

An Amendment to the State Constitution

To Be Submitted to the Qualified Electors of the State for Their Approval
or Rejection at the

GENERAL ELECTION

TO BE HELD ON

TUESDAY, NOVEMBER 4, 1930

CONCISE STATEMENT

AN AMENDMENT of Article VII of the state constitution relating to revenue and taxation by striking sections 1, 2, 3, and 4, and inserting in lieu thereof a single section re-enacting certain provisions of the sections stricken; providing that property may be classified for the purpose of taxation; requiring the taxation of intangible property subject to ownership; constituting real property a single class for taxing purposes; authorizing the taxation of mines, mineral resources, and reforested lands by a yield or *ad valorem* tax or both, and exempting credits secured by property actually taxed in this state.

AN ACT to amend Article VII of the Constitution of the State of Washington, relating to revenue and taxation by striking Sections 1, 2, 3 and 4 thereof and inserting in lieu thereof a new section to be known as Section 1.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. That at the general election to be held in this state on the Tuesday next succeeding the first Monday in November, 1930, there shall be submitted to the qualified electors of this state for their adoption and approval an amendment to Article VII of the Constitution of the State of Washington, by striking from said Article VII all of sections 1, 2, 3 and 4 and inserting in lieu thereof the following, to be known as section 1:

Section 1. The power of taxation shall never be suspended, surrendered or contracted away. All taxes shall be uniform upon the same class of property within the territorial limits of the authority levying the tax and shall be levied and collected for public purposes only. The word "property" as used herein shall mean and include everything, whether tangible or intangible, subject to ownership. All real estate shall constitute one class:

Provided, That the Legislature may tax mines and mineral resources and lands devoted to reforestation by either a yield tax or an *ad valorem* tax at such rate as it may fix, or by both. Such property as the Legislature may by general laws provide shall be exempt from taxation. Property of the United States and of the state, counties, school districts and other municipal corporations, and credits secured by property actually taxed in this state, not exceeding in value the value of such property, shall be exempt from taxation. The Legislature shall have power, by appropriate legislation, to exempt personal property to the amount of three hundred (\$300.00) dollars for each head of a family liable to assessment and taxation under the provisions of the laws of this state of which the individual is the actual *bona fide* owner.

Passed the House March 14, 1929.

Passed the Senate March 14, 1929.

Signature of the Governor not required.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State March 22, 1929.

J. GRANT HINKLE, *Secretary of State*.

ARGUMENT FOR THE CONSTITUTIONAL AMENDMENT

THE PRESENT TAX SYSTEM IS BREAKING DOWN. THE CONSTITUTION MUST BE AMENDED TO REFORM THE SYSTEM. VOTE FOR THE AMENDMENT.

Railroad and bank tax suits and other tax litigation, and the excessive taxes applied to lands, homes, and real estate generally in this state, demonstrate the necessity for a change in our tax system.

This situation was well recognized at the 1929 legislative session, but the Legislature could take no decisive step because their hands were tied by the rigid "uniform and equal" provision of the constitution.

"Uniform and equal" sounds fair, but in reality its application to a tax system works most unfairly, as all forms of wealth do not have the same ability to pay. Stocks and bonds cannot pay the same tax as real estate, and escape altogether under our present system. The dog tax brings in more revenue than is received from all of the bonds and stocks owned in the state.

Recognizing that the first step toward remedying our inequitable tax system is an amendment to the constitution, the legislature by a vote of 35 For, to 7 Against, in the Senate, and 82 For, to 2 Against, in the House, submitted this amendment.

The following are those in the Senate voting for the amendment: Senators Ball, Barnes, Cleary, Colburn, Condon, Conner, Cox, Dimmick, Frary, Gray, Hall (Charles W.), Hall (Oliver), Hartwell, Hastings, Heifner, Hurn, Knutzen, Landon, Metcalf, Miller, Mize, Murphy, Norman, Oman, Palmer, Phipps, Post, St. Peter, Smith, Somerville, Stinson, Sutton, Taylor, True and Wilmer.

The following House members voted for the amendment: Representatives Albert, Allen, Aspinwall, Banker, Barlow, Beck, Benson, Booth, Bostwick, Butterworth, Canfield, Casey, Cory, Culmbach, Danielson, Danskin, Davis (J. H.), Denman, Durkee, Falknor, Friese, Gear, Gillette, Glasgow, Goldsworthy, Hall, Hartung, Hayton, Hazen, Hess, Hill, Hubbell, Hultgrenn, Hutchinson, Johnson, Jones (John R.), Jones (Roy), Kelly, Knapp, Krouse, Leber, Lindsay, McCracken, McDonough, McQueenen, Mansfield, Marble, Miller, (Frank O.), Miller (W. O.), Mills, Mitchell, Moran, Murray, Nelson, Nor-

thup, Olson (O. H.), Paysse, Peterson (C. E.), Peterson (Payson), Ratliffe, Reader, Reed, Roth, Rowe, Russell, Ryan, Sims, Soule, Sweetman, Templeton, Totten, Van Horn, Vaughan, Wakefield, Wanamaker, Watkins, Webb, Westover, Williams, Speaker Davis.

The almost unanimous support for this constitutional amendment in the Legislature was the result of compromise and agreement as to its provisions.

The amendment to be voted on this year differs in two important particulars from that submitted in 1928. It fixes real estate all in one class except lands devoted to reforestation and mineral lands, and it defines property. These two changes met the commonest objections to the 1928 amendment, and were largely responsible for the different factions uniting on this amendment in the Legislature.

Under the proposed amendment it will be possible to tax bonds and stocks other than those secured by or representing property taxed in this State, at moderate rates, leaving them still desirable as investments.

It will also be possible to provide for reforestation by relieving lands set aside for that purpose from high tax rates and applying low *ad valorem* rates, or yield taxes, or both.

Many other states have the powers that would be conferred on this state by the proposed amendment.

Every fair man should be willing to pay towards the cost of government, whether his money is invested in land, merchandise, bonds, or stocks.

Vote for the amendment. It is a step in the right direction.

O. C. PRATT, Chairman, Taxation Committee, Washington Education Association.

J. W. WHEELER, Past President, Pacific Northwest Real Estate Association.

A. S. GOSS, Master, Washington State Grange.

L. S. BOOTH, Chairman, Committee on State Taxation, National Real Estate Board.

FRANK C. JACKSON, Secretary, Washington Tax Equalization Council.

STATE OF WASHINGTON—ss.

Filed in the office of Secretary of State September 14, 1929.

J. GRANT HINKLE, *Secretary of State.*