

City Taxation for Reducing the Fire Hazard

Present Methods of Assessment Should Have a Differential Favoring High Class Construction and Penalizing Hazardous Buildings.

Mr. R. O. Wynne-Roberts of Toronto, writing in July issue of the National Fire Protection Association Quarterly has an ingenious scheme for municipal rating of buildings for fire insurance on the basis of taxation, which opens the way for improving construction without assessing the owner for his improvements. He says:

Many suggestions have been advanced from time to time as to how best to reduce the huge fire losses in North America. It is not proposed now to discuss the many proposals, since they have often been critized, condemned, approved, rejected or adopted according to their practical merits. But there is one suggestion that, so far as the writer is aware, has not received much consideration, and that is, the city authorities should assess the owners of property for fire protection according to the risks involved. This is, of course, a radical proposal, but public service should be paid for on a fair and definite basis. The present method of assessing owners for public service does not appear to be equitable; it tends to discriminate against the owners of properties which are substantially built, thereby creating an inducement for the erection of cheap and hazardous structures.

Before proceeding further, it may be said that fire risks are largely due to the methods of construction. In other words, a reinforced concrete structure will create less fire hazard than a timber-framed one under similar conditions of use, location and environment. The fire insurance companies offer better terms to the former than to the latter, and in this way the owners of the substantial buildings now derive some advantage. The cost of erecting a fire-resistive building may be considerably more than that of a timber-framed structure; it will be a valuable asset to the city assessor; it may afford employment to men and women under conditions of minimum fire dangers; or it may be a respectable dwelling in which every care has been taken in the design and selection of materials. We know of instances where such buildings have been erected affording satisfaction and pride to the owners, only to be endangered by the erection of cheaper and hazardous structures adjoining.

The city assessor will view the substantial building with approving eyes because it is more valuable, and since the owner is a prosperous, enterprising man, he can easily stand for more taxes. Thus the two examples suggest to us that under the present method of taxation he who builds well must pay more. It is obvious that further municipal assessments and taxations along this line are not conducive to better building nor to a reduction of the enormous annual fire losses.

Municipal taxes, inter alia, include the cost of fire brigades, which organizations are essential for public safety. These taxes are levied on properties in proportion to their assessed values, consequently the fire brigade service is charged likewise. The first-class building which possesses a minimum of fire risks, but costs more to build, is punished by high taxation; while the cheap erections, which cost less and are assessed lower, are taxed less, despite the fact that the fire brigade services available are rendered in the reverse order. Let us carry the analysis still further. Some cities charge the fire department with rental for hydrants and others charge for water, both of which are in greater demand to extinguish fires in cheaper buildings.

One of the primary functions of a water system is to provide water for fire extinguishment. If these systems were divided into two departments, one for domestic and industrial supply, and the other for fire purposes, it would

be found that the respective capacities of each would be roughly as follows:

In cities of 10,000 population, 17 per cent for domestic use, 83 per cent for fire purposes.

In cities of 50,000 population, 46 per cent for domestic use, 54 per cent for fire purposes.

In cities of 100,000 population, 63 per cent for domestic use, 37 per cent for fire purposes.

In cities of 200,000 population, 81 per cent for domestic use, 19 per cent for fire purposes.

In cities of 300,000 population, 91 per cent for domestic use, 9 per cent for fire purposes.

The cost of the systems divided as above would be:

In cities of 10,000 population, 40 per cent for domestic use, 60 per cent for fire purposes.

In cities of 50,000 population, 68 per cent for domestic use, 32 per cent for fire purposes.

In cities of 100,000 population, 77 per cent for domestic use, 23 per cent for fire purposes.

In cities of 300,000 population, 87 per cent for domestic use, 13 per cent for fire purposes.

These figures are extracted from a valuable and instructive report by three well-known American engineers.

If a charge is made by the Water Department against the Fire Department for water and readiness to serve, it is then included in the general taxes already referred to. This further aggravates the injustice to the builder of the good structure and acts as soothing palliative to the man who erects a poor one. It would seem that our method of taxation was contrived for the purpose of encouraging the erection of combustible buildings.

Supposing that city authorities were to charge for fire brigade and water services in proportion to the hazards involved, it would not be a difficult task to anticipate the effect. Fire insurance companies base their rates upon the hazards involved, and it will be admitted that this fact has tended toward a great improvement in building construction. This is an argument for the extension of the same principles to municipal financing. If taxes for fire prevention were levied according to a scale of hazards of different types of construction and established by surrounding conditions, it would not be long before builders and owners would carefully study the economics of building construction. Differential taxation for fire protection would act as a deterrent against poor construction; it would depress the selling value of inferior buildings and increase that of superior ones; it would in time diminish the cost of fire protection as the causes of fires are reduced; it would cut the losses due to fires and thereby conserve our wealth; it would save life and reduce unemployment caused by serious conflagrations; and finally it would reduce the cost of fire insurance. This may be too sanguine a prospect. It is, however, one which deserves our attention. Those who have studied building construction, and the relative fire hazards and losses in Europe and America, must be impressed with the importance of the great question now under consideration.

Fire insurance companies are not exactly benevolent institutions; they are business organizations which are prepared to carry risks at a price. Excessive losses due to large fires must be recouped by increased rates, and reduced losses will likewise in time have the effect of reducing the rates. Fire insurance companies and civic authorities co-operating on the above lines would soon effect a change, for is only human to consider the financial obligations and benefits of a building scheme ahead of its ethical aspects. If owners found it financially advantageous to abandon the old structure for a newer and better one, it would not be long before they would act accordingly.