Chapter 4 Multiple Choice Questions

1. Governmental powers over private property rights include
   a. power of taxation.
   b. power of escheat.
   c. police power.
   d. All of the above

2. The property tax is an ______ tax, which means that it is levied as a percentage of value.
   a. et cetera
   b. ad valorem
   c. ad nauseum
   d. et alegori

3. A tax rate of 20 mills indicates a tax of
   a. $20 per $1,000 of assessed value.
   b. $20 per $1,000 of appraised value.
   c. $20 per $100 of assessed value.
   d. $20 per $100 of appraised value.

4. The property tax is a(n)
   a. federal tax.
   b. ad valorem tax.
   c. sales tax.
   d. income tax.

5. Valuation of property for tax purposes is generally based on
   a. cost.
   b. future value.
   c. fair-market value.
   d. present value.

6. The value of a property established for the purpose of computing property taxes is the ______ value.
   a. assessed
   b. discounted present
   c. appraised
   d. fair-market
7. The property tax rate is expressed as
   a. dollars per hundred dollars of assessed value.
   b. a percentage of assessed value.
   c. dollars per thousand dollars of assessed value.
   d. a percentage of market value.

8. One mill is equal to
   a. 0.1.
   b. 0.001.
   c. 0.01.
   d. 0.0001.

9. To determine the tax bill on an individual property, one
   a. divides the budgeted amount by total property value.
   b. multiplies the assessed value by the tax rate.
   c. divides the assessed value by the tax rate.
   d. multiplies the market value by the assessment rate.

10. A tax of $300 on an assessed value of $50,000 is indicative of a millage rate of
    a. 6.00.
    b. 0.30.
    c. 3.00.
    d. 0.06.

11. If the property tax is not paid when due, the usual practice is to
    a. reduce the tax.
    b. charge interest from the due date until the payment date.
    c. sell the property immediately.
    d. rent the property.

12. If properties are reassessed only upon sale, which of the following statements is true when property values are rising?
    a. Owners of older properties pay less tax relative to market value.
    b. Owners of older properties owners pay more tax relative to market value.
    c. New property owners pay less tax in absolute dollars.
    d. New property owners pay the same tax relative to older property owners.
Use the following information for the next four questions.
Assessment rate: 40% of market value
Millage Rate: 6.5 mils

13. What is the market value of a house which pays a tax of $292.50?
   a. 35,000
   b. $75,000
   c. $45,000
   d. $60,000

14. What is the assessed value of a house which pays a tax of $292.50?
   a. $35,000
   b. $75,000
   c. $45,000
   d. $60,000

15. What is the tax on a $185,000 house?
   a. $48.10
   b. $481.00
   c. $120.25
   d. $1,202.50

16. What is the tax on a $185,000 house with a homestead exemption of $10,000?
   a. $1,137.5
   b. $48,000
   c. $416
   d. $455

17. Inverse condemnation is
   a. a legal action where a landowner seeks just compensation for a “taking” of his or her property.
   b. the government’s right to take private property for public uses.
   c. an exercise of a government’s police power.
   d. the use of regulations for the public’s benefit.

18. Which is not an appropriate means to seek a zoning change?
   a. Judicial relief
   b. Seeking a variance
   c. Seeking a special use permit
   d. Performance zoning
19. A limit on the intensity of use of a piece of land where the percentage of the lot area that may be occupied by a structure is set at a maximum level by law is an example of a _______ regulation.
   a. minimum lot size
   b. floor-area ratio
   c. bulk
   d. setback

20. Zoning to provide a proportional or at least a specified amount of low income housing within a development is an example of _______ zoning.
   a. exclusionary
   b. inclusionary
   c. mandatory
   d. performance

21. The comprehensive general plan
   a. identifies all nuisances.
   b. identifies future public development needs.
   c. identifies lot sites in residential development.
   d. is mandatory for all municipalities.

22. Intensity of use is also known as _______ density.
   a. economic
   b. developmental
   c. financial
   d. urban

23. A _______ is a continuing use that was legal before a zoning ordinance was passed, but is now prohibited.
   a. amortized use
   b. noncontinuing use
   c. nonconforming use
   d. All of the above

24. An area zoned for a four-to-one floor area ratio would permit the development of
   a. a six story building covering the entire site.
   b. an eight story building covering half of the site.
   c. a four story building covering half the entire site.
   d. an eight story building covering one fourth of the site.
25. Which of the following represent some of the powers governments have over private property?
   a. Taxation, eminent domain and police powers
   b. Powers of attorney, eminent domain and police
   c. Powers of eminent domain, denial and estoppel
   d. Powers of police, refusal and denial

26. In English common law, the doctrine enjoining property owners from using their land in such a way as to harm the property of others was called the doctrine.
   a. nuisance
   b. escheat
   c. estoppel
   d. quiet enjoyment

27. The most widely employed method of regulating the use of land is
   a. subdivision regulation.
   b. site-plan review.
   c. zoning.
   d. building codes.

28. The most common method of regulating developmental density is by
   a. height limitations.
   b. bulk regulations.
   c. specifying a minimum lot size.
   d. establishing a setback requirement.

29. _______ zoning relates the permitted uses of land to certain standards, typically related to the capacity of the land with regard to impacts such as traffic generated, capability to handle runoff or health standards.
   a. Nonconforming
   b. Planned unit
   c. Variable
   d. Performance

30. Inverse condemnation occurs when
   a. a state takes property upon which to build a highway.
   b. a federal agency takes property upon which to build an interstate highway.
   c. a city takes property to create a city park.
   d. a landowner seeks to force the government to purchase his or her property.
31. The key difference between police power and the power of eminent domain is that
   a. a property does not lessen in value when police power is exerted.
   b. in eminent domain, there is no appeal to a higher authority.
   c. under police power the owner is entitled to no compensation.
   d. eminent domain can only be used to further the public good.

32. As a result of the exercise of police powers, property owners receive
   a. fair market value compensation.
   b. just compensation.
   c. cost adjusted compensation.
   d. no compensation.

33. A new health and safety standard enacted by the local authorities has restricted the
   use of your property to such an extent that you feel that the property is now
   worthless for all intents and purposes. Which of the following represents the most
   logical approach to resolving the conflict?
   a. Suing the local authority for eminent domain
   b. Suing the local authorities for contemplation
   c. Suing the local authorities for inverse condemnation
   d. Accepting your losses graciously because of the public good

34. Public restrictions on ownership rights include all of the following except
   a. property-tax liens.
   b. power of eminent domain.
   c. restrictive covenants.
   d. zoning.

35. Which of the following statements represents the heart of the “takings” issue?
   a. Do governments have the right to restrict private property rights?
   b. Is zoning a valid use of police power?
   c. How far can regulations go before the affected property owner is entitled to
      compensation?
   d. Is eminent domain unconstitutional?