

1962

## ASSESSMENT OF AGRICULTURAL LAND

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ASSESSMENT OF AGRICULTURAL LAND California Proposition 4 (1962).  
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...vices, or by the effective date of this proposed constitutional amendment. The practical effect of this language in this proposal, in terms of restricting future veterans' claims, already has become so negligible that it is virtually nonexistent and seems to have no reason for inclusion in this proposal except to delude voters into approving this proposition.

The Property Owners Tax Association of California urges a NO vote on Proposition 3.

THE PROPERTY OWNERS TAX  
ASSOCIATION OF CALIFORNIA  
PAUL SHEEDY  
Executive Vice President  
MELVIN HORTON  
Secretary

|          |  |            |  |
|----------|--|------------|--|
| <b>4</b> | <b>ASSESSMENT OF AGRICULTURAL LAND. Assembly Constitutional Amendment No. 4.</b> Upon adoption of ordinance by county or city, assessor on application of owner shall assess land used exclusively for agricultural purposes for prior two years on basis of such agricultural use only until such time as owner applies for assessment on regular basis or land is diverted from agricultural use, in which event the land shall be subject to additional taxes for prior seven years. Legislature shall provide procedures and necessary legislation to implement. | <b>YES</b> |  |
|          |  | <b>NO</b>  |  |

**For Full Text of Measure, See Page 4, Part II**

**Analysis by the Legislative Counsel**

This measure would add a new Section 2.8 to Article XIII of the Constitution governing the assessment for tax purposes of land which is used exclusively for agricultural purposes and which has been so used for at least the two years immediately preceding the lien date of the particular tax year for which the assessment is made. It would require the assessor, under certain conditions, to assess such property solely on the basis of factors relating to agricultural use. Under present law the assessment would have to be made on the basis of the highest and best use to which the land could be devoted, no matter what it is actually used for.

In order to qualify for such special treatment the owner of the land would be required to apply therefor in writing to the assessor by the time and in the manner provided by the Legislature. If the assessor determines that the land is being, and for the immediately preceding two years has been, used exclusively for agricultural purposes and that the application has been properly made, he is required to assess the land solely on the basis of factors relevant to its agricultural use. Once this occurs the land must continue to be so assessed until it is no longer used exclusively for agricultural purposes, or until the owner or his successor applies to have the land assessed in the usual manner. When either of these events occurs the land becomes subject to additional taxes in an amount equal to the difference between the taxes actually paid or payable for the past seven years and the taxes which would have been paid or payable if the land had been normally assessed, plus interest. The Legislature is required to implement this by providing for the collection and distribution of the additional taxes and interest and related matters.

This new constitutional provision will not operate in any county or city unless the governing body of the county or city provides by an ordinance that it shall be operative in respect to taxes levied for county or city purposes.

The ordinance is subject to the initiative and referendum process, and is not effective as to any tax year unless it is adopted at least 30 days prior to the lien date for that year.

**Argument in Favor of Proposition No. 4**

"Yes" on Proposition 4 will help keep mounting food prices down by insuring that vitally needed food production areas are allowed to remain close to metropolitan areas so city residents can be served economically.

"Yes" on Proposition 4 will help California's number one industry—agriculture—serve every Californian even more effectively with fresh, wholesome, sufficient, high quality food at the lowest prices.

"Save our countryside" has long been a common goal of city, suburban and country residents alike. A "Yes" on Proposition 4 will mark a tremendous step forward in insuring that California's countryside will be saved for the best use of our booming population and future generations.

"Yes" on Proposition 4 will help stabilize employment and furnish jobs, not only in agriculture, which today employs more than 500,000 Californians, but in every other phase of California business and industrial life, each of which benefits from California's agricultural industry.

Each year California agriculture produces more than \$3 billion in farm products, and an additional \$11 billion is produced by allied industries in processing, transportation, supplying, or marketing of farm products.

Every taxpayer in California is materially aided by the \$500 million in taxes, which California agriculture pays annually today. This money helps provide schools, highways, public improvements and needed governmental services.

"Yes" on Proposition 4 protects and stabilizes this tax base. Because of the deferred tax control, applicable as soon as farm land changes hands, it precludes any loss in taxes, resulting from inflation.

