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CHANGING MOTOR VEHICLE TAXATION

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<p>CHANGING MOTOR VEHICLE TAXATION. Senate Constitutional Amendment 18. Adds Section 1c to Article XIII of Constitution. Requires Legislature provide for tax on motor vehicles in lieu of personal property taxes thereon, prescribe basis and method of fixing amount thereof, and collection by state department registering such vehicles; requires at least 95 per cent of fund derived therefrom be paid each year to respective counties from which such vehicles were registered, each county's share to be distributed between county and political subdivisions therein, as prescribed by law. Declares section shall not affect motor vehicle registration fees.</p>	YES
	NO

(For full text of Measure, see page 26, Part II)

Argument for Senate Constitutional Amendment No. 18

Abolish personal property taxes on registered motor vehicles; modernize motor vehicle taxation methods; safeguard county revenue; lighten the tax-burden by reducing governmental costs.

One out of every four registered taxable automobiles now escapes personal property taxation. Three motorists carry the burden four should bear. Correct this injustice. Reduce taxes of present burden bearers by making it impossible for any registered automobile to evade taxation.

Collection of taxes at time of registration of vehicles will foil tax evaders, serve public convenience and reduce local governmental costs by providing one agency in place of three for discharge of obligations.

These are the purposes of Amendment 18, a measure sponsored by county officials anxious to correct inequalities that exist due to antiquated tax laws which caused counties a loss of more than \$4,000,000 last year. The merit of Amendment 18 has prompted the California Farm Bureau Federation and the California Real Estate Association, among others, to endorse the amendment.

Amendment 18 instructs the Legislature to establish a modern method of taxing registered automobiles in place of the present cumbersome costly Personal Property method. That is all it does.

Property exemption rights of ex-service men, guaranteed by the Constitution, are unaffected.

Rights and responsibilities in connection with any form of taxable property other than registered motor vehicles are unaffected.

Amendment 18 provides for the elimination of registered automobiles from the cumbersome and costly method of taxation as personal property. In place of personal property taxation the 1931 Legislature is required to provide for the collection of a motor vehicle tax payable when the license plates are issued, through the same governmental agency that issues license plates. The selection of the basic method and all details of the tax are left to the Legislature.

A basic method can be provided without resort to involved or complicated processes. The basis and method of this tax having once been

established revision can be effected only by two-thirds affirmative vote of the Legislature.

Not less than ninety-five per cent of the proceeds of the tax are to be remitted to the respective counties in which registrants of motor vehicles reside. The Legislature will establish the basis of division of the revenue accruing under Amendment 18 between counties and political subdivisions, including municipalities.

Amendment 18 provides that should taxation of all personal property be abolished by vote of the people the tax thus authorized shall also be abolished. Motor vehicles at present exempt from personal property taxation are unaffected by this amendment.

Those who now pay personal property taxes on their automobiles will support Amendment 18 because approval will reduce their tax bills. Tax evaders will oppose the amendment because it is aimed at them.

DANIEL C. MURPHY,
State Senator, Twenty-fourth District.
J. I. WAGY,
State Senator, Thirty-second District.

Argument in Opposition to Senate Constitutional Amendment No. 18

The Senate Constitutional Amendment No. 18 provides a tax shall be collected on automobiles and trailers, in lieu of personal property tax thereon, by the State Motor Vehicle Department, on a basis and method of fixing the tax to be provided by legislative enactment.

Automobiles and trailers are now taxed by the Assessor of each county with other personal property.

Objections to the change:
The County Assessors admit they now collect the personal property tax from approximately 80 per cent of motor vehicle owners. It is possible to collect this tax from the remaining 20 per cent, if the assessors are diligent, without adopting a hastily drawn and ill-considered measure of objectionable possibilities.

It is unsound because it does not provide for the tax of unregistered vehicles in the hands of dealers, warehousemen, or others.

No provision is made for the continuance of the exemption now afforded to veterans.

Neither is it indicated on what basis the tax should be fixed, whether on the value, weight, size or type of vehicle. It would be unfair to tax the low-priced car the same amount as a high-priced car. A cumbersome, costly and inequitable scheme may be substituted for what is now quite a satisfactory system.

It makes the State the Tax Collector, and no one is responsive to the people for rates that may be fixed, while under the present system the local authorities are directly responsible for the tax rate, and local protest may be effective.

The basis and method of fixing the amount of tax, including a minimum and maximum amount, is to be established by the Legislature in the future. No assurance is given that a high tax rate will not be fixed. The rate of taxation on automobiles will necessarily be different from the rate on other personal property, and this is a discrimination against the motorists that may add to his already heavy tax burden.

The proceeds of the tax are not to be spent on the roads, but for general governmental purposes, and for that reason the same tax rate should be applied that is applied to other property for governmental purposes. Should the rate, as fixed by the Legislature, be higher than that on other personal property, the motorist would be required to pay a greater part of the cost of general government than any other class of owners of personal property.

The most objectionable feature is that it will require motorists to pay a large lump sum just at the holiday season, when other demands are numerous and insistent.

This sum will be made up of registration fees, weight fees, and the new tax, all to be paid at the time of the annual registration of motor vehicles. No motorist will be able to secure his license until his tax is paid, in addition to his registration fees.

