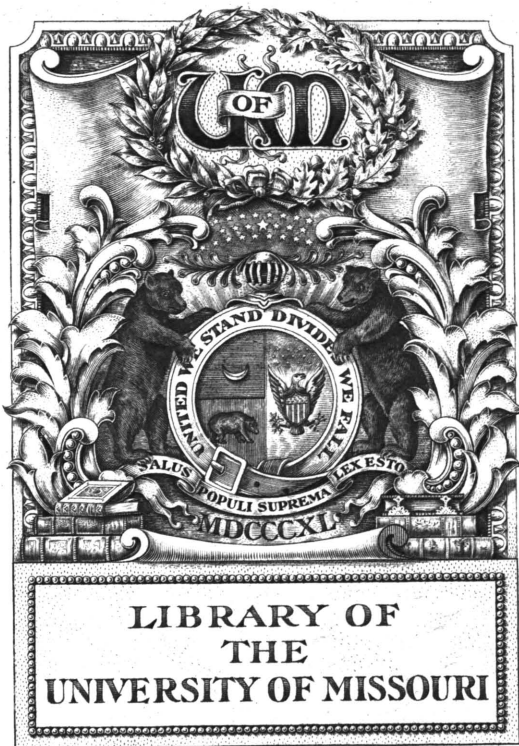


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Financial History of Boone County From 1821 To 1835.

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## Introduction.

Originally Boone County constituted a part of the large expanse of territory known as Howard county, which ~~itself~~ in 1816 was organized out of the ~~territories~~ <sup>districts</sup> of St. Louis and St. Charles. Howard county as it then existed included not only many of the counties and parts of counties north and south of the Missouri river, but also parts of five and perhaps of eight of the counties of Iowa.

October 20th, 1820, petitions and letters from citizens of Howard county were presented to the territorial legislature then in session urging the formation of a <sup>new</sup> county out of part of the territory then included within the limits of Howard county. The petitions were referred to a special committee. Their report was favorable to the petitioners, and accordingly a bill organizing the county of Boone was passed by both houses, and approved November the 16th 1820. By this act it was declared that Boone county should be 'vested with all the privileges and immunities of a separate and distinct county' after January the 1st, 1821.

The state of Missouri was formally admitted into the Union August 10th 1821. Boone county thus dates the beginning of its existence as a separate and distinct county over seven months prior to that of the state within whose limits it lies. Its financial history as a county therefore antedates that of the state as a state. The laws under which it operated being, however, passed in anticipation of the early admission of the Territory of Missouri to statehood, no sudden change of policy or methods took place. For our purposes we may then consider the county coeval with the state.

In a sense the financial history of Boone county may be said to begin as early as 1816, at the time of the organization of Howard county.

But in as much as it possessed no financial powers prior to 1821 separate from those of the county within whose jurisdiction it lay, we may regard a consideration of that period as properly beyond the purview of the present work.



We shall also confine our selves to an investigation of the sources of revenue irrespective of its administration and expenditure .

This essay would perhaps on this account be more properly entitled a history of the sources of revenue of Boone county form 1821 to 1835.

But ,although it has been necessary to thus limit the scope of the work, the title originally adopted will apply.

### Sources in General

During this period there were seven sources of revenue :taxes ,licenses, fines ,strays ,lands,three per cent fund and loans. While these ,due to their inherent characteristic ,may be classified as ordinary or permanent and extraordinary or temporary ,they all ,with the exception of strays ,formed, with varying degrees of importance,regular and permanent sources of revenue from the date of their inception as such.The classification may however be of value for the sake of systematic investigation, and we shall therefore consider the subject from these points of view.

#### A.Ordinary Sources:taxes,licenses, and fines.

Every state must necessarily rely upon taxation as the ultimate , permanent source from which its revenue is derived . Fines,too ,being a result of the violation of law- always more or less present -also constitute a regular source;though of course varying in importance with the character of the people to whom the laws are made to apply.

Taxes and licenses formed the principal source from which the state and county, taking all the years together, derived their revenue; and the objects on which taxes were levied and the occupations for which licenses were granted, were also with few exceptions the same for both. To this extent the consideration of the sources for the one involves the consideration of those for the other.

