

1924

BONDS

Follow this and additional works at: http://repository.uchastings.edu/ca_ballot_props

Recommended Citation

BONDS California Proposition 14 (1924).
http://repository.uchastings.edu/ca_ballot_props/195

This Proposition is brought to you for free and open access by the California Ballot Propositions and Initiatives at UC Hastings Scholarship Repository. It has been accepted for inclusion in Propositions by an authorized administrator of UC Hastings Scholarship Repository. For more information, please contact marcusc@uchastings.edu.

The question of collections and who paid the tax was an argument in favor of abolition of the poll tax. It formerly took 15 per cent for collections. This could be saved to the schools by a system of registration when everyone would be required to secure a card. Formerly they collected from only those who "got caught," those on the assessment roll, and workers in a factory. The legislature could pass the necessary law to cover all leaks.

If exemptions from taxation continue it will not be long before the very rich are the only ones who can own property, but the poll tax would lighten the burden upon the home owner so that he could afford to own his own roof.

It is unfair and unjust that one class of people should bear the entire burden of support of our only real democratic institution, the public school, while every class enjoys its privilege.

Therefore, I believe everyone should vote "Yes" on this amendment.

GEORGE C. CLEVELAND,
Assemblyman Forty-third District.

Argument Against Assembly Constitutional Amendment No. 47.

It is proposed to put another tax on the people of the State of California in addition to those already levied upon them. This amendment provides for "an annual poll tax of not less than five dollars on every male inhabitant of this state" with certain exceptions.

The people of California, by their vote in 1914, overwhelmingly expressed their desire to abolish the poll tax forever in this state. They amended the constitution to read "no poll tax or head tax for any purpose whatsoever shall be levied or collected in the State of California." The people were right in abolishing this tax in 1914 and it should not be reenacted.

A poll tax or head tax is wrong in theory and practical application. It is an old form of taxation which violates all modern principles of taxation. It is a relic of the feudal days when men, like slaves, were taxed by the head in the same manner as cattle.

It has been abolished in all the large European countries. It is being abolished in the United States. California, Oregon and Washington have all repealed their poll tax laws.

Modern forms of taxation are levied with relation to the person's ability to pay. A general poll tax or head tax is arbitrary and bears no relation to a person's property or earning power. It is a tax on the simple right to exist.

The minimum tax that must be levied under the proposed amendment is \$5. In addition the legislature is given unlimited power to levy a tax for any amount over \$5 that it sees fit. If the legislature should levy a tax of \$100, the gross injustice would be apparent. The man earning \$500 a year would have to pay the same tax of \$100 as the man earning \$50,000 per year. If the legislature should levy the minimum tax of \$5, the injustice still remains but in a lesser degree. Unnecessary hardship would be inflicted on those least able to bear it.

From a practical standpoint, the poll tax is the most costly tax to collect. Experience has proved that it is impossible to collect from everyone. The burden therefore falls unequally. It is collected mainly from the steadily employed, industrious workers, and the shifting population easily evade it.

It penalizes the use of the ballot, for the voters are checked from the registration records and are forced to pay the tax. Those who fail to register easily evade it. The burdensome character encourages tax dodging and perjury in claiming exemptions, resulting in discontent on the part of those who conscientiously pay it.

This tax would be a great source of annoyance to the exempted classes. Everyone would be subject to the tax unless he prepared and filed affidavits proving his right to exemption.

Our present taxes are adequate for our needs. The people demand fewer taxes, not more taxes. This amendment imposes an unnecessary and undesirable further tax and should be defeated. Vote "No."

HOMER R. SPENCE,
Assemblyman Thirty-fifth District.

<p>BONDS. Assembly Constitutional Amendment 49. Amends Section 14 of Article XIII of Constitution. Declares that all bonds hereafter issued by the State of California, or by any county, city and county, municipal corporation or district, including school, reclamation, irrigation, and public utility districts, within this state, shall be free and exempt from taxation.</p>	<p>YES</p>	
	<p>NO</p>	

(For full text of Amendment see page 20, Part II.)

