Local Government Serves You

Local governments provide citizens with basic services such as education, fire and police protection, water, and sewage and sanitation. They are the governments closest and most accessible to you.

To learn more about how local governments affect you, view the Democracy in Action Chapter 24 video lesson:

Local Government

Chapter Overview

Structure of Local Government

**Reader’s Guide**

**Key Terms**
- county, county board, township, municipality, special district, incorporation, referendum

**Find Out**
- What are the four basic types of local government according to the areas they serve?
- What are the similarities and differences among the three major structural forms of municipal government?

**Understanding Concepts**

**Federalism** What is the relationship between a state government and local governments?

**Cover Story**

**Governor Now Mayor**

Des Moines, Iowa 1997

Fifteen years after leaving public service, former governor Robert Ray has agreed to fill in as mayor of Des Moines. Mayor Arthur Davis will not be able to complete his four-year term because of illness. The decision puts an end to a month of bickering among city council members, who could not decide whether to hold a special election or appoint an interim mayor. Ray says he will return to private life when the term ends. “I’ve never heard of anyone doing this,” he jokes. While it may be unusual for a former governor to run city hall, Des Moines may benefit from his years at the state capitol. He asks, however, that people not call him “governor.”

**Created by the State**

Although the United States has a strong tradition of local self-government, local governments have no legal independence. Established by the state, they are entirely dependent on the state governments under which they exist. The state may assume control over or even abolish them. For example, a state may assume control over a local school district that is in financial trouble.

State constitutions usually set forth the powers and duties of local governments. A state constitution may also describe the form of government a locality may adopt, depending on its size and population. State laws may regulate even the kinds of taxes that local communities may levy.

**Types of Local Government**

The United States has four basic types of local government—the county, the township, the municipality, and the special district. All four do not exist in every state, and their powers vary from state to state.

**The County** The county is normally the largest territorial and political subdivision of a state. The county form of government is found...
in every state except Connecticut and Rhode Island. In Louisiana counties are called parishes, and in Alaska they are called boroughs.

Counties of the United States display tremendous variety. The number of counties within a state varies from state to state, and counties differ in size and population. County governments also vary considerably in power and influence. In rural areas and in the South, early settlements were spread out over large areas, with few towns and villages. One town in each county became the seat of county government.

On the other hand, county government has never been very important in New England. In this region people settled in towns, and each township, rather than the county, became the significant unit of local government.

Recently in some metropolitan areas, county governments have grown in importance as they assumed some of the functions that municipalities once handled. For example, the government of Dade County, Florida, now administers transportation, water supply, and other services for the Miami area. In many other places, however, county governments have declined in importance but continue to exist in spite of attempts to change or even abolish them.

### Structure of County Governments

States provide county governments with a variety of organizational structures. A county board has the authority to govern most counties. The name of this board varies from state to state. It may be called the county board of supervisors, the board of county commissioners, or the board of freeholders. Board members are almost always popularly elected officials. State law strictly limits the legislative powers of county boards. For the most part, county boards decide on the county budget, taxes, and zoning codes.

In many counties the county board has both executive and legislative powers. Board members often divide executive power, with each member responsible for a different county department. In many counties the county board shares executive power with other officers who are usually elected. These officials may include the county sheriff, attorney, clerk, coroner, recorder of deeds, treasurer, auditor, assessor, surveyor, and superintendent of schools. County governments supervise elections, issue certain licenses, keep records of vital statistics, and administer many services, including hospitals, sports facilities, and public welfare programs.

### The Township

Townships exist as units of local government in 20 states—mostly in New England and the Midwest. In the 1600s the early settlers in New England established the first townships in America. In New England the township is another name for the town, a fairly small community with a population usually fewer than 5,000. In many states, counties are subdivided into townships. The size and jurisdiction of townships vary greatly from one state to another. In New Jersey the township covers a large area that may include several municipalities.

The activities that township governments undertake vary from state to state as well. In Nebraska and Missouri, the primary function of township government is road building and road maintenance. In Pennsylvania, townships provide a wide array of government services, including police and fire protection.

In many rural areas townships have lost population and power in the last few decades. For example, many townships in Kansas have lost power to county governments. In some other areas of the Midwest, such as Indiana, control over education has passed from the township to either the county or the local school district.

In some urban areas, however, township government has taken on increased importance. In areas of rapid metropolitan growth, townships have assumed some functions of city government such as providing water, sewage disposal, and police protection. Urban townships in states such as Michigan and New Jersey have also become increasingly important.

### The New England Town

Thomas Jefferson once described politics in the typical New England town as “the perfect exercise of self-government.” With the strong community spirit fostered by their founders, these towns became models of citizen participation in local government.

The town meeting served as the centerpiece of town government in New England. In the past, town meetings were open to all voters. Those who attended could express their opinions or just mingle and socialize with their neighbors. At the town
meeting citizens participated in the lawmaking process, decided on taxes, and appropriated money for any public projects they thought necessary. They elected town officials, called selectmen. Selectmen were responsible for administering the local government between town meetings.

Over the years, as New England towns grew and their governments became more complex, the town meeting form of direct democracy became impractical. Today, in some very small towns, the town meeting still operates much as it used to. In larger towns and cities, however, the voters elect representatives to attend the town meetings in their stead. In addition, selectmen now have the power to make some of the decisions that citizens once made. Finally, some towns have hired town managers to perform duties similar to those of county administrators.

The Municipality  A municipality is an urban unit of government—a town, borough, city, or urban district that has legal rights granted by the state through its charter. The first charters were much like charters for private corporations, except that towns and cities were much more narrowly controlled. Each municipality had its own charter until state legislatures began to pass general laws after 1850. These early charters and statutes contained powers that today seem curious. For example, Ohio gave its cities power to regulate the transportation of gunpowder; to prevent the immoderate riding of horses; to provide for measuring hay, wood, coal, or other articles for sale; and to suppress riots, gambling, bowing, and billiards.

By the twentieth century, most states divided municipalities into classes depending on their population. In this way they could provide each class a more standard type of charter.

The Special District  The special district is a unit of local government that deals with a specific function, such as education, water supply, or transportation. Special districts are the most common type of local government, and they deal with a wide variety of special services. The local school district is the most common example of a special district.

