

**STATE OF NEVADA**

**MINUTES OF MEETING**

OF THE

**State Board of Assessors**

WITH THE

**STATE REVENUE BOARD**

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**Carson City, April 1 to 4, inclusive, 1901**



**CARSON CITY, NEVADA**

**STATE PRINTING OFFICE, : : : : ANDREW MAUTE, SUPERINTENDENT**

**1901**

**SCHEDULE OF VALUATIONS PLACED UPON THE VARIOUS CLASSES OF PROPERTY, AS ADOPTED BY SAID BOARD OF ASSESSORS AT THE MEETING HELD IN CARSON CITY, APRIL 1 TO 4, INCLUSIVE, 1901.**

Beef cattle, per head (expense of getting them to railroad deducted) .....	\$32.50
Fat cows, classed as beef cattle, per head (expense to railroad deducted) .....	\$25
Stock cattle, in all counties of the State except White Pine, Nye and Lincoln (one year old and upward) per head.....	\$17
Same in White Pine, Nye and Lincoln Counties, per head .....	\$16
Milch Cows, per head, throughout the State .....	\$25
Thoroughbred Cattle, per head.....	\$50
Sheep, per head.....	\$2.50
Buck Sheep, per head.....	\$5
Central Pacific Railroad—Main track, per mile.....	\$20,000
Sidetrack, per mile .....	\$7,000
Virginia and Truckee Railroad—Main track, per mile.....	\$10,000
Sidetrack, per mile .....	\$2,500
Nevada-California-Oregon Railroad—Main track, per mile.....	\$3,000
Sidetrack, per mile .....	\$1,000
Carson and Colorado Railroad—Main track, per mile.....	\$2,500
Sidetrack, per mile .....	\$1,250
Eureka and Palisade Railroad—Main track, per mile .....	\$1,900
Sidetrack, per mile .....	\$1,000
Nevada Central Railroad—Main track, per mile.....	\$1,900
Sidetrack, per mile .....	\$1,000

REINHOLD SADLER,

*Governor of Nevada, and Chairman Board of State Assessors.*



# MINUTES OF ASSESSORS' MEETING, 1901.

## FIRST DAY.

CARSON CITY, NEVADA, April 1, 1901.

Meeting called to order by Reinhold Sadler, Governor, as Chairman of the Board, at 11 o'clock a. m., April 1, 1901.

There being a quorum present, the Secretary, W. R. Davis, was ordered to call the roll.

The following answered to their names:

Thomas Dolf .....	Churchill County
J. Eggers .....	Elko County
W. M. Ingalls .....	Esmeralda County
W. J. Hooper .....	Eureka County
J. W. Guthrie .....	Humboldt County
George Watt .....	Lander County
Charles Mathews .....	Lincoln County
D. P. Randall .....	Lyon County
Thomas W. Logan .....	Nye County
William Kinney .....	Ormsby County
James Quirk .....	Storey County
J. B. Williamson .....	White Pine County

The Assessor of Washoe County, being detained at home on business, was represented by Mr. Holcomb, the Chairman of the Board of County Commissioners, and Deputy Assessor Beard.

W. H. McCormick, Sheriff and Assessor of Douglas County, was detained in his own county on Court business, but answered to roll call in the afternoon.

Of the State officers acting with the Assessors' Board under the law, there were present Governor Reinhold Sadler, acting as Chairman, and Controller Sam P. Davis, acting as Revenue Advisor of the Board. Attorney-General Woodburn, also a member of the Board, and its legal advisor, was unavoidably absent on legal business in Douglas County.

Clerk Davis opened the proceedings by reading Senate Bill No. 75; the law under which the Board was authorized to act, as follows:

CHAP. L.—*An Act to provide for a more uniform valuation and assessment of property in this State.*

[Approved March 16, 1901.]

*The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:*

SECTION 1. The County Assessors of the several counties of this State shall meet for a period not exceeding ten days, in the office of the Governor, at Carson City, Nevada, on the first Monday of April in the year A. D. 1901, and on the second Monday in January of each and every succeeding year, and shall, at such meetings, establish throughout the State a uniform valuation of all classes of property which, by their character, will admit of such uniform valuation; *provided*, that in fixing such valuation the location and situation of such property shall be considered; *and provided further*, that nothing herein shall be so construed as to impair the right of the Board of Equalization of any county to equalize taxes on all property, the valuation of which has not been fixed at the annual meeting of County Assessors as provided in this section; *provided*, any taxpayer under the provisions of this Act shall not be deprived of any remedy or redress in a court of law relating to the payment of taxes.

SEC. 2. At such meetings the Governor shall be the Chairman, and the Governor's Secretary shall be the Clerk of said meeting; but neither the Governor nor his Secretary shall have a vote in the proceedings of said Board. The State Controller shall supply all information and data concerning the finances of the State as he may have in his office, either upon his own motion or upon request of the Board. Eight Assessors shall constitute a quorum for the transaction of business and a majority may decide any question before the meeting; *provided*, that if, at any meeting the Assessor of any county shall, by reason of sickness or other unavoidable cause, be unable to attend any such meeting, then, in that event, the Chairman of the Board of County Commissioners of such county shall attend such meeting and shall act and vote in the place of such absent Assessor, with the same force and effect as the Assessor might do if present; *and provided further*, that if at any meeting the Governor or his Secretary shall, for any reason, be unable to act as Chairman or Clerk, then, in that event, the Assessors may select one of their own number to act as Chairman or Clerk of that particular meeting.

SEC. 3. The Chairman shall preside at all meetings and the Secretary shall keep a full and correct record of the proceedings thereof, in suitable books which shall be provided for that purpose, and which shall be kept in the office of the Governor.

SEC. 4. Immediately after the adjournment of the annual meetings provided for in section one of this Act, it shall be the duty of the Governor to cause to be printed and forwarded to the Clerks of Boards of County Commissioners, and to each of the revenue officers of the several counties, a full report of the proceedings of such meetings, which report shall contain a schedule of valuation placed upon the various classes of property as adopted at said meeting.

