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## STATE CONFERENCES ON TAXATION

BY EDWARD L. HEYDECKER

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State Conferences on Taxation of New York

We have held a second annual state conference on taxation in New York and have unanimously provided for the calling of the third annual conference at Binghamton in January next. It is too early as yet to refer to an annual state conference as an established institution, but there is every indication from the numbers in attendance, the interest shown, and the good which has resulted, that the state conference on taxation in New York will continue to be an annual affair and a factor of considerable importance in tax legislation in that state.

The second conference was held at Buffalo on January 9, 10 and 11, 1912. The invitation to the conference followed the same lines as the invitation to the first conference at Utica, and was in all respects a very close copy of the conferences of the National Tax Association. Invitations to appoint one or more delegates were extended to the state officials whose work is in any way connected with the assessment or collection of taxes, to the county treasurers, the county boards of supervisors, to the mayors of cities, the controllers or city treasurers, the city boards of assessors, to the presidents of villages, and the village assessors and to the town assessors. In like manner invitations were extended to the universities of the state, chambers of commerce, boards of trade and all organizations state-wide in character and interested in tax matters. Care was taken in the invitation to explain that a group of delegates, no matter what their size, representing any official board, municipality or organization, should have but one vote. In this way the conference was carefully preserved against being over-weighted by delegates from places in the vicinity, or by delegates from the richer and

more powerful cities or counties which could afford to send large delegations and pay their expenses.

One hundred and eighty-nine delegates and visitors were registered at the conference, a large increase over the attendance at the first conference at Utica. All parts of the state were represented. The committee on resolutions of twenty-seven members was made up of representatives of the first, second and third class cities, the counties, the villages and towns, universities and boards of trade, and was thoroughly representative of the general body of delegates.

The papers presented dealt chiefly with problems of local assessment work and with the confusion and inequality resulting from the multiplicity of taxing and collecting districts. They called forth a lively and interesting discussion and resulted in an interchange of practical experience by assessing officials, that was most helpful and which, in many instances, furnished the solution to problems which had been confronting individual assessors.

The round table session was as fully attended as the round table of this association, and the searching questions, the quick answer and the lively earnest debate were as much in evidence there as here.

The conference appointed three delegates as a committee on legislation to draft and present bills to the legislature to carry out the recommendations embodied in the resolutions. The committee drafted and caused to be introduced a series of bills. Two of these were passed and became law. Several of the bills dealt with the difficult problem of consolidating the work of assessment for various taxes in the hands of one set of assessors, and consolidating collection of taxes for the different taxing districts of a town in the hands of one collector.

It is difficult for anyone outside of the state of New York to appreciate that outside of the cities there are three different boards of assessors, assessing the same property, and three different collectors, collecting taxes assessed against the same property. Yet this is a fact. Each town (i. e. township) has its board of assessors, each village within the town has its board of assessors and each school district has a separate board

of assessors. There is a town collector who collects the taxes for the state, county and town purposes, a village collector who collects for village purposes and a school district collector who collects the school money. The assessments fall at different times of the year and the collections are at varying dates, but never on the same dates. The bills prepared by the committee to remedy this situation were not pressed for passage for two reasons. First: the shortness of the session, and second, the feeling that the changes involved were so great that sufficient time had not been given for discussion and consideration.

Copies of these bills were sent to all who attended the state tax conferences and to the officials whose duties would be affected by the proposed changes and their co-operation in amending and revising these bills has been invited.

To amend the tax law in New York is not an easy task. The method pursued has been, first, to discuss the need of a change at our state conference and to ascertain the views of those present by a resolution dealing with the principle or theory of the proposed change, but without any attempt to decide the details; second, to have bills drafted by the representatives of the conference; third, to have the bills introduced and printed; fourth, to send printed copies of the bills throughout the state to all who will be affected by them; fifth, to have a hearing before the committee of the legislature to which the bill has been referred and on such hearing to accept and embody in the bill all suggested amendments which tend to improve the bill; and finally to unite in one general request to the legislature to pass the perfected bill.

