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Williams Vs. Supervisors of Albany

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Court : US Supreme Court

Decided On : May-23-1887

Appeal No. : 122 U.S. 154

Appellant : Williams

Respondent : Supervisors of Albany

Judgement :

Williams v. Supervisors of Albany - 122 U.S. 154 (1887)
U.S. Supreme Court Williams v. Supervisors of Albany, 122 U.S. 154 (1887)

Williams v. Supervisors of Albany

Argued March 18, 1887

Decided May 23, 1887

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ERROR TO THE CIRCUIT COURT OF THE UNITED

STATES FOR THE NORTHERN DISTRICT OF NEW YORK

SYLLABUS

Stanley v. Supervisors of Albany, 121 U. S. 535 , affirmed to the point that a party who feels himself aggrieved by overvaluation of his property for purposes of taxation, and does not resort to the tribunal created by the state for correction of errors in assessments before levy of the tax, cannot maintain an action at law to recover the excess of taxes paid beyond what should have been levied on a just valuation. His remedy is in equity to enjoin the collection of the illegal excess upon payment or tender of the amount due upon what is admitted to be a just valuation.

The mode in which property shall be appraised, by whom and when that shall be done, what certificate of their action shall be furnished by the board which does it, and when parties may be heard for the correction of errors are all matters within legislative discretion, and it is within the power of a state legislature to cure an omission or a defective performance of such of the acts required by law to be performed by local boards in the assessment of taxes as could have been in the first place omitted from the requirements of the statute or which might have been required to be done at another time than that named in it, provided always that intervening rights are not impaired.

The statute passed by the Legislature of New York April 30, 1883, to legalize and confirm the assessments in Albany for the years 1876, 1877, and

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1878 was not in conflict with the acts of Congress respecting the taxation of shares of stock in national banks, and was a valid exercise of the power of the legislature to cure irregularities in assessments.

This was an action to recover the amount of certain taxes alleged to have been illegally collected from the plaintiff and others on sundry shares of stock held by them in the National Albany Exchange Bank, in the City of Albany, New York and paid into the treasury of the county. The stockholders other than the plaintiff assigned to him their respective claims before its commencement. Their demands were originally embraced in an action brought by one Edward N. Stanley against the Board of Supervisors, he being at the time assignee of their claims. In that

action, judgment was recovered by him. The case being brought to this Court, the judgment was reversed, and the cause remanded with leave to the court below, in its discretion, to hear evidence upon the point whether the shares were habitually and intentionally assessed higher in proportion to their actual value than other money ed capital generally, and if necessary to allow an amendment of the pleadings that the point might be properly presented. *Supervisors v. Stanley,* 105 U. S. 305 . When the case was remanded, on application to the court below, all the counts of the complaint, except the fourth, were amended. Subsequently, however, Stanley discontinued the action as to the claim for the taxes assessed and collected for the years 1876, 1877, and 1878. The plaintiff then took an assignment of the claim for those taxes from Stanley and commenced the present action. He contended that the assessment for those years upon the shares of the stock of the bank was illegal on these grounds:

1st. Because it was not made within the period required by law, which was before the first of September of each year, but after that date.

2d. Because it was not accompanied by the oath of the assessors that it had been made at the full and true value of the shares, subject only to certain specified deductions allowed by law.

3d. Because it was higher, in proportion to the actual value

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of the shares, than the assessment of other moneyed capital in the hands of individual citizens of the state was to its actual value.

The defendant answered these grounds by a general denial and by setting up an act of the Legislature of New York, passed April 30, 1883, legalizing and confirming the assessment. *

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The issues were tried by the court without the intervention of a jury by consent of parties. The court found the facts as admitted by the pleadings and by stipulation of the parties, from which it appeared, among other things, that no entry of any assessment of the shares of the stockholders of the bank was made upon the assessment roll of 1876, 1877, and 1878 until after the 1st day of September of those years, and after the time provided by law for revising and correcting the assessment; that the oath of the assessors, annexed to the assessment of each year, was defective in its averment respecting the estimated value of the real estate assessed, but was correct in its averment of the estimated value of the personal property; that there were several banks, state and national, located in the City of Albany, and that the actual value of their shares during those years, with one exception, was above par, varying in that respect from ten to over one hundred percent, and yet the value of all of them was assessed at par; that the actual value of shares in the National Albany Exchange Bank was from twenty-five to thirty percent above par; that the assessment of the shares of some of the other banks was higher and of some of them lower than this figure, and that the assessment at par was not made by the assessors with the intent of discriminating against the holders of national bank

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shares, or in favor of the holders of state bank shares, or other moneyed capital. As a conclusion of law, the court found that the assessments were illegal because not made in conformity with the laws of the state, but that they were legalized and confirmed by the act of its legislature of April 30, 1883, and that they were not in violation of any law of the United States. 22 Blatchford 302. Judgment was accordingly rendered for the defendant, and the plaintiff brought the case here for review.