SEC. 5. The valuation fixed at such annual meetings shall be uniform on all such property as may be designated, except in cases where the valuation is affected by its locality; and the Assessors of the several

counties of the State shall fix values on all property not so designated at said meeting, in the manner now provided by law.

SEC. 6. An annual ad valorem tax of eighty cents on each one hundred dollars of taxable property is hereby levied and directed to be collected for State purposes upon all taxable property in this State, including the net proceeds of mines, except such property as is by law exempt from taxation; *provided*, that such rate of eighty cents may be changed as hereinafter provided. Of the tax hereby levied fifty-three and four one-hundredths cents shall go into the General Fund of the State, seven and one-fifth cents shall go into the Territorial Interest Fund, seven and three-fifths cents shall go into the State Interest and Sinking Fund, ninety-six one hundredths of one cent shall go into the State University Interest and Sinking Fund, four cents into the General School Fund, eight-tenths of one cent into the University Interest and Sinking Fund, 1897, No. 1, eight-tenths of one cent into the University Interest and Sinking Fund, 1897, No. 2, and five and three-fifths cents into the Contingent University Fund.

SEC. 7. In assessing all personal property, not secured by real estate, prior to making the final State levy as provided in this section, the State rate of eighty cents on each one hundred dollars valuation, provided in section six, shall be collected and the State proportion shall be forwarded to the State Treasurer in the first semi-annual settlement. Immediately after the Auditor's statement of valuation, provided for in section ten of this Act, shall have been received by the State Controller, the Governor, State Controller and Attorney-General shall meet and ascertain the aggregate valuation of all the taxable property in the State, as reported by the several County Auditors. They shall then proceed to fix the State rate of taxation (not to exceed eighty cents on each one hundred dollars) in proportion as the amount required to conduct the State Government for that year stands to the whole property valuation in the State; but in no case shall they fix a rate which will give the State more revenue than necessary to meet the total amount of appropriations made by the last preceding Legislature.

SEC. 8. When the rate of State tax shall have been fixed as provided in section seven, it shall be the duty of the State Controller to immediately notify the several County Assessors and County Auditors of the same.

SEC. 9. In case of a reduction being made, in the levy for State purposes, each of the several counties of the State shall be credited by the State Controller with the difference between the amount previously paid to the State during that fiscal year and the amount due under the rate fixed in accordance with the provisions of section seven of this Act, and the amount so credited shall be deducted in making the next settlement with the State.

SEC. 10. The several County Auditors shall, annually, on or before the fourth Monday in October in each year, forward to the State Controller a statement under seal of his office of the aggregate assessment of all property on the assessment roll in his county, segregating the personal from the real property.

SEC. 11. It shall be the duty of each County Assessor to fix the valuation of property which may be assessed by him at the valuation placed on the same class of property at the regular annual meeting of Assessors for the State.

Sec. 12. There shall be allowed and paid to each County Assessor attending the meetings of County Assessors required in section one, the actual expenses of such Assessors in going to and returning from his county to attend each meeting; and an itemized statement of such expenses duly verified shall be presented to the State Board of Examiners, who shall audit the same as other claims against the State are allowed and paid.

Sec. 13. Should any Assessor in the State neglect or refuse to assess property in accordance with the provisions of this Act, or laws now in force and effect, or place a less valuation on any property than has been fixed at said meeting of Assessors, the Governor, State Controller or Attorney-General shall, upon due notification, instruct the District Attorney of said Assessor's county to bring suit against such Assessor and his bondsmen for the full amount of taxes liable to be lost to the State and county by reason of such failure or neglect to properly assess such property. The suit shall be tried in the District Court having jurisdiction in the county where the property is situated.

Sec. 14. The District Attorney shall have the assistance and advice of the Attorney-General in prosecuting the suit in case the Governor and State Controller shall deem it advisable. In case of an adverse decision of the Court, the State shall pay all costs. Either party to the suit shall have the right of appeal to the Supreme Court and the usual stay of proceedings, upon the filing of the proper bond to be approved by the Judge of the Court.

Sec. 15. Neither the Governor, State Controller or Attorney-General shall receive any additional compensation for their services imposed by this Act; but shall be allowed their actual traveling expenses when absent from the Capitol on duty connected with or required by this Act. Such claim for expenses shall be accompanied by proper vouchers and shall be audited and allowed as other claims against the State. All printing necessary to carry out the provisions of this Act shall be ordered by the said State officers at the State Printing Office, and the State Printer is hereby authorized and directed to supply the same.

Sec. 16. Any taxpayer who shall have paid taxes on personal property prior to making the final levy during any fiscal year, shall be entitled to have any excess he may have so paid refunded at any time during that year by presenting a claim in regular form against the county where such taxes were paid, for the amount of such excess, and the same shall be audited and paid out of the excess so created in the State Fund in the county treasury.

Sec. 17. The sum of three thousand (3,000) dollars is hereby appropriated out of any money in the General Fund not otherwise appropriated to carry out the provisions of this Act.

Sec. 18. All Acts and parts of Acts, in so far as they conflict with the provisions of this Act, are hereby repealed.

Sec. 19. This Act shall take effect on and after its passage.

The Chairman then briefly addressed the gathering upon the provisions of the law, and outlined their duties while stating the benefits which he hoped would accrue to the people of the State under a better and more uniform valuation of property in the several counties of the State and a lower tax rate.

On motion a recess was taken until 2 p. m.

### After Recess.

The Chairman called the meeting to order at 2 o'clock, and announced that he would provide for a regular order of business, and appointed the following Committee on Order of Business: Holcomb of Washoe, Eggers of Elko, and Williamson of White Pine.

Recess until 10 o'clock to-morrow morning.

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## SECOND DAY.

CARSON CITY, NEVADA, April 2, 1901.

Board called to order by the Chairman at 10 o'clock a. m.

Quorum present.

