

1920

STATE UNIVERSITY TAX

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STATE UNIVERSITY TAX. Initiative measure adding Section 15 to Article XIII of Constitution. Levies ad valorem tax for State University, of one and two-tenths mills per dollar upon property taxable for general county purposes, collectible each year, beginning July 1, 1921, in manner required by laws in force November 7, 1910, for state and county taxes unless law hereafter otherwise provides. Requires payment thereof into "State University Fund" subject to draft by University Regents. Until such taxes become available continues provisions of Section 14, same article, giving State University appropriations preference over other governmental expenses.

YES

NO

Sufficient qualified electors of the State of California present to the secretary of state this petition and request that a proposed measure, as hereinafter set forth, be submitted to the people of the State of California for their approval or rejection, at the next ensuing general election. The proposed measure is as follows:

The constitution of the State of California is hereby amended by adding to article thirteen at the end thereof a new section, to be known as section fifteen, to read as follows:

PROPOSED AMENDMENT.

(Proposed changes in provisions are printed in black-faced type.)

Section 15. An ad valorem tax upon all taxable property in the state, at the rate of one and two-tenths (1.2) mills on each dollar of assessed value of such property as shown by the assessment books of the several counties and cities and counties, is hereby levied and shall be assessed and collected for the fiscal year beginning July 1, 1921, and for each fiscal year thereafter. "Taxable property," as used in this section, shall mean all property in the state from time to time subject to taxation for general county or general city and county purposes. Until, and except as, hereafter otherwise provided by law, the tax provided for in this section shall become a lien and shall be assessed and collected in the same manner as was provided by the laws of this state in force November 7, 1910, with respect to the lien, assessment and collection of state and county taxes.

All moneys collected from said tax shall be paid into the state treasury and shall be kept in a special fund to be known as the "state university fund," and may be drawn therefrom upon the order of the board of regents of the University of California or such officer of said board as may be duly authorized thereto. Upon the receipt of any such order, the controller must draw his warrant upon the state treasurer, payable to the order of the treasurer of the University of California out of the "state university fund." All such moneys are hereby appropriated, without reference to fiscal years, for the support and use of the state university, including the payment of any deficit that may occur in or during the fiscal year beginning July 1, 1920, whether caused by increases in salaries of members of the faculty, or by increased attendance at said university, or however caused.

The special provision contained in subdivision (e) of section fourteen of this article, whereby appropriations for the public school system and the state university have precedence over those for other expenses of the government, shall continue in force until the moneys to be derived from the tax provided for in this section shall be actually available, but thereafter such precedence shall apply only to appropriations for the public school system.

All of the provisions of this section shall be self-executing, but the legislature shall pass any laws that may be necessary or proper to give full operation and effect thereto.

EXISTING PROVISIONS.

Subdivision (e) of section fourteen of article thirteen of the constitution, referred to in the proposed amendment, and which will be affected thereby to the extent that it applies to the state university, reads as follows:

(Provision affected by proposed amendment is printed in italics.)

(e) Out of the revenues from the taxes provided for in this section, together with all other state revenues, there shall be first set apart the moneys to be applied by the state to the support of the public school system *and the state university.* In the event that the above named revenues are at any time deemed insufficient to meet the annual expenditures of the state, including the above named expenditures for educational purposes, there may be levied, in the manner to be provided by law, a tax, for state purposes, on all the property in the state, including the classes of property enumerated in this section, sufficient to meet the deficiency. All property enumerated in subdivisions a, b, and d of this section shall be subject to taxation, in the manner provided by law, to pay the principal and interest of any bonded indebtedness created and outstanding by any city, city and county, county, town, township or district, before the adoption of this section. The taxes so paid for principal and interest on such bonded indebtedness shall be deducted from the total amount paid in taxes for state purposes.

ARGUMENT IN FAVOR OF STATE UNIVERSITY AD VALOREM TAX.

The state is suffering from a crisis at the University for financial reasons. Its revenue must be placed upon a more sound and permanent basis. It is specifically urged—

(1) The tax here sought is not new in principle. A similar legislative measure in force from 1893 to 1910 enabled the University to be of the greatest service in its history, and was emphatically favored by legislatures and the public alike. This tax was impliedly repealed in 1910 by Constitutional Amendment No. 1.

(2) The University is now financed upon the basis of 1910. Yet from 1910 to 1920 the students at Berkeley alone increased in numbers from 2300 to 9890—an increase of 200 per cent—the recently inaugurated branch at Los Angeles has an additional 1200, the professional colleges and farm schools throughout the state are growing rapidly, and the 1919 registration for extension work alone was 16,000.

(3) Classroom and housing facilities utterly fail to take care of the increased numbers. Classroom facilities have increased only 20 per cent. New buildings are essential for the general sciences and the new school of education. Students can not get housing accommodations, and dormitories must be built. At the opening of each college year these problems become more acute.

