

1924

TRANSFER OF FUNDS

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<p>TRANSFER OF FUNDS. Senate Constitutional Amendment 20. Amends Section 31 of Article IV of Constitution. Adds proviso requiring city or county treasurer, having custody of funds of political subdivision payable solely through his office, to make, on or before last Monday in April in each current fiscal year, temporary transfers therefrom, not exceeding eighty-five per cent of taxes accruing to such subdivision, to meet obligations incurred by such subdivision for maintenance purposes, and to replace same from such taxes before meeting other obligations therefrom.</p>	YES	
	NO	

(For full text of Amendment see page 3, Part II.)

Argument in Favor of Senate Constitutional Amendment No. 20.

The proposed amendment is in the interest of real economy and if adopted would unquestionably mean a big annual saving to the taxpayers of California. It was adopted by both houses of the legislature without dissenting vote and it was agreed it was a change that should merit approval by the people.

The makers of California's constitution wisely limited yearly government expenditures to yearly income. This limitation is more drastic than its makers intended it to be, because it develops a "dry season," so called, each year, extending from July first, the beginning of the fiscal year, to the first Monday in December, the end of the period for paying the first half of taxes.

During this interval, when the funds are depleted, warrants have to be registered until money is available and interest has to be paid upon them. It can readily be seen that the interest thus paid is a governmental loss. This loss amounts to many thousands of dollars each year in California. It has been estimated that this loss would amount to as much as \$200,000 in some years and possibly higher in others.

Past experience has shown that the state, in its various departments, carried large balances in the aggregate. And during the season when there is no money to meet the demands in some departments these balances could easily be used to meet those demands.

This constitutional amendment proposes to make these balances available for use as explained by allowing their use during the interim and by guaranteeing their prompt return to the proper funds by making such

loan funds the first lien on taxes. Under the present arrangements the state loans the balances to the banks at low rates of interest and pays higher rates of interest on its own registered obligations, thereby losing many thousands of dollars. This amendment will remedy this by providing the necessary money to meet all obligations promptly and will not injure anybody or any department of the public service because it still maintains the yearly limit on yearly expenditures and compels the repayment of the loans from the tax moneys as the same are received. It also limits such loans to not more than 85 per cent of the taxes that will be paid during the fiscal year.

The author of the amendment, at the time of its introduction, had especially in mind the amount of money that could be saved by country school districts. Investigation had pointed to the immense amount of money that could be saved annually if such an amendment became a law. In Los Angeles county alone, Superintendent Mark Keppel announced, nearly \$40,000 would have been saved to the taxpayers in one fiscal year had this amendment been in force. This is only one instance. Similar word has come from many other parts of the state. There is apparently no good reason why such an amendment should not be adopted. A perusal of the new matter, added to the already existing law, fully explains the purport of the proposed change and sets forth the procedure that will be followed.

HERBERT W. SLATER,
State Senator Eighth District.

L. L. DENNETT,
State Senator Twelfth District.

<p>PERSONAL PROPERTY TAXES. Assembly Constitutional Amendment 57. Adds Section 9a to Article XIII of Constitution. Declares taxes levied on personal property for any current tax year, where same are not secured by real estate, shall be based upon tax rate levied upon real property for preceding tax year; but nothing herein shall prohibit the equalization each year of the assessment of personal property in the manner now or hereafter provided by law.</p>	YES	
	NO	

(For full text of Amendment see page 5, Part II.)

Argument in Favor of Assembly Constitutional Amendment No. 57.

The legislature, in providing the machinery

for the assessment and collection of taxes in conformity with the constitution, realizing the necessity of making immediate collection of the taxes on personal property when not

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amended, changed or repealed as in this section authorized; and provided, further, that the state or any county, city and county, city, town, municipality, or other political subdivision issuing bonds under the laws of this state, may deposit moneys in any bank or banks outside this state for the payment of the principal or interest of such bonds at the place or places at which the same are payable.

EXISTING PROVISIONS.

(Provisions proposed to be repealed are printed in italics.)

Sec. 16j. All moneys belonging to, or in the custody of, the state or any county or municipality within this state may be deposited in any national bank or banks within this state, or in

any bank or banks organized under the laws of this state, in such manner and under such conditions as may be provided by any law adopted by the people under the initiative or by a two-thirds vote of each house of the legislature and approved by the governor and subject to the referendum; provided, that the laws now governing the deposit of such moneys shall continue in force until such laws shall be amended, changed or repealed as in this section authorized; and provided, further, that the state or any county, city and county, city, town, municipality, or other political subdivision issuing bonds under the laws of this state, may deposit moneys in any bank or banks outside this state for the payment of the principal or interest of such bonds at the place or places at which the same are payable.

