

Suburban Government Fragmentation and Public Service Provision: A Case of St. Louis County Suburbs

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Large metropolitan areas in the US are distinguished by highly fragmented fiscally independent suburban municipalities and special districts. The suburban fragmentation implies the congregation of similar socio-economic groups escaped from central cities and the disparity of geographical resources among local government jurisdictions. This study examines St. Louis County suburbs as a case study for the implications of suburban governmental fragmentation and the fiscal disparities across local governmental boundaries by analyzing their relationship with public service provision using police and public school services as examples. The distribution of fiscal resources across political boundaries, the processes which created them, and public service inequalities reproduced from the disparity of fiscal resources reveal the causes and consequences of suburban governmental fragmentation. The central part of suburban fragmentation is the segregation of public goods consumption reproduced from the disparity of local fiscal resources, and it acts as a basic geographical segregating force in the suburban spatial organization.

Key Words: local government jurisdiction, fragmentation, fiscal disparity, public service inequality

1. Introduction

The growth and proliferation of suburbs around large central cities have been one of the most significant changes in the United States. The evolution of a distinctive spatial pattern has been accompanied by the emergence of highly fragmented fiscally independent municipalities and special districts. Concomitant with the emergence of the growth in public sector activity, local governments use local taxes to finance public services with spatial definition of limited service areas which are of great significance in overall welfare of suburban

residents.

Suburban residents use the incorporation of suburban municipalities and the subsequent regulation of land use in those jurisdictions to isolate themselves from low-income groups and undesirable land uses in order to enjoy better services at lower tax costs. The fragmented manner in which services are provided by decentralized local governments produces separate financial and social conditions to the development of urban subdivisions (Logan and Molotch, 1987). The inter-jurisdictional discrimination of public goods consumption becomes a central part of suburban inequalities demarcated along socioeconomic lines in social well-being. The combination of governmental fragmentation has resulted in a "separate and

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unequal” (Hill, 1974) urban system in terms of fragmented suburbs and public service inequality as revealed in the disparities of public services and the geographically segregated residential pattern (Gold, 1974; Lineberry, 1977). Accordingly, public service inequalities in suburbs must be explained as a facet of the jurisdictional autonomy fostered by these suburbs’ own taxing power and public service provision based on local fiscal resources.

Despite the serious problems associated with suburban spatial structure, our understanding of suburban administrative spatial organization is primitive remaining in central city and suburban contrast, thus treating all suburbs as homogeneous. The purpose of this study is to elucidate the causes and consequences of suburban governmental fragmentation. The intrasuburban focus on the processes of suburban fragmentation and its implication in terms of fiscal inequalities across local governmental boundaries appears to be in a central position to provide an adequate explanation of the spatial variations in public service inequality, manifested in the way they organize space. In particular, the interjurisdictional focus provides an insight into the significant differences in the quantity and quality of public services and tax costs among jurisdictions—differences that are not adequately explained by the socio-economic characteristics of their residents under suburban administrative spatial organization.

This study first provides a background of suburban fragmentation with respect to several concepts and principles involved with, particularly the purposes of boundary formation. Combining all aspects, it then proceeds to an examination of the St. Louis County suburbs. It centers on the process and pattern of suburban municipal incorporations and the distribution of property tax bases of both municipalities and school districts. Local government service expenditures are then examined using police and public school expenditures with respect to their fiscal capacities. Local tax burdens are also analyzed and related to the analyses of public service expenditure.

2. Suburban Fragmentation

The initial establishment of American settlements took place within an atmosphere of economic and social liberalism and of relatively unrestrained individualism. Under the North American ideology of local democracy, the maximum feasible decentralization of political autonomy attracts considerable public support subject to the needs of efficiency, control and local self-determination (Dear and Clark, 1981). The majority of decisions governing the location, nature, and size of settlements have historically been individual and private (Morrill *et al.*, 1984). States have made it easy for communities to incorporate and yet difficult for those same communities to annex or consolidate to extend their boundaries as they grow. In the establishment of local government and the delegation of specific functional responsibilities to it, the right to levy local taxes is also sanctioned (Judd, 1979).

Two characteristic elements are important: property tax, and ease of municipal incorporation and special district formation. These play major roles in shaping the fragmented suburban local governments. In particular, the purposes of incorporation and special district formation have fundamental implications for the suburban fiscal resources and public service provision.

1) Property tax and boundary formation

The system of property tax and local government has evolved together since *property tax* has been acknowledged as the almost exclusive domain of local governments. The dependence of local government upon property tax as a main source of revenue may alone be sufficient to explain their mutual interdependence. Most of all, jurisdictional certainty makes the property tax ideally suitable to financing a system of small and overlapping governmental units because every parcel of property has a physical location and the units of government have geographic boundaries.¹¹ This characteristic eliminates serious jurisdictional disputes and makes the property tax suitable to the administration by small units (Fisher, 1976). Any geographic point is within the jurisdictions

of several units of government trying to raise revenue in an area. It is able to impose a relatively high rate of taxation because people and capital are completely under its jurisdiction (Yeates and Garner, 1976).²⁾ It is essentially a tax that works and local governments are forced to rely on because there are few other revenue sources that would support the array of small, independent and overlapping local governments currently providing services as easily as the property tax.

In spite of the suitability of financing local governments, geographical certainty makes it easy to divorce fiscal resources from public needs by boundary formation. In this regard, the property tax is criticized as the most unfair tax in the fiscal system. The negative aspect of the property tax is its *regressiveness* (Netzer, 1966). That is, the burden of the property tax as a percentage of income is much higher for the low-income people than for the wealthy, even if the same tax rate is applied. Nevertheless, the inertia of tradition and administrative difficulties that would be encountered in changing a system so well established in constitutional and statutory law also make the tax continue to work.

Incorporation is possible to govern a defined area if the threshold requirement of population size composed of property owners is met. The process of incorporation usually involves a petition to the State legislature from the local residents of a defined area, followed by a vote and majority approval in a referendum of all residents (Chicoine and Walzer, 1985). Historically, defensive incorporation against annexation by central city government has been most evident. From the beginning of suburbanization, suburban residents began to segregate spatially long before the first peripheral independent suburbs appeared. The "refugees" from the central city typically preferred local autonomy and opposed annexation. They are mostly middle or upper income families who escape the central city in search of a community more in keeping with their values. The very act of secession from the central city brings financial advantages to the suburbs. Separate incorporation meant that they could avoid subsidizing public provisions for the

relatively poor who remained in the central city. The hope to utilize the property tax to finance local government as a strategy of tax relief has encouraged incorporation. They raise revenues from local properties that otherwise would have gone to county government. These revenues are then available for local use and provide public services for community residents.

Rectifying local home rule to promote local advantages is another reason. Control over land use via zoning schemes maintains suburban amenities through the exclusion of "undesirable" outsiders to avoid social mix and the potential damage which it might bring to the perceived safety of property values and education (Lineberry, 1977). In order to maintain control, incorporation seeks to prevent the expansion of adjacent municipal boundaries, particularly as annexation activities increase. Defensive incorporation has not been common recently. Nevertheless, it has left long-lasting fragmented jurisdictions. Such formal regions, once established and institutionalized, tend to resist change and powerfully shape the functional organization of space and become long-lasting elements on the human landscape (Soja, 1974). And due to the indecisiveness of fragmented governments, the system cannot accomplish anything but the act of self-preservation (Logan and Molotch, 1987). The creation of separate suburban municipalities presents an alternative to protect their own interests rather than to join neighboring municipalities in which local interests could be submerged in wider social consumption.

Special districts are another important class of governmental units that occur frequently in the suburban area. They are constituted so as to provide a particular service while having property taxing power to obtain the necessary revenue. The exclusive function of special districts insures that the revenue claims on property tax for each geographical area served are jurisdictionally autonomous. Therefore, the claims on their respective shares for the locally generated property tax revenues are legally separate, even though at times several different special purpose districts overlap geographically. Different from general purpose government, the

formation of special districts comes primarily from the constraints by State constitutions and statutes to limit local government autonomy while responding to demands for additional services. The constraints resulting in the creation of special districts are: (a) financial limitations are placed on units of local government, not on the area occupied by the unit. Thus an area can increase its tax by creating additional layers of government; (b) limitations on the power of local government such as strict grants of power and the inability to establish different taxing areas within its boundaries, encourage the establishment of special districts; (c) limitations imposed by existing boundaries of general purpose districts often lead to the formation of special districts which can correspond more to local functional areas (Stetzer, 1975, 26-37).

