

**Accounting**  
**Course Number: 22:010:691**  
**Course Title: Applied Public Finance**

## **COURSE DESCRIPTION**

Public business administrators, treasurers, and other public financial officials; urban planning and public policy professionals, and others in the public, private, and non-profit sectors often confront subjects related to applied public finance. These range from doing or reviewing professional development impact reports (e.g., fiscal impact analyses and demographic projections related to new development) to considering/affecting many policies to foster economic, housing, and community development that rely on public finance (e.g., creating a tax increment financing district or allowing a payment in lieu of taxes).

This introductory class overviews many of these applied public finance procedures and policies, with a focus on those related to the property tax. The class presents the history, impetus, current state of art, and potential future changes concerning about ten key public finance-related procedures and policies.

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## **COURSE MATERIALS**

There are **NO REQUIRED TEXTBOOKS** for this course. All required readings will be available online as well as some optional readings should you wish to learn more about a particular topic. Optional readings that are not on the course site are usually available online (be sure to use the Rutgers Libraries Databases and Indexes).

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## **LEARNING GOALS AND OBJECTIVES**

At the conclusion of this course, students will understand the principles and implications of applied public finance, especially as that relates to development/redevelopment and the property tax. The principles and applications of contemporary critical public finance related procedures and policies as described above are conveyed, including those related to fiscal impact assessment, impact fees, tax increment financing, business improvement districts, property tax incentives/abatement, payments in lieu of taxes and tax-base sharing.

More generally, this course is designed to help students develop skills and knowledge in the following area(s):

1. Governmental accounting knowledge. Master of Accountancy in Governmental Accounting graduates will have a command of governmental accounting theory and practice.

2. Critical thinking skills. Master of Accountancy in Governmental Accounting graduates will be able to understand complex financial situations and provide solutions to improve current financial practices.
3. Persuasive communication. Master of Accountancy in Governmental Accounting graduates will be effective communicators.

Students who complete this course will demonstrate the following:

1. Ability to integrate and apply governmental accounting concepts
2. Ability to identify issues and understand their implications
3. Ability to synthesize a variety of inputs into a comprehensive analysis
4. Ability to construct clear, concise, and convincing written communications.

Students develop these skills and knowledge through the following course activities and assignments:

- Weekly assigned readings and recommended optional readings
- Weekly on-line discussions
- Written assignments
- A final exam

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## PREREQUISITES

There are *no* prerequisites for this course.

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## ACADEMIC INTEGRITY

*I do NOT tolerate cheating.* Students are responsible for understanding the RU Academic Integrity Policy (<http://academicintegrity.rutgers.edu/>).

I will strongly enforce this Policy and pursue *all* violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” I will screen all written assignments through *SafeAssign* or *Turnitin*, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See [business.rutgers.edu/ai](http://business.rutgers.edu/ai) for more details.

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## DETAILED COURSE OVERVIEW

To set the overall context of the property tax, the many potential sources of revenue available to local and state government (e.g. an array of taxes and user fees) are presented in the first class. Class two focuses on the property tax, including its history, profile, derivation, and variation across the United States. Classes three through six focus on *Fiscal Impact Analysis (FIA)*—an important technique for comparing the local public costs versus local public revenues generated by growth. (Class three considers FIA

methods for projecting the population generated by new development while classes four through six present FIA methods for translating the growth-induced population to public service costs and revenues.) Class seven considers *Impact Fees* (charges imposed on developers to pay for the growth-induced capital costs engendered by proposed development), in part as a strategy to enhance the fiscal impact of development.

Classes eight through eleven consider public finance mechanisms strongly associated with the property tax that are commonly applied to foster development or other desired activities. *Tax Increment Financing* or TIF, discussed in class eight, is a popular tool to finance new development or redevelopment (rehabilitation and/or new construction) by capturing the property appreciation and associated higher property tax payments ensuing from development or redevelopment. A *Business Improvement District or BID* (class nine) is an organizing and financing strategy, often involving an added property tax payment in the BID to stimulate and maintain business-oriented activity through enhanced district marketing, security, and other strategies. *Property Tax Incentives through abatement and other means* (class ten) are targeted tax reductions on specially designated properties (e.g., newly constructed, rehabilitated or redeveloped business or residential parcels).

The property tax tools mentioned above (e.g. TIF or abatement) are sometimes combined with income tax incentives. Class eleven considers three prominent income tax incentives to: foster economic development (New Markets Tax Credits or NMTC), affordable housing (Low-Income Housing Tax Credits or LIHTC) and historic preservation (Historic Tax Credit or HTC). The NMTC, LIHTC and HTC are federal income tax incentives and some states have created state-level equivalents that “piggyback” onto the federal aid.

*A Payment in Lieu of Taxes or PILOT* is a payment made voluntarily by tax exempt non-profits as a substitute for property taxes. (Note: a PILOT can also be made by a taxable entity as a variation of a property tax incentive.) PILOTS are considered in class twelve.

Class thirteen gives students the opportunity to explore issues of their choosing related to the course content.

