

1933

ASSESSING PROPERTY DAMAGED BY EARTHQUAKE IN LOS ANGELES AND ORANGE COUNTIES

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ASSESSING PROPERTY DAMAGED BY EARTHQUAKE IN LOS ANGELES AND ORANGE COUNTIES California
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proposes to *do* and what it does *not* propose to do. It does not propose to relieve from taxation any private school which is conducted for profit.

The abstract justice of the proposal and its sound governmental philosophy have been recognized in every State in the Union except California. No other State taxes private nonprofit schools. The supporters of measure number 4 propose to bring California into line with the just, wise, and economical policy of the rest of the country. If the government incurs no expense in connection with a necessary service where that service is being rendered by a private agency, without cost to government, it certainly can not justly impose a tax upon such free service.

After giving this tax problem most diligent study, the California Assembly passed the measure by a unanimous vote. The total taxes

received from these schools is less than three hundred seventy-five thousand dollars. Compare this revenue with a saving of approximately thirty-two million next year and twelve to thirteen each year thereafter and the wisdom of the proposed measure becomes apparent at once.

In the interest of fair play, of sound tax economy for the overburdened taxpayers, let us not penalize those who at their own expense are doing the work which otherwise would be a burden upon the taxpayers of this State.

We therefore, ask you to

VOTE "YES" ON NUMBER 4.

CHARLES W. DEMPSTER,
Assemblyman, Sixty-first District.

FRANK G. MARTIN,
Assemblyman, Forty-eighth District.

<p>ASSESSING PROPERTY DAMAGED BY EARTHQUAKE IN LOS ANGELES AND ORANGE COUNTIES. Assembly Constitutional Amendment 101. Adds Section 8a to Article XIII. Requires assessors</p> <p>5 of Los Angeles and Orange Counties to assess real and personal property damaged or destroyed by earthquakes of March 10, 1933, and hereafter and prior to first Monday of July, 1933, according to condition and value after damage or destruction rather than according to condition and value on first Monday of March, of said year.</p>	YES	
	NO	

(For full text of measure, see page 11, part II)

Argument in Favor of Assembly Constitutional Amendment No. 101

The purpose of this amendment is to minimize the hardship resulting from the earthquake of March 10, 1933, and subsequent earthquakes occurring prior to the first Monday of July, 1933, which resulted in widespread destruction and damage of property throughout the counties of Los Angeles and Orange. The amendment applies only to said counties and provides that the owners of property injured or destroyed by such earthquake or earthquakes may make a statement of their property according to its value subsequent to said earthquakes and not according to its value as of the first Monday of March. Normally, property is assessed according to its value on the first Monday of March. Under this rule, the multitudes of people in the stricken area would be required to pay taxes upon a valuation which was destroyed four days later. The fact that the value existed and was owned by the property owner on the 6th of March should not, according to any reason of equity or fairness, require payment of taxes upon such value when the value was destroyed four days later and such property did not receive the benefits of government according to its original value but according to its depre-

ciated balance for the entire balance of the year. The amendment is limited to specific situation and event, and as to the two named counties alone, and can result in no general unsettlement of assessed valuation, or even as to the counties in question for any subsequent year. It is pointed towards the remedy of a hardship existing in the current year and can not affect other counties or subsequent years.

This amendment will not change any existing section of the Constitution but will simply add a new section applicable to this particular case.

VOTE YES ON PROPOSITION NUMBER 5.

HARRY B. RILEY,
Assemblyman, Seventy-first District.

JAMES B. UTT,
Assemblyman, Seventy-fourth District.

Argument Against Assembly Constitutional Amendment No. 101

This legislation is prompted by a wave of sympathy. Sympathy may be a proper stimulus to legislation but never a proper reason for it unless such sympathy be broad enough to

include all who suffer similarly from similar cause. If legislation is good that applies to property damage caused by earthquake in the counties of Los Angeles and Orange between March 10th and July 1st, of 1933, it should apply with equal propriety to situations where damage comes by reason of causes other than earthquake; should apply to areas of the State outside of Los Angeles and Orange counties, and for dates other than those specified in this measure.

There can be no criticism of the purpose of this measure. It is open, however, to criticism because of a lack of proper vision of the tax problem, its method and probable effect. It seeks to remedy a particular situation by the same process that has brought about an intolerable situation, namely: the overburdening of common property with taxation to the point of confiscation. It is in effect a tax exemption measure. Exemptions have in the last many years constituted the major changes in our tax system. In every case unexempted property takes on the burden lifted from exempted property. The Tax Research Bureau finds that from twenty to twenty-five per cent of the common property of the State is now exempted. Three-fourths of the common property of the State now pays three-fourths of the total tax while producing only one-fourth of the total income. Tax exemption is never merely tax exemption. It always produces increased tax-

tion somewhere and really amounts to a tax levy. It seeks to correct an injustice by the imposition of injustice.

The proponents of this measure did not think clear through their problem and provide for an equitable distribution of the tax they seek to lift from those who suffered damage by earthquake. Unfortunately we all find difficulty in taking our eyes off of common property as the main source of taxes in a period of changed economic conditions wherein such a theory is no longer tenable.

