

STATE OF NEVADA

MINUTES OF MEETING

OF THE

State Board of Assessors

WITH THE

STATE REVENUE BOARD

Carson City, January 12 and 13, 1903



CARSON CITY, NEVADA

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1903

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Adopted and approved at a regular session of the Board, January 12, 1909.



MINUTES OF ASSESSORS' MEETING, 1903.

FIRST DAY.

CARSON CITY, NEVADA, January 12, 1903.

Meeting called to order by John Sparks, Governor, as Chairman of the Board, at 10:30 a. m., January 12, 1903.

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

The following answered to their names:

C. Wightman	Churchill County
William McCormick	Douglas County
J. Eggers	Elko County
W. A. Ingalls	Esmeralda County
W. J. Hooper	Eureka County
J. W. Guthrie	Humboldt County
William Easton	Lander County
D. P. Randall	Lyon County
James G. Cushing	Nye County
William Kinney	Ormsby County
James Quirk	Storey County
W. S. Beard	Washoe County
A. C. House	White Pine County

Mr. Roeder of Lincoln County was absent.

Of the State officers acting with the Assessors' Board under the law, there were present Governor John Sparks, acting as Chairman, State Controller Sam P. Davis, and Attorney-General James G. Sweeney.

For the benefit of the new members of the Board, the Secretary was requested to read the minutes of the last meeting.

After the reading of the minutes, Mr. Kinney of Ormsby moved that the Chairman appoint a committee of five to draw up an order of business.

Motion carried and the following committee was appointed:

Mr. Eggers of Elko, Mr. Beard of Washoe, Mr. Kinney of Ormsby, Mr. Guthrie of Humboldt, and Mr. Cushing of Nye, with instruction to select their own Chairman.

Mr. Ingalls of Esmeralda then moved that a recess be taken to allow the Committee time to prepare its report.

Motion carried unanimously to take a recess until 1 o'clock.

Afternoon Session.

Meeting called to order by Governor Sparks at 1:15 p. m.

The following report was submitted by the Committee who had been appointed to formulate an order of business:

1. Work Horses.
2. Saddle Horses.
3. Stock Horses.
4. Work Mules.
5. Stock Mules.
6. Beef Cattle.
7. Milch Cows.
8. Stock Cattle.
9. Thoroughbreds.
10. Sheep.
11. Buck Sheep.
12. Hogs.
13. Telephone Lines.
14. Telegraph Lines.
15. Railroads, to be classified as follows:
 1. Standard-gauge railroads with terminals outside of the State.
 2. Standard-gauge railroads with both terminals in the State.
 3. Standard-gauge railroads with only one terminal in the State.
 4. Narrow-gauge railroads with one terminal in the State.
 5. Narrow-gauge railroads with both terminals in the same county in this State.
 6. Narrow-gauge railroads that are not in operation.

It was moved that the report be adopted as read.

Mr. Hooper of Eureka—I should like to offer an amendment in regard to the classification of railroads. I think it would be a better idea to classify the railroads differently. Make it standard-gauge railroads, Class 1; standard-gauge railroads, Class 2; standard-gauge railroads, Class 3; narrow-gauge railroads, class 1, 2, or 3, or 4.

Mr. Hooper moved the adoption of an amendment to that effect.

Mr. Eggers of Elko stated that, before going further, he would like to hear the opinion of the Attorney-General regarding the question.

Mr. Sweeney, Attorney-General—Mr. Chairman and Gentlemen of the Board: It will give me great pleasure at all times to lend you any assistance that lies in my power. If it is the suggestion of the gentleman from Elko to ascertain from the Attorney-General under what authority you are acting at present, to that point I will direct my remarks. You are aware that you are convened here, under an Act of

the last Legislature which is still in full force and effect. Every law passed by the Legislature, and signed by the Governor of this State, is presumed to be good law until it is repealed by the Legislature or revoked by a Court of competent authority. It is true that within the last two years there have been two suits instituted wherein this law had been attacked. In neither of these cases was the Act rendered unconstitutional or inoperative. In a mandamus case brought before Judge Bonnifield in Humboldt County in rendering his decision, Judge Bonnifield declared this Act to be unconstitutional. An appeal was taken in this case to the Supreme Court, and our Supreme Court, after finding that the case brought before Judge Bonnifield did not state sufficient facts to constitute a cause of action under the law, reversed his decision and ordered him to dismiss the suit. You are created a Board of Assessors under this Act, to classify and assess property. I believe that you have full authority under the law to proceed with the business now before you, so long as you classify and assess within the provisions of this Act and the Constitution of the State. Judge Hawley, in the case brought before him, declared that you must classify property in a uniform way. That is, your classification must be general. You cannot designate any railroad or other property by name, as that would be special legislation. So long as you keep within these lines, you are empowered under this Act to classify and assess, and anything you do legally under this law will be enforced so far as I am concerned. Now, if there are any questions that any of you may desire to ask me on this matter that I have not covered in these remarks, I will be pleased to answer them.

