

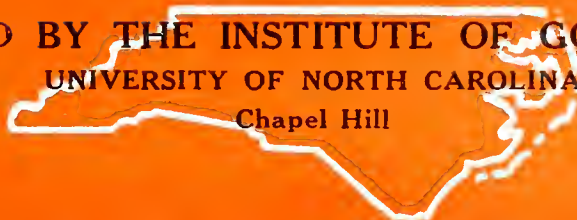
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Wolf Laurel Gap

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COVER

Fall in the mountains of North Carolina combines year-round vistas with a riot of colors. This is a view of Wolf Laurel Gap, near Mile-High Overlook, on a newly-opened section of the Blue Ridge Parkway near Waynesville.

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SHALL WE COORDINATE ?

STATE AND LOCAL EMPLOYEES TO VOTE OCTOBER 26 ON COMBINING RETIREMENT SYSTEMS WITH SOCIAL SECURITY

By NATHAN H. YELTON

October 26, Referendum Day for teachers, state employees, and many local employees, your vote may well determine whether your retirement system will be coordinated with Social Security. As Executive Secretary of both the Teachers' and State Employees' Retirement System and the Local Governmental Employees' Retirement System, I would like to present the facts which you should know before you vote.

Amendments to Title II of the federal Social Security Act passed by the 1954 Congress and signed by the President on September 1, 1954, made it possible for the first time for members of retirement systems to participate in the Old-Age and Survivors Insurance program in addition to benefits provided by their retirement system. Requirements for securing coverage were stated clearly: (1) The benefits payable under the combined or coordinated program may not be less in any case than under the present retirement system. (2) A referendum must be held among the members of the system and a clean majority of the members must vote in favor of the coordinated program in order for the group to be accepted under Social Security.

Many Plans Studied

After enactment of the 1954 amendments into law, it became evident that adoption of the Old-Age and Survivors' Insurance program would enable North Carolina to provide retirement and survivors benefits at a satisfactory level for our teachers and state employees. Consideration of several possible plans of combining the retirement system and Old-Age and Survivors' Insurance were studied with the assistance of the actuary and representatives of teachers, state and local employees, and local governmental units. After much study of the benefits and cost of various proposals, the Boards of Trustees of the two state retirement systems, on January 4, 1955, held an open meeting with representatives of all member groups and unanimously agreed to present a specific program to the General Assembly then in session.

Three Bills Presented

This program was presented in the form of three bills which became designated as House Bills 496, 497, and 498. The bills were approved unani-

mously by the Committees on Retirement and Appropriations of the General Assembly and were enacted into law, without a dissenting vote, subject to ratification by the members of the retirement systems.

HB 497 provides for a referendum among the members, for a formal agreement between the state and federal government for Social Security coverage of all teachers and employees, and for compliance with the Social Security Act after execution of the agreement.

Amendment Provisions

HB 498 contains amendments to the Teachers' and State Employees' Retirement Act to make it conform with the provisions of the combined program as recommended and endorsed by the Boards of Trustees, as follows:

1. Reduces contributions to the retirement system to 3 per cent on the first \$4,200 of annual salary beginning January 1, 1955. This is the only reduction, in any respect, in the bill.

2. Adds a new optional plan of retirement in order that any employee retiring before 65 but eligible to receive OASI benefits at 65 may select an option so that with OASI benefits his annual payments will be the same before 65 as after 65. Reference to Table C (the *Table for Determination of Number of Quarters of Coverage Required to be Fully Insured*) will enable you to determine when you will become fully insured.

3. Makes additional benefit payable until age 65 in the event of retirement for disability, in order to hold such benefits to the present level. The normal Social Security benefit, of course, would be payable at age 65 and the *additional* benefit would be removed from the state retirement allowance at that time.

4. Provides for participation in the retirement system from the first day of service rather than after 90 days from the beginning date of service.

5. Removes the maximum salary of \$6,500 on which contributions will be withheld. This amendment brings this act into conformity with the North Carolina Local Governmental Employees' Retirement act for county and city employees.

HB 496 contains amendments to the Local Governmental Employees' Retirement System to authorize the modification of that retirement sys-

tem for those local employees who vote to be covered under OASI. Modeled after the Teachers' and State Employees' Retirement System plan of coordination with OASI, the Local Governmental Employees' Retirement System is amended as follows:

1. Provides for class C local governmental employer and employee participation under which employees covered by Social Security shall have 3 per cent of the first \$4,200 and 5 per cent of the remainder of their compensation deducted as a contribution to the retirement system.

2. Provides that disability retirement benefits will not be reduced as a result of the modifications.

3. Adds a new optional plan of retirement providing that any employee retiring before 65 but eligible to receive OASI benefits at 65 may select an option so that with OASI benefits his annual payments will be the same before 65 as after 65.

Referendum Date and Data

Governor Luther H. Hodges, in conformity with provisions of HB 497, issued an Executive Order on June 8, 1955, calling for a referendum to be held among the members of the Teachers' and State Employees' Retirement System on Wednesday, October 26, 1955. The Governor appointed Nathan H. Yelton, Executive Secretary of the Teachers' and State Employees' Retirement System, as the officer responsible for conducting the referendum. Mr. Yelton has called upon each superintendent of schools to conduct the referendum in his administrative unit with the assistance of the president of the local unit of the North Carolina Education Association or to designate an officer to perform the duties involved. Each such referendum officer may select such assistants as needed for proper conduct of the referendum.

In a second executive order issued the same day, Governor Hodges authorized Mr. Yelton to call for a referendum among the employees of any governmental unit belonging to the Local Governmental Employees' Retirement System, whenever the governing authority of the unit shall request such a referendum. Seventy-nine of the 86 local governmental units covered by the Local Governmental Employees' Retirement System

and their employees will vote on October 26, the same day that teachers and state employees will vote to coordinate the Teachers' and State Employees' Retirement System with Social Security. The employees of three local governmental units, Forsyth County, New Hanover County, and the City of Winston-Salem, will vote the same day to coordinate their local retirement systems with Social Security.

These referenda will provide an opportunity for most North Carolina public employees not now covered by Social Security to decide (1) whether they wish to retain their present retirement system, or (2) whether they wish to coordinate Social Security with their retirement system.

If any of these public employees do not accept Social Security effective January 1, 1955, it will not be possible for them to secure full benefits under that program at a later date. Coverage at a later date will cause a reduced benefit to be payable due to loss of coverage after January 1, 1955.

Who Must Vote—How and When

Members of a retirement system, *only*, will have the privilege of voting in the referendum. By federal law, each member who made a contribution to the retirement system in June, 1955, or who made a contribution in the final regular pay period for the school or fiscal year of 1954-55, and who makes a contribution in the pay period including October 26, 1955, will be entitled to vote. Failure to vote will be a vote against the coordinated plan. For example, a majority of the eligible voters must vote in favor of the coordinated plan or the Teachers' and State Employees' Retirement System will remain as is *without* Social Security.

The referendum for state employees will be held between the hours of 8:30 A.M. and 6:00 P.M. on Wednesday, October 26, 1955. One or more polling places may be designated by the referendum officer in each county or administrative unit. The voting will be by secret ballot. Employees expecting to be away from home base on the date of referendum, should file a written request for an absentee ballot with their referendum officers. Upon receipt of this absentee ballot, the employee should mark it, sign it, and return it to his referendum officer, by mail or in person, not later than October 25.

Questions and Answers

There is no way to answer all of the questions raised, but those here included will give the answers to the

majority of the questions which have come to the retirement system.

1. Q. *If we obtain Social Security, will we still have our retirement system with all the benefits, rights and have requested such a referendum, privileges?*

A. Yes, we shall have *both* the retirement system and the Old Age and Survivors' Insurance.

2. Q. *I am a married lady and have two children and my husband is already covered under Social Security. What advantage is there in Social Security for me?*

A. (1) After you become currently insured, should you die, your two children would receive benefits until they reach 18 years of age. (2) If you become totally and permanently disabled and have 5 years coverage out of the last 10 years and coverage for 6 of the 12 quarters immediately before you are disabled, your years of total and permanent disability will not count and at age 65 your pension will be calculated on those years in which you worked. (3) You may improve benefits above those secured by virtue of being dependent on your husband's coverage. (4) You would establish eligibility for a lump sum death benefit. (5) If your husband should become dependent on you he

could be entitled to a husband's or widower's benefit.