(4) Classes are much too large. A student can not receive the necessary individual attention from his instructor in a class of hundreds.

(5) Compensation of the teaching force must be increased. There has been an increase of but 25 per cent in salaries in the past ten years. In consequence, the problem of getting competent instructors grows increasingly difficult. The best experts are either sought by other institutions which offer higher compensation, or go into private business. These men must have spent at least seven years of nonremunerative time in order to qualify for their positions, and for some time past only loyalty to the University has kept many of the best men there. The threatened loss of our best experts in farming, irrigation, mining, engineering and the other arts and sciences must be avoided at all hazards.

(6) Under the present system, the University must ask for aid each legislative session. Our legislatures have been generous, but even this experience in the past can not take away the constant uncertainty for the future. No comprehensive plan of growth and expansion can now be made. The proposed plan will remove this uncertainty and avoid the necessity of a scramble for funds.

(7) Other states, sixteen in number, have recognized this principle of the automatic tax as being the best method of supporting a state university.

(8) By this measure every taxpayer who has property subject to assessment of the assessed value of \$1,000 will pay \$1.20 per year for the support of the University and all its branches. The University may remain a free institution, without tuition fees, and its services to our agricultural, mining and other interests can grow from year to year to meet the growing needs of the state.

WARREN GREGORY,
President Alumni Association of the
University of California.

ARGUMENT AGAINST STATE UNIVERSITY AD VALOREM TAX.

This measure to raise funds for the State University is fundamentally wrong. It is unjust from the standpoint of taxation. It violates all the traditions and practices controlling and safeguarding the handling of public funds. In violation of the present provisions of the con-

stitution it places a yearly burden of over four million dollars upon the home, the farm, the business and the industry and relieves public service corporations from paying any portion of the tax. This measure places this large sum which increases yearly at the rate of about seven per cent, without reservation in the hands of the Board of Regents of the University. The people will have no control of this money either through the Legislature or by initiative legislation, unless they again amend the constitution. Therefore, this ad valorem tax now proposed is not the same as the old ad valorem tax which was formerly levied for the University. The old tax was levied by the Legislature and subject to positive control by the Legislature and responsive to public desire and demand. For years California provided a mill tax for the University and at this time other states provide mill taxes for their universities, but the public funds so raised were and are properly safeguarded by provisions which are entirely lacking in the measure now before the people. This measure sets aside public funds not only beyond control of the people, but in excess of the present necessity of the University. At present there is annually appropriated to the University out of public funds slightly over two and one-half million dollars. This measure adds to that the sum of one and one-half million dollars, while the actual additional needs of the University have been stated by friends of the University to be not in excess of one million dollars a year. This measure places the University in a much favored position ahead of the public schools, of the courts, of the state functions for public safety, and ahead of the support of our dependents and the care of our widowed mothers and orphaned children. It is preposterous that a measure of this kind should be presented for public approval. Surely the voters of this state will not approve a measure which levies upon them an unequal and unjust tax, which places public funds beyond proper control, and sets such funds aside regardless of other equally meritorious or more necessary needs. The measure should be defeated.

CLYDE L. SEAVY.

13 **COMMUNITY PROPERTY.** Act submitted to electors by referendum. Amends Civil Code sections 1401 and 1402, adding thereto sections 1402a and 1271. Gives either spouse right to will half of community property to lineal descendants or other spouse, but not otherwise without latter's written consent. In absence of testamentary disposition vests entire community property in surviving spouse except any portion reserved by judicial decree for wife's support which, if not willed by her, vests in her heirs excluding husband. Excludes half of community property from inheritance taxes and in computing administration fees.

YES	
NO	

Whereas, the legislature of the State of California, in regular session in April, 1919, passed, and the governor of the State of California, on the twenty-seventh day of May, 1919, approved a certain act, which act, together with its title, is in the words and figures following, to wit:

PROPOSED LAW.

An act to amend sections one thousand four hundred one and one thousand four hundred two of the Civil Code, relating to the distribution of community property on death of husband or wife, to add a new section to the Civil Code to be numbered one thousand four hundred two a, relating to inheritance taxes and compensation of executors and administrators and attorneys fees, and to add a new section to the Civil

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Code to be numbered one thousand two hundred seventy-one, relating to the disposition of community property by will.

The people of the State of California do enact as follows:

Section 1. Section one thousand four hundred one of the Civil Code is hereby amended to read as follows:

1401. Upon the death of the wife, one-half of the community property belongs to the surviving husband, and the other half is subject to the testamentary disposition of the wife, subject, however, to the provisions of section one thousand two hundred seventy-one of the Civil Code; and in the absence of such testamentary disposition, the entire community property goes to the surviving husband without administration, except such portion thereof as