The Committee on Order of Business submitted the following report:

*Mr. Chairman:*

Your Committee on Order of Business beg leave to submit the following report for your consideration:

1. Work Horses.
2. Saddle Horses.
3. Stock Horses.
4. Work Mules.
5. Stock Mules.
6. Beef Cattle.
7. Stock Cattle.
8. Milch Cows.
9. Stock Sheep.
10. Mutton Sheep.
11. Railroads.
12. Contract Unimproved Grazing Land.
13. Patented Lands.
14. Cultivated Lands.

Respectfully submitted,

J. B. WILLIAMSON,  
Chairman.

Hogs having been added as the fifteenth order of business, on motion of Mr. Randall, the report was adopted.

The respective orders of business were then taken up.

The first five numbers were, after some discussion, left to the discretion of the Assessors.

A discussion arose relative to beef cattle (No. 6 on the order of business), and it was agreed that cattle in a condition to be slaughtered were to be classed as beef cattle.

Motion by Randall of Lyon: That the price be fixed according to

value after allowing for cost of driving to nearest railroad shipping point.

Amendment by Holcomb of Washoe: That all beef cattle be assessed at \$25 per head.

Amendment lost: Yeas, 5; nays, 6.

Original motion withdrawn by mover.

Motion by Randall of Lyon: That all beef cattle be assessed at \$35 a head (expense of reaching railroad points deducted).

Amendment by Holcomb of Washoe: That beef cattle be fixed at \$30 per head (expenses to railroad deducted).

Amendment by Ingalls of Esmeralda: That the price, under same conditions, be fixed at \$32 50 per head.

Passed by the following vote: Yeas—McCormick, Ingalls, Hooper, Mathews, Kinney, Quirk, Holcomb—7. Nays—Dolf, Eggers, Guthrie, Watt, Randall—5. Not voting—Logan, Williamson—2. By counties: Yeas—Douglas, Esmeralda, Eureka, Lincoln, Ormsby, Storey, Washoe. Nays—Churchill, Elko, Humboldt, Lander, Lyon. Not voting—Nye and White Pine.

Recess until 2 p. m.

#### After Recess.

Board met at 2 p. m.

All present.

Guthrie of Humboldt raised the question that all fat cows which might be classed as beef were not of equal value. After some discussion the value of fat cows was fixed at \$25 per head.

Stock cattle—Order No. 7—was next taken up.

Motion by Williamson of White Pine: That all stock cattle be fixed at \$16 per head.

After considerable discussion, Kinney of Ormsby moved to amend by fixing the value at \$18 per head.

On motion of Ingalls of Esmeralda, a recess of fifteen minutes was taken.

#### After Recess.

Motion by Holcomb of Washoe: That all stock cattle be rated at \$17 a head except those owned in the Counties of Nye, Lincoln and White Pine, and that those be valued at \$16.

Carried unanimously.

Milch cows—Order No. 8.

On motion of Kinney of Ormsby, milch cows were rated at \$25 a head by unanimous vote.

Motion by Ingalls of Esmeralda: That sheep be assessed at \$3.

Lost.

Motion by Hooper of Eureka: That all classes of sheep be assessed at \$2 50.

Carried unanimously.

Motion by Holcomb of Washoe: That bucks be regarded as a separate class, and assessed at \$5 per head.

Carried—10 to 3.

Motion by Kinney to take a recess.

Motion withdrawn.

Motion by Dolph that no adjournment be taken before 4 o'clock.

Carried.

Railroads—Order No. 11.

E. Black Ryan, Tax Attorney of the Central and Southern Pacific Railway Company, was invited to address the Board.

Mr. Ryan—Mr. Chairman and gentlemen, I am not here to address the Board, nor would I presume to instruct you regarding your duties. I am ready, however, to answer any questions, or impart such information as you may call upon me to give, relative to our property in this State.

The Chairman—We would all be pleased to hear from you, Mr. Ryan. You represent a corporation which pays over one-fourth of the taxes of the State, and you are entitled to be heard, if you so desire.

Mr. Ryan—I regard the question of railroad assessing as a very complex one, and I do not see how under this bill you will be able to properly classify the different railroads and still secure a uniform valuation. This is, in my opinion, the main difficulty. You are, however, a very intelligent body of men, and I believe that all of you are here to honestly carry out the provisions of the new revenue law as seems most proper to you.

Motion by Guthrie of Humboldt: That the Eureka and Palisade Railroad be taken up.

Carried.

Hooper of Eureka explained the financial condition of the road.

Recess taken until 9 o'clock to-morrow.

### THIRD DAY.

CARSON CITY, NEVADA, April 3, 1901.

Board called to order at 9 a. m.

The train being late, it was adjourned until 10:30.

Reconvened at 10:30 a. m.

While the minutes were being read, Holcomb of Washoe moved to amend by defining stock cattle to mean all cattle one year old or upwards, except those otherwise classified.

Minutes amended in accordance with Holcomb's motion, and approved.

After some discussion, Guthrie withdrew his motion regarding the Eureka and Palisade Railroad.

Holcomb moved that all wide-guage railroads be classified by the Board.

After discussion the motion was withdrawn.

Motion by Ingalls: That the valuation of the Central Pacific Railroad be taken up.

Recess until 2 p. m.

#### After Recess.

The Chairman announced that the question of the valuation of the Central Pacific Railway was before the Board for consideration.

Mr. E. Black Ryan, as attorney for the Central Pacific, then asked leave to file a protest on behalf of the interests which he represented.

Permission being granted, he filed the following:

CARSON CITY, NEVADA, April 3, 1901.

*To the County Assessors of the State of Nevada, Carson City, Nevada:*

**GENTLEMEN:** The Central Pacific Railroad Company, by its attorney, hereby enters a protest in the matter of the hearing of said Company before you, on the grounds hereinafter set forth:

*First*—Under the statute of your State you have met together for the purpose of classifying and fixing a uniform value on each class of property, subject to taxation, in the State of Nevada.

*Second*—Your functions, as defined by said statute, are limited to fixing values on classes of property, but not fixing values on the property of the individual taxpayer.

