From: Fred Chmura [mailto:fred.chmura@charter.net]
Sent: Monday, January 26, 2009 4:04 PM
To: Russell, Cheryl
Subject: RE: Question

Cheryl

I can not give you an "official answer' as the contract with Dover is completed and therefore my contract with IAAO on the Dover project is also done and I am no longer able to speak for IAAO in an official role. If you need an "official answer" to the question, then the question will have to be directed to the IAAO Executive Director Lisa Daniels at daniels@iaao.org.

I will give you my opinions on the subject for what that is worth.

I will answer the question with a question. What is the taxable status of property that was on the roll but now may be empty because all the tenants have moved out? What is the taxable status of the house that is vacant because it was foreclosed on by the leading institution or the owner has moved away and cannot sell the house?

If the answer is that there is no taxes on the buildings for these properties then there should not be a change to the Charter to adding buildings to the roll that have not been issued a certificate of occupancy as the report recommends. If however, the answer is taxable for the buildings that I listed above, then the issue is one of fairness and equity. Why should developers who can not sell a property be treated for tax purposes different than other property owners that at facing not being able to sell a property or rent the property? I personally do not think that they should be treated differently and receive a tax break at the expense of the other taxpayers of the jurisdiction. Remember that the taxes must be levied in order to pay for the budget and a group of taxpayers receiving special treatment (lower taxes) causes the taxes to shift to the other taxpayers not receiving the special treatment.

However, as our Supreme Court once said in a tax case "taxes are by their very nature unfair" it is the function of the City Council in its policy making role to decide who pays taxes and at what level.

Fred

From: Russell, Cheryl [mailto:CRussell@dover.de.us]
Sent: Tuesday, January 20, 2009 8:14 AM
To: fred.chmura@charter.net
Subject: Question

Fred,

I submitted my "Charter Amendments" to the Legislative and Finance Committee last Monday night. I had questions pertaining to one of the amendments by two Council Members during this meeting.

The question was concerning the valuation of improvements before a Certificate of Occupancy is issued; if we deem that is being used for its intended purpose.

Their question was “Are we taking into account the current economy? Is it fair to begin taxing on a property in these economic times if they cannot sell the property or rent the property; therefore not requesting a certificate of occupancy?”

They asked that I request an official answer from the IAAO ☺

Thank you!!

Cheryl