

Land Value Tax

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New London: Preservation, Development, Rejuvenation

Combined with smart development, and careful implementation, Land Value Taxation (LVT) can encourage infill where it is called for, and re-use and rehabilitation of building stock, particularly in our historical districts.

Today, Connecticut has a property tax which includes improvement and land, blended into a single real estate tax on improvement. The State does not allow a municipality to tax land at a rate higher than improvement.



Attractive rehabilitation of historic State Street buildings encourages business and enhances the streetscape.

The story goes: Improve the structure, and your assessments go up and generally so go your property tax bills. The tax rate on improvement is frequently between 2 to 5 times higher than land.

Taxation on improvements leaves a municipality, particularly a city with social services and infrastructure to attend to, with two major dilemmas: 1) How to produce both revenues while avoiding the loss of the tax base? 2) How to turn-around the conditions of blight when the tax structure penalizes upkeep?

Then there is the desire to maintain our historical heritage and the character and charm of our city with a tax that again penalizes such activity, creating the opposite of what we want to occur.

Realizing the problem cities of all sizes face with decreased populations and loss of businesses, a group known as Re-New London Council, with the support of many city stakeholders such as NL Landmarks, began to study the cause of our predicament. The central issue of a punitive tax structure emerged with an alternative: LVT. All other attempts to preserve and re-invigorate the city have met with varying degrees of success and failure, but none seem to have gotten to the root cause of what keeps a city like New London from realizing its incredible potential given its enormous assets. We think we've discovered an important cause and solution with Land Value Taxes.



The restored Bacon Building is a fine addition to business on State Street and returns the building to the tax roles; these higher taxes penalize the investor for the expensive renovations. . .

Today, New London, the only municipality in the state, has an opportunity to implement LVT with the signing of Public Act 09-236 Land Value Taxation Pilot. **LVT is NOT another tax, it is property tax reform.**

From a landmarks perspective, shifting taxation away from buildings to land, makes historical preservation much more affordable, and thus creates an incentive to preserve our historic districts.

It has worked in cities throughout the United States and world. New London will be embarking on a series of planning and educational sessions as we move toward reform and rejuvenation. A citizen team has been formed to consider the best use of LVT for New London.



. . . while two other historic buildings languish .

For more information: www.re-newlondoncouncil.org or email artebova@sbcglobal.net

NOTE: NLL Board Member Art Costa is President of Re-New London Council and co-founder of New London Local First, a network supporting New London's locally-owned businesses.