3. Q. *Is there a table for estimating monthly benefits at earliest age of retirement, age 65?*

A. Yes, Table A shows monthly benefits payable.

4. Q. *Is there a table for estimating monthly Survivors' Benefits in case of my death when I am fully insured or currently insured?*

A. Yes, Table B shows monthly survivors' benefits payable.

Also, there is a lump-sum death benefit payable which could amount to \$255.00 maximum.

5. Q. *What does the term "average monthly earnings" mean in calculating the benefits for a retired person who will begin coverage for first time January 1, 1955?*

A. The "average monthly earnings" means the total earnings up to \$4,200.00 per year for each year from January 1, 1955, to age 65 divided by the total months from January 1, 1955, to age 65. Earnings after age 65 may also be included.

6. Q. *Who is eligible to vote in the referendum?*

A. All employees who are contributing members of the retirement system on *both* June 8, 1955, and October 26, 1955.

Workers' Average Monthly Earnings	Retired Worker	Retired Worker and Wife	Retired Worker, Wife and One Child Under 18
\$ 50.00	\$ 30.00	\$ 45.00	\$ 50.00
100.00	55.00	82.50	82.50
150.00	68.50	102.80	120.00
200.00	78.50	117.80	157.10
250.00	88.50	132.80	177.10
300.00	98.50	147.80	197.10
350.00	108.50	162.80	200.00

Worker's Average Monthly Earnings	Widow Age 65 or Older	Widow Any Age, One Child	Widow Any Age, Two Children	Age, Three Age, Three Children
\$ 50.00	\$ 30.00	\$ 45.00	\$ 50.20	\$ 50.20
100.00	41.30	82.60	82.60	82.60
150.00	51.40	102.80	120.00	120.00
200.00	58.90	117.80	157.10	160.00
250.00	66.40	132.80	177.20	200.00
300.00	73.90	147.80	197.10	200.00
350.00	81.40	162.80	200.00	200.00

Table C
Table for Determination of Number of Quarters Coverage Required to be Fully Insured.

Year of Birth	Quarter in which Birthdate occurs beginning			
	Jan.	Apr.	July	Oct.
Quarters Required				
1889	6	6	7	7
1890	8	8	9	9
1891	10	10	11	11
1892	12	12	13	13
1893	14	14	15	15
1894	16	16	17	17
1895	18	18	19	19
1896	20	20	21	21
1897	22	22	23	23
1898	24	24	25	25
1899	26	26	27	27
1900	28	28	29	29
1901	30	30	31	31
1902	32	32	33	33
1903	34	34	35	35
1904	36	36	37	37
1905	38	38	39	39
1906 or later	40	40	40	40

7. Q. *My husband is already covered under Social Security. What advantage would there be if I became covered under Social Security since he is already covered?*

A. You may improve your benefits due to coverage in your own right. (See question 2 if you have children or a dependent husband.) Also, a lump sum death benefit would be payable up to maximum of \$255.00.

8. Q. *I am already 65 years old. If we come under Social Security, what is the minimum time I will have to work in order to retire and draw benefits?*

A. Six calendar quarters.

9. Q. *If I become covered January 1, 1955, and work 10 years and quit prior to age 65 could I ever receive benefits?*

A. Yes, at age 65 you would be eligible for some benefits for the balance of your life, and also a lump sum death benefit would be payable up to a maximum of \$255.00.

10. Q. *If I become totally disabled how can I benefit by coverage under Social Security?*

A. Social Security does not provide a cash benefit for total disability, but the law does protect your insurance rights while you are totally disabled. Your earnings' record may be "frozen" if: (1) Your disability has lasted more than 6 months, and is expected to continue indefinitely and keep you from working. (2) You worked in covered employment 5 out of the last 10 years before you were disabled, and 1½ years during the last 3 years before you were disabled.

It is, therefore, possible that all the years from the time you become disabled would not be counted against you in calculation of your retirement benefits at age 65.

11. Q. *Is there a table for determination of the number of quarters I will need to work in order to be fully insured?*

A. Yes, Table C shows you the number of quarters needed to be fully insured, based on your age. These quarters will guarantee retirement benefits.

Two Special Provisions: A person who reaches 65 before October 1, 1958, or a person who dies after March 31, 1956, and before October 1, 1958, will be fully insured even if he does not meet the "fully insured" requirements given above, if (1) every calendar quarter after 1954 and until he reaches 65 or dies is a quarter of coverage; and (2) if at least 6 of his quarters of coverage were earned after 1954.

12. Q. *I am a young, single girl; what are the advantages of Social Security to me?*

A. You will not always be young, and you may not always be single. At 65 you will receive retirement benefits even after working 10 years and will build-up a lump-sum death benefit. You may have surviving dependent parents, age 65, who would receive monthly benefits. You may quit teaching or state service and enter private employment in which event you would never qualify for maximum retirement because of lost years between 1954 and the time you

enter private employment. You may get married, and may later have children who would draw survivor benefits at your death provided you were currently insured.

15. Q. *I am a lady 45 years of age and earn \$210.00 per month. If we vote for Social Security and become covered and I work for 10 years and quit, how much would my benefits be?*

A. Your Social Security benefit at age 65 will be \$60.50 per month for life; and upon death a lump sum death benefit of \$181.80 will be paid.

14. Q. *I am 55 years of age and earn \$210.00 per month, how much would I receive if I work 7½ years? (I have no previous coverage.)*

A. Your Social Security at age 65 will be \$73.50 per month for life; and upon death a lump sum death benefit of \$220.50 will be paid. Your wife at age 65 would also receive \$35.80 per month.

15. Q. *If a husband and wife both become covered and qualify for benefits, how are payments made?*

A. Both may draw benefits from their own coverage, and each will receive a benefit based on his own wage record. If one-half of the husband's benefit is more than her own full benefit, she will receive an additional check for the difference between her own and one-half of his.

16. Q. *Many state employees were in military service and were covered for Social Security at the rate of \$160.00 per month. Is this service ever lost in calculating benefits?*

A. No, neither military service nor any other employment in covered jobs is ever lost in crediting your account. Military service, if needed, will be used whenever you retire to calculate your benefits.

17. Q. *I was 63½ years of age (or older) on January 1, 1955. What will my status be if we vote in favor of Social Security?*

A. Any person who was not less than 63½ years of age on January 1, 1955, must have Social Security coverage for each calendar quarter from January 1, 1955, through June 30, 1956. Such person will be entitled to Social Security benefits in July, 1956, in addition to his retirement allowance. The allowance from the retirement system will be only slightly less than it would have been if contributions to the retirement system had been at the rate of 5 per cent of salary.

18. Q. *What will happen to my money in the retirement system if we vote in favor of the combined program?*

(Continued on inside back cover)

REDUCING PROPERTY TAX ASSESSMENTS AND BILLS

[*Note:* This article has been written in four sections or parts together with a final "note." The first two parts appear in this issue; the remaining portions will appear in the October issue of *POPULAR GOVERNMENT*. This subject has been treated in two *Property Tax Bulletins* (No. 3, October 1952, and No. 13, September 1955) and is presented here because of its significance to governing bodies and taxpayers as well as to tax collectors.]