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MR. JUSTICE FIELD delivered the opinion of the Court.

It may be conceded that the assessment of the shares of the National Albany Exchange Bank was in some instances higher, in proportion to their actual value, than the assessment of some other moneyed capital in the hands of individual citizens was to its actual value; but, as seen from the findings, such discrimination was not designed by the assessors. It is so stipulated by the parties. Whatever discrimination in such instances may have existed arose from the difficulty of devising any other mode than the one adopted which would work out greater equality and uniformity in the valuation of different kinds of moneyed capital. There was no proof as to the assessment of any moneyed capital except shares of other banks, state or national. The value of shares in some of these banks was higher, in some lower, than that of the

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shares of the National Albany Exchange Bank. The method adopted of assessing all shares at par was generally satisfactory to the owners of the national bank stock in the City of Albany, with the exception of a few stockholders in the National Albany Exchange Bank. Considering the nature of the property and the frequent fluctuations in value to which it is subject, the method applied to all banks, state and national, came, as we said in the recent case of Stanley against the same defendants, as nearly as practicable to securing between them equality and uniformity of taxation. All the banks, state and national, being thus placed, as respects taxation, upon the same footing, the method could not be considered as adopted in hostility to any of them. If it sometimes led to undervaluation of the shares of national banks, the holders could not complain. If it sometimes led to overvaluation of the shares, the aggrieved party could obtain relief by pursuing the course pointed out by the statute for its correction unless, as asserted, this course was not, in the years mentioned, available to the plaintiff and the stockholders whose interests were assigned to him, because their names were not placed on the assessment roll until the time provided by law for revising and correcting the assessment had passed. If that course was thus cut off, they could have resorted to a court of equity to enjoin the collection of the illegal excess upon payment or tender of the amount due upon what they admitted to be a just valuation. We have

considered this subject so fully in the recent case of Stanley against these same defendants, 121 U. S. 121 U.S. 535, to which we refer, that it is unnecessary to pursue it further.

The irregularities in the assessment for the years 1876, 1877, and 1878, in that no entry of any assessment of the shares of the plaintiff, and of the stockholders whose claims were assigned to him, was made on the assessment roll of those years until after the first of September and after the time for revising and correcting the assessment had passed, and in the defect of the oath annexed in its averment as to the estimate of the value of real estate, were, in our judgment, cured by the validating Act of April 30, 1883. The power of taxation

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vested in the legislature is, with some exceptions, limited only by constitutional provisions designed to secure equality and uniformity in the assessment. The mode in which the property shall be appraised, by whom its appraisement shall be made, the time within which it shall be done, what certificate of their action shall be furnished, and when parties shall be heard for the correction of errors are matters resting in its discretion. Where directions upon the subject might originally have been dispensed with or executed at another time, irregularities arising from neglect to follow them may be remedied by the legislature unless its action in this respect is restrained by constitutional provisions prohibiting retrospective legislation. It is only necessary, therefore, in any case, to consider whether the assessment could have been ordered originally without requiring the proceedings the omission or defective performance of which is complained of, or without requiring them within the time designated. If they were not essential to any valid assessment, and therefore might have been omitted or performed at another time, their omission or defective performance may be cured by the same authority which directed them, provided always that intervening rights are not impaired. Such is the conclusion of numerous adjudications by the state courts upon the effect of curative acts, and of this Court in *Mattingly v. District of Columbia,* 97 U. S. 687 , 97 U. S. 690 . *Hart v. Henderson,* 17 Mich. 218; *Musselman v. Logansport,* 29 Ind. 533; *Grim v. Weissenberg School District,* 57 Penn.St. 433. The completion of the assessment

roll in the case at bar before the first of September in the years mentioned, and the form of the oath annexed, were not so vital to the assessment itself as necessarily to render the defect arising from a later return or a deficient oath incurable. The completion of the assessment roll by that date was deemed essential by the court below because the law required the assessors forthwith to cause notices to be published in three of the public newspapers of the city for twenty days, specifying a day at their expiration when they would meet, and remain in session five days for the purpose of reviewing their assessments on the application of anyone aggrieved. The requirement

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was designed to afford taxpayers whose names were on the roll an opportunity for the examination and correction of the assessment of their property. The assessment could not stand if they were deprived of that opportunity. But it is not perceived why it might not be legalized and confirmed by the legislature giving to them such opportunity after the time originally designated had expired. No just right of the taxpayer would thereby be defeated.

The assessment of the shares of the bank for the years 1876, 1877, and 1878 was held invalid for the reason stated, under the laws of the state, although from what we have said it would not be open to objection as being in conflict with the act of Congress. It is only in view of its invalidity for want of conformity to the laws of the state that the validating act becomes of importance. That act declares that the assessments contained in the assessment rolls of the wards of the city for the above years are

"in all things legalized and confirmed, subject to the rights of the shareholders or their personal representatives, in national or state banks which were located in said city during those years, and the assessments against whom, by reason of their ownership of such shares, were collected by process of law, to claim a deduction from or cancellation of such assessments."