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## **CLASS REQUIREMENTS**

There are assigned readings (required and optional) associated with each week’s topic. These readings are available online on the course website under each week’s respective Readings link. Because of the wide range of subjects covered by this class, there is no suitable single textbook; instead the readings are derived from journals and professional reports.

### ***Homework Assignments***

The writing assignment in this course are about five (5) pages each are based on the required readings and may include a topic-appropriate calculation. With a few exceptions, all assignments must be completed by 11:59 PM for the previous week (see the Table in Section 5 below or online schedule for assignment due dates). Some exceptions are made to the Sunday due date to accommodate getting started the first week, the Rutgers Spring Break, and the Super Bowl. Unless given prior permission, late work will be penalized

(see below). Due to the nature of an online course, it is imperative that all work be done on time and submitted according to this schedule. The weeks' assignments build on one another—you will need to complete Week 2 to understand Week 3 and Weeks 2 and 3 to understand Week 4 and so on.

Over the course of the term, each student will write 10 assignments for a total of 70 points of which your lowest (by grade) will be dropped at the end of the semester and will not count to your final grade. You will also have an opportunity to complete an extra credit assignment of your choosing for the final week of the class.

### ***Online Discussion***

In addition, there is a weekly student discussion on class-related topics such as FIA, TIF, or PILOT. The discussion will also include a “Share Your Experience” component where students are encouraged to share their personal and professional experience with public finance generally (e.g., “my community has imposed a property tax increase freeze”) and/or the class topic (e.g., “my county employer has restricted TIFs to affordable housing”). Your discussion is highly encouraged—all students have much to contribute—but is also *required*. Participation in the class discussion will count 15 points to the final grade.

### ***Final Exam***

A final exam worth 15 points will be given as well. The exam will cover subjects from the entire class. During the exam, all course materials and outside sources may be consulted. The exam is thus open book. The final will comprise some short answers, some essays, and an analytic problem similar to applied analysis worked on in the week to week assignments.

To summarize, class requirements include:

- 10 weekly assignments: 70 points (the assignment with the lowest grade will be dropped from your final grade)
- Thematic class discussion: 15 points
- Final examination: 15 points

Your assignment grades will be posted online on Canvas.

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## **COURSE GUIDELINES AND LOGISTICS**

### ***Online Organization***

This course has a total of 13 classes, each of which has its own module. These classes are listed in Canvas. For each class you will find the following components:

- class overview
- readings
- an assignment (a few weeks do not have an assignment)
- a discussion topic

**NOTE: The class module components will be available online the Friday prior to the start of that week's class.** This is to give some flexibility to the work schedule and provide two weekends during which you can complete that week's readings and assignment.

### *Readings*

There are both required and optional readings. All required readings are available on our course site and some of the optional readings are also available. The readings are critical to completing the assignment on the week's given subject. The quantity of reading required for each week varies depending on the subject material. Each week typically has a few required readings as well as a few optional readings.

### *Assignments*

The assignments will form the core of your learning in this course and therefore constitute 70 percent of your grade. They most often require writing a few pages of text in response to a series of questions as well as completing an applied illustrative analysis.

### **Submitting Your Assignment**

When completed, each assignment must be submitted on Canvas, *NOT* via email. Your time-zone is irrelevant. Wherever you are, the assignment is due by 11:59 PM.

### **Late Submissions**

Assignment submissions will be penalized by 2 points for each day late with a *maximum* loss of 20 points for lateness. We understand that most of you are working while taking this course which is why we allow for one of the assignments to be dropped during the semester. We will **NOT** accept late assignments for problem sets that have already had the answers posted online.

### **Assignment Guidelines**

Foremost, the assignment must be your own. **Do not plagiarize** (see above about academic integrity). You will fail the assignment if you are caught plagiarizing. Any work that is not your own cannot be submitted for credit.

Also, *limit the use of direct quotes*. Many of the questions in the assignment are there to ensure that you are understanding the readings as you go along and can be taken directly from the text. **DO NOT QUOTE THIS MATERIAL.** Paraphrase. Paraphrase. Paraphrase. If you are unable to paraphrase the concepts in the readings, you have not understood them. **Students using excessive quotations in their assignments will lose points on their work!**

### **Questions about the Assignment**

If you have questions about an assignment, **to guarantee a response, you must submit them to us by () on the () before the assignment is due. We do not guarantee a response for questions submitted later than this.** For example, questions pertaining the to the Class 2 assignment due on () must be submitted by () on (). Please plan your weeks accordingly. For all questions, we will do our best to respond within 24 hours.

For Class 1, the assignment is quite straightforward and relatively brief given it is the first week of class! We have also set the due date for the Class 1 assignment for () on () to give us an opportunity to iron out any first-week wrinkles. The assignments that follow are more robust. Although we have tried to keep the

assignments relatively balanced, some are more demanding than others depending upon the nature of the material and the complexity of the associated calculations.

### *Discussions*

Discussions are meant to elicit a more informal student back and forth on a given subject and typically encompass two elements: a topical debate (e.g., the public finance pro/con of offering a TIF) and a section to “share your experience” (e.g., does the place where you live/work offer a TIF?). While we encourage you to remain on topic, feel free to engage the class with outside examples, questions, or relevant thoughts beyond its initial scope. These discussions are also where you will get to know your fellow classmates. We expect that we have a diverse group in this class—do take advantage of everyone's relative expertise and interests.