Tribal Government  Some states have a separate level of government that serves the Native American population. In New Mexico, for example, the Pueblo Native American culture is divided into 22 governing units operating on New Mexico’s 19 pueblo land formations. Each tribal office has a governor and a lieutenant governor. The state of New Mexico established the Indian Affairs Department in 1953 to serve as a liaison between the tribal governments and the state government.

Teen Courts

Authorities have long sought ways to reduce teen crime. One approach that many communities have adopted is to establish teen courts. In teen courts, teenagers serve as jurors, defense attorneys, and prosecutors. The courts hear the cases of teens who have committed a minor, first-time offense. These offenders get a chance to avoid the record that would result from a juvenile court proceeding. They also learn a valuable lesson in how the law works.

Teen courts got their start in Texas in the 1970s and have since spread to more than 30 states. They often are supported by funds from school districts and traditional courts, or by civic groups that hope to reach young offenders before they become hardened criminals. Statistics show that teen crime is generally down in communities where such programs exist.

Participating

Research  Call or write municipal governments in your area to find out whether they have teen courts and how they work.
Forms of Municipal Government

A municipal government may be formed when a group of people asks the state legislature to permit their community to incorporate, or set up a legal community. This process, called incorporation, is different from state to state. Generally a community must meet certain requirements for incorporation. These requirements usually include having a population of a certain minimum size and petitions signed by a specified number of residents requesting incorporation. At times a referendum, or special election, may be held to determine whether the people want incorporation.

Once a community is incorporated, the state issues it a charter. The charter allows the community to have its own government and gives the municipal corporation legal status. The municipality now has the right to enter into contracts, to sue and be sued in court, and to purchase, own, and sell property. The state legislature can change the powers granted to a municipal government at any time.

Every municipal charter provides for the type of government the community will have. Today urban areas in the United States use one of three basic forms of municipal government: the mayor-council form, the commission form, or the council-manager form.

The Mayor-Council Form The most widely used form of municipal government is the mayor-council form. It is also the oldest type of municipal government in the United States. Until the 1900s it was used in most American cities, regardless of their size. Today about half the cities in the United States use this form. It is the form of government preferred by the largest cities.

The mayor-council form follows the traditional concept of separation of powers. Executive power belongs to an elected mayor, and legislative power to an elected council. All cities except one have unicameral, or one-house, councils.

Most city councils have fewer than 10 members, who usually serve 4-year terms. Some larger cities, however, have larger councils. For example, Chicago has a 50-member council, the largest in the nation. In most cities, council members are elected from the city at large. In some cities, however, citizens of individual wards or districts of the city elect council members.

Two main types of mayor-council government exist, depending upon the power given the mayor. These two types are the strong-mayor system and weak-mayor system. In the strong-mayor system, the municipal charter grants the mayor strong executive powers. A strong mayor usually has the power to veto measures the city council passes, and many of his or her actions may not require council approval. The mayor can appoint and fire department heads and high-ranking members of the municipal bureaucracy. In addition, a strong mayor can prepare the municipal budget, subject to council approval, and propose legislation to the city council. The mayor usually serves a four-year term. The strong-mayor system is most often found in large cities.

Many small cities, especially in New England, use the weak-mayor system of municipal government. In this form the mayor has only limited powers. The mayor has little control over the budget or the hiring and firing of municipal personnel. The city council makes most policy decisions, and the mayor’s veto power is limited. The mayor usually serves only a two-year term. In some small municipalities, the office of the mayor is only a part-time position.

The success of the mayor-council form of government depends to a large extent on the individual who serves as mayor. In the strong-mayor...
system, a politically skillful mayor can provide effective leadership. Under the weak-mayor plan, because official responsibility is in many hands, success depends upon the cooperation of the mayor and the council.

**The Commission Form** The commission form of municipal government combines executive and legislative power in an elected commission, usually composed of five to seven members. Each commissioner heads a specific department and performs executive duties related to that department. The most common departments are police, fire, public works, finance, and parks. The commissioners also meet as a legislative body to pass laws and make policy decisions. One of the commissioners usually has the title of mayor. The mayor has no additional powers, however, and usually carries out only such ceremonial functions as greeting important visitors and officiating at the dedication or opening of hospitals and other public institutions.

The commission form of municipal government developed after a devastating tidal wave struck Galveston, Texas, in 1900. As the citizens of Galveston tried to rebuild their city, they found their mayor-council government unable to handle the many urgent problems stemming from the disaster. Consequently, the Texas state legislature permitted Galveston to elect five leading citizens to oversee the city’s reconstruction. The commission form proved so successful in Galveston that other municipal leaders adopted the commission form in their communities. By 1920 more than 500 cities had the commission form of government.

Despite its early success, today only a few American cities use the commission form. Over the years municipal leaders discovered that this form of government had serious defects. First, in the absence of a powerful leader, the commission form can lead to a lack of cooperation and planning in government. This form of government has no strong executive to persuade or force the commissioners to act as an effective group. When commissioners disagree, it may be very difficult to make decisions or establish policies. Second, when commissioners do agree, it may be simply to support one another’s budget requests. As a result, the municipal budget may be far more generous than it should be.
The Council-Manager Form  Under a council-manager form of government, legislative and executive powers are separated. The council of between five and nine members acts as a legislative body and makes policy for the municipality. A manager carries out the council’s policies and serves as chief administrator. First used in 1912, the council-manager form is now one of the most common forms of municipal government in the United States. More than 40 percent of cities, mostly in the West and the South, use this form.

The office of city manager is the key feature of the council-manager plan. Appointed by the council, the city manager is the chief executive. He or she appoints and fires municipal workers, prepares the budget, and runs the day-to-day affairs of the city. The city manager may also make policy recommendations to the council. Most city managers are professionals trained in public administration. They must answer to the council and are subject to dismissal by the council.

The council-manager form usually includes a mayor with limited powers. In most cases the mayor is a council member whom the council elects for a two-year term.

Political experts believe the council-manager form brings better management and business techniques into government. Executive and legislative powers are clearly separated, and it is easy for the voters to assign praise or blame for what the government has done.

Some critics, however, point out disadvantages associated with council-manager government. Citizens do not elect the city manager. Many managers are not even residents of the city at the time of their appointment. Also, the council-manager plan may not provide the strong political leadership that is necessary, especially in large cities with ethnically and economically diverse populations.