INFERIOR COURTS. Assembly Constitutional Amendment 2 amending Section 11 of Article VI of Constitution. Changes provision therein which confers on inferior courts created by Legislature concurrent jurisdiction with superior courts in cases of forcible entry and
 4 detainer where rental value does not exceed twenty-five dollars per month, and where whole amount of damages claimed does not exceed two hundred dollars by declaring such concurrent jurisdiction shall exist where such rental value does not exceed seventy-five dollars per month and the whole amount of damages claimed does not exceed three hundred dollars.

YES	
NO	

Assembly Constitutional Amendment No. 2—A resolution to propose to the people of the State of California an amendment to section eleven of article six of the constitution of the State of California, relative to inferior courts.

Resolved by the assembly, the senate concurring, That the legislature of the State of California at its forty-fifth regular session, commencing on the eighth day of January, 1923, two-thirds of all the members elected to each of the two houses thereof voting in favor hereof, proposes to the people of the State of California to amend section eleven of article six of the constitution of said state to read as follows:

PROPOSED AMENDMENT.

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

Sec. 11. The legislature shall determine the number of each of the inferior courts in incorporated cities or towns, and in townships, counties, or cities and counties, according to the population thereof and the number of judges or justices thereof, and shall fix by law the powers, duties and responsibilities of each of such courts and of the judges or justices thereof; provided, such powers shall not in any case trench upon the jurisdiction of the several courts of record, except that the legislature shall provide that said courts shall have concurrent jurisdiction with the superior courts in cases of

forcible entry and detainer, where the rental value does not exceed *seventy-five* dollars per month, and where the whole amount of damages claimed does not exceed *three* hundred dollars, and in cases to enforce and foreclose liens on personal property when neither the amount of liens nor the value of the property amounts to three hundred dollars.

EXISTING PROVISIONS.

(Provisions proposed to be repealed are printed in italics.)

Sec. 11. The legislature shall determine the number of each of the inferior courts in incorporated cities or towns, and in townships, counties, or cities and counties, according to the population thereof and the number of judges or justices thereof, and shall fix by law the powers, duties and responsibilities of each of such courts and of the judges or justices thereof; provided, such powers shall not in any case trench upon the jurisdiction of the several courts of record, except that the legislature shall provide that said courts shall have concurrent jurisdiction with the superior courts in cases of forcible entry and detainer, where the rental value does not exceed *twenty-five* dollars per month, and where the whole amount of damages claimed does not exceed *two* hundred dollars, and in cases to enforce and foreclose liens on personal property when neither the amount of liens nor the value of the property amounts to three hundred dollars.

TRANSFER OF FUNDS. Senate Constitutional Amendment 20. Amends Section 31 of Article IV of Constitution. Adds proviso requiring city or county treasurer, having custody of funds of political subdivision payable solely through his office, to make, on or before last
 5 Monday in April in each current fiscal year, temporary transfers therefrom, not exceeding eighty-five per cent of taxes accruing to such subdivision, to meet obligations incurred by such subdivision for maintenance purposes, and to replace same from such taxes before meeting other obligations therefrom.

YES	
NO	

Senate Constitutional Amendment No. 20—A resolution to propose to the people of the State of California an amendment to section thirty-one of article four of the constitution of the State of California relat-

ing to the giving or lending of public credit.

The legislature of the State of California, at its regular session commencing on the eighth day of January, one thousand nine hundred

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twenty-three, two-thirds of the members elected to each of the two houses of the legislature voting in favor thereof, hereby propose an amendment to section thirty-one of article four of the constitution of the State of California to read as follows:

PROPOSED AMENDMENT.

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

Sec. 31. The legislature shall have no power to give or to lend, or to authorize the giving or lending, of the credit of the state, or of any county, city and county, city, township, or other political corporation or subdivision of the state now existing, or that may be hereafter established, in aid of or to any person, association, or corporation, whether municipal or otherwise, or to pledge the credit thereof, in any manner whatever, for the payment of the liabilities of any individual, association, municipal or other corporation whatever; nor shall it have power to make any gift, or authorize the making of any gift, of any public money or thing of value to any individual, municipal or other corporation whatever; provided, that nothing in this section shall prevent the legislature granting aid pursuant to section twenty-two of this article; and it shall not have power to authorize the state, or any political subdivision thereof, to subscribe for stock, or to become a stockholder in any corporation whatever; provided, further, that irrigation districts for the purpose of acquiring the control of any entire international water system necessary for its use and purposes, a part of which is situated in the United States, and a part thereof in a foreign country, may in the manner authorized by law, acquire the stock of any foreign corporation which is the owner of, or which holds the title to the part of such system situated in a foreign country; and provided, still further, that notwithstanding the restrictions contained in this section, the treasurer of any city, county, or city and county shall have power and it shall be his duty to make such temporary transfers from the funds in his custody as may be necessary to provide funds for meeting the obligations incurred for maintenance purposes by any city, county, city and county, district, or other political subdivision whose funds are in his custody and are paid out solely through his office. Such temporary transfer of funds to any political subdivision shall not exceed eighty-five per cent of the taxes accruing to such political subdivision, shall not be made prior to the first day of the fiscal year nor after the last Monday in April of the current fiscal year, and shall be replaced from the taxes accruing to such political subdivision before any other obligation of such political subdivision is met from such taxes.