*Third*—The matter now in hearing this 3d day of April, 1901, of fixing the value of property of the Central Pacific Railroad Company, is the especial function of each Assessor in whose county the property of said Company is situated.

*Fourth*—Said Railroad Company denies the jurisdiction of the Assessors as here assembled to fix any value on the property of said Company, except in case railroads are considered as a class, as under your statute made and provided.

*Fifth*—Said Company further avers in this protest that the gentlemen here assembled are not acting under, but have departed from, the order of business as adopted, inasmuch as you have set down and adopted in said order of business "Railroads" as one of the classifications, and reserves the right to specify other grounds as it may be advised.

With due respect to each gentleman to whom this protest is made, said Company respectfully submits the foregoing. Very respectfully,

CENTRAL PACIFIC RAILROAD COMPANY,

By E. B. RYAN,

Its Attorney and Agent.

Following the reading of this protest was a discussion which resulted in a request from the members of the Board for the opinion of the Attorney-General relative to the rights and powers of the Board before proceeding further.

The Chairman explained that Mr. Woodburn was in Genoa on an important case, but he would send for him at once and have him there if possible in the morning.

On motion of Mr. Kinney, the Board adjourned until 9 o'clock on the following morning.

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#### FOURTH DAY.

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CARSON CITY, NEVADA, April 4, 1901.

Meeting called to order at 9 a. m. by the Chairman, Governor Sadler.

The Chairman stated that the Attorney-General could not be present, and that the Board would have to continue with the business without his presence; also that, on account of the increased volume of business coming before the Board, he had secured the services of a stenographer to report the proceedings.

The first business coming before the meeting was the assessment of the Central Pacific Railroad.

Mr. Davis, the Controller, being introduced by the Chairman, then addressed the meeting as follows:

"Mr. Chairman and Members of the Board: It is a matter of regret to me that the Attorney-General is not here to-day to expound the law to you upon this question at issue, for he would have laid down the legal principles involved much clearer than I can possibly hope to do. His absence from this meeting is due to his being engaged in a case in Douglas County in which he was employed prior to his appointment by the Governor as Attorney-General of this State. I appear before this meeting at the request of the Governor, and by the right given me under Section 2 of the Act which brought you to the Capital. Relative to the protest filed by Mr. Ryan on behalf of the Central Pacific Railroad Company, I find that he objects to the right of this Board to perform certain duties laid down by the law. Any law which has been passed by the Legislature and signed by the Governor is good law until the Supreme Court has decided otherwise. The bill, which conferred certain powers upon this body as a State Board of Assessors, was drawn up by a Joint Committee of both Houses after very careful study and research, and, prior to its introduction, I submitted it to the Attorney-General of the State for an opinion upon its constitutionality. He rendered an opinion pronouncing it perfectly constitutional in every section.

"This written opinion was filed with the Committee prior to the introduction of the bill. The protest states as an objection that it is impossible to classify railroads under this Act, and holds, in effect, that under this bill all railroads should be rated alike. I contend that,

under Section 5, no such construction can be placed upon the law. The section provides that the valuation fixed at such annual meetings shall be uniform, except 'in such cases where the valuation is affected by its locality.' It certainly must be clear to all of you that no class of property is more affected by its locality than railroad property. Certainly, the road in one portion of the State situated where it can do a heavy volume of business is able to pay upon a higher valuation than a road in some other portion of the State, which, by reason of its locality, is struggling to maintain itself upon a small volume of business. Passing from this objection, we find that a further protest is made by Mr. Ryan against the work of this body owing to the fact that it has deviated from the first order of business adopted by it. This can only be regarded as a trivial, if not a ridiculous, technicality.

"You, gentlemen, are the sole arbitrators as to the order in which you shall transact business. You can agree upon any order you may see fit and revoke it at your own pleasure by a majority vote. As well might a passenger upon the Central Pacific refuse to pay his fare, on the grounds that a train scheduled to leave Reno at 8:30 did not pull out of the depot until 11:15. It is hardly supposable that the conductor would entertain these objections.

"It seems to me that the various railroads doing business in this State can be very easily classified. You will find their names, length and locality on pages 49, 50, 51, 52, of the Controller's Report for 1900. While you are the sole judges of the methods by which you classify them, with your permission, I will venture to suggest a classification:

"Class 1. Broad-gauge roads with both terminal points outside of the State of Nevada. The Central Pacific comes under this head.

"Class 2. Broad-gauge roads with terminal points wholly within the State. This embraces the Virginia and Truckee road, running from Virginia to Reno.

"Class 3. Narrow-gauge roads with terminal points wholly within the State. This embraces the Eureka and Palisade and the Austin and Battle Mountain.

"Class 4. Narrow-gauge roads partly in Nevada and partly in California. This embraces the Carson and Colorado, running from the Mound House, Nevada, into Inyo County, California, and the Nevada and Oregon, running from Reno, Nevada, into Plumas County, California.

"There is the Adelaide Star, with but ten miles, not operating, and the Pioche Consolidated, in Lincoln County, with but fifteen miles of track, all in the hands of the County Treasurer, who holds it for taxes. No one is willing to take the road for the delinquent taxes.

"So far the Central Pacific is the only road that has sent an attorney

to this meeting to represent it. You might like to treat of that first, and I will read you some data relative to the financial standing of the road.

" In 1898 its net earnings were.....	\$4,599,000
" In 1899 its net earnings were.....	\$4,477,000
" In 1900 its net earnings were.....	\$7,253,000

" The last quoted net earnings amount to about 3½ per cent upon the present outstanding stock of \$197,832,148.

" During that year over \$3,000,000 was spent upon improvements upon the road, which proves conclusively that the road is in better shape financially than at any time during its existence, and, under the new management, its prospects are still brighter. It would seem, therefore, that the ability of the road to pay taxes upon a higher valuation than previously can not be successfully disputed, and the fundamental basis of taxation is the ability of the party assessed to pay, coupled with an equality of valuation as compared to other taxpayers.