**Professional Administrator**  Hearne, Texas, city council member Charles Bowman (left), Mayor Ruben Gomez (center) and City Manager Kenneth Pryor (right) discuss municipal issues. Under the council-manager form of government, the city manager runs the city. *Who establishes the policies that the city manager administers?*
Serving Localities

Firefighting is just one of many services of local government. Today most of these services are provided by taxes levied on everyone, rather than by fees from individuals.

Local Government Services

Local governments provide education, fire and police protection, water, sewage and sanitation services, trash collection, libraries, and recreation.

Education Providing education is one of the most important functions of government. In many states a large share of local tax revenues goes to pay for public schools. Some states pay a large percentage of local public school costs, but local school districts generally provide most of the money and make the key decisions regarding the operation of the public schools. Local funding and local control of schools go hand in hand. However, local funding also contributes to inequality of education across the many districts of a state. Wealthier districts can provide much better educational opportunities. As a result, some states and the state courts have recently begun to address this issue, raising questions about the way education is financed.

Zoning Local governments use zoning to regulate the way land and buildings may be used. Through zoning, a local government can shape the way in which a community develops. Zoning boards can plan for regulated growth, preserve the character of neighborhoods, and prevent the decline of land values. A zoning board may rule that certain districts (zones) can be used only for homes, others only for businesses, and others only for parks.

Some people criticize zoning. They claim that zoning is an excessive use of government power because it limits how people can use their property. Some criticize zoning laws that make it difficult for certain people, often minorities

Reader’s Guide

Key Terms
zoning, mass transit, metropolitan area, suburbs, real property, personal property, assessment, market value

Find Out
■ What are the major issues surrounding the services local governments provide?
■ How do special districts and regional arrangements help local governments serve the needs of communities?

Understanding Concepts
Political Processes What are some examples of changes in local government structure or function that helped address issues of concern to citizens?

COVER STORY

Fights Fire for a Fee

Rome, Italy, 79 B.C.

Marcus Licinius Crassus has found a way to profit while providing a public service. Recognizing the city’s need for fire protection, Crassus established a first-rate firefighting company that boasts its own horse-drawn water tank. Crassus accompanies his workers to the fires and negotiates his fee with the building’s owner before they battle the blaze. A hard bargainer, Crassus usually demands the property as the price for saving it, and also that the owner agree to pay him rent for life. His success as both firefighter and businessman has made Crassus one of Rome’s biggest landlords.
or families with children, to move into particular neighborhoods. Critics call this restrictive zoning. Advocates of zoning claim that without zoning, a community might develop in ways that would lower property values and make it an unpleasant place to live.

**Police and Fire Protection** Police and fire services are expensive and make up a large part of the local budget. Police protection, for example, is the second-largest expense of many American cities, after public utilities.

Fire protection is a local function that varies with the size of the community. In small towns volunteers usually staff the fire department. In large cities professional, full-time fire departments provide the necessary protection. Professional fire departments also serve some small towns that have many factories and businesses.

**Water Supply** Local governments make the vital decisions regarding water service. In smaller communities they may contract with privately owned companies to supply water. The threat of water pollution and water shortages has prompted some local governments to create special water district arrangements. In case of a water shortage, such districts or local governments may attempt to limit the amount of water consumed.

**Sewage and Sanitation** Local government is responsible for sewage disposal. Untreated sewage, if allowed to return to the natural water supply, can endanger life and property. Many local governments maintain sewage treatment plants to deal with this problem.

Sewage and sanitation disposal are very expensive local services. For cities with populations of less than 50,000, sewage and sanitation combined comprise the second-highest local governmental expenditure after police and fire protection. These costs have forced some smaller communities to contract with private companies to provide their sewage and sanitation services.

Because of environmental concerns, landfills are no longer the simple solution to sanitation that they once were. Some local governments use garbage-processing plants to dispose of the community’s solid wastes.

Sewage and sanitation issues also often require that officials make difficult political decisions. For example, where should sewage treatment plants be located? Although such plants are necessary, people often oppose having them near their homes. Another difficult decision involves how to pay for these services. Although people want a clean and healthy community, they often object to paying taxes that are used for improved sewage and sanitation services.
Transportation  As more people choose to live in suburban areas but continue to work in cities, transportation becomes a real concern of city government. In addition, shopping centers are located beyond walking distance from people’s homes. To get to work and to shop, millions of Americans rely on either the automobile or mass transit facilities such as subways, trains, and buses.

Local governments spend millions of dollars each year to maintain more than 3 million miles of streets. In recent years local governments have tried to encourage people to use mass transit rather than their own automobiles for three important reasons. First, mass transit is usually more efficient than the automobile. A high-speed rail system, for example, can transport about twice as many people each hour as a modern expressway. Second, mass transit causes less pollution than automobiles. Third, mass transit uses less energy per person than automobiles. Still, many people prefer the independence of driving their own vehicles.

Social Services  Many local governments offer important services to citizens who cannot afford them. Normally, local governments provide services to people who have special needs that may result from unemployment, low income, ill health, or from permanent handicaps.

One type of social service provides aid to people who are temporarily unemployed. This aid consists of cash payments and help in finding new jobs. A second program is hospital care for people who need medical attention and cannot afford the expense. The third is direct assistance to needy people in the form of cash payments. This third type of social service is often referred to as “welfare.”

Local governments, especially cities, have a huge fiscal responsibility for social services. Paying for these programs is one of the biggest single expenditures for many large cities in the United States today. Although the federal and state governments pay part of the cost, the share that local governments pay toward these programs continues to rise.

Recreation and Cultural Activities  As the leisure time of Americans has increased, local governments have responded with recreation and cultural programs. Many local communities offer programs in swimming, dancing, puppetry, and arts and crafts. In addition, many localities provide programs in baseball, football, and other sports. The maintenance of parks, zoos, and museums is also a function of local government. Many cities and counties have helped build stadiums, arenas, and convention centers that are used for sports and entertainment.

Metropolitan Communities  Cities, towns, and villages are metropolitan communities. These urban communities differ greatly in size, ranging from a few thousand to millions of people.

The Census Bureau classifies any community with 2,500 people or more as an urban community. Whether an urban community is called a city, a town, or a village depends on local preference or sometimes on state charter classifications. What is called a city in one state may be called a town or a village in another. The Office of Management and Budget has classified large urban areas as Metropolitan Statistical Areas. A metropolitan area or metropolis is a large city and its surrounding suburbs. This area may also include small towns that lie beyond the suburbs.

