STATE TAXATION.

COMMISSIONERS' REPORT AND CODE.

REVISION OF THE LAWS FOR THE ASSESSMENT AND COLLECTION OF TAXES IN THE STATE OF NEW-YORK.

David A. Wells, Edwin Dodge, and George W. Cuyler, Commissioners appointed by the Legislature, have presented a draft of a code of laws relating to the assessment of taxes in the State, and a report relating thereto. Gov. Hoffman, in transmitting these documents to the Legislature, says: Having in my Annual Message urged upon you an early and considerate examination of the system of taxation presented by the Commissioners, it is unnecessary for me to do more now than renew that recommendation, and at the same time to express my satisfaction with the labor and care which has manifestly been expended by the Commissioners in their conscientious effort to arrive at a uniform, equitable, and productive system of tax legislation.

The report mentions the appointment of the Commissioners under an act of April 20, 1870, and that they submitted in February, 1871, a report embodying a review of the existing system of State or local taxation—an outline of a new system—and reasons in detail, which seemed to the Commissioners sufficient to warrant them in recommending such new system to the Legislature and the people of New-York for adoption. This report was published at the time in THE TRIBUNE. The present report is called by the Commissioners their "Second Report," and is a repetition of the reasons of their recommendations; an analysis of the principles upon which the code prepared by them has been founded; and a prospective exhibit of its method of working. The discussion of the province and scope of taxation in general; of the limitations of the taxing powers of the Federal and State Governments; of the effect of the Fourteenth Amendment to the Constitution of the United States in abridging the control of the States over the property of their citizens; and of certain recent legal decisions; being a separate department of the subject under consideration, and one not more pertinent to New-York than to all the other States, is also published as a supplement to this report.

The Commissioners compare the system of local taxation in New-York with the tax systems of other States, giving the results of experience, stating the actual condition of the New-York system, and its failure in attempting to reach personal property. The reasons for the failure of the existing system are discussed at length, and the suggestions that they naturally give rise to. The regulation of assessments by oaths is shown to be an absurdity, and the present system a violation of the principles of constitutional government, and full of anomalies and inconsistencies. It appears, moreover, that this system is nowhere effective, and there is no reason to suppose it can be made so, since it is arbitrary, illogical, and inquisitorial. The course of other States in these matters is reviewed, and political movements having reference to the total abolition of taxes on personal property are noted.

THE PROPOSED NEW SYSTEM OF TAXATION.

Having thus demonstrated the absurdity of the theory of the system of local taxation at present adopted by New-York, the inequality and irregularity of its administration, and the injury which is certain to accrue to the material interests of the State from its longer continuance, the Commissioners come next to the consideration of the third question: "Can any system of local taxation be devised which will prove effectual for revenue, be free from arbitrary and inquisitorial methods of administration, and at the same time be made to work with strict justice and uniformity?"

And, in answer to this question, the Commissioners, as the result of a most careful investigation of the whole subject, and after having endeavored to thoroughly acquaint themselves with the experience of other States or communities, present herewith a code of a new system of local taxation; in respect to which they feel entire confidence that it will prove in every way remedial of the most serious of the evils experienced under the present system, allow of simple, effective, and economical administration; and in opposition to which no objection has as yet been presented which cannot be shown to have its origin either in a misconception of the views of the Commissioners, or in a prejudice in favor of old ways and observances, simply because they are old and customary, and not because they have been founded on either justice or expediency.

The main features of the proposed new system may be stated as follows: *First:* Taxation of real estate, lands, and buildings, at a full and fair market valuation.

The existing laws require this; but it is perfectly well understood that at present so much of this law as relates to valuation is a perfectly dead letter, and that in place of "full and just valuation," the valuation, as before shown, runs down as low, in some instances, as 15 or 20 per cent; and on the average for the whole State is not probably in excess of 40 per cent; and furthermore, that every assessor in the State is annually certifying under oath that he has complied with the law, annually swears to that which he knows is untrue, and can only exculpate himself of moral as well as technical perjury by the plea that his official acts deceive no one, and are understood to be a mere form, without meaning or significance.

Now, it would seem clear that the first step in the way of reform of the existing tax system is to provide for the execution of this law, and the Commissioners in advance charge that no legislator or citizen can oppose or be indifferent to the adoption of measures calculated to bring about such a result without becoming thereby a party to fraud and a promoter of social immorality. It is also important to state that the recent experience of the cities of Boston, Philadelphia, and Chicago shows that there is no practical difficulty, as is often supposed, in valuing and assessing real estate at its true or approximative cash value, inasmuch as this method has been successfully adopted in each of the above-named cities as a substitute for the former "guess-work" plan of rating such property.

And, although it is an almost self-evident proposition, it may nevertheless be not out of place to recall to mind that it is the amount of expenditure, and not the valuation, that governs and controls the amount of taxation; and that making the valuation of one and the same description of property invariably conform to one and the same standard cannot increase the taxes of any citizen, unless he is now unjustly taking advantage of the defects of the existing law to inequitably pay less than his fair proportion at the expense of some other citizen.

They also recommend that the administration of the whole tax system of the State be placed under the charge of some supervising officer, intrusted with full powers, whose business would be to see that the laws, whatever they may be, are lived up to and enforced; and that he shall be especially required to prosecute, or cause to be prosecuted, every assessor of the State who deliberately makes oath that he has complied with the provisions of the law when the fact can be made evident that he has not done so.

Second: To tax moneyed corporations of the State in conformity with existing laws.

Third: A little reflection and an examination of the statistics of taxation will show, that under the two heads above specified are included almost all the property of the State now returned for assessment; and that what is not thus included is of a character very difficult, if not impossible, to fairly value and assess; and that the continued attempt, as now, to directly ascertain its value and assess it, will be productive of very little revenue, and for reasons above presented must prove disastrous to the future development and prosperity of the State. The Commissioners, therefore, propose, as a substitute for all such defective taxation, and as an equivalent for the present tax on individuals for personal property, to tax the occupier, be he owner or tenant, of any and every building used as a dwelling, or for any other purpose; on a valuation of three times the rental or rental value of the premises occupied; but not including under such assessment any land except such as the building stands on, or is essential for access thereto. All property not embraced under one of these provisions, as above stated, to be exempt from taxation.

RELATION OF REAL ESTATE TO PERSONAL PROPERTY.