" The law now upon the statute books provides that all property shall be taxed upon its *full cash value*, and the cash value of the road at the present time is certainly equal to \$100,000 per mile, if we are to be guided by the fact that it is now mortgaged at that figure and the mortgages are on file, as the law provides, in every county through which the road runs, and can be seen by you at your respective county seats.

" The other figures, relative to net earnings, I have taken from the New York *Financier*, of March 4th, page 595.

" It has not, however, been the rule in this State to tax property as the law directs relative to the full cash value, and the new revenue bill under which you are now working is intended to gradually increase valuations and lower rates, that the population of Nevada may be increased and a more inviting field presented for the investment of outside capital. To suddenly raise valuations to the cash value limit would be too radical a departure from the old system. I am not laying this down as the law, nor, in the absence of the Attorney-General, presume to make any legal statements, but know that while the bill was in process of construction by the Committee that such was the intention of its framers.

" The Central Pacific corporation paid more than one-fourth of the taxes in the State, but this fact gives them no more consideration at your hands than you would accord to the poorest taxpayer in the State, and any other taxpayer has the right to come before the Board and make a plea on his own behalf."

*Question*—Can other interstate corporations, like the Pullman Car Company, be reached by Assessors?

The Controller—The Courts have laid down the rule in numerous instances that these corporations can be reached and made to pay taxes as the relation in their business in any one State in the Union bears in proportion to its entire business in the several States. This ratio being once established, the assessment is easily arrived at. The Tax Commission of Colorado has furnished me with the necessary legal data bearing upon such cases, and for this I am indebted to Clay B. Whitford, a member of the State Senate of Colorado and Chairman of the State Tax Commission. All the cases cited by him have stood the test of the State Courts and some the United States' Supreme Court, and can be found on page 6 of the Controller's Report for 1900. Further information upon this subject can be furnished you by the Attorney-General of this State.

Mr. Guthrie of Humboldt—Is the Attorney-General away on State business, or on a case of his own?

The Chairman—Mr. Woodburn is away on business of his own, but he had accepted the case before he knew this meeting would take place.

Mr. Guthrie of Humboldt—There has been considerable talk about the county officers not doing their duty, and it seems to me that here is a State officer not doing his duty by not being here to-day.

The Chairman—Well, I am not so sure that under this bill that he can be compelled to be here.

Mr. Guthrie—As a member of the State Revenue Board, should he not be here at the present time? He is also the Attorney-General of the State, and I think he should be here. We have already waited some time for him, and as he is not here I am in favor of going ahead with the business. I move to that effect.

The Controller—As far as I am concerned, if there is any legal way of securing the presence of the Attorney-General, I am willing to join with the Governor in taking the necessary steps. The law names him as a member of the Board, but I doubt if there is anything in it which compels him to be present at the annual meetings of the Board. The bill provides that, in any litigation over tax suits, the Governor and Controller can name him to act as an attorney on behalf of the State, or in a county suit a County District Attorney can at any time call upon him to assist in any revenue litigation. The Legislature has made the salary of the Attorney-General so small that no attorney of standing can afford to accept it to the detriment of his regular practice. Nevertheless, we will do the best we can to bring him here.

The Chairman—We cannot bring him here unless he wants to come. He can leave Carson for three months at a time, if he wishes.

Mr. Guthrie—Under the circumstances, I make a motion that we proceed with the business.

The Chairman—No motion is necessary. The order of business at

the present time is the assessment of the Central Pacific Railroad. Their property as assessed in this State you will find on page 49 of the Controller's Report.

The Chairman then read the figures showing the taxation of the railroad property in the various counties of the State, and the valuation per mile. The average valuation per mile of main track is \$11,444 23.

The Controller—I will state that, under the provisions of this bill, it is immaterial what the road has been assessed at in the several counties. It is only necessary to make a uniform valuation throughout the State. Some months ago, I had a conversation with Mr. Ryan, the attorney for the Central Pacific Railroad, in San Francisco, in which I outlined to him the probable provisions of the revenue bill. He said that if the object of the revenue bill was to raise all property in the State, that the Railroad Company would not fight any raise of valuation on their property. He said: "If you raised land, cattle and sheep in the same proportion as you raise the railroad, we do not think we can reasonably object to it." He also said he did not think the road had been paying its full valuation under the present law. It seems to me that the road is paying about as much as land, cattle and sheep men, in proportion. He said that no fair raise would be fought by the railroad. I think the other railroads in the State will feel the same way.

The Chairman—The value of the road is shown by their report, also their land holdings.

The Controller—I think their average selling price for land is from \$2 50 to \$5, according to locality, but some of the land is barren hills and worthless. Its average value for taxable purposes is set down at 19 cents per acre. You could not average purchases, however, at those figures. They have been able to mortgage their property at a valuation of \$100,000 per mile.

The Chairman—Bonds issued on the mortgages sell at 120 and 122. I have the New York *Financier* here, which gives all the stock quotations at the Exchange at New York. If any of you wish to see it, you can take this report and look at it. There is also the whole mileage of the railroad here and the amount it is being taxed for.

Mr. Quirk of Storey—I think this is all unnecessary, as we all know from the Controller's Report what has been done in this State. Now let us take a vote and see what we are going to do about it. We are running the State in debt by staying here any longer, and I think we had better vote directly. We have read all these reports, as we have them from the Controller. We are well acquainted with the workings of these things, and there is no reason why we cannot go ahead and get through with it. I would have liked to have seen the Attorney-General here, as I think it is his place to be here. If we are to go ahead with this work, let some one make a motion, and see what we can do.

Mr. McCormick of Douglas moved that the valuation be placed at \$30,000 per mile throughout the State, on the Central Pacific Railroad.

Mr. Holcomb, Commissioner of Washoe County, moved to amend by making the rate \$15,000 throughout the State.

Mr. Hooper of Eureka—I would like to ask what is meant by the \$30,000 or \$15,000?

The Chairman—Valuation upon the main track, exclusive of everything else.

Amendment lost by the following vote:

Yeas—Churchill, Elko, Eureka, Humboldt, Washoe, White Pine—6.