Cities  Cities are densely populated areas with commercial, industrial, and residential sections. They are chartered by the state as municipal corporations.

Most cities in the United States became major urban centers during the Industrial Revolution of the 1800s. They attracted African Americans, Americans from rural areas, and immigrants who sought jobs and better living conditions. After World War I, many more African American families migrated to large cities throughout the country in search of better opportunities. Since 1945 newcomers from Puerto Rico, Mexico, Cuba, and other Spanish-speaking regions, as well as immigrants from many countries in Asia, have contributed to rapid urban growth.

Beginning in the 1970s, cities in the South and West became the growth leaders. Census statistics revealed a shift in urban population away from the Northeast and Midwest to cities in the region known as the Sunbelt. New industries attracted people to Sunbelt cities such as Jacksonville, Florida; Houston, Texas; and San Diego, California.
Expansion in the Sunbelt  San Diego, California, is located in the Sunbelt and enjoys great growth in industry and population. **What types of city services would be stressed by fast population growth?**

Meanwhile, the 10 largest cities in the Northeast and Midwest all lost population. In many of these older cities, job opportunities and financial resources dried up. Detroit’s population was 1.67 million in the 1960 census; by 2000 it was less than one million. Chicago lost 7.4 percent of its population in the 1980s alone. While the population of some Northeastern and Midwestern cities stabilized in the 1990s, 5 of the 10 largest cities continued to lose population. Major Sunbelt cities continued to grow.

**Towns** Early in the United States’s history, most Americans lived in small towns and villages. After the 1860s large cities grew faster than towns and villages. Between 1970 and 1990, as cities faced problems, several factors made rural areas and small towns once again attractive to Americans. Many towns and villages experienced growth, but the fastest-expanding areas were the suburbs.

**Suburbs** After the 2000 census the Census Bureau classified 280 areas of the United States as metropolitan areas. The largest was New York City; the smallest was Enid, Oklahoma. These areas are made up of one or more central cities plus the adjacent densely settled territory—the **suburbs**. Today more Americans live in suburbs than in cities or rural areas. A suburb may be called a village, a town, or a city, and it usually has its own form of government.

Many people began to move to the suburbs after World War II. Between 1950 and 1990, middle-class families seeking to buy homes flocked to new residential suburbs. By 1970 an important population shift had occurred—most people living in urban areas resided in the suburbs. Even in the South, cities lost population to suburban areas. Atlanta, Georgia, experienced a 20.7 percent decline, while the surrounding metropolitan area increased 173.1 percent.

The first rapid suburban growth took place close to the edge of cities in the 1950s and 1960s. Federal money for highways and home loans induced families to move to the suburbs, as the federal Urban Renewal Program demolished hundreds of thousands of low- and middle-income urban housing units in the cities. Federal Housing Administration and Veterans Administration programs subsidized homes for nearly 14 million families, with the majority being built in the suburbs.

By the 1980s older suburbs close to cities’ edges began to take on the character of the city. Once again people moved, this time to an outer suburban ring. These new suburban communities, 15 to 50 miles from the city center, attracted middle-class workers and professional people.

The growth of suburbia signaled political change. In an article titled “The Empowering of the Suburbs,” Rob Gurwitt predicted:

> “Politics in the outer reaches of suburbia—the land of mega-malls and endless commuting—will soon attract the attention of a lot of people who never really had to think about it before. . . . In several legislatures, the suburbs as a whole will be the new heavyweights, outnumbering the urban or rural delegations that once held unquestioned sovereignty.”

—Rob Gurwitt, February 1991
Special Districts

Local governments often face such problems as providing a safe water supply and adequate transportation. From time to time, to solve these problems, local governments establish special districts that are better able to respond to solving specific problems than other units of local government.

The second reason for special districts derives from the financial limitations states impose on other units of local government. Most state governments limit the taxing and borrowing powers of local municipal governments. Some states also have laws that limit how much these local governments may spend. Creating a new special district not subject to such limitations becomes a practical solution for local leaders whose budgets are strained to meet local needs. Most special districts may make their own policies, levy taxes, and borrow needed money.

The water commission and the port authority are two common types of special districts in the United States. The local school district is another such special unit. Other special districts are responsible for administration of airports, sewage disposal, and roads. As the most common unit of local government, the special district is found in every state. Counting school districts, more than 47,000 special districts exist, comprising more than half of all the local governmental units in the country.

The School District

The school district is usually governed by an elected local body, the school board. The school board is responsible for setting school policies, hiring a superintendent of schools, and overseeing the day-to-day workings of schools. It also makes up the school budget, decides on new school programs and facilities, and often has the final decision about hiring teachers and supervisory staff. In some places the school board may also decide on the amount of school taxes to be levied.

Citizens often have strong feelings about how their schools should be run. In many communities, however, less than one-third of the eligible voters actually vote in school board elections. Turnout is usually higher when citizens vote on issues dealing with money, such as school bond referendums and school tax levies.

Regional Arrangements

In the 1990s local governments joined to develop creative approaches to regional issues. Cooperative efforts addressed everything from waste management to law enforcement.

Five rural counties in Alabama formed a waste management authority. Officials realized that they would have more bargaining power with the company that operates the landfills local governments use if they joined together. City police departments and county sheriffs’ offices in some areas share crime laboratories, keep joint records, operate joint radio bands, and share the cost of training personnel. Fire departments have made agreements that require the fire station closest to answer the first alarm, ignoring political boundaries. Perhaps the most venturesome regional arrangement is Portland, Oregon’s, Metropolitan Service District (Metro). As the nation’s only regional authority with multiple responsibilities run by elected officials, Metro covers three counties. Its main task is controlling growth under Oregon’s land-use laws. Metro also does all the transportation and water-quality planning for the area, runs the zoo, manages the convention center and coliseum, and deals with solid waste disposal and recycling.

Financing Local Government

Local governments are the governments that are charged with providing costly services such as mass transit, airports, parks, water, sewage treatment, education, welfare, and correctional facilities. The costs for these services are enormous. Taxes provide the revenues necessary to do all this.

The Property Tax

One of the oldest taxes, property taxes once provided revenue for all levels of government. Today property taxes are the most important source of revenue for local governments, accounting for more than two-thirds of all their tax revenues.

