STATE OF NEVADA

MINUTES OF MEETING

OF THE

State Board of Assessors

WITH THE

STATE REVENUE BOARD

Carson City, January 9 to 13, 1911

CARSON CITY, NEVADA
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MINUTES OF ANNUAL MEETING OF THE STATE BOARD OF ASSESSORS, 1911

FIRST DAY

CARSON CITY, NEVADA, January 9, 1911.

This being the second Monday in January and the day fixed by law for the annual meeting of the State Board of Assessors, the board assembled in the Governor's office, State Capitol, at 10:20 o'clock a. m., with Governor Tasker L. Oddie, as Chairman, and Charles A. Norcross, Secretary to the Governor, as Clerk of the board.

The State Board of revenue also met with the State Board of Assessors.

Governor Oddie—The board will come to order, please. I will ask the Secretary to call the roll.

The following-named Assessors answered present:

J. W. Sitton	Churchill County
S. R. Whitehead	Clark County
W. M. Weathers	Elko County
W. A. Ingalls	Esmeralda County
H. C. McTerney	Eureka County
H. M. Leonard	Humboldt County
H. R. Lemaire	Lander County
A. H. Norris	Lincoln County
D. P. Randall	Lyon County
Ed Malley	Nye County
Ed Regan	Ormsby County
Phil Seeman	Storey County
John Hayes	Washoe County
J. F. Miles	White Pine County
A. Arrild	Douglas County (absent)

Governor Oddie—I will ask the Secretary to call the roll of the State Board of Revenue.

Upon roll-call the following answered present:

Tasker L. Oddie, Chairman.
Cleve H. Baker, Attorney-General.
J. Eggers, State Controller.

Governor Oddie—Mr. Norcross will act as Clerk of the board. Following the order of business of the last meeting, I would suggest that a committee be appointed by the Chair on order of business. Is that satisfactory?

Mr. Lemaire—I make a motion that a committee of five be appointed on order of business.

Mr. Weathers—I second the motion.

The question was put by the Chairman, and the motion carried.

Governor Oddie—I would like to have a little time to pick out the five men. Is there anything important to come before the board this morning, or would you suggest a recess until this afternoon?

Mr. Regan—I move we adjourn until 2 o'clock.

Mr. Ingalls—I second the motion on account of the absence of the Assessor from Douglas County. There is nothing to do except this order of business.

The question was put, and the motion carried.

Accordingly, at 10:30 a. m., the board took a recess until 2 p. m.

Afternoon Session

The board resumed its session, pursuant to recess, at 2:15 p. m.

Governor Oddie—The board will come to order. The Clerk will call the roll of the State Board of Assessors.

Upon roll-call all answered present, except Assessor Arrild of Douglas County.

Governor Oddie—I think the law provides that in case one of the members is absent the Chairman of the Board of County Commissioners shall act.

Attorney-General Baker—The law provides, Governor, that in case any member is absent on account of sickness the Chairman of the Board of County Commissioners should be notified and he should be here instead, and he becomes a member.

Governor Oddie—First, I will name the Committee on Order of Business: Messrs. Leonard, of Humboldt; Lemaire, of Lander; Norris, of Lincoln; Malley, of Nye; and Regan, of Ormsby. Now, gentlemen, what is your pleasure? There are two things before the board now—the question of getting word to the Chairman of the Board of County Commissioners of Douglas County and arranging for his presence, and then the matter of this board to arrange the order of business. If the gentlemen I have named can get together and see how long it will take them, then if it is your pleasure to adjourn until tomorrow it will be agreeable to me. Some very important matters have come up here today. But if you would like to go on this afternoon it will be all right.

Attorney-General Baker—In the absence of the Assessor from Douglas County on account of sickness, the Chairman of the Board of County Commissioners has a right to be present, and under those circumstances perhaps it would be better before any business is transacted to have him here.

Mr. McTerney—I would suggest that we adjourn and report tomorrow morning at 11 o'clock.

Mr. Weathers—I second the motion.

Mr. Ingalls—Does any one know the reason this gentleman from Douglas is not here?

State Controller Eggers—He is sick.

Mr. Ingalls—I think it is very important to have him here, in order to transact business, as otherwise our work would be illegal.

Attorney-General Baker—That provision of the law is "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 such Assessor might do if present."

Governor Oddie—The matter of notification will be attended to this afternoon.

Upon motion duly made and seconded the board took a recess until 11 a. m., January 10, 1911.

SECOND DAY

The board resumed its session at 11 a. m., January 10, 1911.

Upon roll-call all members of the Board of Revenue and State Board of Assessors answered present, including Mr. Arrild.

Governor Oddie—Gentlemen, the report of the Committee on Order of Business is first.

Mr. Leonard—Mr. Chairman, I have filed it with the Clerk.

Governor Oddie—I will ask the Clerk to read the report.

The Clerk read the report of the Committee on Order of Business, as follows:

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. Thoroughbred Cattle.
10. Sheep.
11. Bucks.
12. Goats.
13. Hogs.
14. Telephone Lines.
15. Telegraph Lines.
16. Electric and Power Lines.
17. All Contract Lands.
18. The Pullman Company.
19. Wells, Fargo & Company.
20. American Express Company.
21. The Globe Express Company.
22. Railroads, classified as follows:
    1. Central Pacific Railway. Sidetracks of same.

2. Nevada and California (broad-gage). Sidetracks of same.
3. Nevada and California (narrow-gage). Sidetracks of same.
4. Hazen and Fallon. Sidetracks of same.
5. Tonopah and Goldfield. Sidetracks of same.
6. Nevada Northern. Sidetracks of same.
7. San Pedro, Los Angeles and Salt Lake. Sidetracks of same.
8. Tonopah and Tidewater. Sidetracks of same.
9. Bullfrog and Goldfield. Sidetracks of same.
10. Las Vegas and Tonopah. Sidetracks of same.
11. Gardnerville Railroad. Sidetracks of same.
12. Nevada, California and Oregon. Sidetracks of same.
13. Virginia and Truckee. Sidetracks of same.
14. Eureka and Palisade. Sidetracks of same.
15. Nevada Central. Sidetracks of same.
16. Silver Peak. Sidetracks of same.
17. Caliente and Pioche. Sidetracks of same.
18. Atchison, Topeka and Santa Fé. Sidetracks of same.
19. Glasgow and Western Exploration Company. Sidetracks of same.
20. Pioche and Pacific Transportation Company. Sidetracks of same.
21. Nevada Copper Belt. Sidetracks of same.
22. Western Pacific. Sidetracks of same.
23. Miscellaneous Railroads.
24. Rolling stock of all.

H. M. LEONARD, *Chairman.*
H. R. LEMAIRE,
A. H. NORRIS,
ED. MALLEY,
ED. REGAN.

Mr. Lemaire—I would ask that a copy of the order of business be given to each of the Assessors.

The Clerk distributed copies of the order of business among the members of the board.

Governor Oddie—Gentlemen, what is your pleasure about this report on the order of business. It is in order to move to adopt it.

Mr. Randall—Mr. Chairman, I move that the order of business be adopted as read.

Motion seconded by Mr. Regan, and carried.

Attorney-General Baker—I don't suppose it will be necessary to read to this board, unless any member of the board desires it, the statute under which we are acting and proceeding. It has been customary in the meeting of the Board of Assessors to read the law under which they are proceeding. If there is anybody here who desires it I will do so.

Governor Oddie—I think it is a good suggestion, gentlemen, that the Attorney-General read it anyway, unless you desire otherwise. It is open for a motion.

Mr. McTerney—I think a suggestion is enough, Governor.

Attorney-General Baker—You are proceeding under the Act of 1903 (Stats. 1903, p. 95), 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 second Monday in January of each year, and shall at such meetings establish a valuation throughout the State of all railroads and rolling stock of such railroads, of all telegraph

and telephone lines, of all electric-light and power lines, of all cattle and sheep, and upon all other kinds of property which, in the judgment of said Assessors, can be valued and assessed more uniformly by said Assessors, acting collectively, than by the several County Assessors acting separately; *provided*, that, in fixing such valuations, 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 the County Assessors as provided in this section; but the said County Board of Equalization shall not have the power to equalize any property on which a valuation has been fixed by the said Board of County Assessors; *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. The Governor shall have the casting vote in case of a tie. The State Controller shall supply all information and data concerning the finances of the State, either on his own motion or by request of the board. Eight Assessors shall constitute a quorum for the transaction of business, and a majority of the entire board shall decide any question before the meeting; *provided*, that in case of a tie on any question before the board, the Chairman shall cast the deciding vote; and it is hereby made the duty of every Assessor present at the meeting of said board to vote aye or no upon every question put by the Chairman of said meeting, and every Assessor failing to do so shall forfeit his office and shall be proceeded against by the District Attorney of said Assessor's county, at the request of the Attorney-General, to enforce said forfeiture; *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 counties shall attend such meeting, and shall act and vote in the place of such absent Assessor, with the same force and effect as such Assessor might do if present, and the Governor or acting Chairman of said meeting shall be and hereby is authorized to issue a subpena for the attendance of an Assessor who shall fail to attend, unless excused by the provisions of this Act. And he is hereby further empowered to deputize anyone who is qualified by law to serve a summons to serve the same; *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 State Controller shall act as Chairman, and in case the State Controller shall also be absent, then the Attorney-General shall act as Chairman and as such Chairman shall have all of the powers herein granted to the Governor acting as such Chairman. Any Assessor who shall fail to attend the meetings provided for in section one, unless he is prevented by sickness or other unavoidable cause, shall be subject to a penalty of $500, to be collected in a suit instituted against said delinquent Assessor or his bondsmen by the District Attorney of the county of said Assessor, on the request of the Attorney-General; and shall be further subject to removal from office, should a majority of the State Board of Revenue hereinafter created order proceedings to that effect to be instituted.

SEC. 4. The valuation fixed at such annual meetings shall be the

actual cash value of all such property as may be designated, as now provided by law, taking into consideration the locality of such property, and the Assessors of the several counties shall assess and enter upon the assessment rolls of their respective counties all such property at the valuation designated by such meeting of County Assessors, and shall fix the value and assess all property not so valued at said meeting in the manner now provided by law.

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 value is affected by its locality or other consideration affecting its cash value; and the Assessors of the several counties of the State shall fix values on all property not so valued at said annual meeting, in the manner now provided by law.

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

SEC. 13. Should any Assessor in this State neglect to assess property in accordance with the provisions of this Act, or laws now in force or effect, or place a greater or less valuation on any property that has been fixed at said meeting of Assessors, the State Board of Revenue, which is hereby created, consisting of the Governor, State Controller, and Attorney-General, shall instruct the District Attorney of said Assessor's county to bring suit against such Assessor and his bondsmen for the sum of five hundred dollars as a penalty therefor, which said sum, when collected, shall be paid into the General Fund of the State Treasury, and such board may instruct the Attorney-General to request the District Attorney of said Assessor's county to institute suit against such Assessor for his removal from office for such neglect or refusal. The suit shall be tried in the District Court having jurisdiction in the county where the property is situated.

Attorney-General Baker—There was an Act passed by the Legislature of 1907, p. 501 (reading):

SECTION 1. The Legislature shall provide by law for a uniform and equal rate of assessment and taxation, and shall prescribe such regulations as shall secure a just valuation for taxation of all property, real, personal and possessory, except mines and mining claims, when not patented, the proceeds alone of which shall be assessed and taxed, and when patented, each patented mine shall be assessed at not less than five hundred dollars ($500), except when one hundred dollars ($100) in labor has been actually performed on such patented mine during the year, in addition to the tax upon the net proceeds, and, also, excepting such property as may be exempted by law for municipal, educational, literary, scientific, or other charitable purposes.