In addition, the desire for independence also spurs the creation of special districts which are more easily controlled than general purpose government. It is pointed out that special districts can focus their attention on one program or project at a time without being disturbed by the inevitable variety of demands placed on general purpose government (Makielski and Temple, 1967). Influence of special-interest groups, particularly citizen groups and economic benefactors, causes the creation of special districts for subsequent economic benefits.

They are created in part to overcome legal limitations on general purpose governments, but often they come into being to satisfy particular attitudes of suburban residents. These attitudes are expressed in "business-like" special districts (Makielski and Temple, 1967). More than the provision of local governments' general public services, they can ensure that only what they want is provided for themselves with the same taxing power enjoyed by municipalities. Special districts are thus deeply rooted in the politics of a suburban area. It also serves, to the extent feasibly possible, to avoid contributing through local taxes to expenditures on social consumption for other groups in the suburban area. The single purpose characteristic allows private interests to make public decisions.

2) Fragmented suburban self-governments

The purposes of incorporation and special district formation have led to an increase of fragmented independent taxing authorities coupled with the residential segregation which exists within most metropolitan areas. Under the formal spatial organization of political space, a piece of territory is viewed as "a commodity," the concept of property capable of being bought, sold or exchanged at the market place (Cox and Nartowicz, 1981; Markusen, 1984). The end-products of jurisdictional fragmentation are the separated property rights essential to achieving satisfactions which have been respected.

In fiscal terms the objective of boundary formation is to maximize tax resources while minimizing public expenditures. The general purpose of defining an administrative boundary is to limit a group of clients for services, and thus, to define a demand area with a certain work load (Massam, 1972). To ensure the stability of the system, suburbanites participate in vigorous campaigns for exclusionary zoning that are fiscally motivated. Suburban socio-spatial partitioning is codified by "land use zoning" regulations through the control of residential lot and building standards so as to command housing prices to pay at least their share, but preferably greater than those of public budget. While minimizing demands on their public services, this in turn forms "deed zoning" to encourage citizens to use social and geographical mobility to keep homogeneity. The homogeneity of its residents is the most efficient political unit for articulating the demand in the provision of public services (Bish, 1971; Elazar, 1975).

With regard to the linkage of fiscal and service inequalities, fiscal disparities among local governments are distinguished by two theoretical statements. According to the "Tiebout model of public choice theory" (Cox and Nartowicz, 1981), governmental fragmentation allows individual preferences, choices and demands in which metropolitan-area residents take into account the quantity and quality of local public services and the level of local taxes when choosing their place of residence. Tiebout (1956) claimed that fragmented governments introduce

the beneficial element of efficient competition into the consumption and production of local public services. But the competition is inherently an unequal one because the tax structure along with other advantages invariably favors the wealthy. Public choice theory provides a convenient rationalization for the advantages only to the wealthy under metropolitan fragmentation. In contrast, the "resource disparity hypothesis" asserts that geographical differences in resources often reinforce cumulative cycles of growth or poverty which tend to further exacerbate geographical differences in resources (Bennett, 1980). The collective decision-making of the people in different jurisdictions allows the formation of "service clubs" and "tax havens" in union with public goods and tax costs that conform most closely with local collective preferences.

A variety of locational strategies are available to citizens and industries that seek the most desirable services at the lowest tax cost. Consequently, the individual locational choices and governmental action to curb their own municipalities, so as to share with or without others according to their fiscal and social contributions, propose that intrasuburban socio-economic differentiation has a similar effect in separating fiscal resources from needs as had been the case between central city and suburbs. Suburban development is not a general movement of city-dwellers to the countryside, but rather of particular groups of people who tend to take up residence in a specific suburban area. By incorporating into separate political jurisdictions, a community gains substantial control over its own destiny. Local policy is shaped according to the desires of a particular group of people occupying specific territory. It is the local residents and their officials that make the critical decisions, especially the supply of public services which are valued at reasonable cost. Forced reliance of local fiscal resources on the property tax reinforces gross inequalities in available fiscal resources by jurisdictional partitioning. Also, jurisdictions with different fiscal resources mean that with identical service preferences, but living in separate jurisdictions, residents will have to bear different *tax burdens*.

The balanced local fiscal choices are supported by the close linkage of tax rates and local services with their tax bases. The budget-balancing property tax in response to the changing service demands adjusts tax rates and forms particular tax/service packages independently by each local government. Upon the fixed boundaries, conscious manipulation of the suburbs' decentralized powers of revenue raising and spending based on property rights is perhaps the most important factor characterizing suburban local governments. The location decision of individual households becomes a principal determinant of the fiscal capacity of local government. The relocation and new establishment of commercial and industrial facilities in specific suburbs become another important contributor to local government fiscal capacity. Such location behavior provides fiscal benefits to the chosen environment while having a profound effect on property value differentiation.

3. Study Area, Data Source, and Major Questions

The basic sources of inequalities are probably similar from suburb to suburb, yet the fragmentation that exists in the suburbs can best be illustrated by looking at St. Louis County as an example. The incorporated places in the St. Louis County suburbs were selected on the basis of a number of factors.

First, St. Louis is the typical fractionated metropolitan area. The total number of governmental units in a single county area is second only to Cook County, Illinois. In 1985 (the date of the study used here) there were a total of 90 municipalities, 23 school districts, 64 fire districts, and 36 sewer districts. Second, the relatively long and fixed boundaries of St. Louis City (no annexation has happened by the central city government since 1876) make it suitable for study without extensive consideration of boundary changes. Third, in order to compare the assessed values of properties and tax rates, jurisdictions should be under both similar circumstances and the same taxing system. In this regard the St. Louis County urbanized area

is appropriate. It comprises by one county government that surrounds the whole central city. Thus the assessment ratio does not vary within the study area and the entire area has thus developed under similar conditions.

Most of the data for governmental units such as revenues and expenditures, tax rates, and the total assessed value of property reports by the Missouri state government, were acquired from the *1995 Annual Combined Financial Report*, the St. Louis County government, *1986 St. Louis Fact Book*, and the Missouri State Board of Education, *1995 Report of the Public Schools of Missouri*. General public financial data about local governments are gathered from the *1992 Census of Government*. As the above data available in 1985, the population and income data are extracted from the *1980 Census of Population and Housing*. In particular, the importance of the date is that the assessed valuation of property in this study is based on the state-wide reassessment mandated by state law effective in January, 1985. This provides a convenience to compare local fiscal and service inequalities without considering the various assessment practices of each local government.

Two groups of questions are raised from the current suburban situation. The first one concerns the fragmented municipalities and special districts and the distribution of local fiscal resources in St. Louis County suburbs. The distribution of property tax base is used as a basis to trace the causes and consequences while considering the process and pattern of suburban spatial organization, and to analyze the inequalities of public services and tax costs. The second one concerns the reproduction of the disparities of the property tax base in the public service arena. The relationships between property tax bases and public service expenditures, tax rates and efforts can be examined to answer these questions. The revenue and expenditure patterns in relation to its tax costs reflect the local fiscal conditions that are collectively pursued.

