

Can We Afford the Price Charged for Civilization

By PHILIP E. WATSON
Los Angeles County
Tax Assessor
(Sixth in a Series)

Justice Oliver Wendell Holmes once commented that taxes are the price we pay for a civilized society. We've reach a point where a lot of people are wondering if we can afford to pay the price.

This is particularly true as regards property taxation. Here in Los Angeles County, in the last 10 years, property tax collections have tripled. They are rising at a rate almost twice as fast as personal income. Unlike the income tax, which is geared to the ability to earn, and the sales tax, which is geared to the ability to spend, the property tax is without limit.

I think there's no doubt that taxation experts agree that the property tax is in drastic need of overhaul. It is regressive, bears little relation to ability to pay, and in many instances im-

poses the greatest burden on those least able to pay.

The property tax was not always so regressive. Even as recently as 50 years ago, ownership of property was a fairly equitable yardstick of wealth, a pretty good measure of ability to pay the tax. This was particularly true in a small, stable community such as a town in the Midwest where people owned property in a sound relation to their income, where most property was owned free and clear of financing, and where people spent money in reasonable proportion to what they earned.

Most of us no longer live in that kind of a community. Here in California the trend is to large urban centers with shifting populations. Ownership of property has become largely an illusion—we "buy" anything from TV sets to houses with almost no money down and years of installment pay-

ments. We are encouraged to do so because our entire economy is geared to this kind of credit financing. Yet property taxes are imposed at an ever-increasing rate, on the full value of the property as if it were owned free and clear.

The idea of limiting property tax is not new. In the 1930s, when our economy had broken down, reforms were undertaken in the property tax field. We passed a sales tax with the understanding that this would remove the school burden from the property tax. We instituted individual district tax rate limits for the schools, cities and special districts.

However, with the enormous influx of population during and after World War II, school needs far outstripped the state revenues available to the schools. So the schools once more turned to taxing property. Today almost half the bud-

gets of local schools are collected from property taxpayers. Furthermore, individual tax rate limits were eroded by authorizing overrides, and by the creation of a multiplicity of new special districts, each with their own individual limits.

Now many people—and I've been in the forefront of such proposals since 1959—are coming around to the belief that if we are to preserve the ability of people to own property and to stay in their homes, we must enact some overall limit to the amount of tax burden that can be imposed on property owners.

To that end, we have drafted a Constitutional Amendment and enabling legislation to fix a tax ceiling at two per cent of market value. We believe we have a limit proposal that is workable, administratively sound, and that the various taxing agencies can live with.

Basically, what we propose is to give the taxing agencies a five-year period in which to achieve the goal of living within the two per cent ceiling. If they can achieve it sooner—fine. But they will have time in which to reduce expenditures or seek other sources of revenue.

During this interim period, those agencies operating within districts where the burden now exceeds two per cent would have their property tax revenues frozen at the amount collected in the year in which the legislation was passed. The agencies would be allowed a cost-of-living increment annually—based on the consumer price index of the Department of Labor—to cover the cost of mandatory salary increases and increases in the cost of materials, supplies, and equipment. But they would not be allowed any new revenue beyond this, until their tax

collections had fallen below the two per cent ceiling. And in any case, except for those agencies whose interest payments on their bonded indebtedness by itself exceeds two per cent, all taxing agencies would have to be in line at not more than the two per cent limit at the end of the five-year period.

Some people have objected to the proposal on the grounds that a two per cent minimum burden would quickly become a maximum. Perhaps that is so. But only a handful of code areas are now under the two per cent ceiling. Countywide, our total tax collections represent a burden of 2.095 per cent of the market value of all the property in the County. Some code areas already have a burden of more than three per cent.

This argument reminds me of the argument that raged when the federal income tax law was passed in 1913. A proposal was made then to limit the income tax to a top of not more than 5 per cent. People said, "We don't want to do that. We're only going to put on a 1/2 of 1 per cent tax now. If we suggest the tax can rise to 5 per cent, it'll be up there before we know it." I think we would all gratefully settle for a 5 per cent maximum income tax today.