#### 1.Taxes.

There were enacted three general revenue laws fixing the objects and rates of taxation. The first was enacted in 1820 in anticipation of the admission of the territory to the union;the second in 1822, revising



and slightly amending the former act; and the third in 1825 when the laws of the state were revised.

(a) objects

Taxes consisted from the beginning of a real and personal property tax, poll tax, tax on recorded instruments of writing, executions, convictions, etc, and, later, a tax on auction sales.

Real property tax consisted primarily of a tax on lands, lots of ground, dwelling houses and improvements; to this may also be added the tax on mills, tan yards, breweries and distilleries, since, although often located on lands not taxed, they must, by reason of their usual and necessary relation to the soil be regarded as real property. But, it is proper to add, that in so far as the tax on these objects involved a tax on personal property they of course do not belong to this group.

By the act of 1820 all lands were made subject to taxation except those sold by the United States or granted by it for services in the war of 1812; the former being exempt for five years after date of sale, and the latter for three years after their grant. In the revised laws of 1825 it was also provided that "all land exempted by an act of Congress", all unsold lands belonging to the United States, and "all property belonging to this state" should be exempt from taxation.

The act, however, imposed a tax on land sold by the United States, the same as on all other land, if the consent of congress should be obtained thereto. In 1829 commons were exempted "unless divided, apportioned and assigned by met's bounds to those entitled to rights of commons therein". This remained the order during the rest of the period.

What has been said of lands will also apply to lots of grounds, in so far as it can apply to real property so situated.

But dwelling houses and improvements deserve special consideration, as it seems that until 1825 they were taxed separately from the land upon which they were built. The act of 1820 provided that "all lands, lots of ground, dwelling houses..... and improvements" were subject to taxation; but in the act of 1825 it was merely stated that a tax should be levied "on all lands, lots of ground including improvements thereon". In the last case it would seem that when the lands and lots of ground were assessed the improvements were included, but <sup>that</sup> in the former they were valued and assessed separately. It has not been possible to determine from the county records



whether such was the case, but in some cases improvements, even after 1825, were assessed "independently" of the land on which they were erected; but this was probably in cases in which the land itself was not subject to taxation. If the inference cannot be drawn we must regard dwelling houses as exempted under the second act. The point is worthy of note since from the standpoint of taxation—especially its shifting and incidence—a manifest distinction exists between a tax on the land and one on the houses and improvements apart from the land.

Mills, tan yards, breweries, distilleries, and improvements were often erected on lands untaxed. Under the first and second acts, those of 1820 and 1822, all of these were taxed; but under the act of 1825 only such as were "erected or made upon lands the titles to which are not in the United States". It is to be noted, however, that this did not necessarily exclude the taxation of some erected upon lands untaxed. And in 1833 it was further provided that improvements not subject to taxation should be exempt, "notwithstanding the title to the same may have passed from the general government into the hands of private individuals".

Personal property tax constituted the most important of the sources of revenue, the tax on slaves alone sometimes exceeding that on all real property combined. The personalty subject to taxation consisted of the following: slaves, horses, mares, mules, asses and meat cattle, all over three years old; pleasure carriages, kept for use; household furniture; watches, watch chains and appendages except "whilst kept for sale in the possession of the regular trader or manufacturer"; capital stock of incorporated banking companies; and stock vested in corporations other than hospital and literary institutions. Billiard tables also may perhaps be properly added to this list. No change was made during the entire period, except that stock vested in corporations was added only in 1833; but the rest were taxed from the beginning. Of all of these only the bank stock and





billiard tables need special attention; the former, as to whether it was subject to county taxation at all, and the latter, as to whether the owner or keeper was licensed or whether the object was taxed.

The special manner in which the capital stock of incorporated banking companies were taxed would seem to exclude it for the list subject to a county tax. It is true the county court was given power to levy a tax "on all property made taxable by law for state purposes", yet the method of assessing this tax and of enforcing its collection seems to make it an exception to the rule. In all taxes the county court, the assessor and collector were concerned, but in this case the sheriff, acting under the direction of the Auditor of Public Accounts, is the only county official involved. The tax, too, is paid directly by the president or director into the state treasury. A remedy is also provided for the state in case the tax is not paid, while none is provided for the county, even supposing it had the power to levy the tax. The county records do not show that any revenue was derived from this source, but no inference can be drawn from this since it is safe to say that no banking company was located in the county.