Mr. Eggers of Elko—Is that amendment a better form than the other one?

Attorney-General—That is a matter that is left to your discretion. I believe that both classifications are general in their terms. They are about a stand-off, with the first as my choice of the two classifications. The one classifies them as broad-gauge with terminals in the State, etc., etc., thereby classifying and defining the class at the same time. If the amendment was adopted, it would be up to the Board of Assessors to define which would be first, second, third, or fourth class railroads. Then the question will arise whether you are keeping within the limits and classifying railroad property under this Act. Now, relative to the action you have taken heretofore, it is my opinion that when this Board of Assessors places any assessment on any property, it is the duty of the Assessors to enforce it, unless enjoined by a Court of authority. All assessments become a lien on the property upon which it is levied. If you assess property, and the Board of Equalization lowers it, they are acting without authority. You have placed your

valuation, and the authority of the Board to lower it is repealed by this Act, because this Act says "that all Acts and parts of Acts in conflict with this Act are hereby repealed."

Mr. Kinney of Ormsby—I hope this amendment will not prevail, as it will complicate matters. I do not think any of us know very much about classifying railroads according to the first, second or third class. I think we had better try it as we did before.

Motion called for the amendment and lost by the following vote:

Ayes—Churchill, Elko, Eureka, Humboldt, Lander, White Pine—6.

Nays—Douglas, Esmeralda, Lyon, Ormsby, Nye, Storey, and Washoe—7.

Vote on the original motion carried unanimously, and the report of the Committee was adopted.

The first on the order of business was the classification of work horses.

Mr. Guthrie moved that the assessment of work horses be left to the various County Assessors.

Motion carried.

No. 2—Saddle Horses. Left to the Assessors by unanimous vote.

No. 3—Stock Horses. Same.

No. 4—Work Horses. Same.

No. 5—Stock Mules. Left to the Assessors by a unanimous vote.

No. 6—Beef Cattle. Left to the Assessors by a vote of 9 to 4.

No. 7—Milch Cows. Left to the Assessors.

No. 8—Stock Cattle.

Mr. Ingalls of Esmeralda moved that the valuation of stock cattle be placed at \$16 per head, except in the Counties of Lincoln, Esmeralda, Nye and White Pine, and there to make it \$15.

Mr. Randall moved an amendment to leave it to the Assessors.

Mr. Cushing of Nye moved an amendment to the amendment to make the valuation \$17 per head, except in Lincoln, Esmeralda, Nye and White Pine, and to place it there at \$15 per head, on account of those counties having a poorer class of cattle, a poorer market and being further from the railroad.

The original motion was then withdrawn.

The amendment to the amendment was asked to be read and voted upon.

Motion carried.

The valuation of stock cattle was placed at \$17 per head, except in the four counties where it was placed at \$15 per head.

No. 9—Thoroughbreds. Left to the Assessors.

No. 10—Sheep.

Mr. Wightman of Churchill moved that the valuation of sheep be placed at \$2 50 per head.

Motion carried.

No. 11—Buck Sheep.

Mr. Beard of Washoe moved that the assessment be placed at \$5 per head.

Motion carried.

No. 12—Hogs. Left to the County Assessors.

No. 13—Telephone Lines.

Mr. Hooper—I believe we ought to put a valuation on the telephone lines. I do not know anything about them and I would like to know how to place the valuations.

Mr. Ingalls—In my county we have three telephone lines and they have not the same valuation. It is pretty hard to place the valuation, as one of them has terminals in the State and the other is outside of the State. One goes from Sodaville to Tonopah and the other from Candelaria to Tonopah. They are not equal, as one line does not pay as well as the other. I do not think we can place the valuation on telephone lines for that reason. I would have to assess them at the same figure, and, if it were left to my discretion, I think it would be fairer. I move that we leave them to the Assessors.

Motion carried.

No. 14—Telegraph Lines.

Mr. Hooper of Eureka moved that they be left to the Assessors.

Mr. Ingalls—I would like to hear from the Assessors. We have a telegraph line through Esmeralda, and I would like to hear how the other Assessors have been assessing them. It was stated that in one county they had been assessed at \$100 per mile.