I also call the attention of the board to an Act creating the Board of Railroad Commissioners, which was passed in 1907. The railroads are required to file reports with the Railroad Commission, and the members of this board have the right to call for these reports to aid them in arriving at a just valuation. There was an Act passed which was amended in 1905, relating to County Commissioners and taxation, which required that two and one-half cents be knocked off each year, but I

think all the members here are familiar with it and I will not occupy the time of the board in reading it.

Governor Oddie—Are you ready to proceed with business? Gentlemen, you know the object of the meeting. You are all familiar with the way that meetings have been conducted heretofore, and the idea is to accomplish as much as possible in a fair and equitable way to the State with as much despatch as possible. I am going to assist you in any way I can. When it comes to assessments on railroads we can get assistance from the Railroad Commission. You can call them up at any time. I think we are ready to proceed.

Work Horses, Etc.

Mr. McTerney—Mr. Chairman, I move that the first five numbers on the order of business be left to the various Assessors of the counties.

Motion seconded by Mr. Lemaire.

Upon roll-call the motion was carried unanimously.

Beef Cattle

Governor Oddie—Gentlemen, we have come to No. 6, beef cattle.

Mr. Leonard—Mr. Chairman, I move that we place a valuation of $25 per head on beef cattle.

Motion seconded by Mr. Randall.

Upon roll-call the motion carried unanimously.

Milch Cows

Governor Oddie—No. 7, milch cows.

Mr. Lemaire—Mr. Chairman, I move that a valuation of $25 per head be placed on milch cows.

Motion seconded by Mr. Sitton.

Mr. Whitehead—Mr. Chairman, I would like to ask a question for information. Does it mean all cows that are penned up for milking purposes? I know some cows I would not give $25 for that are used as milch cows. They might be worth that as stock cattle, yet the average price of stock cattle in some counties is not over $20. I know some cows that are being milked in my county that I would not give $25 for.

Governor Oddie—As I understand it, it is a matter of classifying cattle. It is the use of the term. I presume that dry cows could be called beef cattle. I have not had as much experience as some men here, but milch cows are those which are kept for milking purposes. I would like to hear a discussion on that.

Attorney-General Baker—I suggest, Governor, that that be left to the discretion of the Assessors themselves.

Mr. McTerney—I suggest, Governor, that every Assessor be authorized to exercise his own discretion.

Mr. Miles—Mr. Chairman, the same condition exists in White Pine County that Mr. Whitehead spoke of. There are cows which are not

worth much over $25 per head, and I find some that are not worth more than stock cattle, but in those cases they are young cows they are just breaking, or something of that kind. I find other taxpayers who have milch cows, but perhaps they are dry at the time they are assessed. They might be milch cows some time during the year, but perhaps are more valuable than any cow that is milked at the time they are assessed, and they try, in some cases, to give those dry cows in as stock cattle when they are really more valuable. I am at a loss to know what to do about it.

Governor Oddie—I should think it would be a matter of declaration on the part of the owner which the Assessor could rectify. For instance, a man has a dozen cows on a dairy ranch and one of these cows may be worth $50 and one $20, but the average is what the board is trying to get at, as I understand it, and it is a matter which the Assessor can get at better than anybody else.

Mr. Miles—I would like to have it understood by this board that the Assessors have some authority in declaring whether it is a milch cow or not.

Governor Oddie—Would it be regular for me to make a suggestion, that the board pass a resolution defining what milch cows are? Would that help future boards and help this board?

Mr. Miles—I would suggest that, if it is practicable for this board to do so, to change that item in the order of business and call them dairy cows.

Attorney-General Baker—I would suggest, Governor, that that power is inherent in the Assessors themselves at the time they make the assessment for them to decide as to whether the cow is a milch cow or beef cow.

Mr. Miles—That would be satisfactory to me.

Attorney-General Baker—I think you have that power as an Assessor.

Mr. Whitehead—My idea was to bring out a little information. I have a cow I am milking that is more valuable to me than any neighbor's three milking cows. I believe this question of milch cows can better be left to the Assessors than by placing a valuation by the board.

Governor Oddie—As a suggestion, a man might own ten thoroughbred horses. Those horses might be assessed at, say, $100 apiece. One of those horses might be worth $10,000 and the others $100. It would be hard to tell until after the horses were tried out which was the most valuable. So there is a difference always between stock. There are classes of stock, and it is very hard to go into fine distinctions as to the greater value of one of any particular class.

Mr. Arrild—Mr. Chairman, I find out in Douglas County that we have quite a number of dairy cows or milk cows, and I understand that it is a pretty hard matter to classify a milk cow or dairy cow for the valuation. I should think it would be proper to leave it to the Assessor.

He can always see when a person has a bunch of milk cows or is running a dairy, and he can assess them accordingly. If a man had thirty cows and said he only milked 27 or 28 he should be assessed for 27 or 28. Whether they are good cows or not the Assessor can't tell, but if the party milks them, they must be milk cows, and they cannot be stock cows. I think it should be left to the Assessor.

Governor Oddie—I think, gentlemen, it is a matter in the discretion of the various Assessors.

Mr. Miles—Mr. Chairman, I think the milk cow proposition should be left to the Assessors as to the valuation, unless they are classified, and I think it would be proper, perhaps, to leave it to Assessor to determine whether or not they are milk cows.

Attorney-General Baker—As a matter of law, where it is possible to place a valuation upon any of these classifications it must be done under the law, and if, as the gentleman has suggested, you have placed a valuation on this class, it is in the discretion of the Assessors to state whether or not they are milch cows or not. A uniform valuation must be placed upon them all over the State by the board.

Governor Oddie—Are you ready for the vote?

The question was called for.

Governor Oddie—I will ask the Clerk to call the roll. The question is on placing a valuation of $25 per head on milch cows and the question of determining what are milch cows to be left to the discretion of the various Assessors.

Upon roll-call the motion was carried unanimously.

Stock Cattle

Governor Oddie—The next question is stock cattle, No. 8.

Mr. Randall—Mr. Chairman, I move that stock cattle be placed at a valuation of $15 per head.

Motion seconded by Mr. Arrild.

Mr. Miles—Mr. Chairman, as I understand it, there is quite a distinction in the class of cattle in the various counties in the State and that in some counties the cattle are inferior to those in others, and for that reason I would like to hear from the other Assessors on that matter. In White Pine and several other counties the cattle were assessed at $13. I believe $13 is enough for cattle in White Pine.

Governor Oddie—I would like to hear further discussion on that, gentlemen. I would state that last year the assessment was placed at $15 per head on cattle, with the exceptions of those in the counties of Nye, Esmeralda, Lincoln and White Pine, and in which counties the valuation was placed at $13.

Mr. Whitehead—Mr. Chairman, I would like to place Clark County in the same class as White Pine and Lincoln.

Governor Oddie—Do you offer that as an amendment? Now, the

motion is that all cattle be placed at $15 per head, and it would be necessary for a motion to be made, as an amendment, for each county that desires a reduction.

Mr. Whitehead—I will put that as a motion, that they be assessed at $15 with the exception of Nye, Clark, Lincoln, and White Pine.

Governor Oddie—Esmeralda was in that.

Mr. Whitehead—And Esmeralda.

Amendment seconded by Mr. Ingalls.

Mr. McTerney—Mr. Chairman, has there been a motion fixing any valuation at all?

Governor Oddie—The motion was made and seconded placing the valuation at $15, and an amendment was offered.

Mr. Hayes—I think if you can make different valuations in different counties on cows you can make it on other property just the same, and if they claim that there should be a difference in value of the railroads in Washoe County, I think they have the same right that they have to claim different values on cattle.

Mr. Miles—Mr. Chairman, I understand that the law governing this board gives the board authority to place a valuation on property in respect to locality and conditions. If that is the case, I do not see why there should by any objection to placing a lower valuation on an inferior class than on the superior class. The law gives us that authority.

Attorney-General Baker—The law reads: "To establish a valuation throughout the State of all railroads, rolling stock of such railroads," etc. Section 5, as amended, says: "The valuation fixed at such annual meetings shall be uniform on all such property as may be designated, except in cases where the value is affected by its locality or other consideration affecting its cash value; and the Assessors of the several counties of the State shall fix values on all property not so valued at said annual meeting, in the manner now provided by law." It seems that the intention is to make a uniform valuation on such things as you can classify, and it has been held by the former Attorney-General that it must be uniform; although Section 5 of this Act would seem to indicate that where there is a proper reason, where the value is affected by the locality, it is left to the discretion of the Assessor.

Mr. Hayes—That is just what I claim and that we would have a right to claim value on a railroad where it is more valuable than those in other places and the taxes on other property are much higher than in other places where the railroad goes through. I may be mistaken.

Mr. Ingalls—Mr. Chairman, now, the idea of changing the valuation of these cattle in different counties—one reason is the cost of getting them to market, and in these outside counties they either have to drive or ship them further and, also, they are probably inferior. That has been dis-

cussed before, and they have been classified in a different way in the outside counties.

Mr. Miles—Mr. Chairman, in my county there are some people who have cattle that are quite valuable. Of course, I have no objection to placing a valuation of $15 per head on them. There are others who have not been able to breed their cattle up, and they are inferior. I would like to make a distinction.

Mr. Arrild—Gentlemen, in regard to classifying counties on stock cattle, I would suppose that we could have Douglas County in on the smaller rate because I can see how that by driving stock to the railroad station or anything like that, that it might cost more in outside counties, but you take Douglas County, where we drive them to Minden, it costs us a good round sum to get them from Minden to Reno, whereas in the outside counties, they can drive them to the Southern Pacific Railroad, it doesn't cost them more than to have to ship them. There is quite a little stock in Douglas County and railroad charges are immense to ship them. Therefore, if you come to classify it, I believe Douglas County should be in the smaller classification.

Mr. Randall—Mr. Chairman, I move that Douglas County be put on the list, also.

Motion seconded by Mr. Arrild.

Governor Oddie—Mr. Randall, will you accept the amendment to put Douglas County at $13 per head?

Mr. Ingalls—I desire to ask Mr. Randall if he desired to include Douglas County at $13 per head?

Mr. Randall—Yes.

Mr. Ingalls—Mr. Chairman, it seems to me that if Douglas County is included we might as well include all of them. Douglas is right here near market. The other counties are not anywhere near the Southern Pacific Railroad. I cannot see the consistency of it. Of course, I want to do what is fair for Douglas County, but I cannot see why Mr. Randall wants his cattle $15 per head over there in Lyon and this man wants them at $13 in Douglas. I would like to be enlightened a little bit on it.

Governor Oddie—Gentlemen, I suggest, then, that this amendment be voted on separately for Douglas County. Is that agreeable to the board? I ask the Clerk to call the roll. Has that been seconded, that amendment to include Douglas County?

Mr. Randall—Yes, sir; Mr. Arrild seconded it.

Governor Oddie—I ask the Clerk to call the roll.

Mr. Randall—Is this on the amendment to make Douglas County $13?

Governor Oddie—There seems to be a difference of opinion as to whether Douglas County should be included.

Mr. Lemaire—Mr. Chairman, as I understand it, it is an amendment to the amendment.

Governor Oddie—The original five counties include Clark in the original motion.

The Clerk—Mr. Chairman, I will state that the original motion is that stock cattle be assessed at $15 per head, with the exception of Nye, Esmeralda, Clark, White Pine, and Lincoln, and there is an amendment to the original motion adding Douglas County, and the vote now is upon the amendment to the original motion to add Douglas County.

Governor Oddie—I will ask the Clerk to call the roll.

Upon roll-call the following was announced as the result of the vote:

AYES—Messrs. Sitton, Arrild, Weathers, McTerney, Norris, Randall, Regan, Seeman—8.

NOES—Messrs. Whitehead, Ingalls, Leonard, Lemaire, Malley, Hayes, Miles—7.

Motion carried.

Governor Oddie—That puts Douglas County in at $13. We will take a vote on the original motion.

Upon roll-call the result of the vote was announced as follows:

AYES—Messrs. Sitton, Whitehead, Arrild, Weathers, McTerney, Leonard, Lemaire, Norris, Randall, Malley, Regan, Seeman, Miles—13.