PROVISIONS REFERRED TO.

Section twenty-two, article four, to which reference is made in the proposed amendment, reads as follows:

Sec. 22. No money shall be drawn from the treasury, but in consequence of appropriation made by law, and upon warrants duly drawn thereon by the controller; and no money shall ever be appropriated or drawn from the state treasury for the purpose or benefit of any corporation, association, asylum, hospital, or any other institution not under the exclusive management and control of the state as a state institution, nor shall any grant or donation of property ever be made thereto by the state; provided, that notwithstanding anything contained in this or any other section of the constitution, the legislature shall have the power to grant aid to the institutions conducted for the support and maintenance of minor orphans, or half-orphans, or abandoned children, or children of a father who is incapacitated for gainful work by permanent physical disability or is suffering from tuber-

culosis in such a stage that he can not pursue a gainful occupation, or aged persons in indigent circumstances—such aid to be granted by a uniform rule, and proportioned to the number of inmates of such respective institutions; provided, further, that the state shall have at any time the right to inquire into the management of such institutions; provided, further, that whenever any county, or city and county, or city, or town, shall provide for the support of minor orphans, or half-orphans, or abandoned children, or children of a father who is incapacitated for gainful work by permanent physical disability or is suffering from tuberculosis in such a stage that he can not pursue a gainful occupation, or aged persons in indigent circumstances, such county, city and county, city, or town shall be entitled to receive the same pro rata appropriations as may be granted to such institutions under church, or other control. An accurate statement of the receipts and expenditures of public moneys shall be attached to and published with the laws at every regular session of the legislature; provided, however, that for the purpose of raising five million dollars, to be used in establishing, maintaining, and supporting in the city and county of San Francisco, State of California, an exposition in commemoration of the completion of the Panama canal, to be known as the Panama-Pacific International Exposition, the state board of equalization shall, for the fiscal year beginning July 1, 1911, and for each fiscal year thereafter, to and including the fiscal year beginning July 1, 1914, fix, establish, and levy such an ad valorem rate of taxation, as when levied upon all the taxable property in the state, after making due allowance for delinquency, shall produce for each of such fiscal years a sum of one million two hundred fifty thousand dollars. The said taxes shall be levied, assessed, and collected upon every kind and character of property in the State of California not exempt from taxation under the law, and subject taxation on the first day of July, 1910, and the same manner, and by the same method, as other state taxes were levied, assessed, and collected under the law, as the same existed on the first day of July, 1910. The state board of equalization shall each year, at the time it determines the amount of revenue required for other state purposes, determine, fix and include the rate of tax necessary to raise the revenue herein provided for.

There is hereby created in the state treasury a fund to be known as the Panama-Pacific International Exposition fund, and all moneys collected pursuant to this provision, after deducting the proportionate share of the expense for the collection of the same, shall be paid into the state treasury, and credited to such fund. All moneys so paid into such fund are hereby appropriated, without reference to fiscal years, for the use, establishment, maintenance and support of said Panama-Pacific International Exposition. No tax, license fee, or charge of any kind or character shall ever be levied or assessed or charged against any property of said Panama-Pacific International Exposition, or against any property used as exhibit therein, while being used or exhibited in connection therewith.

There is hereby created a commission to be known as the Panama-Pacific International Exposition Commission of the State of California, which shall consist of the governor of said state and four other members to be appointed by the governor, by and with the advice and consent of the senate of said state. The governor shall have the power to fill all vacancies occurring at any time in said commission. The members of said commission shall receive no compensation and shall hold office until such exposition shall have been closed and its affairs settled. Said four members of said commission shall be selected from different sections of the state, and the appointment thereof shall be made by the governor of the state during the month of February, 1911. The commission hereby created shall have

the exclusive charge and control of all moneys paid into the Panama-Pacific International Exposition fund; and provided, further, that the legislature shall pass all laws necessary to carry out the provisions of this act, including the times and the manner in which and the terms and conditions upon which moneys shall be drawn from the state treasury by said commission; where contracts and vouchers shall be filed; to whom and how often reports shall be made; what disposition shall be made of any sum left unexpended or received from the sale of any property or buildings purchased or constructed by said commission for the use of said exposition, or of any disposition of any building or improvement constructed by said commission out of said fund, and to provide for the transfer to the general fund of the State of California, of any portion of said Panama-Pacific International Exposition fund unused.