The general principles, irrespective of considerations of expediency, on which the Commissioners base the essential feature of their system, may be briefly presented as follows:

The market value of real estate is always proportional to, and dependent on, the amount of personal property, or rather productive capital, placed upon it or in its immediate vicinity. Land in itself has originally no value, as it cost nothing to any man to produce it. If there is no personal property or productive capital connected with it, or reflected on it, it will not sell in the market, or at only a nominal value. If by chance any buildings should be connected with such land they will possess no rental value. Only as personal property or productive capital is brought in connection with real estate does its value become appreciable and augment.

Applying, practically, to New-York the proposed system for taxing personal property through buildings or rentals as its representative, we should find that the aggregate of taxation would be the lowest in the most sparsely settled agricultural districts of the State. Property here is mainly in land, and the value of the buildings is generally much less than the value of this land with which they are connected. As we leave the sparsely settled agricultural districts, and rise through the more densely populated portions of the State from the villages to the towns, from the towns to the cities, and from the cities to the great metropolis of the continent, we shall find that the value of land, of buildings, and the aggregate of taxable valuation will increase, as the amount and accumulation of personal property increases, until land and buildings attain their greatest market and tax valuation in Wall-st., Broadway and Fifth-ave., where the accumulation of personal property is the greatest. It is also to be observed, that starting at the bottom of the scale, with the value of land greatly in excess of the value of the buildings connected with the land, that this difference, as we progress upward through the more densely populated districts, gradually diminishes until, as is the case very frequently in the cities, the value of the building greatly exceeds the value of the land on which it is situated.

And yet, while under the proposed system, the agricultural districts would, as now, pay the smallest proportion of the aggregate taxes, and the villages and cities as now also the largest, there would be no injustice, but, on the contrary, one uniform, equitable rule of valuation and assessment.

THE PROPOSED SYSTEM A CORRECT STANDARD OF MEASUREMENT OF PERSONAL PROPERTY IN DIFFERENT LOCATIONS.

A little reflection will also satisfy that the proposed system of taxing "building occupancy" constitutes in itself a correct standard of measurement of personal property, or of expenditure and consumption, both for the city and country, and establishes also just and equitable relations in respect to taxation between city and agricultural property. Thus, to illustrate, let us suppose a piece of occupied real estate worth $10,000 to be presented for taxation in the country and in the city respectively. In the country the assessment under the proposed system would be as follows:

Farm and farm buildings, valued at	$10,000
Value of buildings and lot, $2,000.	
Rental of buildings, at 10 per cent, $200.	
Three times rental as equivalent of personal property	600
Total valuation for assessment	$10,600

On the other hand, in the city, the assessment would be as follows:

City store and lot, valued at	$10,000
Value of building and lot, $10,000.	
Rental of building, at 10 per cent, $1,000.	
Three times rental as equivalent of personal property	3,000
Total valuation for assessment	$13,000

Under the new system, therefore, the city store and lot would be regarded as a measure of $2,400 more of personal property, expenditure, or consumption than the country farm or property of the same value, a measure which the Commissioners hold will prove to be entirely correct and equitable, both in theory and practice. But if the taxpayer in the country and the tax-payer in the city hold other personal property apart from their lands and buildings, as stocks in banks, or other moneyed corporations, they will both be put on exactly the same footing as regards taxation or expenditure, and that, too, without the possibility of either assessing the other by fraud or evasions.

ECONOMY OF THE PROPOSED SYSTEM.

To devise a more economical method of assessing and collecting taxes, is equivalent to the invention of a labor-saving machine; and the Commissioners claim, as one of the special merits of their proposed system, that it will prove, by its simplicity and freedom from detail, more economical than any other. Every man under the new system might know before the day of assessment exactly what his assessment and consequent taxation was certain to be; and few people, therefore, would in any contingency be subject to the expense and annoyance of examining the assessment rolls, or of carrying on vexatious controversies with the Assessors. No discretion, moreover, being permitted to the Assessors, it will not be possible to use the machinery of taxation in the slightest degree as the instrument for personal favor or malice, or for promoting the interests of any political organization. And it is well worth the consideration of the people of New-York, especially at the present time, whether there can be permanent reform instituted in respect to municipal government, so long as the prominent and most influential citizens of any municipality are under the influence of any arbitrary and irresponsible officials.

An examination of the code submitted will show that it is proposed that the tax on building occupancy shall be collected from the real estate; and it is permitted to the owner to collect of the tenant, for the reason that the larger proportion, probably three-fourths of the buildings of the State, are occupied by their owners, and because the owners can more economically collect the tax than any official. In New-York, at present, the tax on real estate, for sake of economy, is very often collected from the tenant; and the law permits the tenant to recover from the landlord; and for a similar reason it is now proposed that the building occupancy tax shall be collected from the land and recovered from the tenant by the landlord. Such a plan involves both reciprocity and economy, and is of mutual advantage to both landlords and tenants; and still the tenants are at liberty to make contracts that the landlords shall pay the building occupancy as well as any other taxes.

The report proceeds to show that the proposed system is not an exclusive tax upon real estate. Under the head of the comparative valuation of the aggregate property of the State under the old and new systems, the Commissioners show that the true value of the real property of the State is not less than twice its returned valuation, or $1,631,258,885 x 2 = $3,262,517,770. The total valuation of personal property they make at least $800,000,000, against a present valuation of $445,000,000. An estimate given to the Commissioners by persons whose judgment is to be relied on, is to the effect that the present annual rental of the buildings of the compactly built wards of New-York City is considerable in excess of $100,000,000. Three times this amount would be $300,000,000. If we add to this the capital, surplus, and undivided profits of the national banks and other moneyed corporations of the city—less real estate—estimated at $150,000,000, we shall have a valuation representing personal property of $450,000,000, as compared with a present personal property valuation of $300,000,000.