Mr. Eggers—It is rather hard to fix upon a uniform valuation as it depends entirely upon how many wires they have. They range from one to seven wires on a pole. I do not see how we can get at it unless we assess them according to the number of wires. I have assessed them all the way from \$20 to \$120.

Mr. Guthrie—I assess them by the number of wires to the mile. We can do it that way. There is a single wire running through Eureka that is assessed at \$100 per mile. I do not remember now how many we have along the line of the railroad, but they are assessed at from \$40 to \$50 per mile.

Motion put to leave the valuation of the telegraph lines to the Assessors.

Motion carried.

No. 15—Railroads, to be classed as follows: First—Broad-gauge railroads with terminals outside of the State.

Mr. Kinney of Ormsby—I move that we adjourn and look over the situation of the railroads. I would like to have a talk with Black

Ryan of the Central Pacific Railroad, who is not here, and a few others. I move that we adjourn until 10 o'clock to-morrow morning.

Before adjournment, ex-Governor Sadler desired to make a few remarks, and with the permission of the Board spoke as follows:

Gentlemen of the Board of Assessors: It has been my duty for the last two years to attend meetings of this kind. While I do not desire to say anything about what you propose to do in this matter, I wish to say that when you assess stock cattle at \$17 per head, you are assessing property up to nearly its full value. As your motion is to adjourn, I beg of you to take into consideration that you treat other property owners as you have the sheep and cattle men of this State.

Motion to adjourn carried.

Adjourned until 10 o'clock to-morrow morning.

SECOND DAY.

CARSON CITY, NEVADA, January 13, 1903.

Meeting called to order by the Chairman at 10:15 a. m.

At roll call all the members answered to their names, with the exception of Mr. McCormick of Douglas, Mr. Ingalls of Esmeralda, and Mr. Cushing of Nye.

The matter of railroads was the next on the order of business.

Mr. Randall suggested that the Board wait until the other members arrived.

In a few minutes the three absent members came in and answered to their names.

Mr. Guthrie—Before we proceed with this order of business, it is rather unsatisfactory for us to have passed over some of the stock cattle yesterday without placing any valuations. Therefore I make a motion that we return to that order of business and place a valuation on beef steers, beef cows, and milch cows.

Mr. Kinney—I move to amend the motion. I think the best thing we can do under the circumstances is to rescind what we did yesterday, and adjourn.

Roll called, and the motion lost by the following vote:

Ayes—Douglas, Esmeralda, Lyon, Nye, Ormsby, and Storey—6.

Nays—Churchill, Elko, Eureka, Humboldt, Lander, Lincoln, Washoe, and White Pine—8.

Original motion to return to place a valuation on cattle.

Motion carried.

Mr. Ingalls moved to change the order of business and add beef steers and beef cows to the order of business.

Motion carried.

Mr. Cushing of Nye then moved that beef steers shall be assessed at \$25 per head.

The Chairman announced that this was too low a valuation.

Mr. Randall of Lyon moved to amend the motion and place the valuation at \$30 per head.

Mr. Kinney—This doesn't seem to be anywhere near what they are worth. We all know that any beef steer is worth \$50 per head. If beef is worth 7 cents per pound, any steer ought to weigh more than 500 pounds. I have to pay 15 and 20 cents a pound for it on the block. I believe beef steers should be \$35 per head.

Mr. Ingalls—We have placed stock cattle at \$17 per head, and there is not enough difference between stock cattle and beef cattle to make this valuation seem on a proper equality. We have placed stock cattle pretty high.

The Chairman—Stock cattle are too high; there is no doubt about it.

Mr. Ingalls—I move to rescind the action and classify everything over again, as near as possible to correct.

Motion carried by a vote of 9 to 5.

The Chairman—The same Committee we had yesterday will be appointed to draw up a new order of business.

Mr. Kinney—Why won't the order of business do just as it is?

Mr. Cushing of Nye County—I move we adjourn for half an hour and arrange the order of business.

Motion carried.

Adjourned.

Meeting called to order at 11:30.

The Committee submitted the following order of business:

1. Work Horses.
2. Saddle Horses.
3. Stock Horses.
4. Work Mules.
5. Range Mules.
6. Beef Steers.
7. Beef Cows.
8. Milch Cows.
9. Stock Cattle.
10. Sheep.
11. Buck Sheep.
12. Thoroughbred Cattle.
13. Telephone Lines.
14. Telegraph Lines.
15. Railroads, classed as follows:
 1. Standard-gauge railroads whose terminals are outside of this State.
 2. Standard-gauge railroads with both terminals in this State.

