

The bill must be considered in connection with Senate Bill No. 175, authorizing a \$75,000 bond issue by Westminster, principally for improving streets. It is provided that all of this money is to be spent on streets which are either within or bound the present city limits, with the exception of a few hundred feet which extend into the Annex territory.

The people who live in the Annex would have to pay their share of the taxes necessary to carry and redeem this loan, although their property is excluded from any direct share in its benefits.

Moreover, in addition to their State and county taxes, the residents of the Annex would become at once subject to the Westminster city tax rate, which is expected to be about 73 cents this year. I am advised that the taxable basis of the Annex district is about \$400,000, so that this increased tax would be quite an appreciable burden.

In return, the Annex residents would get practically nothing. No new roads are provided for them; there is no city sewerage system to extend; electricity, water and gas are already being supplied in the Annex territory by a public service corporation.

I cannot escape the conviction that annexation under this bill would result in no material benefit at all to the property and residents in the Annex territory, but would place a serious burden upon them through a considerable increase in taxation, which would be mainly for the benefit of the present city limits.

It is true that the bill calls for a referendum, but the people in the present city limits and those in the Annex are required to vote together, and the former outnumber the latter about ten to one. Inasmuch as the citizens in the present city limits might naturally be expected to favor a measure which would spread out their taxes over the proposed new territory, the referendum hardly seems to give the residents in that territory much protection or opportunity to make their wishes effective.

For these reasons I am vetoing Senate Bill No. 176, but I will approve Senate Bill No. 175 (Ch. 132), providing for the bond issue, because I am advised that the city authorities want that bill in any event.