Proposed Oregon Tax Law

Following are the joint resolutions for constitutional amendments and bills as recommended by the Oregon State Tax commission and to be presented to the legislature at its next session:

HOUSE JOINT RESOLUTION NO. ——
Amendment to the Constitution of the State of Oregon.

Resolved by the house, the senate concurring:

That the following article, as an amendment to the constitution of the state of Oregon, be proposed and referred to the next legislative assembly, and if the same shall be concurred in by a majority of all the members elected to each house thereof, and shall afterward be ratified by a majority of the electors of the state, then the same shall be a part of the constitution of the state of Oregon:

ARTICLE I.

That article I, section 32 of the constitution of the state of Oregon, be and the same hereby is abrogated, and in lieu thereof shall be inserted the following:

"No tax or duty shall be imposed without the consent of the people or their representatives in the legislative assembly; and all taxation shall be equal and uniform upon the same class of subjects within the territorial limits of the authority levying the taxes."

(The two joint resolutions presented are drawn on the theory that the initiative amendment to the constitution, submitted in June, 1906, did not become a part of the constitution, having neither been proposed in the manner provided by the constitution, nor having received a majority of all votes cast, although proclaimed by the governor. If, in the opinion of the legislature, the amendment mentioned was regularly adopted, the form of this and the following joint resolution must be changed accordingly.)

HOUSE JOINT RESOLUTION No. ——
Amendment to the Constitution of the State of Oregon.

Resolved by the house, the senate concurring:

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ARTICLE I.

That article IX, section 1 of the constitution of the state of Oregon, be and the same hereby is abrogated, and in lieu thereof shall be inserted the following:

"Taxes shall be levied on such property as shall be prescribed by law. The legislative assembly shall provide by law for uniform and equal rate of assessment and taxation upon the several classes of subjects of taxation within the territorial limits of the authority levying the taxes; and shall prescribe such regulations as shall secure a just valuation for taxation of all property taxed, except property specifically taxed."

A BILL

For an act to provide a more efficient and equitable system for the assessment of property for taxation; defining property subject to taxation and property exempt therefrom; defining the duties of the county assessor, and prescribing the manner of making the assessment of property by him assessed for the purposes of taxation; requiring all persons, and the managing agent or officer of any corporation or association liable to be assessed by him, to furnish the assessor with a list of property liable to taxation, and prescribing a penalty for failure so to do; and to amend sections 3037, 3038, 3039, 3040, 3045, 3046, 3048, 3049, 3057, 3058, 3061, 3062, 3069, 3070, 3071, 3073, 3074, 3075, 3076, 3077 and 3078 of the Codes and Statutes of Oregon, compiled and annotated by Hon. Charles B. Bellinger and William W. Cotton; to amend section 56 of an act approved February 24, 1903, and found on page 262 et sequitur of the general laws of Oregon of 1903, and said section being found on page 279; to amend section 1 of an act entitled "An act to fix the place of assessing national bank stock and private banks, loan and trust companies," approved February 24, 1903; to amend section 1 of an act approved December 24, 1903, and found on page 4 et sequitur of the general laws of Oregon, special session, 1903; to repeal sections 2709, 2710, 3041, 3042, 3044, and 3059 of the Codes and Statutes of Oregon, compiled and annotated by Hon. Charles B. Bellinger and William W. Cotton; and to repeal all acts and parts of acts in conflict herewith, and exempting certain assessments and proceedings from the operation thereof.

Be it enacted by the people of the state of Oregon:

(Of Property Subject to Taxation.)

(Real and Personal Property to Be Assessed Uniformly and Ratably.)

Section 1. That section 3037 of the Codes and Statutes of Oregon, compiled and annotated by Hon. Charles B. Bellinger and William W. Cotton, be and the same is hereby amended to read as follows:

All real property within this state, and all personal property situated or owned within this state, except such as may be specifically exempted by law, shall be subject to assessment and taxation in equal and ratable proportion.

(Old law provides: "All taxes for the support of the government of this state shall be assessed on property in equal and ratable proportion," and all property, etc., shall be subject to taxation. The old section unnecessarily limits the taxing power of the state to direct property taxes.)

(Real property—How construed.)

Section 2. The terms land, real estate, and real property, as used in this act, shall be construed to include the land itself, whether laid out in town lots or otherwise, above and under water, all buildings, structures, substructures, superstructures, and improvements erected upon, under or above, or affixed to the same, and all rights and privileges thereto belonging or in any wise appertaining; and all franchises and privileges granted by or pursuant to any law of this state, or municipal ordinance or resolution, owned or used by any person or corporation, other than the right to be a corporation; and all mines, minerals, quarries, fossils, and trees in, under, or upon the land.

(Chapter I, title XXX, B. & C. Comp., contained no definition of real property. This definition is taken in part from section 3057, B. & C. Comp. Definition of franchises and inclusion as taxable property, specifically, is new; compare the Minnesota definition of real property.)