Proposition 4 represents the ideal application of the American system of government. . . . complete local control by cities and counties of agricultural land taxation.

California is losing its prime farm land at the rate of more than 250,000 acres a year. Since 1942, in California, more than 2,100,000 acres, an area larger than many California counties, has been lost to unrestricted and unplanned subdividing and industrial use.

State, County and City governments, and their taxpayers, suffer double loss because new subdivisions often demand more services than their taxes pay for. Instead of gaining new tax dollars, the government loses them by allowing elimination of agricultural lands.

It is significant that the California State Assembly, with overwhelming city representation, passed ACA 4 by a 73 to 5 margin, because these urban representatives felt that "Yes" on Proposition 4 was of benefit to all Californians.

Governor Brown and other governmental, business, industrial and community leaders in all parts of the State, have already joined in urging a "Yes" on Proposition 4.

To quote one County Assessor in California: "Yes on Proposition 4 will allow my office and every other County Assessor in California to tax farm acreage fairly and justly on the basis of its real value, instead of the speculative value for subdivision or industrial purposes. It should be made clear that 'Yes' on Proposition 4 makes for a more equitable and certainly a more fair tax base with no added burden on any particular group of Californians or California as a whole."

PAUL J. LUNARDI  
Assemblyman, 6th District  
LEROY D. OWEN  
Los Angeles

#### **Argument Against Proposition No. 4**

**TAXPAYERS — BEWARE OF PROPOSITION NO. 4! DON'T PAY OTHER PEOPLE'S TAXES!** If made effective, this measure would establish grave inequities, placing the tax base in jeopardy by granting tax favoritism to a specific type of private property. To the extent that taxes on agricultural land dropped, the burden would be shifted by constitutional sanction to others not enjoying the favors—bringing higher taxes to home-owners, business and industrial property owners, and most working farmers.

**PROPOSITION NO. 4 IS VAGUE, UNCERTAIN, AND CONTAINS NO DEFINITIONS.** (Read the measure for yourself in this pamphlet!) No standards of assessment or acreage limitations are provided. Note that "agricul-

tural purposes" are not defined. Would grazing, backyard gardens, dairying, packing house operations, etc., be considered "agricultural" uses? Until court determinations were made, much uncertainty would prevail concerning just what properties were eligible for preferential treatment.

**PROPOSITION NO. 4 EXEMPTS OIL FROM TAXATION WHEN UNDERLYING FARM PROPERTY.** An "oversight", the proponents say.

**LAND SPECULATION WOULD BE ENCOURAGED BY PROPOSITION NO. 4.** In other states where preferential assessment laws for agricultural property have been adopted, land speculators have made heavy purchases of urban farmland. Then, placing it in the "tax shelter" by leasing it to farmers, the speculator gains enough income from the property to pay the taxes and, when the time is ripe, sells it at a substantial capital gain. Although Proposition No. 4 provides that land given a preferential assessment be subjected to additional taxes for a period of seven years if diverted to a use other than "exclusively for agricultural purposes," capital gains could still be realized by speculators in rapidly growing urban areas big enough to hold out for tomorrow's prices.

**URBAN SPRAWL WILL THUS WORSEN IF PROPOSITION NO. 4 IS ADOPTED.** Cities will have to play "leap frog" over the farm land adjoining an urban area and land on the real farmer's back. Instead of existing urban services being extended in an orderly and economical manner, whole new systems of streets, police and fire protection, water and sanitation facilities would have to be planned—and paid for in taxes.

**THE "LOSS OF FARMLAND" ARGUMENT IS OVERDRAWN.** Recent studies by agricultural economists at Stanford University and the University of California conclude that there is no foreseeable shortage of farmland. And, in the past two decades, California's farm economy has **TREBLED** in income.

**PROPOSITION NO. 4 CONTAINS SEEDS OF MANY PROBLEMS.** It could result in different levels of valuation in counties and cities, making for untold costly complications in assessment roll preparation.

Should this built-in tax-escape for some landowners, with its land "lock-up" hit California's economy, everyone would ask:

"Where is the money coming from to make up for the added costs and drop in tax revenues?"

Not from the special beneficiaries! **THEY** will have constitutional tax immunity.