Under North Carolina law no board of county or city commissioners has power to release, discharge, remit, or commute any portion of the taxes, penalties, and interest assessed and levied against any person or property except in special situations. If this prohibition is violated, the tax released or refunded may be recovered by a civil action from the board members upon the suit of any citizen. G.S. 105-403 is authority for this statement; it is a strict statute. Every county and city commissioner—and every taxpayer—should understand the problem and learn the few exceptional cases in which the general prohibition can be relaxed. This article tries to cover the subject under four headings:

- Part 1. The Ways in Which the Question Can Arise
- Part 2. The Right to Reduce Property Valuations
- Part 3. The Right to Reduce, Release, and Refund Tax Bills
- Part 4. The Right to Compromise Claims for Taxes, Penalties, and Interest

In addition, there is a Note dealing with the right to reduce assessments and reduce and refund tax bills on account of wind damage or destruction.

Part 1

The Ways in Which the Question Can Arise

County commissioners and city councilmen are repeatedly faced with requests from taxpayers for some kind of relief in the assessed value of their property and in the amount of taxes, interest, and penalties assessed and levied against their property. In some situations the governing board has power to grant relief



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and should do so; in others the board has no right to grant the relief, and if it does so subjects its members to personal liability. This article is intended as a guide for county and city governing bodies in handling cases of this kind.

Requests for tax relief can arise in a number of ways:

1. After the board of equalization and review has finished its work, a taxpayer may request a reduction in the valuation assessed against his property, or the county tax supervisor may advise the board that the valuation on certain property is out of line and should be reduced. This may occur either before or after the tax bills of the unit have been computed. A reduction in the assessment before the tax bill is computed will be reflected in the bill when rendered, and no refund problem will arise. A reduction in the assessment after the tax bill has been computed may or may not involve a refund. If the taxpayer has already paid the tax, the refund question will arise. If he has not paid the tax, the bill can be recomputed and no refund will be needed. Boards of county commissioners and city councils need to know exactly when and under what conditions they may legally make reductions in assessed valuations. That problem is discussed in Part 2 of this article.

2. After the tax rate has been set and the bills computed, a taxpayer may seek to have the amount of his bill reduced or completely written off, claiming that the county or city has no jurisdiction to tax his property, because it is exempt, or because the property does not have a taxable location in the unit; or he may claim

that the whole or a part of the tax rate itself is illegal or illegally levied. Possibly he will maintain that the penalty or interest rate applied is improper. Such protests may arise before the taxpayer pays the bill, or they may arise after he has paid it. What are the rights, duties, and possible liabilities of governing bodies in these cases? These points form the basis of discussion in Part 3 of this article, to be published in the next issue of this magazine.

3. When the tax officials discover property that has somehow escaped being listed and assessed, sometimes for several years past, the property-owner may protest the assessment and collection of prior years' taxes or the interest and penalties thereon. This can arise at any time during the year. Does the county or city governing body have any right to compromise its claim with such a taxpayer? This problem is discussed in Part 4 of this article, to be published in the next issue of this magazine.

4. When a taxpayer has let delinquent taxes accumulate for several years, he may seek to compromise with the governing body, offering to pay the principal and no interest, or the principal and part of the interest, or some other amount less than the total principal, penalties, and interest actually due. Is the governing body ever safe in entering into such a compromise? This problem is also discussed in Part 4 of this article.

Part 2

The Right to Reduce Property Valuations

In practically all counties the board of equalization and review is composed of the members of the board of county commissioners. The board of equalization sits for a limited period following the month or months in which property is listed and assessed for tax purposes; it reviews, modifies, and makes final decisions about valuations, and then adjourns. The board does not sit again until the following year. Nevertheless, problems of listing and assessment almost invariably arise after the board of equalization has adjourned, and these problems must be met by the board of county commissioners. One of these problems,

the one of primary concern here, is a request for reduction in the assessed valuation of some tract of land or piece of personal property. How far may the board of county commissioners go in making such a reduction? May a city council ever make such a reduction?

Once the board of equalization has completed its work, the Machinery Act directs that all changes and decisions made by the board "shall be reflected upon the tax records by correction, rebate or additional charge; and when all such changes have been given effect, and the scroll or tax book has been totaled, the members of the board of equalization, or a majority thereof, shall sign a statement at the end of the scroll or tax book to the effect that the scroll is the *fixed* and *permanent* tax list and assessment roll for the current year, subject to the provisions of this act. . . ." G.S. 105-328. It is obvious from the italicized words in the quotation that the governing intention of the statute is to have all listings and assessments crystalized at the time the board of equalization and review adjourns. Thus, any statutory provisions allowing changes in listings and assessments subsequent to adjournment of the board of equalization must be construed strictly, keeping in mind that they constitute exceptions to the statute's plainly expressed policy of having the tax rolls for the year closed at a definite time. Despite the fact, then, that the same individuals sit on both the board of county commissioners and the board of equalization, their powers to revise listings and assessments are strictly curtailed once they formally conclude their sessions as a board of equalization. This is the thinking that lies behind the opening sentence of G.S. 105-330: "After the board of equalization has finished its work and the changes effected by it have been given effect on the tax records, the board of county commissioners may not authorize any changes to be made on said records except as follows:" It is with the exceptional cases specified in that statute that this article is concerned, for only in those limited situations are the commissioners permitted to make reductions in assessments once the board of equalization has adjourned. The exceptional cases are outlined below:

I. Reduction on Orders of the State Board of Assessment: Suppose that a taxpayer, dissatisfied with an assessment decision of the board of equalization, has appealed that decision to

the State Board of Assessment. It is probable that the State Board will not reach a decision on the appeal until after the county board of equalization has adjourned. When the State Board's order for a reduction in the assessment is received in the county, the county commissioners have both the right and the duty to correct the tax records to show the reduction despite the fact that they are no longer sitting as a board of equalization and review. The board may authorize the tax supervisor to make such changes without referring each one to the board itself for action. G.S. 105-330(1) and (7).

II. Reduction to Correct Clerical Errors: If it is demonstrated to the commissioners that an assessment has been recorded incorrectly through some clerical error, the board, or the tax supervisor if the board has delegated the duty to him, is empowered to correct the error so that the records will reflect the proper assessment. G.S. 105-330(4) and (7). The correction of a true clerical error would not involve a reassessment or change in assessment in the strict sense. It would merely involve correcting the records to make them reflect accurately an assessment properly made but erroneously computed or recorded. For example, suppose the assessors had agreed that certain property should be assessed at \$3,000 and erroneously the figure was copied on the tax records to read "\$5,000." Certainly this would be a pure clerical error of the kind which would permit the board to make a downward correction in the assessed valuation. Suppose, for further illustration, the assessors had agreed that a certain 119-acre tract of land should be valued at \$40 an acre, but in multiplying the number of acres by the agreed per-acre value they reached the figure \$4,960 instead of the correct amount, \$4,760. Here again there is a pure clerical error and reduction would be allowable.

III. Reduction on Learning New Facts Making Reassessment Advisable: Under the terms of G. S. 105-330(6) the county commissioners are allowed to reassess property (downward or upward) after the board of equalization has adjourned "when the *tax supervisor* reports that, since the completion of the work of the board of equalization, facts have come to *his* attention which render it advisable to raise or lower the assessment of *some particular property* of a *given taxpayer*." But, even then, the commissioners cannot make such a reduction in assessment "unless it could

have been made by the board of equalization had the same facts been brought to the attention of said board of equalization," nor can the commissioners make a reduction unless the events or circumstances making reassessment advisable took place or existed before January 1.

The exact wording of the pertinent statute has been quoted because it is important to observe the limiting phrases used by the legislature. The limitations with respect to the commissioners' power to reassess under this language need reiteration and can be listed as follows:

A. Action to make reduction in this situation comes upon the advice or report of the county tax supervisor. Due public notice of meetings of the board of equalization are required by G.S. 105-327(6) in order to inform dissatisfied property-owners of their right to appeal the assessments against their property to that board for review and adjustment. The board of equalization is specifically empowered to hear and adjust such claims and appeals. G.S. 105-327(7)(b). Thus, it is not peculiar that there is nothing in the Machinery Act conferring on the taxpayer an additional right to complain directly to the county commissioners after the board of equalization has finally adjourned. This does not mean the taxpayer is left without any means of having his assessment reviewed at a later time, but the implication of the statute is clear: If the taxpayer fails to appeal to the board of equalization, he should present the facts of his case to the tax supervisor, not directly to the county commissioners. The supervisor is the proper person to bring the matter before the commissioners, and the statute leaves it to the supervisor's discretion as to whether the facts warrant taking the matter up with the board. This is not an injustice to the taxpayer or a denial of any right. He has already had an opportunity to appear before the board of equalization; if he fails to make timely appeal to that board he does so at his own risk. The reassessment powers granted the county commissioners upon the supervisor's advice under this statute are only incidentally available to the taxpayer. Their primary purpose is to allow the commissioners to effect desirable administrative adjustments of assessments in special cases after the "permanent" and "fixed" assessment roll is closed.