Property taxes are collected on real property and personal property. Real property includes land and buildings. Personal property consists of such things as stocks and bonds, jewelry, furniture, automobiles, and works of art. Most local governments now tax only real property. If personal property is taxed at all, the rate is usually very low.
How do local governments determine what the property tax will be? The process of calculating the value of the property is called assessment. It begins when the tax assessor appraises the market value of the homes and other real property in the community. The market value of a house or a factory is the amount of money the owner may expect to receive if the property is sold.

Most local governments do not tax property on its market value but on its assessed value, which is usually only a percentage of its market value. For example, a house that has an appraised worth of $120,000 may have an assessed value of 30 percent of that figure, or $36,000.

Public opinion surveys indicate that most Americans view the property tax as unfair. The major charge against the property tax is that it is regressive—placing a heavier burden on people with lower incomes than on those with higher incomes. The property tax also weighs heavily on retired home owners with fixed incomes who cannot afford constantly rising taxes.

The second criticism of the property tax is that it is often very difficult to determine property values on a fair and equal basis. Standards may vary with each tax assessor. Tax assessors are elected officials, often underpaid and inadequately trained.

A third criticism is that reliance on the property tax results in unequal public services. A wealthy community with a large tax base can afford better public services than a less wealthy community with a small tax base. Based on this criticism, some state supreme courts have ruled against using the property tax to pay for local schools. They have held that using property taxes to support schools is a violation of the Fourteenth Amendment’s guarantee of equal protection of the law.

Finally, property used for educational, religious, or charitable purposes and government property is exempt from the property tax. Some communities give tax exemptions to new businesses and industries to encourage them to relocate there. As a result, the nonexempt property owners must bear a heavier share of the tax burden.
Other Local Revenue Sources  Local governments must have other revenue sources. These include local income taxes, sales taxes, fines and fees, and government-owned businesses.

The local income tax is a tax on personal income. If the state and the local community both have an income tax, the taxpayer pays three income taxes: federal, state, and local.

The sales tax is a tax on most items sold in stores. Many states allow their local governments to use this tax. In some places it is a selective sales tax, one that is applied to only a few items.

Fines paid for traffic, sanitary, and other violations, and fees for special services provide part of the income for local governments. Special assessments are fees that property owners must pay for local services that benefit them. For example, a city may impose a special assessment when it improves a sidewalk that benefits home owners or shopkeepers. Some cities also earn revenue through housing projects, markets, and parking garages.

States permit local governments to borrow money in the form of bonds—certificates that promise to repay the borrowed money with interest by a certain date. Some investors consider local government bonds to be good investments because their earned interest is not subject to federal income taxes. Municipal bonds raise money for large, expensive projects such as a sports stadium, school buildings, or government office buildings.

Intergovernmental Revenue  In addition to local sources of revenue, most local governments receive economic aid from state and federal governments. This aid often comes in the form of grants.

When local governments carry out state laws or administer state programs such as constructing highways or matching welfare payments, they receive state aid. State governments also grant funds for specific purposes such as recreation and education. Today states provide more than one-third of the general revenue of local governments. Most state aid consists of categorical-formula grants—support for specific programs—used for education, highways, public welfare, and health and hospitals.

Federal financial aid has come in two forms: categorical grants and block grants. Usually Congress includes guidelines with categorical grants, for example, to help pay for a new highway, for police training programs, or to aid in sewage control. Local officials prefer block grants, or unrestricted aid to community development or social services.

GOVERNMENT Online

Student Web Activity  Visit the United States Government: Democracy in Action Web site at gov.glencoe.com and click on Chapter 24–Student Web Activities for an activity about serving localities.

Checking for Understanding

1. **Main Idea** Use a graphic organizer like the one below to compare the advantages of using mass transit with those of driving personal automobiles.

<table>
<thead>
<tr>
<th>Mass Transit</th>
<th>Personal Auto</th>
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2. **Define** zoning, mass transit, metropolitan area, suburbs, real property, personal property, assessment, market value.

3. **Identify** Metropolitan Statistical Areas.

4. **Analyze** three goals of zoning.

5. **Why is the property tax considered by some people to be an unfair tax?**

Critical Thinking

6. **Analyzing Information** Why do local governments, with state and federal assistance, provide social services to residents?

**Concepts IN ACTION**

**Political Processes**  Obtain a copy of the most recent budget of your local government. Write an article identifying the services that account for most of the budget. Also, identify the main sources of your local government’s revenue. Include your suggestions for change, either in spending priorities or in sources of revenue.
Judgments involve using criteria to assess the worth of something such as an election candidate or a public policy. Criteria are standards for making judgments. Criteria may be derived from experience, history, ethics, or other sources. For instance, honesty is one criteria for judging a political candidate.

**Learning the Skill**

To make a reasoned judgment you need to follow these three steps:

1. Review the facts to understand the problem. Examine all the proposed solutions.
2. Use your knowledge to decide whether each proposed solution is likely to be effective.
3. Examine information that both supports and contradicts your conclusion.

**Practicing the Skill**

Suppose that you are the mayor of a city in which vandalism is a major problem.

Most of the illegal activity is centered in three neighborhoods that also have high unemployment rates. Read the lettered proposals below for dealing with the problem. Answer the questions that follow.

A. Civic education programs should be created for grades 1–12.
B. Police should walk rather than drive around the areas they patrol.
C. Job training programs for unemployed young people should be started in these neighborhoods.
D. Neighborhood crime watch programs should be organized.
E. The city should enlist the help of churches and community groups to provide recreational activities and counseling services for teenagers.

1. Write a sentence explaining how each proposal might help to alleviate the problem.
2. On a scale of 1 (low) to 10 (high), indicate how effective you consider each proposal.
3. Write a paragraph explaining how proposals you support would work together.

**Application Activity**

Read a newspaper article about a local issue or problem. Use the facts in the article to analyze the effectiveness of proposed solutions to the problem. Write a paragraph explaining your opinion.

The *Glencoe Skillbuilder Interactive Workbook, Level 2* provides instruction and practice in key social studies skills.
Challenges of Urban Growth

C oncentrating many people in limited space creates problems. Today many urban areas in the United States confront housing shortages, inadequate transportation, pollution, poverty, and crime. Although these problems are most acutely experienced in big cities, they also exist in the surrounding suburbs and small towns.

