

EARL W. TATE
MEMBER, BOARD OF TRUSTEES, YUCCA DISTRICT NO.13
MOHAVE COUNTY, ARIZONA. —

Feb. 6, 1954.

Hon. C.H. Marion,
Ways & Means Committee,
House of Representatives,
Phoenix, Arizona.

Dear Sir:

I have just filled out the questionnaire which you sent to the Yucca school to ascertain the importance of Veterans' and Widows' exemptions on the School District taxes. However, due to the fact that few of our school children are from the homes of either Veterans or widows and less than 1% of the property in the District belongs to either, the answers will not fit into the picture which you are evidently attempting to form.

Our assessed valuation is \$1,973,896.00, nearly all from The Sante Fe, the El Paso Natural Gas Co., and three small mines in the District. The School tax rate is \$0.1746 per hundred dollars. It would be about half that rate but I built new rest rooms last fall out of the seventeen cents.

From the trend of your questionnaire it would appear that you are attempting to prove that the high school taxes are the result of Veterans' and widows' exemptions. Since these exemptions are by Constitution Amendment and can be voided only by another Amendment, which I do not believe would carry, why not try to correct the administration of the present laws.

According to the Phoenix papers, where school taxes are inordinately high in all metropolitan Districts, there are blocks and blocks wholly occupied and owned by Veterans who pay no school taxes. Now, either the reporters are wrong, or, if their stories are correct, the Assessor's office is lax. Investigation will show that ninety some odd percent of these homes are community property. There is no law exempting the wife's share of community property and these Veterans should be paying half taxes. Are they?

According to my informants, Maricopa County values property at some 24% for tax purposes against 29% in Mohave County. Has your Committee found out how many exemptees this extra five percent in assessed value would be over the five thousand mark and have no exemption. Does the Assessor's office when appraising a Veteran's property add the worth of his car, truck, trailer, and other personal property to the value of his real property in establishing whether he is entitled to any exemption? When the Veteran fills out his exemption card does the clerk try to ascertain whether any of the property listed is community property? Is the Legislature (in this election year) willing to pass a law requiring the Veteran to state under oath that part of the property listed on his exemption card which is community property and what part is not? Has your Committee investigated to learn if some assessors make a practice of giving Veterans two thousand dollars exemption even when their total valuation is more than five thousand?

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I understand that part of the motor vehicle "in lieu" taxes go into the school funds. I have two cars, one in my name and the other in the name of my wife and myself. When I buy license plates the clerk gives me total exemption on one car and one-half exemption on the other. Yet both are community property. This is the practice all over the state because of laxness. The taxes lost on community owned cars and trucks in the state must amount to a very great deal of money. Has your Committee investigated this phase of exemptions?

The Phoenix newspapers quite often tell of large real estate transactions, often mentioning the high prices brought by the property sold. Have you checked any of these properties to learn if the valuation for tax purposes is too low? You will have to withstand attacks from many sources if you do this as it may cause a deflationary effect on business real estate.

Recently I was instrumental in negotiation between a ranch owner and a large motor manufacturer on desert grazing lands, needed by the manufacturer for a Proving Ground. I offered five dollars per acre, the rancher asked more. "The land is only assessed at seventy-five cents per acre," I told him. "What the land is assessed at is the business of your county but what I sell it for is my business," he replied. Land assessed for seventy-five cents was sold for fifteen dollars per acre. County officials tell me that nothing can be done about grazing land assessments because they are rigid and are set by the State Tax Commission. Another case: A mining engineer wanted a certain state section of land because the entire section was underlain with manganese ore. He could not buy it from the state because the state is not allowed to sell mineral land. So, he got the federal government to trade the state another section for it and then bought the section from the U.S. Land Department as a remote section. It has been core drilled by the U.S. Bureau of Mines and by private enterprise and found to contain millions of tons of manganese ore. It is taxed on a valuation of seventy-five cents per acre instead of twenty-five dollars, the regular valuation set in this county for mineral lands. The difference between a sixteen thousand dollar valuation and four hundred eighty saves the owner a nice piece of change. Yet, the county says they can do nothing to remedy the situation.

I suggest that your Committee hire an appraiser, and beginning in Phoenix where most of the howl is coming from, and make a spot survey of Veterans' exemptions. Go to different blocks, find out what the Veteran paid for his home, value of subsequent improvements, value of furniture, cars (should be added to the total of other property), and other personal property to find out what his total valuation should be. Then check the assessor's office to find out the status of the exemption there. Also be sure to check some of the business and professional men who are veterans and live in homes worth fifteen to twenty-five thousand dollars and find out if they are getting any exemption. After you get the facts in Phoenix, spot check other parts of the state. Your findings may amaze the people of Arizona.

The Constitution of Arizona provides that churches and other non-profit charitable organizations may be given exemption from

CONCLUDED ON THE NEXT SHEET

taxes on property owned and use for non-profitable purposes. Has your Committee investigated to learn how many of these organizations have property which they rent out or which otherwise brings them an income?

It would appear to this observer that certain state officials, those who are crying loudest about tax equalization, are perhaps aiming their guns at the Railroads, the copper mines, and the El Paso Natural Gas Co. And Phoenix taxpayers probably would like for these outfits to pay part of their high school taxes. However, before any such attempt, why not try to plug the loop holes in the present methods of valuation and tax collecting.

I do not see how Veteran's organizations could honestly fight against the above suggestions. They should feel that only Veterans entitled to exemptions should get them.

I am sending a copy of this letter to Sen. Earle W. Cook, Rep. Robert Morrow, and to Gov. Howard Pyle. As a democratic precinct committeeman and vice-chairman of the Democratic Central Committee of Mohave County, I believe that both of our legislators will support any honest attempt to remedy taxation ills. I shall urge them to do so.

Respectfully Yours,

Earl W. Tate