(Personal property—How construed.)

Section 3. That section 3038 of the Codes and Statutes of Oregon, compiled and annotated by Hon. Charles B. Bellinger and William W. Cotton, be and the same hereby is amended to read as follows:

The terms personal estate and personal property shall be construed to include all things in action, household furniture, goods, chattels, moneys, and gold dust, on hand or on deposit; all boats and vessels, whether at home or abroad, and all capital invested therein; all debts due or to become due from solvent debtors, whether on account, contract, note, mortgage or otherwise, either within or without this state; all public stocks; all bonds, warrants, and moneys due or to become due from this state, or any county or other municipal subdivision thereof; and stocks and shares in incorporated companies, and such proportion of the capital of incorporated companies liable to taxation on their capital as shall not be invested in real estate; and all improvements made by persons on lands claimed by them under the laws of the United States, the fee of which lands is still vested in the United States.

(Adds to former statutory rule as to taxable things included in the term, things in action; state, county or municipal bonds, warrants, and claims, and improvements on claimed lands—the latter provision transferred from B. & C. Comp., section 3058.)

(What property is exempt from taxation.)

Section 4. That section 3039 of the Codes and Statutes of Oregon, compiled and annotated by Hon. Charles B. Bellinger and William W. Cotton, as the same is amended by an act entitled "An act to amend section 3039 of Bellinger and Cotton's Annotated Codes and Statutes of Oregon," approved February 24, 1903, and as amended by an act entitled "An act to amend an act entitled 'An act to amend section 3039 of Bellinger and Cotton's Annotated Codes and Statutes of Oregon,' approved February 24, 1903," which last named act was filed in the office of the secretary of state December 24, 1903, being found upon page 28 et sequitur of the general laws of Oregon, special session of 1903, be and the same hereby is amended to read as follows:

The following property shall be exempt from taxation:

1. All property, real and personal, of the United States and this state, except land belonging to this state held under a contract for the purchase thereof.

2. All public or corporate property of the several counties, cities, villages, towns, and school districts in this state used or intended for corporate purposes, except lands belonging to such public corporations held under a contract for the purchase thereof.

3. The personal property of all literary, benevolent, charitable, and scientific institutions incorporated within this state, and such real estate belonging to such institutions as shall be actually occupied for the purposes for which they were incorporated.

4. All houses of public worship, and the lots on which they are situated, and the pews or slips and furniture therein, and all burial grounds, tombs, and rights of burial; all lands, and the buildings thereon, not exceeding thirty acres, held by any crematory association incorporated under the laws of this state used for the sole purposes of a crematory and burial place for incinerate remains; but any part of any buildings, being a house of public worship, which shall be kept or used as a store or shop, or for any other purpose, except for public worship or for schools, shall be taxed upon the cash valuation thereof, the same as personal property, to the owner or occupant, or to either, and the taxes shall be collected thereon in the same manner as taxes on personal property.

5. All public libraries, and the personal property belonging thereto and connected therewith, and the real property belonging thereto and upon which such library is situated.

6. The property of all Indians residing upon Indian reservations who have not severed their tribal relations or taken lands in severalty, except lands held by them by purchase or inheritance, and situate on any Indian reservation; provided, however, that the lands owned or held by Indians in severalty upon any Indian reservation, and the personal property of such Indians upon such reservation, shall be exempt from taxation when so provided by any law of the United States, and not otherwise.

7. The personal property of all persons who, by reason of infirmity, age, or poverty, may, in the opinion of the assessor, be unable to contribute towards the public charges.

8. The personal property of every householder to the amount of $200, the articles to be selected by such householder.

(B. & C. Comp., section 3039, was amended by laws 1903, page 216, and laws, special session, 1903, page 28. The section proposed makes the following changes from the present law: 1. Makes lands belonging to the state taxable when held under contract for purchase, the attorney general having heretofore held such lands exempt as "property of this state under clause 1. 2. Lands of public corporations, similarly held under contract of purchase, made taxable; 3, 5, 6, 7, no change. 4. Exemption of crematory property copied from laws 1903, page 70, section 8. 8. The same as clause 8 of section 3039, except the exemption is reduced from $300 to $200, omitting the specification of particular articles which may be exempted. The flat exemption is believed to be more just than the present exemption of specific varieties of property to a total of $300, which is in practice found to be both arbitrary and unequal. A dairy farmer owning 16 cows, $240; one horse, $15; household furniture, $20; farming implements, $25 [taxable values], would have a total of $300, and only $90 would be exempt. If his property was a little differently distributed, thus: two horses, $125; two cows, $30; ten sheep, $15; household furniture, $50; wagon and harness, $50; farming implements, $30, he would have $300 the same value, but all would be exempt. This is an actual case reported by one assessor as a typical instance of the unreasonable inequality of the present law as it is met every day.)