Argument in Favor of Assembly Constitutional Amendment No. 49.

Vote "YES" on Amendment No. 49.

There are at present about eighty public utility districts organized under the laws of [Sixteen]

this state. These districts are scattered throughout the entire state.

Under the present provisions of the constitution all bonds issued by the State of California or by any county, city and county, municipal corporation or district (including

school, reclamation and irrigation districts) within the State of California are exempt from taxation. Inasmuch as public utility districts are not mentioned in the present provision of the constitution, the bonds issued by these districts are at present subject to taxation.

The law provides that bonds issued by public utility districts must be sold at not less than par. If a tax is levied on these bonds, it means that the interest which they bear must be increased to an amount equal to the rate of taxation. This must be done to give such bonds a value equal to those issued by cities or districts whose bonds are sold free from taxation and in order to enable them to be sold at par value. This increased rate of interest amounts to an indirect increase in taxation.

Public utility districts are organized for the purpose of supplying light, water, power, heat, transportation and telephone service or other means of communication or means for the disposition of garbage, sewage and refuse material. These are all recognized public utility and municipal functions. These districts are meeting the needs of the people in every section of the state. They enable the people of small cities and unincorporated territory to associate themselves together into a district and thereby undertake certain projects which can be accomplished by large counties and cities unaided by others. One outstanding example of this is the East Bay Utility District recently formed on the east shore of San Francisco Bay. This district is made up of several municipalities and unincorporated territory. It seeks to bring an adequate water supply to that section and to guard against impending shortage. The recent fire disaster in the city of Berkeley well illustrates the necessity for a larger water supply and additional distributing facilities.

These public utility districts possess many of the powers now exercised by municipalities and seek to accomplish many of the things which cities and counties can now do. These districts should have the same right to sell their bonds free from taxation as any other district or municipality. They are largely similar in their aims, functions and powers. There should be no distinction, no discrimination.

The development of the State of California and the comfort and well being of the people will be greatly aided by allowing these districts to sell their bonds readily and to complete their respective projects. This can be done by the adoption of this amendment.

You should unhesitatingly vote "YES" on Amendment No. 49.

CHRIS B. FOX,
Assemblyman Fortieth District.

EDWIN A. MUELLER,
Assemblyman Eightieth District.

Argument Against Assembly Constitutional Amendment No. 49.

This amendment proposes to include public utility districts in the group of political subdivisions of the state, such as cities, counties, school districts, etc., the bonds and securities of which are now exempt from taxation by state authority. A public utility district corresponds in many respects to an incorporated city and is formed in territory outside of incorporated cities (much as irrigation or drainage districts are formed), and for the purpose of exercising control or exploiting the development of public works to supply light, water, power, sewage disposal, etc.

Admitting that a public utility district is entitled to the same consideration given cities and other political subdivisions, the fact remains that tax exemptions are going too far—that a halt must be called somewhere—that retrenchment may as well be commenced here and now to the end that tax exemptions shall be ultimately done away with or at least very materially reduced.

The theory of tax exemption is wrong because it makes one citizen pay taxes for another who escapes paying, although both derive relatively the same benefits from the expenditure of the proceeds of taxation by the government. Residents of a political subdivision who enjoy a lower tax rate by reason of tax exemption on the bonds issued by that political subdivision are receiving an indirect subsidy at the expense of every other taxpayer of the county outside of that district.