NOES—Messrs. Ingalls, Hayes—2.

Motion carried.

Governor Oddie—The motion is carried. That includes the counties of Nye, Esmeralda, White Pine, Lincoln, Clark, and Douglas in the $13 appraisement.

Thoroughbred Cattle

Governor Oddie—The question is on thoroughbred cattle, No. 9.

Mr. Lemaire—Mr. Chairman, I move that No. 9 be left to the various Assessors.

Motion seconded by Mr. Leonard.

Governor Oddie—Are there any remarks on that? If not, I will ask the Clerk to call the roll.

Upon roll-call the motion was carried unanimously.

Stock Sheep

Governor Oddie—The next is sheep, No. 10. I noticed last year they were designated as stock sheep. Now, is it the intention this time to assess stock sheep?

Mr. Leonard—Yes. Mr. Chairman, I move that a valution of $3 per head be placed on stock sheep.

Motion seconded by Mr. McTerney.

Mr. Arrild—Mr. Chairman, it looks to me that $3 per head is quite an assessment. As I understand, there is an inspector who looks over the sheep which adds a dollar, and that is $4 per head. That is a little high it seems to me in proportion to other property. I am not connected with sheep or a sheep man, but it looks to me it comes up a little high, almost up to the valuation of the sheep. I think that we should

assess them at $2.50 and then a dollar added, that would amount to $3.50 per head, which would be more right. I am not making that as a motion, but would like to hear from others in regard to it.

Mr. Ingalls—I would like an explanation as to what this extra dollar means—the extra dollar being added.

Governor Oddie—Mr. Ingalls, I think what Mr. Arrild refers to is a special sheep tax, which is ten mills on each dollar valuation.

Mr. Lemaire—That would only be a dollar on every hundred.

Mr. Miles—Mr. Chairman, the sheep tax is 33⅓ cents tax on every hundred dollars' worth of sheep—that is 33⅓ cents on 100 head of sheep, I should say. The ten mills tax is simply a cent on the dollar and does not affect the valuation at all, but it affects the sheep owner in the way of a tax. He has more on the hundred to pay in taxes than the ordinary taxpayer. It does not affect the value, and I will say from the experience I have had with sheepmen in the sheep country, that part of our sheep range is on the forest reserve, and in cases where matters have been investigated we find that there are a greater number of sheep given in to the Assessor where the sheep are on the forest reserves than in some cases where there is no forest reserve. Our Board of County Commissioners makes some allowance for those on the forest reserve to equalize them with those that are off the forest reserve. In no case, I believe, have they been assessed up to the actual number. There has been some allowance made to equalize it, and I would say that $3 under these circumstances is a fair valuation.

State Controller Eggers—Mr. Chairman, may I say a word as a Board of Revenue member. The sheep tax in question here has absolutely nothing to do with the revenue of this State. The sheep tax is under a law created by the sheep men themselves for their own protection, and they must pay for their own music if they want to dance. It is a law passed especially at the request of the sheep men themselves to protect them from disease among sheep, and it should cut no figure with the valuation. I believe I can get some of the County Assessors here to verify it.

Mr. Miles—Mr. Chairman, the statement of the State Controller is absolutely correct. It is for the protection of the sheep owner only and no other taxpayer gets any benefit from it.

Governor Oddie—Gentlemen, are you ready for a vote on this now?

Question called for.

Upon roll-call the motion was carried unanimously, placing a valuation of $3 per head on stock sheep.

Buck Sheep

Governor Oddie—The next question is bucks, No. 11.

Mr. McTerney—Mr. Chairman, I move a valuation of $5 per head be placed on buck sheep.

Motion seconded by Mr. Weathers.

Governor Oddie—Any comments on that? Are you ready for the question?

Question called for.

Upon roll-call the motion carried unanimously.

Goats

Governor Oddie—The next question is goats.

Mr. Leonard—Mr. Chairman, I move that goats be left to the various Assessors. I don't think there are very many.

Motion seconded by Mr. Lemaire.

Mr. Miles—Mr. Chairman, I don't think there are very many goats in the State and those Assessors who have goats, there are billies in those bands, and they might turn some of them loose on them. I would like to have that withdrawn and move to make the valuation $3 per head.

Mr. Leonard—I will withdraw the motion if any one desires to place a valuation on them.

Mr. Miles—Mr. Chairman, I move that the valuation on goats be placed at $3 per head.

Motion seconded by Mr. Leonard.

Governor Oddie—Any remarks on this?

Mr. Lemaire—Mr. Chairman, I think that a valuation of $3 on goats is too low. Every year I have been here there has been a valuation of $5 per head. I don't think that much difference should be made at this time. I think a valuation of $4 or $4.50 would be about right.

Mr. Miles—I would be willing to accept an amendment halfway between. I think $5 may be too much.

Governor Oddie—I wish you gentlemen could come to some understanding.

Mr. Randall—Mr. Chairman, I move to place the valuation at $4 per head.

Motion seconded by Mr. Lemaire.

Governor Oddie—The Clerk will call the roll on the motion to make the valuation on goats at $4 per head.

Upon roll-call the motion was carried unanimously, placing a valuation of $4 per head on goats.

Hogs

Governor Oddie—The next question is No. 15, hogs.

Mr. Randall—I move, Mr. Chairman, that hogs be left to the various Assessors of the State.

Motion seconded by Mr. Norris.

Governor Oddie—Any remarks? Are you ready for the question?

The question was called for.

Upon roll-call the motion was carried unanimously, leaving the valuation on hogs to the various Assessors.

Mr. Randall—Mr. Chairman, I move we take a recess until 2 o'clock.

Motion seconded and carried.

So the board took a recess at 12 o'clock, noon, until 2 p. m.

Afternoon Session

The board resumed its session at 2 p. m. pursuant to recess.

Governor Oddie—The meeting will come to order. I will ask the Clerk to call the roll.

Upon roll-call the members of the State Board of Revenue and State Board of Assessors all answered present.

Telephone Lines

Governor Oddie—Gentlemen, the next on the order of business is telephone lines, No. 14.

Mr. Lemaire—Mr. Chairman, I make a motion that No. 14, telephone lines, No. 15, telegraph lines, No. 16, electric and power lines, and No. 17, all contract lands, be left to the various Assessors.

Motion seconded by Mr. McTerney.

Attorney-General Baker—That seems to raise the same legal question that was raised last year. I am familiar with the action which the board took last year with reference to the construction to be placed upon the law, and while I feel disposed to take the same view that the Attorney-General did then, it would seem that the intention of the law is only to leave a saving clause in cases where it is impossible to place a proper valuation upon those things by the state board, and in such cases to leave it to the various Assessors. However, I notice that, in the discussion which came up at the last meeting, there was a statement made by Mr. Owens, Sheriff of Nye County, suggesting that probably it would be a good thing to allow telephone lines and telegraph to be left to the various Assessors at that time, but suggesting that perhaps at the next meeting the various Assessors would have some means of bringing in data whereby they might arrive at a means of classification for a general assessment upon telephone and telegraph lines.

I realize the problem which confronts us in this matter, and it is the same problem which confronted the board at its last meeting—the difficulty of classifying the different telephone and telegraph lines in the different counties. However, I firmly believe it was the intention of the Legislature, that, if possible, this board should try to strike a uniform valuation which might serve as a basis all over the State. The fact that particular stress was laid upon this section of the statute last year, where it reads, "shall establish a valuation throughout the State of all railroads, rolling stock, etc., of all electric and power lines, telephone and telegraph lines, and upon all other kinds of property which in the judgment of the board can be assessed more uniformly."

Now, I don't take the same position as the former Attorney-General

as to the particular stress laid upon the word "and." It would seem to me that whereas they seemed to specialize on the telegraph and telephone lines, rolling stock, etc., that seems to be specific. Yet I think the fundamental idea which prompted the Legislature in passing this Act was to establish a uniform rate so far as possible on the most important companies throughout the State, and that Section 5, if construed in connection with this, that the valuation at such annual meeting shall be uniform on all property as may be designated, except in cases where the value is affected by its locality or other considerations affecting its cash value. I think the Legislature made that mandatory upon you people, if possible, to assess all of these things uniformly and to place some estimate upon them. I realize that this was a bone of contention during the last meeting, and it is a serious question as to exactly what the Legislature did mean. However, taking it from a broad point of view as to the fundamental purpose of this Act, it would seem that if this Act has any purpose and if the board here has any purpose, these are the things specified for uniform taxation. While I realize that this body can override that idea and be governed as it was before, by appealing from the decision of the Chair, it would seem that where possible this board ought to try to exert its utmost to levy a uniform taxation. I take the position that, if the Legislature meant anything in this Act, it meant that those things where possible should be placed upon uniform taxation. Of course, I realize that perhaps the Legislature did not take into consideration the difficulty which would fall upon this body in arriving at any rule sufficiently general. For instance, a telephone company in Reno operating and earning a great deal of money—it would be hard to make a schedule to fit that company, whereas in some other or the same county a jerkwater company would run for a time on a cheap barbwire fence and it would be different. But if the board would arrive at some way where it is possible to establish what they consider to be a uniform valuation, and if necessary classify, say Class A and B, it would more nearly carry out the intention of this Act.

Mr. Lemaire—I think there is no doubt that all of us here would like to place a valuation, but can you tell us how?

Mr. McTerney—General, I don't think there is any idea in the members of this board to dispute you, but it is a question of how.

Attorney-General Baker—I feel that in expressing myself I am simply saying what the law is, and I have no vote or way other than to construe what I conceive to be the law. Of course, a law that cannot be carried out, even though mandatory, if it cannot be followed out, it cannot be done. But if you can classify by grades of wire, etc., so as to carry out the provisions, I think it would be the proper thing to do, if possible. You Assessors have had more experience along that line, and are the proper people to decide after all.

Mr. Hayes—Mr. Chairman, I will say in regard to Washoe County, that in regard to telephone, telegraph lines and power lines, I would not be prepared at this time to assist in making valuations on those lines, but if time is given I would be prepared to place values on them.

Mr. Ingalls—Mr. Chairman, I agree with you on the proposition that we should fix valuations, but I do not know how to get at any in my county. We have telephone lines and power lines, but I do not know how to value them. Having been out of office for a time, I do not know how they were assessed during the past two years. Where one line passes through two different counties I think they ought to be assessed the same in both counties. They should be on an equality. I can see where it is very important to equalize the valuation on these things if we can get at it.

Attorney-General Baker—For instance, there is one line operating in Nye and Esmeralda Counties, the Southern Nevada Telephone Company; if the valuation in Nye County should be twice as much as in Esmeralda County, that is a condition we are trying to avoid. Where some line goes through three counties, in those cases if the Assessor of one county should assess them at a certain valuation and the other county three times as much, or half as much, that is a difficulty which the Legislature had in mind and tried to obviate.

Governor Oddie—Gentlemen, I would like to hear further discussion on this. It is a very complicated question, and I would like to have as much discussion as possible on it.

Mr. Lemaire—Mr. Chairman, suppose we would try to make a valuation, say, for instance, on the Western Union Telegraph Company, which is throughout the State. Now, as I understand it, from Sparks west they have a whole lot more wires than they have east, and the same way through Lander County, they have something like twelve or fourteen wires. Say, in Elko County they have more wires there. Now, to place a valuation here I do not see how we can do it. Still they have the same wires, the same size wires, equipment and everything.

Mr. Miles—Mr. Chairman, with reference to telegraph, telephone and power lines, in White Pine County there is but one telegraph line that extends out of our county. That is on the Nevada Northern Railroad and, of course, that could be easily classified, I presume. We have one important power line leading from the Steptoe Valley Smelting Works to the mines. That I presume could be classified, if we could find anything else to class it with. Our telephone lines vary considerably, all the way from pretty rotten poles, cottonwood, anything they can get to build the line with, to a good, big substantial line with perhaps one hundred wires on it; some of those lines though have poor poles—poles that have rotted and the company is tearing some of them down, rebuilding, etc., and the variance is so great that I cannot see where I could possibly classify those lines. I would like very much—nothing would

please me better—to have them classified and relieve me of that responsibility, but at this time I do not see how I could possibly do so. If the board is willing to go into the matter and classify them, I am willing to join and do the best we can.