B. The scope of this power to reassess is limited to increasing or reducing the valuation of "some par-

ticular property of a given taxpayer," for it is only upon such exceptional pieces of property that the statute contemplates having the tax supervisor report. G.S. 105-330(6). This is in direct conformity with the idea suggested in the preceding paragraph. Thus the commissioners' power here does not seem to encompass or form a basis for widespread reassessment after the board of equalization has adjourned. They may bring one soldier into line with the rest of the company, but they cannot bring the rest of the company into line with one soldier.

*C. The commissioners may make a reduction in the value of such a piece of property only if the facts or circumstances justifying the reduction occurred or existed before the preceding January 1 (tax listing day). Facts or circumstances that occur or come into being after tax listing day for the current year can be taken into consideration only in the following year's assessment.**

D. The commissioners may make the reduction only if the board of equalization could have made the reduction had it been in possession of the same facts. Thus, assuming that the tax supervisor has learned the facts since the board of equalization adjourned, that he believes they justify a reduction on some particular piece of property, and that the facts existed before tax listing day, it is still possible that the commissioners may not have authority to make a reduction. As commissioners, they can only make the reduction if they could have done so while sitting as a board of equalization. The grounds for which the board of equalization might have made a reduction had they known the same facts (and for which the commissioners may make a reduction if the three limitations already discussed do not preclude action) are outlined in G.S. 105-327(7)(a) and (c) and are summarized below:

1. With respect to personal property.—The assessed valuation of any item of personal property may be changed to bring it in line with the valuation placed on similar personal property in the county. G.S. 105-327(7)(a) and (c). Thus, if the facts putting the particular valuation out

of line existed prior to January 1, and if the tax supervisor has learned them since the board of equalization adjourned and has brought them to the attention of the commissioners, the commissioners are free to make the reduction.

2. With respect to real estate in a revaluation year.—Personal property is reassessed every year but real estate is reassessed only every four years. Often this quadrennial reassessment is delayed for more than four years, so for practical purposes it is preferable to speak of what can be done about the valuation of real estate in a "revaluation year" rather than in a "quadrennial reassessment year." If the county has been through a complete revaluation of real estate effective as of the preceding January 1, then, within the three limitations already discussed in A, B, and C, above, the county commissioners in that revaluation year have exactly the same power to make reductions in the assessment of real property as they have every year with respect to personal property. G.S. 105-327(7)(c), G.S. 105-278, and G.S. 105-279.

3. With respect to real estate in a non-revaluation year.—Suppose the county has *not* had a revaluation effective as of the preceding January 1. In this situation the commissioners are not permitted to reduce any real estate assessment below the figure placed on it for the prior year *unless* the tax supervisor reports that facts meriting reduction on some particular piece have existed since before January 1 but have come to his attention only since the board of equalization adjourned. Even then, the commissioners can make no reduction unless the facts reported by the supervisor disclose the existence of one of the four grounds for reduction set out in G.S. 105-279(3) and summarized below:

a. Decrease in value from damage or loss: The value of the real estate has decreased more than \$100 by virtue of damage, destruction, or removal of improvements or appurtenances thereto since the property was last assessed for taxes. G.S. 105-327(7)(c) and G.S. 105-279(3)(c). Notice that it is not the cost of the improvement or appurtenance lost or damaged which governs the commissioners' right to decrease the assessment. Instead it is a question of the value lost. Thus, if there is, in fact, a reduction in value of more than \$100 the question of the assessment of the entire piece of real estate is reopened. The commissioners are not

limited to subtracting from the original assessment an amount that can be segregated and determined to be the specific worth of the improvement or appurtenance lost or damaged. If the basis for the reduction lies in damage to buildings by fire, for example, the adjustment would be fairly simple. But suppose, for another example, that a reduction is requested because timber has been cut and sold. This can present a more difficult problem. It is possible that at the last reassessment the presence of standing timber was ignored in setting the total tract valuation; on the other hand, the assessment records may disclose that the total tract value was ascertained by appraising land and timber separately and by adding the two. Perhaps some other method of assessment was used in fixing the total tract valuation. The method by which the tract was assessed at the last reassessment is not necessarily a governing consideration when the commissioners are asked to make a reduction for sale of timber; it is possible, however, that the original assessment records may be of considerable assistance in ascertaining a basis on which to approach a decision on whether to make any reduction and, if so, for what amount. Where there has been at least an ostensible loss in value of more than \$100 by reason of the sale of timber, the primary question for the commissioners remains: How does the existing valuation on the whole tract compare with the valuation on similar cut-over land in the county? It may be that, despite the sale of timber, the total valuation of the tract is still in line with that on other cut-over land. If that is true, no reduction would be warranted, regardless of the price for which the timber was sold. On the other hand, it may appear that the valuation on the tract is high in comparison with other cut-over land in the county. That fact alone would warrant a reduction.

b. Decrease in value on account of circumstances other than general economic decreases: The property has decreased in value more than \$100 by virtue of "circumstances other than general economic . . . decreases since the last assessment of such property." G.S. 105-327(7)(c) and G.S. 105-279(3)(d). This language is designed to permit the board to revalue a piece of property when something happens to that particular property after the time of the regular revaluation which materially decreases the value of that particular piece of property. Any such

(Continued on page 12)

* A special power to make reduction in assessments for facts occurring after January 1 is discussed in a Note at the end of this article, to be published in the next issue of this magazine.

THE CLEARINGHOUSE

Taxation Of House Trailers

Prior to the 1955 listing period the Mecklenburg County tax supervisor's staff decided to exert special efforts to secure proper listings of house trailers taxable in that county. Mr. Harold P. Garrison was assigned to this duty. Here is his report on the experience:

"I first prepared a letter to carry with me to each trailer and each trailer park. Here is a sample:

'To All Owners of Trailers Located in Trailer Parks in Mecklenburg County:

'Since you were living in Mecklenburg County in your trailer on January 1, 1955, you are required by North Carolina law to file a personal property return with the Mecklenburg County Tax Office by January 31, 1955. We are enclosing necessary forms for your convenience in mailing this return, with detailed instructions on the blank to help you in filing. Please give details as to make, model and length of trailer.'

"I would then contact the owner of the trailer park to list the trailers he owned and those in his possession for rent or lease which were owned by other individuals, which he had the responsibility to list. From his records I also secured a list of the owners of trailers stationed there on January 1, 1955. If the owner was not at home, I left a letter and a tax listing blank at his trailer for his convenience in mailing it to our office.

"A check at the end of January showed a total of 328 trailers listed for taxes in the county at a total valuation of \$352,715, or an average of better than \$1,000 per trailer.

"I might say also that during January I contacted 363 trailers. Of the 35 not now listed for taxes, 30 were not in the state on January 1. The other five were owned by servicemen entitled to exemption under the Soldiers and Sailors Civil Relief Act.

"Of course, the real test of what was accomplished will be the actual collecting of taxes on the listings, but I feel it was very much worthwhile in that we have some of these trailers on our books which have been here six or seven years and have never been listed before."

Public Housing Available Again

The new Housing Act of 1955 reactivates the low-rent public housing program and makes it possible for towns, heretofore excluded by restrictions in the 1954 Act, to proceed with the planning and development of their projects, according to a statement issued by A. R. Hanson, Field Office Director of the Public Housing Administration for the southeastern area.