3. Standard-gauge railroads with only one terminal in this State, and under construction.
4. Narrow-gauge railroads with only one terminal in this State.
5. Narrow-gauge railroads with both terminals in the same county in this State.
6. Narrow-gauge railroads that are not in operation.

Mr. Kinney—I move we take a recess till 1 o'clock.

Mr. Easton moved the adoption of the report.

The report was adopted.

Mr. Kinney—I believe a motion to adjourn is always in order.

Motion to adjourn lost.

The Chairman—The first order of business is work horses.

Mr. Guthrie—In order to go ahead a little faster, I move we pass work horses, saddle horses, stock horses, work mules and range mules, and leave them to the discretion of the County Assessors.

Mr. Ingalls—It seems to me that if we are going to do business and classify anything, we ought to do so. I would like to classify horses in the different classes. We cannot put them all in the same class. We might do it and make them in two or three classes. I believe we ought to classify everything that we can.

The Chairman—I think the Assessors do that anyway. They always classify horses in my county.

Motion to pass all the horses put, and lost by a vote of 7 to 7.

Mr. Randall—I move that work horses be left to the discretion of the various Assessors.

Mr. Cushing—I move to amend that motion and classify the work horses in two classes, with the maximum rate to be placed at \$60 and the minimum rate to be \$25.

Motion carried.

It was explained that Class No. 1 should be fixed at \$60 and the lowest class at \$25.

The Attorney-General was then asked if this would be legal.

The Attorney-General—You are privileged to use your own discretion so long as you classify them in a way that will be uniform, and place such assessments as will be uniform. If you divide them into two classes you are to decide what the two classes will be, and place the valuation uniformly. I believe it would be in your power to place a valuation ranging between two figures, as the gentleman from Nye suggested, although I admit it would be very inadvisable. To do that would be leaving it practically to the Assessor's judgment. I would designate and define the class, and then place a reasonable assessment on it.

Mr. Ingalls—I make an amendment to make it three classes, and

then if we are going to proceed with the order of business in that way, I would make the first \$60, the second \$40, and the third class \$25.

Mr. Cushing withdrew his motion, and the latter motion was carried, making work horses \$60, \$40, and \$25.

No. 2—Saddle Horses. Left to the County Assessors.

No. 3—Stock Horses. Same.

No. 4—Work Mules.

Mr. Cushing moved that they be classified and the valuation placed the same as work horses.

Motion carried.

No. 5—Range Mules. Left to the Assessors.

No. 6—Beef Steers.

Mr. Wightman moved to place the valuation at \$25 per head.

Motion carried by a vote of 9 to 5.

The Chairman—That is a very low valuation for beef cattle.

No. 7—Beef Cows.

Mr. Kinney moved that the valuation of beef cows be placed at \$10 per head.

The Chairman—I think that is unreasonable. So was the valuation for beef cattle.

Motion lost by a vote of 11 to 3.

Mr. Easton moved that the valuation be placed at \$20 per head.

Motion carried.

No. 8—Milch Cows.

Mr. Hooper moved that the valuation be placed at \$25 per head.

Motion carried.

No. 9—Stock Cattle.

Mr. Wightman moved to place the valuation at \$17, except in Esmeralda, Lincoln, Nye, and White Pine, and there to place it at \$15 per head.

Mr. Cushing—This looks to me to be very inconsistent. Cows at \$20 and cattle at \$17. It is the most inconsistent thing I ever heard of.

Motion carried.

No. 10—Sheep.

Mr. Guthrie moved to place the valuation of sheep at \$2 50 per head.

Motion carried by a vote of 9 to 5.

No. 11—Buck Sheep.

Mr. Wightman moved to place the valuation of buck sheep at \$5 per head.

Motion carried.

No. 12—Thoroughbred Cattle.

Mr. Kinney—I think the thoroughbreds ought to be put in at about \$60.

Mr. Beard of Washoe moved to leave it to the Assessors.

Motion carried.

No. 13—Telephone Lines. Left to the Assessors.

No. 14—Telegraph Lines. Same.

No. 15—Railroads to be classed as follows: First—Standard-gauge railroads whose terminals are outside of this State.

Mr. Hooper moved to adjourn until 1 o'clock.

Mr. Kinney objected, but the motion was carried.

Adjourned until 1 o'clock.

Afternoon Session.

Meeting was called to order by the Chairman, Governor Sparks, at 1:15 p. m.

At roll call all the members answered to their names with the exception of Mr. McCormick of Douglas.

