

# *Public Finance Alternatives - A Lancaster County Forum*

*by Alanna K. Hartzok, Scotland, PA*

Public Finance Alternatives - A Lancaster County Forum was hosted by the Lancaster Greens on Wednesday, March 29th at the Farm and Home Center in Lancaster, PA.

This was the first forum of its kind for Lancaster County to take a serious look at the "two-tier" property tax reform now in place in 20 municipalities throughout Pennsylvania.

A major concern for Lancaster County is controlling overwhelming sprawl while continuing to maintain economic development. The Lancaster Greens purpose in presenting this public forum was to educate political and community leaders about the potential of this new tax tool to curb sprawl by stimulating economic growth in depressed urban areas and encouraging good site use in already developed areas.

Attending the Forum was a diverse group of local public officials, agency representatives, and community activists.

The Forum speakers were as follows:

Joshua Vincent, Director, Center for the Study of Economics, who opened with an overview of the benefits of this new tax reform for the municipalities that have implemented this policy approach. He explained that the two-tier tax harnesses the property tax in the right direction, decreasing taxes on buildings to promote improvements and good maintenance on existing structures while shifting the tax base onto land values to prevent speculation and keep land sites affordable. His organization is playing a leading role in consultation, implementation and research for this new policy approach.

Napoleon Saunders, Business Ad-

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ministrator for the City of Harrisburg, spoke about the positive 20 year history of use of the two-tier tax in the state capitol. This tax reform has been one of the key tools in advancing Harrisburg from the second most distressed city in the USA in 1980 to one which has won numerous civic awards during the past several years. Previously, Harrisburg had more than 5,000 boarded-up buildings and was in serious decline. Today, there are fewer than 400 buildings out of use and significant increases in jobs and community services.

Richard S. Rybeck, Deputy Administrator, Office of Intermodal Planning, Department of Public Works, Washington, DC detailed the importance of shifting taxes on to site value to discourage sprawl, curb land speculation and encourage in-fill urban development. He explained how the proper tax policy can positively support many "smart growth" objectives of city planners while improving the overall economic climate.

Benjamin Howells, former councilman for the City of Allentown, PA, talked about the recent adoption of the

two-tier tax by his city. He shared with us the political process involved in its implementation and how they were able to overcome the opposition. Recent research shows an increased number of building permits and other positive benefits are already occurring in Allentown since this two-tier tax was initiated.

Alanna Hartzok, Coordinator of the Pennsylvania Fair Tax Coalition, placed this tax reform in the context of the broad agenda of the ecological "green tax" movement. With the rubric "pay for what you take, not what you make", taxes should be reduced or removed from wages and shifted onto land and resource use to encourage conservation and fair access. Broader application of land value taxation has the potential to address a wide range of social problems including issues of affordable housing and wealth distribution.

Following the speakers presentations, participants were given time for round table discussion to share their impressions and concerns about this tax policy and its possible effect on Lancaster County. Questions from each table were then addressed to the

speakers and a lively interchange ensued. Participants received information packets and many expressed an interest in moving ahead with the two-tier tax shift for Lancaster and boroughs in the county.

Co-Sponsors for Public Finance Alternatives included: The Hourglass Foundation; Lancaster Healthy Communities; York Greens; Borough of Columbia; NOW, Lancaster Chapter; PennFuture; 10,000 Friends of Pennsylvania; John Graupera, Lancaster City Council; Lancaster Women In Black.

*(Editor's note: Alanna Hartzok is the coordinator of the Pennsylvania Fair Tax Coalition.) Her email is earthrts@pa.net. She offers her availability as a pro-bono consultant to other Common Grounders to help them organize their own forums locally.*

*Professionally produced videotapes of previous Land Value Taxation Forums held in Philadelphia and at Shippensburg University are available. Send \$25 check to Pennsylvania Fair Tax coalition, c/o Alanna Hartzok, Box 328, Scotland, PA 17254.)*

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