The chief impediment removed by the new act was the requirement that a city must have an urban renewal or urban redevelopment project under way to be eligible for public housing. This had the effect of limiting new public housing to a few of the larger towns in four southeastern states—Alabama, Georgia, Kentucky and Tennessee. Public housing was entirely excluded from four other southeastern states—Florida, Mississippi, North and South Carolina—where urban renewal programs have been inoperative, either because of a lack of state enabling legislation or because of court decisions or uncertainty as to the constitutionality of state legislation.

The Housing Act of 1955 authorizes the Public Housing Administration to place 45,000 units under annual contributions contract in the United States for the year ending July 31, 1956. The contract limitation, instead of a limit upon construction starts as in prior years, is decidedly advantageous both to the city and to the Public Housing Administration. The scramble to start construction before the deadline can now be avoided and more time is permitted for the careful drafting of the plans and selection of a desirable site. The annual contribution contract is the contract executed between the Local Housing Authority and the Public Housing Administration. It carries the government's pledge for annual contribution and for the advance of funds to the Local Housing Authority for purchase of the site and construction of the project. It is irrevocable. Once it has been signed a Local Authority can proceed with the construction of a project at the Authority's convenience.

Mr. Hanson said early in August that he did not know how many of the 45,000 units would be allocated

to the Southeast. He was confident, however, that a fair share of applications would be processed in this area. The Southeast, he said, leads the nation with 44 percent of all low-rent public housing projects and 24 percent of all of the units in operation or under construction.

The public housing programs which can now be reactivated are in 319 localities in the Southeast and involve a backlog of approximately 28,000 units. The backlog includes outstanding program reservations and applications received since July 5, 1952 when the processing of new applications and the issuance of program reservations was halted.

The number of localities with pending applications and outstanding program reservations by states is as follows:

State	Localities
Ala.	73
Fla.	29
Ga.	110
Ky.	13
Miss.	53
N. C.	13
S. C.	10
Tenn.	18

Total 319

Since it is unlikely that the Southeast will be allotted as much as 28,000 units it is expected that a system of priorities will be invoked. Meanwhile cities that want and need low-rent public housing units should bear in mind that time is of the essence.

Housing In N. C.

There were 9,717 low rent public housing units in North Carolina completed or under construction as of the first of the year, according to the regional office of the Public Housing Administration. Another 1,677 units had been reserved for North Carolina communities.

In addition, the state had 128 units of temporary defense housing, 1,426 trailer units, 122 units of temporary war housing, and 472 units of permanent war housing.

Completed low rent units were located at Asheville (358), Charlotte (1,420), Clinton (70), Concord (92), Durham (487), Fayetteville (512), Goldsboro (600), Greensboro (800), Havelock (50), High Point (450), Kinston (544), Laurinburg (5), Lumberton (125), Morehead City (90),

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PLANNING & ZONING

By PHILIP P. GREEN, JR.

Assistant Director, Institute of Government

Subdivision Controls

The recent General Assembly enacted a new subdivision-control enabling act for 47 counties, in addition to special acts for Charlotte, Chapel Hill, Jacksonville, and Raleigh. Under these acts, most of the cities and towns affected have for the first time an effective and legal means of controlling the subdivision of land, both inside their boundaries and for a distance of one mile beyond. However, in order to take advantage of the new acts it is necessary to comply with the procedures which they specify.

The general law (Chapter 1334 of the Session Laws of 1955) requires that municipalities in the counties affected do three things if they wish to exercise the authority it grants: (1) the local legislative body must hold an advertised public hearing (notice being given for two successive weeks in a newspaper published in the municipality or posted at four public places in the municipality if there is no such newspaper, the notice being first published or posted not less than 15 nor more than 25 days prior to the hearing); (2) the local legislative body must then adopt an ordinance containing the regulations which will guide its decisions in approving or disapproving plats; and (3) this ordinance must be filed with the register of deeds of the county in which the municipality is situated.

Because this act repeals existing subdivision-regulation authority (other than that granted by special act or charter provisions) in the counties it affects, it will be necessary for municipalities in those counties to re-adopt any existing subdivision-control ordinances which they may have. This re-adoption should be in accord with the procedures outlined above.

Incidentally, there has been some confusion as to the counties affected by the new act. The correct list is as follows: Alamance, Avery, Burke, Camden, Carteret, Caswell, Chatham, Cherokee, Clay, Craven, Cumberland,

Currituck, Davidson, Edgecombe, Gaston, Gates, Graham, Haywood, Henderson, Hertford, Hyde, Iredell, Jackson, Lincoln, Madison, Mitchell, Moore, Nash, Orange, Pamlico, Pasquotank, Perquimans, Pitt, Randolph, Robeson, Rutherford, Sampson, Stanley, Swain, Tyrrell, Union, Vance, Wake, Washington, Wilkes, Wilson, and Yancey Counties.

In the course of re-adopting their regulations, municipalities should examine those regulations to see that they accord with the other provisions of the new act. Perhaps the most important of these is its definition of "subdivision," which differs somewhat from that found in most ordinances around the state.

The act provides that, "A 'subdivision' shall include all divisions of a tract or parcel of land into two or more lots, building sites, or other divisions for the purpose, whether immediate or future, of sale or building development, and shall include all divisions of land involving the dedication of a new street or a change in existing streets; provided, however, that the following shall not be included within this definition nor be subject to the regulations authorized by this act: (1) The combination or recombination of portions of previously platted lots where the total number of lots is not increased and the resultant lots are equal to or exceed the standards of the municipality as shown in its subdivision regulations; (2) the division of land into parcels greater than five acres where no street right of way dedication is involved; (3) the public acquisition by purchase of strips of land for the widening or opening of streets; (4) the division of a tract in single ownership whose entire area is no greater than two acres into not more than three lots, where no street right of way dedication is involved and where the resultant lots are equal to or exceed the standards of the municipality, as shown in its subdivision regulations."

The act's importance to municipalities coming under its provisions is

two-fold: (a) it authorizes a wider range of controls than those under the old Sections 160-226 and 160-227 of the General Statutes, and (b) it provides for workable enforcement procedures, consisting of both the power to secure an injunction against violations and use of the criminal law against violators. In addition, it forbids the recording of unapproved plats. If properly used, it can over a period of years prove a powerful force for betterment of the average community.

Aesthetic Controls in Zoning Ordinances

For many years it has been a rule of law that regulations designed to further purely aesthetic ends were beyond the scope of the police power (i.e., unconstitutional). Although some commentators have suggested that the underlying reason for this rule was the courts' reluctance to get into the controversies which rage over what is aesthetically "good" and what is "bad," the courts themselves have merely declared that beauty is not on a par with the generally-recognized ends of "public health, safety, morals, and general welfare" which the government may seek to attain through regulation of private property.

The North Carolina Supreme Court went about as far as any court in its 1924 decision of *Turner v. New Bern*, 187 N.C. 541, when it declared that while aesthetic considerations alone could not serve as a basis for police-power regulation, the fact that they were the major objective of a regulation would not defeat it if it could be supported on some other basis.

A major break in the traditional doctrine was forecast last winter by the United States Supreme Court's decision in the case of *Berman v. Parker*, 348 U.S. 26, upholding urban redevelopment as constitutional. Justice Douglas, speaking for a unanimous court, declared in the course of

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SCHOOLS AND MEETINGS FOR OFFICIALS

In its last full summer before moving into the new and enlarged facilities now under construction, the Institute of Government staff conducted 19 different schools and conferences in Chapel Hill for over 1700 officials and citizens, in addition to participating in a number of meetings elsewhere in the state. Six other schools have been scheduled for this fall.

SCHOOLS HELD DURING THE SUMMER

Tax Collectors Association

Seventy officials representing 27 cities and 29 counties attended the annual meeting of the North Carolina Tax Collectors Association on May 19-20. Henry W. Lewis of the Institute staff was in charge of arrangements for the meeting, which dealt principally with changes in the tax laws made by the 1955 General Assembly.

