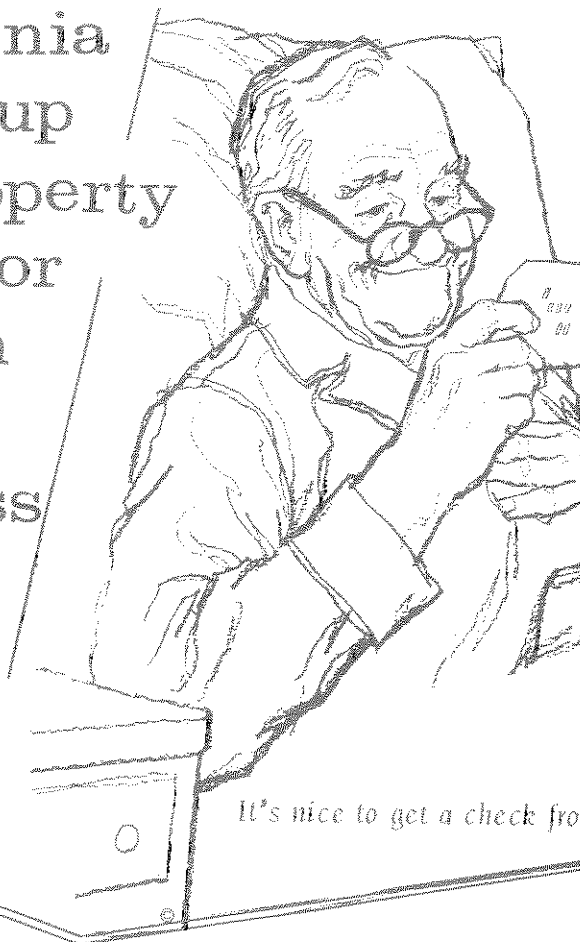


California HOMEOWNE

December, 1971

New California
law refunds up
to 96% of property
taxes to senior
citizens with
incomes of
\$10,000 or less

(See story on page 3)



It's nice to get a check from

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CALIFORNIA HOMEOWNER MAGAZINE

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No. 4

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Mailed Quarterly

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Funds are needed so more
surveys can be made.

Business and Editorial

953 8th Avenue,

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Consent to republish any article
is hereby given

PROPERTY TAX RELIEF for the ELDERLY

by JOHN NAGY



California Legislators have increased the SENIOR CITIZENS PROPERTY TAX ASSISTANCE so that all persons over 62 years of age can get a refund on a portion of their property taxes if their income is less than \$10,000 per year.

PREVIOUS LIMIT \$3,350.

The previous limit on income was \$3,350 which was increased during the 1971 session to \$10,000. The GONSALVES-DEUKMEJIAN-PETRIS Bill revised the maximum percentage of a 1 percent refund on an income of \$3,350 to a 70 percent refund on an income of \$3,350. Incomes of \$5,000 now qualify for a 45 percent refund, and incomes of \$7,000 are entitled to a 21 percent refund. (See schedule in next column.)

Senior citizens no longer need to fear being taxed out of their homes in California. Increasing property taxes have been a terrible strain with the squeeze of inflation and higher property taxes for senior citizens living on fixed incomes. The Legislature has recog-

PROPERTY TAX ASSISTANCE

Find your household income in Column 1, the percentage of assistance in Column 2.

If your income is;

<i>not more than</i>	<i>%</i>	<i>n m th</i>
\$1,000	96	6.0
2,000	92	6.5
2,500	88	7.0
3,000	80	7.5
3,500	70	8.0
4,000	60	8.5
4,500	52	9.0
5,000	45	9.5
5,500	38	10.0

nized that fact for years and finally came up with a solution which is fi-



Because of California's new
SENIOR CITIZENS PROPERTY TAX ASSISTANCE
I won't have to sell my home.

senior citizens who want to stay in their homes and not fear the ever increasing property tax load.

WHO QUALIFIES?

To qualify, an individual must meet each of the following requirements in the year he or she files:

1. Must be 62 years of age or older as of January 1, and
2. Must be a resident of California on or before January 1, and
3. Must have owned and occupied his home between July 1 and June 30 of the current fiscal year, and
4. Must have household income not in excess of \$10,000 for the previous calendar year (January 1 to December 31)

Household income is cash received from most all sources, including;

1. social security _____
2. railroad retirement _____
3. gross amounts received from pensions and annuities _____
4. net rental income _____
5. net business income _____
6. interest _____
7. dividends _____
8. wages _____
9. disability pensions _____
10. life insurance proceeds _____
11. death benefits _____
12. gifts _____

13. realized capital gains

14. income of related individuals living in the home must be included

TOTAL

If the total of the above 1 \$10,000, you are entitled to percentage of your property to the schedule on page 5. be made if the amount is d \$5.00 or less.

FIRST \$7,500 OF ASSESSED

Property taxes means only t paid on the first \$7,500 of as the homestead (\$30,000 mark

Assistance is available for t on the dwelling and so much to one acre, which is necess of the dwelling as a home.

Property taxes do not incli bonds, interest or penalties, services such as weed burnin

YOU MAY RECEIVE SENI PROPERTY RELIEF EVEN CLAIM A VETERANS PROPE EMPTION OR THE HOMEOWN TY TAX EXEMPTION.

