Fairfax, Virginia Councilman Coughlan Addressed Georgists

In the historic town hall in Fairfax, Virginia, Councilman Anthony Coughlan addressed the Council of Georgist Organizations conference attenders while they munched box lunches. Following the address by Mr. Coughlan, the Georgists were bused for a tour of historic Bull Run battlefield in Manassas, Va., and the war between the states' first major battle was recounted by a Park Ranger.

Councilman Coughlan was converted to the land value tax in a unique way. His reaction to a Fairfax proposal — to freeze assessments, to exclude individual structural improvements when made, for ten years — was that it was a dumb idea, why not just tax the whole thing at the same rate (from the beginning). To prove this was a bad idea he went to the University library for research. Instead, he stumbled onto books by Dr. Nicolaus Tideman and became interested. He phoned Nic Tideman at his alma mater, Va. Tech., in Blacksburg, VA. Tideman referred him to Joshua Vincent, the president of the Center for Study of Economics in Columbia, MD.

Vincent came to Fairfax, did a two-rate property tax study and analysis and made a presentation to the Fairfax City Council, to which Coughlan had been elected in May of 1996. The councilmen were intrigued but not sold. They thought the idea was promising but questioned whether they were allowed to do this under the Virginia constitution. Virginia, like most states has a "uniformity" clause that all subjects of taxation must be taxed with the same rate. State Senator Jane Woods was requested to ask the Virginia Attorney General if it was constitutional to tax land and buildings at a different rate, taxing land higher, of course. The Attorney General responded the Virginia constitution would allow that, but neither the City of Fairfax or any jurisdiction could do this without General Assembly authorization, which Fairfax does not yet have.

The local tax issue was focused on when the candidate for Governor ran on getting rid of the annual car tax, which is very unpopular. The Virginia Municipal League for the past couple of years has really focused on state and local taxes. The State Senator from the Mt. Vernon district is pushing for the state government to do a two-tier tax study; however, he is not seeking re-election. A House of Delegates candidate from Northern Virginia is pushing the land value tax agenda as well.

The Virginia Municipal League in their legislative agenda adopted this past fall included that the General Assembly should do a two-rate property tax study. Josh Vincent attended the Virginia Municipal League's annual convention last October where that was adopted. This will be presented to the Virginia General Assembly. They convene every January.

The city of Fairfax has been pursuing a look at tax issues generally. The City Council in September, 1998, formed a Taxation Task Force, on which was represented a combination of leaders from government, business, the community, and residents.

Councilman Coughlan chaired the land value taxation committee, to whom Josh Vincent and Washington, PA Mayor Anthony Sposey made effective presentations. (This, in turn created interest in other local jurisdictions in Northern Virginia, and Steven Cord has gone down to speak to some of the authorities in Prince William County.) The Fairfax Taxation Task Force endorsed the land value tax for special districts, for commercial districts. The task force, comprised of quite a spectrum of people in the community, wanted first to see how it worked in just part of the city. The recommendation has been referred to Fairfax city staff for implementation strategy. Fairfax Finance Director Jeff Cawley, who served on the Task Force, will be very involved in the strategy.

In Fairfax's legislative package to go to the General Assembly is a resolution asking that the City of Fairfax be given authorizing legislation enabling it to tax land at a higher mill rate and buildings at a lower rate. (Editor's note: See reprint of resolution.)

Coughlan had some advice for Georgists on how to make the land value tax a reality in your home town. The number one thing, he said, is involvement. Talk to folks in your church, in the Chamber of Commerce, in service clubs, in the Democrats or Republicans club. These are the decision makers who can help you push the agenda. Help on political campaigns with your time and volunteer efforts and money. Run for office yourself. Be willing to accept incrementalism, taking it a step at a time.

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Resolution Concerning Special Land Tax Districts (Revised 3/11/99)

WHEREAS, the City of Fairfax Taxation Task Force has considered, amongst its various duties, both special tax districts and land value taxation;

WHEREAS, special tax districts are a fair way of financing services and public works projects that will be for the benefit of particular areas, or special districts, within the City;

WHEREAS, a tax based on the value of land has been shown, in both theory and practice, to cause less harm to the economy than a tax based on the value of buildings; and

WHEREAS, it also reduces taxes on residents and businesses that use land in a productive manner, and

WHEREAS, the City Council of the City of Fairfax can only create a special tax district with a higher tax on land than on buildings, or a "special land tax district", with authorizing legislation from the General Assembly of the Commonwealth of Virginia;

NOW, THEREFORE BE IT RESOLVED BY THE TAXATION TASK FORCE OF THE CITY OF FAIRFAX, VIRGINIA

RESOLVED, the Taxation Task Force recommends the City Council to petition the General Assembly to authorize the creation of Special Land Tax districts within the City of Fairfax that may utilize among other devices a split tax rate; and

RESOLVED, the Taxation Task Force recommends the City Council, where appropriate, enact Special Land Tax districts to promote utilization of underutilized land within such special tax districts.