The assessment roll of New-York City would then substantially stand as follows:

Real estate, on the assumption that the present valuation is not in excess of 50 per cent of true value	$1,500,000,000 00
Shares of moneyed corporations	150,000,000 00
Building occupancy valuation	300,000,000 00
Total	$1,950,000,000 00

A tax of 1½ per cent on this valuation would produce $28,250,000. If to this we add licenses for the sale of liquors at retail, $2,250,000, the total income of the city at the above rate of taxation would be $31,500,000, or $10,500,000 more than would be requisite to meet the interest on the existing debt and provide for all other reasonable expenditures. But, great as would be the gain in valuation here, the gain in other parts of the State would undoubtedly be in much larger proportions. Thus, taking Brooklyn for example, we find the value of the dwellings in that city, according to the census of 1865, returned at $120,000,000; the annual rental of which, at 10 per cent (a low rate to cover insurance, repairs, and taxes), would be $12,000,000; three times which would be $36,000,000. If we add to this the amount on which the corporations of the City of Brooklyn were assessed for 1870, $7,956,820, we have the total of $43,956,820, as compared with a present valuation of personal property for the whole city of $17,559,980, showing a gain of $25,396,840. And this result, it must be remembered, is predicated on the rentals of dwellings alone, thus making it evident that where the rentals of buildings, other than dwellings are also included, the valuation will be still further increased. It seems evident, therefore, that by the proposed system, the valuation of the property of the State of New-York can be largely, as well as equitably, increased, and made, without difficulty, to approximate to its fair and just basis; thus affording all the revenue that may be needed at an average rate of taxation much less than the rate now prevailing.

LIMITATION OF THE RATE OF TAX UNDER THE NEW SYSTEM.

The Commissioners especially direct attention to the fact, that by the 23d section of the fourth article of the code presented, they have provided, "that the Board of Supervisors of no county shall levy a tax without special authority of the Legislature, on any town, to exceed one per cent, nor in any ward or city, to exceed two per cent on the total valuations of the assessment roll thereof."

The reason of the introduction of this limitation, is in part to help insure conformity to the law on the part of assessors in respect to valuations, and more especially because the Commissioners are certain that, under the proposed system, no higher rate of taxation can be required, except as the result of indefensible extravagance, or extraordinary contingencies, for which last, relief by the Legislature is provided. The Commissioners further estimate, that under their proposed system, the rate of State taxation (now about seven mills) will fall below three mills; and that in the larger cities, the most extravagant administration could not carry the aggregate of State, county, and city taxation above one and a half per cent. The proposed increase of valuation under the new system, coupled with the tax for occupancy as a substitute for personal property, will, therefore, be more than compensated for by a reduction of rates.

GENERAL ADVANTAGES OF THE PROPOSED SYSTEM.

The general advantages of the system proposed by the Commissioners over the system now existing may be briefly summed up as follows: By making the standard of valuation and assessment, that which is certain, visible, and tangible, and disregarding that which is invisible, incorporeal, and intangible, the incentive and opportunity for fraud, evasion, and perjury would all, or in a great degree, be removed; the tax-gatherer brought in communication with the smallest number of individuals; all personal inquisition, exposure of property, and necessity for oaths avoided; production of every kind, agricultural, mining, and manufacturing, placed upon the most favorable conditions; shipping fostered, trade and commerce left untrammeled; while all the numberless vexatious and difficult questions, which are sure in the future to grow out of the conflict of laws and the sovereignty of State respecting the *situs* of certain descriptions of personal property, would be transferred to such other communities as desire to enjoy them. The proposed plan, furthermore, will not permit the dishonest tax-payer (under oath) to arbitrarily assess other persons by the undervaluation of his own property, or, on the other hand, compel the honest taxpayer to either criminate or overburden himself; or permit assessors to assess in an arbitrary manner any one, inasmuch as all the proceedings must be according to a uniform law, and on the basis of such testimony as is admissible in any court of law in a country where property can only be taken by well known and established rules of evidence.

In the plan proposed by the Commissioners there is nothing arbitrary; the relations between the burdens upon city and country property are equitably adjusted; no class of property, under its operations, would be driven from the State, while residents and non-residents would be placed on an equality, inasmuch as both would be assessed on one and the same *indicia* of personal property, namely, the rental value of the premises occupied; instead of as now taxing the former doing business in the State and exempting the latter, under circumstances similar in every respect, with the single exception of residence.

The changes proposed in the law in respect to personal property, are, moreover, by no means radical or violent. There is little of such property, apart from corporations, now subject to assessment; and the new system is certain to be more productive of revenue. If any little inequalities may arise from the change (and some must arise from any modification of tax laws), they will be but trifling compared with the inequalities that daily arise from the attempts to administer and carry out the existing system.

Again, under such a simple and liberal, though at the same time just and inflexible system of taxation as the Commission propose, New-York, instead of comparatively retrograding as she has done within the last ten years, would be more than ever the Empire State of the Union. Could all foreign commerce be specially admitted into New-York free of every tax, duty and restriction, none could doubt that the impetus which would be at once given to the growth and prosperity of the State, would be something marvelous. But to do this is not permitted under the Constitution of the United States to any State; but it is permitted to New-York to place herself, if she will, in exactly similar relations to the domestic commerce, trade, and manufacturing industry of the country, which exceed in importance and value its whole foreign commerce, in the ratio of at least 15 to 1. And this position, in view of the tax legislation of all the other States, with the exception of Pennsylvania, the Commissioners claim New-York will assume upon the adoption of their proposed new system; and they do not think, furthermore, that they are guilty of any unwarrantable extravagance in predicting that, if their views are recognized and adopted, the resulting prosperity of the State during the next decade will be no ways inferior to that which attended the construction and opening of the Erie Canal. And with this prosperity would come another result, which would be no less a matter of congratulation, namely, that all the present vexations, inequalities, inquisitions, self-exculpating oaths, and natural depravity, supremacy of taxation would vanish, and be hereafter known only as subjects of ridicule and disagreeable tradition, ranking in importance and similarity in history with the legislation and inquisition against witches.

Much of the report is devoted to argument upon the general theories and principles involved in the imposition of taxes, constituting in this respect an interesting treatise on political economy, which want of space must necessarily exclude from these columns.

THE PROPOSED CODE.

AN ACT to amend titles one and two, chapter 13, of the Revised Statutes, in relation to property liable to taxation and the assessment thereof.

The People of the State of New-York, represented in Senate and Assembly, do enact as follows:

Titles one and two, chapter 13, part one, of the Revised Statutes, are hereby amended so as to read as follows:

TITLE 1. Of the property liable to taxation.

TITLE 2. Of the place and manner in which property is to be assessed.

TITLE I.

Of the Property Liable to Taxation.