THE SENIOR CITIZENS PR RELIEF DOES NOT BECOM YOUR PROPERTY, AND TH NOT REQUIRE THIS ASSIST REPAID BY YOUR HEIRS TATE, IT'S YOURS WITH NO TACHED.

WHEN TO FILE

If you meet the qualification file the claim after May 16 h tober 15. No claims may be fi 16 or after October 15. Claim made available after May 10, :

tained at any office of the Franchise Tax Board or by writing to Senior Citizens Property Tax Relief, P.O. Box 1588, Sacramento, California, 95807.

DO NOT CALL LOCAL OFFICES NOW

The local franchise Tax Board offices will be terribly busy between now and April 15, so do not call them at this time. The best method of getting your Claim Form is to use the form on the back cover of this magazine. Fill it out and mail it to the Sacramento address given. Even though the forms will not be available until after May 10, send your request for forms in now. The Franchise Tax Board expects to receive 250,000 applications, so get your request in early.

EXAMPLE OF HOW TO COMPUTE

An example of how to compute your assistance if income is \$200 per month:

1. Total household income _____ \$2400
2. Percentage of assistance _____ 88%
(per schedule)
3. Amount of property taxes _____ \$500
4. Amount of assistance ($\$500 \times 88\%$) _____ \$440

An example of how to compute your assistance if income is \$300.00 per month:

1. Total household income _____ \$3600
2. Percentage of assistance _____ 60%
(per schedule)
3. Amount of property taxes _____ \$500
4. Amt. of assistance ($\$500 \times 60\%$) _____ \$300

Of course, if the taxes are more than \$500, the refund will be more accordingly.

WELFARE RECIPIENTS

Because aid to the welfare recipient and aid

to the blind includes taxes, they are not eli

NEW BALL GAME FO

The impact of this ne change the effects of senior citizen.

Heretofore the senior limiting property tax limits would have incre taxes as well as other The thinking behind s a senior citizen woul \$100 less in property income and other taxes they were right.

But now, a senior citiz off with the present li with sizable refunds, t taxes and increase s which are not refunded.

HOMES GOOD INVEST

Until now, many a hor pect to live in his pre ment. With his limit would literally drive

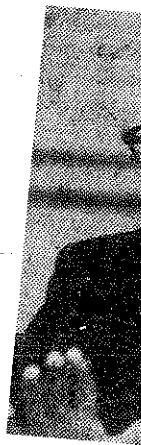
That situation is no lo taxes go up, the refur \$30,000 house, for ex: would be \$7,500 and if per hundred of assesse would be \$825.00. If \$3,500, The refund of \$577.50, leaving a tax a \$30,000 Home.

If the same homeowner come of \$5,000 per ye 45% or \$371.25, leavin month.

When you compare the you begin to realize tha ment will be even bett was when children were

Planning Crackdown in SAN DIEGO

(REPRINTED FROM SAN UNION, DEC. 27, 1971)



Louis Wo.

Louis Wolfshiemer, new city Planning Commission chairman, plans to take the offensive against over-eager developers.

Wolfshiemer, 39, was appointed to the Planning Commission by former Mayor Frank Curran and elevated to the chairmanship this month by Mayor Wilson.

He predicts that the commission will exercise more controls and be more aggressive in channeling the city's growth through planning and zoning in the future.

The new tactics may bring lawsuits from developers who challenge the city's rights to delay development until it is studied and found to be feasible, Wolfshiemer admitted.

He also feels the billboard industry may take the city's proposed sign ban to court but predicts the city can win the legal battles that its actions may cause.

Ideally, the Planning Commission will begin to move ahead of development pressures in its long-range planning instead of being faced continually with emergency decisions to prevent unwise development, Wolfshiemer told a panel of San Diego Union reporters last week.

Q. Does your appointment by a new administration foretell a new future for planning for the city?

A. I think there will be some changes. This year we are going to have a five-year review of the General Development Ordinance to 1985 and this is going to take the form of a great participation. There will be 10 or 12 meetings over the city. And perhaps the city will have fresh ideas that stem from the five-year update of the ordinance. And that will be determined by committee meetings and the meetings that are held around the city next year.

Q. Why did Mayor Wilson pick you as chairman of the Planning Commission?

A. I think you'll have to ask the mayor. I know Pete (the mayor) for quite a few years. Pete and my law partners are law school classmates. I think our philosophies mesh together.

Q. How would you define the city's growth?

A. Well, I think it's more in line with the growth of this community in the past than in the past. In the past, development occurred where the decision to occur without thought of the impact would be to the general taxpayer or whether it was good planning in preserving open space and all

This article is an interview with San Diego's new Planning Chairman, Mr. Louis Wolfsheimer. His approach to land development carried out, will be one of the most significant programs for development implemented in this country, and can well be a model for development in California and the nation. Statewide Homeowners will follow with interest his progress in the months to come.

