typical regional city, is now being studied by the Mid-America Regional Council, a representative body, just over a year old, of twenty-three elected members. Within the defined city region which straddles the boundaries of two states, (Kansas and Missouri) there are eight counties and 110 separate cities, plus school, water and sewage districts, forming a community of more than one-and-a-quarter million people. As in many American metropolitan areas, the central city has been losing population fast to the rapidly growing ever-spreading suburbs. Between 1960 and 1970 the central part of Kansas City lost 62,000 people. Although the rate of loss is expected to decline, this loss is expected to more than double by the end of the century. In contrast, other areas within the region will expand at a rapid rate. One of the eight counties is likely to double its population to 250,000, another could triple its present numbers to 103,000 and a third add 175,000 people to make 400,000. Naturally, there is both concern and rivalry as to how the region's growth should be guided. There is plenty of prestige and potential tax revenue at stake as well as considerations of the less tangible issues of functional efficiency and desirable urban shape. In such a context the "home-rule" approach to government in which each authority attempts to maximise its own economic

advantages and hold rigidly to its historical prejudices appears to be singularly inappropriate to today's larger needs. But reform, if any, is likely to be slow.

## A Shaft of Light

Recently, the Kansas City's Temporary Advisory Commission on Housing has recommended, *inter alia*, the introduction of a graded tax plan to increase the amount of tax based on land assessments and decrease the tax on improvements. The suggested target over a ten-year period would result in a ratio shift of land to buildings from the present 1:9 to an encouraging 2:1.

In its deliberations, the Commission admitted that the property tax as now assessed is an entirely inequitable tax that has an adverse effect on housing. In making its proposals the Commission noted that at present, property taxes are increased when improvements are made thus discouraging rehabilitation which is badly needed and that the impact of school district financing which varies throughout the city's area tends to determine where development will or will not take place.

Although it was hoped by some that the Commission would recommend a complete change from a land-plus-improvements tax base to one of land value only, the Commission thought that such a change would cause too much disruption to the tax base and therefore favoured the more gradual approach.

No doubt this decision was influenced to some extent by local politics and it still remains to be seen whether the City Council as a whole will look favourably on the suggested graded tax plan. A promising thrust has been made and the momentum, if sufficient, could lead the city into a new era of tax policies which could be of great significance to the development of the city's whole economy and the rehabilitation and redevelopment of blighted areas.

The Kansas City region has much in its favour at the moment being at the cross-roads in the middle of the USA and offering great scope for investment with excellent new air-cargo handling facilities in addition to rail and inter-state freeway links. It also has a legacy of natural beauty and city pride which is the envy of many ailing urban areas.

If the central city now takes the right path of tax reform and unhesitatingly implements the graded tax plan it will not only set an example for its mid-America neighbours, but also for the whole of the US.

The time could not be better nor the place more appropriate for a demonstration of the consequences of reducing tax burdens on individual effort and enterprise and placing them on the owners of unearned increment who cannot pass them back. This spur could soon be available and the city's vacant land could quickly bloom with needed housing, supporting facilities and job opportunities.