

Two-rate bill has hearing in New Hampshire

by **Richard Noyes, Salem, N.H.**

Concord, N.H. — The legislative committee that deals with property taxes in the state which depends most heavily upon them has agreed unanimously to take a long hard look at land value taxation.

House Bill 1380, of which Rep. Richard Noyes of Salem, is the prime sponsor, will go to Interim Study this summer and fall if the full body takes its 18-0 recommendation.

Noyes is Clerk of the committee.

The bill is one of two filed in the 1996 session which would have allowed towns and cities to tax land more heavily than buildings.

House Bill 1471 would have permitted a per-acre surcharge on land in those municipalities which wanted to adopt it. HB 1380 would allow a higher rate on land than on buildings: the "two rate" system already in effect in Pittsburgh and in other cities in Pennsylvania and New York.

A difference is that New Hampshire is one of only two states in the Union which has neither a general sales nor an income tax.

The property tax raises two thirds of all its state/local revenue. That is six times as much money as the next most productive levy (a rooms and meals tax) raises in the state where tourism is a major industry.

Less than 10% of the total state-local revenue comes from property in Pennsylvania, where the two-rate system has had the best chance to prove itself.

Albert Hartheimer of Delmar, New York, and Joshua Vincent of Columbia, Maryland, both of whom represent the Henry George Foundation of America, were effective witnesses before the Municipal and County Government Committee when it heard testimony on both bills Tuesday, Feb. 26. They fielded questions from the committee for nearly an hour, after having told them of the plan's success in 17 Pennsylvania cities and in Amsterdam, New York.

The strongest opposition to both bills came from supporters of what is called "current use taxation" in New Hampshire, a tax shelter which exists in one form or another in most states in the Union. Dozens of hostile witnesses crowded the committee room.

Current use was sold to the Granite State as a means of "keeping New Hampshire green," important for a tourist state.

Officials of SPACE, a well-funded organization of landowners

who sold the idea to New Hampshire voters more than 20 years ago, and won a constitutional amendment to allow it, told the committee any increased tax burden on land would put farmers and the timber industry out of business.

They claimed it would be found unconstitutional. The "growth" arguments which have worked well for two-rate taxation elsewhere were less effective in New Hampshire where the unemployment rate is lowest in the nation, and where per capita income is seventh highest. For some committee members, representing towns that have grown too fast, it was counter productive.

One third of the property tax base is land value, so that much fiscal revenue is economic rent. Noyes has long argued in this publication that New Hampshire is already the most nearly Georgist state, and that

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STOLEN: \$100 billion in airwaves

by **Hanno Beck, Columbia, MD**

The largest government giveaway in history was approved by both Houses of Congress on February 1. In that legislation, the right to use certain airwaves for TV broadcast is signed over from the American people to a handful of television station owners — absolutely free. Although some sources claim they are worth about \$40 billion, others assert that these airwaves can be worth as much as \$100 billion.

How did it happen? What can we do about it? Let's take a look at the series of events leading up to the February 1 vote.

Ever since 1989, Common Ground-USA has been one of several citizen groups opposing government giveaways of portions of the electro-magnetic spectrum (airwaves). We know that airwaves, like mineral deposits and site values, are part of our common heritage. No

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