The discussions constitute 15 percent of your grade. **In order to receive full credit for the discussions, you must respond to each question, debate, or share your experience during that week. We also require that you post at least your first response by () of that week.** For example, in Class 2, you must post your first response by (). We are not as strict with the limit with discussions. As long as we can wake up () morning to a full set of responses, you will be fine. This does not mean you cannot post sooner or more than once—by all means, discuss as you wish! We will be following the discussion closely though hope to have a guiding role, not a substantive one.

Please post your threads in the discussion section on the sidebar for that week’s module.

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## **COURSE SCHEDULE**

<b>Class</b>	<b>Topic</b>
1	Overview of state/local taxes and other public revenue
2	The property tax
3	Fiscal Impact Analysis (FIA) 1: Demographics
4	FIA 2: Costs and Revenues
5	FIA 3: Costs and Revenues
6	FIA 4: Costs and Revenues
7	Impact Fees
8	Tax Increment Financing (TIF)
9	Business Improvement Districts (BIDs)
10	Property Tax Incentives (e.g., abatements)

11 Combining property tax and income tax incentives

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12 Payment in Lieu of Taxes (PILOT)

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13 Open Assignment

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## COMMUNICATION

Questions are welcome! Please feel free to contact us anytime. While neither of our schedules permits set “office hours” during which we guarantee our availability, we have enough flexibility to easily accommodate your questions! We prefer you to first reach out by email and if need be, we will follow up with a phone call. We will do all we can to get back to you the same or the following day. Again, questions pertaining to a given week’s assignment must be asked by () on the () before it is due. All other questions are welcome on the weekend, though we may not get to answering them until ().

For technical questions (something is missing from the website, the excel chart for that week’s assignment is not working, etc.) please contact ().

() can be reached by email at () or by telephone at (). () can be reached at ()

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## SUPPORT SERVICES

If you need accommodation for a *disability*, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at [ods.rutgers.edu](https://ods.rutgers.edu).

[Rutgers University-New Brunswick ODS phone (848)445-6800 or email [dsoffice@echo.rutgers.edu](mailto:dsoffice@echo.rutgers.edu)]

[Rutgers University-Newark ODS phone (973)353-5375 or email [ods@newark.rutgers.edu](mailto:ods@newark.rutgers.edu)]

If you are *pregnant*, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email [jackie.moran@rutgers.edu](mailto:jackie.moran@rutgers.edu)]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email [TitleIX@newark.rutgers.edu](mailto:TitleIX@newark.rutgers.edu)]

If you seek **religious accommodations**, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email [deanofstudents@echo.rutgers.edu](mailto:deanofstudents@echo.rutgers.edu)]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email [DeanofStudents@newark.rutgers.edu](mailto:DeanofStudents@newark.rutgers.edu)]

If you have experienced any form of **gender or sex-based discrimination or harassment**, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at <http://vpva.rutgers.edu/>.

[Rutgers University-New Brunswick incident report link: <http://studentconduct.rutgers.edu/concern/>. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: [https://cm.maxient.com/reportingform.php?RutgersUniv&layout\\_id=7](https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7) . You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email at [TitleIX@newark.rutgers.edu](mailto:TitleIX@newark.rutgers.edu). If you wish to speak with a staff member who is confidential and does **not** have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email [run.vpva@rutgers.edu](mailto:run.vpva@rutgers.edu)]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via <https://temporaryconditions.rutgers.edu> .

If you are a military **veteran** or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. <http://veterans.rutgers.edu/>

If you are in need of **mental health** services, please use our readily available services.

[Rutgers University-Newark Counseling Center: <http://counseling.newark.rutgers.edu/>]

[Rutgers Counseling and Psychological Services–New Brunswick: <http://rhscaps.rutgers.edu/>]

If you are in need of **physical health** services, please use our readily available services.

[Rutgers Health Services – Newark: <http://health.newark.rutgers.edu/>]



[Rutgers Health Services – New Brunswick: <http://health.rutgers.edu/>]

If you are in need of *legal* services, please use our readily available services: <http://rusls.rutgers.edu/>

Students experiencing difficulty in courses due to *English as a second language (ESL)* should contact the Program in American Language Studies for supports.

[Rutgers–Newark: [PALS@newark.rutgers.edu](mailto:PALS@newark.rutgers.edu)]

[Rutgers–New Brunswick: [eslpals@english.rutgers.edu](mailto:eslpals@english.rutgers.edu)]

If you are in need of additional *academic assistance*, please use our readily available services.

[Rutgers University-Newark Learning Center: <http://www.ncas.rutgers.edu/rlc>

[Rutgers University-Newark Writing Center: <http://www.ncas.rutgers.edu/writingcenter>]

[Rutgers University-New Brunswick Learning Center: <https://rlc.rutgers.edu/>]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.
- Students must sign, date, and return a statement declaring that they understand this syllabus.]