

LAND & MASS TRANSIT FINANCING

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Henry George's proposal to collect the land rent for the community would go a long way toward solving many of today's urban problems including mass transit. This paper recognizes the political difficulties encountered in implementing a land tax and suggests alternative techniques which recover some of the land rent to help finance mass transit.

Ideally fare revenues should pay all mass transit costs, but such fares would be too high to tempt us away from our love affair with the automobile. Federal and state grants are currently the conventional method of subsidizing mass transit, as well as the imposition of sales taxes. An alternate or supplemental source of revenue would be the unearned increment in land value resulting from the construction of a transit system.

Two techniques to recover some of that unearned increment will be discussed. One method is to utilize the special benefit district which in California has authority to levy a special assessment tax on land benefiting from the transit facility. The other technique is known as the value capture policy. The merits and problems in applying each of these techniques will be outlined. It will become evident that Henry George's proposed universal collection of land rent would be the simplest solution.