4. St. Louis County Suburban Fragmentation

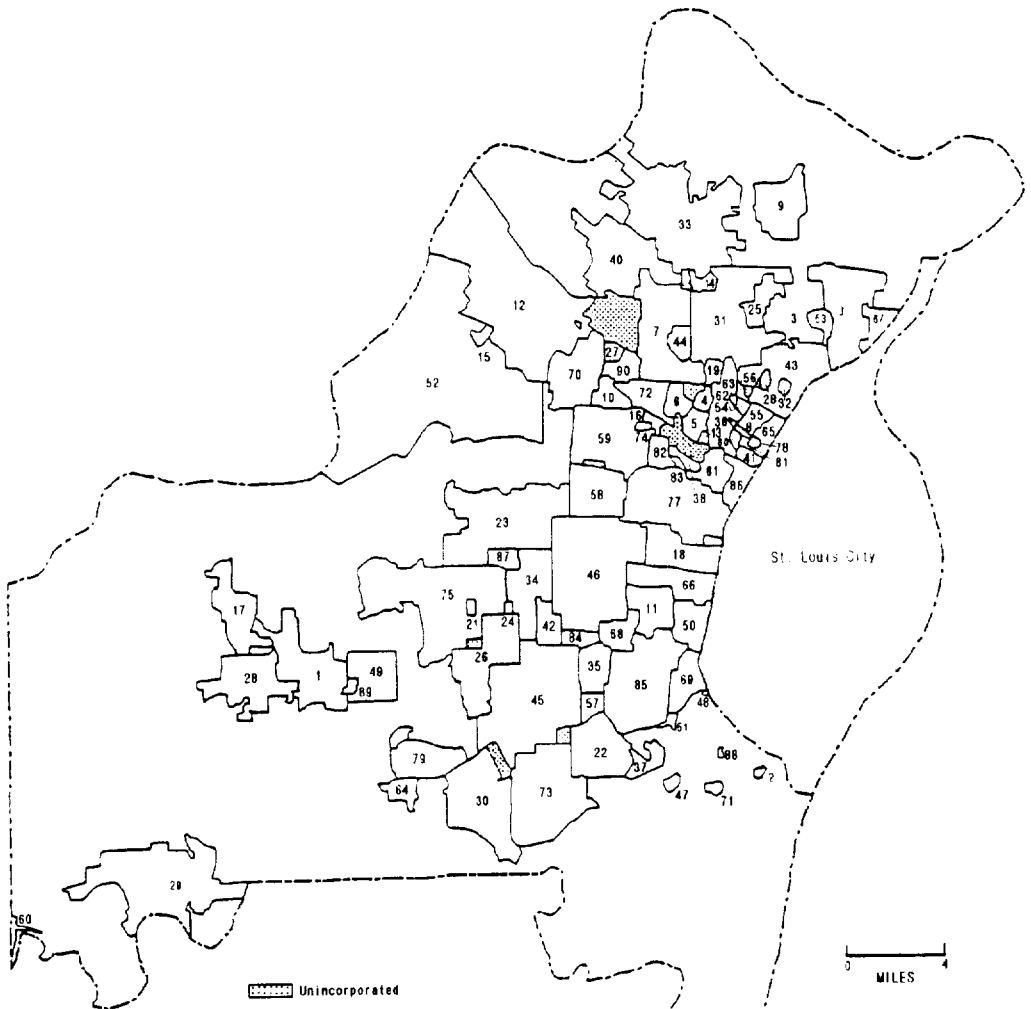
This chapter presents a general geographical

overview of the process and pattern of St. Louis County suburban development and examines the geographical significance of the principle concepts involved in suburban local government fragmentation. The preliminary mapping of incorporated places and property value distribution across jurisdictions show the essence of suburban spatial organization and the inter-relationships between a social and spatial system.

1) Incorporation in St. Louis County

The fragmentation that exists in suburban areas can be illustrated by considering the St. Louis County suburbs. St. Louis County is the most populous (41 percent of the MSA total) of the suburban counties, with 97 percent of its total population residing in urbanized areas. St. Louis County surrounds half of the St. Louis central city and lies within the state of Missouri. Unlike most other urban counties, St. Louis County does not include the St. Louis central city. In 1985 within the boundary of St. Louis County, there were 90 incorporated municipalities ranging from 77, Country Life Acres to 55,372, Florissant in population (Figure 1).

In 1876, St. Louis City separated from the surrounding area and became an independent county. At the time of city-county separation, the remaining county area contained only four incorporated places which are Bridgeton, Florissant, Kirkwood and Fenton. Shortly after the turn of the century, suburban rings within the St. Louis County began increasing more rapidly than the central city. The continued increase of population in St. Louis County is closely paralleled by the creation of suburban municipalities. The incorporated places in St. Louis County show the process of suburban expansion. Between 1876 and 1900, only two additional municipalities, Ferguson and Webster Groves, were incorporated. These earlier incorporations were motivated by the desire to bring law and order to their respective settlements and to achieve taxing authority (Wayman, 1981-1987). It was true at that time that incorporation was the only practical alternative for residents in many of the newly



Municipalities

- | | | |
|------------------------|---------------------|-------------------------|
| 1. Ballwin | 25. Dellwood | 68. Rock Hill |
| 2. Bella Villa | 26. Des Peres | 69. St. Ann |
| 3. Bellefontaine | 27. Edmunson | 70. St. George |
| 4. Bellerive | 28. Ellisville | 71. St. John |
| 5. Bel-Nor | 29. Eureka | 72. Shrewsbury |
| 6. Bel Ridge | 30. Fenton* | 73. Sunset Hills |
| 7. Berkeley | 31. Ferguson | 74. Sycamore Hills |
| 8. Beverly Hills | 32. Floridel Hills | 75. Town and Country |
| 9. Black Jack* | 33. Florissant | 76. Twin Oaks |
| 10. Breckenridge | 34. Frontenac | 77. University City |
| 11. Brentwood | 35. Glendale | 78. Uplands Park |
| 12. Bridgeton | 36. Glen Echo Park* | 79. Valley Park |
| 13. Bridgeton Terrace* | 37. Grantwood | 80. Velda Village |
| 14. Calverton Park | 38. Greendale* | 81. Velda Village Hills |
| 15. Champ* | 39. Hanley Hills | 82. Vinita Park |
| 16. Charlack | 40. Hazelwood | 83. Vinita Terrace* |
| 17. Charkson Vaeely | 41. Hillsdale | 84. Warson Woods |
| 18. Clayton | 42. Huntleigh | 85. Webster Groves |
| 19. Cool Valley | 43. Jennings | 86. Wellston |
| 20. Country Club | 44. Kinloch | 87. Westwood |
| 21. Country Life | 45. Kirkwood | 88. Wilbur Park* |
| 22. Crestwood | 46. Ladue | 89. Winchester |
| 23. Creve Coeur | 47. Lakeshire | 90. Woodson Terrace |
| 24. Crystal Lake | 48. Mackenzie | |
| | 49. Manchester | |
| | 50. Maplewood | |
| | 51. Marlborough | |
| | 52. Maryland* | |
| | 53. Moline Acres* | |
| | 54. Normandy | |
| | 55. Northwoods | |
| | 56. Norwood Court | |
| | 57. Oakland | |
| | 58. Olivette | |
| | 59. Overland | |
| | 60. Pacific* | |
| | 61. Pagedale | |
| | 62. Pasadena Hills | |
| | 63. Pasadena Park | |
| | 64. Oerkes Park | |
| | 65. Pine Lawn | |
| | 66. Richmond | |
| | 67. Riverview | |

*: Incorporated without taxing authority

Figure 1. Incorporated Municipalities in St. Louis County

urbanized or urbanizing areas to be provided with basic levels of public services. They were usually incorporated as residential commuter suburbs along the railroads, the St. Clair Rock Railroad and the Missouri-Pacific Railroad, which ran to Kansas City and Mermac Valley at that time. Subsequently, municipalities were incorporated to the immediate west side of the central city.

From 1900, numerous municipalities-Maple Wood, University City, Clayton, Richmond Heights, Shrewsbury and Brentwood-were beginning to come into existence within that area. By 1920 the entire area within the St. Louis city limits had been developed; any further population expansion could thus come about only through residential development in the St. Louis County areas (Ehrhardt, 1976). Urban expansion into St. Louis County in the 1920s and 1930s continued in a westward pattern, with the establishment of Glendale, Crystal Lake Park, Oakland, Des Peres, Ladue, Warson Woods, Olivette and Overland, and to the far west including Ellisville and Winchester. A primary thrust in a northwest direction was represented by Bellerive, Pasadena Hills, Pasadena Park, Beverly Hills, Bel-Nor, Northwoods and Glen Echo Park. A lesser expansion also occurred to the southwest with the incorporation of Grantwood Village. These communities formed at the end of the trolley lines and utilized the trolley for commuting purposes. After that time, up until 1945, small municipalities were established to the northwest: Country Club Hills, Uplands Park, Vinita Park and Sycamore Hills. To the southwest were added Marlborough and Wilbur Park.