Governor Oddie—We don't seem to be nearer the point than when we started.

Mr. Whitehead—Mr. Chairman, I believe that most of the telephone and telegraph lines have a number of miles; that is, they know the mileage in operation and the cost of building and they also have to report annually to the officers of the revenue department, and it seems to me that a telephone line or a telegraph line, that is the companies, could be made to give a statement as to how many miles they have in operation, and as to the earnings of the telephone lines. It would not matter, for instance, in a town where there is an exchange, how many copper wires they had. They would know the mileage in operation and they could give you the mileage, and then that mileage could be averaged with the net earnings or the gross earnings, either way that the board saw fit to adopt, and then classify according to the earnings of that company. There are some companies, some telephone lines that are in operation just merely for accommodation, little telephone lines in different counties that are making no money at all, and it seems to me that the only possible way, so far as I can see it, would be to take the mileage and the income or the earnings and classify them according to that standard.

Governor Oddie—Just one suggestion, just an illustration: A mining company might have a telephone line from its mine to the mill. That telephone line might be worth $10,000. They might use it constantly and derive a great benefit from it. The ten thousand dollars that it actually cost would be an asset, would be something subject to taxation, and yet on the books of the company it might not earn a cent. That is in line with what you say. So in that way that whole ten thousand dollars might be left off the assessment roll, whereas another line, which would cost half as much, might be earning thousands of dollars a month, which was used simply as a telephone line for the purpose of revenue.

Mr. Miles—Mr. Chairman, your views as just expressed I think would apply to the main line we have in our county, that would be the line from the Steptoe Valley smelting works to the mine. That is used almost exclusively for the benefit of the companies that own the mines and the smelting works, and I have no idea that we could arrive at any definite conclusion on the line which Mr. Whitehead speaks of.

Governor Oddie—The mining company might simply charge it up as part of its assets, and use it for convenience. The mining company might not arrange its books so as to show any profit or loss. It would be a convenience, yet it would be an asset just the same. I will state,

gentlemen, that last year after a controversy the matter was left to the Assessors, and the Attorney-General states that it is legal, that is, under Section 5 of the statute, and it would be legal and regular for the Assessors to do that.

Attorney-General Baker—I take the position that it should be assessed by the Assessors wherever possible, and I give a little more liberal construction to Section 5 than was given last year, yet I think, while it was held last year that it was mandatory to place a valuation upon all railroads, rolling stock, telegraph and telephone lines, etc., and upon all other kinds of property, there was a saving clause passed in Section 5, to wit: "The valuation fixed at such annual meeting shall be uniform," etc., except in cases where the value is affected by its locality or other consideration affecting its cash value.

Of course, if it were perfectly evident that it was the disposition of the board to leave everything to the local Assessors on the ground that it would be difficult to establish a valuation throughout the State, that upon that premise they could go through with everything and simply make a motion that each be left to the individual Assessor, and thereby defeat the very purpose of this Act—that would not be proper. If this board were to take the view that it would be easier to assess all these things by the individual Assessors than to have them assessed by the board as a Board of Assessors, they could very easily make a motion and carry it and overrule the Chair, and defeat the very purpose and intention of this Act. However, it is to be presumed, and I know, that this board is acting in good faith and the other board was, and, while we are liable to take different views of the law, I take it for granted that this board and other boards have acted and are acting with the best intentions and are doing their duty as the law presumes and are simply trying to arrive at the best means to the end. But if such interpretation were given too wide a scope it would result in defeating every purpose of this Act, which means that this body shall assemble here on the second Monday in January and arrive at a just and fair valuation of property.

So I would be inclined to hold and am taking the position that where possible this board should, by one means or another of classification or by the various opportunities which you Assessors have of arriving at means of assessing, and to classify in a general way, so that there can be throughout the State a just and fair valuation in these matters. Some assessments are easy. For instance, it is easier to assess cattle than telephone companies, and I query whether or not we should not exert a little more effort along those lines to approach the end rather than take the easier way. Of course, the law in Section 5, which says where it is possible to leave it to the Assessors, I don't think that should be too liberally construed because if it were it could be construed so that there would be

no purpose in meeting here. I think it is mandatory upon this body, wherever possible, to place a valuation wherever it can. Of course, this body cannot do an impossibility, and if it cannot be done it cannot be done, but an effort should be made.

Governor Oddie—I would like to ask if it is possible to get a list of all the telephone lines in the State. Now, in the telegraph lines it will be easier. That comes next, and there are fewer companies. But in the telephone line there are so many lines. How would it do to call on each Assessor and ask him for a list of the telephone lines in his county? In that way we can get at all the telephone lines in the State, under this order of business. Under railroads every railroad is mentioned. When we come to telegraph companies, probably every telegraph line in the State can be ascertained. Now, why cannot that be done in the case of telephone lines? If that appeals to you, it can be put in the form of a motion, and each Assessor could be asked to give a list of all the telephone lines in his county. I think it could be done in a very short time. It might open up a field of thought in solving this problem.

Mr. Whitehead—Mr. Chairman, it seems to me that it will be just as easy for the board to solve the question as for an individual Assessor. You can take the instance Mr. Miles speaks of. A mining company may own a line, and it is just as easy to arrive at a proper assessment by them as it would be for each Assessor. I think Mr. Miles could not go into the case he mentions and know what that line is worth without having some basis upon which to figure. Say, for instance, the line had cost them so much. The Assessor would find that out, and, from his own standpoint and figuring their other assessments, would base his figures on what it cost them, not showing any profits. He would assess it from the basis of their cost, and it seems to me that those that are used for earnings or profits—that is, that are not kept track of—could be placed in different classes according to the cost of construction, and those that are earning could be prorated with the earnings and the cost. It could be done just as easily by the board as by each individual Assessor. I could not tell what my companies were earning any more than the board could, only from the statements given.

Governor Oddie—Gentlemen, along that line, I will state that ten years ago a telephone line was built from Sodaville to Tonopah and very cheaply constructed, and I believe that line paid for itself a number of times during the first year. The same amount of money invested in another telephone line might not pay 2 per cent a year.

Mr. Whitehead—That is why I say the earnings compared with the cost would give the proper valuation to be placed. Not only the cost—the cost would be the only thing you could take into consideration where a company was not operating and charging tolls and fees. The cost would be the only basis you could figure from, but in a company

that was operating for profit or was doing a regular public business, then the cost could be reckoned with the earnings also.

Governor Oddie—Gentlemen, I think we had better send for the Railroad Commission.

Mr. McTerney—Governor and Mr. Whitehead, do you understand that a strictly private line should be assessed by this board?

Governor Oddie—It is proper; it is a telephone line. I do not see how the question of ownership, the character of ownership, could change its assessable value, whether a line is owned by a mining company or a telephone company. Of course, it would affect the revenue.

Mr. McTerney—One is a public utility. I think the main object of this Act was to apply to public utilities. These very small private lines were not intended to be assessed here.

Governor Oddie—What is the Attorney-General's opinion about that, whether there should be any difference when the question as to ownership should be brought up, whether it was a private individual or a public company, as between a private enterprise and a public utility?

Mr. McTerney—That is, General, where you have a strictly private line for your own personal convenience?

Attorney-General Baker—Whether or not that could be brought under the same classification as public utilities?

Mr. McTerney—The only difference I can suggest between that and the other is that this is not a public utility at all.

Attorney-General Baker—I think, of course, the intention of the Legislature was for public utilities. If a mining company were operating a telephone line, that would be a public utility, but if a man had a telephone line from his house to his barn—I don't think that would be a question for discussion.

Mr. McTerney—That is how it occurred to me.

Governor Oddie—I think the Railroad Commission can enlighten us a good deal.

Attorney-General Baker—The question came up last year as to whether or not, if this body should refuse or should decide that they would rather leave the assessing to the various Assessors, that would invalidate the assessment. I should not think it would. The position taken by Judge Bartine last year I think is sound in logic and reason, that there are other means of assessing. For instance, if the Assessor did not do his duty, the Board of Equalization would have the power, or where the Assessor has not placed upon the assessment rolls property which should be placed there the Board of Equalization could do it. I take the same position he did there, that it is simply an additional safeguard for the purpose of getting it uniform rather than any intimation that the Assessors as individuals would not do their duty properly. It is to prevent

any failure to assess at all rather than to hold the Assessors to a strict accountability.

Mr. Ingalls—Any property that this State Board of Assessors fixes values on is out of the hands of the County Boards of Equalization.

Attorney-General Baker—Yes; they cannot equalize any assessment made by this board.

(At this time Mr. J. F. Shaughnessy, one of the Railroad Commissioners, and Mr. E. H. Walker, Secretary of the Commission, appeared before the board.)

Governor Oddie—Gentlemen, this is Mr. Shaughnessy and Mr. Walker, Secretary of the Railroad Commission. Mr. Shaughnessy, the object of asking you to come over is to get you to throw some light on the assessment of telephone lines. We are trying to arrive at some scheme of placing a valution on the various telephone lines in the State, and are waiting to get some suggestions from you and some data as to the way it has been done, and some way that you might have studied out with the other Commissioners. We would like to have you tell us something about it.

Mr. Shaughnessy—Heretofore it has been left to the Assessors, has it not?

Attorney-General Baker—Yes.

Mr. Shaughnessy—The only method that I know of would be to place a line-mileage valuation, the same as you do for railroads, and, in order to reach a valuation on that, the only scheme that I have in mind would be to arrive at that on the basis of the gross earnings. Say, take 4 per cent of the gross earnings of the Western Union receipts as reported for the State of Nevada. The last report we have from the Western Union reports the earnings as $201,000, credited to the State of Nevada.

Governor Oddie—On what lines?

Mr. Shaughnessy—The Western Union.

Governor Oddie—We are dealing with telephone lines now. Some general scheme of arriving at an equitable method of assessing telephone lines, is what we are trying to arrive at.

Mr. Shaughnessy—In the absence of a report on earnings and in the absence of a report of the stocks and bonds and capitalization of the different telephone companies, I do not know of any scheme that this board could originate. The Assessors in each county are familiar with the telephone lines in their counties and, of course, they will vary in value. Some will be higher and some lower, but in the absence of gross earnings to base a valuation, the only way would be for this board to make a classification, say, No. 1, No. 2, 3, 4, 5—as many classifications as they need—a high valuation beginning with Class No. 1 and graded downward, and leave it optional with each Assessor as to what classification he would put his telephone lines in in his county. Do I

make that idea clear? That is about the only suggestion I have on telephone lines.

Governor Oddie—For instance, Mr. Shaughnessy, suppose there were five classifications. How would you suggest describing the different lines? For instance, No. 1.

Mr. Shaughnessy—Classification No. 1 would come under a valuation of so much per mile. What has it been customary to assess telephone lines at, Mr. Lemaire?

Mr. Lemaire—I assess by the mile.

Mr. Shaughnessy—What is the valuation?

Mr. Lemaire—The lines we have vary from $15 to $50 per mile.

Mr. Shaughnessy—Well, you could start your first classification at $100.

Governor Oddie—Well, take a line in Reno, a large, prosperous system, a mile of telephone there would be worth more than a mile in some other part of the State.

Mr. Shaughnessy—Of course; the Assessor in Reno could get it upon the valuation of 4 per cent gross earnings, the Pacific States Telephone Company. For some of the smaller lines the board could not adopt that. Some of the smaller lines have a deficit, and others are about running even or not making money.

Governor Oddie—Could you suggest the highest classification.

Mr. Shaughnessy—No; that would have to be figured out. Mr. Hayes, do you know at what that line is assessed at.

