

Hi Bob. For info! All he in touch. Stan

PUBLIC REVENUE EDUCATION COUNCIL

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March 5, 1985

From Stanley A. Frederiksen, Executive Director

To Officers, Directors and Honorary Directors of PREC

Subject House Joint Resolution # 33 - - Site Value Taxation for Missouri
FIRST "HURDLE" CLEARED - - "DO PASS" EARNED IN HOUSE COMMITTEE
ON EQUALIZATION AND CLASSIFICATION

On February 26, 1985, The Hon. Walt Mueller had set up a hearing on our Site Value Taxation resolution, HJR #33, before the Missouri House Committee on Equalization and Classification, witnesses to give testimony being Drs. Edward Metzger and Walter Johnson of the University of Missouri Department of Economics, Stan Frederiksen and Joe Casey, of PREC and Mrs. Harry Gunnison Brown, of Columbia. The 3:00 P.M. hearing in Hearing Room #5, went about as follows, before the Committee of some nine representatives, chaired by Repr. Rauch:

1. Walt Mueller - - introduced HJR #33 - - focus on taxing of locations - - separate locations taxes from those on buildings and improvements - - farm counties to be exempted (really no large problem, as vast majority of all Missouri population is in the 10 or 12 counties in which SVT will have the major impact, because they contain the major Missouri cities.) Walt stressed that we're not seeking a mandate - - only an opportunity, via local option, with voter approval - - and with eventual implementation also by local option.
2. Dr. Walter Johnson - - (his list of credentials is tremendous - - and impressive) - - made the points (oral - - no written testimony) - -
 - 2.1 Local option SVT consistent with basic law and with Missouri law.
 - 2.2 It's what Democracy is all about.
 - 2.3 Representative Chris Kelly, of Columbia, is a co-sponsor - - a fact which seemed to be of significance to the Committee.
 - 2.4 SVT a great option, because the tax burden is away from improvements (man-made) - - and onto locations (not man-made).
 - 2.5 SVT encourages development - - and re-development.
 - 2.6 SVT helps greatly to halt and reduce urban blight.
 - 2.7 It is a great incentive to economic progress and development.
 - 2.8 Pa. SVT cities thriving - - non-SVT cities decaying - - (Erie an example of such decay.)
 - 2.9 Walt Johnson says that he, himself, is a land speculator - - he owns half of a lot, in an area in which a house can be built only on a minimum of 3/4 acre - - and he pays only \$37.00 per year property taxes on

the parcel. Walter pointed out that Missouri's usury laws, which are designed to benefit the poor (the "little guy") are actually benefiting the "fat cats" - - "such as I am", said Walter.

- 2.10 SVT, on the other hand (Said Walter, does benefit the "little guy" - - stimulates urban renewal, and, in general, uplifts the entire economy.

3. Dr. Edward Metzen - -

- 3.1 Pointed out the basic soundness of SVT.

- 3.2 Showed that if we had to start our entire taxing system now - - "from scratch", we would, without question, start with Site Value Taxation.

- 3.3 Said that SVT addresses locations - - on the land - - emphasized that you "can't do away with a location!"

- 3.4 SVT revenue is generated not by the location owner, but by the community around the location - - "let's give the value back to the community which creates it.

- 3.5 Stressed the impact of SVT - - it lessens the speculative gain which now goes to a site-holder just because he holds a piece of paper (the title).

- 3.6 SVT freed land for capital improvement and development.

- 3.7 Ed made a strong and urgent plea for the committee to vote a "do pass".

4. Joe Casey/Stan Frederiksen - - Stan made a brief oral presentation, focused mainly upon the progress which has been made since last year with SVT, especially in the Pennsylvania cities - - the new movie, "A TALE OF FIVE CITIES" - - eight states now actively considering Site Value Taxation - - two new SVT cities in Pa., since last year, etc. A written text was distributed to the committee members (copy attached herewith.).

Questions were forthcoming to both of us from the Committee - - all were answered promptly - - Joe made the most telling responses, with his intimate knowledge of the basic data supporting SVT.

5. Mrs. Harry Gunnison Brown - - her tremendous background and credentials were enumerated by both Walt Mueller and Walter Johnson - - she gave a wonderful general statement about SVT - - much about its background - - much about the great impact her late husband had had upon the economic thinking in Missouri - - and a perfectly delightful presentation of why SVT is basically right and just.

6. Walt Mueller summed up the various points, and urged, again, a "do Pass".

After testimony, we all met in Walt Mueller's office, and it was agreed that the testimony had gone well, in our opinion - - Ed Metzen said "I have a strong feeling 'it will fly' this time". We left the Capitol building about 5:15 P.M.

On March 1, we received Walt Mueller's letter, thanking all of us for coming up to Jefferson City to testify - - and containing the following "P.S."

"P.S. Just received word that the committee has successfully passed
HJR #331 " I I I I I

That's great news! However, it is only another "first step" - this one the first in our 1985 effort. More, and significant "hurdles" must still be overcome. The "Farm Lobby" and the "Mining Lobby" people followed us on the stand, and sought to undermine our effort, but seemed very weak in their presentations. In fact, Walt Mueller had already anticipated what they likely would say, and, for that reason, had the bill so written that both of those "special interest" groups could only say, "We don't know about all of the ramifications, but it appears that the points originally objectionable to us have been ironed out, and we don't have any substantial objections at this time.)).

This represents a substantial move forward for us in this 1985 "push". However, please remember that there are, at best, only a few of us to try to "move a mountain", so to speak, here in Missouri. Won't you please stay with us, in every way you can - - write letters - - get your state legislators on your side - - get us all the favorable publicity you can - - and be ready if and when Walt Mueller gives the signal for us to take the actions which will be necessary to push things forward toward our eventual successful

Most cordially and sincerely,


Stanley A. Frederiksen
Executive Director

cc. Hon. Walt Mueller
Mr. Oscar Johannsen
Mr. Bob Clancy
Dr. Steven B. Cord
Mr. Walter Rybeck
Mr. Stan Rubenstein
Mr. Harry Pollard
Dr. James Busey
Mr. Dan Sullivan
Dr. James W. Frederiksen
Mr. Morgan Harris