And I think both of us have the philosophy that we'd like San Diego to continue to grow but in a more intelligent and channeled manner. We want to determine where that growth will occur rather than let it sprawl as it has in the past. These comments are not an indictment of past administrations or past commissions because in 1940 San Diego had 200,000 people, now we have 750,000. With the fast growth you get quite a few problems that you just can't match up with the answers fast enough. I think basically what we want to do is to try to anticipate what the problems are going to be in the future and try to plan for them now, rather than wait until we're hit over the head with the problem and have to come up with an emergency answer.

Q. Do you agree with Mayor Wilson's philosophy that a new zoning, or new subdivisions, however, should be curbed unless and until adequate plans are made for schools, parks, recreation and other facilities?

A. We're actually doing that now. Our policy No. 600-10 forces the subdivider to provide temporary school facilities for the children in areas where they're not available.

Q. Do you think this policy of providing facilities along with development will be sufficient to curb the growth of North City?

A. No.

Q. What do we need to do in the undeveloped area surrounding North City? What type of ordinance should we have that we don't have?

A. I think the concept that we had about a year ago, the "new towns" concept and the City Council of North City towns concept in North City was fruitful. It's an imagination that really hasn't ever been tried in the States before and when the local government to talk about it were thrilled because the concept someone, some city taking over the towns. If we can develop the concept say for instance for the contained communities out there, we need 8-lane freeways to get the work. The people would like to live in their community, there would be housing available, all the amenities. The whole spectrum of facilities available, right there, so that people live in that little community in a pleasant manner using this concept.

Q. At least one major developer, Irvin Kahn, has given notice on the city that he has the right to develop the area. Has the city the right to develop the area? Would you support that?

to have a very elaborate shop with this merchant over here, a merchant over here and a mall, control of what eventually will be might be a string of drive-in restaurants and we would have over it, but if he brings to us we have to approve his plan for certain and the citizens can know what will be built.

Q. Has the PRD or the P. Development worked out
tion?

A. I think it has. I think concept, and I think we've imaginative PRD's created. I look for this to be one of sprawl, urban sprawl and open space and give people that they could not afford a square foot lot. It seems the urban's dream is to own a square-foot lot, or perhaps their dream. Land is really the coast-line counties in don't know that it's possible everyone to have a 5,000-ft rather live in a planned resment, have a common wall and have some green open space is maintained by a homeowners swimming pool for my kids and pensens with my neighbors, court, have these kinds of a little closer to my neighbors the open spaces interspersed community, rather than have lawn. And I think Mira Me ample of the opposite. The square feet, and the homes

Q. What is your view on the
union zone initiative?

A. I applaud the motives of but I must disagree with them within that gigantic area of delineated, that there is a rise buildings could be tucked I think that we want to rity of our coastline and I w

A. Yes. For instance, billboards. If the City Council passes an ordinance banning billboards and phasing them out within the four-year period as the Planning Commission has recommended, it's very possible that the billboard industry would file a suit as they have in many other places in the state where cities have created this type of ordinance. And I think we could anticipate a suit there, but I think we would win that suit.

A. Not to my knowledge. There are some pending in the state Supreme Court.

Q. Is there a need for new zoning laws to place more control upon development?

A. This month we decided to attack the problems of commercial zones. We're finally scheduling our first workshop for next month, because when a developer brings to us a commercial project and he tells us, 'We're going

opposed to high-rises along the coast. But take Pacific Beach, for instance, that's a pretty deep community, it goes all the way from Interstate 5 to the coast. Somewhere in Pacific Beach, there must be a place, far back against the hillsides where high-rise might be a good idea. That's an awful lot of land all the way from Del Mar to San Ysidro and to Interstate 5, to say no high-rises can ever be built there. If you've ever driven down Mission Boulevard and you see the thirty-foot buildings that we have there, you can't see the bay, you can't see the ocean, all you can see is buildings. Now that's an example of what the people want. They want low-rise apartments. That really is, to me, not good planning and is not in the best interests of this community. We have prepared at great expense a Height and Bulk Study. I think from it will come the answer that everyone's been waiting for on control of high-rise in San Diego.

Q. Is it a possibility that the city, perhaps the Planning Commission itself, might put an alternative measure on the ballot to oppose this flat height limit of three stories which the initiative petition calls for?

A. The Planning Commission won't do that, because I don't think we have the power. But what the City Council will do, I have no idea.

Q. Is your main objection to the initiative the provision that provides for no exclusions?

A. It's basically too broad-brush an approach to a subject that's very complicated. The Planning Department has spent about six months on the Height-Bulk Study and they've really done some good thinking on it. In my mind, you can have a good building 50 stories high that only covers 15 or 20 percent of the lot and have the rest of the lot greenery and see-through, which is a lot better than having row after row of 30-foot apartment buildings. The height limitation is too permanent. It could only be changed by another ordinance of the people which leaves us very little flexibility.

Q. Do you believe the developers have a political hold over the Planning Commission?

A. Absolutely not.

Q. Do you believe that the initiative has any influence?

A. There is no political hold over the commission. When San Diego, which was about 1950, were not terribly good in San Diego, they were encouraged to build jobs for people and the city. So, of course, they more or less did it that way because it was the easiest thing to do. I don't think it's any longer. I'm not saying that the commission as chairman is to still believe in that, I don't believe in that, San Diego has to grow.