It is believed that the bills for the consolidation of the work of assessment and collection will have been sufficiently studied and improved by the next conference to be in shape to present and press for passage in the next legislature.

The work of the first conference at Utica in 1911 produced many changes in the tax law, changes which naturally became operative in 1912. Among these changes was a complete revision of the form of the assessment roll. In the cities the separate assessments of land and improvements was required; in the rural districts real property was required to be put in one

part of the roll and personalty in another part. Furthermore, the description of each separately assessed parcel of realty was required with sufficient accuracy to be readily identified.

These changes met with some opposition from the old assessors. This was quite natural for it is no longer possible to make an assessment by copying the old roll. A new roll and an actual assessment, be it good or bad, must be made.

According to the best information at this date, one result of the change in the form of the roll will be a substantial increase in the total of assessed values, particularly in the cities.

The spirit of the state conference is discussion and co-operation. One of the most gratifying results of these conferences has been a movement to bring together the assessors within each county for similar discussion and co-operation. One county, Chemung, has already progressed to the point where it has organized an association of assessors, comprising all the city and town assessors and having among its objects the unification of assessment methods and equalization of values throughout the county. We may hope that Chemung will not long be the only county with such an association and when we have a similar organization in each county, as adjuncts to the state conference, and the state conference in its turn, aided by our national conference, we may with some reasonable confidence, look forward to a steady, persistent revision of the New York tax law, in the direction of efficient administration and accurate and scientific assessment of property, to the great gain of the taxpayer and the community.

### *Connecticut*

In Connecticut a conference of assessors and boards of review was called by Tax Commissioner Corbin on March 12th, 1912. It was confined to two sessions held on one day. Town assessors and members of town boards of review were invited and the attendance was large and was representative of all parts of the state, but the invitations were limited to officials, and there were no representatives of business organizations or of taxpayers generally. The papers read were by local officials and dealt with the practical questions of tax administra-

tion. They presented many valuable points and the discussion following each paper showed the keen interest of all present in such matters. The writer was invited and spoke on the subject of "Tax Maps." A map prepared in accordance with the suggestions of the paper was exhibited and will be filled in as to form boundaries and areas by the assessor of the town of Simsbury and shown at the next conference. A committee of eight with Commissioner Corbin *ex officio*, was appointed to call another meeting, prepare a program and draft legislation for needed changes in the law.

Following this meeting on April 20th, was the meeting of the tax collectors' association of Connecticut, at which there were papers which, while dealing chiefly with the collection of taxes, nevertheless in many points, touched upon the assessment for taxes, and also contained suggestions for new legislation.

With these two meetings, it would seem that Connecticut tax officials intend each year to study the theories of taxation, the problems of administration and to seek changes that will improve the law. As Connecticut is one of the New England states, under the town government plan, it will be interesting to follow the effect of the action of such a conference upon the next legislature. To a far greater extent than in many other states, the local officials have a freedom of action and an absence of set forms, so that they can, in many instances, carry out suggestions for improvement and change without the necessity of seeking a change in the text of the statute.

## DISCUSSION—STATE CONFERENCES

MR. W. D. T. TREFRY (Massachusetts): Mr. Chairman and Gentlemen—I did not come prepared to make any specific report of the cities or of that meeting. It was called in rather an informal way, and was intended to include the tax officials of the New England states. Notices were sent out and a program prepared which had for its permanent object the comparison of the different methods—the practical methods of the working laws of the different New England states. It brought out a great deal of discussion, various discussion, and the comparison of the different methods was of great benefit to the members who were present. It was of sufficient interest to every one to result in the formation of an association, and I trust that the next meeting of the association will be as well attended as the last meeting and will be productive of as good results. Whether it will be permanent or not I presume remains yet to be determined. But the practical value of all such organizations and of all such meetings lies in the fact that officials have the opportunity of coming together and comparing at first hand the methods of administration of diverse laws of the different states upon practically the same subject, or the administration of laws upon different subjects. If that is done in the correct spirit much good must come from it, and I know that much good did come from it in our case. As to any specific result of course I am not prepared at the present time to report. We did pass some resolutions which went upon record, but that record I have not here with me today.

