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Press Release - Muskie Proposes New Housing Security System

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IMMEDIATELY
January 31, 1972

FOR RELEASE

MUSKIE PROPOSES NEW HOUSING SECURITY SYSTEM

Senator Edmund S. Muskie (D-Me) today, January 31, 1972, in a meeting with citizens in St. Petersburg, Florida, proposed broad reform of the property tax system and a housing security system to insure decent homes for low income elderly citizens. Excerpts from Senator Muskie's remarks and a detailed outline of his proposal follow:

I am here today because Florida has a special importance in the politics of 1972.

For years, your state stood on the sidelines of the issues. Now you are no longer bystanders. You are no longer spectators. You are now in the center of the action, and that is where you should be.

The problems of 1972 are as far away as Southeast Asia and as near as the Everglades. They are problems for all of us -- not for your State alone -- not for the South alone, but for every citizen in the Florida primary . . .

America's aged have a special stake in the Florida primary . . . not just those who live in Tampa and St. Petersburg . . . but older Americans across the country from Philadelphia to Salt Lake City.

They all know the feeling of living in a land where age too often builds barriers and imposes loneliness.

They all see what it is like to be old in a country where everyone else wants to be young. . .

--To live with a falling income in a time of inflation . . .

--To live with failing health in a time of rising medical costs . . .

--To live with staggering property taxes in a time when often home is all there is to hold on to.

You have a vote in the Florida primary. You can vote to assure a decent life for older Americans. You can do that for your members in St. Petersburg and for millions of older Americans in other states who are waiting for help.

We have a responsibility to relieve the terrible burden of property taxes on the elderly... taxes that are pushing them out of homes and neighborhoods they built, often with their own hands. A national news magazine recently reported on the sadly typical plight of a California woman in her 'seventies. She now pays more in property taxes every year than she paid to buy her house thirty years ago. She may soon be forced to sell, as thousands of others already have. She has the right to something better than eviction and homelessness at the age of 72. She deserves the best use of your vote in the primary this March.

You can vote for a program which I am proposing today . . . to provide property tax relief for the aged in the form of a housing security system. Under the system, the federal government will spend a billion dollars to help pay the housing costs that older Americans cannot pay for themselves. Like Social Security, housing security will mean regular monthly payments to the aged in need. This nation has a duty to guarantee them a decent home . . . so they can live out their lives in peace and dignity. That is why I am asking Florida to vote not only for me as a candidate, but for a commitment to this billion-dollar housing security program.

Most Americans feel the pressures of inflation. Most Americans feel the costs of medical care. And most Americans feel the terrible burden of property taxes.

The voters of Pinella County, young and old alike, are already in revolt. Not only are they refusing to support increased property taxes, but they are trying to reduce them. And people here are not alone. They are typical of taxpayers, North and South alike, who are being driven out of their homes or into debt.

We must bring relief and reform to our property tax system.

We cannot do that if we continue to throw away federal resources on tax cuts that aid corporations at the expense of the consumer. And we should not do that with a national sales tax, which the White House is considering, a tax that will make you pay more money every day so that you can pay a little less money at the end of the year.

The first key to local property tax relief is federal tax reform. We must close the loopholes that let millionaires pay less than their secretaries and we must use some of the savings to reduce some of the taxes on our homes.

The second key to property tax relief is state and local tax reform. Washington must encourage the states and localities to replace regressive property taxes with a sound progressive system. For example, my revenue sharing bill already calls for bonus payments to states that move towards that goal. And we must move as far and as fast as we can toward the day when our schools no longer depend on ever heavier taxes on our property.

The power of Washington can interfere unfairly with the local government, but it can also make local taxes unfair.

That is something Florida can probably vote for in March 1972.

Of course, it will take time to replace the property tax. In the meantime, we can at least demand a system open to everyone, partial to no one.

Thousands of buildings in this country -- especially those owned by wealthy private interests -- are assessed at especially low values. Too often, average homeowners are paying more property taxes than they should, while the influential are evading their fair share.