1. Real estate subject to taxation.
2. Meaning of the term "land," "real estate," and "real property."
3. Specified personal property liable to taxation, the shares and corporate franchises of moneyed corporations.
4. Real estate subject to supplemental taxation, on building occupancy valuation equal to three times the rent of buildings.
5. Building occupancy assessment an equivalent of the personal property, expense, and consumption of occupiers.
6. Building occupancy tax may be recovered by owners from occupiers.
7. Meaning of "taxable property," and "building occupancy valuation."
8. Land sold by the State, though not conveyed to be assessed.
9. Property exempt from taxation.

SECTION 1. All lands within this State, whether owned by individuals or corporations, shall be liable to taxation on their full, real, and actual value, subject to the exemptions hereinafter specified.

SEC. 2. The term "land," as used in this chapter, shall be construed to include the land itself, all buildings and other articles erected upon or affixed to the same, all wharves or piers, including the value of the right or grant to collect wharfage or dockage thereon; all bridges, railroad structures, cuts, embankments, culverts, sidings and tracks, and the iron thereon, and including the iron and other fixtures owned by any railroad company, and permitted or authorized to be laid or placed in any public roads, streets or grounds; all gas and water-pipes owned by any incorporated company, including said pipes laid in any public street or place; all trees and underwood growing thereon, and all mines, minerals, and quarries in and under the same, except mines belonging to the State; and the terms "real estate," and "real property," whenever they occur in this chapter, shall be construed as having the same meaning as the term "land," thus defined.

SEC. 3. The following personal property shall be liable to taxation:

1. The shares of banks, or banking associations, organized under the national banking law, located and doing business within this State.
2. The shares and corporate franchises of banks, or banking associations or individual bankers, doing business under the general banking law of this State.
3. The shares and corporate franchises of all trust companies doing business within this State and organized under the laws thereof.
4. The shares and corporate franchises of all other corporations, divided into shares, organized under the laws of this State, and engaged in the business of receiving deposits.
5. The shares and corporate franchise of all fire, inland and marine insurance companies, organized under the laws of this State, and the privileges of foreign fire insurance companies.

SEC. 4. All real estate subject to taxation shall be liable to an additional or supplemental taxation, on an additional or supplemental assessment of a sum equal to three times the rent or rental value of all buildings thereon, for the length of time actually occupied, during the year terminating Dec. 31 previous to making the assessment, or for the parts of said buildings occupied as aforesaid; but no assessment shall be made, under the provisions of this section, in reference to buildings or parts of buildings occupied by the corporations enumerated and made subject to taxation on their corporate franchises and privileges in Section 3 of this title. The tax imposed according to the provisions of this section shall be known as the "building occupancy" tax, and shall be a charge and a lien the same as other real estate taxes on the lots or parcel of land on which the occupied buildings are situated, and may be collected by distraint on the personal property of the person to whom said tax may be assessed, or by sale of the premises, or otherwise, and in the same manner as other taxes upon real estate are collected.

SEC. 5. The building occupancy assessment shall be deemed to be the equivalent or estimate of the value of the personal property owned, in the possession or under the control of the occupiers, as owners or tenants (and not as boarders or lodgers), of buildings or parts of buildings, or the index of said occupiers' expense or consumption made liable to taxation.

SEC. 6. Any owner of real estate paying, or his real estate being subject to the building occupancy tax, may add the tax, or the *pro rata* proportion of it, to the rent payable in respect of such occupied buildings, and shall be entitled to collect the said tax from the tenant by distraint, and he shall have the same remedies for recovering the same as for rent in arrears, unless there is a contract between the parties that the landlord shall pay the building occupancy tax.

SEC. 7. "Taxable property" shall be construed to mean taxable assessments or valuations, and "building occupancy valuation" shall be construed to mean a sum equal to three times the rent or rental value of the buildings, or parts of buildings, occupied for the previous year, which are subject to building occupancy valuation by the provisions of this title; and all annual or other direct taxes levied on "taxable property," by a rate or per cent, shall be levied upon the aggregate of the real estate, personal and building occupancy valuations within the district or territory where the tax may be levied, and assessed according to the provisions of this chapter.

SEC. 8. Lands sold by the State, though not granted or conveyed, shall be assessed and taxed in the same manner as if actually conveyed.

SEC. 9. The following property shall be exempt from taxation:

1. All property not made subject to assessment and taxation by laws hereafter enacted, or by title first and second of this chapter.
2. All property exempt from taxation by the Constitution of this State, or under the Constitution of the United States.
3. All property belonging to this State, any municipal corporation thereof, any town, county, school district, or the United States.
4. Every building owned and occupied by an incorporated college, academy, or other incorporated seminary of learning; every building for public worship, and the several lots whereon such buildings are situated.
5. The property of charitable and other corporations exempt from taxation according the provisions of their charters.
6. The property of every public library.
7. Cemeteries, tombs, and rights of burial, so long as the same shall be dedicated for the burial of the dead, and the property of a "Soldier's Monument Association."
8. Every poor-house, asylum, or hospital for the poor, every alms-house, house of industry, or industrial school-house, every house belonging to and occupied by an incorporated company for the reformation of offenders, or to improve the moral condition of seamen.
9. All lands belonging to any agricultural society, and permanently used for show grounds, during the time so used.
10. And Indian reservation lands while in the possession of Indians in tribal relations and exercising tribal authority.

TITLE II.

Of the Manner in which Property shall be Assessed.

ART. 1. Manner of assessment of the building occupancy tax on real estate.

ART. 2. Manner of assessing the shares and corporate franchises of specified moneyed corporations.

ART. 3. Manner of assessing real estate.

ART. 4. Manner of making the assessment roll, and the duties of assessors and supervisors.

ART. 5. State Tax Commissioner, his duties, and the equalization of the State tax.

ARTICLE FIRST.

Of the Manner and Place of Assessment of Building Occupancy Tax on Land.

SECTION 1. When building occupancy tax shall be assessed, and to whom.

2. Manner of estimating the rent of buildings.
3. The rent or rental value of building to include certain land.
4. Aggregate building valuation assessed on each lot of land.

SECTION 1. Land shall be assessed for the building occupancy valuation to the same party to whom it shall be assessed in the assessment roll for the real estate valuation.