Population and Housing

Recall the kinds of population shifts that have taken place in recent years. Cities in the Northeast and Midwest lost population as those in the South and West grew rapidly. The population of small towns and rural areas increased, and many people moved from cities to nearby suburban areas.

What are the causes and results of these changes? What challenges have these changing growth patterns presented for local communities? Studying the changes in housing is a key to understanding many urban problems.

Managing Decline

As the population in an area increases, available land becomes more scarce and, hence, more costly. Local governments often have to decide whether available land should be used for new housing, industry, stores, or office buildings.

Municipal governments attempt to manage land use to provide an environment for orderly growth. What action should be taken when an area begins to deteriorate?

In the 1950s some inner cities showed signs of decline. People who could afford new housing left the inner cities and moved to the suburbs; poorer people remained. Jobs became scarce as industries moved out—either to attractive suburban areas or to new locations in the South and West. Inner-city housing deteriorated, and slums multiplied. Residents had to endure inadequate heating, leaky pipes, poor sanitary conditions, and rising crime rates.
Urban renewal added new low-rent public housing, but slowed production of other types of housing. Low-rent units under construction increased from 14,000 in 1956 to 126,800 in 1970. However, low-rent or subsidized government housing discouraged private investment in apartment units. The construction of new rental units declined from about 750,000 in 1972 to 297,000 in 1980. The construction of privately owned new housing units peaked at 2 million in 1978 and later leveled off to about 1.5 million. Fewer total housing units available meant higher costs overall for rent.

Housing Discrimination To make matters worse, some Americans suffered the effects of discrimination in housing, especially in the rental market. For many years smaller communities and suburban areas excluded African Americans and other minorities. Meanwhile, inner-city living developed a cycle of low pay, poor housing, inadequate education, and unemployment.

Suburbs at times kept out the poor, the elderly, and people with children. Some apartment owners were unwilling to rent to people with children. A 1981 study in Los Angeles found that owners excluded families with children from 71 percent of the apartments surveyed.

The courts have consistently ruled against discrimination in housing. Moreover, in 1968 Congress passed a federal Open Housing Act that bars discrimination in the sale and rental of housing. Nevertheless, housing discrimination is sometimes difficult to prove, and the government has not always enforced laws against it.

Coping with Housing Shortages Many major cities, including Atlanta, New Orleans, and Philadelphia, responded to the housing shortage by

"The most important effect of the first core area projects and then those in the next ring was to produce a continuous flow of displaced persons; as much as one-fifth of the entire population of the city was uprooted between 1956 and 1974. Community social networks were in part destroyed by the very officials who sought to stop decay and make New Haven slumless."

—Susan F. Fainstein and Norman L. Fainstein, 1986
renovating older housing units. Renovation projects rewired homes, installed new plumbing, and rebuilt floors and walls. In cities such as Baltimore and Des Moines, funds from the city government along with federal, state, and private funds made some highly successful renovation programs possible.

The federal government also provided low-interest loans to local housing authorities through public housing programs. These loans helped to build housing projects for low-income residents. Local housing authorities received federal aid to help maintain rents at affordable levels.

**Social Problems**

Large cities face serious social problems. The concentration of poverty, homelessness, crime, and drug and alcohol abuse is easily identified in large cities. The local and national media often report on these problems, raising the national awareness of their seriousness. City governments, however, must be more than aware of these social conditions. They must try to alleviate them.

**Homelessness** Housing shortages are only one side of the housing problem in major cities. The other side is the human issue—homelessness. Hundreds of thousands of people spend their nights in shelters or on the streets. Unemployment and the housing shortage contribute to this problem. In addition, two-thirds of the homeless have a serious personal problem that contributes to their plight—alcoholism, drug addiction, or a criminal record. About one-third are mentally ill. The average homeless adult has been out of work for four years. Housing alone will not solve this problem. Rehabilitation programs are needed to address the personal problems that caused people to be homeless.

Private and religious charitable organizations contribute the most to relieve homelessness. The federal government provides a very small portion of assistance. In a recent year, the federal government provided about the same amount of assistance for the whole nation as the city of New York spent for its own homeless people.

**Drug Abuse** Closely associated with homelessness in many cities is drug abuse and addiction. Crack, a stronger form of cocaine, became the scourge of the cities in the 1980s. Street gangs built a network for selling the drug in most of the nation’s cities before the federal **Drug Enforcement Administration** realized the extent of the problem.

Inner-city teenagers, unable to find low-skill jobs, rationalized crack selling as a gateway to prosperity. Many worked long, hard hours in the drug trade and hoped to escape the poverty cycle. The rewards, however, did not match the danger. Many crack dealers earned no more than the minimum wage, and the earnings were often consumed in drug use.

The national media focused on drugs as a major problem in the United States. Some called it a $25 billion drain on the national wealth and implicated drugs in the renewed rising crime rates in the cities. One national magazine that made a commitment to cover drug abuse said:

> We plan accordingly to cover it as a crisis, reporting it as aggressively and returning to it as regularly as we did the struggle for civil rights, the war in Vietnam, and the fall of the Nixon presidency.

--- Newsweek, June 16, 1986

In November 1988, Congress responded to President Reagan’s request for new antidrug legislation. The new law created the office of federal drug “czar” and increased spending for drug treatment and law enforcement. By 1991 the Justice Department’s budget reached $10 billion, much of it targeted for fighting drug trafficking. There was some evidence that federal intervention was having an effect. A survey released in January 1990 reported a decline in the number of high school seniors who said they had tried illegal drugs. Use of crack showed the sharpest decline—a 50 percent drop from the 1985 figure.

However, the problem of drug abuse resurfaced in the media just a few years later. Teenage use of marijuana doubled between 1993 and 1996. While the number of hard-core drug users remained steady at about 3 million, the addicts were using an increasing amount of drugs. President Clinton responded to the news by appointing Barry R. McCaffrey, a retired army general, as head of the **Office of National Drug Control Policy**. At confirmation hearings McCaffrey promised the Senate renewed efforts, especially in the treatment of drug users:
“Specifically, let me underscore my conviction that drug testing and then the treatment of convicted criminals prior to and following release from prison is vital. We simply must provide treatment to these people if we expect to protect the American people from violence and property crimes.”
—Barry R. McCaffrey, 1996

A federal survey released in August 2000 showed that teenage drug use is again on the decline.