From 1910 to 1950 most of the present municipalities were created, 70 in all. Post World War II, in particular, had been the most intense period of incorporation in U. S. history. The growth patterns during this time had been the result of the same general factors common to all large metropolitan areas. Among the contributing factors, the widespread use of automobiles, the postwar housing programs of the federal government, the postwar federal highway construction program, the decentralization of employment opportunities

and the construction of a major metropolitan airport were also all common to the St. Louis County suburbs. From 1945 to 1950, 44 municipalities were created in a space-filling pattern. Most of the northwest was filled in by newly incorporated municipalities from the immediate border of the central city to separate areas constituting a large cluster formed by small fragmented municipalities. To the west, large size municipalities were incorporated adjacent to the west side of the existing municipalities and to the southwest. In the remaining unincorporated places, isolated municipalities including Mackenzie, Bella Villa, Lakeshire and St. George were established.

In 1950, St. Louis County achieved a home rule charter which gave the county authority to provide municipal level services in all unincorporated areas (Dohm, 1985). After that time, incorporation decreased because county service provisions comprised a sufficiently attractive alternative to have resulted in a diminution in the rate of new incorporations. Since cities must grow at the cost of county territory, there is a chronic county fear of the loss of valuable land from the county's tax base in which a nearby city is trying to annex, as well as the fear that densely populated areas within the county might try to incorporate. Counties believe that by providing a high level of services through special districts, they forestall efforts at annexation, either by discouraging cities from undertaking the burden incurred by the special districts or by allowing the county to argue that it provides all the necessary services in the area (Makielski and Temple, 1967). During the 1950s, seven places were incorporated in a scattered pattern contiguous to the existing municipalities, except Eureka in the non-contiguous southwest. Since 1960, only two have incorporated.

With respect to reasons for initial incorporation, suburban development in St. Louis County can generally be distinguished by the periods of incorporation. The early incorporations until 1920 were for achieving taxing authorities for the non-existent county service functions. They utilized municipal incorporation procedures to provide service for

their own consumption. Since the recipients of benefits tended to be geographically concentrated in an area, suburban taxpayers began to complain that the revenue they paid on their property was being spent disproportionately for welfare-related services in that area (Dohm, 1985). Between 1920 and 1960 the motivation behind incorporations was to avoid annexation by neighboring municipalities. In order to maintain their own control, these corporations sought to prevent the expansion of municipal boundaries, particularly as annexation activity increased in the early 1950s. Especially between 1945 and 1950 new incorporations generated the segregated, sectoral spatial patterns which began during the 1930s in the suburbs. After 1960, incorporations such as Black Jack stemmed from legal battles for low-income housing construction against zoning regulations (Wayne, 1981-1987). The blue-collar and ethnic suburbs were mobilized into incorporation, not by the visions of ideals of self-government, but by the fear and threat of social invasion by members of different ethnic groups. Having to some degree escaped from the dominance of wealthier groups in community affairs, they have been jealous of their autonomy. Even when they feel a tax and service squeeze, such suburbanites are willing, if necessary, to accept higher taxes or poorer services in order to maintain the social class and racial composition of their communities (Judd, 1979).

During the period of incorporation, the spatial clustering of three separate socio-economic groups can be distinguished which are reflected in property value (Figure 2). The high property value municipalities correspond to the large early incorporated municipalities which lie to the immediate west side of the central city. Since early settlement, this has been a high income area and zoning was planned to protect property values through a ban of any reduction in minimum residential lot requirements, prohibition of "spot zoning", control of expansion of commercial or industrial uses, and keeping multiple dwellings out. The suburbs to the southwest and contiguous to the high income areas developed as an upper-middle income residential area. To the central city's northwest,

municipalities characterized by smaller size and higher population densities are predominantly low and low-middle income areas. These consist mostly of residents who commute to the central city and are dominated by blue-collar working groups and blacks. The distribution of per capita assessed value of property shows a pattern implying the tax-producing power of each jurisdiction. Most upper-middle municipalities are in the southwest, situated along the major highways or over the intersection similar to the locational characteristics of high property value municipalities.

Superimposed upon these fragmented municipalities are the special districts. In the case of school districts, there were 23 school districts county-wide (Figure 3). School districts were created as independent units in the political structure at an early date because of the conviction that public education should have its own financial base and be independent of the politics of other governmental units, thus not coterminous with municipal boundaries but divide or combine municipalities and unincorporated places. With the exception of user-charge districts, the property tax is the only tax that any type of special district can levy. School districts, 23 in all and representing the most popular of special districts, exist in the whole St. Louis County area. They bear the highest tax rates among suburban taxing jurisdictions. Under the differences of property tax base among municipalities, the boundary location of school districts is important in revenue generation. By overlapping municipalities, they can reduce or increase the disparity of property tax bases because the taxable properties are accordingly divided by boundary placement of school districts.

The higher property value school districts such as Clayton, Ladue, and Brent Wood school districts, coincide with the higher property value municipalities. The most disadvantaged in property value municipalities are almost all included in the Normandy and Wellston school districts. In other words, the lower property value school districts are simply imposed upon the lower property value municipalities. Respectively, the segregated pattern of property