The propriety of placing billiard tables in the list enumerated above also requires explanation, since the legislature evidently contemplated the issuing of a license in this case and not a tax on the tables as such. It was provided that every "keeper or owner of a billiard table in use .... shall before he shall begin to use the same .... obtain .. one or more licenses ... for keeping such billiard table as aforesaid, " If by the license is meant permission to use a thing, this is a license; but if by it is meant a permission to engage in some public occupation this is not a license, as every body keeping a billiard table for private use merely would, under the above act, be liable to pay the tax. The subsequent acts of the legislature also indicate that they were acts "taxing billiard tables", and not acts to provide for the licensing of keepers of billiard halls; and indeed in the first act, as well as in

whether such was the case, but in some cases improvements

the latter, the amount to be paid was spoken of as a "tax imposed on billiard tables",

The poll tax was the third in order of importance. The persons subject to poll tax varied from time to time. By the act of 1820 all "free white unmarried males above twenty one and under fifty years" of age were made taxable; this was extended in 1822 so as to include "every free white male above the age of twenty years". In 1825 it was again modified by extending it to all "able bodied free males" and by restricting it to those "above the age of twenty one and under sixty five years", and later the upper limit was reduced to fifty years. It is to be noted that there is a constant increase in the kinds of persons to whom the law is applicable.

Taxes were regularly levied on convictions in criminal cases, except capital; on original writs and executions out of courts of records; on certificates of any clerk with a seal of office annexed, except such as are annexed to licenses; on recorded deeds, mortgages and other instruments of writing; and on attorneys tax fees. The tax on the last was abolished in 1825. Although their importance as sources of revenue ~~was~~ small, their interests for the student is great.

The tax on auction sales involved a tax on all real and personal property sold at such sale. Besides certain general exemptions, specific exemptions were made of property sold at the residence or on the premises of the owner.

#### (b) Rates.

While the objects of taxation remained practically the same, the rate at which taxes were levied constantly decreased. The county levy could never exceed fifty per cent. of the state tax on the same objects for any one year. Under this the rate for county purposes was regularly one half of that for state purposes. In 1829 and 1833 an additional county tax, called a bridge tax, was levied; being one fourth of the county tax in the former year and one half thereof in the latter. Bearing this in mind it will be necessary to consider in general only



the rate for state purposes, since the rate for county purposes, except for the two years mentioned, always varied as the former.

The tax on real and on personal property except house hold furniture, wathes, watch chains, appendages and pleasure carriages, varied from twenty five cents on the hundred dollars of the value of the property to sixteen and two thirds cents in 1831 and to twelve and one half cents in 1833. There was necessarily a corresponding decrease in the county levy on the basis indicated before, <sup>the</sup> excepting years 1829 and 1833, when, owing to the addition of the bridge tax, the levy stood at fifteen and five eighths cents and nine and three fourths cents on the hundred dollars for the two years respectively.

Until 1825 house hold furniture was taxed at fifty cents; and watches, watch chains, and appendages at two dollars on the hundred dollars <sup>of the</sup> <sup>value</sup> thereof; from then on the rates for these was the same as that at which other property was assessed. The rate for county purposes on these objects thus fell in 1825 from twenty five cents in the one case and one dollar in the other to twelve and one half for both. Pleasure carriages were taxed at one per cent. of their value until 1825; after that, according to the county records, at the rates at which other property was taxed, although under the law no authority seems to have existed for taxing such carriages at all after 1825.

It is significant that with the revision of the laws the principle was inaugruated of taxing all property, real and personal (not counting billiard tables) at a uniform rate. The ad valorem tax was the rule, but in the case of billiard tables, if included under this head, we have an example of the specific tax. A semi-annual tax of fifty dollars and later of one hundred dollars was levied on each table. This was contrary to the constitution which required that all taxes should be levied according to the value of the property; but, as said before, it was regarded as a license and not as a tax.

The poll tax varied from one dollar in 1820 to fifty cents in 1822 and to thirty seven and one half cents in 1833. Also showing a large decrease.