Vote "NO."

HENRY E. CARTER,
Senator, Thirty-first District.

JUDICIARY DISQUALIFICATIONS. Assembly Constitutional Amendment

17. Amends Section 18, repeals Section 22, of Article VI of Constitution. Declares Justices of Supreme Court and District Courts of Appeal, and Judges of Superior Courts and Municipal Courts, ineligible to other office or public employment than judicial during

19 their terms; prohibits justice or judge of court of record from practicing law in or out of court while in office; declares judge of Superior Court or Municipal Court eligible to election or appointment to public office during term for which elected, but acceptance of other office constitutes resignation from office then held.

YES	
NO	

(For full text of Measure, see page 27, Part II)

Argument for Assembly Constitutional Amendment No. 17

This Amendment to Section 18, Article 6 of the State Constitution, adopted by the unanimous vote of the Legislature and now before the people for approval, has as its main purpose to keep the judiciary of California above reproach or suspicion.

The present constitutional provision prohibits judges of the Courts of record from practicing law "IN COURT," a very proper restriction. This Amendment goes further and prohibits them from practicing law "IN OR OUT OF COURT" during continuance in office.

None can deny the wisdom of the people of California in the policy heretofore adopted, nor does it seem possible that the wisdom of this further restriction will be questioned. The practice of law OUTSIDE of Court, with its opportunity for concealment and fraud is more dangerous and vicious than the open practice in court. In the public practice of law in court by a judge, disqualification for bias or interest would be most certain; but who could disqualify a judge for privately serving undisclosed clients if they should appear before him in litigation.

That some honorable members of the judiciary are privately advising and serving clients in good faith and with no ulterior purpose, is known. But that such practice will be abused sooner or later seems almost certain. Possibly they feel it necessary to augment inadequate salaries. The remedy for that is higher salaries—not a questionable practice which renders their court services difficult of judicial impartiality. Citizens will not feel properly confident of justice if they know their judges are advising or aiding corporations, groups, or individuals in a legal capacity, on the side, in spare time. No matter how innocent the practice, it is liable to vicious abuse.

The passage of this Amendment will remove the temptation of private, undisclosed practice from our judges, and will also place them further above suspicion on the part of the people. As the integrity of our courts and the confidence of our people in the courts is one of the basic necessities of our government, the wisdom of this Amendment should be too apparent for further argument.

A clause of the Amendment also permits a judge to be elected or appointed to other public office by resigning his judicial position thus making available for wider public service

CHANGING MOTOR VEHICLE TAXATION. Senate Constitutional Amend-

18

ment 18. Adds Section 1c to Article XIII of Constitution. Requires Legislature provide for tax on motor vehicles in lieu of personal property taxes thereon, prescribe basis and method of fixing amount thereof, and collection by state department registering such vehicles; requires at least 95 per cent of fund derived therefrom be paid each year to respective counties from which such vehicles were registered, each county's share to be distributed between county and political subdivisions therein, as prescribed by law. Declares section shall not affect motor vehicle registration fees.

YES

NO

Senate Constitutional Amendment No. 18—A resolution to propose to the people of the State of California an amendment to the constitution of the State of California by adding to article thirteen thereof a new section to be numbered section 1c, relative to revenue and taxation.

Resolved by the Senate, the Assembly concurring, That the Legislature of the State of California in regular session commencing on the seventh day of January, 1929, two-thirds of all the members elected to each of the two houses voting in favor thereof, hereby proposes to the people of the State of California that the constitution of the State of California be amended by adding to article thirteen thereof a new section to be numbered section 1c and to read as 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. 1c. The Legislature shall provide for the collection, by the department of the state charged with responsibility of registering motor vehicles, of a tax on motor vehicles and trailers as defined by law, in lieu of all personal property taxes thereon and shall establish the basis and method of fixing the amount of said tax including the establishment of a minimum and maximum tax; provided, however, that nothing in this section shall be construed to apply to properties taxed under the provisions

of sections 14 and 15 or of subdivision one of section 16 of this article; provided, further, that if taxation upon all personal property is subsequently abolished by vote of the people of the State of California the tax authorized by this section shall without further action be abolished.

All moneys collected as taxes on motor vehicles and trailers in lieu of personal property taxes thereon shall be credited to a special fund to be known as the "County motor vehicle tax fund" and no other moneys shall be so credited; not less than 95 per cent of the moneys credited to said fund shall be paid at least once each year by the state to the respective county or city and county from which motor vehicles and trailers are registered, under any act providing for the registration of motor vehicles by the state, to be distributed between such county, or city and county, and such political subdivisions as may exist within each county, or city and county, as may be prescribed by law. Nothing in this section shall be construed to apply in any way to or affect the fixing, collection or distribution of fee for registration now or hereafter fixed, collected and distributed under the provisions of the California vehicle act. The Legislature shall pass all laws necessary to carry out the provisions of this section and the acts of the forty-ninth session of the Legislature passed pursuant to this section shall be effective immediately upon their passage. The Legislature, two-thirds of all the members elected to each of the two houses voting in favor thereof, may change the method or rate of any tax fixed under this section.