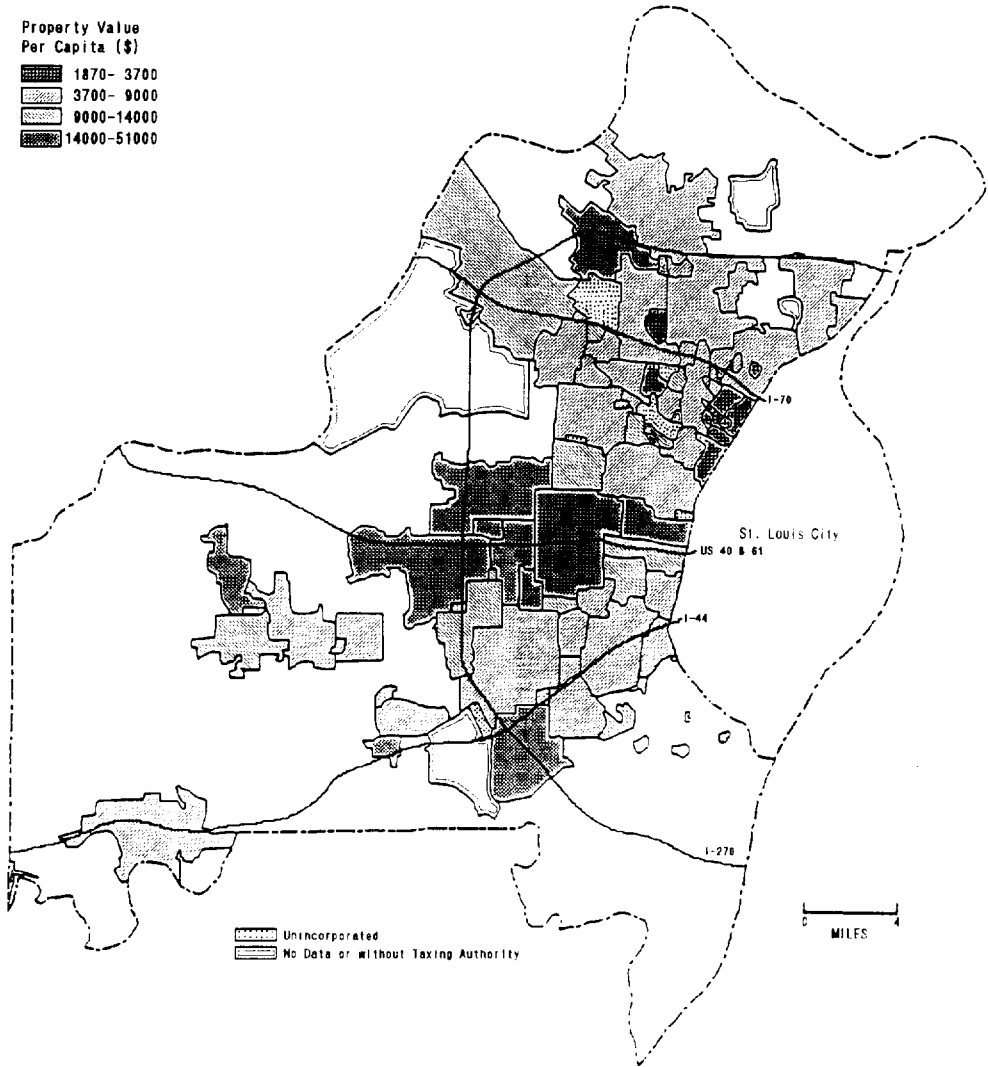


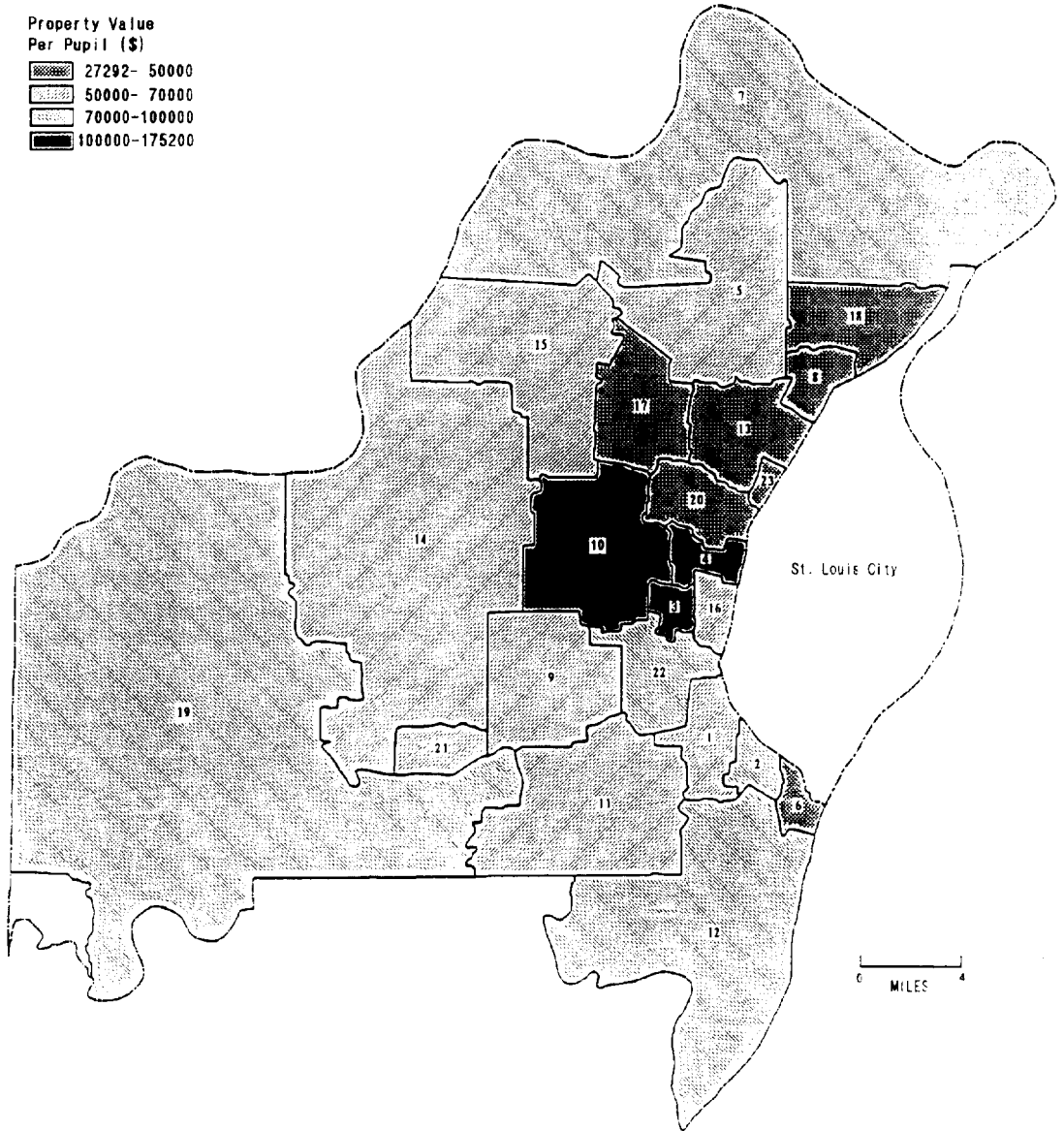
Figure 2. Property Value Distribution Per Capita across Municipalities in St. Louis County

value distribution by municipalities coincides closely with school district boundaries. In addition, most school districts in unincorporated places-Hazelwood, Riverview Gardens, Rockwood and Mehlville, for example, represent low-middle property values.

5. Revenue and Service Expenditure in St. Louis Suburbs

The revenues of local governments come from diverse sources, but mostly from local sources and intergovernmental transfer payments. Unlike

most other states, municipalities in Missouri cannot rely upon the state government for a substantial portion of their financial support (Dohm, 1985). Traditionally, the Missouri state government has not financially supported its municipalities. Missouri municipalities have consequently resorted to charging a one percent local sales tax, which is levied up to 1 percent by municipal governments. Sales tax receipts are an important revenue source in local municipal finance designed to reduce the high reliance on the property tax. School districts have different characteristics in financing their jurisdictions as



School Districts

- | | | | |
|------------------|---------------|-----------------------|---------------------|
| 1. Affton | 7. Hazelwood | 13. Normandy | 19. Rockwood |
| 2. Bayless | 8. Jennings | 14. Parkway | 20. University City |
| 3. Brentwood | 9. Kirkwood | 15. Pattonville | 21. Valley Park |
| 4. Clayton | 10. Ladue | 16. Richmond Heights | 22. Webster Groves |
| 5. Ferguson | 11. Lindbergh | 17. Ritenour | 23. Wellston |
| 6. Hancock Place | 12. Mehlville | 18. Riverview Gardens | |

Figure 3. Property Value Distribution Per Pupil across School Districts in St. Louis County

compared to municipal governments. A large proportion of revenue needed for school districts generally comes from intergovernmental transfer payments. In particular, a high proportion of their revenues are derived from state government payments. In Missouri state, an additional one-cent sales tax was earmarked for school districts from 1982 onward for the purpose of decreasing the high reliance on property tax and increasing educational funding under the name of Proposition C.

As shown in Figure 4, the average percentages of municipal general revenues from local taxes and inter-governmental transfer payments are 62 and 23.5 percent of the total municipal finance, respectively. The average percentage of local taxes in the total of local general revenues is about 81 percent. The average percentage of state transfer payments for school districts is 27.3 percent. The share of Proposition C is 12.3 percent while federal transfer payments represent only 2 percent of the total revenues.

As a measure of local fiscal capacity, examination of the property tax base is important for three reasons. First, taxable property values are used as a filtering mechanism on local exclusionary zoning to keep in/out new-comers for maintaining higher and sound property tax bases (Judd, 1979). Second, municipalities compete to attract the high tax-producing properties such as commercial facilities in order to increase their fiscal revenues (Herr, 1979). Third, these figures are often used to calculate the amounts of state and federal aid a jurisdiction is eligible to receive (Riew, 1980).

The assessed value of property assessed at a certain rate to be taxed, is actually used as an indicator of local fiscal capacities.³⁾ In conjunction with public sector activity, the per capita expenditure on a public service and tax costs to its residents are the focus in this study.

The specific percentage derived from each tax differs significantly from jurisdiction to jurisdiction depending upon the composition of their potential revenue sources. Unfortunately, municipal revenues cannot be divided according to the expenditures incurred from each governmental service provided. There are no published estimates of the incidence of any entirely local government tax structure scaled to municipal service expenditures. This restrains clear analysis of major municipal service inequalities. In particular, the analysis of expenditure patterns for police services is a key to understanding the neglected aspects of causes and consequences of local government service inequalities. The revenue data in school districts can be totally separated by their sources--local property tax, Proposition C, state and federal transfer payments--which make it possible to analyze local revenue disparities and the contribution of intergovernmental transfer payments. These transfer payments reflect the national effects of equalizing local revenue and service inequalities.

1) Local government service levels in St. Louis

Focusing on the crucial desires of local residents to protect their property values and education, the service expenditures, especially of

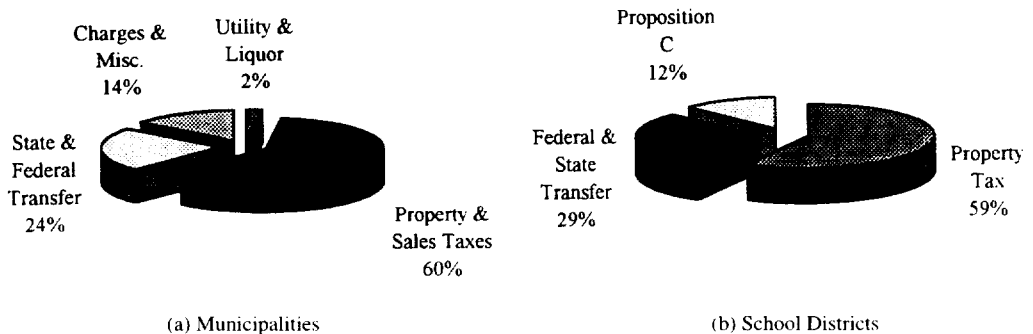


Figure 4. Revenue Sources of St. Louis County Municipalities and School Districts

police and public school functions, represent the collectively pursued desirable fiscal and social conditions.⁴⁾ To the considerable importance in terms of satisfying community expectations, it is assumed that public service inequalities were a direct result of local fiscal disparities.