Mr. Hayes—No; I have not the assessment roll with me. It is at my room. I paid little attention to it. I presumed it would be left to the Assessors the same as it was last year. I think the only way would be, if you intend to do this, to have them come here themselves, and I will get such data as I can.

Governor Oddie—That is undoubtedly the most profitable and best line in the State.

Mr. Hayes—I judge so.

Governor Oddie—There is more business going on in a small compass.

Mr. Hayes—Yes.

Governor Oddie—Well, if we could get at some way of describing that line——

Mr. Hayes—If you will permit me, I will go and get the list. It will only take a few minutes.

Mr. Shaughnessy—I think, in the absence of a complete showing of the financial condition of these various small lines in various counties, that the small telephone lines had better be left to the various Assessors. I think you could, however, place a valuation upon those lines doing an interstate business. Say, for instance, the Pacific States Telephone Company. They report to us under the head of gross earnings. That could be reached on the basis of a mileage pro rata. We could figure that out

in a little while. And also a mileage basis could be figured out for the Western Union and Postal Telegraph lines. But a good many of the telephone lines are small, and I would leave them to each individual County Assessor.

Attorney-General Baker—It would be possible to classify the interstate lines where we have some data, and it would be proper to do it. As for the other lines, it is impossible to do those things, and I can see no reason why it should not be left to the various Assessors, but as I say, it should be done where possible. But it seems as though in the cases mentioned by Mr. Shaughnessy it is possible to arrive at a just valuation, and it should be done. In other cases, where the lines are small, it will probably be necessary to leave them to the various Assessors.

Mr. Ingalls—I would like to ask if the Commission has data on electric lines?

Mr. Shaughnessy—No, Mr. Ingalls, we have no data on electric lines. Do you mean the electric-power lines?

Mr. Ingalls—Yes.

Mr. Shaughnessy—No, we have no jurisdiction over power lines.

Governor Oddie—Gentlemen, how would you consider the idea of having a committee appointed to study this thing over carefully with Mr. Shaughnessy and Judge Bartine and members of the Railroad Commission, and report tomorrow, say? The committee appointed could study the thing carefully and possibly arrive at some conclusion. It is just a suggestion. If you prefer to have it go over in the form of a motion, and have it come to a vote, I would suggest to exclude interstate telephone lines. This is just a suggestion on my part. If I can help along or expedite the solution of this problem I would like to do it.

Mr. Ingalls—Mr. Chairman, I think if we intended to go into telephone and telegraph lines and fix a valuation, I think it would be just as well to appoint a committee to investigate and get what data we can and report, and see if we can get at this or not. Find out how to fix a valuation by this board if we can. I would like to hear from a majority of the board.

The Clerk—Was that offered as a substitute motion?

Mr. Ingalls—I offered that as a suggestion.

Governor Oddie—Well, if you think that is a good idea, you might make a motion. We seem to be at a standstill now, but if it could be in the hands of a committee to thresh it out and report at a certain time, I think we could accomplish more.

Mr. Weathers—I cannot see that it will do any harm. I will make the motion that a committee of five investigate and report.

The Clerk—Is that a substitute for the pending motion? There is a pending motion.

Mr. Weathers—I offer that as a substitute motion.

Motion seconded by Mr. Lemaire.

The question was put, and the motion carried.

Governor Oddie—Mr. Lemaire, you made the original motion, did you not? Will you withdraw that motion?

Mr. Lemaire—Yes, with the consent of my second.

Mr. McTerney—I consent to the withdrawal.

Governor Oddie—I will appoint the following as the committee: Messrs. Whitehead, Weathers, McTerney, Hayes, and Miles. I suggest that we take a recess until such time as the committee can report.

Mr. Shaughnessy—I think you had better adjourn until tomorrow morning. It will take some time to prepare the data.

Mr. McTerney—Is there not some Assessor who has more interest in this matter.

Governor Oddie—You have no line in your county?

Mr. McTerney—None to speak of.

Governor Oddie—Mr. Ingalls of Esmeralda will act in place of Mr. McTerney.

Stock Cattle

Mr. Ingalls—I would like to state before we adjourn that my understanding is that we got mixed up on this stock cattle business before we adjourned at noon.

Governor Oddie—A motion was carried placing a valuation of $15 per head on stock cattle, except in the counties of Nye, Esmeralda, Clark, Lincoln, White Pine, and Douglas.

Mr. Ingalls—I understood my vote was recorded no on the valuation in Douglas County. I thought it was in Esmeralda. I intended my vote to be recorded yes for $13 per head in those counties except Douglas.

Governor Oddie—We voted on the amendment first.

Mr. Malley—Mr. Chairman, there was no valuation placed on the cattle in Esmeralda, Nye, Clark, Lincoln, White Pine, and Douglas.

Governor Oddie—Thirteen dollars in those counties. I think it could be made as a motion now—that is, if you will all agree to correct it. Well, make it in the form of a new motion that the valuation be placed in those counties. It was made in the form of a motion for the counties outside of the six counties mentioned at $15 per head.

Mr. Malley—But there was no valuation made on the six counties. I move that the valuation be placed at $13 per head in Esmeralda, Clark, Lincoln, White Pine and Douglas.

Motion seconded by Mr. McTerney.

Upon roll-call the motion carried unanimously, placing a valuation of $13 per head upon stock cattle in the counties of Nye, Esmeralda, Lincoln, Clark, White Pine, and Douglas.

Mr. Arrild—Mr. Chairman, I will be willing to have Douglas County stand at $15 per head on stock cattle.

Governor Oddie—That should be in the form of a motion. I am a little tangled up in this thing. I want to ask the Attorney-General.

Mr. Malley—I withdraw my last motion.

Governor Oddie—Will you make the motion that Douglas County be excluded from the list of those placing a valuation of $13 per head on stock cattle?

Mr. Arrild—I make that motion.

Motion seconded by Mr. Regan.

Upon roll-call the motion was unanimously carried.

Mr. Malley—Mr. Chairman, I make a motion that we place a valuation of $13 per head on stock cattle in the counties of Nye, Esmeralda, Lincoln, White Pine, and Clark.

Motion seconded by Mr. Ingalls.

Upon roll-call the motion carried unanimously.

Electric Power Lines, Etc.

Governor Oddie—Gentlemen, there is a suggestion from the Attorney-General, which I think is a good one, that you entrust the Chair to appoint another committee to work on some other matters while this committee is working, and save time in this way. Now, for instance, electric and power lines, contract lands, Pullman Company, and express companies. Those are pretty big questions by themselves. The electric and power lines and contract lands do not come under the jurisdiction of the Railroad Commission, so those are two items the committee may work on. So if some one will make a motion I will appoint a committee.

Mr. McTerney—Could not the same committee report on the power lines? These power lines lie in the same counties these others do.

Governor Oddie—Contract lands is an entirely different matter, though. There might be an amendment to this first motion, or you might make another motion to include electric-light and power lines in the work this committee just appointed is to do. Then another committee could be appointed to work on contract lands, because that is another matter altogether. If you will make that motion, Mr. McTerney, or some one else make it, to include electric-light and power lines.

Mr. McTerney—I move that the committee appointed take up electric-light and power lines also.

Motion seconded by Mr. Weathers.

The question was put, and the motion carried.

Governor Oddie—The same committee is appointed for that. A motion is now in order to appoint a committee to look into contract lands.

Attorney-General Baker—I would suggest, Governor, that contract lands have always been left to the Assessors themselves, and I think under the conditions it would be proper to continue to do so.

Governor Oddie—Well, if there be no objection we can let that continue. A motion for a recess is in order.

Mr. Lemaire—I move we take a recess until tomorrow morning at 11 o'clock.

Motion seconded by Mr. Randall.

Mr. Ingalls—Make it 10 o'clock.

Mr. Lemaire—Well, if you would rather have it at 10, I will change the motion to 10 o'clock. I think I had better leave it stand as it is.

The question was put and the motion carried.

So the board took a recess until 11 a. m. January 11, 1911.

THIRD DAY

The board resumed its session, pursuant to recess, at 11:15 a. m., Wednesday, January 11, 1911.

Upon roll-call all members of the State Board of Revenue and State Board of Assessors answered present.

Governor Oddie—The first business before the board is the report of the committee appointed yesterday. Who was the chairman of that committee? I will ask Mr. Ingalls to report.

Mr. Ingalls—Mr. Chairman and brother Assessors here, we as a committee report the information we have from the State Railroad Commission as to the Western Union, and telephone lines.

Governor Oddie—Does this mention telegraph lines?

Mr. Ingalls—It simply refers to telegraph lines.

Governor Oddie—I think the minutes should show, then, that we should take up the first items because the matter we are working on now is simply telephone lines. I think there should be a motion to take up telegraph, electric-light and power lines in connection with that.

Mr. Lemaire—Mr. Chairman, I believe there is a motion before us at this time whereby these four were to be left to the various Assessors and, then a recess was taken, a committee appointed, and a recess taken.

Governor Oddie—Did we have it brought before the meeting by resolution yesterday that these other matters would be taken up?

Mr. Lemaire—I believe not.

Governor Oddie—I would like to withdraw my remarks and ask the Clerk to read the report first.

The Clerk—Mr. Chairman, I will state that the minutes show that the committee appointed was given authority to report upon telegraph, telephone and electric-power lines.

Mr. Ingalls—That was our understanding.

The Clerk read the report and supplemental report of the committee, as follows:

HON. T. L. ODDIE, *Chairman State Board of Assessors:*

Your committee begs leave to report that it has made a careful examination of the records on file with the Railroad Commission of Nevada, and finds that the net earnings of the Western Union Telegraph Company, from its latest report, are approximately $49,000 for the State of Nevada.

This amount capitalized on a basis of 7 per cent is $703,500, which may fairly be taken as the value of the telegraph company's property in Nevada.

Applying 45 per cent to this valuation, the same as the average of all property assessed in the State, we have, for the purpose of assessment, a valuation of $316,575.

This valuation seems entirely reasonable, as the actual value of the telegraph property, figured on a basis of the market value of poles and wire, is approximately $800,000, exclusive of the cost of constructing the line.

This company is operating within the State 6,907 miles of wire. By dividing this wire mileage into the aforesaid valuation of $316,575 we find the assessed value per mile should be $45.

In conclusion, we find that, assuming an average levy of 2 per cent is applied, this assessment will produce 90 cents per mile in net taxes, or a total of $6,216 in taxes to the State and counties.

The taxes paid under previous assessments, as shown by the company's latest report to the Railroad Commission, was $4,752.

Respectfully submitted,

THE COMMITTEE,
By W. A. INGALLS, *Chairman.*

CARSON CITY, January 11, 1911.

HON. T. L. ODDIE, *Chairman State Board of Assessors:*

We, your committee, hereby submit the following supplemental report, to wit:

That in respect to all telegraph lines, other than the Western Union, all telephone lines and all electric-power lines, owing to our inability to secure any accurate data concerning valuations of the same, we recommend that the assessment thereof be left to the Assessors of the various counties.

Respectfully submitted,

THE COMMITTEE,
By W. A. INGALLS, *Chairman.*

Governor Oddie—Will some one make a motion to adopt the report?

Mr. Lemaire—Mr. Chairman, I move that we adopt the report and that the committee be discharged.

Motion seconded by Mr. Norris.

The question was put, and the motion carried.

The Clerk—Mr. Chairman, I will state that in the adoption of the first report the minutes would not show that any valuation has yet been placed upon the Western Union Telegraph Company, but the adoption of the report clears up the other matters—that is to say, it refers to all other matters of taxation regarding telephone, telegraph and electric-power lines, but it leaves the question of the assessment of the Western Union still open for action of the board.

Governor Oddie—Was there a motion before the board when we took a recess yesterday?