(Land in road boundary exempt.)

Section 5. That section 3040 of the Codes and Statutes of Oregon, compiled and annotated by Hon. Charles B. Bellinger and William W. Cotton, and section 56 of an act approved February 24, 1903, and found on page 262 et sequitur of the general laws of Oregon of 1903, be and the same hereby are amended to read as follows:

All lands within the boundary of any county road, and all dedicated streets and alleys in any incorporated or unincorporated city or town, or town plat, within this state, shall be exempt from assessment and taxation while used for such purposes.

(Exempts lands in streets and alleys, as well as lands within boundaries of county roads, while used for such purposes. The uniform practice, and supported by laws 1903, page 279, sections 56 and 57.)

(Stocks in banks, loan and trust companies, etc., subject to taxation—Where taxed.)

Section 6. That section 1 of an act entitled "An act to fix the place of assessing national bank stock and private banks, loan and trust companies," approved February 24, 1903, be and the same hereby is amended to read as follows:

Shares of stock of national banks shall be assessed to the individual shareholders at the place where the bank is located. Shares of stock of other banks and interests in banking capital, building and loan associations and trust companies, shall be assessed to such bank, building and loan associations, or trust copmanies, or to their owners or stockholders, as by law provided, at the place where such banks, building and loan associations, or trust companies are located.

(B. & C. Comp., section 3042 was superceded in part by Laws 1903, page 286—if the title of the latter act is broad enough to cover the last sentence therein. The section proposed follows the act of 1903, changing the word "stockholders"—of national banks—to "shareholders" in analogy to the national banking act. Provides that shares of stock in private banks, etc., shall be assessed to such bank, etc., or to its stockholders, as by law provided.)

(Lands sold by state listed to contractor.)

Section 7. Lands held under a contract for the purchase thereof, belonging to the state, county, or municipality, and school and other state lands, shall be considered, for all purposes of taxation, as the property of the person so holding the same; and the improvements thereon shall be considered as real property for all purposes of taxation, and be considered as the property of the person so holding the same; and no deed shall ever be executed until all taxes and municipal charges are fully paid thereon.

(New; but compare Laws Washington, 1897, section 27, page 149. It appears from a certificate of the clerk of the state land board, November 10, 1905, that the state's outstanding certificates of sale aggregated 860,815 acres, the purchase price of which was $1,464,530—all of which now escapes taxation because the title to the land is still in the state.)

(Public lands—Improvements.)

Section 8. The assessor must assess all improvements on lands, the fee of which is still vested in the United States, as personal property until the settler thereon or claimant thereof has made final proof. After final proof has been made, and a certificate issued therefor, the land its lf must be assessed, notwithstanding the patent has not been issued.

(New; compare Washington Rev. Laws, 1905, section 100.

(Assessors shall obtain lists of public lands sold.)

Section 9. The assessor of each county shall, immediately after the first day of March of each year, obtain from the state land board, and from the local United States land officers in the state, lists of public lands sold, or contracted to be sold, and of final certificates issued for land in his county during the previous year ending at 1 o'clock a. m. of said first day of March, and shall place such lands upon the assessment rolls as provided in the last two preceding sections. It shall be the duty of the State Land board to certify a list or lists of all public lands sold, or contracted to be sold, during the previous year on application of the assessor of any county applying therefor.

(New.)

(Of the assessment of property.)

(Section 3043, B. & C. Comp., seems to recognize marginal assignments of mortgages. It does not belong in a tax act, since the repeal of the mortgage tax law, of which it was part. The last clause is now nugatory. It should not be repealed, but no reference should be made to it in a tax code; but it is suggested that in future compilations it be transferred to the recording act.)

(To be continued next week)

Impudence.

Peggy—Only to think of it, my dear, we were entirely alone, and he had the audacity to kiss me.

Lucy—I suppose you were furious, weren't you?

Peggy—I should say so! I was furious every single time he did it.—Le Sourire.

What They Were Saying.

The angry waves lashed the shore.

"Why don't you hit back?" they asked, mockingly. "Haven't you got the sand?"

Seems to Be.

"Do you think there is anything in the pretensions of these spiritualistic mediums?"

"Unquestionably. I know several indolent persons who make a good living out of those pretensions."—Chicago Tribune.

The number of deaths each year in London was, 150 years ago, fifty-one a thousand. In 1820 it was twenty-nine a thousand, and it now is about eighteen a thousand.

Active Real Estate.

"Is there much activity in real estate in this section?" asked the visitor.

"I should say there is," answered Farmer Corntossel. "Had three landslides an' a washout last year."—Washington Star.

Unfair.

"Say!" exclaimed Tommy, doubling up his right hand into the shape of a small fist and making at the other boy, "you're cheating! This is a Burbank apple, and you've given me the sour half!"

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