Q. Were you appointed to the Planning Commission?

A. No.

Q. Would you say it was a good idea?

A. I wouldn't say that it is other than the mayor feel able to run a good meeting and intelligent decisions. We want San Diego grow, but we want it to grow and properly planned.

Q. What do you see as the basic conflict between developers and planners?

A. The basic conflict is one of the developers want to push ahead and the planners want to take a step back and intelligently look into it.

Q. Isn't the matter of property rights the bottom of all these disputes between developers and planners?

A. I believe in property rights. It doesn't owe everybody a penny. People who buy agricultural land with the hopes that they

"I believe in property rights, but the city doesn't owe everybody a profit on their land".



for subdivisions, I suppose. But there's no guarantee to anyone. People are coming in and saying I want to go out into North City now, in 1971, even though it's not scheduled in the general plan for urbanization until 1985. That's where you get the conflict between the planners and the land owners.

Q. In every case where there's been a dispute between the planners and developers, haven't the courts almost always upheld the rights of the developer to develop his land to its highest and best use?

A. It is my opinion that you have stated that just backwards. The courts almost always uphold the city. Because unless you can prove that the city's action was capricious, it is very difficult to overturn a decision on land use by the city government, very difficult. And that's why you see so few court cases on rezoning, let's say.

Q. Isn't the problem with the General Plan the one that we have now, the fact that it has no legal standing? Isn't it a fact that the General Plan tells the property owner that he can't do what he wants to with his land?

A. The General Plan is a never be an ordinance, it's possible for any group of citizens to come in and say, well, from now on be the zoning designation for this particular land in the city. Since I'm on the commission it has been for a long time. But there are many cases where the planning staff agrees that the city should do this particular area. Develop it ahead prior to the plan being adopted, just doesn't make sense for a particular piece of land in the city, so they recommend a variances or a special plan.

Q. Do you think that there is any standing that the city has to follow the directive to be followed by the commission?

A. I think it has been. During the election campaign statements by the Planning Commission and the City Council pay no attention to it. I don't think that's true.

Q. In the five-year review of the General Plan, any change in the plan?

A. It's not so much a change as it is to tighten up the plan. It's to examine whether the plan that was adopted back in 1967 are still the goals. Do we want to go out and develop millions of dollars every year in housing and industry to San Diego? That's one of the questions that the commission has by the citizen groups that are asking for an answer. Perhaps the plan since 1967.

Q. Do you think that the commission is such that some pay involved?

A. I'm happy to do it for the city. I think I speak for the rest of the city. It's a civic duty we love to do. I don't think we're going to be paid, not ask for any.



I know how the promoters of limiting proper taxes get their figures.

COMMUNISM and TOTALITARIAN

by ANN WATSON

Ann Watson is a native of Vienna, Austria and is now an American Citizen. She graduated from the University of Vienna and the International School for Interpreters.

At the present time she is a language instructor for the San Diego Community Colleges, (Department of Adult education).

(See page 23 for information about her new book,
"They Came in Peace")

Whenever the Bolsheviks have attempted to nationalize the land, which in 1917 they had instructed the peasants to wrest from their landlords and divide among themselves, thousands of small holders (Kulaks, each with a few acres of land and some livestock) have been exiled or shot. During three different periods the 'comrades' in the cities were threatened with famine and experienced famine because of the antagonism of the farmers to the Bolshevik regime. Again and again the Red army was sent into the farm areas to confiscate whatever small hoards of foodstuffs could be found. By every form of resistance the workers and farmers have tried to wreck the Bolshevik economic system, yet today, despite the many years of incredibly brutal penalties, the saboteurs are so numerous in Russia that the system can be kept going only by having the agents of the government periodically shoot a few officials, farmers,

and workers as a whole so others. This is called in Paradise.

To a student of history and the experience of the Communist and other parts of the world, the experience of the Communist is a small group of zealous revolutionaries; install themselves and rule the people by a command; but there are habits and desires which come from the mind of the tenacious being the love of the desire to own property, like the reward of his efforts have been made by communists and also convince the workers that they rewards if they will all wealth, pass it on to the S



Ann Watson is a dedicated anti-communist who has appeared in this zine three times before. The first article reviewed events in the which show dangerous trends toward socialism and loss of freedom, the second exposed the farce of 'Socialist Plenty' in Russia, particularly with respect to housing. The third described some of the events even up to the revolution in Russia.

In this article she explores the philosophy of communism and socialism ----- The thought processes of dictators and would-be from Caesar to Castro. It is 'must' reading for everyone who wishes to serve our heritage, freedom, and way of life.

'the full product of their toil' returned to them. They may believe this at first but later when they find out how much they have been cheated they are no longer willing to support the State.

HITLER'S ECONOMIC CHAOS

After Hitler was nominated Reich Chancellor in 1933 he succeeded in a short time in eliminating all organs of the Reich and turned the republic into a formless despotism. Hitler promised full employment, financial security, and a better life on the basis of 'Socialist Plenty'. At first it looked as if Hitler's economic policies were really successful in bringing better living conditions to the German people. However, this brief period of improvement was soon replaced by economic chaos.