SEC. 2. In estimating rent or rental value of any assessably occupied building, the actual and bona fide rent thereof, if the said rent has been a fair and equitable one, and proportionate to the value of the property, shall be the basis of the assessment; but if otherwise, or if the building during the previous year has been occupied by the owner thereof, or has not had a known marketable rental value, or an established rental value by comparison with similar buildings actually rented in the immediate neighborhood, then the rent shall be estimated at a sum equal to 10 per cent of the value of the building.

SEC. 3. The building, for the purpose of estimating the building occupancy valuation, shall be deemed to include the land upon which it is constructed, and so much of the unbuilt portion of the lot as is usually used as a yard, or court-yard, or a means of convenient access and occupancy of the building, for the purpose for which it is used, but not to exceed one acre of land adjacent or contiguous to one main building, and the main building shall be deemed to include all stables, barns, or other out-buildings on the same lot of land.

SEC. 4. The building occupancy valuation shall be assessed in one aggregate sum for all occupied buildings, liable to assessment, in amount equal to three times the rent or rental value of the parts thereof occupied for the previous year, on each lot or quantity of land entered in the Assessment roll, and said aggregate building occupancy valuation shall be entered thereon on the same line as the real estate valuation, but in a separate column, under the caption of "building occupancy valuation."

ARTICLE SECOND.

Manner of Assessing the Shares and Corporate Franchises of Specified Moneyed Corporations.

SECTION 1. Manner of assessing and collecting tax on shares of certain moneyed corporations.

2. The tax may be recovered by the corporation from dividends or shareholders' property in the corporation.
3. Lists of shareholders open to the inspection of assessors.
4. Assessment of the privileges of foreign fire insurance companies.

SECTION 1. The shares and corporate franchises of the moneyed corporations or associations enumerated in divisions 1, 2, 3, and 4, of Sec. 3, Title 1, of this chapter (National and State Banks, and individual bankers doing business under the general banking law of this State, trust companies, and other corporations of this State divided into shares, and authorized to receive deposits, and fire, inland and marine insurance companies), shall be liable to taxation in the town or ward in which said corporation shall be located, on the par amount of said shares, less the proportionate value of the real estate belonging to said corporations, but the assessment shall be made on the assessment roll, in the name of each corporation, in one sum, less the value of the real estate belonging to such corporation, for the shares and corporate franchises of said corporation, and the tax shall be paid by the corporation, and in default of payment the same, remedies shall be enforced against the corporation as for the collection of other taxes.

SEC. 2. The shares of such corporations or associations, made liable to taxation, shall be subject to the tax paid thereon by the corporation or the officers thereof, and said officers may retain so much of any dividend or dividends belonging to stockholders as may be necessary to pay any taxes assessed under this title, and the corporation and the officers thereof shall have a lien on all the shares in the corporation or association, and on all the rights and property of the shareholders in the corporate property for the payment of said taxes.

SEC. 3. There shall be kept at all times, in the office where the business of such corporation or association shall be transacted, a full and correct list of the names and residences of all the stockholders therein, and of the number of shares held by each; and every individual banker doing business under the general banking law of this State shall keep a list of the amount of his capital, and if he has partners, the amount of their capital invested in such banking business; and each $100 of such capital, for the purpose of this act and for the purpose of taxation, shall be held and regarded as one individual share in such banking business; and the aforesaid lists shall be subject to the inspection of the officers authorized to assess taxes, during the business hours of each day in which business may legally be transacted.

SEC. 4. Every foreign fire insurance company, as defined in chapter 888 of Laws of 1871, shall be assessed and taxed on the privilege of doing business in this State, at the place of the principal office of said company in this State, at a sum equal to the capital as certified, according to the provisions of said chapter 888 of Laws of 1871.

ARTICLE THIRD.

Of the Manner of Assessing Real Estate.

SECTION 1. Persons to be assessed in town or ward where they reside for lands in such town, &c.

2. If land occupied by another person, it may be assessed in name of owner or occupant, or as the land of a non-resident.
3. Unoccupied lands not owned by residents denominated "lands of non-residents."
4. No tax void in consequence of error in name of owner, occupant, or classification of land.
5. Real estate of incorporated companies, where taxed.
6. Where land and bridges to be assessed when divided by division line of town.
7. Manner of assessing water and gas pipes owned by incorporated companies.
8. The assessment of real estate of railroads, including superstructure, in public highways.
9. Duty of town assessors to apportion railroad valuation among school districts.
10. The apportionment shall be filed in town clerk's office.
11. In case of neglect of assessors, the supervisors shall make an apportionment.
12. Town clerk shall furnish certified statement of railroad apportionment and location.
13. In case of alteration of school district, who may change the railroad apportionment.

14, 15, 16. Manner in which lands of non-residents are to be designated in the assessment roll.

17. When necessary, assessors to have survey made of the lands of non-residents.

SECTION 1. Every person shall be assessed in the town or ward where he resides, when the assessment is made, for all lands then owned by him within such town or ward, and occupied by him or wholly unoccupied.

SEC. 2. Lands occupied by a person other than the owner may be assessed to the owner or occupant, or as lands of non-residents.

SEC. 3. Unoccupied lands, not owned by a person residing in the ward or town where the same are situated, shall be denominated "lands of non-residents," and shall be assessed as hereinafter provided.

SEC. 4. No tax or assessment shall be void in consequence of any lands being erroneously classed or omitted from classification as the lands of non-residents, or as the lands of unknown owners, nor in consequence of the omission of the name of the rightful owner or occupant on the assessment-roll, but in such cases no tax shall be collected except from the real estate assessed.

SEC. 5. The real estate of all incorporated companies, or the real estate of which said companies may be occupants, may be assessed to said companies in the town or ward in which the same may be situated, in the same manner as the real estate owned or occupied by individuals, residents of the town or ward, is assessed.

SEC. 6. When the line between two towns or wards divides a farm or lot, or divides any bridge owned by any company, corporation or individual, each part shall be assessed in the town or ward in which the same shall be situated.

SEC. 7. All gas and water pipes owned by any incorporated gas or water company, and laid in any public streets or grounds, or laid in any private lands or grounds, shall be assessed to said company at the full value thereof, for the purpose used. The valuation of said gas or water pipes shall be entered in the column of real estate valuations, on the assessment roll, in one sum, for all the gas or water pipes belonging to any incorporated company, in the district for which the assessment may be made, and the words "gas pipes" or "water pipes" shall be entered in the column of quantity or description of lands.