THE CHAIRMAN: We have with us a member of the New Jersey special tax commission, Mr. McAllister, and we would be glad to hear from him about the meeting of the New Jersey boards of assessors.

MR. ALBERT R. MCALLISTER (New Jersey): Members of the association. As many of you know, we have a system of equalization in which we make the county the unit. The county

board of supervisors is called the county board of taxation, and each county has three members and a secretary. It is the duty of the county board to supervise the work of the various assessors in their respective districts. In past years there has been more or less opposition by taxpayers and others, principally others, to the county boards, the claim being that the office was a needless expense, inasmuch as the county boards superseded or succeeded the boards of appeal, and did no better work. The board of appeal consisted of men who practically gave their time—just a nominal salary, and the present boards are paid salaries ranging from \$1,000 to \$3,000 per man, depending upon the size of the county.

During the last four or five years, many members have been elected to the respective branches of the legislature upon a platform, that they would vote to repeal the county boards of taxation. In some instances, men that otherwise would not have been there, and who should not have been there, have succeeded in being elected. Fortunately, they have been unable to have such a bill passed, for the reason that no substitute was proposed, and the average man wants to know where he is going to stable his horse before he destroys his stable.

During the present year, there was appointed a tax commission to investigate the methods of taxation throughout the state. Lately the county boards have endeavored not only to make their positions more secure, but have endeavored to make their work more nearly what it should be. A few weeks since the members of the several county boards of taxation met at the capital and organized a state organization of county tax boards. The purposes of this organization are to equalize the values in the several taxing districts each with the other, as it has been found that in adjoining taxing districts where lands are the same that tax values have differed as much as thirty-three and one third per cent. It is also proposed to have frequent conferences of the members of the several boards in order that proper standards of value shall be used by the county boards in each of said several taxing districts.

A legislative committee has been appointed, whose duties will be to take up with the legislature such measures as the



county boards deem essential to a proper equalization of taxes in the entire state. They formed this association on their own initiative, and they are intelligently taking up the many matters that enter into a broad equalization of state taxes. Much of the opposition to the county boards has been overcome, because many boards have accomplished very good work, while on the other hand, there is some counties still much work to be done. The system of county boards of taxation is a good one, but the results obtained are necessarily dependent upon the calibre of the appointees.

The present commission will be taken up specially by another member, as I understand, on a later day, and, therefore, the work that we have done, I will not attempt to go into. I thank you all for the opportunity of saying these few words. (Applause.)

MR. A. S. DUDLEY (Wisconsin): May I ask the gentleman who has just taken his seat whether, in New Jersey, there are twenty-one separate assessing boards whose action is final? That is, is there no board of equalization that has jurisdiction over the twenty-one county boards.

MR. McALLISTER: In answer to that question I might say that there is a state board of taxation, and appeals are taken from the assessors' valuation to the county board, and from the county board to the state board.

MR. DUDLEY: Isn't the assessment of the state board, the equalization of the state board, the final assessment figure for the state?

MR. McALLISTER: Yes; of course the matters can be taken up to the supreme court.

MR. DUDLEY: Has your state a board of equalization, or is there another state board that also assesses certain corporate property, as railroad property?

MR. McALLISTER: Yes, state board of assessors.

MR. CHARLES HANSEL (New Jersey): In New Jersey the state board of equalization has only authority over the equalization of general property. The state board of assessors has the valuation and assessment of the railroad property and

other public utilities; but there is no equalization—if you will excuse me for correcting you (referring to Mr. McAllister)—between the state board of equalization and the state board of assessors. The state board of assessors, however, assesses all of the real estate outside of the 100-foot strip, such as in the terminals. I might say that the real estate in the terminals in Jersey City alone is 27 per cent. of the total value of all of the railroad property in the state, so that will illustrate the value of the so-called second class, or the land or other real estate outside of the 100-foot strip. The taxing district in the county receives all of the tax assessed by the state board of assessors on that property of the railroads outside of the 100-foot strip.