Mr. Ingalls—I believe last year we left the assessment to the Assessors, in the various counties. I believe the assessment roll was about a million dollars more than it was the year before. I should like to know the exact figures showing the increase in value over the year before.

Sam P. Davis, State Controller—For 1901 the valuation was raised \$4,105,496 above the previous year. For 1902 the raise was \$933,412 75. The State valuation of the last four years is raised over the previous four years \$11,498,941 86.

Mr. Ingalls—I should like to ask if, with the present valuation of the last year, we have money enough to run the State this year.

The State Controller—It is pretty hard to tell. Some of the Assessors have asked why the State Board did not reduce the rate of taxation to 60 cents. I will tell you why. The law under which you are now acting, approved March 16, 1901, provides that on the fourth Monday in October of each year the several County Auditors of the State shall report to the Controller the total assessed valuation of each county, and the Governor, Attorney-General and State Controller, after ascertaining the aggregate amount of taxable property in the State shall fix the rate of taxation for the coming year for the State, not to exceed 80 cents on each one hundred dollars. On the fourth Monday of October of last year the Board met at the Capitol building, but were unable to make a State rate as they had no data upon which to figure, only three County Auditors in the State having complied with the law. In my opinion the Board would have had no authority to fix a State rate in the face of the Act of the Legislature approved March 18, 1901, fixing the rate for two years at 80 cents on the hundred dollars. This Act, approved two days later than the Revenue Act, although not so intended,

certainly reveals that portion of the Revenue Act giving the Governor, Controller and Attorney-General the power to fix the State rate. The Revenue Act was passed last, but the other Act became a law after the Revenue Act. It now remains for the next Legislature to fix the rate for the next two years. Governor Sadler differed with me as to the rights of the Board to fix the rate. He is here now and, I think, could enlighten you on the subject.

Ex-Governor Sadler—If the Assessors will allow me the privilege, Mr. Chairman, I will answer the question of Mr. Ingalls. He wanted to know if, with the valuation and rate that we have now, the State could be run for this year. I will say to him that for this year, without levying any taxes until next January, we have money enough in the State Treasury and money enough coming in from assessment of last year to carry the State through the next year. In my opinion, I wish to report to this Board of Assessors, and to the Legislature when it convenes, that there is no need of levying any more taxes than 65 cents on the hundred dollars for the next year. If the valuations are kept up and raised as they have been, there is no reason why the State tax should not be 65 cents for this year, or maybe lower. We want to be within the figures, and there is now \$100,000 in the General Fund of the State. I have the figures, and I believe there is about \$130,000. Take off the \$30,000 for the Legislative Session and you can run until June. On the first of July the State will receive its semi-annual taxes, and this will surely run you through to January. Consequently you are on velvet until the 1st of next January. Then, if you make the levy at 65 cents, you will have money enough to run the State for the next two years thereafter. It may be reduced even lower than that if necessary. The taxes have been reduced from \$1 to 80 cents. At the present time there is no need of levying any higher rate than 65 cents. I do not believe that the Controller or State Treasurer can say that it cannot be done at this rate. I will also say that I wish to recommend it to the Legislature, and bear it out by figures, that we have plenty of money in the State Treasury at the present time at the valuation that we have. I think the State will grow more the higher valuations we have and the less rate we have to pay.

Mr. Ingalls—Do I understand you to say that the State could be run at the rate of 65 cents on the present valuation of last year's assessment?

Governor Sadler—Yes, sir.

The Chairman—I am very much obliged to Governor Sadler for these remarks.

The Secretary then announced that the next order of business was to place a valuation on standard-gauge railroads with terminals outside of this State.

Mr. Quirk of Storey moved that the valuation be left to the various Assessors.

Motion lost by a vote of 8 to 6.

Mr. Guthrie of Humboldt moved that the valuation of such roads be placed at \$15,000 per mile.

Motion carried by the following vote:

Ayes—Churchill, Elko, Eureka, Humboldt, Lander, Lincoln, Washoe, and White Pine—8.

Nays—Douglas, Lyon, Nye, Ormsby, and Storey—5.

Esmeralda County did not vote.

Mr. Guthrie moved that the side tracks be placed at \$5,000 per mile.

Carried.

The Chairman asked if the rolling stock ought to be put in.

It was explained that the rolling stock came under the head of personal property, and had been assessed that way before.

The Secretary—Mr. Ryan has made a little explanation; as it is not on the list, they should keep to the schedule.