Nays—Douglas, Esmeralda, Lander, Lyon, Lincoln, Nye, Ormsby, Storey—8.

Question upon the original motion of \$30,000 per mile.

Mr. Kinney moved to place the valuation at \$25,000 per mile.

Lost by the following vote:

Yeas—Churchill, Esmeralda, Lyon, Ormsby, Storey—5.

Nays—Douglas, Elko, Eureka, Humboldt, Lander, Lincoln, Nye, Washoe, White Pine—9.

Mr. Mathews of Lincoln moved, as an amendment, to make the valuation \$20,000 per mile.

Carried by the following vote:

Yeas—Douglas, Esmeralda, Lander, Lyon, Lincoln, Nye, Ormsby, Storey, White Pine—9.

Nays—Churchill, Elko, Eureka, Humboldt, Washoe—5.

Mr. Holcomb—I now move that the sidetrack of the Central Pacific Railroad be valued at \$7,000 per mile, throughout the State.

Carried unanimously.

Next in order came the assessment of the rolling stock, etc.

Mr. Eggers of Elko—Rolling stock being personal property, I do not see how we are going to get at it. They may have more or less than they had last year, and I do not see how we can assess it uniformly.

Mr. Beard of Washoe—I will state that the cars they turned in as rolling stock last year have been sold to the Pullman Company. I understand they are going to report more cars this year, but we do not know just what they are going to do.

Mr. Mathews of Lincoln moved that the assessment of the rolling stock be left to the Assessors.

Carried unanimously.

Upon motion of Mr. Watt of Lander, the assessment of all other property was left to the Assessors, by a unanimous vote.

Mr. Kinney of Ormsby moved to take up the valuation of land owned by the Railroad Company.

The Chairman stated that the land had been assessed at 19 cents per acre.

Mr. Quirk of Storey moved to assess the land at \$1 per acre.

Mr. Holcomb moved that the railroads be finished first, and then the land be taken up.

Motion lost.

Mr. Hooper of Eureka—I should like to ask how we can assess the Pullman Car Company. Their cars belong to corporations outside of this State, and have no railroads of their own. There is not a train running through this State that has not Pullman cars on it, and there is no Assessor who has been able to assess them.

The Chairman—The only way to do it is to stop the train and assess them as they go through the county.

Mr. Guthrie—This is another case for the Attorney-General. I have been trying to get at that company for some time, and never could find a way to do it. They should pay their taxes as well as any one else. You cannot even sit in a Pullman car for less than \$2. We want to be sure we are right, and then go ahead.

The Controller—The Attorney-General will furnish any Assessor with the legal reference on application, which applies to these cases, so that his District Attorney will know what steps to take to collect the taxes levied upon these companies.

Mr. Holcomb of Washoe—In the first place, the Pullman cars are personal property, and I would suggest that the Assessors assess them as they would a band of sheep going through the State. Some of them might be willing to try it, but I would not. It is easier to stop sheep than railroads. I think they ought to be made to pay their taxes, but we must be sure about it before we stop them.

The Chairman—You have the right to assess them and make them pay their taxes. You can chain the wheels up with a log chain if necessary.

Mr. Guthrie—How about the people in the car?

The Chairman—You are not stopping the people, but the cars. If the people don't like it, they can get into another car.

Mr. Kinney of Ormsby—I move that we pass this until the Attorney-General is here.

The Chairman—Out of order.

Mr. Guthrie—There should be some manner in which the Pullman Company could be taxed.

The Controller—Any action taken by the Assessors in assessing foreign corporations will be fully backed up by the State Board, and the Attorney-General will assist in the Courts.

Mr. Guthrie—When I get ready to hold up that road, I should like to have you all there.

The Chairman—Very well, we will all be there, and also have two militia companies, if necessary.

After a little unimportant discussion, it was moved to proceed with the order of business.

The Chairman announced that the next in order was the assessment of the Virginia and Truckee Railroad, and that he had their annual report, which he would read if the Board desired.

Upon motion a recess was declared for fifteen minutes.

#### After Recess.

The Virginia and Truckee Railroad was taken up, and their annual report read by the Chairman.

The assessed valuation for the year 1900 is to be found on page 50 of the Controller's Report.

As Mr. E. B. Yerington desired to address the Board, a short recess was taken until he arrived.

Mr. Frank Murphy was introduced to represent the road.

He stated that the business of the road had materially fallen off with the advent of cheap power on the Comstock. With the increased use of electricity there was much less wood used, and in times past the hauling of wood had been a very large source of revenue to the road. In Storey County the road is assessed at \$9,300 per mile, or about 5 per cent interest. In Washoe County the assessment is \$8,000 per mile, and the average is about 2.7 per cent. In Ormsby County we have a very fair valuation, and in Lyon County the same. The conditions of the road at the present time do not warrant a valuation of more than \$7,500 a mile for the main track. That is on a basis of about 6 per cent of the gross earnings of the Company. The Company wants to pay its taxes, and I believe that you will concede, in line with that, a fair valuation for the sidetrack will be \$1,250. Last year the taxes were about 8½ per cent of the gross earnings. I will ask you gentlemen to consider this proposition fairly. We are here to answer any questions, and to assist you in getting at a fair valuation of the property.

The Chairman—Mr. Murphy, the road has 51.57 miles of track and is assessed in Lyon County at \$8,000; in Ormsby, \$7,500; Storey, \$9,300; and Washoe, \$8,000 for the main track. Sidetrack at an average value of \$1,800 per mile in the different counties. Valuation of other property, \$24,142. The report says the stock on hand is \$18,450.

Mr. Murphy—Now, before you go any further, I want to explain that stock on hand. That stock has been on hand in the railroad shops here for fifteen or twenty years. To-day it is listed for the same price as it was at that time. That includes the principal portion of the stock, although a little of it is new stock. Most of it has been there for fifteen years, and is dead.

The Chairman—The rolling stock is assessed at \$69,258, and in your report you make it \$64,693.