By 1939 the German people were hungry and food was only available with ration cards or on the black market. Everybody was beginning to feel the full fury of a German food industry gone chemical-crazy. Sugar was made out of fir-wood pulp, sausage out of beechwood pulp and the beer was a brew made of whey that had a bad odor. Yeast was made out of a chemical, and marmalade was colored to fool people into thinking it was the real thing. The same for butter, except that the coloring matter here also contained a vile and indigestible substance poisonous to the liver. Everyone's eyes were yellow.....Canned vegetables

were artificially colored. impossible to get and every form and variety of bread was pulpy and clay. Shoes turned into a sodden after a half hour's walking made out of paper, etc.

FAIR PROMISES

One should trick children with promises. -Dickens

It is a general popular complaint of the loudest complainers for the most anxious for its Burke.

Promises are an important element of all revolutionist's baits to attract the hungry not satisfied with conditions. The most astute political revolutionists have always been complainers for the public fact, observable in all ages who have been the most victims of the revolution have also been victims.

PLEDGES NOT RELIABLE

One of the most oft-repeated story is that when a complainer has captured the State, he

outwit those who have helped him. It has never been safe to rely upon the pledges, oaths and covenants of those who seek supreme power. These statements are not mere assertions. It is difficult if not impossible to find a single successful revolutionist who did not begin his career as a demagogue and end it as a despot. Caesar, the haughty conqueror, was an astute politician, an habitual complainer for the public and a professional democrat. He had for many years been the most ruthless antagonist of the Roman aristocrats. As the head of a great army, he could probably have subdued the country without making any promises, nevertheless he snared the masses by a program which was almost identical with the one used nearly two thousand years later by Lenin. Caesar pledged himself to the abolition of debts, the confiscation of the property of those who had worked to acquire land and possessions, the allotment of lands to the soldiers, and the provision of work and bread to the hungry and unemployed. Lenin, as we know, promised the masses work, bread, peace, land and the factories. Hitler promised work and bread, while Mussolini offered work and glory. In other words a despotic government cuts off wealth at its source. All successful Revolutionists have been adored by the populace as long as they were making promises. When these promises were not fulfilled they were then hated by the people. And yet no matter what the promises, the poor are always with us. No matter what the programs are, nor what they do, the inequalities and iniquities which afflict humanity outlast all the revolutions. Promises of perfect justice, abiding peace, complete liberty, universal equality, fraternity, work, land, and the abundant life are, however, only a part of the revolutionist's technique for acquiring power. In reality these have never been the aims of the revolution. The real aims have always been as they are now, to capture the State. With it firmly in their hands, everything may be made their own--the corn, the cattle, the land, and the bodies and souls of the people.

MARX FAVORED EXTERMINATION

Marx condemned capitalism mainly because it

was, as he thought, increased the masses. In his opinion inherent in the system. maintained, the political aggressive capitalists; the best tools for clamping up chains of wage slavery. tants of the revolution be- fused to admit that con- since 1847 and that the making the most rapid and in the material well-being those in which democracy where capitalism had beer est liberty to create indust commerce.

The achievements of a fi democratic States in impi of living among the mass the communists and when Russian State fell into th not content with having rid but immediately organized terminate republics, democ ism wherever they existed world.

Under the banner of th cils, of the revolutionar and the dictatorship o under the banner of the T workers of all countries,

Ending with these words, a manifesto was issued c rulers of Russia intend to communism into every coun is, in most aspects, a f economics of a free societ were determined that no should be permitted to sur image of the bourgeoisie. said that most of the pe lower income bracket - th countries that have chang to socialism have lived and dition which Americans utter destitution.

Lenin, Mussolini and Hitle olution and masters of g

wonder they have always despised the millions of industrialists and shopkeepers with their small armies of workmen, petty profits and parochial outlook. What Rockefeller or Ford ever dreamed of subjecting to his will the lives and property of all the people in a nation? Bernard Shaw expressed on every possible occasion the contempt which these potentates of revolution have for middle-class religion, middle-class morality, middle-class family life, middle-class professions and so on in many of his books. There is nothing middle-class in the modern dictators. They play only for the highest stakes and when they win they sweep into their hands the entire pot--the State, the Church, the land, the industries, the schools, the press, the banks, radio and television and the people themselves. In their view, the naughty capitalists resemble a circle of little boys playing craps for pennies, with one of their number placed in position to watch for the policeman. When the revolutionists win the policemen belong to them.

WIPE OUT MIDDLE CLASS

The middle class has to be wiped out-has to be rendered helpless!

IT IS ALSO ADVANTAGEOUS FOR A TYRANNY THAT ALL THOSE WHO ARE UNDER IT SHOULD BE OPPRESSED WITH POVERTY....AND THAT BEING EMPLOYED IN PROCURING THEIR DAILY BREAD, THEY MAY HAVE NO LEISURE TO CONSPIRE AGAINST TYRANTS.