Mr. Ingalls—This report, with the information we have from the Railroad Commission, gives us some idea to base a valuation on the telegraph lines. I understand that it is not adopted. We have some basis to go on. If we leave it to the Board of Assessors this information gives us some idea of the valuation to work on. I do not know what the Attorney-General may think about it.

Attorney-General Baker—The idea was, as I understood yesterday, to consult with the Railroad Commission in order to get some facts upon which to fix the valuation. If the committee upon investigating has arrived at any means whereby they can more easily adjust the valuation, it might be of assistance to them. Whether you want to take it up individually and discuss it as to a certain basis upon which to place a valuation, will be for yourselves to determine. In other words, if you can arrive at any means whereby you can assist the other Assessors—those who have not been with the Commission—they will have that information.

Mr. Ingalls—The Commission has given us considerable information on this proposition.

Mr. Lemaire—Mr. Chairman, I believe there are two reports here. I think my motion was a little hasty. I think we should have taken them up separately.

Governor Oddie—I assumed you said the two reports. Is that satisfactory to you?

Mr. Lemaire—By our voting to accept the report on the Western Union we accept what they have done.

Governor Oddie—Well, it is simply a report of the committee to the board to enlighten the board. It is not any action on the part of the board in placing an assessment on the Western Union.

Mr. Lemaire—Still we are voting on the report, and if it is accepted——

Governor Oddie—I understand it is not binding to accept those figures in determining the value to place on the Western Union. It is simply a report of the committee and the committee has given facts and figures here. Now, before the valuation can be placed on the Western Union a vote will have to be taken.

Mr. Randall—Mr. Chairman, as I understand it now, there is a motion before the board to leave telephone and telegraph lines and all contract lands to the Assessors. Now, if they don't wish to pass that, let them vote it down and leave it to the board.

Governor Oddie—I would make a suggestion. In looking over this second report, I think it would be well to have the first motion reconsidered so as to adopt the first report and then we can act on this business. That would be agreeable to your suggestion, Mr. Lemaire. There is a little different construction to be placed upon the second. So if you will make a motion that the motion be reconsidered——

Mr. Lemaire—Mr. Chairman, I would then ask to have my motion reconsidered.

Mr. Norris—I consent.

The question was put, and the motion to reconsider was carried.

Governor Oddie—Now Mr. Lemaire, you can make that motion again. Is it your intention to make a motion to vote on the first report?

Mr. Lemaire—I move that the supplemental report be accepted.

Mr. McTerney—Would it not be better to dispose of this motion to leave it to the Assessors first?

Governor Oddie—We will ask the Clerk to read it again.

The Clerk read the supplemental report.

Governor Oddie—Now, the question is whether the adoption of this report will make it the sense of this meeting—whether the adoption of that will place them in the hands of the Assessors.

Mr. McTerney—There is a motion before the board to leave this whole business to the Assessors. Afterwards the committee was appointed. That motion was made yesterday.

Governor Oddie—That is dead now. There is no motion before the board.

Mr. Lemaire—As I understand it, the motion is still before us here, only that this is a report of that committee and we are acting on that report.

The Clerk—Mr. Chairman, the motion before the board is on the adoption of the supplemental report.

Mr. McTerney—What I was referring to, but I guess I am wrong—you say there was no motion before the board yesterday when we took a recess?

State Controller Eggers—There was.

Mr. Lemaire—My motion yesterday was that telephone lines, telegraph lines, electric and power lines and all contract lands be left to the various Assessors. Then there came the argument, and a committee was appointed to investigate, that is, as to placing a valuation on the telephone lines, telepraph lines, electric and power lines. Now this committee has reported, and we are now acting on the report of that committee.

Governor Oddie—The supplemental report.

Mr. Lemaire—The motion is still before us, and we are now acting on the report of that committee. That has nothing to do with the first motion I made yesterday.

The Clerk—Mr. Chairman, if you will permit the Clerk to make this statement: The minutes show that the motion of Mr. Lemaire yesterday to refer certain of these subjects to the assessment of the various Assessors was subsequently amended by a motion to refer the entire subject-matter to a special committee. That motion was carried and took precedence over the former motion, and the committee was appointed. That com-

mittee has now made its report, and there is no pending motion from yesterday over to today. The pending motion at the present time is the motion of Mr. Lemaire to adopt the supplemental report.

Mr. Whitehead—Mr. Chairman, as I remember it, that is correct. Mr. Lemaire with his second withdrew his motion after that motion was made yesterday, in order to appoint the committee.

Governor Oddie—Now, gentlemen, the question is on the adoption of this supplemental report.

Mr. Ingalls—Mr. Chairman, the Commission gave us and explained to the board the proposition better than we can on the telegraph lines, and explained what information they have a good deal better than I can, and I think it would be well to get them to explain this report a little to the board.

Governor Oddie—Won't the remarks of the Commissioners apply mostly to the other report regarding the Western Union? At the same time they will give information to the other Assessors on this business, the telephone lines, electric-light and power lines and other telegraph lines besides the Western Union. But in the first place, gentlemen, I would be pleased to have the minutes of yesterday straightened out. I will ask Mr. Finch to straighten up that matter so as to have all things straight.

The reporter read from the minutes of yesterday, as follows:

Mr. Lemaire—Mr. Chairman, I make a motion that No. 14, telephone lines, No. 15, telegraph lines, No. 16, Electric and power lines, and No. 17, all contract lands, be left to the various Assessors.

Motion seconded by Mr. McTerney

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Mr. Weathers—I cannot see that it will do any harm. I will make the motion that a committee of five investigate and report.

The Clerk—Is that a substitute for the pending motion? There is a pending motion.

Mr. Weathers—I offer that as a substitute motion.

Motion seconded by Mr. Lemaire.

The question was put and the motion carried.

Governor Oddie—Mr. Lemaire, you made the original motion, did you not? Will you withdraw that motion?

Mr. Lemaire—Yes, with the consent of my second.

Mr. McTerney—I consent to the withdrawal.

Governor Oddie—Now, gentlemen, the question is on the adoption of this supplemental report. Mr. Ingalls, do you suggest that the Railroad Commissioners discuss this matter before the vote is taken on this?

Mr. Ingalls—I think it would be very well to have them explain at length to us. Of course, the report explains itself, but they may be able to explain it in a way, for instance, and suggest that the Assessors take this matter up a year from now. They are willing to help us get data, and we might all come in here a year from now with more data to get

at telephone and telegraph and power lines in general better than we can at the present time. We have some very good information from them as regards the Western Union.

Governor Oddie—And can they give us information on telephone and other telegraph lines?

Mr. Ingalls—I do not know as they can. I think they are not in their jurisdiction.

Governor Oddie—Under the discussion that you have had with them have you discussed the matter of telephone lines?

Mr. Ingalls—Yes.

Governor Oddie—Could they give the other Assessors any information that would help them at arriving at a fair valuation on telephone lines?

Mr. Ingalls—No. Have you anything on power lines?

Mr. Shaughnessy—Nothing on power lines.

Governor Oddie—I would suggest we take up that when the other report has been adopted which refers to the Western Union, this other report, this supplemental report, does not cover the Western Union. It covers other telephone lines and electric-power lines.

Mr. Ingalls—It is up to the board as to whether we shall leave telephone lines, or whether we shall adopt a classification.

Governor Oddie—Well, then, if you will make a motion, Mr. Ingalls, that the Commissioners address the board, or make the request, I will ask the Commissioners to talk to us now.

(Hon. H. F. Bartine, Chairman of the Railroad Commission, had previously appeared before the board.)

Mr. Ingalls—Mr. Chairman, I make the request that the Commissioners explain the matter a little regarding the report.

Governor Oddie—Judge Bartine, I will ask you to talk to the board and explain these things.

Judge Bartine—Mr. Chairman and gentlemen of the board, for reasons which some of you know, I am not in very good condition for speaking, there being a very serious illness in my family at this time, and I will let my brother Commissioner, Mr. Shaughnessy, and Mr. Walker, do the most of the talking. The whole matter, it seems to me, in the two reports, might well be covered in all I shall have to say.

First of all, I fully agree with the opinion of Attorney-General Baker that the provisions of the statute, taking them literally, are mandatory upon this board to assess these properties specifically named. I so expressed myself last year and it is reported in the minutes of the Board of Assessors. At the same time every lawyer recognizes the fact that there are some provisions which may be mandatory, and yet it may be impossible to carry them out with any degree of fairness. Now, the Railroad Commission has not the specific data with reference to telephone lines and these small local telegraph lines which would enable

them to furnish information to this board, upon the basis of which you could make a just assessment or value which would be certain to stand the test of a court proceeding. The reports do not make the proper segregations; in some cases we have not the report at all. We did have full and complete data upon the Western Union and for that reason we gave it. The report was made up mainly by the Secretary and Mr. Shaughnessy and it was thought by us and by the members of the committee that met with us that it would be a good basis upon which to assess other properties, other lines, such as the Nevada Northern and others throughout the State.

My judgment is that under the conditions as they now exist, it will be a good deal better to adopt this supplemental report, and during the year which is now current let the Assessors endeavor to gather all the information they can bearing upon the subject of a just valuation of such properties. The Railroad Commission will be doing the same thing. We will be very much further advanced with regard to telephone and telegraph lines a year hence than we are now, and if you would attempt to lay down an iron-clad rule that all these lines should be assessed at so much per mile, or so much per wire, even, it might be contested in the courts, and you would be very likely to lose out in some of the cases. At any rate and for that reason it seems to us better for the present to let each Assessor who is familiar with the conditions in his own county levy the assessment upon these particular things that are named. So far as the Western Union is concerned, I think the data will justify the estimation which is mentioned in the report. If there are any details you would like to ascertain, I would like you to call upon Mr. Shaughnessy, as he has looked into that particular phase of the matter.

Governor Oddie—Gentlemen, I would suggest that we thank Judge Bartine for the information he has given and, as he has some very serious illness in his family, that he be excused, if he would like to go, because Mr. Shaughnessy is familiar with the work they have done, if that would be agreeable to you.

Judge Bartine—I thank you very much for the suggestion, Governor, because, in a broad general way, what I have said covers the case. When it comes down to the minute details Mr. Walker and Mr. Shaughnessy can give them. I thank you very much. If I may say just one word, if anything should come up later on and it is really desired that I should be here, of course I will come.

Governor Oddie—Yes, we will telephone you, Judge. I will ask Mr. Shaughnessy if he will say something to the board.

Mr. Shaughnessy—I will say, Mr. Chairman, that your committee met with the Railroad Commission, and we went into the matter of the earnings of such companies whose reports we have on file. We found upon examination that we did not have any data with reference to the small

telegraph and telephone lines which would enable us to establish a valuation. That was also true with reference to the Postal Telegraph Company, which is now under construction in this State. They are in operation in portions of the State, but they are largely under construction yet and are not out of the hands of the construction company, and therefore are not rendering a report at this time in regard to earnings or expenses, etc.

We have, however, full data with reference to the earnings and expenses of the Western Union Telegraph Company, and upon the basis of those earnings and expenses we endeavored to assist your committee in figuring out the basis which might serve to assist the board in levying an assessment. We found, on the basis of net earnings and capitalizing those net earnings that were made and were credited to the State of Nevada, that applying 7 per cent to those net earnings the property would fairly be valued at $703,500. Then applying 45 per cent to that valuation, the same as applied to the average of other property assessed in this State, that brings the valuation down for assessment purposes to $316,575. By comparison with the values that we reach by that method we secured the market price of iron and copper wire and cedar and redwood telegraph poles, and applying the present market prices to the wire and poles and figuring the number of miles of line in operation in the State by the Western Union and also figuring 32 poles to the mile, we find that the cost price of the material, exclusive of the cost of constructing the line, would be in itself $800,000.

They have reported to us the number of miles of wire they operate, and that divided into the earnings and applying the valuation on a wire-mileage basis, for the reason that it is impossible to properly put it upon a line mile, telegraph-line mile, mileage basis, because the number of wires vary in the different counties. For example, in Washoe County there are something like twenty, while in Elko it drops down to thirteen and in Esmeralda and Nye it drops to two; in other counties it is only one wire; so that in order to meet these varying conditions and the difference in the valuation of the line in the various counties we placed it upon a wire-mileage basis.