Mr. Murphy—Yes, that is true. I will explain it. Last year they sold some 150 cars, and I think they sold two engines. The rest of the cars were sidetracked. On account of the interstate commerce law, we were unable to use them, and they were sold for less than they were put in at the taxable value.

The Chairman—In your report on hand here, we find that mining companies owe the railroad \$58,485 87; due from other sources, \$130,265. That is not in the assessment.

Mr. Yerington—The \$58,485 87 I can explain. This is the amount that is still due to the Kentuck Mining Company from a loan that was made by them before the road was constructed. The mining companies in Storey County subscribed to us the money toward the building of the road. It was paid back to these companies by the reduction of freights, and the Kentuck Mining Company have received little or nothing in the way of freights in the last fifteen or twenty years. We owe that \$58,000 to the Kentuck Mining Company.

The Controller—How much was paid back to the counties for advances made the road?

Mr. Yerington—That was before I took charge, and I cannot tell you anything about it. I cannot say of my actual knowledge that they did.

The Controller—Did not the bonds amount to \$400,000 and the interest amount to \$200,000?

Mr. Murphy—That is true. The railroad in the meantime has paid to the county a greater proportion of that interest in taxes.

The Controller—They would have to pay the same taxes for the counties that have not advanced them any money.

Mr. Murphy—I do not think so. That has been used as an argument for years to make the railroad pay more taxes, and to show why the valuation of the road should be kept up. I believe that any person will concede that the way to keep outside capital out of the State is to make the taxes too high. That is the principal reason for passing the law for the Board of Equalization. The object was to reduce the tax rate, according to the valuation of the property and the running expenses of the State.

The Chairman—The earnings of the road in your report are: Expenses, \$156,583 53; net earnings, \$46,829 05 for the year ending June 30, 1900. Gentlemen of the Board, I want to tell you that the Virginia and Truckee Railroad has had the case decided in the Supreme Court two or three times. I believe that it was decided in that case, if they only made 6 per cent on the amount of money, that the property could not be raised. I think it has been reduced somewhat. I am not positive. Now, if the capital stock is worth five million dollars, that would be entirely different. This matter has been decided in the

Supreme Court, and perhaps it would be well to have it read for the information of the Board.

Mr. Murphy then read a portion of the decision, until interrupted by Mr. Kinney. (*State v. V. T. R. R. Co.*, page 53 of 24th Nevada Reports.)

Mr. Yerington—I would like to say a few words. I will state that the conditions that we are laboring under now are very different from what they were a few years ago. The Comstock has been our main source of revenue, but, since the introduction of cheap power, our revenue has fallen off to such an extent that the proposition has been discussed of taking up the track from the Mound House to Virginia, on the ground that it does not pay. Heretofore the hauling of wood was a source of great revenue.

Mr. Quirk—As Assessor of the county I think the county is in better condition to-day than it has been for the last ten years. From \$125,000 we have reduced the road to \$93,000. The rate was higher then than it is now. As far as the wood is concerned, why is it that men can make money by hauling it from Reno to Virginia? I know why. We have heard about their taking up the track before. I say again I think the county is better fixed now than it was ten years ago.

After a little discussion, Mr. Dolf of Churchill County moved that the valuation of the main track of the Virginia and Truckee Railroad be placed at \$10,000 per mile.

Carried unanimously.

Mr. Murphy—I wish to give notice that I will file with this Board this afternoon a protest against the valuation fixed by the Board.

On motion of Mr. Quirk of Storey the valuation of the sidetrack was unanimously raised from \$1,000 to \$2,500.

On motion of Mr. Kinney of Ormsby the valuation of the rolling stock and other property was left to the Assessors of the various counties.

Motion to adjourn lost.

Upon motion, the valuation of the Nevada-California-Oregon Railroad was taken up.

Annual report for the year ending June 30, 1900, read.

The Chairman then read the last year's assessment of the road, from the Controller's Report.

Upon motion of Mr. Holcomb, the valuation of the Nevada-California-Oregon Railroad was unanimously placed at \$3,000 per mile on the main track.

Upon motion of Mr. Holcomb, the valuation of the sidetrack was unanimously placed at \$1,000 per mile.

Upon motion of Mr. Kinney, the rolling stock and other property was left to the Assessors.

Next in order was the Carson and Colorado Railroad.

Annual report read by the Chairman.

After a short discussion, the valuation of the Carson and Colorado Railroad was placed at \$2,500 per mile on the main track. Unanimously carried on motion of Mr. Kinney.

Upon motion of Mr. Ingalls of Esmeralda, the valuation of the sidetrack was unanimously placed at \$1,250 per mile.

Upon motion of Mr. Randall of Lyon, the assessment of the rolling stock and other property was left to the judgment of the Assessors of the various counties.

Recess until 1 o'clock.

#### After Recess.

Board in session at 1:15 p. m.

The assessment of the Eureka and Palisade Railroad was taken up.

Annual report read by the Secretary.

Upon motion of Mr. Hooper, it was unanimously carried to make the valuation \$1,900 per mile on the main track.

Upon motion of Mr. Hooper, the valuation of the sidetrack was left as it was last year, at \$1,000 per mile.

Upon motion of Mr. Guthrie, the valuation of rolling stock and other property was left to the Assessors.

The Nevada Central Railroad Company.

Upon motion of Mr. Watt, the valuation of the main track of the Nevada Central Railroad was placed at \$1,900 per mile; valuation of sidetrack, \$1,000 per mile.

Rolling stock and other property was left to the Assessors.

Lincoln County Railroad.

The Chairman stated that the road was in the hands of the County Treasurer for delinquent taxes.

Mr. Guthrie moved that in case the road was ever redeemed that the assessment of it be left to the Assessor.

Carried.

Mr. Guthrie stated that there was about ten miles of road in his county that was not in use, and moved that the assessment of it be left to the Assessor.

Carried.

Mr. Holcomb brought up the subject of assessing thoroughbred stock cattle throughout the State.

Upon motion of Mr. Holcomb, the valuation of thoroughbred stock cattle was placed at \$50 per head, in the entire State.

Unimproved contract lands.