At the conclusion of the meeting, W. T. Mason, the Greensboro city tax collector, was elected president of the group for 1955-56. Other officers elected were James H. Sherrill, Caldwell County tax collector, first vice-president; E. J. Ward, Jr., Edenton city tax collector, second vice-president; and J. Douglas David, Moore County tax collector, third vice-president.

Outgoing officers were C. N. Alston, Concord city tax collector, president; Mr. Mason, first vice-president; Mrs. Ruth S. Gregory, Halifax County tax collector, second vice-president; and Mr. Sherrill, third vice-president.

Municipal Finance Officers

The annual school for the North Carolina Public Finance Officers Association was held on May 20-21, with John Alexander McMahon of

the Institute staff in charge. A total of 67 officials from 38 cities was on hand for the school, which centered around discussion of the new Municipal Fiscal Control Act and the use of performance budgeting techniques.

County Accountants

Discussion of the new County Fiscal Control Act and of the financial relationships between the county commissioners and local school boards, health boards, welfare boards, and elective officials highlighted the program of the annual school for County Accountants on May 26-27. Sixty-eight officials from 47 counties attended the school, which was under the direction of John Alexander McMahon of the Institute staff.

Waterworks Operators

The Institute and the School of Public Health of the University of North Carolina jointly conducted the 16th annual Waterworks School of the North Carolina Waterworks Operators Association June 6-10. As usual, the school was sponsored by the North Carolina section of the American Water Works Association, the North Carolina League of Municipalities, and the North Carolina State Board of Health. George H. Esser, Jr., was the Institute staff member in charge of arrangements.

Altogether 75 officials attended the week-long school. It was organized in four sections: A, B, and C for operators preparing for examinations in those sections and an advanced section for superintendents, managers, and operators who had already secured A certificates.

Boys State

The fifteenth annual Boys State program was held by the Institute

in the week of June 12-18 for the North Carolina Department of the American Legion. A total of 360 high school boys from throughout the state attended this year's meeting, which was under the general supervision of Roddey M. Ligon, Jr., of the Institute staff. Speeches by prominent state, local, and university officials made up the bulk of the program, which was devoted to teaching the boys the workings of government.

Wade Smith of Albemarle was elected Governor of the state in the climactic elections. Others chosen were Harry L. Broome, Raleigh, Lieutenant Governor; H. Jerry Godfrey, Charlotte, Secretary of State; Billy Adams, Roxboro, Attorney General; Tommy Smith, Laurinburg, Superintendent of Public Instruction; Benton Moss, Enfield, Commissioner of Agriculture; Phil McLellan, Raleigh, Commissioner of Labor; David R. Gibbs, Charlotte, Commissioner of Insurance; Eddie Goodnight, Salisbury, State Auditor; and the following Justices of the Supreme Court: Bill Strum, Roxboro; Bob Thompson, Aurora; Jimmy Dellinger, Kannapolis; Raymond Alexander, Kannapolis; Glenn Ketner, Salisbury; Joe Kluttz, Albemarle; and Bob Herford, Greensboro.

Billy Adams of Roxboro won the annual oratorical contest with his speech, "Our Constitution—Worth Having—Worth Defending."

Registers of Deeds

The North Carolina Registers of Deeds Association held its annual conference on June 12-14, with a total of 94 in attendance. Basil L. Sherrill was in charge of local arrangements for the Institute. The program centered around discussion of new legislation affecting registers of deeds and procedures with regard to the registration of births and deaths.

At the conclusion of the conference, Mrs. Margaret B. Moore of Caldwell County was elected president of the association for the coming year. Other new officers are Tazewell Eure, Gates County, first vice-president; Mrs. Ruby Rhyne, Gaston County, second vice-president; W. G. Massey, Johnston County, treasurer; and Institute of Government, secretary.

Outgoing officers were Lemuel Johnson, Chatham County, president; Mrs. Moore, first vice-president; Mr. Eure, second vice-president; Mr. Massey, treasurer; and Institute of Government, secretary.



MUNICIPAL FINANCE OFFICERS

Members of the North Carolina Public Finance Officers Association meet in Chapel Hill on May 20-21.



GOVERNOR AT REVENUE DEPARTMENT SCHOOL

Governor Luther H. Hodges addresses the banquet session which concluded a three-day refresher school for personnel of the State Department of Revenue, July 5-7. Others at the head table are Chancellor Robert R. House of the University at Chapel Hill, Commissioner Eugene G. Shaw of the Department of Revenue, Attorney General William B. Rodman, and Assistant Director of the Budget S. David Coltrane.

Department of Motor Vehicles

Nine three-day refresher schools for personnel of the Department of Motor Vehicles were held during the period June 19-July 23. Edward Lane-Reticker of the Institute staff was in charge of instruction, which covered changes in motor vehicle laws, standardization and criticism of two batteries of proposed driver license examinations, and lectures by administrative officers of the department and the State Highway Patrol.

A total of 500 members of the State Highway Patrol, 135 driver license examiners, five hearing officers, and five evaluators from the safety responsibility section attended these schools.

Department of Revenue

A school for personnel of the Department of Revenue was held for the first time on July 5-7, with 210 members of the department in attendance. Robert E. Giles of the Institute staff was in charge of administrative arrangements. All instruction in this school was given by top officials of the department. The school was designed to improve tax enforcement techniques so as to provide the additional revenue budgeted by the recent General Assembly.

Bar Association Meetings

A series of eight meetings with local bar associations was held by Institute personnel during the period July 12-25 to familiarize lawyers of

the state with changes in the law enacted by the recent General Assembly. The meetings were sponsored by the Committee on Continuing Legal Education of the North Carolina Bar Association, whose chairman is J. Spencer Bell of Charlotte. Robert E. Giles and Philip P. Green, Jr., of the Institute staff conducted the meetings, which were held in Winston-Salem, Charlotte, Raleigh, Wilmington, Greenville, Rocky Mount, Fayetteville,

and Asheville. A total of 275 lawyers attended.

Driver Improvement School

A three-week driver improvement school was held from July 24-August 13 for 30 driver improvement representatives of the Department of Motor Vehicles and 30 members of the State Highway Patrol. The course was taught jointly by the staff of the New York University Center for Safety Education, the Institute of Government, and members of the State Highway Patrol. Edward Lane-Reticker of the Institute staff was in charge.

New Tax Collectors

A week-long course in the basic law and practice of tax collection (both property and privilege license taxes) was held August 8-12. A total of 32 new tax collectors, deputies, and clerks attended the course, which was under the direction of Henry W. Lewis of the Institute staff.

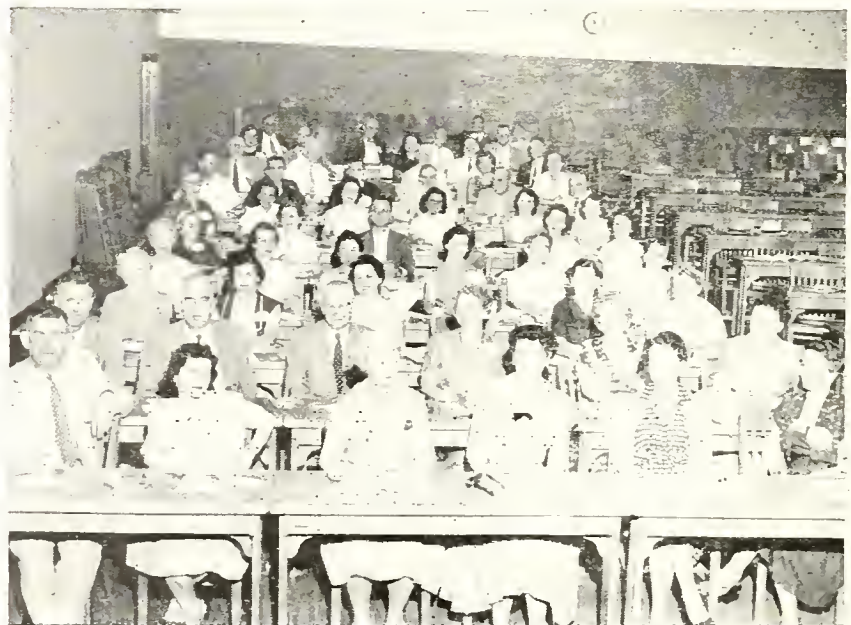
Highway Patrol Recruits

Sixty State Highway Patrol recruits reported August 14 to begin a 12-week basic course. The course is under the supervision of Donald B. Hayman, Basil L. Sherrill, Edward Lane-Reticker, and Zeb D. Alley of the Institute staff. All of the recruits had served from two to eight weeks in the patrol, under the supervision of an experienced patrolman, before the school began. They will be given a complete course in the duties of a patrolman.

