

High Court Upholds Property Tax to Fund Schools

Now it's legal again. The property tax, which has traditionally been the mainstay of financial supports for schools across the country, has been given a new lease by the United States Supreme Court.

In a 5-4 decision, the high court held that financing of public services should not be declared unconstitutional "merely because the burdens or benefits thereof fall unevenly, depending upon the relative wealth of the political subdivisions in which citizens live."

"The Justices of this court lack both the expertise and the familiarity with local problems so necessary to the making of wise decisions with respect to the raising and disposition of public revenues," the majority declared. Citing the disagreement among educators on matters of revenue raising and spending, the opinion continued, "the judiciary is well advised to refrain from imposing on the states inflexible constitutional restraints that could circumscribe or handicap continued research and experimentation."

The ruling reversed that of a Texas court that had held the use of local property taxes to finance schools contrary to the Constitution. Like the California court before it, the Texas tribunal had found that wealthy communities could collect larger revenues and thereby spend more money per pupil in their local schools and this violated the equal protection provisions of the basic law.

In the Texas case the alleged inequality arose from the expenditure of \$365 per pupil in the Edgewood district of San Antonio as compared with \$594 per pupil in the more affluent Alamo Heights district in the same city.

The Supreme Court's majority opinion stated "that a state may constitutionally vary the quality of education which it offers its children in accordance with the amount of taxable wealth located within the school districts within which they reside."

The decision was greeted by disappointment and

criticism by those who favored greater equalization of opportunity — at least in terms of opportunity for equal educational advantage. Of course, dollars are not necessarily to be equated with either opportunity or quality; expenditures of equal sums do not always produce equal, or even comparable, results. But in the minds of many the disparate expenditures among communities results in preferential treatment for some pupils as compared with others.

But the Supreme Court decision has much deeper implications. If the Texas ruling had been allowed to stand — and presumably that would have upheld similar rulings in other states — the taxing practices as well as the means of financing education would have been subjected to severe strain throughout the country. Perhaps Hawaii alone would have been untouched.

The property tax had been under attack for other reasons than its alleged affect upon educational opportunity. And these attacks were prompting efforts to do away with or reduce the property tax in many jurisdictions. The danger, of course, lay in the failure to appreciate the dual nature of the tax; the levy on land and the levy on improvements.

If the high court had invalidated the use of revenue from the property tax for educational purposes, those who seek to lighten the property tax burden would have been immeasurably strengthened. Both levies, that on the land as well as that on improvements, might have been substantially reduced. And while the reduction of the tax burden on buildings could have had only salutary effect, the reduction of levy on land would have added to the unearned increment of landlords and markedly increased the incentive to the land value speculator.

Whatever are the effects of the Supreme Court's action on the status of educational opportunity, it does have the questionable virtue of continuing property taxes without worsening their effects.