SEC. 8. In fixing the valuation of the real estate of any railroad corporation, the assessors shall estimate the property for the purpose used, and as part of a complete and continuous line of railroad, including the value, at the time, of the assessment, of all tracks, roadbeds, embankments, cuts, lands, buildings, culverts, bridges, and superstructures, and superstructures shall include all iron chairs, rails, spikes, frogs, and switches laid or affixed to any public streets, highway, or public ground, and said superstructure, in public grounds or highways, shall be entered on a separate line of the assessment roll, the valuation entered in the column of real estate valuations, and the words "superstructure in public grounds" entered in the column of quantity or description of land.

SEC. 9. It shall be the duty of the town assessors, within 15 days after the completion and review of their annual assessment list, to apportion the valuation of the property of each and every railroad company which appears on such assessment list, among the several school districts in their town in which any portion of said property is situated, giving to each of said districts its proper portion, according to the proportion that the value of the said property in each of such districts bears to the value of the whole thereof in said town.

SEC. 10. Such apportionment shall be in writing, and shall be signed by said assessors or a majority of them, and shall set forth the numbers of each district and the amount of the valuation of the property of each railroad company, apportioned to each of said districts; and such apportionment shall be filed with the town clerk by said assessors or one of them, within five days after being made; and the amount so apportioned to each district shall be the valuation of the property of each of said companies, on which all taxes against said companies in and for said districts shall be levied and assessed, until the next annual assessment and apportionment.

SEC. 11. In case the assessors shall neglect to make such apportionment, it shall be the duty of the Supervisor of the town, on the application of the trustees or Board of Education of any district, or of any railroad company, to make such apportionment in the same manner and with the like effect as if made by said assessors.

SEC. 12. The Town Clerk shall, whenever requested, furnish to the trustees or Board of Education of each district, a certified statement of the amounts apportioned to such district, and the name of the company to which the same relates.

SEC. 13. In case any alteration shall be made in any school district, affecting the property of any railroad company, the officer or officers making such alteration shall, at the same time, determine what change in the valuation of the said property in such district would be just on account of the alteration of the district, and the valuation shall be accordingly changed.

SEC. 14. The lands of non-residents shall be designated in the same assessment roll, but in a part thereof separate from the other assessments, and in the manner prescribed in the two following sections.

SEC. 15. If the land to be assessed be a tract which is subdivided into lots, or be part of a tract which is so subdivided, the assessors shall proceed as follows:

1. They shall designate by its name, if known by one, or if it be not distinguished by a name, or the name be unknown, they shall state by what other lands it is bounded.
2. If they can obtain correct information of the subdivisions, they shall put down in their assessment rolls, and in a first column, all the unoccupied lots in their town or ward, owned by non-residents, by their numbers alone and without the names of their owners, beginning at the lowest number and proceeding in numerical order to the highest.
3. In a second column, and opposite to the number of each lot, they shall set down the quantity of land therein liable to taxation.
4. In a third column, and opposite to the quantity, they shall set down the valuation of such quantity.
5. If such quantity be a full lot, it shall be designated by the number alone; if it be a part of a lot, the part must be designated by boundaries, or in some other way by which it may be known.

SEC. 16. If the land so to be assessed be a tract which is not subdivided, or if its subdivisions cannot be ascertained by the assessors, they shall proceed as follows:

1. They shall enter in their roll they name or boundaries thereof, as above directed, and certify in the roll that such tract is not subdivided, or that they cannot obtain correct information of the subdivisions, as the case may be.
2. They shall set down in the proper column the quantity and valuation as above directed.
3. If the quantity to be assessed be the whole tract, such a description by its name or boundaries will be sufficient; but if a part only is liable to taxation, that part, or the part not liable, must be particularly described.
4. If any part of such tract be settled and occupied by a resident of the town or ward, the assessors shall except such part from their assessment of the whole tract, and shall assess it as other unoccupied lands are assessed; and if they cannot otherwise designate such parts, they shall notify the Supervisor of the town, who shall cause a survey and two manuscript maps to be made, for the purpose of ascertaining the situation and quantity of every such unoccupied part.
5. One of those maps shall be delivered by the Supervisor to the County Treasurer, to be by him transmitted to the Controller, and the other shall be delivered in like manner to the Assessor.
6. The Assessors shall then complete the assessment of the tract, and shall deposit the map in the Town Clerk's office for the information of future Assessors. And the expense of making such survey and maps shall be immediately repaid to the Supervisor out of the county treasury, and it shall be added by the Board of Supervisors to the tax on the tract, distinguishing it from the ordinary tax.

SEC. 17. Whenever it shall be deemed necessary by the Assessors of any town to have an actual survey made to ascertain the quantity of any lot or tract of land of non-residents which is divided by the town line, they shall notify the Supervisor, who shall cause the necessary surveys to be made at the expense of the town.

ARTICLE FOURTH.

Manner of Making the Assessment Roll, and the duties of Assessors and Supervisors, and General Provisions.

SECTION 1. Assessors may divide their town, city or wards.

2. To ascertain taxable inhabitants, and ascertain and estimate taxable property.
3. Form of assessment roll.
4. Manner in which persons are to be assessed as trustees, etc.
5. Manner of assessing lands in villages and cities.
6. Assessment roll, when to be completed and where to be left, notice thereof.
7. What notice to specify.
8. The assessment will be inspected during 20 days specified in notice.
9. Rights of persons whose property has been disproportionately assessed.
10. In case of non-payment of tax, assessed to a resident, duty of supervisor.
11. Lands imperfectly described may be added to the assessment roll, correctly described by the supervisor.
12. Reassessment of lands in villages and cities, on account of previous inaccurate description.
13. Lands omitted the previous years to be assessed; errors corrected by reassessment.
14. Board of Supervisors shall levy tax to enforce collection of previous taxes, and correct errors and omissions.
15. What taxes are to be deducted from the taxes of the current year.
16. Oath which shall be subscribed by the assessors and written on the assessment roll.
17. When and to whom assessment roll shall be delivered.
18. Assessors to follow instructions of State tax commissioner.
19. If any assessor shall omit to perform his duties, the other assessors to perform them.
20. Penalty upon assessors for neglect of duty.
21. Assessment roll to be examined by board of supervisors, and equalized, on full valuation on towns and cities.
22. The board may alter the description of the lands of non-residents.
23. To estimate the tax to be paid; limitation of rate of taxation.
24. To add up and set down aggregate valuations, and furnish certificate to Controller and State Tax Commissioner.
25. To cause a copy of corrected roll to be delivered to each Supervisor.
26. To cause a copy to be delivered to the Collector of every town, ward or city.
27. Warrant of Supervisors to be annexed; its form.
28. Account of rolls and warrants to be sent to County Treasurer.
29. Warrants to conform to the laws respecting cities.
30. Collectors' fees not to be added to the list or warrant; existing laws for the collection of taxes retained.
31. When tenant paying tax, may sue therefor or retain out of rent.
32. Assessors in cities to keep books of divisions of property, and other books open to public inspection.

