



**Institute for Governance
and Policy Studies**
A research institute of the School of Government



THE TREASURY
Kaitohutohu Kaupapa Rawa

Guest Lecturer Prof Mark Skidmore

Foreclosures, Property Value Assessment Practices and Tax Delinquency in the Motor City (Detroit)

Abstract:

Detroit is facing a number of fiscal and economic challenges. It is widely regarded as the poster child of de-industrialization. The long-term economic distress and population loss has affected the city's housing market and had a detrimental impact on Detroit's municipal finances. In this session, Mark Skidmore will talk about his work on tax and local government finance issues arising in the context of Detroit including:

- considering what land based tax (instead of a traditional property value tax) might look like in Detroit
- the implications of the assessment growth cap (a limitation on the growth of property value for tax purposes) in Detroit including consideration of the effects on efficiency/mobility as property owners stand to lose a substantial tax benefit if they sell their property
- the determinants of tax delinquency, which is related to notions of fairness and assessment practices. The property tax delinquency rate is about 50%, which is comparable to developing countries!

What "Dos" and "Don'ts" can we learn from the experience of Detroit?

Bio:

Mark Skidmore is professor of economics at Michigan State University, where he holds the Morris Chair in State and Local Government Finance and Policy with joint appointments in the Department of Agricultural, Food and Resource Economics and the Department of Economics. He received his doctorate in economics from the University of Colorado in 1994, and his bachelor's degree in economics from the University of Washington in 1987. He currently serves as Co-editor of the *Journal of Urban Affairs*.

Where: Level 5, The Treasury, 1 The Terrace

When: 2.30-4.00pm Wednesday 27 November 2013

RSVP: academic.linkages@treasury.govt.nz Tuesday 22 November 2013

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