(1) Municipal police budgets

Police service is normally the highest expenditure service among major municipal service functions. The importance of police service is in satisfying community expectations and a property-related characteristic. High police expenditures affect property safety and increase the value of properties. Being the highest expenditure, this emphasizes the importance of police service, thus the issue of wealth is appropriate.

To compare the dispersion between property value and expenditure, the use of the coefficient of variation is effective. The higher the value of the coefficient of variation, the greater the variation from the mean. The range and the coefficients of variation were calculated for St. Louis County as shown in Table 1. The range of per capita assessed value of property reveals that the highest assessed value of property is 27 times greater than the lowest assessed value.

The decreased value of the coefficient of variation of the per capita assessed value of property to that of expenditures indicates that the disparities of per capita assessed value of property among jurisdictions are lessened in the

public service arena. The reduction of the dispersion of the per capita assessed value of property to that of expenditures indicates that property value differentials are decreased by other revenues or factors.

Patterns of statistical variation, while suggesting the probability of an association between property value and expenditure variables, do not, however, effectively demonstrate this relationship for each municipality.

In order to test the relationship between property value and expenditure variables, regression analyses are conducted utilizing log-linear specifications (Table 2). When property tax revenue is singled out from the total assessed value of property, the regression coefficient is 0.347. When sales tax is added to the property tax revenue, the wealth coefficient is increased slightly. In spite of the low explained variation, it seems reasonable to suggest that local sales tax receipts in local governmental finance are not distributed equitably across municipalities like the property tax distribution. The decreased coefficient value of total expenditure from that of the local property tax revenue indicates that other revenues decrease the wealth-biased expenditure pattern, but it is not sufficient to equalize wealth-biased expenditure pattern to a wealth neutrality.

Regarding the local sales tax revenue, local sales tax is one of the most regressive forms of local taxation in use. Individuals with a lower

Table 1. Variations of Assessed Value of Property and Police Service Expenditure

Variable	Mean	S.D.	C.V.	Min.	Max.
Property Value Per Capita(\$)	8861	7672	87	1871	50980
Expenditure Per Capita (\$)	88	58	66	18	334

Table 2. Wealth Neutrality of Police Service Expenditure

Revenue Types of Expenditure	Intercept	Coefficient	R ²
Property Tax	1.37	.347*	.121
Property+Sales Taxes	1.32	.352*	.124
Property Tax except Lower Group	1.09	.595*	.353

* significant at 0.01

income are taxed at the same rate as individuals with a higher income: 1 percent. Thus, lower-income people spend a larger percentage of their income on items like food and clothing that are subject to the sales tax. The local sales tax is inequitable in another way as well. Since the tax benefits the locale from where it is extracted, the sales tax is a bonanza for cities having large regional shopping centers that draw shoppers from an area beyond the municipality, but not for a neighboring community that loses trade and sales tax receipts to those shopping centers. Thus, local sales tax invariably results in increasing inequalities in the distribution of property tax revenues.

To further reveal the geographic pattern of fiscal characteristics, the scatter diagram of per assessed value of property was examined (Figure 5). Looking at the scattergram of police expenditure per capita versus assessed value of property per capita, municipalities can be divided into two groups according to their expenditure levels. The municipalities in the low expenditure group share common geographic characteristics. They are generally small in size and mostly surrounded or encapsulated by large

municipalities.⁵¹ Some of them are thrusting towards unincorporated places outside of the urbanized area.

In this regard, it is necessary to refer to externality effects to explain the lower expenditures of such municipalities. *Externality effects* evoke great concern under jurisdictional partitioning. Externalities may be defined as unpriced benefits to individuals which are not reflected in costs or prices in areas outside the area commanded by those who pay for the provision of a service in the area through local taxes. Externality effects may have impacts which extend across jurisdictional boundaries.⁶¹ It is generally concluded that jurisdictional partitioning is inefficient in service provision due to its overlaps of supplies and economies of scale. Clearly in this study, such positive spillover effects of police service from the surrounding municipalities make the encapsulated or surrounded municipalities spend less for police services than they might otherwise pay. When all municipalities are included, the regression results are inconclusive. However, when those municipalities which represent lower expenditures are omitted, the results are enhanced to 35.3 percent of the explained variation, and the coefficient is increased to 0.595 significantly greater than that if all municipalities are included.

The findings derived from wealth neutrality analyses reveal that local revenues per capita are not equally distributed across suburban municipalities. Accordingly, substantial differences in per capita expenditures exist. These differences are the result of variations in districts' taxable properties. Local sales tax is also another non-equitably extracted revenue source contributing to the disparity in local fiscal resources. When total expenditures are considered, it is clear that the St. Louis suburban system of service expenditures for municipal public services does not pass the test of wealth neutrality. Thus, public services clearly do not equitably provide its people with service opportunity.

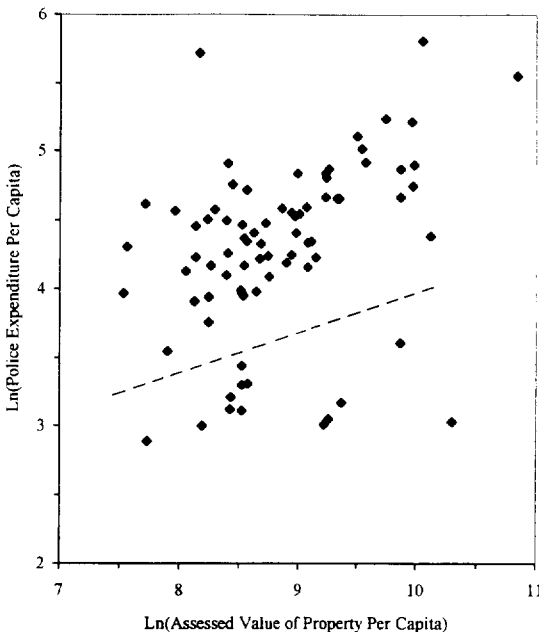


Figure 5. Scattergram of Police Expenditure and Assessed Value of Property

(2) Public school expenditures
School districts consume the largest amount of

local expenditures among special districts. Possessing the highest tax rates, they are the best example to clarify service inequalities by single function. They also readily reveal how far state and federal intervention are carried in their attempts to equalize the inequalities between districts. In this regard, it is possible to arrive at conclusions whether autonomous local government financing systems are flourishing or obstructed by nonlocal governments' intervention, which are intended both to compensate authorities for differences in their spending requirements and to reduce inequalities in tax burden.

According to the mean and coefficient of variation (Table 3), the range of per pupil assessed value of property among school districts is \$147,810 in which the highest value is six times larger than that of the lowest assessed value, and the coefficient of variation of per pupil property value is 50 as compared to 28 for that of per pupil expenditures, indicating the reduction of bias.

To trace the decreased proportion of coefficient of variation through each revenue source, other revenue can be clearly distinguished into Proposition C, state and federal transfer payments due to the single purpose service function, where Proposition C is an additional local revenue source for decreasing the high property tax reliance, and intergovernmental transfer payments would

weaken the relationship between expenditure and property value by distributing payments inversely to the quantity of taxable properties in each jurisdiction for the equalization scheme of local disparities of tax bases and spending.

On the equal opportunity standard, regression analyses with log-linear specifications of public school expenditures are summarized in Table 4.

The contributions of each revenue source are clearly separated with the high explained variation. The coefficient is found high when only the local property tax is used. This situation should be offset by Proposition C, state and federal transfer payments. When the individual revenue sources are accumulated to property tax in turn, the regression coefficient increases. The results indicate that other revenue sources do not offset the influence of local property wealth on local revenue generation. Instead, the coefficient is the lowest (.822) when only the property tax revenue of each school district is used. And the coefficients are increased when Proposition C and intergovernmental transfer payments are added to the local property tax revenue. The wealth coefficients of school expenditure per pupil are not equal to zero in any cases.