SECTION 1. The Assessors or Tax Commissioners of each town, city, or ward, may divide the same, by mutual agreement, into convenient assessment districts, not exceeding the number of assessors in such town or ward.

SEC. 2. Between the first days of May and July, in each year, they shall proceed to ascertain the names of all the taxable inhabitants in their respective towns, cities or wards; and they shall also ascertain, by careful examination, all the taxable property, and by a careful estimate, the full and actual value thereof within the same; but the annual assessment, in all incorporated cities and villages, shall be made at the time, or within the time, now designated by law in respect to said cities and villages, or until hereafter changed by law.

SEC. 3. They shall prepare an assessment roll, composed of seven columns, in which they shall set down, according to their examinations and estimates:

1. In the first column, the names of all the taxable inhabitants and corporations in the town or ward, as the case may be.
2. In the second column, the quantity of land taxed to each person or corporation.
3. In the third column, the full, real, and actual value of such land, according to the definition of the term land, as given in the first title of this chapter.
4. In the fourth column, the building occupancy valuation, as defined in titles one and two of this chapter.
5. In the fifth column, the taxable or assessable value of shares, privileges, and corporate franchises of moneyed corporations and companies whose shares, privileges, and corporate franchises are liable to taxation, or assessable to said corporations or companies.
6. The sixth column shall be reserved to be filled, as hereinafter provided, with the amount of the tax, at the rate levied, on the real building occupancy and personal valuation.
7. The seventh column shall have the caption of "Remarks of Dissenting Assessors," and every assessor, tax commissioner, or other officer, acting as a member of a Board of Review of Assessments, shall, if he dissents to any valuations, established by a majority of the members of said board, write his name, or make suitable ditto marks under his name, in said column, on the line of the assessment to which he object, and shall designate the real, the building occupancy, or the personal valuation to which he dissents, or he shall, by appropriate ditto marks, indicate the valuation or valuations to which he dissents.

SEC. 4. Where a person is assessed as trustee, guardian, executor or administrator, he shall be assessed as such, with the addition to his name of his representative character, and such assessment shall be carried out in a separate line from his individual assessment.

SEC. 5. In assessing lands as real estate or for building occupancy valuation in any ward, city, village or town, in which any officer of said city, village or town, or any county treasurer, is authorized by law to sell such lands, on default of payment of taxes, the assessors shall place in the first column of the assessment roll the name of the owner or occupant of the land, if known, and if unknown, they may enter in said first column the word "unknown," and then proceed in the second column (the column of quantity and description) to describe the land to which the name of the owner or occupant, or the word "unknown" relates, by a brief and proper description, or by dimensions and boundaries, or ward map numbers, by established street numbers, or by any other proper designation which will indicate the land intended to be assessed and taxed.

SEC. 6. The assessors shall complete the assessment roll on or before the first day of August in every year, and shall make out one fair copy thereof, to be left with one of their number. They shall also forthwith cause a notice thereof to be put up at three or more public places in their town or ward.

SEC. 7. Such notices shall set forth that the assessors have completed their assessment roll, and that a copy thereof is left with one of their number at a place to be specified therein, where the same may be seen and examined by any person interested, until the third Tuesday of August; and that on that day the assessors will meet at a time and place, also to be specified in such notice, to review their assessments. It shall be the duty of the said assessors to meet at the time and place specified, and hear and examine all complaints, in relation to such assessment, that may be brought before them, and they are hereby empowered, and it shall be their duty, to adjourn from time to time, to hear and determine such complaints; but in the several cities and villages of this State the notice required by this section, shall conform to the requirements of the respective laws regulating the time and place for the revision of the assessments in said cities and villages, in all cases where a different time and place is prescribed by said laws, from that mentioned in this article.

SEC. 8. The Assessor with whom such assessment roll is left, shall submit the same during the 20 days specified in such notice, to the inspection of all persons who shall apply for such purposes, and during the period, and each week day thereafter, that the Assessors or Tax Commissioners are acting as a Board of Review, the assessment roll shall be open to the examination of the public at all reasonable hours, under the supervision of an Assessor or Tax Commissioner, or his assistant clerk or representative, but the Assessors or Tax Commissioners, when acting as said Board of Review, shall have such control of the handling of the assessment roll as will enable said Assessors or Tax Commissioners to perform their official duty as a Board of Review.

SEC. 9. Any person, or his representative, deeming himself disproportionately assessed by a valuation of his property at more than its full value, or by an undervaluation of the property of other persons in the assessment roll, may appear before the assessors or tax commissioners while sitting as a board of review, and may introduce the testimony of a competent expert, and the board of review may also call a competent expert, and an oath shall be administered to said witnesses by any member of the board of review. The witnesses shall be interrogated as to the real value of the property valued in the assessment roll and the building occupancy valuations thereon, and as to the real value of the claimant's property and valuation, and if it shall appear to the satisfaction of the Board of Review that the claimant has been disproportionately assessed by a valuation above actual assessable value, they shall reduce said claimant's assessment, and if it shall appear to the satisfaction of said Assessors or Tax Commissioners that the claimant has been disproportionately assessed by the undervaluation of the assessable property and valuation of other persons on the assessment roll, they shall raise said valuations of other persons to the full, real assessable valuation, and thus give relief to the aggrieved party. The examination shall be in writing, on a printed form properly filled in, and shall be subscribed by the persons examined, and each of the experts shall, in said examination, give his opinion of the per cent of the aggregate valuations on said assessment roll as compared with the full assessable aggregate valuation which ought to be thereon, and said written testimony, with the decisions of the Tax Commissioners or Assessors thereon, shall be immediately forwarded by mail to the State Tax Commissioners at Albany.