It will be argued that the Riley Plan will remedy the overtaxing of common property. This plan sets a limit to the amount of taxes that may be raised from real estate but, so long as we regard common property as the "back log" of our tax system, this limit will be, in effect, a minimum that must be raised from common property and any exemption of any sort would result in an increase in the percentage charged to common property which is arbitrarily, and without rhyme or reason, charged with one-half of the total tax.

The overburdening of real property by taxes has had a lot of verbal recognition but we go right along on the theory that is responsible for the thing we have in recent months complained so loudly about.

S. E. ROBINSON,

Assemblyman, Seventy-seventh District.

STATE BONDS FOR REFINANCING IRRIGATION AND RECLAMATION DISTRICTS. Assembly Constitutional Amendment 16. Ratifies District Finance Act of 1933. Authorizes \$55,000,000 State bonds to

refinance irrigation and reclamation districts by purchasing and canceling their outstanding bonds when recommended by California Districts Securities Commission, State receiving therefor districts' refunding bonds coinciding as nearly as practicable in maturity dates and amounts with State bonds issued; permits State to resell refunding bonds; prohibits district issuing additional bonds without Commission's consent while refunding bonds outstanding; empowers Commission to levy district assessments to pay refunding bonds should district not levy same.

YES

NO

(For full text of measure, see page 11, part II)

Argument in Favor of Assembly Constitutional Amendment No. 16

Assembly Constitutional Amendment Number 16 is the first comprehensive attempt to reduce the bonded indebtedness of the State of California and give to the taxpayers the benefit of the present depressed price of bonds. It will be accomplished without the ultimate expenditure by the State of California of a single dollar.

It ratifies the District Finance Act of 1933, which in turn sets up the following procedure: The taxpaying public has felt the full effect of over-capitalized projects in the last few years

and it has become evident that it is impossible to pay in full these obligations. This fact is appreciated by the bondholder as well as the taxpayer. Irrigation and reclamation district bonds have been selling as low as a few cents on a dollar, yet a potential lien of 100 cents, plus high rates of interest for the maturity period of bonds has crushed any hope of rehabilitating these districts, and as a result the producing areas of the State of California are jeopardized and all interests are joining in this attempt to prevent a complete collapse of agricultural California.

[Eight]

5	ASSESSING PROPERTY DAMAGED BY EARTHQUAKE IN LOS ANGELES AND ORANGE COUNTIES. Assembly Constitutional Amendment 101. Adds Section 8a to Article XIII. Requires assessors of Los Angeles and Orange counties to assess real and personal property damaged or destroyed by earthquakes of March 10, 1933, and thereafter and prior to first Monday of July, 1933, according to condition and value after damage or destruction rather than according to condition and value on first Monday of March, of said year.	YES	
		NO	

Assembly Constitutional Amendment No. 101—A resolution to propose to the people of the State of California an amendment to the Constitution of said State by adding to Article XIII thereof a new section, to be numbered 8a, relating to taxation.

Resolved by the Assembly, the Senate concurring, That the Legislature of the State of California, at its fiftieth session commencing on the second day of January, 1933, two-thirds of the members elected to each of the two houses of the said Legislature voting in favor thereof, hereby proposes to the people of the State of California that the Constitution of the State be amended by adding to Article XIII thereof a new section, to be numbered 8a, to read follows:

(This proposed amendment does not expressly amend any existing section of the Constitution, but adds a new section thereto; therefore, the provisions thereof are printed in BLACK-FACED TYPE to indicate that they are NEW.)

PROPOSED AMENDMENT TO THE CONSTITUTION.

Sec. 8a. Notwithstanding anything in this Constitution otherwise providing, every taxpayer in the county of Los Angeles and in the county of Orange, who at twelve o'clock meridian on the first Monday of March, 1933, was the owner, or had in his possession, or under his control, any property which was thereafter damaged or destroyed by the earthquake of March 10, 1933, or any other earthquake or earthquakes occurring thereafter, and prior to the first Monday of July, 1933, shall make and deliver to the county assessor a statement, under oath, setting forth specifically all such real and personal property, according to its condition and value after said damage or destruction, rather than according to its condition and value at twelve o'clock meridian on the first Monday of March of said year; and the county assessors of said counties, regardless of whether or not such statement of such damaged or destroyed property is made, shall assess the same according to its condition and value after said damage or destruction, rather than according to its condition and value at twelve o'clock meridian on the first Monday of March of said year. The provisions of this section shall be self-executing.

6	STATE BONDS FOR REFINANCING IRRIGATION AND RECLAMATION DISTRICTS. Assembly Constitutional Amendment 16. Ratifies District Finance Act of 1933. Authorizes \$55,000,000 State bonds to refinance irrigation and reclamation districts by purchasing and canceling their outstanding bonds when recommended by California District Securities Commission, State receiving therefor districts' refunding bonds coinciding as nearly as practicable in maturity dates and amounts with State bonds issued; permits State to resell refunding bonds; prohibits district issuing additional bonds without Commission's consent while refunding bonds outstanding; empowers Commission to levy district assessments to pay refunding bonds should district not levy same.	YES	
		NO	

Assembly Constitutional Amendment No. 16—A resolution to propose to the people of the State of California an amendment to the Constitution of said State, by adding to article sixteen thereof a new section to be numbered 9, authorizing the Legislature to provide for assistance by the State

in the refinancing of irrigation and reclamation districts, and approving and ratifying the District Finance Act of 1933.

Resolved by the Assembly, the Senate concurring, That the Legislature of the State of California at its