MR. DAN M. LINK (Indiana): Mr. Chairman, because it seems pertinent to the subject and because I believe it ought to be said here, let me add that the Indiana system is the simplest and most effective method of co-operation among assessing officers that I believe could be devised. I have been much interested in the discussion of these gentlemen of the efforts of the assessing officers in the various states to get together, so there might be a common understanding among them, but Indiana has that figured out by a law supplemented by custom and by rule of the state board of tax commissioners.

Our assessing system is very simple. The unit is the township, with the township assessor. There is a county assessor who has general supervision over the township assessor, and a state board of tax commissioners, which board has general supervision over the county and the township assessors. So that, progressing from the township assessor, there is the county assessor, who is intermediary between the township assessor and the state board of tax commissioners, and the state board of tax commissioners, and we have all the persons who are interested in the assessment of property in the state. Under our statute, the state board of tax commissioners must call into session at the capital or some other place named by the state board, which has always been so far the state capital, all the county assessors of the state, and it is an official meeting, for attending which they get paid. That session lasts three days.

All the county assessors of the state bring to that meeting all the questions which have arisen during the preceding year and upon which they desire information, or upon which they have information, and during those three days every matter concerning the assessment is practically threshed out.

Immediately after that there are district meetings held, and a certain number of counties, anywhere from five to twelve, according to the convenience of location, are grouped together at a central point, and a meeting of the county assessors, the county auditors, county treasurers and others who are interested in the taxing question, is held; and there the property of the counties, the land and the personal property assessments are discussed, so there may be no assessment, as one gentleman has said, of a property upon one side of a county line at a thirty-three and one third per cent. higher rate than upon the other side of the line. Under our system that is an impossibility. Immediately after that, under the law, it is the duty of the county assessor to visit every township in his county and go over that township with the township assessor. In addition to that, under the law, some member of the state board of tax commissioners must visit every county in the state and call into session the county assessor and every township assessor in the county. So that you see by this interlocking system that we have, the state board of tax commissioners is brought into intimate relationship with every assessing officer in the state, so that we not only know personally and intimately every county assessor but know personally nearly every township assessor in the state. So we have none of the troubles that these gentlemen have spoken about, about these inadequate assessments, except as the individual judgment varies and as the individual desire to favor constituents varies. So far as lack of information is concerned, none of that exists in our state because it is impossible under the system we have devised and which is provided for by statute.

MR. BENJAMIN E. HALL (New York): May I ask the commissioner from Indiana in what manner the town or township assessors are chosen, and for what period, and what their compensation is?

MR. DAN M. LINK (Indiana) : In answer to the gentleman's question, Mr. Chairman, I would say that the township assessors are chosen by the voters of their township once in four years by election. The county assessors are elected by the respective counties, and the tax commissioners are appointed by the governor for terms of four years.

THE CHAIRMAN : Mr. Pleydell of the New York Tax Reform Association.

MR. ARTHUR C. PLEYDELL (New Jersey) : You have heard of meetings of tax officials trying to improve their own work; and of other meetings like these of county assessors in California, that have progressed to the point where they read papers devoted more or less to general principles and ideas about taxation; you have heard of state conferences modeled upon these conferences, with a certain amount of official representation from various sections and organizations; you have heard of a tax association in North Dakota which holds annual meetings a little different from the state conferences, but nevertheless depending upon the annual meeting and the addresses there for the results which it has measurably achieved, and very creditably for the time it has been at work. It may be of interest if I tell you something of the work of another association which does none of those things, but has some results to its credit.