In spite of the large amounts of other revenues and their contribution, a positive relationship continues to exist between expenditure levels and local property wealth, and shows only little sign of weakening. The amount of property tax base directly affects local expenditure levels

Table 3. Variations of Assessed Value of Property and Public School Expenditures

Variable	Mean	S.D.	C.V.	Min.	Max.
Property Value Per Pupil (\$)	72711	36506	50	27293	175103
Expenditures Per Pupil (\$)	3427	947	28	2303	6309

Table 4. Wealth Neutrality of Public School Expenditure

Revenue Types of Expenditure	Intercept	Coefficient	R ²
Property Tax	3.49	0.822*	.676
Property+Pro. C	3.46	0.823*	.677
Property+Pro. C+State	3.33	0.827*	.684
Property+Pro. C+State+Federal	3.31	0.829*	.687

* significant at 0.01

despite the contribution of other revenue sources, most of which are devised for reducing the disparities caused by the high reliance on an inequitable property tax base. In particular, property tax revenues, the largest revenue source, act as the major determinant of public school expenditure inequality. Although the major goal of the present funding formula of state and federal transfer payments is to equalize local revenue and remedy service disparities, it is argued that the small contribution of the equalization scheme reveals that, if correctly organized, an equalization scheme should be wealth neutralizing while matching transfer payments and achieving perfect geographical equalization (Riew, 1980). This would eliminate differences in local fiscal burdens and provide benefits in terms of distributional criteria.

2) Tax rates and tax efforts among local governments

The expenditure levels for both police and public schools are largely determined by the amount of taxable properties of each jurisdiction. Moreover, fragmented municipalities and special districts apply different tax rates to their jurisdictions. The ranges of tax rates of fragmented suburban taxing jurisdictions assume wide disparities in revenue generation and tax burdens coinciding with the distribution of fiscal capacities under the segregated pattern of suburban development. Thus, we can expect that interjurisdictional tax differentials and fiscal capacities will show significant differences in patterns of revenue generation and also expenditure levels and tax costs (Table 5).

The different tax rate application and the associated tax burden from the regressive characteristic of property tax needs further analysis to be considered in the concept of equal opportunity. Due to the regressive characteristic of the property tax, tax rate alone is not a reliable equality measure. Where interlocal fiscal capacities differ, it is common that identical tax rates are applied to both the community with a small tax base and the community which has larger taxable properties, the results are that higher household tax burdens are allocated to the small tax base community. The tax burden has

the meaning of ability-to-pay in comparing and contrasting municipal fiscal inequalities. The concept of *tax effort* was employed as an equality measure of tax burden. Tax effort is calculated by dividing tax rate by the per capita assessed value of property. It is an index of the extent to which the assessed value of property in a jurisdiction is utilized to finance service provisions (Reynolds, 1976). Extending the wealth neutrality concept, the systematic relationship between tax effort and the per capita assessed value of property cannot be considered as the existence of wealth neutrality of tax effort.

In the regression analyses of wealth neutrality of tax effort, the concave downward shape of both the relationships are transformed to log-linear specifications (Table 8). In both cases, systematic relationships between tax effort and the per capita assessed value of property exist. The negative sign indicates that tax efforts tend to decrease, but at a decreasing rate with increasing per capita assessed value of property. Different from the complex set of tax rate application, the real tax burden that local residents should bear is strongly affected by their property tax bases. The wealthy utilize the lowest fraction of their resources for their service provisions.

Regarding the existence of industrial and

Table 5. Tax Rates and Range of Municipalities and Special Districts^{1/}

Municipalities and School Districts	Tax Rates*
Municipalities (90/82)	\$.06 - \$ 1.22
School Districts (23)	\$ 1.73 - \$ 4.13

* on each \$100 of assessed value of property

(/): Number/Taxing Authority

Source: St. Louis Regional Commerce and Growth Association, 1985, *Metropolitan St. Louis Fact Sheet*.

Table 6. Wealth Neutrality of Tax Effort with Assessed Value of Property

Tax Effort	Intercept	Coefficient	R ²
Police Service	6.80	-0.616*	.380
Public Schools	11.64	-0.936*	.876

* significant at 0.01

commercial properties in the local tax base, it is important to note that the allocation of revenues across public services differs significantly depending on the type of community. These differences can be explained largely by the proportion of industrial or commercial properties and differing assessment rates for this type of property relative to residential properties. In the state of Missouri, industrial and commercial properties are assessed at the rate of 32 percent of the market value compared to residential properties at 19 percent (St. Louis R.C.G.A., 1987). In addition, industrial and commercial firms are transportation-sensitive. They therefore tend to locate in places with convenient access to the interstate highway system (e.g., beltway interchanges and corridors), which may also be coincident with proximity to many rich residential areas.⁸ It suggests that high property value districts apply low tax rates in their revenue generation, but municipalities do not necessarily follow suit.

Through the analyses of expenditure and tax effort with regard to their property tax bases, the amount of taxable properties in a certain municipality or school district is the major determinant of expenditure levels and tax burdens. As previously discussed, the property tax is a primary source of local government revenue. Expenditure levels are accordingly determined by the assessed value of property and their tax rates. Both the amount of public services an individual receives, and the tax costs for those services, are dependent upon individuals' location within a given local government.

The *tax/service packages* are formed by the linkage of tax rates and service expenditures with their property tax bases. The packages represent the collectively pursued goal of desirable fiscal and social conditions that local governments achieve. According to public choice theory, the packages are interpreted as the output of the efficient institutional mechanism of governmental fragmentation which allows the expression of different preferences of socio-spatial communities and the efficient competition into the consumption and production of local public services. The

efficiency maximizing approach provides an adequate explanation about the current suburban structure, but is criticized by the wealth-biased point of view. It provides a convenient rationalization only to the wealthy under metropolitan fragmentation (Cox and Nartowicz, 1981).

Jurisdictions with high property value have large revenue sources, thus they maintain higher expenditures for public services while spending lower proportions of their resources for that amount of service expenditure. In contrast to this, jurisdictions with low property values have lower service expenditures with higher tax efforts. In terms of the composition of property tax bases, the high ratios of property value to both income and high sales tax receipts are found in high property value municipalities. Industrial and commercial firms which cause high ratios, tend to gravitate toward each other in space that is available at easily accessible locations which coincide with major transportation arteries, especially at beltway interchanges along main highways. High property value and income municipalities already occupy such locations, and thus they receive benefits both from their high property tax producing capacity and sales tax. In particular, high sales tax receipts have had the effect of widening the disparity of the property tax base generating highly in high property value and income municipalities. In addition, the real tax burdens each resident feels will be lower than the average tax burden due to being offset by highly assessed properties such as commercial and industrial facilities. This is because lots of tax burdens are exported to commercial and industrial properties as well as to sales tax receipts.

Municipalities which have large quantities of zoned areas for commercial and industrial facilities benefit residents by either lowering household tax payments or by increasing local spending (Erickson and Wollover, 1987). Fiscal benefits accrue to communities from both commercial and industrial properties. The non-residential land uses contribute to the local property taxes, thereby lowering the tax rate in high ratio municipalities. The property tax

differentials further influence business location by firms' efforts to maximize profits but sorted by community welfare maximizing behavior in interlocal areas (Fox, 1981).

The tax/service packages which are formed from each jurisdiction's property tax base are used as a filtering mechanism to attract households and industries which contribute to maintaining their desirable fiscal and social conditions. In the case of household location, the high correlation of income and house value means that income homogeneity is required for the consistency of community values. It also leads to extreme specialization in terms of residential characteristics, social rank and wealth while leading to interjurisdictional heterogeneity. Furthermore, the differences of tax rates would be capitalized in the form of property value differentiation. If a community lowers its tax rates and employs the receipts to improve its service system, the increased benefits from the expenditure side of the budget will roughly increase local property values. Attraction of households and firms as well as property tax capitalization will form the fiscal cumulative cycle of privilege or poverty of local fiscal capacity. It will provide service clubs or tax havens to wealthy communities while leaving poor communities the scant alternatives of choosing either a high tax rate or low levels of services.