Mr. Ryan (representing the Central Pacific Railroad)—Mr. Chairman and Gentlemen: My impression was that the side tracks were on the schedule as they are a part of the road. Rolling stock is not a part of the road, and, as one of the gentlemen suggests, is personal property. Therefore it would be left, more or less, to the discretion of the Assessors, from the fact that it would be impossible to classify rolling stock—that is, take them as sleeping cars, passenger cars, locomotives, flats and box cars—from the fact that some of them are brand-new and some of them are twenty-five years old. It would be necessary to make several subdivisions. Under the circumstances, suppose we leave it to the vote of you gentlemen, and that you ask to have it left to your own discretion on that account. Thank you, gentlemen.

The motion was carried to leave it to the Assessors.

No. 2—Standard-Gauge Railroads, with both terminals in this State.

Mr. Beard of Washoe moved that such roads be placed at \$8,000 per mile.

Before the motion was put it was made known that three of the members had left the room, and it was asked that they might be given time to return before any more votes were taken, especially as they were men who would have to assess this class of roads.

Mr. Ingalls then asked what such roads had been assessed for last year.

The State Controller—Last year they were assessed at \$10,000 per mile, and after the valuation was placed on them by this Board the Board of Equalization of three counties—Washoe, Storey, and Ormsby

—reduced the valuation to \$7,500 per mile, and the State Board consider that this was a direct violation of this Revenue Act.

Mr. Beard of Washoe—That was not done last year. Last year, in Washoe County, we placed the assessment at \$8,000. The year before it was reduced from \$10,00 to \$8,000.

The State Controller—You are right. It was the first year after the meeting in 1901. The State Board considered that that action was arbitrary, and we directed, under the law, the District Attorneys of the three counties to bring suit against the railroad for the difference of that 25 per cent reduction, but none of them seem to have made any motion to do so. We have mentioned the matter several times, but they do not seem disposed to act. Mr. Woodburn, Attorney-General at the time, thought it would cost the State a great deal of money, and the jurors would naturally rule in behalf of their own county. Mr. Sweeney, the present Attorney-General, however, is ready to prosecute any county undoing the work of this Board.

Question called for.

A recess of five minutes was granted to find the absent members and bring them to the meeting. Mr. Kinney of Ormsby, Mr. Quirk of Storey, and Mr. Randall of Lyon were the members who left the meeting, and as they refused to return the meeting proceeded without them.

The motion to assess standard-gauge railroads with both terminals in this State, at \$8,000 per mile, was put and carried.

Mr. Beard of Washoe moved that the side tracks be placed at \$2,500 on such roads.

Motion carried.

No. 3—Standard-Gauge Railroads, with only one terminal in this State and under construction.

Mr. Roeder moved that the valuation on such roads be placed at \$4,500 on the main track and \$1,500 on the side track.

Ex-Governor Sadler—I would like to state a fact regarding a law which appears on the statute books, and is a law which was passed for the purpose of this very road that you are voting on. I believe you refer to the road running through Lincoln County. There is on the statute books of this State a law that entitles the party who builds a road through Lincoln County, as soon as they have built forty miles, a bounty of \$2,000 a mile. I know of my own knowledge that someone has tried to get the signatures of the taxpayers, but they did not succeed. Now, if the road is entitled to a bounty from the county of \$2,000, and they are liable to get it, take that into consideration and deal justly by the people and the corporation. If they do not get it now they will get it bye and bye.

Mr. Evans (representing the railroad in question)—I would like to

say a word. The statement that some one had made an application of that character, is true. I do not know whether the Governor knows who it is or not, but I do. It was the San Pedro and Los Angeles, built up in that direction from the south. Our company has made no claim for that bounty, nor does it intend to. What is known as the Clark road made that application.

The motion to assess such roads \$4,500 for the main track and \$1,500 for the side track was carried unanimously.

No. 4—Narrow-Gauge Railroads with one terminal in this State.

Mr. Ingalls—Narrow-gauge railroads with one terminal in this State and running outside of this State, I believe, applies to one of the roads of the Southern Pacific Railway Company, running through Lyon and Esmeralda Counties. Last year, I understand from the Assessor of Lyon County, this road was assessed at \$3,500 per mile. It was left to the Assessors. In my county I assessed it at \$2,500 per mile. The road runs down through Esmeralda County into California. It is assessed much lower there than in my county. We have raised it considerable, as the business has increased and it is paying much better than it was. As it was raised a little higher in Lyon County than it was in our county, I think our people would stand a little raise over what they paid last year, as the outlook is good. I move that we place the valuation at \$2,600 on the main line and \$1,000 on the side track per mile.

