

ABSTRACTS. Following are abstracts posted pre-conference of the presentations by Dr. William Batt, President of the Central Research Group, Inc., Albany, NY; and Tony Vickers, Convenor of The Progressive Forum and Chief Executive Officer of the Henry George Foundation of Great Britain, at the Third Annual Global conference on Environmental Taxation panel that was moderated by Jeffery J. Smith.

Site Value Taxation in Vermont: An Empirical Study Showing How It Would Work

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This presentation will be a report on an ongoing research study funded by Common Ground, a nationwide advocacy organization supporting taxation of site values and other natural resources in the tradition of Henry George. Although Vermont has natural resources in its tax base other than land, locational sites certainly hold the greatest promise for an alternative to present designs. With only 312,000 property parcels, less than 600,000 people, and a land area of 9,609 square miles, Vermont's manageable size makes it an attractive state for studies of real property taxation. Much of the state is public land and other parts are a scattered assemblage of small towns and villages, most of them walkable from one end to the other. The largest city in the state, Burlington, has a population of less than 40,000. The 247 towns in some 14 counties had been relatively independent in the way in which assessors valued parcels in the past.

There is now an effort to assess all parcels at highest and best use, except forest and farmland which is mostly valued at current use. Should any of those latter parcels later be used for other purposes, the tax levy reverts to the highest-and-best-use standard, and all taxes previously forgone must be repaid. This ensures that the current use standard will not be used as a tax haven for speculative gains.

Until recently analysis was difficult to undertake for reason that the data was less than complete and satisfactory. But a concerted effort (continued on pg. 13)

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made in the past year to improve the computerization of land records will soon be complete.

As a measure of how much improvement there has been in assessment proficiency, the 1998 Annual Report compares the year 1981 with 1997. In the earlier year, only 11% of the jurisdictions had CODs (coefficients of dispersion) of less than 15%; now 50% reach this standard. In 1981 29% of the tax jurisdictions had CODs over 29%, a proportion that has now fallen to 3%.

Land value is separated from improvement value by convention but not by law. Assessment data is completely available merely for the cost of retrieving it. The state has also embarked on a project to digitize the whole state's property parcels, and approximately half the state's area, largely rural counties, has already been mapped with orthophotographic quadrangles. The project continues as funding permits, and when complete will be a massive state infrastructure file of 108.8 gigabytes. Some areas, particularly the most populous Chittenden County, have accomplished digitization of land parcels in their entirety. That level of accuracy and completeness offers an enormous potential for study of land use and land values.

A final consideration with respect to the potential receptivity of state officials to studies of Site Value Taxation is the argument that it can curb sprawl development. Vermont is a state heavily dependent upon tourism, and this is built upon its reputation as a scenic treasure. The picture-postcard ambience of the state is strongly threatened by big-box shopping centers and outlets, by massive highway development, and the decline in the health of walkable villages. In 1993 the National Trust for Historic Preservation, taking a measure of the changes Vermont has experienced in recent years, pronounced the whole state "an endangered historic place."

This was a shock to many; it is the only time a whole region or state, not just a building or a few blocks, were so identified. Vermont took due notice, but its solutions so far have been wanting. Land value taxation, by reversing the centrifugal forces of current economic and tax theory, would seem to hold great promise here.

So far as is possible within the limits of data availability, the project analyzes the relative distribution of tax burden under the present property tax system compared to that which would obtain under a system of site value taxation. It describes not only shifts in burden among towns and regions but throughout Vermont. Moreover, it shows where shifts in burden might occur within property classifications, and between urban and suburban neighborhoods. This is important, because site value taxation removes the distortions wrought by conventional revenue streams, fostering rational choices in accord with sound environmental and planning principles.

Because site value taxation is now endorsed by several

environmental as well as economic development organizations, now is an opportune time to show how it would apply in Vermont. If the GIS (Geographic Information System) digitization of land parcels is now complete for the state, this presentation will be able to show both through tables of data and by graphical maps exactly where the effects of site value taxation would have the greatest impact, both spatially and economically.

For a complete Report of the Committee responsible for supervising the project, see <http://vermont-towns.org/land/comprprt.htm>, issued through the Office of the Vermont Secretary of State, Jan. 15, 1999.

1998 Annual Report, Vermont Department of Taxes, Division of Property Valuation and Review, p. 3.

Website of the National Historic Trust:

"<http://www.vermontlaw.edu/elc/>">www.nthp.org/main/endangered/tenyearupdate.html

Friends of the Earth / Vermont at

"<http://www.vermontlaw.edu/elc/>">www.foe.org/envirotax/vermonttaxreport.html

Earthrights:

"<http://www.vermontlaw.edu/elc/>">www.earthrights.net/docs/greentax.html

Geonomy:

"<http://www.vermontlaw.edu/elc/>">www.progress.org/geonomy/rppaper.html