5. Summary and Conclusion

Suburban service provisions experience severe problems with the emergence of geographically fragmented local governments. This study has attempted to understand the causes and consequences of suburban service inequalities arising from suburban spatial organization focusing on the fiscal capacities and service expenditure of local government jurisdictions in St. Louis County suburbs. Three are examined for this purpose: first, the processes of governmental fragmentation focusing on the purposes of incorporation and special district formation, second, the spatial distribution of fiscal resources across local jurisdictions, and finally a set of analyses focusing on how the

disparity of fiscal resources is reproduced in service inequalities.

Considering the vital role of local government as a service provider and its own taxing authority, the geographical certainty of property tax base inevitably produces the disparities of local government fiscal resources by jurisdictional partitioning. The purposes of incorporation and special district formation are for primarily fiscal and social reasons to take advantage of municipal entitlements. In seeking favorable tax and service packages, citizens do not stop at municipal boundaries but create special districts that may overlap municipalities. The bias underlying the formation of local government boundaries could be explained by their goal of increasing service expenditures and decreasing tax burdens, which results in the current spatially segregated revenue/expenditure patterns. The basic sources of internal spatial organization are probably similar from one metropolitan area to another, but St. Louis County suburban area provides one example of how suburban inequalities are generated and maintained if the administrative organization of space is left to local residents.

The results so far suggest that current suburban spatial organization is not sporadic, but part of an intentionally pursued pattern to manipulate the geography of suburbia to fiscal and social advantages. The dismal picture of suburban inequalities is altered little by the inter-governmental transfer payments while they are supposed to equalize interjurisdictional service inequalities. Inadequate nonlocal governments compensation for fiscal inequalities are not solutions to the problems that were found, but only partial alleviations. In sum, the local fiscal resources in particular property tax bases, are the most fundamental power which determines service expenditure levels and tax costs to its residents. The capacities of local governments to provide services and to decide tax rates are largely dependent upon the amount of property tax base which is determined by boundary formation and their effort to structure it.

In conclusion, the spatial demarcation of suburban areas with the financing system of a geographically distributed property tax is the

basic source of suburban service inequalities. This situation is also easily manipulated by localities to pursue collectively desirable fiscal and social conditions. The fragmented local jurisdictions are the means to shape the suburban area fiscally controlled and allocated in order to achieve desired outputs of the system. The unfettered decision making of collective consumption and location decision of individuals and firms would form the fiscal cumulative cycle of poverty or privilege. Because municipal boundaries formalize fiscal resource inequalities, the segregation of public goods consumption is used to perpetuate and even increase intrasuburban inequalities. The central part of suburban inequality is the segregation of public goods consumption reproduced from the disparity of property tax base, which acts as a basic geographic segregating force in the suburban administrative spatial organization.

Notes

- 1) The property tax meets several important criteria better than any other revenue source. It is widely distributed within units of government to be financed and administratively feasible so that rates, tax bills, and amounts due to each unit of government can be computed for financing a small and autonomous independent government (Chicoine and Walzer, 1985).
- 2) Rough division of revenue sources has developed among the three tiers of government. The federal government raises the bulk of its revenue from personal income tax. State government relies mostly on sales tax. Unlike the federal income and State sales tax, smaller geographical units cannot take advantage of these sources of revenue because people are free to move among its various geographical parts. As a result, local governments have had to look to other sources of revenue, and were eventually left with taxes on property as the main source of revenue.
- 3) Income is usually used as an indicator of socioeconomic characteristics or potential fiscal resources. In the case of a jurisdiction that has large commercial and industrial properties, however, it becomes a misleading indicator since they are more highly assessed than residential properties.
- 4) Spending on police and education is characterized by extremely low variation due to the strong attempts to equalize local jurisdictions's disparity by higher governmental bodies (Paddison, 1983; Knox, 1987).
- 5) These municipalities are: Country Life Acres, Clarkson Valley, Twin Oaks, Grantwood Village, Crystal Lake Park, Oakland, Norwood Court, Winchester, Bella Villa, Sycamore Hills, Mackenzie, Flordell Hills, Velda Village Hills.
- 6) The term "spill-over" is often used to describe such a situation in which an activity is provided in a local government and consumed, but not paid for, by those from other political jurisdictions.
- 7) There are Fire Districts numbering of 64 with tax rates ranging from \$.30 - \$.93, Sewer Districts totaling 36 with tax rates ranging from \$.06 - \$.30. Also, metropolitan-wide jurisdictions with their own taxing authorities are: State-\$.031, County-\$.36, Junior College-\$.22, Special School Districts-\$.55, and Museum-Zoo-Park Districts-\$.09.
- 8) Municipalities of large size, with both higher values and higher sales taxes, are concentrated contiguously in the west of the central city in large size (Clayton, Ladue, Creve Coer, Frontenac, Des Peres, Town and Country) and small size (West Wood, Huntleigh, Warson Woods, Crystal Lake Park, Country Life Acres). Other high values are found in separate areas such as Bridgeton, and Clarkson Valley. In these municipalities, the high values are often due to a concentration of commercial and industrial properties coupled with high-value residential properties.

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미국 대도시 교외지역의 분할된 자치정부와 공공서비스: 세인트 루이스를 사례로

권 상 철*

미국 대도시의 교외지역은 재정적으로 독립된 자치시와 특별구의 등장으로 공간적으로 분할된 양상을 보이고 있다. 이들 독립된 자치구역들은 지리적으로 한정된 서비스 영역을 가지며 서비스 제공에 필요한 비용을 지방세로 충당한다는 점에서 교외지역 주민의 복지에 중요한 시사점을 제시한다. 본 연구는 미국 대도시 교외지역에 나타나는 분할된 행정구역의 공간조직을 이해하기 위하여, 첫째 대도시 주변에서 자치시와 특별구를 형성하는 목적을 개괄하고, 둘째 세인트 루이스를 사례로 분할된 자치구역 과세기반의 지리적 분포 그리고 이의 차이가 공공서비스의 수준으로 연계되어 나타남을 분석을 통하여 살펴보았다.

교외지역의 자치시와 특별구들은 독립적인 과세와 서비스 제공의 권한을 가지며 지리적으로 특정장소를 점하고 있는 부동산을 주요 세원으로 하고 있다. 따라서 자치구역의 형성은 세금부담을 낮추고 공급받는 서비스 수준을 높이려는 자치구역내 주민들의 단체행동의 산물로서 지역마다 담세율과 공공서비스 수준의 차이를 보이는 분할된 형태를 나타내게 된다. 사례로 살펴본 세인트 루이스시 교외지역은 자치시와 특별구가 혼재하여 1986년 당시 90개의 자치시, 25개의 공립학군, 64개의 소방구역, 36개의 하수처리구역 등을 포함하고 있다. 자치시와 공립학군간의 재산세 과세기반은 상당한 차이를

나타내며 이들 과세기반의 차이를 기준으로 세가지의 분석을 시행하였다. 첫째, 지출규모로 본 경찰 그리고 공립학교의 서비스 수준과 연계시켜 분석한 결과는 주민/학생 일인당 지출은 자치정부의 과세기반으로부터 직접적인 영향을 받음을 보여주고 있다. 둘째, 자치정부간의 재정능력의 차를 줄이기 위하여 판매세, 주 그리고 연방정부의 보조가 있으나 이들을 재산세에 더하여 분석한 결과는 재산세-서비스 지출의 연계가 그다지 약화되지 않았음을 보여주고 있다. 셋째, 자치행정구역은 실제로 다양한 과세율을 적용하고 있으며 이를 개인별 소득수준에 비춘 과세부담은 서비스 수준과 역관계로 나타나 낮은 수준의 서비스를 공급받는 자치구역이 높은 과세부담을 가지고 있음을 보여 주고 있다.

결론적으로 미국 대도시 교외지역의 행정구역 분할은 지리적 입지의 특성을 갖는 재산세에 기반하여 낮은 과세부담으로 높은 수준의 서비스를 제공받으려고 교외지역 주민들이 추구한 집합소비의 결과라 하겠다. 이는 지역간의 과세기반의 차이에서 기인하는 공공서비스 수준의 차이를 고착화시키며 행정구역의 공간조직에 기본적인 분할의 요인으로 작용한다고 이해할 수 있다.

주요어: 지방자치구역, 분할, 과세기반과 공공서비스의 차이

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