---ARISTOTLE

With the ruin of the middle class came the ruin of the working class; and the support for the new brood of Caesars which then arrived upon the scene came mainly from the unemployed and from those who had become half-demented by the loss of their property and their battles with hunger and disease. In Italy Mussolini formed his legions out of this material and in Germany Hitler's Storm Troopers came from the same elements. Napoleon, Lenin and Hitler arose to power during periods of anarchy of varying degrees and all three

had seen the currencies become worthless. The classes had become impoverished in Russia, France, and a new class of speculators in three countries but they were in government. They were in so far as they could, profiteers became the object and it is never difficult to strike down those who are responsible for a rapidly rising price level. Let me repeat: seditions were against things, not for things, they were against those who had property by inflation, devaluation, and confiscation. And this is the lesson of 1972. If the people learn the simple lesson in economics that those who talk about sharing the wealth will share the same fate as did in countries before them.

The sovereign power in a democracy rests in the hands of the people. The sovereign power in a democracy rests in the hands of the voters. The people would enable the people, if properly employed, to make this world the poor make this world the poor consumers want drugs that who will find ways to get want criminals to run their will be found to undertake consumers will decide to have a government administered by bands of competent servants of the people. In a democracy the people want. In a despotism, the fate of the people of the State. In a true democracy both politicians and capitalists are in the hands of the people. Caution those who advocate 'People's' to be sure of their words of Cicero:

I KNOW FROM WHOM I KNOWING TO WHOM I

The Williamson Act of 1965 has been discussed pro and con since its

It is time to analyze how well or how badly the act is working and if it is as was meant to do.

For that analysis Dr Ronald B. Welch, Assistant Executive Secretary, Pl Board of Equalization, was asked to testify before the Assembly Revenue Committee in Sacramento on November 19, 1971.

This article is his testimony before that committee.

Williamson Act of 1965

by Ronald B. Welch

Mr. Chairman and Gentlemen:

You have asked me several questions relating to the Williamson Act. Some of these I can answer with special expertise because we have just completed our annual survey of acreage in the open-space lands program. Others I will answer with only such expertise as is acquired by an economist with 40 years of experience in property tax assessment research and administration.

I will read each of your questions and answer it as best I can.

1. Do you agree that there is a need for preservation of agricultural lands or open space?

I certainly do! I think that the problem of

overcrowding, exhausting sources, and eventually extinction is the most serious. Generations will have to think, however, that this should be solved by collateral at incentives to owners of

* Ph. D., Yale University,

Research Director, National Assessing Officers, 1936-

Chief, Division of Research, California Board of Equalization

Secretary, National Tax Association

Assistant Executive Secretary of Equalization, 1958 to Date

It should be faced head-on by means of population controls. Reducing the taxes of open-space landowners is at best a palliative. If this palliative were to be mistaken for a cure for the loss of open-space land, it would be worse than nothing, for it would defer the adoption of more effective devices. Open space is not eaten up by taxes; it is eaten up by people.

Reducing taxes on open-space will not change the demand for subdivision land. But it will curtail the supply of subdivision land somewhat by making it more profitable to retain land in open-space uses. This curtailment of the supply will raise the price that subdividers have to pay for land and will force them to use land more sparingly by building up instead of out; town-houses, fourplexes, etc., instead of detached housing; cluster housing instead of conventional houses with their own open spaces; and houses on small lots rather than country estates.

SUPPLY AND DEMAND

If tax incentives could be devised that would direct population growth to areas that have little agricultural or scenic value, they would serve a much more useful purpose than they now serve. The owners of 179,552 acres of nonprime farm land in Glenn County are enjoying assessments of their land as open space this fiscal year. Without having inspected this land, I will venture the opinion that no conceivable tax burden would force it into subdivisions; there is simply no demand for subdivisions in western Glenn County. The same thing is true of the dry foothills of eastern Fresno County and much of the San Joaquin Valley land that is coming under irrigation as the California Water Plan is nearing completion. The highest and best use of this land is for farming, and a tax break will do little or nothing to change its use. Whatever can be said for California's open-space lands program as a tax equity measure, one cannot realistically argue that the program has contributed much to land conservation. When the program was opened to nonprime land while the law was moving through the Legislature in 1965, it lost much of the land con-

servation flavor that I tasted version.

2. What are your views on tation of the Williamso effectiveness of the pro

As a tax-reduction measure the Williamson Act has been though nowhere near as effective would be if it were state-f now been implemented in counties. Over 9½ million one-fourth of all the agricultural the State--came under the receive preferential assessment. The preferential assessment assessed values of land un about one-half.

LIMITED EFFECTIVENESS

As a land conservation measure act has been of limited effectiveness two major reasons: (1) the opened to any open-space county supervisors were whether it was land that should as open-space land or land to be used to absorb our growth (2) its administration is entrusted to city and county officials v cal office. I have already first of these reasons; the elaboration.

The open-space program is a form of planning in which the of supervisors (or city county first step by delineating 'a serves.' But good planning d county boundaries. I recall popularity of regional and state agencies, but I believe they we are to have a truly effective preserving our rich agricultural areas.

