January 20 and if not paid on or before April 20 a % penalty is added. The fiscal year of the city extends from January 1 to December 31, and taxes are levied each year on or before September 15. The City sends out no tax bills and taxes are payable to the City Tax Collector, no discounts being allowed.

Section 20 of Article XI, Constitution of the State of California, as amended, provides that:

"Expenditures in any county, municipality, district, or other political subdivision of this state shall not in any year exceed by more than 5% the expenditures of such a county, municipality, district, or other political subdivision for the preceding year unless previously authorized by vote or by the State Board of Equalization."

State emergency legislation designed as a relief to taxpayers, temporarily permits the payment of delinquent taxes without penalty in ten annual installments, subject to a prompt payment of current taxes.

Public utilities, which were previously only taxed by the State on the basis of gross receipts, have been returned to the local assessment rolls. This has had the effect of increasing the tax base and, therefore, reducing the real property tax rate.

Another recent change in the law has shifted to the State certain portions of the school costs which were formerly borne by the counties and financed through ad valorem taxes. The school costs now assumed by the State do not include service of bonded indebtedness of the school districts.

2. Legal basis of assessment

Section 2 of Chapter 642, California Revised Statutes of 1931, provides that:

"The State Board of Equalization shall bi-annually determine the average assessed value of the property assessed for taxation for general county purposes in each county for each $100.00 of true valuation of such property as determined by said Board of Equalization in accordance with a uniform basis or standard. The determination of said Board of Equalization as to the ratio of such assessed valuation to true value shall be final and conclusive."

On Appendix Page 8A will be found a tabulation prepared for this report by the San Joaquin County Auditor and on Appendix Page 7A will be found a similar tabulation prepared by the Stockton City Auditor. In reviewing the County Tax table, it will be noted that the tax rate on property inside the City of Stockton is a little lower than on property situated outside the city. Currently, this differential amounts to $1.20 per thousand of assessed value. The Stockton School District covers an area