

Why not try 2-rate property tax?

To the editor:

Redevelopment agencies are bureaucratic devices for forcing urban development when market forces apparently fail to do the job.

The problems created by RDA bonded debt and the increment diversion of property taxes for RDAs give ample reason for re-examining the marketplace. Why not try a market unshackled by land privilege, the disrupter of the market and the result of too light a property tax on urban land values? ¹⁴

In Pennsylvania, ~~12~~ ¹⁴ cities have started lowering their property tax on buildings and increasing the tax on land values. Pittsburgh is the first and largest city on this program.

In cities that have been on the two-rate tax for three years, building permits have increased in numbers and amounts in sharp contrast with cities of similar size that remain on the old one rate property tax.

In the Utah Legislature in 1989, a Senate Joint resolution (SJR 14) for a two-rate, local option property tax did not even get out of the Rules Committee. Let's hope for something better in the 1991 legislative session.

With lower land prices and the removal of penalties on production, Utah has the people and the resources to be a leader rather than a follower in the quest for a more vigorous economy.

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