UNENFORCEABLE CLAUS

I am concerned about the county officials have adopted open-space program. You may State Board of Equalization

from issuing rules on assessment of land in the open-space program from 1967 through 1969. When the ban was lifted and we first began to inquire into the instruments that county officials had signed under the ostensible authority of the Williamson Act, we were surprised to find that many of what the act calls 'agreements' contained unenforceable clauses that purported to provide modes of taxation not authorized by the Legislature. Furthermore, we found that the agreements written in most counties were less restrictive than what the act calls 'contracts' and were therefore not entitled, under the terms of the Revenue and Taxation Code, to assessment by the formula set out in Section 423 of the code, but were nevertheless being assessed by that formula without exception. Even after the Williamson Act was amended so that only 'contracts' could be written after November 9, 1969, a good many counties continued to write what amounted to 'agreements' rather than 'contracts'--agreements of a type which did not qualify the land for the assessment formula in Section 423 of the Revenue and Taxation Code.

STATE BOARD ADOPTS RULE

One wonders whether the county supervisors were receiving bad advice from their county counsels or were ignoring that advice. Whichever the explanation, it seemed clear to us that property owners were entering into arrangements which they thought entitled them to a substantial tax break. So the State Board of Equalization, with the apparent concurrence of virtually everyone who expressed an opinion on the subject, adopted a rule that gave the counties and the landowners a grace period of one year in which to straighten matters out. This period expired on May 15, 1971, except in Sonoma County, where it expires by legislative action on March 1, 1972. While I do not know for sure at this moment, it is my impression that a good many of the instruments in both the 'agreement' and the 'contract' categories were not conformed to the requirements of both the Williamson Act and the Revenue and Taxation Code. Although we have issued a rule which tells the assessors how the law requires that

they assess land subjecting instruments, we are surprised if we find that assessors urged us no given less than enthusiastic application.

CONSIDERABLE DISPARITY

All of the foregoing remarks support my assertion that the taxation of the Williamson Act is a source of considerable disparities and in many cases of the act. I am convinced that the supervisors are acting on their 'faith' in the inclusion of land at its market value currently yielding a return on that value is inequitable. A fundamental right of make their fortunes out of land use from agricultural waste land into subdivisions.

OVERT VIOLATIONS

One swallow does not make a summer. Here is an illustration of an infrequently but on occasions. A property owner in Area counties signed a contract. Shortly after he sold his property to the county, the county joined parcel that is subdivided, but consummated the contract. The board of supervisors conditioned upon release the contract. The proper board of supervisors argued that he had no benefits from the contract had inadvertently put the land at 25 percent of market value, tending to put through the contract. The board of supervisors' opinion when the matter was taken up, it took the matter under the contract, according to the news eventually released the proper board of supervisors by a unanimous explanation. This is to be an overt violation of the Williamson Act.

3. To your knowledge, have any studies been performed on the revenue foregone by stream-of-income assessment?

Yes, Senator Danielson asked assessors to provide such figures a little over a year ago. He received replies to this question from all but 4 of the 38 counties that had implemented the Land Conservation Act. We estimated the amounts the four nonresponding assessors would have reported had they responded; we changed the obviously incorrect report of one assessor; and we came up with a total of \$23-2/3 million.

But I suspect that this figure is excessive. It would be a tremendous job to estimate the foregone revenue realistically. When the tax base went down (or failed to rise) because land was assessed by the formula prescribed for open-space, the county and some of its local governments raised their tax rates. To apply these higher rates to the assessed value that was lost produces an excessive estimate of lost taxes. The only revenue that was clearly lost was that of local governments--school districts, for example--which could not compensate for a lower tax base by means of a higher rate. Of course there is no means of knowing to what extent revenue was foregone by those local governments whose governing boards had the power to raise tax rates but didn't exercise it.

NINE AND ONE HALF MILLION ACRES

We recently asked assessors for any readily available figures on the unrestricted and restricted assessed values of land in the open space program. Thirty assessors were able to respond to this request. The average reduction in assessed value indicated by these responses was \$50 an acre. Because we do not know how much tax rates were increased by reason of this loss in tax base, we do not know what average rate to apply to this \$50-per-acre reduction to estimate foregone taxes, but we judge a rate of \$8 to \$8.50 would be fairly close. The indicated tax foregone is therefore \$4 to \$4.25 an acre, or \$38 1/4 to \$40 1/2 million for the 9,562,706 acres that received preferential assessment for the 1971-72 fiscal year.

4. Is there a need for stat to local government of and, if so, should ther criteria as to the natu classification of lands under the act?

There is such a need, but I know how to accomodate it.

Through its school equaliza the State is already funding foregone by school districts last year that this state fu to between \$5 million and it is probably between \$8 a this year. There is still p as \$30 million of foregone not state-funded.

There are two big problems i First, there is the question pute foregone taxes or a simile thereof. Second, th lem that will arise if the visors' and city councilm against admitting land to unduly relaxed. I will di question asked me by disc of these problems before gr second.

FIRST METHOD

Three different means of st been considered by the Le most obvious one is to ha put two values on each piec land--the assessed value have if it were not eligible under Section 423 of the Re ation Code and the assessed by the Section 423 formula. method totally unacceptable. First, the higher of these tw difficult to estimate, and it controlled only by the a science.

Why is it difficult to esti much of the land that has be the Williamson Act is also agricultural zoning, and it i

guess whether the zoning would be changed at once or within the near future were the land not under the act. And why is the upper limit controlled only by the assessor's conscience? Because the landowner would actually prefer to have his land overvalued since a higher figure would produce more state aid for his local governments and lower his tax rate but would have no effect on the taxable value of his land.

