

Trade Union, the Home Rule Council, the Welsh Disestablishment Committees are ever ready to avail themselves of the facilities these organizations offer for presenting to the young students of affairs their respective cases.

Some few years ago the Socialists were prone to boast that the death rate would annihilate Liberalism in the Councils of the progressive thought of the Nation, while on the other hand the marriage rate would establish Socialism in supremacy. The power and vitality of Liberal principles to enlist the whole hearted sympathy and the fullest consecration in service has been abundantly proved in the growth of this movement, and the best is yet to be if those in authority be true to the spirit of those principles which invokes inplacable and unrelenting war upon the moral wrongs which are still politically expedient.

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## RAISING REVENUE FOR THE CITY OF NEW YORK.

*(For the Review)*

By **WILLIAM LUSTGARTEN.**

Licenses, earnings from municipal properties and kindred revenues go to make up so small a portion of the City's income that I do not propose to treat of them here. I shall confine myself exclusively to the source from which the City obtains more than eighty per cent. of all its revenue—the taxing of real estate—land and buildings. Broadly speaking, we tax real estate to provide revenue with which to conduct the City's general affairs, to pay the interest on the City debt, to provide for sinking funds with which to pay off the City's debt and to pay for public improvements general in their nature; to provide revenue for local improvements, such as laying out, grading, curbing and paving new streets, constructing new sewers, establishing small neighborhood parks and the like.

The City's Charter creates a Department of Taxes and Assessments; this department assesses and appraises the value of all real estate in the City; it does not levy or collect taxes; the levying and collecting of taxes are assigned to other bureaus or departments of the City. The Department of Taxes and Assessments is composed of seven commissioners who are appointed by the Mayor of the City and hold office during his pleasure; some seventy-odd deputy commissioners are appointed by the Tax Board from a list certified to it by the Civil Service Commission; to obtain a place on the civil service list an applicant must pass a very rigid examination; these deputy commissioners are the assessors or appraisers for the Tax Department.

For purposes of assessments or appraisals the Tax Department divides the City into tax districts and a deputy commissioner is assigned to each tax district or section; where the section or district is very large more than one

deputy is assigned. To make certain that all of the real estate is assessed the Tax Department has caused surveys of the whole City to be made by its surveyors and maps made for each tax district or section; these maps show every inch of land in the district. It should be borne in mind that in the City all real estate is assessed and taxed *in rem*, that is to say, it is assessed and taxed regardless of its ownership, the city looking to the land and not to the owner for the payment of the taxes. When the maps made by the surveyors are officially adopted, the Department of Taxes then numbers the blocks in such section or district. A piece of land bounded on all sides by public roads or streets is usually termed a block, and as such receives a tax number distinct from that of any other such piece of land or block. Each separate holding within a block is mapped off from every other separate holding in the same block, and such separate holdings are given lot numbers. The city surveyors in making their original or first maps for the Department have recourse to the recorded deeds and other instruments on file with the County Register; from these instruments they are enabled to determine the boundary line of each separate holding within a block; after the original map is adopted if a separate holding is divided, or two or more separate holdings are merged, the Department of Taxes will take no notice of such division or merger unless the record deeds are produced, and then only will the department surveyor merge or divide the holding upon the tax map.

Each deputy commissioner of taxes is charged with the duty of visiting each tax lot in his district and inspecting it; he is also charged with the duty of appraising, for the purposes of taxation, each tax lot as if wholly unimproved, and then to appraise the value of the lot with the improvements, if any, thereon. To determine the value of each tax lot in his district, the deputy keeps a record of all sales, leases and transfers of land within his district, and to keep himself informed as to the value of the buildings, he keeps a record of all construction of new buildings and repairs of old ones; after a few years in his district, the deputy in most sections of the City can appraise every tax lot in his district with a degree of accuracy which rarely if ever is upset by the Courts.

