

## **A Modest Proposal for Local Governments: *Limit Assessment Increases for Long-Term Residents***

We are all aware of the dramatic increases in property values throughout the D.C. metropolitan area over the past five years. Single year increases in most areas within Northern Virginia exceeded 25% in 2004 alone.

For those of us already owning our homes, this increase is a welcome increase to our equity base. For those seeking to move into our area, or for those who have yet to take part in real estate ownership, these increases make buying a home more difficult.

Much has been written and proposed regarding “affordable housing” alternatives. We watch the debate and proposals with great interest, but offer no opinions at this time.

One upshot of rising home values has been an increase in real estate assessments and, therefore, real estate taxes. For most of us this is understandable. The need for more revenue for local infrastructure is obvious, and the alternative of raising sales taxes or income taxes is less palatable to local politicians and citizens.

However, there is a cost to these increases which is very real and very damaging to a small, but important, segment of homeowners in Northern Virginia. Many long-term residents in communities such as Arlington, Alexandria, and older communities in Fairfax County are now living on fixed incomes and simply do not want to move. They provide stability to their neighborhoods and generally keep their surrounding clean. They offer historical perspective to the community and people around them. *Increases in property taxes are disproportionately hurting senior citizens in many of our communities. They do not want to sell their homes and move, nor are they comfortable with increased debt, such as home equity lines. They should not be forced to move because of higher taxes.*

We have never been accused of being advocates of significant Government involvement in the free market. However, it seems to us that most people will agree that older citizens should not be financially worried about staying in homes because of large assessment increases.

We propose the following: citizens who can prove that they have owned and lived in their existing home as a primary resident for the past 20 years or more *should be exempt from further increases in property taxes*. This would promote stability to our neighborhoods and families. Given the few households who would be impacted, the strain on local Treasuries would be limited, and most likely easily overcome by continued growth in other areas of housing and the economy. Keep in mind, we are NOT saying they should be exempt from property taxes, merely the incremental increases which occur after they have lived in the same home for 20+ years.

We welcome your feedback on this issue.