**ARTIFICIAL CONCEPTS OF ASSESS-  
MENT VALUES SHOULD BE REJECTED  
IN THE INTEREST OF FAIR AND EQU-  
TABLE TAX POLICY!**

If YOU believe in tax equalization, with everyone paying his FAIR SHARE of the costs of government, then—

**VOTE "NO" ON PROPOSITION NO. 4.**

JOHN A. O'CONNELL  
Assemblyman  
Twenty-Third District

RICHARD NEVINS  
Member, State Board of Equalization  
Fourth District

**WORKMEN'S COMPENSATION. Assembly Constitutional Amendment No. 72.**

**5** Grants Legislature power to provide for award to the State in the case of accidental death of an employee without dependents; and such awards may be used for the payment of extra compensation for subsequent injuries beyond the liability of a single employer.

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|-----|--|
| YES |  |
| NO  |  |

For Full Text of Measure, See Page 4, Part II

**Analysis by the Legislative Counsel**

This constitutional amendment would amend Section 21 of Article XX of the Constitution relative to Workmen's Compensation. The amendment would authorize the Legislature to enact laws which would require an employer to pay workmen's compensation accidental death benefits to the State where there is no surviving dependent of the employee to whom such a benefit can be paid. The amendment would also permit legislation which would use the money derived from such payments to the State for paying extra workmen's compensation to an employee who has suffered successive injuries, the combined effect of which injuries is to produce a disability greater than any or all of the employee's employers can be required to compensate him for.

**Argument in Favor of Proposition No. 5**

A YES vote on this constitutional amendment will free the general taxpayers of California from the unnecessary and illogical payment of part of the costs of workers disability insurance.

The taxpayers of California and of only one other state now pay these costs. A YES vote will permit California to adopt the financing system now in use in most states.

Since 1911 the State Constitution has required employers to insure their employees for injuries suffered on the job. This insurance is a normal cost of doing business. It benefits employers by reducing their maximum liability. Awards are made to employees, or their next of kin in case of death, based on the seriousness of their injuries.

This constitutional amendment is designed to correct the problem which arises when a worker is hurt a second or third time. The combined effect of two injuries, perhaps suffered years apart, may be far more serious than the effects of the injuries if considered individually. For example, the loss of an arm is a real disaster to a one armed man. In this example the worker was paid the scheduled award for loss of his first arm under workmens compensation. He was not totally disabled. Several years later he may lose his other arm and would be eligible again for another loss of

arm award. But this second award would not be adequate to reflect the true extent of his handicap.

California and other states pay extra compensation awards for the combined effect of the multiple injuries. These "subsequent injury" cases will cost the State's taxpayers about \$883,000 this year since California is meeting these costs from general tax sources.

Most of the other states use systems similar to the one proposed in this constitutional amendment to pay these costs.

This amendment would permit the legislature to provide that in the case of the accidental death of an employee who has no dependents, his workmen's compensation award would be paid to the State. From these funds the "subsequent injury" payments could be financed and the taxpayers relieved of this burden. Under the present law a workmen's compensation award is not paid to anyone if the victim had no dependents and the normal award is retained by the insurance carrier with resulting insurance rate savings for the employer in such cases.

The proposed amendment does not change in any respect the existing law relating to liability and awards for subsequent injuries, nor the law relating to industrial accident awards, except in the "no dependency" death cases.

This same plan has been tested and proven in other states. It would not reduce in the slightest the employee's rights under workmen's compensation, but would guarantee sound financing for "subsequent injury" disabilities.

This category of awards now is a burden on all California taxpayers. A YES vote on this constitutional amendment will place all of the costs of workmens compensation where the original constitutional provision intended and will relieve the burden on the taxpayers.

JESSE M. UNRUH  
Speaker of the Assembly  
Assemblyman for the 65th District

LLOYD W. LOWREY  
Assemblyman for the 3rd District

RONALD BROOKS CAMERON  
Assemblyman for the 50th District

No person described herein who has served in the armed forces of the United States shall be eligible for such exemption unless he was a resident of California at the time of his entry into such armed forces, or unless he was a resident of California at the effective date of the amendment of this section as proposed at the 1961 Regular Session of the Legislature.