The Attorney-General—Mr. Chairman and Gentlemen of the Board of Assessors: In line with the suggestion made by Mr. Ingalls of Esmeralda County, I wish to call your attention to two cases of our Supreme Court, which have borne directly upon the methods and main elements to be considered in taxing these railroads. In the case of *The State of Nevada v. The Central Pacific Railroad*, 10th Nevada, our Court held that one of the main elements to be considered in determining the valuation to be placed upon railroads for the purpose of assessment should be the cost of construction. That opinion was rendered in 1875. Since then we have a decision in 1895, in the case of *The State of Nevada v. The Virginia and Truckee Railroad Company*. Our Supreme Court held, in this latter case, that the main element to be considered in determining the valuation of a road was the "net earnings capitalized at a current rate of interest, taking into consideration any immediate prospect of an increase or decrease in the net earnings of the road." I make this suggestion, because this is one of the main elements which you should consider in assessing railroads, and in particular this railroad which runs through Lyon and Esmeralda Counties and into Tonopah, as we know an increase of business can be reasonably expected there. That is what should be taken into con-

sideration at this time, in placing an assessment on that road. The Court in this case (*State v. V. & T. R. R.*) said: "The value of a railroad for the purposes of taxation must be determined mainly by its net earnings, capitalized at a current rate of interest, taking into consideration any immediate prospect of an increase or decrease in the earning capacity of the road." Now, it is reasonable to consider that the influx of people into Tonopah will mean an increase in the business of the road. It is merely in line with the suggestion of Mr. Ingalls that I call your attention to this decision of our Supreme Court on this point. Of course, our Legislature has decided that all property should be assessed at its "true cash value." This is, and should be, your true guiding star in assessing all property of whatever description or nature. Our Supreme Court and Legislature have both defined what the words "true cash value" mean. The Statutes of 1891, page 137, defines the term "full cash value" as follows: "The term 'full cash value' means the amount at which the property would be appraised if taken in payment of a just debt, due from a solvent debtor." This definition of "full cash value" is approved by our Supreme Court in the case of *The State of Nevada v. The Virginia and Truckee Railroad Company*, 23d Nevada, page 283. This is your true guiding star, in making assessments.

Mr. Ingalls—I would like to ask a question. For instance, our road cost \$3,000 to \$5,000 per mile to construct. Our roadbed and the net earnings would pay an interest of 6 per cent on \$10,000 per mile, or it only pays interest on one-half the cost of construction. Have we any right to go above the actual cost of construction, providing it is more than the interest on the cost of construction?

The Attorney-General—According to the decision of our Supreme Court in the case of *The State of Nevada v. The Virginia and Truckee Railroad Company*, the main element you should consider in placing your valuation for assessment should be the net earnings of the road, capitalized at a current rate of interest.

The Chairman—I would not think it advisable to tax that road too heavily, merely because Tonopah needs a railroad and some one has got to build that road. That is a hard country to build a railroad through.

Mr. Ryan—In relation to the net earnings of the Carson and Colorado Railroad, one of the roads which comes in this classification, I would state: There has not been sufficient earnings to pay one bit of dividend. There has not been sufficient earnings to pay the interest on the bonds. That which you consider net earnings, dividends and interest on the bonds, has never equaled that amount of capitalization at 6 per cent that would reach \$2,500 per mile on the road. As far as

the immediate future of the road is concerned, that is a bridge which we never cross until we come to it. I speak of what I know up to this time.

Mr. Ingalls—I understand there is a statement filed with the Secretary of State showing the net earnings of the various roads, and, if we wish, we can get the figures. I think \$2,600 per mile is low enough for this classification.

Motion put to place the valuation of the main track at \$2,600 per mile and the side track at \$1,000 per mile.

Motion carried.

No. 5—Narrow-Gauge Railroads, with both terminals in the same county in this State.

Mr. Hooper—We have such a road in our county that has been assessed at \$1,900 per mile always before. Therefore I move that we place the valuation of this road at \$1,900 per mile on the main line and \$1,000 on the side track.

Motion carried.

Mr. Easton—There is a road in my county which would come under this classification—the Nevada Central, running from Battle Mountain to Austin.

The Attorney-General—I will state that you cannot designate any railroad by name, for the purpose of taxation. These classifications should be made general in their terms. Secondly, if your road comes under the classification of the gentleman from Eureka, your railroad will be assessed accordingly—\$1,900 for the main line, and \$1,000 for the side track.

Mr. Easton—Then that is not fair or just. One of the roads is doing a good business and the other is doing no business at all.