As before stated, the company reports this mileage of wires operated, and it is 6,907 miles. Dividing the number of miles of wire into the valuation arrived at by applying 45 per cent to the sum obtained by capitalizing the net earnings, we have $316,575, and the division of the wire mileage into that would give an assessed value per wire mile of $45. In other words, if this board sees fit you can assess the Western Union upon a valuation of $45 per mile. That will bring, according to mileage, the total sum up to $316,575, and, of course applying the average levy, assuming an average levy of 2 per cent applied to that, it will bring the total taxes accruing to the State and counties to $6,216 as

against $4,752 which they were paying at the time of their last report to the Commission.

Mr. McTerney—Mr. Shaughnessy, you say $45 per mile; do you mean per mile of wire or line?

Mr. Shaughnessy—I mean mile of wire.

Mr. Lemaire—I would ask does that include copper wire?

Mr. Shaughnessy—Yes, that includes copper and iron wire. Of course, there is a difference in the value of the copper and iron wire, all of which we took into consideration, but this valuation of $45 per mile, being on the mileage basis, not only covers the iron and copper wire, but also covers the poles and cost of construction, so it is reasonable and proper.

Governor Oddie—Now is their data on file, Mr. Shaughnessy, showing the number of wires, so we can have something accurate to work on in each county?

Mr. Shaughnessy—No; they do not report it by counties, but for the State, but, if the assessment is levied by this board, each individual knows the number of wires in his county, and then simply figure it out.

Governor Oddie—I would suggest that some data be made up for each county so that they can all check up.

Mr. Shaughnessy—We can do that later. If they see fit to make an assessment of this kind we will be very glad to help them out in that respect. I think that is all I have to say unless some one wishes to ask a question.

Governor Oddie—Gentlemen, I think the question now is on the adoption of this supplemental report.

The question was put, and the motion carried.

The Clerk—Mr. Chairman, I will state that on the adoption of the report, according to its terms, that it will be necessary for somebody to make a motion to carry the terms of the report into effect. I will read the report again.

The Clerk again read the report.

Governor Oddie—What is the pleasure of the board in this matter now? If your intention is to take this stand and leave the telegraph lines, other than the Western Union, the telephone lines and all electric-power lines, to the various Assessors, that would have to be made in the form of a motion and voted on.

Mr. Lemaire—Mr. Chairman, I make that as a motion.

Seconded by Mr. Norris.

Governor Oddie—I will ask the Clerk to state the motion so we will have it right.

The Clerk—The pending motion is that all telegraph lines, telephone lines and electric-power lines, except the Western Union, be left to the various Assessors.

Upon roll-call, the following was the vote:

YEAS—Messrs. Sitton, Arrild, Weathers, McTerney, Leonard, Lemaire, Norris, Randall, Malley, Regan, Seeman, Hayes, and Miles—13.

NOES—Messrs. Whitehead and Ingalls—2.

So the motion was carried.

Western Union Telegraph Company

Governor Oddie—That disposes of part of this. Now the question is on the Western Union Telegraph Company.

Mr. Whitehead—Mr. Chairman, we have no subject-head under which to consider the Western Union according to our order of business.

Governor Oddie—This report has been adopted.

Mr. Whitehead—I just want to state that the reason I voted no on that, is that I think they all ought to be left in the same class, with the various Assessors, under the information we have.

Governor Oddie—Gentlemen, I would suggest that someone make a motion to adopt the original report of the committee. That has not been acted on yet, the original report covering the Western Union.

Mr. Lemaire—I would like to hear that report read again.

The Clerk read the original report.

Governor Oddie—Now, gentlemen, the question is on the adoption of the report.

Mr. Randall—I move that the report be adopted as read.

Motion seconded by Mr. Hayes.

The question was put, and the motion carried.

Governor Oddie—Now, the question is, what action the board will take in regard to the Western Union.

Mr. Randall—Mr. Chairman, I move that the Western Union be left to the various Assessors.

Motion seconded by Mr. Sitton.

Mr. Ingalls—Mr. Chairman, I would like to amend that motion by making it all telegraph lines in the State.

Governor Oddie—Well, the board has voted to put all telegraph lines other than the Western Union in the hands of the Assessors. The Western Union has not been acted on, but all other telegraph lines are in the hands of the Assessors.

Mr. Randall—That would be a separate motion, would it not?

Mr. Ingalls—I withdraw the motion.

Governor Oddie—Is your motion seconded, Mr. Randall?

Mr. Randall—Yes, sir.

Mr. Lemaire—Mr. Chairman, I will state that two years ago I assessed the Western Union in Lander County at $300 per mile and that was paid under protest, and in figuring out this basis of $45 per mile, ten wires would be $450 per mile. Now, if they put another protest on a valuation of $300 I think that means lawsuits throughout all the counties that they are interested in. From the figures, in looking over what

would be the cost, I thought a valuation in the neighborhood of $200 or $250 was about right, that is, including all the wires that we have there. It may be in other counties they have different valuations. They paid under protest to Lander County.

Mr. Ingalls—Mr. Chairman, I would say from this report it gives all the Assessors an idea of the proper valuations, some guide to go by, to work on, to place valuations, in the various counties of the State, but not exact. It gives it so that we may all get at some correct valuation in the various counties. I think leaving it to the Board of Assessors it will adjust things better than if we do not take up this report and found out something about what the different Assessors are doing in the various counties as to their assessment per mile.

Governor Oddie—I will state, Mr. Ingalls, there is a question now whether or not it is mandatory upon this board to make the assessment now in the light of the data furnished by the Railroad Commission. I would like to hear from the Attorney-General.

Attorney-General Baker—Simply as I stated yesterday, and as Judge Bartine stated this morning, that it would seem that the provisions of this Act are mandatory upon this body when it is possible to comply with it. Of course, all law is based upon reason, and where it is not possible to comply with the provisions of the law it cannot be done, but if this Act meant anything, it says here "to establish a uniform valuation throughout the State upon all railroads, telegraph lines," etc., and, of course, that means when it is possible to do so. Now, it would seem to me that under these conditions, where the Railroad Commission has supplied the necessary data to put the information within the grasp of the board, it would save a good deal of conflict. As Mr. Lemaire has suggested, if he assesses his line in his county at one valuation and then a man from Storey, Washoe or Nye goes and puts another valuation on the company, it is putting different valuations in different counties, and it seems to be the object of this law to prevent this. As suggested this morning by Judge Bartine, and as has been held by former Attorneys-General, where it is possible to do so and where you have the information in your grasp to make a valuation, I think it then becomes the bounden duty of this board to do so. I don't see how an individual Assessor would be able to assess more intelligently with this information at hand than all would be collectively, and it would establish a uniform rate throughout the State, and thereby avoid any conflict. What I don't understand is what additional information the Assessor would have at hand at any other time than now. It is a matter of reason, and if it can be done it should be done. That is all.

Mr. Ingalls—I think we had better place a valuation by this Board of Assessors.

Mr. Whitehead—Mr. Chairman, I would like to ask a question of the

Attorney-General for information. Could we as a board put a valuation on the Western Union as one telegraph company segregated from other telegraph companies when the law states that we shall place a uniform valuation on all telegraph companies? Could we segregate the Western Union, and place a valuation on that, and at the same time leave the other telegraph and telephone companies to the various Assessors?

Attorney-General Baker—Yes, acccording to this section of the law when it says "which in the judgment of the Assessors can be valued and assessed more uniformly." Now, if you had the data here at this time, you should do so, but as to other companies you have not the data at hand to enable you to act intelligently upon them. But where you have the data you should act upon it. As to the Postal and other companies where you have not that data, I think that would be a case which could properly be left to the Assessors of the various counties.

Mr. Whitehead—Mr. Chairman, I would like to amend the motion and place a valuation on the Western Union of $40 per mile.

Motion seconded by Mr. Weathers.

Mr. McTerney—Would you make that a little more definite, Mr. Whitehead.

Mr. Whitehead—Forty dollars per mile of wire mileage.

Mr. Miles—Mr. Chairman, there is a motion before the house to place a valuation on the Western Union Telegraph Company in the hands of the Assessors.

Governor Oddie—Will you withdraw that motion, Mr. Randall?

Mr. Randall—No, sir.

Governor Oddie—This is a substitute motion.

Mr. Randall—The motion I made was to leave it to the various Assessors. I assess that company at $400 per mile. They have twelve wires.

Mr. McTerney—This is $480 for twelve wires.

Mr. Randall—I get $75 a wire.

Governor Oddie—I will ask the Clerk to state the motion as it stands now.

The Clerk—Mr. Chairman, the original motion was that the assessment of the Western Union be left to the various Assessors, followed by a substitute motion to put a valuation of $40 per mile wire——

Mr. Whitehead—Just change that to wire mile.

The Clerk—Wire mile on the Western Union. And the pending motion is on the adoption of the substitute.

Governor Oddie—Gentlemen, you have heard the motion. I will ask the Clerk to call the roll unless there is some more discussion.

Mr. Lemaire—As I understand it, that is an amendment to the original motion.

The Clerk—A yea vote substitutes this for the original motion.

Mr. Miles—Mr. Chairman and gentlemen of the board, we have the data on this property, and as the Attorney-General says it is our duty to place a valuation on the property on which we have data, it is not only satisfactory but in justice to the company that operates the line and justice to the taxpayers of the various counties through which the lines run and the proper thing. My feeling is to place a valuation. If the board does not see fit to place it at $40 per mile, we can place it at another valuation, but in my opinion we should place a valuation at this time.

Mr. Ingalls—Mr. Chairman, I also think we should place a valuation so as to get this thing equalized in the different counties. It would be fair to the company and fair to each different county in the State.

Governor Oddie—Gentlemen, if there is no further discussion, I will ask the Clerk to call the roll on the motion—you have heard it read—on the substitute motion.

The Clerk—A yea vote substitutes the motion to put a valuation of $40 per mile of wire on the Western Union for the original motion.

Mr. Ingalls—This valuation will be on the right of way, wires, construction and everything.

Mr. Miles—Mr. Chairman, I would like to hear that motion again as to whether it is $40 per mile of wire or mile of line.

Governor Oddie—Mr. Shaughnessy may explain this so that it can be embodied in the motion and made thoroughly clear because the intention is to do it in a simple way and have it so clear that there can be no mistake about it. I will ask Mr. Shaughnessy to make that clear to the board.

Mr. Shaughnessy—Well, I would suggest that the motion be to read on the property of the Western Union Telegraph Company in the State of Nevada on the basis of $40 per wire mile.

Governor Oddie—Do you think it advisable to explain what that means?

Mr. Shaughnessy—That takes in all property.

Mr. Whitehead—I will accept that as an amendment to my motion.

Mr. Regan—Mr. Chairman, I move that we take a recess until two o'clock. We are working overtime now.

Motion seconded by Mr. Randall.

The question was put, and the motion carried.

Accordingly, at 12 o'clock noon, the board took a recess until 2 p. m.

Afternoon Session

The board resumed its session, with the Board of Revenue, at 2 p. m.

Governor Oddie—The meeting will come to order. I will ask the Clerk to call the roll.

Upon roll-call all members of the State Board of Revenue and State Board of Assessors answered present.

Governor Oddie—Now I will ask the Clerk to read the substitute motion that is before the house.

Mr. Randall—Mr. Chairman, on account of being deaf in one ear I wish to apologize to the chair and the Assessors here and with the consent of my second I will withdraw the motion.

Mr. Sitton consented to the withdrawal of the motion.

Governor Oddie—Then the motion is withdrawn and this becomes the original motion.

The Clerk—The pending motion will be that of Mr. Whitehead that the property of the Western Union Telegraph Company in Nevada be assessed on the basis of $40 per wire mile.