SEC. 10. If any taxes on real estate or on lands for building occupancy valuation, assessed to a resident occupant, shall be returned as unpaid in consequence of such premises becoming vacant by the removal of the occupant before the collection of the tax imposed thereon, or in default of goods and chattels of the occupant or owner to satisfy such tax, the supervisor of the town in which such land was assessed shall add a description thereof to the assessment roll of the next year, in a separate part thereof, and shall assess and charge the said land with the uncollected tax of the preceding years and the arrears of interest, and the same proceedings shall be had thereon in all respects as if it was the land of a non-resident, and as if such tax had been laid in the year in which the description is so added.

SEC. 11. Whenever the State Controller shall have rejected any tax on account of any inaccurate or imperfect description of the lands on which such tax was laid, and shall have charged the county to which it shall have been credited, the Supervisor of the town in which said lands are situated shall add to the next assessment roll of such town, in a separate part thereof, an accurate description of such lands; and, if necessary, may cause a survey of such lands at the expense of the town, and shall assess and charge said lands with the tax of the year, in which the imperfect description was made, and the arrears of interest.

SEC. 12. Whenever lands, assessed in any city or village, or in any town where lands are liable to be sold by authority of law, in default of payment of taxes, shall have been imperfectly or inaccurately described, they shall be accurately designated and entered on the assessment roll, in a separate part thereof, by the Assessors or Tax Commissioners, in the village, town, or city where said lands are situated, for the amount of the tax of each year of the defective description and arrears of interest thereon.

SEC. 13. Whenever it shall appear to the assessors of any town, city, village or ward in this State that any lands legally liable to a taxation in said town, city, ward or village has been omitted from the assessment roll of the next preceding year, it shall be the duty of said assessors to enter said land in the assessment roll of the current year at the valuation and rate of taxation of the year in which said land was omitted, in a part of said assessment roll separate from the assessment and valuation of said land for the current year; and if, by any mistake in transcribing or copying the assessment roll of the preceding year, any lands have been placed on the assessment roll annexed to the warrant delivered to the collector at a valuation less than that actually appearing upon the original assessment roll, signed by the assessors, the assessor shall enter said lands in a part of the assessment roll separate from the assessment of the current year, upon a valuation equal to the difference between the actual value made by the assessors and the amount at which, by such mistake, they were placed upon the assessment roll, and at the rate per cent of the tax imposed upon said lands in said town, village or city in the year in which said mistake occurred.

SEC. 14. The Board of Supervisors of the county or city in which lands are situated, which have been re-assessed for non-payment of taxes, or for any inaccurate or imperfect description, or for errors, or assessed for omissions of previous year, as provided by sections 10, 11, 12 and 13 of this article, shall proceed to levy taxes on said lands to the amount of previously imposed taxes, or (as the case may be) to the amount of taxes on said lands omitted the previous year, and shall charge said lands with the amount of the previous taxes and the interest in arrears thereof, or to the amount of the omitted tax of the previous year (as the case may be), stating the tax of each year separately, and shall direct the collection thereof, and such taxes and interest shall, for the purposes of this article, be considered as the taxes of the year in which the description shall be perfected.

SEC. 15. The whole amount of taxes levied upon the reassessment of lands, or upon the omitted valuations of lands the previous year, according to the provisions of the preceding section, shall be deducted from the aggregate taxes to be levied upon said town or city for the current year, and none of the reassessed valuations or valuations assessed on account of omissions of previous year shall be included in the valuations of the current year for the purpose of levying the tax of the current year; and said reassessed taxes and said assessed taxes for omissions of previous year shall be collected by the same authority and in the same manner as the ordinary taxes of the current year are collected.

SEC. 16. When the Assessors, or a majority of them, shall have completed their roll, they shall severally appear before any officer of the county authorized by law to administer oaths, and shall severally subscribe before such officer the following oath, to be written on the roll:

"We, the undersigned, do severally depose and swear that we have set down in the foregoing assessment roll all the real estate situated in the town [illegible]"

[illegible]

SEC. 17. The roll, thus certified, shall be delivered by the Assessors to the Supervisor of the town [illegible]

SEC. 18. The Assessors, in the execution of their duties, shall follow the instructions of the State Tax Commissioner.

SEC. 19. If any Assessor shall neglect or refuse to perform the duties [illegible]

SEC. 20. If any Assessor shall intentionally or knowingly [illegible]

SEC. 21. The Board of Supervisors [illegible]

SEC. 22. The Board of Supervisors [illegible]

SEC. 23. They shall also estimate and set down [illegible]

SEC. 24. The said Board of Supervisors shall also add up and set down the aggregate valuations [illegible]

SEC. 25. They shall cause the corrected assessment roll [illegible]

SEC. 26. The Board of Supervisors of the several counties in this State shall cause the corrected assessment roll [illegible]

SEC. 27. To each assessment roll [illegible]

If the warrant be directed to the collector of a town, the monies to be paid:

1. To the town superintendent of common schools [illegible]
2. To the Commissioners of Highways of the town [illegible]
3. To the Supervisor of the Poor of the town [illegible]
4. To the Supervisor of the town [illegible]
5. To the treasurer of the county [illegible]

[illegible]

SEC. 28. [illegible]

SEC. 29. [illegible]

SEC. 30. [illegible]

SEC. 31. When the tax on any real estate [illegible]

SEC. 32. The Assessors or Tax Commissioners [illegible]

ARTICLE FIFTH.

Of the State Tax Commissioner, his Duties, and the Equalization of the State Tax.

SEC. 1. State Tax Commissioner [illegible]

2. His powers and duties.
3. [illegible]
4. Salary of State Tax Commissioner [illegible]
5. Duties of State Tax Commissioner [illegible]
6. [illegible]
7. Each county shall pay amount of State tax [illegible]
8. Oath of office of State Tax Commissioner [illegible]
9. Duties of said Commissioner.
10. Books and papers of State Tax Commissioner [illegible]

SECTION 1. There shall be nominated by the Governor, and appointed by and with the advice and consent of the Senate, a State Tax Commissioner [illegible]

SEC. 2. The said State Tax Commissioner shall [illegible]

SEC. 3. The said State Tax Commissioner shall have power to appoint a deputy [illegible]