After the deputy commissioners have made their appraisals or assessments, and the total amount of taxable real estate has been determined, the Department of Taxes certifies to the Board of Aldermen each parcel of real estate to be taxed, and the amount of appraisal or value of each such tax lot; the Board of Aldermen having previously determined the amount of revenue needed for conducting the City's general business and the Tax Department having determined the value of each tax lot, it is then a matter of simple computation to determine what the tax rate should be; the Board of Aldermen, after having fixed the tax rate or percentage of the assessed value which all the tax lots must pay, the tax books are then sent to the Receiver of Taxes, a bureau within the Department of Finance. The Receiver of Taxes then applies the fixed tax rate to the assessed value of each tax lot, and thus the amount of tax in dollars and cents that each tax lot must pay is deter-

mined. The Receiver of Taxes is charged with the duty of collecting all current taxes on real estate. If the taxes are not paid during the current tax year, the Receiver of Taxes will at the end of the current tax year certify to the Collector of Assessments and Arrears each separate tax lot which has not paid the current tax.

#### LOCAL PUBLIC IMPROVEMENTS.

Whenever it is desired to lay out, grade, curb or pave a new street, construct a new sewer or lay out and establish a small park, a petition must be presented by the owners of land in the vicinity of the proposed improvement to the local board of improvement which consists of two or three aldermen of adjoining districts in the neighborhood of the intended improvement and the president of the borough. If such local board determines that there is a necessity for the improvement, the Borough President then causes proper surveys to be made and the cost of the improvements to be determined. After the proper municipal authorities have determined that the improvement should be made, the Borough President is then charged with the duty of carrying on the work; the total cost of such improvement is then certified by the Borough President to the Board of Assessors. The Board of Assessors is a separate and distinct body from the Tax Department. This Board consists of three commissioners or assessors appointed by the Mayor and serve during his pleasure. It is the duty of the Board of Assessors to fix the amount which each tax lot within the benefitted area should pay; the tax lots abutting the improvements having as a rule received the greater benefit pay a greater proportion of the cost of the improvement than do the tax lots further removed from such improvements. It should be kept in mind that only such tax lots as the proper authorities have determined receive any benefit from the improvement, pay for the same. When the Board of Assessors has determined the amount to be paid by each separate tax lot within the benefitted zone, it certifies to the Collector of Assessments and Arrears each such lot and the amount it has to pay, and the Collector of Assessments and Arrears is then charged with the duty of collecting such assessments. The cost of larger improvements, such as bridges, large parks, municipal buildings and the like, is paid for either by issuing special bonds or out of the general tax levy; that is to say, their cost is charged against the City at large.

#### WATER SUPPLY.

The city provides water to every building within reach of its water mains. The charges for water are fixed either by metering the supply and determining the number of gallons used, or by a fixed rate for each front foot of the tax lot, plus a fixed amount for each faucet or other water outlet in the building. The tax for water is payable in the first instance to the Department of Water Supply; if such tax is not paid during the current water tax year, the Department certifies the amount due from each tax lot using water to the Receiver of Taxes who adds such tax to the current tax bill; if it is not paid within the current tax year, the Receiver of Taxes certifies the amount due for water

together with the unpaid land tax to the Collector of Assessments and Arrears where it must thereafter be paid. This method for the payment of water permits the owners of vacant land to escape the paying of any portion of the cost of water supply by the city; it is the writer's belief that the entire cost of maintaining and supplying water by the city should be paid out of the general tax levy, and the special charge for water be entirely done away with.

#### COLLECTION OF TAX ARREARS.

This article briefly outlines the method of assessing land and the method by which it is determined, and how much taxes each separate lot must pay; I shall as briefly attempt to outline the process devised for the collection of arrears in taxes, assessments for local improvements and water taxes.

