By Tom Gihring, Portland, OR

(Tom Gihring is the Treasurer and Research Director of Common Ground OR-WA.)

Monday: I drove a rental car loaded with all the display materials and literature from Portland, arriving at noon for the booth set-up. Booth number 604 is near the exhibit hall entrance. Then I checked into our hotel in Belltown, several blocks from the convention center, returned the rental car, and received the delivery of two bicycles that we rented for the three day duration. This arrangement saved some hefty downtown parking fees and allowed for a degree of mobility for the two of us – myself and Jeff Strang.

Statistics:

Delegates stopped by our booth to discuss LVT and take literature.

Tuesday: Exhibit hours: 9 AM - 4 PM; 49 delegates stopped at the booth

Wednesday: Exhibit hours: 9 AM - 4 PM; 30 delegates stopped at the booth

Thursday: Exhibit hours: 9 AM - 12 PM; 5 delegates stopped at the booth

We distributed in advance some of our literature that might be appropriate for certain session topics:

Tues., 11:30 AM – "Pardon the Payment: Are Tax Amnesties Good Tax Policy?"

Wed., 2 PM - "A Better Way to Ensure Smart Tax Incentives".

Observations:

Our first practical problem at the large conference center exhibit hall: How can the Common Ground booth attract passers-by? Delegates seem to be gravitating to booths with young blond ladies, or those handing out freebees; and all we have are piles of economic literature!

Usually I would get a passerby's attention by asking what state he/she is from, continuing with a query about the nature of their state's or district's property tax, or the problems they are experiencing... Lagging assessments...? Unfair tax burdens...? Urban sprawl...? Housing price inflation...? I would then take off on the same theme with a Georgist response, explaining first the mechanism of tax shift - off building assessments, onto land assessments - followed by an explanation of how tax shift can help solve the problem identified.

A common response among those representing urban districts is the rapidly rising cost of housing. Response: a high land

tax has the effect of dampening land price inflation over time. Urban sprawl was also mentioned by delegates from states like Georgia and Colorado. Response: LVT takes

development pressure off of urban fringe areas by encouraging more intensive development in urban centers. Some urban districts need a boost in their economic development efforts, like Newark, NJ. Response: A lower tax rate on improvement assessments encourages capital investment in buildings and home improvements.

We also learned from the delegates. Repeatedly, those from rural states like Wyoming and New Mexico were wary of LVT effects on farmlands. "Farmers cannot absorb even higher property tax burdens." We explained that property tax reform is first a state-wide issue because enabling legislation is necessary to authorize the change to unequal rates. Then counties or local jurisdictions will have the option to adopt LVT. Yes, incentive taxation is most applicable in urban areas. Nevertheless, if farmlands are assessed at low (current use) levels, tax shift would be negligible.

A Nigerian delegate explained the property tax system in Ogun state. The various districts within the state are rated according to relative location value, i.e., greater or lesser desirability. Each district is assigned a corresponding tax rate; the rate is applied to each property's size. Thus property taxes correlate to location value and land area. In effect this is a land tax; building value is not included in the assessment. If my understanding is clear, this is a progressive form of taxation that is relatively simple to administer because it does not require a highly trained appraisal staff, although the assigned tax rates may be somewhat subjective. This zonal system of relative values has been in effect in Eastern Europe for some time, although in Bosnia-Herzegovina for example, internal building floor space is also added to the tax assessment formula.

A keenly interested delegate from U.S. Virgin Islands told about the very serious problem of concentrated land ownership resulting from "foreign" investors buying up land from the many poor householders who have occupied family plots for generations. They are being driven off their land due to rapidly rising land prices. How can they pay even more property taxes deriving from higher land assessments and rates? Jeff Strang offered the idea of the non revenue neutral land tax partially being rebated in the form of citizen's dividends. Each parcel occupant receives an equal dividend, in (continued on page 14)