It required the assessors, within ten days after the passage of the act, to publish in the official papers of the city daily for three weeks, Sundays and holidays excepted, a notice to the stockholders that the assessors would be in attendance at their office in Albany for three weeks subsequent to the last day of publication of the notice, and hear applications for the deduction from the assessments of any amount which such stockholders or their personal representatives would have been entitled to deduct under the law as it existed in the year when the assessment was placed on the roll, had such application then been made. And the act provided that such shareholders, or anyone representing them, might appear before the assessors and apply for a deduction or cancellation of the assessment upon any ground which would have been a legal one when the assessment was placed on the roll, and the assessors were empowered

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to grant such reduction or cancellation as the shareholders would have been legally entitled to at that time. The act also made provision for the collection and payment to the parties of the amount found to be due them, with interest.

It is difficult to see on what plausible ground the validity of this act can be questioned unless the power of the legislature to cure by legislative act any irregularities of the assessment be denied. Every right of the shareholder who had paid taxes on the assessment -- and it does not appear that there were any others -- was secured. He could present any claim he might have for a reduction or cancellation of the assessment, and be heard respecting it. He occupied the same position he would have held if the assessment of his shares had been placed on the assessment roll within the time required -- that is, before the first of September -- and the oath annexed had been without any fault or omission in its averments. The plaintiff and the other shareholders were bound, as owners of property, to bear their just proportion of the public burdens, and if, in ascertaining what that proportion should be, some steps in the proceeding were omitted which invalidated the assessment, it would seem but just that the defect should be cured, if practicable, and the shareholders not be allowed to escape taxation, and thus entail the burden they should bear upon other taxpayers of the community. After

the validating act was passed, the plaintiff applied to the assessors for the cancellation of the assessment for the years 1876, 1877, and 1878 or a reduction from the amount assessed. The assessors refused to cancel the assessments, but they allowed a reduction from them to the amount of $2,071.66, which was paid to him.

If follows from the views expressed that

The judgment of the circuit court must be affirmed, and it is so ordered.

* The following is a copy of the provisions of that act found in the Session Laws of 1883 at 532, omitting the title and enacting clause.

"SECTION 1. The assessments contained in the assessment rolls of the respective wards of the City of Albany for the years eighteen hundred and seventy-six, eighteen hundred and seventy-seven, and eighteen hundred and seventy-eight, and which are now on file in the office of the receiver of taxes of the city, are hereby in all things legalized and confirmed, subject to the rights of the shareholders or their personal representatives in national or state banks which were located in said city during those years, and the assessments against whom, by reason of their ownership of such shares, were collected by process of law, to claim a deduction from or cancellation of such assessments as provided for in the next section."

" 2. Within ten days after the passage of this act, the assessors of the City of Albany shall publish a notice subscribed by them, in the official papers of the city, daily, Sundays and holidays excepted, for three weeks, notifying all of such above described shareholders that at the office of such assessors in the City of Albany for three weeks subsequent to the last day of the publication of such notice, Sundays and holidays excepted, the assessors will be in attendance and will hear any application that may be made to them for the purpose of deducting from the assessments aforesaid any amount which such shareholder or his personal representative would have been entitled to deduct under the law as it existed in the year when the assessment was placed in the roll, had such application then

been made."

" 3. During the time above named, any of such above described shareholders assessed in any of such rolls, or anyone representing them, may appear before such assessors and make application to have a reduction or cancellation of such assessment upon any ground which would have been a legal ground at the time when such assessment was placed in the roll, and upon the facts as they existed at the time when such assessment was placed in such roll. The assessors shall have power to administer an oath to the applicant, and, after an examination of him upon the material facts of such application, shall grant to him such deduction from or cancellation of the assessment in question as he would have been legally entitled to upon the facts as they existed at the time when the assessment to reduce or cancel which the application is made was placed in the roll."

" 4. After the expiration of the time for hearing applications, the assessors, or a majority of them, shall sign a certificate stating the name of the shareholder or his personal representative, who is entitled to a deduction from the amount contained in the assessment roll, and the amount of such deduction, and the amount of the interest thereon from the fifteenth day of December of the year to which the deduction applies up to the first day of February, eighteen hundred and eighty-four, and the certificate shall be made up in duplicate, and one of them sent to the board of supervisors of the county at its fall session in eighteen hundred and eighty-three, and the other to the county treasurer."

" 5. The board of supervisors shall at such session add to the amount to be raised by tax for county purposes the total amount named in such certificate for the principal and interest of such deduction therein named, and such sum shall he levied, assessed, and collected in the same way as other taxes for county purposes and paid to the county treasurer with other county funds."

" 6. The county treasurer, upon receipt of the moneys raised by tax, shall pay to the parties named in such certificate seat him by the assessors, the amount therein specified as clue such persons."

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