FALL SCHOOLS SCHEDULED

Wildlife Protectors

A school for wildlife protectors of the Wildlife Resources Commission is



REGISTERS OF DEEDS

The North Carolina Registers of Deeds Association is shown as it held its annual conference in Chapel Hill, June 12-14.



FIRST MUNICIPAL ADMINISTRATION SEMINAR

Pictured above is the first class to complete the Institute's year-long Municipal Administration Seminar last May. The class received 150 hours of instruction in various phases of municipal administration in a series of week-end seminars and two three-day sessions at the beginning and end of the course.

scheduled to be held during the period September 4-25. Donald B. Hayman of the Institute staff will be in charge of the school, at which a revised edition of the *Guidebook for Wildlife Protectors* by W. C. Bumgarner is scheduled to be distributed.

Driver License Examiners

Approximately 135 driver license examiners of the Department of Motor Vehicles are expected to attend a four-day school September 8-11. Edward Lane-Reticker of the Institute of Government staff will be in charge.

Employment Security Commission

An elaborate program built around the theme, "Economic Development of North Carolina," has been planned for an Institute for North Carolina Employment Security Employees to be held September 29-October 1. The Institute will be co-sponsored by the North Carolina Chapter of the International Association of Personnel in Employment Security, the Employment Security Commission of North Carolina, the Department of Conservation and Development, and the Institute of Government. Donald B. Hayman will be the Institute of Government staff member in charge of arrangements.

Among the topics which will be discussed by panels of experts drawn from within and outside the state are "Economic Development and North Carolina," "Schools and Colleges and Industrial Development," "Water, Taxes, and Industrial Development," "Promoting Industrial Development," "Industry and the In-

dustrial Development of North Carolina," "The Experience of Industry in North Carolina," and "What Can the Employment Security Commission Do to Further the Industrial Development of North Carolina?"

Between 135 and 250 employment security personnel are expected to attend.

Tax Supervisors

The annual conference of the North Carolina Tax Supervisors Association has been scheduled for November 9-11. Henry W. Lewis of the Institute staff will be in charge of local arrangements.

Arson Investigators

The fourth annual Arson Investigators' School—Primary Course will be held November 14-19. Richard A. Myren of the Institute staff will be in charge.

Municipal Administration

The year-long Municipal Administration Seminar which was held last year for the first time will once again be held from November through May of the coming year. Announcements and application blanks will be mailed sometime in October, with details as to the program. George H. Esser, Jr., of the Institute staff, will be in charge.

Tarboro (100), Wayne County (90), Wilmington (1,078), and Winston-Salem (1,085).

Units were reserved for Asheville (238), Concord (150), Durham (113), Greensboro (236), High Point (200), Jacksonville (50), Laurinburg (52), Raleigh (300), Wayne County (45), and Winston-Salem (293).

Defense housing units were located at Elizabeth City (128-temporary), Camp Lejeune (1,362-trailers), and Cherry Point (64-trailers). War housing units were located at Elizabeth City (122-temporary) and Wilmington (472).

Collecting Personal Property Taxes

At the end of June Mr. T. J. Caudle, assistant tax collector for the city of Greensboro, submitted a memorandum to Mr. W. T. Mason, the Greensboro collector who also serves as President of the State Association of County and Municipal Tax Collectors, in which he summarized the number of garnishment and attachment papers served and collected in full between January 2, 1955, and June 30, 1955, in that city. The effectiveness of this work will be of interest to collectors all over the state: 632 garnishments served attaching wages and bank accounts through a justice of the peace's court, 104 notices of attachment served on corporations and individuals to reach bank accounts through the local municipal-county court, and 20 levies on personal property. This came to a total of 756 separate actions.

Public Housing

(Continued from page 7)

New Bern (579), Raleigh (612), Rocky Mount (320), Salisbury (180),

Books of Current Interest

FIRST AID

FIRST AID AND RESUSCITATION. by Carl B. Young, Jr. Springfield, Illinois: Charles C. Thomas. 1954. \$8.50. Pages 338.

It would be difficult to imagine a more complete and helpful guide to the practice of first aid and resuscitation techniques. The author, Lieutenant Young, draws on practical experience, both military and civilian. Full-chapter consideration is given to all the most common emergencies likely to be encountered in first aid work. Among others there are chapters on resuscitation, heart emergencies, chest wall injuries, electric shock, acute drug intoxication, submersion, and noxious gases. One of this book's strongest points is the author's clear and simple explanation of the physiological and anatomical factors involved in various injuries and accidents. While the cost of the book might well seem prohibitive to individual members of rescue squads and law enforcement agencies, the book would be a valuable and useful addition to any training library. (E. L.-R.)

ACCIDENT INVESTIGATION

TRAFFIC ACCIDENT INVESTIGATOR'S MANUAL (2nd Ed.). Evanston, Illinois: The Traffic Institute. 1954. \$3.50. Pages 304.

The present revision of this book has expanded and improved an already excellent manual. Every phase of accident investigation is covered with admirable detail and technical accuracy.

T R A F F I C ACCIDENTS. By Charles A. Williams. Springfield, Illinois: Charles C. Thomas. 1954. \$4.25. Pages 113.

Inspector Williams of the Oakland, California, Police Force has written a brief but interesting book about the techniques of accident investigation. It should serve as a useful introduction to the subject for all law enforcement officers and as a supplement to the more technical manuals for specialists in accident investigation.

Tax Reductions

(Continued from page 6)

change must arise from something other than general decreases in property values, and when a reduction is granted for this reason the board of equalization or board of county com-

missioners must find the facts in the particular case and enter them in detail in their minutes.

c. Present assessment too high on account of improper listing of acreage or dimensions: The property was assessed too high at the last assessment, that is, improperly assessed, "as the result of an error in the listing of the number of acres in the tract or parcel or in the listing of the dimensions of the lot." G.S. 105-327(7) (c) and G.S. 105-279(3) (g). Suppose a tract of land was last listed at 100 acres and assessed at \$40 an acre, or a total of \$4,000. Subsequently it is discovered that an error was committed, that the tract contained only 85 acres. Had the acreage been listed properly the total valuation would have been \$3,400 rather than \$4,000. This statute permits the board of equalization or county commissioners to make reductions in such cases, but "in each such case the facts in connection with the error shall be found" by the board and entered upon its minutes.

d. Present assessment manifestly unjust: The property was last assessed at a figure which manifestly is unjust by comparison with the assessment placed on similar property in the county at the time of the last reassessment. G.S. 105-327(7) (c) and G.S. 105-279(3) (h). Assessments which "manifestly" are "unjust when compared with the assessment placed upon similar property in the county at the time of the last reassessment" might be interpreted as almost any valuations which the board feels to be either above or below what it considers the county-wide assessment level. Since it is presumably possible that this power may be exercised by the board on its own motion if the supervisor fails to make any report, there is a danger that boards may interpret this language as broad enough to allow them to effect what would be almost complete revaluation in a non-revaluation year. Without going into the possible limitations on the board of equalization's use of this authority for reassessment in a non-quadrennial year, it is clear from what has already been stated that when the board of county commissioners uses this authority as a basis for reduction, it is limited to "some particular property of a given taxpayer." G.S. 105-330(6). It could not use the

supervisor's report on one tract as a basis for a wholesale revaluation of all similar property in the county. Its powers are limited to bringing the tax assessment of the single tract into line with the assessments placed on similar real estate in the county at the time all real estate was last revalued.