The Chairman stated that such land had been assessed from 25 cents to \$1 25 in the different counties.

After considerable discussion, it was voted to leave the assessment of

such land to the discretion of the various Assessors, by the following vote:

Yeas—Churchill, Douglas, Elko, Eureka, Humboldt, Lander, Lyon, Nye, Washoe, White Pine—10.

Nays—Esmeralda, Lincoln, Ormsby, Storey—4.

Patented lands.

Upon Mr. Holcomb's motion, the assessment of these lands was left to the Assessors.

Cultivated lands passed.

Assessment of hogs and swine passed.

Land belonging to the railroad companies, passed.

Mr. Hooper spoke in regard to the assessment of the Central Pacific Railroad Company, saying that he thought they had been placed at too high a valuation, as the raise had been over 80 per cent.

Interrupted with a motion to adjourn.

Lost.

Recess declared for ten minutes.

In session.

Mr. Randall and Mr. Ingalls introduced a resolution in regard to adjusting the assessment on banking institutions, loan associations, telegraph companies, telephone companies, electric power plants, ditch properties, etc.

Upon motion of Mr. Kinney, all these matters were left to the Assessors of the various counties, by the following vote:

Yeas—Churchill, Douglas, Elko, Eureka, Lincoln, Ormsby, Storey, Washoe, White Pine—9.

Nays—Esmeralda, Humboldt, Lander, Lyon, Nye—5.

Mr. Holcomb asked for the opinion of the State Controller, in regard to the assessment of the Central Pacific Railroad.

The Controller—There are two ways of looking at this question, gentlemen. Regarding it from a standpoint of percentages, you have raised the Railroad Company about 85 per cent, which is a higher raise than on any other class of property whose valuations you have adjusted. It is a raise of over 80 per cent, but this was necessitated from the fact that the assessment was very low before.

The Governor—The law provides for all assessments to be the full cash value of the property.

The Controller—The law is on the statute books, but has never been enforced. The cash value of the road can be arrived at by considering the value of its stock and bonds, which are about one hundred and twenty odd millions, and its net income, which is about seven and a half millions now per annum. It is for you to decide on this matter by investigating these figures. You have raised cattle from \$25 to \$32 50 a head, and the question of deciding whether the railroad or

the cattle is nearest the true cash value within the meaning of the statute. This is the true way of getting at a somewhat complicated question, and the percentage of the raise cuts comparatively little figure. The main question is: How near are you to the true cash value after the raise?

Mr. Logan of Nye—It looks to me as if the road had been assessed about one-fifth of its cash value, as it has been mortgaged for \$100,000, and it must be worth that much. If we are working on the 6 per cent plan, it would amount to about \$33,000, instead we have assessed it at \$20,000. I have no desire to work any hardship on the Railroad Company, only to do what is fair and just. The railroad has been paying about 10 per cent of the actual value of the road, while the cattle men have been paying about 75 per cent.

Motion to adjourn lost.

Mr. Holcomb—When assessing cattle we used the valuation of \$20 per head as a basis to work upon. It seems to me that we if used the same basis with the railroad, that we have raised them out of proportion to what we did the cattle.

Mr. Hooper—I believe the Controller was giving us his views, and I would like to hear him continue.

Mr. Quirk—It seems to me that this has been all settled. If you want to change it, let some man who voted in the affirmative make a motion to reconsider.

Mr. Ingalls asked to have the minutes read before adjournment.

The Chairman stated that the stenographic report could not be typewritten in time, and that if the Board was willing that he would approve them.

Mr. Kinney moved to let the Chairman approve the minutes.

Carried.

Upon motion of Mr. Kinney, the meeting adjourned *sine die*.

REINHOLD SADLER,

*Governor of Nevada and Chairman of the State Board of Assessors.*

CARSON CITY, April 9, 1901.

In accordance with previous notice given by the agent of the Virginia and Truckee Railroad Company, the following protest was filed with the Clerk after the adjournment of the Board and accepted as part of the record:

CARSON CITY, NEVADA, April 4, 1901.

*To the County Assessors of the State of Nevada, Carson City, Nevada:*

GENTLEMEN: The Virginia and Truckee Railroad Company hereby enters a protest in the matter of the alleged fixing of the value of the property of the Company before you, on the following grounds:

*First*—Under the statute of this State presuming to create a Board of Equalization you have met together for the purpose of classifying and fixing a uniform value on each class of property subject to taxation, in the State of Nevada.

*Second*—The functions of the individual Assessors, as defined in the said statute, is limited to fixing values on classes of property, but not to making values on the property of an individual taxpayer.

*Third*—Your protestant further avers that when a County Assessor attempts to place the value on property not in his own county that he exceeds his jurisdiction and assumes a duty which he does not possess under the statutes of the State of Nevada.

*Fourth*—Your protestant further holds that the statute under which you are making your pretended assessments is void inasmuch as it denies to a taxpayer the inalienable right to his "day in court," said statute prohibiting any action which might be taken by a County Board of Equalization on complaint made to it by said taxpayer on petition.

*Fifth*—Under the conditions above enumerated, the Virginia and Truckee Railroad Company considers it the special function of each Assessor, in whose county the property of its company is situated, to fix the value thereof, and challenges the right of you, as the Board of Assessors, to interfere with his duties as defined.

*Sixth*—Said Railroad Company denies the jurisdiction of the Assessors, as here assembled, to fix any value on its property, except in case "railroads" are considered as a class as under the statute made and provided.

*Seventh*—Said Company also sets forth in this protest that the gentlemen are not acting under, but have departed from, the order of business as adopted inasmuch as they have set down and accepted in said order of business "railroads" as one of the classifications, reserving the right to specify other grounds of exceptions as it may be advised.

Thanking you, gentlemen, for your attention to our reasons for asking for a fair equalization of our property, but at the same time denying your jurisdiction in the premises, we beg to remain very respectfully yours.

VIRGINIA AND TRUCKEE RAILROAD COMPANY,  
By H. M. YERINGTON,  
Its General Superintendent.