

the Henry George News

PUBLISHED BY HENRY GEORGE SCHOOL OF SOCIAL SCIENCE • DECEMBER, 1970

Attack on Property Taxes

EVERY Ralph Nader enthusiast has heard of his organization in Washington which will assist in reforming local property taxes by exposing corporations whose taxes are disproportionately low in comparison with those paid by homeowners and small business men.

Assessments made under pressure or by totally unqualified assessors are an old story and have been reported frequently in HGN. To attack and reform this practice Mr. Nader now calls on local citizen groups to take orderly steps to try to force property owners to pay their proportional share.

Already reform drives are under way in Alabama, Georgia, Maine, Minnesota, New Jersey and Texas. Studies being made by law students and others indicate that Texas oil companies, West Virginia coal mine operators and timberland owners in many areas have been favored with taxes well below the legal rate.

To make it easy for each group to know what the others are doing and to indicate what contribution it can make, he has established the Property Tax Newsletter and offers it free to anyone who will write and ask for it at the Public Interest Research Group, 1025 15th Street Northwest, Suite 601, Washington, D. C. 20005.

The newsletter, which will provide a clearing house and technical assist-

ance, will be edited by Sam Simon, a staff member, who maintains that "in a democracy numbers count only if people count themselves as participants." He says the first step is to interest friends and neighbors, also civic and fraternal clubs. Then the help of the local assessor should be solicited and he should be invited to meet with the group. In explaining the operations of his office, if it should develop that there had been no equalization or reassessment for two or three years, this would deserve a prod from the group.

Next, members should begin researching assessment values of property in the area. If they are shown only assessed value and not sales value (which is an indication of assessed value) they should check recorded deeds to determine selling price. HGN readers are doubtless aware that most states require assessors to value property at 100 percent of the fair market value, and it is then assessed presumably at a uniform rate agreed upon by a state equalization board. When an investigating group finds that certain taxpayers are receiving favorable treatment they can request a reassessment of the property.

As everyone knows who has tackled this sort of campaign, there is a great deal of painstaking work to be done. But assuming that a group is so capable that the steps thus far can be handled expertly, Mr. Simon suggests they

Property Taxes

(Continued from Page 1)

should strive for constructive legislative reform of administrative processes such as protection of assessors from political pressures.

Appeal procedures may also be analyzed to determine whether one kind of taxpayer is being favored and why. The appeals system should be simplified and published in local newspapers at least once a year so an average homeowner can compare his assessment with others. Mr. Simon concludes bravely, 'you will undoubtedly run into resistance and be branded as 'trouble-makers' but do not be deterred. An aroused public may be your greatest ally.'

This is not a venture for the uninitiated. Students of Henry George who have followed the citizen tax reform activities in California, Michigan, Ohio, Pennsylvania and New York (Long Island) as noted in HGN, will have had a good preliminary outline of what Mr. Nader's groups will be doing. It would be fruitless or worse for someone to attempt an investigation of city assessment practices without some such background plus a keen interest in fiscal matters. Property taxation is a complex and technical subject. It challenges students and researchers but it calls for professional coaching.

When Ralph Nader says, "Improved assessment practices and administrative reform can result in clear benefits to the average homeowner—the only method of securing this reform is for the citizenry of each locality to demand and work for a change," he certainly merits our response.

His first newsletter lists four books as supplementary reading material. Among them are two whose authors are known to HGN readers: *Economics of the Property Tax* by Dick Netzer and *Property Taxation U.S.A.* by Richard W. Lindholm.

The Vanguard

When newspaper clippings arrive from out of town in support of LVT it feels a little like the long overdue HG liberation movement. The visit to Southfield, Michigan, last month of five of Alberta's high ranking government officials was a straw in the liberation wind.

When the HGS conference met in Calgary in July it was pleasant to have the honorable Fred C. Colborne, Minister of Municipal Affairs, present as a speaker, but no one had any illusions about his interest in land value taxation. Judge James Clarkson, on the same program, spoke strongly of the tax program in Southfield during his administration as mayor, and it was clear that he hadn't given up on it even though the mayor who succeeded him threw the system out and started making concessions to large companies. That caused a deficit which had to be made up by small homeowners with a 27 percent tax increase.

It's hard to ignore something that has attracted attention all over the U.S., and Southfield has been plagued with visitors who came to see if it really happened like that, and just what was the computer method set up by Clarkson and Gwartney?

Then in October for the first time a group of officials came from Canada. The Provincial Minister of Alberta, Fred C. Colborne, having had a long talk with Judge Clarkson in Calgary, arrived with his executive assistant, the chief Provincial assessor, an assessment commissioner, and an intergovernmental officer of Edmonton. They came primarily to study the results of the tax reform directed against vacant land. The computerized tax records were of secondary interest.

Alberta has a modified form of site value taxation. They assess at 65 percent of market value on land and 40 percent on improvements, compared