Throughout this discussion of the power to reduce property assessments after the county board of equalization and review has adjourned, it will be observed that the city council or board of aldermen or commissioners have not been mentioned. Municipal authorities are usually familiar with the provisions of G.S. 105-333 requiring them to accept the valuations set by the county tax authorities. But are there any situations in which a city governing body may make reductions in assessments after the county board of equalization has finished its work? As already stated, unless a city or town has received special legislative authority to do its own assessing, it must always accept the valuations set by the county authorities. It must honor both reductions and increases determined by the proper county tax officials. For example, if the board of county commissioners, in the exercise of one of the powers outlined above, makes a reduction in the assessment of a piece of land inside a town, the town must make its records reflect that reduction. But the city council or board of aldermen has no power of its own to change assessed valuations at any time. To this broad general rule there are two possible exceptions, one with respect to property discovered by the town authorities (see Part 4 of this article), the other with respect to damage to property by windstorm (see Note at the end of this article, to be published in the next issue of POPULAR GOVERNMENT).

Planning & Zoning

(Continued from page 8)

his opinion that "if those who govern the District of Columbia decide that the Nation's capital should be beautiful as well as sanitary, there is nothing in the Fifth Amendment that stands in the way."

While this statement may have been nothing more than dicta, it has already been seized upon by a state supreme court to uphold a zoning ordinance imposing aesthetic controls. The court was the Wisconsin Supreme Court, in the case of *State ex rel.*

(Continued on inside cover)

Planning & Zoning

(Continued from page 12)

Saveland Park Holding Corporation v. Wieland, 269 Wis. 262, 69 N.W. 2d 217. The case involved the zoning ordinance of the village of Fox Point, Wisconsin, which provides that no building permit may be issued until a Building Board has determined that "the exterior architectural appeal and functional plan of the proposed structure will, when erected, not be so at variance with either the exterior architectural appeal and functional plan of the structures already constructed or in the course of construction in the immediate neighborhood or the character of the applicable district established by [the zoning ordinance] . . . as to cause a substantial depreciation in the property values of said neighborhood within said applicable district." The plaintiff's application for a building permit was refused on the basis of these provisions, and he brought a legal action to secure it.

The trial court ordered issuance of the permit on the basis that the ordinance was unconstitutional for three reasons: (1) that the preservation of property values is not a proper basis, by itself, for exercise of the police power, (2) that the ordinance is essentially based upon aesthetic considerations, and that these are not a sufficient basis for police power regulations, and (3) that the standards prescribed in the ordinance to guide the discretion of the building board are too definite to prevent arbitrariness.

The Supreme Court overruled the lower court on all three counts, holding (a) that preservation of property values conduces to the promotion of the general welfare, (b) that the U. S. Supreme Court's language in *Bremen v. Parker* indicates that aesthetic considerations may now be a proper basis for police power exercise, and regardless, these particular regulations are aimed only at aesthetic abuses actually affecting property values, and (c) that the language of the ordinance is sufficiently definable to prevent uncontrolled arbitrariness by the Building Board.

With this amount of judicial backing, we can probably expect to see a variety of cases, ranging from billboard controls to regulation of honky-tonks, in which aesthetic considerations are raised. It remains to be seen whether other courts will be as ready to enter the realm of aesthetic controversy as was the Wisconsin court.

Retirement System Election

(Continued from page 3)

A. Absolutely nothing will happen to your contributions for service through December 31, 1954. Two per cent of your contributions made during 1955 will be withdrawn from your retirement system and paid to Social Security. Beginning in January, 1956, your employer will separate the two contributions on the payroll.

19. Q. *What will happen to my contributions to the retirement system if I die while in active service?*

A. Upon receipt of a certified copy of the certificate of death, your total contributions and accumulated interest to date of death will be paid to your designated beneficiary or to your estate if no beneficiary has been designated.

20. Q. *Is it possible to retire between the ages of 60 and 65 and receive a level income from the retirement system and Social Security together?*

A. Yes, a favorable vote in the referendum will add a new option to the retirement act. Under this option you may elect to receive a greater monthly retirement allowance until age 65 and a reduced allowance thereafter. The effect will be to provide a level life income. This option will be available only if you are fully insured under Social Security.

21. Q. *I have worked during a year for two different firms, both deducting Social Security taxes, and I have been taxed on more than \$4,200.00—What can I do?*

A. You can recover the excess amount by getting a credit or rebate on your Federal Income Tax Return.

22. Q. *Are Social Security benefits subject to income tax?*

A. No. That increases their real value to you.

23. Q. *A man retiring at age 65 can earn up to \$1200 per year without reduction in Social Security. His wife at age 65 gets one-half his primary benefits. Can she work?*

A. Yes, the same \$1,200 would apply to her as well as the husband if she works separately.

24. Q. *I signed a non-election blank for retirement in 1941. Can I belong to Social Security if the coordinated plan is adopted?*

A. Yes, you will have to. Also, you can belong to the retirement system if you wish, coming in as a new member from the date of application with no credit for any prior service.

25. Q. *Are temporary employees covered under this plan?*

A. Yes, they will be under Social Security.

26. Q. *Will disability be reduced?*

A. No, it remains the same with supplement from reserve funds to make the new 3 per cent system equal to the old 5 per cent—no reduction in payments.

27. Q. *What happens to funds already paid in to the Teachers' and State Employees' Retirement System?*

A. Protected under Constitutional Amendment to the retirement system. Cannot be diverted or sent to Social Security. We act only as collection agency for Social Security funds in the future, and retirement system and Social Security will be separate accounts; we continue as in the past; Social Security funds will be remitted to Baltimore.

28. Q. *If the systems are coordinated, can I withdraw funds on separation?*

A. Yes, you can withdraw your retirement contributions. No withdrawal on Social Security funds.

29. Q. *Do I have to retire at age 65 under Social Security?*

A. No, you can work as long as permissible. Our own law on retirement is not changed, however.

30. Q. *I am past 65 now. Would Social Security help me?*

A. Yes, you can qualify regardless of age.

31. Q. *If I die on the job, how are we affected?*

A. Your beneficiary will be entitled to a refund of your contributions plus interest from the retirement system. If properly covered under Social Security and the coordinated plan, your survivors are entitled to certain benefits. Wife and children under 18 are paid a maximum of \$200.00 a month, with benefits ceasing at time children reach 18, and widow receiving payment again at age 65 if she has not remarried and you were fully covered at time of death.

32. Q. *Can I still retire at age 60—and do I have to retire at age 65?*

A. Yes to the first; no to the second. You can retire at age 60 and select an option that pays more. An adjustment will be made at age 65, when Social Security comes in, to allow you the same average monthly payment over the entire period of retirement. Under Social Security you may work on after 65 if you wish.

33. Q. *If retroactive to January 1, 1955, how do we pay Social Security back payments?*

A. You have already paid 5 per cent, and 2 per cent will be canceled off and sent to Social Security. You will not know the difference.

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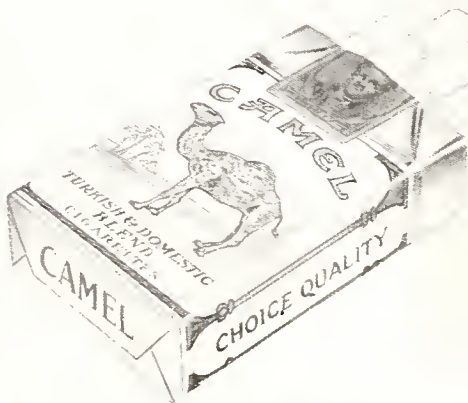


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