No surviving spouse, father or mother of such person described herein who has served in the armed forces of the United States shall be eligible for such exemption unless such described person was eligible for such exemption at the time of his death, and unless such surviving spouse, father or mother of such described person was a resident at the time of the application for such exemption.

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|          |  | <b>NO</b>  |  |

(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 ARTICLE XIII**

**Sec. 2.8.** In assessing land which is used exclusively for agricultural purposes, and which has been so used for at least two successive assessment years immediately preceding the lien date, the assessor shall consider no factors other than those relative to agricultural use if the fee simple owner of the land makes application in writing to the assessor, by the time and in the manner provided by the Legislature, for the assessment of the land to be made on the basis of agricultural use. Upon the assessor's determination that the land meets the qualifications of this section, it shall be assessed as herein provided until such time as the fee simple owner or his successor in interest applies for assessment as otherwise provided by this Constitution, or until the land is diverted to a use other than for exclusively agricultural purposes.

In the event that land assessed pursuant to this section is diverted to a use other than for exclusively agricultural purposes, or application is made for its assessment as otherwise provided by this Constitution, the land shall be

subject to additional taxes in an amount equal to the difference, with such interest as may be provided by law, between the taxes paid or payable on the basis of the assessments made hereunder and the taxes that would have been paid or payable had the land been assessed as otherwise provided by this Constitution on the seven immediately preceding lien dates. The land assessed pursuant to this section shall be subject to a lien for such additional taxes and interest.

The Legislature shall provide for the collection and distribution of the additional tax and interest, equalization of the agricultural use assessments and the land values upon which the additional taxes are computed, and may make such other provisions in the implementation of this section as it deems necessary.

This section shall not be operative in any county or city unless the governing body of the county or city provides by ordinance that it shall be operative in respect to taxes levied for county or city purposes. Such an ordinance shall not be operative as to any tax year unless it is adopted at least 30 days prior to the lien date for that year. Any ordinance adopted pursuant to this section shall be subject to initiative or referendum by the electors of the county or the city which adopts the ordinance in the manner and to the extent provided for in Section 1 of Article IV of the Constitution.

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| <b>5</b> | <b>WORKMEN'S COMPENSATION. Assembly Constitutional Amendment No. 72.</b> Grants Legislature power to provide for award to the State in the case of accidental death of an employee without dependents; and such awards may be used for the payment of extra compensation for subsequent injuries beyond the liability of a single employer. | <b>YES</b> |  |
|          |   | <b>NO</b>  |  |

(This proposed amendment expressly amends an existing section of the Constitution; therefore **NEW PROVISIONS** proposed to be **INSERTED** are printed in **BLACK-FACED TYPE**.)

**PROPOSED AMENDMENT TO ARTICLE XX**

**Sec. 21.** The Legislature is hereby expressly vested with plenary power, unlimited by any provision of this Constitution, to create, and enforce a complete system of workmen's compensation.

No person described herein who has served in the armed forces of the United States shall be eligible for such exemption unless he was a resident of California at the time of his entry into such armed forces, or unless he was a resident of California at the effective date of the amendment of this section as proposed at the 1961 Regular Session of the Legislature.

No surviving spouse, father or mother of such person described herein who has served in the armed forces of the United States shall be eligible for such exemption unless such described person was eligible for such exemption at the time of his death, and unless such surviving spouse, father or mother of such described person was a resident at the time of the application for such exemption.

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In the event that land assessed pursuant to this section is diverted to a use other than for exclusively agricultural purposes, or application is made for its assessment as otherwise provided by this Constitution, the land shall be

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The Legislature shall provide for the collection and distribution of the additional tax and interest, equalization of the agricultural use assessments and the land values upon which the additional taxes are computed, and may make such other provisions in the implementation of this section as it deems necessary.

This section shall not be operative in any county or city unless the governing body of the county or city provides by ordinance that it shall be operative in respect to taxes levied for county or city purposes. Such an ordinance shall not be operative as to any tax year unless it is adopted at least 30 days prior to the lien date for that year. Any ordinance adopted pursuant to this section shall be subject to initiative or referendum by the electors of the county or the city which adopts the ordinance in the manner and to the extent provided for in Section 1 of Article IV of the Constitution.

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