The commission herein created is authorized and directed to make such proper contract with the Panama-Pacific International Exposition Company, a corporation organized under the laws of the State of California on the twenty-second day of March, 1910, as will entitle the State of California to share proportionately with the contributors to the said Panama-Pacific International Exposition in the returns from the holding of said exposition at the city and county of San Francisco.

EXISTING PROVISIONS.

(Provisions proposed to be repealed are printed in italics.)

Sec. 31. The legislature shall have no power to give or to lend, or to authorize the giving or lending, of the credit of the state, or of any county, city and county, city, township, or other political corporation or subdivision of the state now existing, or that may be hereafter established, in aid of or to any person, association, or corporation, whether municipal or otherwise, or to pledge the credit thereof, in any manner whatever, for the payment of the liabilities of any individual, association, municipal or other corporation whatever; nor shall it have power to make any gift, or authorize the making of any gift, of any public money or thing of value to any individual, municipal or other corporation whatever; provided, that nothing in this section (shall prevent the legislature granting aid pursuant to section twenty-two of

this article; and it shall not have power to authorize the state or any political subdivision thereof, to subscribe for stock, or to become a stockholder in any corporation) shall prevent the legislature granting aid pursuant to section twenty-two of this article; and it shall not have power to authorize the state, or any political subdivision thereof, to subscribe for stock, or to become a stockholder in any corporation whatever; provided, further, that irrigation districts for the purpose of acquiring the control of any entire international water system necessary for its use and purposes, a part of which is situated in the United States, and a part thereof in a foreign country, may in the manner authorized by law, acquire the stock of any foreign corporation which is the owner of, or which holds the title to the part of such system situated in a foreign country.

Provided further, that nothing contained in this constitution shall prohibit the use of state money or credit, in aiding veterans who served in the military or naval service of the United States during time of war, in the acquisition of, or payments for, farms or homes, or in projects of land settlement or in the development of such farms or homes or land settlement projects for the benefit of such veterans.

The California Veterans' Welfare Bond Act of 1921 (Statutes of 1921, chapter 578), as enacted at the forty-fourth session of the legislature of the State of California, authorizing the issuance and sale of state bonds in the sum of ten million dollars, for the purpose of creating a fund to carry out the provisions of the California Veterans' Welfare Act, providing land settlement for veterans (Statutes of 1921, chapter 580), and the provisions of the "Veterans' Farm and Home Purchase Act," providing farm and home aid for veterans (Statutes of 1921, chapter 519), is hereby approved, adopted, legalized, validated and made fully and completely effective irrespective of the vote that may be cast upon the proposition of approving or disapproving such Veterans' Welfare Bond Act of 1921 at the general election of November 7, 1922. All provisions of this section shall be self-executing and shall not require any legislative action in furtherance thereof, but this shall not prevent such legislative action.

Note.—The repetition of the words indicated by parentheses in the above section occurred in the resolution by which the amendment of the above section was proposed to the people. As no change could be made thereafter, the section was voted on and adopted in the above form.

PERSONAL PROPERTY TAXES. Assembly Constitutional Amendment

57. Adds Section 9a to Article XIII of Constitution. Declares taxes levied on personal property for any current tax year, where same are not secured by real estate, shall be based upon tax rate levied upon real property for preceding tax year; but nothing herein shall prohibit the equalization each year of the assessment of personal property in the manner now or hereafter provided by law.

YES	
NO	

Assembly Constitutional Amendment No. 57—A resolution to propose to the people of the State of California an amendment to the constitution by adding a new section to article thirteen thereof, to be numbered section nine a, relative to taxation.

Resolved by the assembly, the senate concurring, That the legislature of the State of California at its forty-fifth regular session, commencing on the eighth day of January, one thousand nine hundred twenty-three, two-thirds of all the members elected to each of the two houses of said legislature voting in favor thereof, hereby proposes to the people

of the State of California that a new section be added to article thirteen, to be numbered section nine a, and to read as follows:

PROPOSED AMENDMENT.

Sec. 9a. The taxes levied upon personal property for any current tax year where the same is not secured by real estate shall be based upon the tax rate levied upon real property for the preceding tax year. Nothing in this section shall be construed to prohibit the equalization each year of the assessment on personal property in the manner now or hereafter provided by law.