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UNH Economist Studying How Tax Policy Might Help to Protect N.H. Rural Lands

By [Janet Lathrop](#)
UNH News Bureau

February 15, 2001

DURHAM, N.H. — Two of New Hampshire's oldest institutions have teamed up this year to address a couple of the Granite State's most pressing modern problems: the statewide property tax crisis and the loss of rural open space to development, or sprawl.

A study initiated by the Society for the Protection of New Hampshire Forests (SPNHF) — now celebrating its 100th year of conservation efforts here — will allow Richard England, professor of economics and natural resources at the University of New Hampshire's Whittemore School of Business and Economics, to study the feasibility of replacing New Hampshire's statewide property tax with some form of a land value tax. The research effort is supported by a one-year grant from the Lincoln Institute of Land Policy in Cambridge, Mass.

If it can be demonstrated that land value taxation would have a positive or even neutral effect on state economic development plus a positive impact on preserving open space and other rural lands, the land value tax might "enter the realm of political plausibility," England points out.

Land value taxation is the brainchild of a young printer, Henry George, working in San Francisco just before the turn of the 20th century. He observed with some concern that poverty, unemployment and serious environmental degradation seemed inevitably to accompany the city's economic development. After much thought, George proposed that abolishing all taxes except a tax on land value might help. He believed such tax reform could address a whole range

of economic ills and injustices by encouraging healthier patterns of development.

By 1890, political leaders, economists and planners in many young, fast-growing U.S. cities were excited about the potential of what became known as the Single Tax. A few towns, notably Cleveland, tried the new method, but not for long enough to judge its merits fairly before George died and enthusiasm waned. However, in the 1970s, according to England, the city of Pittsburgh experimented with a land value tax. There is some evidence that it helped to revitalize the steel city's depressed downtown area and discouraged sprawl in outlying areas, he notes.

"The Pittsburgh example is encouraging," says England, and possible benefits of a land value tax, paired with zoning changes and other modifications, merit study in New Hampshire. The UNH ecological economist will use a sophisticated computer model of the state's economy to test the effects of a land value tax on many variables. These include business profitability, employment rates, growth and development patterns, as well as land use.

Several Whittemore School undergraduate and graduate students will help with data collection and analysis.

Sarah Thorne, SPNHF's research director, points out that "fundamental tax reform is on the political horizon in New Hampshire because of the state's constitutional obligation to fund adequate public schools." She recalled that SPNHF helped pass New Hampshire's Current Use Assessment Act in 1973. It allows landowners to enroll their undeveloped land to be taxed at what is known as current use value, that is, its value for forestry, agriculture or wild land. SPNHF is dedicated to maintaining Current Use Taxation, she adds.

The sprawl problem can arise with open space not enrolled in current use, and is where alternatives should be explored. "If we want to protect open lands, if we want to preserve as much of our state's rural character as we can, we can't tax all the land as if it were development land," Thorne adds. "We're hoping that Richard's study may show the potential for a disincentive to sprawl."

Along with a handful of other land-use planning and policy agencies, SPNHF will form an advisory board to help England to anticipate key questions that are certain to be asked by town planners, state legislators, and landowners. "We want to effectively meet the real world situations out there," Thorne says. Findings will not only be published in academic journals, but England and SPNHF plan a symposium in Concord later this year where state lawmakers - and the public can hear results in plain language. If England receives a second year of funding from the Lincoln Institute, another public symposium will be held.

England notes with some pride that the cooperative UNH-SPNHF work is meant to be "very practical, nitty gritty policy research that will benefit the people of New Hampshire." Because he is partnering with one of the state's most respected conservation policy groups, the professor adds, "I believe there is a good chance that someone will listen to what we find out."

[Back to UNH News Bureau](#)