The New York Tax Reform Association has attained its majority, being now in its twenty-second year of active work. It was organized in 1891. The association does not hold public meetings with addresses, and very seldom meetings of members, the latter being due largely to local conditions in New York, where people have so many diverse interests and live so scattered, that they much prefer to be canvassed by mail. The association, however, has been working during these twenty-two years with its office open and a staff in charge for six days in the week and fifty-two weeks in the year.

The services of the association, in giving information to public officials, students and to any one who has a legitimate public interest in the inquiry, are absolutely free of charge. We conduct no litigation, and we cannot conduct any philosoph-

ical research. We have inquiries all the time. For example, from college debating societies who ask for literature and to whom we immediately send pamphlets on all sides of the question; and requests for information from special commissions and officials throughout the United States. We have had inquiries from Hawaii, and Arizona, and Maine within two days, all of which we could answer with appropriate pamphlets. Probably every special tax commission in a number of years has asked us for the New York laws and for what information we could send, and we have always been very glad to give it. We have the largest stock of literature covering most of the phases of taxation that there is for public distribution today, in addition to the filed information of which we can only furnish transcripts.

The work of the association is entirely non-partisan. It takes no part whatever in elections. It does not even comment adversely at the time of election and very seldom at any other time, upon legislators who oppose measures which the association favors, or those who favor legislation which the association opposes. What legislation we get is secured simply by going to the legislature and presenting the reasons therefor. We depend entirely upon the arguments which we have to present. If they are not adequate we try to get better ones.

Our association does not have a large membership, and when it comes to interesting persons in legislation we must depend upon the co-operation of other organizations. Frequently we have inaugurated a movement for some change in the law which has subsequently been taken up, and very properly so, by other organizations more especially interested, who have pushed the matter to final completion.

In the years we have been at work we have secured many changes in the law. For example, the abolishment of imprisonment for non-payment of taxes; the separate assessment of land and buildings in New York city which is on quite a different plan from that usually in vogue; the mortgage recording tax, which was proposed by our association three years before finally enacted through the efforts of the real estate interests, who took our bill as a basis. We also proposed the pres-

ent tax upon banks at a flat rate, taken up and pushed through by the bankers' association. The secured debt law of last year is another measure which we introduced seven years ago. The model inheritance tax law was the work of the national association, but taken up by our association, recommended in our annual report, and pushed through under our auspices, with the co-operation of many other organizations. Those are some of the measures we have succeeded in getting through, in addition to a number of administrative changes; and we also have succeeded in preventing a great deal of legislation that we think would have been undesirable, and often with the assent and approval of those who had proposed it when the exact effect was pointed out to them. Whether we favor a particular bill or not, we help to put it in the best shape, believing if we are going to have a bad law it is better to have it just as workable as we can get it rather than having it as bad as possible.

The fact that our association is by far the oldest tax organization and the only one continuously at work has attracted attention in other states, and our field of work has broadened very much. For the last ten years especially we have been doing a great deal of national work.

When Professor Boyle spoke of the amendment to the Minnesota constitution it occurred to me to make this talk, because Mr. Lawson Purdy, then secretary of the New York Tax Reform Association, went by invitation to Minnesota in 1902 and spoke in favor of the amendment that was substantially adopted in 1906. Mr. Purdy visited Minnesota again in 1907 and when he was asked what the next steps should be, suggested a tax commission and a mortgage recording tax law. These measures were enacted that year. The Minnesota amendment being afterwards taken up by other states, we may claim a share of the credit to our former secretary for having helped in this movement for more freedom in the improvement of tax systems in many of the states of the union.

When the national tax conference was first proposed we were called upon to furnish the ground work by putting our mailing lists and other information at the disposal of those inter-

ested, and Mr. Purdy not then being our secretary but head of the New York city tax department was asked to help, and we helped organize the first national conference.

We also helped organize the first New York State Conference, at Utica, and what is perhaps more important if not so interesting, we raised the money to pay for it, and carried it through successfully. The second conference managed pretty well to run itself, except it did leave us a little printing deficit, which was cheerfully accepted; and we will do what we can to aid in the success of subsequent conferences.