The statement has also been made that any such limit would not stop the tax spiral because the Assessor could just increase the assessed value, which would mean higher taxes even if the rate were held down. This misses two basic points.

First of all, the heart of the limit proposal is to gear the tax burden to the market value. That means that when the market value increases, the amount of taxes that could be levied could increase—though it

would not necessarily do so if we kept a sharper eye on expenditures. It also means that if the market value decreases, the amount of taxes that could be levied would decrease. In other words, the potential tax burden would be geared directly to the economy.

However, the Assessor could not arbitrarily raise assessments because every taxpayer has the right to appeal his assessment if it exceeds 25 per cent of market value.

Furthermore, we do not propose to take the Assessor's word for market value. The legislation includes a provision that the market value of property be calculated by using the assessment ratio found by the State Board of Equalization which acts as a monitor on the quality of the job the local Assessor is doing.

There is a precedent for the kind of overall property tax limit I'm proposing in our existing taxes on automobiles and private airplanes. The tax imposed on automobiles is 2 per cent, that on private airplanes 1 1/2 per cent.

I think it's time the owner of a home receive the same protection as the owner of an automobile or private plane!

Mailbox

To the Editor:
Re: quotes from Dr. Hull in Wednesday, April 14 edition.
Dr. Hull stated that the Torrance School cooperated with all employe organiza-

tions, implying that they all received equal rights and privileges. Privileges extended to employe organizations, such as use of bulletin boards and mail boxes, and an opportunity to make announcements at general employe meetings have been denied to the Torrance Chapter of the South Bay Federation of Teachers.

Building administrators have abused their authority positions to criticize the AFT, while promoting the interests of the CTA. Many teachers, while being evaluated, have been strongly criticized for not joining the CTA.

We would prefer to work through and within normal administrative channels. We welcome free competition among the organizations, free from administrative pressures on the part of the administration of the Torrance schools.
MAX A. KELLY, Chairman Torrance Chapter.

Baptist Meetings Continue

The First Baptist Church of Lomita, 26356 Hillcrest St., will launch the second phase of its Spring Revival Crusade Sunday morning.

The Rev. R. Felder Cade of Fort Worth, Tex., will speak at the morning worship service and at 7 p.m. Sunday evening. The Rev. Felder also will speak at 7:30 each evening through May 2.

The Youth Choir under the direction of Miss Katy Misher and Mrs. Edward Hall, will provide special music for the services. Debbie Hall, Suzie Price, and Martha Fluke will assist at the instruments.

Revis McCrew, minister of music from Truett Memorial Baptist Church of Long Beach, will be the guest music director.

Morning worship services are held each Sunday at 10:50.

Isn't it a pity that just as soon as your children get old enough to have some sense and you can enjoy them, they up and leave home.—Virginia Gaskill, Petersburg (Pa.) Town and Country.

Cub Pack 240 Plans Big Dance

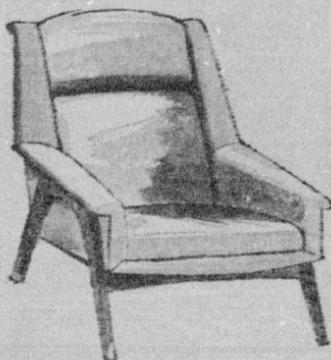
Cub Scout Pack 240 of Waveria will hold its annual fund raising dance Saturday evening at the Scout Hall, located at the end of Madison Street in Waveria.

Pinewood Derby winners for the March Pack Night also have been announced. First place for speed was won by Craig Gibson. Second place went to Steve Brozachilo and Paul Poirier, while Sam Kirsch, Bobby Williams, and Mark Elliot shared third place.

Tommy Roberts won first place for the best looking entry, while Richard Leetz won second place, Gary Ward and Richey Tabone were third and fourth place winners.

A preacher is sort of a mental trucker, picking up ideas here and there and delivering them where they are needed.—Carl C. Wood, The plains (Tex.) Record.

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