The Attorney-General—Under this decision, there is no way out of it. We have to make these classifications general. If there is any other classification under which your road would come, when that classification comes up, or is made, you can place any valuation on the class you see fit.

Mr. Easton—It comes under this classification.

Mr. Hooper—Heretofore when Mr. Watt was the Assessor, it was his own desire that it should be placed on the same standard as the Eureka and Palisade Railroad. I did not think of that when I made the motion. As far as our road is concerned, it is fair.

Mr. Easton—I want to change that valuation if there is any way to do it. Why not leave it to the Assessors?

Mr. Hooper—I cannot see that there is any other way to do it. I move we take a recess for a few minutes and discuss the matter.

Recess of ten minutes granted.

After Recess.

Mr. Hooper—I move to rescind that motion and leave the assessment of narrow-gauge railroads, with both terminals in the same county in this State, to the various Assessors.

Motion carried. Left to the Assessors.

No. 6—Narrow-Gauge railroads that are not in operation.

Upon motion the valuation of such roads was left to the Assessors. This completed the order of business.

Mr. Hooper—I believe that is the end of business. I wish to offer a resolution and have it read.

The following resolution was read:

“WHEREAS, Under and by virtue of the provisions of the Statutes of the State of Nevada, we, the Assessors representing the said State, having met in convention and classified and fixed the value of certain classes of property,

Resolve, That it is the sense of this Convention that we do hereby ratify and confirm all proceedings heretofore had, at this session, beginning January 12 and ending January 13, 1903, and do bind ourselves to abide by the action taken by said Convention.

Mr. Ingalls—I think we have always complied with the law.

The Chairman—You failed to do anything last year.

It was moved and carried that the resolution be adopted.

Mr. Guthrie—Now, I would like to ask a question. Where is our money coming from?

The State Controller—I will state that on the 1st of January the appropriation expired, and you will have to look to the Legislature for relief. Have your bills put in and allowed. Then they will be placed before the Legislature and the Board will recommend the payment. There will be no trouble about your getting the money.

The Chairman—Gentlemen, I was very much in favor of reducing the rate on live stock, cattle, sheep, and stock cattle, and rating the beef cattle from \$5 to \$10 higher. I believe that would have been right. However, Mr. Eggers of Elko County, representing the main range county in this State, and where most of the cattle are fed, says it is a difficult matter to get more than one-half or one-third of the number, and he did not feel that we could lower the rate.

Mr. Eggers—I will say that it is a hard matter to get at all the cattle that go through the county, although I try to do so.

The Chairman—I think sheep were taxed too high; \$2 50 for sheep is too much. I am not dealing in sheep, but I know something about the price of them. I think it is working a hardship on the sheep men to have the assessment placed so high.

Mr. Eggers—I will state one reason for wishing to raise on the sheep. A great many of them escape because they consider that they are lambs

until they are a year old. No matter what time of year I assess them, they still have lambs. It is the same way with calves.

The Chairman—A calf is not supposed to take the place of a grown animal until it is a year old, and it is the same with lambs. They get three or four times the price for lambs that they do for sheep in the Eastern markets. As far as the railroad valuations are concerned, I think they are fair enough, and the railroad men seem to be satisfied. Mr. Ryan had better get up and say something if he is not.

Mr. Ryan—I am perfectly satisfied, Governor. I think Mr. Davis will bear me out in these remarks. After the decision of the United States Circuit Court in the State of Nevada, every Assessor in the counties through which our road runs knows what we paid taxes on. Our property has been put in at nearly a 40 per cent raise over and above the year before. We have paid the taxes and been perfectly satisfied and contented to do so. Of the \$4,000,000 raise, which our worthy Controller read to this convention, for the year 1900, we added nearly \$2,000,000, or one-half of the \$4,000,000. We are not unmindful of our duties as taxpayers.

The Chairman—I will add that my personal knowledge made me say what I did regarding the beef cattle. I handle them every day, buying and selling. It looks rather hard that we should have twelve or fourteen thousand head of beef cattle in Humboldt and Washoe Counties, and not getting any more than taxes out of them. More or less of those beef cattle came from Elko County. The majority always comes from Elko County. As Mr. Eggers says, they are good cattle. There is not a beef animal in the State that is not worth from \$30 to \$50 per head. They will bring that money. You are punishing the stock cattle and letting the beef cattle go. A great many people that own and feed the beef cattle are non-residents. It is true they create a market for our beef cattle, but we have to pay taxes on that hay.

Adjourned *sine die*.

Approved January 19, 1903:

JNO. SPARKS, Governor.

W. R. DAVIS, Clerk.

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