**Meeting Future Challenges**

In the years ahead municipal governments face problems that demand imagination, citizen involvement, and good leadership. In most cases solving these problems will take large investments of money. Municipalities continue to depend on help from state and federal governments. The level of aid may not satisfy big cities, however.

Large cities have special problems that add to their financial burdens. They usually have higher rates of poverty, crime, and unemployment than smaller localities. In 1979, for example, about one-third of all people living below the federally defined level of poverty resided in large cities.

**Infrastructure** Paved streets and sidewalks, pipes that bring water to homes, and sewers that dispose of liquid wastes make up what is known as the infrastructure of a city. Also included in the infrastructure are bridges, tunnels, and public buildings. In America’s older cities, the infrastructure shows severe signs of wear. Much of it is in dire need of repair or replacement. An economist who is an expert on the subject has warned, “Much of our infrastructure is on the verge of collapse.”

Repairing the infrastructure will mean huge expenditures for local governments. All levels of government together spent about $11 billion in 1960 for airports, highways, railroads, and transit by the 1990s government spending for these forms of transportation surpassed $100 billion a year.

Cities face mounting costs for cleanup of polluted water, sewer system replacement, and waste

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**We the People**

**Making a Difference**

**Gillian Kilberg**

What would you do if you inherited $20,000? Seventeen-year-old Gillian Kilberg decided to start a summer camp to help underprivileged children. Kilberg, from McLean, Virginia, received the inheritance when her grandmother died. “I wanted to do something with the money so people would remember my grandmother,” she said.

Kilberg’s plan was to create a “special trips” camp for children ages 5 to 12. The camp would give children from the Washington, D.C., area an opportunity to visit places that they could probably never visit on their own. Although $20,000 seemed a large sum of money, Gillian soon realized she had to raise more. She worked with a local sheriff to create her program, and sent letters to friends and relatives explaining her project. “We ended up raising about $30,000, which was amazing,” she said.

In 1996 Gillian’s summer camp, which she called Grandma Rita’s Children, sent 47 children on 15 different day trips to places like the National Air and Space Museum and a Baltimore Orioles baseball game. They went backstage at a Motown concert and even paid a visit to Supreme Court justice Clarence Thomas.

Five years later the camp is thriving. Gillian has continued to raise money, totaling $160,000 by 2001, and extended the camp age limit to 13. Camp graduates can also train to become camp counselors. At the end of summer 2001, Gillian plans to use any extra monies to create a college scholarship fund for former campers.
treatment plants. Infrastructure costs are so enormous that local governments cannot do the job alone. State and federal aid is available for road building, water and sewage systems, bridge construction, and many other public works.

**Mass Transit** Maintaining a sound transportation network is a serious challenge for local governments. Chronic traffic jams and air pollution have resulted from the millions of Americans using their automobiles to commute to work. As noted earlier in this chapter, an alternative to automobile use in urban areas is mass transit—buses, subways, and rail lines. Mass transit moves large numbers of people, produces less pollution, and consumes much less fuel than automobiles. Despite these advantages of mass transit, however, most Americans prefer to drive to work alone in their automobiles.

Many local leaders believe that more people would use mass transit facilities if they were cleaner, faster, and more efficient. Elaborate mass transit systems have been built in Washington, D.C., Atlanta, and in the San Francisco–Oakland area. San Francisco’s Bay Area Rapid Transit system (BART) cost twice its original estimate to build. High costs discourage planners in other cities from taking on such projects.

**The Need for Economic Development** Cities have struggled with different solutions to their financial problems. These solutions have included state and federal aid, loans, budget cuts, and layoffs of city workers. Many cities have also tried to deal with their financial woes by stimulating greater economic development. Economic development is especially critical for cities that have lost businesses over the past 30 years.

How can municipal governments stimulate economic development? One approach is revitalization. **Revitalization** means that local governments make large investments in new facilities in an effort to promote economic growth. In recent years a number of major cities have attempted to revitalize their downtown areas. Baltimore built a $170-million office and residential complex. Detroit invested more than $200 million in a regional shopping mall and two giant office buildings. Funds usually come both from local government and private investors. State and federal aid may also be available for revitalization projects.

The second major approach to economic development is tax incentives to industries that relocate in a community. Tax incentives may take a number of forms. Local governments, especially in suburban areas, often try to attract new business by offering lower property tax rates. Some states, such as Connecticut and Indiana, offer tax reductions to businesses that relocate in areas of high unemployment. Similarly, the federal government also offers tax reductions, or credits, to businesses that move into areas of poverty and unemployment.

**Gentrification** One of the most debated issues of the revitalization movement concerns gentrification. Also called “displacement,” **gentrification** is the phenomenon of new people moving into a neighborhood, forcing out those who live there and changing the area’s essential character.

Beginning in the 1980s some middle-income suburbanites and recent immigrants moved into the cities, often into areas where they could restore old houses and other buildings and take advantage of the lower housing costs while enjoying the benefits of city life.
The positive side of gentrification is that it restores vitality to the city by reclaiming deteriorating property and bringing new business to decayed areas. It also has a negative effect, however. It accelerates property sales, inflating property values and increasing taxes. Property becomes too expensive for poorer residents who live in these neighborhoods to stay. If the displaced residents are largely from a minority group, the issue may become a heated one. Some cities have defused this issue by passing legislation that slows or prevents displacement. For example, Savannah, Georgia, preserved much of its social diversity by providing its limited-income residents help in restoring their properties.

New Federal and State Priorities The federal government, acting to reduce budget deficits, eliminated programs such as Urban Development Action Grants and the Comprehensive Employment Training Act. Why were federal and state governments less responsive to city problems? Perhaps these governments had changed their priorities. A federal commission, “Urban America in the Eighties,” suggested that social and economic migration to the suburbs was a natural, even an advantageous, development that should not be discouraged. It added that federal aid to the cities should not try to stop this trend. The suburbs were becoming powerful economic and political entities. After the census of 1990, new district lines gave suburbs additional seats in Congress and state legislatures. The nation’s focus seemed to be shifting from city problems to suburban opportunities. To survive as healthy communities, perhaps cities would have to solve their own problems.