Bonds and securities which are exempt from taxation naturally find a more ready market than any other kind, with the result that political subdivisions are encouraged to and do become extravagant and wasteful in the expenditure of public funds or in the promotion of unnecessary and far-reaching public improvements, only to invite eventual and inevitable reaction and disaster. Tax exemptions divert capital from legitimate and necessary industrial and utility enterprises and throttle economic progress; they actually increase the total tax bill of the country. Tax exemptions are repugnant to the fundamental principles of democracy; they create a favored class of nontaxpayers at the expense of the large body of taxpayers. The real beneficiary of tax exemption is not the small town or public utility district, but rather the man of great wealth whose money is withdrawn from active business and placed in tax exempt securities. Tax exemption gives an unfair advantage to certain forms of investment and for that reason disturbs and even imperils general industry. Tax exemption should be discouraged, and to defeat this amendment will be a step in the right direction. Vote "NO."

BERT SNYDER,
Assemblyman Seventh District.

POLL TAXES. Assembly Constitutional Amendment 47. Amends Section 12 of Article XIII of Constitution. Declares Legislature shall provide for levy and collection of an annual educational poll tax of not less than five dollars on every male inhabitant of this state over twenty-one and under fifty years of age, except those holding honorable discharge or discharged under honorable circumstances from United States army, navy or marine corps, those paying real or personal property tax amounting to at least five dollars per annum, paupers, idiots, insane persons and imbeciles; such poll tax to be paid into state school fund.

YES	
NO	

Assembly Constitutional Amendment No. 47—A resolution to propose to the people of the State of California an amendment to section twelve of article thirteen of the constitution, relative to a poll tax.

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 therefor, hereby proposes to the people of the State of California that section twelve of article thirteen of the constitution of this state be amended to read as follows:

tax of not less than five dollars on every male inhabitant of this state over twenty-one and under fifty years of age, except persons holding an honorable discharge or discharged under honorable circumstances from the army, navy or marine corps of the United States, persons who pay a real or personal property tax amounting to at least five dollars per annum, paupers, idiots, insane persons and imbeciles. Said tax shall be paid into the state school fund.

EXISTING PROVISIONS.

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

Sec. 12. The legislature shall provide for the levy of an annual poll tax, *and the collection thereof by assessors*, of not less than four dollars on every *alien* male inhabitant of this state over twenty-one and under *sixty* years of age, except paupers, *idiots and insane persons*. Said tax shall be paid into the *county* school fund *in which county it is collected*.

PROPOSED AMENDMENT.

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

Sec. 12. The legislature shall provide for the levy and collection of an annual educational poll

BONDS. Assembly Constitutional Amendment 49. Amends Section 13 of Article XIII of Constitution. Declares that all bonds hereafter issued by the State of California, or by any county, city and county, municipal corporation or district, including school, reclamation, irrigation, and public utility districts, within this state, shall be free and exempt from taxation.

YES	
NO	

PROPOSED AMENDMENT.

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

Sec. 13. All bonds hereafter issued by the State of California, or by any county, city and county, municipal corporation or district, including school, reclamation, irrigation, and public utility districts, within this state, shall be free and exempt from taxation.

EXISTING PROVISIONS.

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

Sec. 13. All bonds hereafter issued by the State of California, or by any county, city and county, municipal corporation, or district (including school, reclamation, *and irrigation districts*) within *said* state, shall be free and exempt from taxation.

Assembly Constitutional Amendment No. 49—A resolution to propose to the people of the State of California an amendment to section one and three-fourths of article thirteen of the constitution relating to the exemption of state and municipal bonds from 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 the members elected to each of the two houses of the said legislature voting therefor, hereby proposes to the people of the State of California that section one and three-fourths of article thirteen of the constitution of this state be amended to read as follows:

TAX EXEMPTION. Assembly Constitutional Amendment 52. Amends Section 1 of Article XIII of Constitution by inserting a proviso therein declaring exempt from taxation property not exceeding in value in any one county \$50,000, used exclusively as air-ports or aviation fields under the control of United States Government and while so used and under such control.

YES	
NO	

Assembly Constitutional Amendment No. 52—A resolution to propose to the people of the State of California an amendment to the constitution of said state by amending

section one of article thirteen of the constitution relating to tax exemption.

Resolved by the assembly, the senate concurring, That the legislature of the State of