The rates for convictions, writs and executions, certificates with seals of office, and recorded deeds, mortgages and other instruments of writing was one dollar for each. The tax on attorneys tax fees was also one dollar, one half of which, however, was retained by the sheriff. The tax on attorneys tax fees was subsequently abolished, and in 1831 the tax on the other objects was reduced to sixty two and one half cents on each.

Personal property sold at auctions sales was taxed at three dollars on the hundred dollars worth, determined by the selling price; and real property at one half that rate.

## 2. Licenses.

Licenses, except those issued to tavern keepers, were not construed to be "Proper objects of taxation for county purposes" prior to 1829. What is said in regard to them has reference therefore only to the years subsequent to that.

### (a) Occupations.

Licenses were issued to retailers of merchandise, peddlers, grocers, tavern keepers, auctioneers, vendors of lottery tickets and ferrymen. A vendor of merchandise was any person engaged in selling at a store or stand "any goods, wares or merchandise ...except such as are the growth, produce or manufacture of this state". The only difference between a vendor of merchandise and a peddler of merchandise was in the method of doing business; the latter sold his goods "by going from place to place to vend the same", while the former's place of business was stationary. In 1835 owners of paper mills were permitted to employ persons to peddle for rags without obtaining a license, provided payment for the articles sold was always received in rags only.

The term grocer included more than was formerly meant by the terms retailers of wines and spirituous liquors. Any person who dealt in "selling wines and spirituous liquors, or either in less quantities or *or distilled spirituous liquors in less quantity than 20 gallons at a time* in a less quantity than *fifteen gallons* at a time", or "sugar, coffee, tea, indigo, foreign fruits, crockery ware and spices" was declared to be a







grocer within the meaning of the act. A grocer was therefore both a retailer of wines and liquors and a vender of merchandise of a certain kind.

The terms auctioneers, venders of lottery tickets, and ferrymen are not specifically defined in the acts; but signified what is ordinarily understood by those terms.

The licensing of tavern keepers seems to have been a matter purely of county concern. The state indeed fixed the maximum and minimum amounts that could be levied on licenses of this kind, but it derived no revenue therefrom. These licenses were, therefore, issued not so much for the purpose of providing a source of revenue as "For the prevention of disorders and mischief which may happen by a multiplicity of public houses of entertainment". The law under which these licenses were issued was enacted as early as 1806 and remained in force unchanged down to 1835, thus constituting <sup>these</sup> the only license<sup>s</sup> from which revenue was derived before 1829.

#### (b) Rates.

Having determined the occupations for which licenses were granted, we now come to a consideration of the rates at which they were issued.

And what has been said concerning the relation between the rates at which state and county taxes were levied has equal application here.

On licenses to venders of merchandise was levied the fixed sum of fifteen dollars semi-annually, plus "twenty five per cent. on each hundred dollars of the value of all goods, wares and merchandise, except such as are the growth, produce or manufacture of this state, received ... for the last six months next preceeding the granting of such license". The twenty five percent, was reduced in 1831 to sixteen and two thirds per cent. and in 1833 was further reduced to twelve and one half per cent.

The principle applying to grocers licenses was not entirely the same.



In place of the fixed sum of fifteen dollars semi-annually was levied an amount, in the discretion of the county court, not exceeding one hundred dollars nor less than five ~~hundred~~ dollars," according to the probable amount of business done". The provision as to the per cent. on the goods received was the same as in the former case, except that it remained at twenty five per cent., and did not apply to so much of the goods as consisted of wines and spirituous liquors.

The tax on licenses to tavern keepers and ferrymen was, within certain limits wholly in the discretion of the court. The amount to be paid on tavern licenses could not be less than ten dollars nor more than thirty dollars, the court in assessing the amount taking into "consideration the stand and probable amount of business done therein".

The amount to be paid by ferrymen could not exceed five hundred dollars or be less than two dollars. But in 1833 the county court was empowered to relieve ferrymen from the duty of procuring a license if it appeared to their satisfaction that the business done by the ferrymen was "not sufficient to justify the payment of a license".

Fixed sums were paid by peddlers, venders of lottery tickets and auctioneers. Peddlers twenty dollars, and venders of lottery tickets forty dollars, for every six months; and auctioneers fifty dollars for every three months.