All sums due to the city for taxes, assessments for local improvements and water rents when certified to the Collector of Assessments and Arrears for collection, carry with them a penalty of interest at the rate of seven per cent. per annum. When such taxes and assessments are in arrears for three years, or water taxes are in arrears for four years, the collector of Assessments and Arrears is required to advertise the city's right to collect such arrears for sale—the law does not permit the sale of the land for the taxes—it provides that only the right to collect such arrears shall be sold. The advertisement shall require the owner to pay the arrears, together with notice that if default shall be made in said payment the tax lien on said land or tenements will be sold at public auction at a date and place therein to be specified for the lowest rate of interest not exceeding twelve per cent. per annum, to any person or persons who shall offer to take the same in consideration of advancing the said taxes, assessments, water rents and penalties, etc. If notwithstanding such notice the owner fails to pay, the Collector shall cause such tax lien on the land or tenements to be sold at public auction for the purpose and in the manner expressed in the advertisement.

The tax lien takes the form of a mortgage investment except that it is a prior lien against the tax lot it affects, and is enforced ahead of all other liens and mortgages upon the land except for the right of the City to collect future taxes. The tax lien in terms assigns to the purchaser the right of the City to receive the taxes mentioned in said tax lien with interest at the rate bid. If the owner of the tax lot pays the interest to the holder of the tax lien at the rate at which the tax lien was sold and pays all current taxes, assessments and water taxes, he may keep the lien alive for three years, at the end of which time he must pay the lien in full to the holder thereof. If there be a default in the payment of the interest due upon the tax lien, or if there be a default in the payment of the current taxes, the law provides a remedy for the collection of the entire amount due, the same as in a default of interest on a mortgage. Through this procedure for the collection of arrears in taxes, assessments and water taxes which has been in vogue in this city since 1909, there has been collected nearly one hundred million dollars of arrears in taxes, assessments, water taxes and franchise taxes, which amounts have been car-

ried on its books as uncollectable for many years, and would have remained uncollected for years to come. It is to Mr. Lawson Purdy, the best Tax Commissioner any city in the world has ever had, that we owe thanks for this simple and effective method for the collection of arrears. It was he who was in a large measure instrumental in drafting and enacting into law the so-called "Tax Lien Law."

In closing it might be well to note, although not germane to this article, that through the efforts of this most quiet, unassuming, hard working Tax Commissioner, the City of New York is now taking something like one-third of the entire rental value of land in taxation, and it is due also to this same modest commissioner that in the city of New York, the improvements on land are separately appraised or assessed from the land itself.

■ The constitution of New York State for all practical purposes interposes no barrier to the adoption of a full measure of land value taxation. It permits a tax rate of two per cent. of the assessed valuation, plus an amount sufficient to amortize bonds and pay the interest thereon. This would make possible a city tax rate of three and a half per cent.

We have heard a good deal during the past year of the necessity of constitutional amendments to secure the Single Tax. The States requiring such constitutional amendments number some thirty odd, among which are Oregon, Missouri and Ohio. These are what might be called the "dead States."

The "live States," or States in which the Single Tax could be applied without constitutional amendment, are Connecticut, New York, New Jersey, New Hampshire, Pennsylvania, Maryland, Minnesota, Iowa, Rhode Island, Oklahoma and Arizona.—EDITOR SINGLE TAX REVIEW.

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"HOWEVER pernicious any interest, beware of using force against it, unless the progress of knowledge has previously sapped it at its base, and loosened its hold over the national mind. This has always been the error of the most ardent reformers, who, in their eagerness to effect their purpose, let the political movement outstrip the intellectual one, and, thus inverting the natural order, secure misery to themselves . . . They touch the altar and fire springs forth to consume them."—BUCKLE.

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### SEATTLE VOTES ON THE SINGLE TAX.

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On March 4th Seattle votes on the question of relieving labor values from municipal taxes, gradually so that after four years no municipal revenues will be collected from improvements on land, or personal property. Municipal taxes almost equal the taxes for schools, county and state purposes.