governments in the area. There is more to urban society than the contemporary public sector and governments are seldom in business to maximize their *own* welfare. Even if maximization of the public fisc were the overriding criterion for land use planning, the property tax is far from the whole story; moreover, a multiplicity of taxing jurisdictions, each striving to maximize its own cost-revenue combination, is highely unlikely to maximize for the area as a whole.[24]

It may be that this problem will be of lesser importance in future years. One reason for asserting this is that, as the larger SMSA's grow and spread, more and more of the urbanization will occur in previously rural areas which are served by relatively large (in a geographic sense) taxing units; much recent urbanization has occurred in closer-in territory already carved up into rather small units. The larger the geographic size of the jurisdiction, the less the temptation toward "fiscal zoning," since each individual land use decision will have a lesser impact on the overall fiscal results. However, this favorable tendency will be realized only to the extent that large numbers of new taxing units are *not* created as urbanization arrives; this is a function of State laws governing the creation of new units of government, which differ greatly.[25]

In addition, it has been claimed by a number of observers that differentials in tax rates, expenditure levels, and tax bases have been declining within metropolitan areas, at least among the jurisdictions outside the central cities.[26] This observation appears to be almost entirely a consequence of the urbanization of previously rural jurisdictions which then become like the already urbanized ones. There does not seem to be any pronounced tendency toward uniformity when the comparison is confined to communities already urbanized at the beginning of the comparison period; this part of the problem does not appear to be withering away.

In short, the conclusion here is that the incentive to plan land use for fiscal ends is now, and has been, a real one, and will continue to distort urban development patterns as long as these four conditions obtain in metropolitan areas:

(1) The existence of a large number of separate and relatively small local government units.

(2) Responsibility on the part of these governments for the provision and a major part of the financing of costly public services.

(3) Reliance by these governments mainly on the property tax, the base of which is closely related to land uses within each jurisdiction.

(4) Placement of extensive powers over land use patterns in the hands of these governmental units.

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[24] *Ibid.*, pp. 131–132.

[25] There is some reason to believe that the generation of new units is slowing down. Between 1962 and 1967, the number of municipalities was virtually unchanged, while there was an increase of 800 (about 5 percent) between 1957 and 1962. Also, the rate of increase in the number of special districts (not all of them with property taxing power) slowed down somewhat in the latest 5-year period and the number of school districts continued to decline as rapidly as in the previous 5-year period. See U.S. Census Bureau, *1967 Census of Governments*, "Governmental Units in 1967," preliminary report (October 1967).

[26] Netzer, *op. cit.*, pp. 132–135.