There were thus four classes of licenses with respect to the method of determining the amounts charged on them. First, those in which there was levied a specific sum plus a certain per centum on the value of the goods received by the vender; second, those in which the amount to be charged was, within certain limits, left to the discretion of the court; third, those cases involving a combination of the former two; and fourth, those in which a specific amount was charged.

### 3. Fines, Penalties and Forfeitures.

Nothing further need be said of fines, penalties and forfeitures than that the revenue derived from them was almost invariably paid into the county treasury for county use. While not very important in comparison with the rest, they nevertheless formed a constant source of revenue.



B. Extraordinary Sources: strays, lands, three per cent. fund and loans  
These, though unusual, were regarded as, and constituted from their beginning, important sources of revenue. They are of especial interest to the student of finance, and particularly so in this instance because of their relation to the financial history of this county.

#### 1. Strays.

Strays were animals running at large and seized by one not the owner. When so taken up and not claimed and redeemed by the owner within certain periods, varying with the object, the taker up on paying into the county treasury one half the appraised value of the stray received a complete title thereto. If the taker up failed to make such payment, the stray was seized and sold, and the proceeds paid into the county treasury. The revenue so arising was devoted to county use. But the period during which it served as a source of revenue was of short duration; the law was enacted in January 1822 and remained in force five years.

#### 2. Lands.

Lands were received from two sources: local donations and grants from the central government.

##### (a) Local Donations.

By the act of November 16th, 1820, defining the limits of Howard county and organizing Boone county, commissioners were appointed and authorized to receive for the use of Boone county "as a donation a title in fee simple" to lands and lots of ground, not more than two hundred nor less than fifty acres, upon which to locate the seat of justice.

In January, 1821 the commissioners located the seat of justice in Columbia on the lands belonging to an association originally styled the Smithton Company; in consideration of which the company donated to the county "fifty acres of land and two public squares of ground whereon to erect suitable and necessary buildings for county and town purposes"; "Ten acres for the erection of bridges"; "two thousand dollars in cash notes"; and "two wells of never failing water". This land, except such



as was necessary for public buildings, was *laid* off into lots and sold. It should also be added that a further donation was made at this time by the company conditioned on the location of the University in Columbia

#### (b) Schools Lands.

Lands granted by the United States for school purposes consisted of the sixteenth section of every congressional township or lands granted in lieu thereof, town lots, out lots, common field lots and commons. Until 1831 these lands, improved and unimproved, were leased to individuals by commissioners appointed for the care and management thereof; and the proceeds and profits so arising were annually paid into the county treasury.

#### 3. Three Per Cent. Fund.

By an act of congress approved March the 6th, 1820, three per centum of the net proceeds arising from the sale of public lands within this state since 1821 was appropriated to the state, to be applied under the direction of the legislature. This fund in 1833 was subdivided by the legislature "among the several counties of the state for the purpose of internal improvements within the same". The proportion received by each county depended upon its free white male population.

#### 4. Loans .

This brings us to the consideration of loans. They were intimately connected with, and in fact grew out of the school lands and the three per cent. fund. What follows is therefore in the nature of a sequel of what has been said before.

#### (a) School Fund.

The law relative to school lands was soon amended so as to permit the sale of the lands and the loan of the proceeds arising therefrom. As early as 1825 the boards of trustees of school districts were given power to loan the money belonging to their respective districts. The money so loaned was derived wholly from the rent paid by the lessees of school lands as none of the lands could be sold. In 1831, however, the commissioners of school lands, and later the county court, were





authorized to sell the lands within each township if the inhabitants so desired. The lands were then gradually sold at public, and later in some cases, at private sale at not less than one dollar and twenty five cents per acre. By 1836 nearly all the lands were sold. The money so obtained was then regularly loaned at "the highest and best interest not exceeding ten per cent. nor less than six per cent. per annum". This source is of comparatively little importance prior to 1835 since till then but little land was sold and only small loans could therefore be made.

(b) Three Per Cent. Fund.

The policy in regard to the three per cent. fund was also changed. Instead of serving directly as a source of revenue, it now served, in part indirectly as such. By the act before mentioned the fund was to be used by the county for internal improvements; but by an act immediately following, the county court was given power to use the money as authorized by that act or "to loan out the principal or any part thereof at ten per cent. per annum" and to apply the interest to the objects to which the principal was before applied. And this policy was pursued by the county court.

Henry J. Gerling.







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