The taxable assessed value, the lower of the two figures, is also difficult to estimate --in fact, I can say in all seriousness is impossible to estimate. I would expect you to view that statement with some skepticism but let me assure you that it is true. The reason is that the law tells the assessor to put into the rate at which the income from open-space land is capitalized a risk rate, and there is no way known to man by which a 'correct' risk rate can be determined. Therefore, the lower limit of the taxable value, too, is controlled only by the assessor's conscience. The landowner will be glad to have the taxable value reduced as far as possible. If the State makes up the difference between the tax on the two values the county has nothing to lose, and state aid to gain, by keeping the taxable value low. Lest someone think that the State Board of Equalization is seeking the job of policing this type of state funding, let me assure you that I consider it incapable of policing.

SECOND METHOD

The second state-funding method that has been suggested is for the State to pay all or part of the tax on the difference between the last assessed value before the land entered the open-space program and the current assessed value of the land under the open-space program. Those who have suggested this type of state-funding have generally proposed that the State pay only 75 or 80 percent of the tax on this difference. This partial payment is a wise precaution; otherwise county officials are tempted to keep the current assessed values as low as possible and let the State pick up the check.

This funding method is relatively unfavor-

able to counties which in the Lammson Act at an early assessment of farm lands get more than they are now. It is more favorable to a county whose former assessor kept assessments unreasonably low. When a county entered the open-space program, as time passes, the value of the land becomes less and less relevant, and it is impossible to determine the value of accuracy as parcels are sold but not all of them are sold. This is a problem.

This funding method is more difficult to police than the first method. One of the two 'values' on which the funding is computed is the 'value' on which the assessed value is predicated. It is possible to put a self-police on this method by requiring the county to pay up only a fraction of the tax on the value which is not available with the first method because the upper limit cannot be made.

THIRD METHOD

The third method of state funding has been proposed is a partial payment. Since taxes foregone per acre are higher on prime land than on open-space land, the proposed payment would be times as high for the former as for the latter --\$3 versus \$1 in most units of the State. These rates would be applicable in the current funding. They have cost the State close to \$30 million and would have funded a fourth of the \$30 million of the open-space program already funded by the State tax equalization aid program.

ALREADY RELAXED ATTITUDE

I began my answer to this question by saying that there are two big problems in the funding of taxes foregone on open-space lands. I have now completed the first problem--the me-

foregone taxes. The second problem is the danger of relaxing whatever inhibitions local officials now have against unduly expanding the open-space program. To one who believes that the Williamson Act has powerful land-conservation effects, this may not seem to be a problem. But, having seen the already relaxed attitudes of many local officials, I do not view further relaxation with complacency. I therefore respond to the last part of the question put to me by saying that, if the State funds all or more of the program than it now funds, not only more careful legislative definition of land that is eligible for the open-space program is needed, but the State should participate in the administration of the program.

SCHOOL BOARDS DON'T PARTICIPATE

You might wish to consider state funding of school district tax losses only. The loss of county and city taxes is seldom very high in percentage terms. According to responses from 30 assessors to our recent inquiry, the percentage decreases in county tax bases attributable to the open-space program ranged from 0.15 percent in Santa Cruz County to 16.06 percent in Kings County; the median percentage drop was 1.74 percent. While we do not have comparable percentages for other units of local governments, it is obvious that they are very much lower for cities and that the range from low to high is very much wider for school districts. Since cities and counties are administrators of the act—the decision-makers as to its implementation and scope—it is only proper that they should assume some of the financial responsibility. School boards, on the other hand, play no official role in the decision-making.

Neither, for that matter, is the decision-making shared with the boards of independent fire districts, park districts, and the like. However, so many kinds of special districts are governed by county boards of supervisors that it seems preferable to me to treat all of them as arms of the county governments. Admittedly, the most horrible examples of high tax rates in tax-rate ('code') areas that contain considerable

land assessed as open space are attributable to the \$59.75 per acre the Hacienda Water District. If there are many such cases, some action might need modification of the Williamson Act by local governments except in cities.

5. Do you favor retention of the present form?

The Board of Equalization is concerned with most of the act, so we have only one amendment of it in our legislation. This amendment relates to the sections that require assessors to produce the data that we need. The two sections and neither is worded in a way to produce the data that we need. We have given the sections a new title, but we would like to change our practice.

In general, I believe the act poses most legislation that is hard to get into the program and hard to get out. We believe the act makes it easy to go in to get out. We believe the difference between land in the program and land not in the program must be the act is to have any effect for its purpose. At the same time, the act that big differences create between those whose land is in the program and those whose land is not in the program, for contracts and those who have not tendered, were rejected. We are not free from this dilemma.

6. Do you have any alternatives to suggest?

For reasons previously stated, the Board of Equalization has not considered any alternative to the Williamson Act. During its legislative session last week the Board asked the Legislature to act within the next 45 days to pass an act that might be advocated by the Board in preparation of the next session. I would like to reveal some alternatives for consideration. At this time I am not sure of policy alternatives to

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