America's property taxes are inefficient, inequitable and intolerable. Assessments are usually made in secret -- and they usually favor the powerful few. Why should you bear the burden when others escape their duty? Why should they pay so little when hospitals and police forces -- and pollution programs and school systems -- are in deep financial trouble?

You can answer those questions in the Florida primary.

You can vote for an open property tax system.

You can vote in March for a reform that will require every locality to publish every property tax assessment -- and to disclose whether some properties are taxed more leniently than most. It will require the states to create quick and easy procedures for citizens who want to remedy unjust assessments.

Those steps -- and others that I will propose with them -- are part of a larger and even more vital challenge. Are we going to have government in secret or government in the sunshine? That is the question the people of Florida have already answered by supporting the Sunshine Law. Now every state in the Nation must make similar choices. Here in Florida, where government in the sunshine got its start, you can vote in March for the principle that public business should be conducted in public view.

DETAILS OF THE MUSKIE PROPERTY TAX REFORMS

AS PROPOSED IN ST. PETERSBURG, FLORIDA

JANUARY 31, 1972

The Muskie property tax reform proposal has two basic objectives:

1. To provide housing assistance payments to elderly low income citizens at a federal cost of one billion dollars.
2. To improve the administration of the property tax.

THE HOUSING SECURITY SYSTEM

The Muskie Housing Security System provides one billion Federal dollars in housing assistance payments to citizens over 65 with limited means.

This one billion dollars would be divided among the states in proportion to the number of people over 65 years old living within their borders. That means that Florida with nearly five percent of the nation's senior citizens would get nearly \$50 million for housing assistance payments to senior citizens under the program.

The Housing Security System would be administered through the state government. It would give the states broad discretion in their administration of the program within the perimeters of broad federal guidelines. The states would be required, for instance, to make direct housing assistance payments to all citizens over 65 who on the basis of their total financial resources (income plus other assets) could not afford the cost of minimum decent housing in their area.

In order to receive federal funds under the housing security program, a state would have to enact the property tax reforms outlined in the remainder of the proposal.

IMPROVED ADMINISTRATION OF THE PROPERTY TAX

The Muskie proposal would require states to collect and publish data comparing the assessed value of property within each taxing jurisdiction in a state to the actual market value of that piece of property, so that taxpayers can see whether preferential treatment exists and can have the evidence to deal with it.

EASY TAXPAYER APPEALS

The Muskie proposal would require the states to establish a fair and easy procedure for property taxpayers to appeal their property tax bills. The information a property taxpayer needs to determine if his property is over-assessed would be printed on his property tax bill. Under this proposal, if a taxpayer could prove that his property has been assessed as if it had a market value more than 10 percent above its actual market value, the property would automatically be deemed to be over-assessed.

DETAILS OF MUSKIE PROPERTY TAX REFORMS (Continued)

FAIR ASSESSMENT GUARANTEE

The Muskie proposal would provide a safeguard against unfair assessments in those cases where property is grossly under-assessed or where property is over-assessed but the property owner does not take advantage of the appeals procedure. It would require that the market value assessment ratio for all pieces of property within a taxing jurisdiction be brought within a 10 percent range of the average market value assessment ratio for that jurisdiction within a 5-year period.

TAX EXEMPT PROPERTIES

The Muskie proposal requires that the states disclose their policies about tax-exempt properties. It would not limit, reduce, or otherwise eliminate any of the exemptions conferred on property within a state. Such questions would be left to the states.

FEDERAL GOVERNMENT PAYS THE TAB

The Muskie proposal requires the Federal government to provide the following financial and technical assistance to the states:

1. The Federal government would provide financial assistance for gathering data required under this proposal.
2. The Federal government would provide to state and local governments existing appraisal data now collected by federal agencies.
3. The federal government would provide funds to the states for the purpose of training tax assessors so that more professional standards can be established for property tax assessment.

The cost to the Federal government of this program is estimated at \$250 million.

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