Metropolitan Government One way to address urban problems is by reorganization into a metropolitan government that serves a larger region. Most problems do not affect just one local community. Instead, they are problems of an entire region. Air pollution created in a city spreads to nearby suburbs and rural towns. Suburban residents use city services, but they do not help to pay taxes for these services. Because a metropolitan area is an interdependent region, those who favor metropolitan government feel that one government for an entire metropolitan area would be better equipped to handle regional problems.

Many people feel that a metropolitan government would reduce government waste and duplication of services. For example, one metropolitan sewage treatment plant might just as easily serve many communities. Others point out that many people reside in the suburbs because the school systems and roads are better and crime is lower. They argue that creating metropolitan governments would simply bring urban problems to the suburbs.

### Section 3 Assessment

#### Checking for Understanding

1. **Main Idea** Use a graphic organizer like the one below to compare challenges that municipal governments faced in the 1950s to those they face today.

<table>
<thead>
<tr>
<th>1950s</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

2. **Define** urban renewal, infrastructure, revitalization, gentrification, metropolitan government.

3. **Identify** Drug Enforcement Administration, Office of National Drug Control Policy.

4. **What are the positive and negative outcomes of gentrification?**

5. **How would a metropolitan government address urban problems?**

#### Critical Thinking

6. **Predicting Consequences** Analyze additional problems cities will face if governments are unable to fund replacement of urban infrastructures.

### Federalism

Mayors of large cities must present strong arguments to get federal funds to address city problems. What could a mayor say to the president and Congress to support the cities’ cause? Research the types of projects that would benefit your community. Write a proposal explaining the need for federal money to support that project for your community.
Should Cities Improve Mass Transit to Solve Traffic Congestion?

In 1991 Congress passed the Intermodal Surface Transportation Efficiency Act (ISTEA). ISTEA’s goal was to balance the growing needs of transportation with the quality-of-life issues, such as clean air. Yet, the nation’s transportation system is under stress. Congestion continues to get worse. ISTEA may be credited with declining pollution levels in several major cities, but in truth, the gains have come from improved technology and cleaner-burning fuels.

Cars Rule

Despite the flexibility that ISTEA gave to states to use road money for alternative transportation, the United States remains a car-dominated country. States spent almost the entire $23.9 billion ISTEA provided in its Surface Transportation Program for roads. Because of heavy spending from ISTEA funds, from states, and from local governments, pavement conditions have improved steadily. Meanwhile many senior citizens, persons with disabilities, and people living on limited incomes need mass transit services.

Better Roads or Mass Transit?

Trucking and auto interests lobby for improved highways. Alternative-transportation advocates, however, believe that a better environment and less congestion would result if money were channeled to projects aimed at reducing vehicular traffic and improving air quality.

Should Your Community Use Federal Funds for Mass Transit?

The Federal Transit Administration (FTA) works together with metropolitan areas to develop transportation plans. Assume you live in a city where the FTA has offered $30 million to the community for transportation improvements. This would be enough to build an elevated walkway and to extend the city’s transit railway into its growing Central Market, a shopping complex. Truckers and people living in a rapidly developing residential area, however, want most of the money to be used to widen a congested two-lane road into a four-lane highway leading downtown.

Key Issues

✔ Will people use mass transit to avoid congested highways?
✔ Should the city spend funds to benefit the Central Market at the expense of other shopping areas?

Debate Select seven class members to represent an urban commission to study this issue. Select several people to testify on each side of the issue.

Vote Have the commission vote whether to use the funds for a highway or to improve mass transit.
Reviewing Key Terms

From the list below, write the term that best completes each sentence.

- county
- municipality
- special district
- zoning
- market value
- real property
- infrastructure
- revitalization
- gentrification
- metropolitan government

1. Basic facilities such as streets, water lines, and public buildings make up what is known as the ____ of a city.
2. The government does not tax property on the _____. or the amount of money the owner may expect to receive if the property is sold.
3. To promote economic growth, local governments have tried ____ through large investments in new facilities.
4. In the South and in rural areas ____ government is important.
5. Local governments may use ____ to control growth.
6. Local governments rely on ____ taxes as a main source of revenue.
7. Some people feel that the best way to address urban problems is reorganization using ____ that serves a large region.
8. Originally, a charter for a ____ was much like one that states granted to corporations.
9. A public school district is a ____ established by local government.
10. Sometimes called “displacement,” ____ has often changed the character of an urban area.

Recalling Facts

1. What document specifies the powers and duties of local government?
2. What are the three main forms of municipal government?
3. What is the single largest public service provided by local tax revenues?
4. What is the biggest government expenditure for many large American cities?
5. Describe four kinds of population shifts in metropolitan areas since 1950.
Understanding Concepts

1. **Federalism** What is the relationship between a state and a municipality within that state?

2. **Political Processes** Why did some state supreme courts rule against using the property tax to pay for local schools?

Critical Thinking

1. **Making Comparisons** Use a Venn diagram like the one below to compare a local government’s charter to a state constitution.

   ![Venn diagram]

   - Local Charter
   - State Constitution
   - Both

2. **Identifying Central Issues** In your view, which of the federal government’s goals in dealing with the illegal drug problem is the most important? Why?

Analyzing Primary Sources

In 1908, Staunton, Virginia, became the first city in the United States to adopt the council-manager form of local government. Read the excerpt from the City of Staunton’s Comprehensive Plan, which is updated every five years, and then answer the questions that follow.

> “Many factors must be taken into consideration when formulating a guide for the future development of a community. These factors help to determine the optimum pattern of development by balancing pursuit of residential, commercial, and employment opportunities with preservation of the natural environment, history, and character of the community. . . .

   - a desire to conserve and/or protect the City’s natural resources, historic character, and scenic qualities;
   - a desire to strengthen and broaden the City’s economic base;

Interpreting Political Cartoons Activity

1. Whom do the two figures represent?
2. What statement is the cartoonist making about the state of cities?
3. According to the cartoonist, what can the government do to help cities?

   - a desire to insure adequate services and facilities; . . . and
   - a desire to encourage appropriate development and/or redevelopment of properties.”

1. How does this city plan resemble a business plan? What types of goals does this city have for its future?
2. Do you think that a council-manager form of government is the best way to achieve a city or a region’s governmental goals? Explain.

Participating in Local Government

Attend a county, township, village, or special district meeting. Obtain copies of the agenda. Take notes on what you hear at the meeting and whether the agenda was followed, and report on what happened to the class.