Mr. Randall—Mr. Chairman, I will also second that motion.

Governor Oddie—Gentlemen, you have heard the motion which has been moved and seconded. Any remarks on the motion?

Mr. Ingalls—Mr. Chairman, I would like to inquire if it is necessary to make a classification to assess the Western Union Telegraph Company's lines? I know at the first meeting the Board of Assessors assessed the Central Pacific Railway, and they went into the courts and beat us out on it because we did not properly classify it. We then made it a railroad. I would like to have the opinion of the Attorney-General as to whether we should classify it, or whether we can do as we are doing, just as the Western Union Telegraph line. We were beat out in the Supreme Court decision by not properly classifying the railroads.

Attorney-General Baker—You have already classified it as telegraph lines under the order of business. I think under that classification it will be sufficient to cite such a telegraph line. As Mr. Shaughnessy suggested this morning as to how it should be assessed, I think that would be sufficient to cover it.

Mr. Ingalls—Just as the Western Union Telegraph Company's line?

Attorney General Baker—Yes.

Governor Oddie—Gentlemen, are there any further remarks?

Mr. Miles—Mr. Chairman, during our recess hours I met a gentleman who seems to represent the Western Union Telegraph Company, who complained that the acts of the board were rather hasty, not exactly in those words, being railroaded through, or something of that kind, and intimated that they were not receiving justice. I informed the gentleman that he could be heard on the matter, and that it was not the intention of the board to do anything of that kind, and if he is present, or any other person present who wishes to speak on the matter, I would like to hear them.

Governor Oddie—I think it is the intention of the board to give everybody a complete hearing and be just and equitable all the way through.

and if it is the sense of the board to hear a representative of the Western Union, I will entertain a motion to that effect.

Mr. McTerney—Would it be necessary? A taxpayer has a right to appear before this board and represent his interests, and probably it would be well if this gentleman is in town to invite him.

Mr. Randall—Mr. Chairman, I move if he is not here we send and get him.

Mr. H. D. Jones (representing the Western Union Telegraph Company): I am here on other business, Mr. Chairman, and other members of the board, and I accidently heard of this meeting and attended it this morning. I am sure my company has no advice as to the intention of raising its valuation. I want to say that I think your Railroad Commissioner commended the Western Union Telegraph Company very highly this morning for being the only company in Nevada that saw fit to comply with the request to furnish data, and from the fact that the Western Union is the only company that came to the front in this case, it seems to me that if you are going to use figures as a basis there ought not to be any discrimination. I have sent a message this noon to my superior asking what action I should take, if any, and I have not received a reply as yet. The only thing I feel justified in saying is that some of the prices quoted in arriving at the valuation of the line are excessive according to what we pay at the present time. I personally prepared the statement that the Railroad Commissioner has and am quite familiar with it. I am also quite familiar with the lines throughout the State of Nevada belonging to the Western Union and other electric companies, and I feel safe in saying that $40 per mile will work an injustice in some instances. In one county we will be very greatly benefited, that is where we have been taxed on the basis of the old boom business. In other counties we will come out about even, but there are some counties through which the Southern Pacific passes that our valuation will be very largely increased, from two or three hundred dollars per mile to eight or nine hundred dollars per mile, and it looks to me on the face of it to be somewhat unjust, but I would not like to delay action of the board any more than, as I said to one of the members, to say that it looks as though our people ought to have had an opportunity to verify that data. Of course I am 310 miles from home and I have no data. As I say, I just happened in. If anything can be done to secure an equitable adjustment of the matter, I am sure our company will fall in line. They want to pay the taxes due from the company and I know the report Mr. Shaughnessy has is absolutely correct in every particular. It is an honest up-to-date report based on our actual figures.

Mr. Whitehead—Mr. Chairman, I believe, if I remember correctly, that the figures used may be a little high; at the same time the valuation placed was not half what was figured on the basis of wire and poles.

The valuation we arrived at, or the commission arrived at, did not amount to half as much—I think three and some odd thousands—and I think the valuation on the poles and wires would have been over $800,000. You can cut it in two. Then we are only taking 40 per cent of that. I don't think there is any inequality in the proposition at all.

Governor Oddie—I would like to hear further remarks, gentlemen, if there is anything more to be said. Are you ready for the question?

The question was called for.

Upon roll-call the motion carried unanimously, that the property of the Western Union Telegraph Company in Nevada be assessed on the basis of $40 per wire mile.

Contract Lands

Governor Oddie—That disposes of telephone and telegraph and electric and power lines. The next question is No. 17, all contract lands.

Mr. McTerney—That has already been covered, I think; the telephone and electric-light and power lines were included in the same motion. If not, I move they be left to the several Assessors.

Motion seconded by Mr. Lemaire.

Governor Oddie—Are there any remarks?

Mr. Miles—Mr. Chairman and gentlemen of the board, this contract-land proposition is one of the hardest we have to deal with. In my county, and I presume that will correspond with many others, we have various classes of contract lands. Some of the contract land is sage-brush, greasewood and alkali and almost entirely worthless, and some of it is cultivated and planted in alfalfa, grain and such stuff as that and very valuable, and it varies from an almost worthless class to the higher class, and it is a hard matter to classify that land and place it in a proper class. I have studied the thing for the last two years and I fail to see where I could well classify that land at this meeting. It can be done better on the ground at the time it is assessed by the Assessor than at any other time. I will say that there are many acres of contract land in my county that is worth fully as much as the best of the pasture lands, and I can see no reason why it should not be assessed as high as the private land of the same class, and I believe that this board, under these circumstances, should leave the assessment of those lands to the Assessors.

Governor Oddie—Any further remarks, gentlemen? Hearing none, I will ask the Clerk to call the roll.

Upon roll-call the motion was carried unanimously.

The Pullman Company

Governor Oddie—The next in order is the Pullman Company, No. 18.

Mr. Leonard—Mr. Chairman, I move that the Pullman Company be assessed on the Southern Pacific and San Pedro, Los Angeles and Salt Lake Railroads at the rate of $250 per mile; on the Western Pacific at

$100 per mile, and on all other lines over which they operate in the State of Nevada, $50 per mile. Those are the Nevada Northern, Tonopah and Goldfield, Las Vegas and Tonopah, Bullfrog and Goldfield, Tonopah and Tidewater and Nevada and California Railroads.

Motion seconded by Mr. McTerney.

Mr. Lemaire—Mr. Chairman, I would suggest: Would it not be better to classify that as Class A, B, and C, and whatever number of classes are mentioned, or not?

Mr. McTerney—Mr. Lemaire, we spoke of that awhile ago as classifying the railroad. The Pullman cars are all in one class. They are the same cars running on different lines.

Mr. Leonard—Part of the Nevada and California cars are those that operate on the Southern Pacific. Would that have any effect on the classification.

Mr. Jere Burke—Mr. Chairman, might I be indulged a minute. The company which I represent is a beneficiary in interest with the Pullman Company to a slight extent in the operation of these cars. I would like to suggest this to the gentleman who made the motion, that the Pullman service on the Nevada and California is identical with what it is on the Tonopah and Goldfield.

Mr. Leonard—They are not in the same class. I should have stated the Central Pacific main line. I will make that correction and make it the Central Pacific instead of the Southern Pacific. I think these are all the roads they operate over that I have named. I will say all other roads. I do not know whether that would cover it or not. I was trying to get them all in the same class. That was my idea.

Governor Oddie—You have heard the motion, gentlemen. Are there any further remarks?

Mr. Burke—Mr. Chairman, if that motion were changed to read "all other roads." There are certain roads over which the Pullman Company does not operate and consequently it would be proper if the motion read "on all other roads."

Governor Oddie—On all other roads over which the Pullman Company operates.

Mr. Burke—I might suggest that once a year a Pullman car comes here over the Virginia and Truckee. If you should say over which they regularly operate Pullman cars, that would do.

Governor Oddie—Is that agreeable to you, Mr. Leonard?

Mr. Leonard—Yes.

Mr. Burke—Thank you.

Mr. Miles—Mr. Chairman, I would like to say to the board that this taxation in some cases would be a reduction below last year, 1910, and would be an increase in some cases. In my county it would be a reduction, which I believe is a just reduction for the reason that we have on

the Nevada Northern merely one Pullman car operating, that is, one going in and one coming out. There is but one on the line at a time, consequently we have but one Pullman car on that line. Last year it was assessed at the rate of $100 per mile, which makes the valuation in the neighborhood of $14,000, quite a big valuation on one car, and I believe this reduction of $50 per mile is not out of the way. Those who have not understood the matter, I wish them to understand that I think it is only justice that it should be reduced to that. It is an accommodation car and I don't believe that it is making much money, and it is beneficial to the people traveling on the line and not damaging to anybody. I think the reduction is correct.

Governor Oddie—Gentlemen, with your permission we will order a recess for a few minutes so that we can have this motion written out.

The board took a recess for ten minutes upon motion.

The board resumed its session after recess.

Upon roll-call all answered present.

Governor Oddie—I will ask the Clerk to read the pending motion.

The Clerk—The pending motion is that by Mr. Leonard, that the Pullman Company be assessed on the Central Pacific and San Pedro, Los Angeles and Salt Lake Railroads at $250 per mile, on the Western Pacific at $100 per mile, and on all other roads over which the Pullman Company regularly operates Pullman cars, at $50 per mile.

Upon roll-call the motion was carried unanimously.

Wells, Fargo & Co.

Governor Oddie—Wells, Fargo & Co., No. 19.

Mr. McTerney—Mr. Chairman, is there any representative of Wells-Fargo here?

Governor Oddie—I do not know. Is there a representative of Wells-Fargo here?

Mr. McTerney—Will the Attorney-General give us any information as to what is being done on that last assessment?

Attorney-General Baker—I have no official notice of it, but the Wells-Fargo Company has refused to pay taxes in some of the counties. I understand through the newspapers, or otherwise, that it has been held up.

Mr. McTerney—Mr. Chairman, will Mr. Shaughnessy give us the mileage on railroad lines only where they are carrying express?

Mr. Shaughnessy—The railroad mileage over which the Wells-Fargo Express Company operates in this State is 1,674.56. In addition to that they operate over 20.25 miles of steamboat mileage and 93.25 of stage mileage.

Mr. McTerney—Steamboat mileage in this State?

Mr. Shaughnessy—Yes, that is on Lake Tahoe. It is reported in Nevada.

Mr. Ingalls—What is the stage mileage?

Mr. Shaughnessy—The stage mileage is 93.25. The total mileage operated is 1,788.06 in the State, but that which is railroad mileage exclusively is 1,674.56.

Mr. McTerney—What would that come to at $300 per mile?

Mr. Shaughnessy—That would total $502,368 for total valuation over the railroad lines.

Mr. McTerney—Is that $200 or $300?

Mr. Shaughnessy—$300. By the way, Mr. Whittemore reminds me that since the last report submitted by Wells-Fargo that 210 miles over the Las Vegas and Tonopah has been taken away from Wells-Fargo and given to the American Express Company, and the 210 on the San Pedro taken away and given to the American, so there would be a reduction of about 410 miles, 405 miles from the 1,674 miles. Also I am reminded that the Eureka and Palisade road is out of commission since the last report was made. That is 84 miles. That would leave a total operating railroad mileage of 1,300 miles. Last year the assessment was made upon a basis of net earnings being capitalized by 7 per cent and the valuation was found thereby to be $4,000,000. Forty per cent was applied to that, and $1,600,000 was taken as the amount of the property for assessment purposes. The total mileage operated at that time over the State was 1,890 and that was divided into $1,600,000 valuation and made a valuation of $847 per mile. When it came before this board it was suggested by Governor Dickerson that $847 was a little bit too high for a starter and he suggested to the board that they make it $500 per mile; no, that they make it $300 per mile, and the board set it at that figure.

Mr. McTerney—$300 per mile; that is a total valuation of $390,000—1,300 miles. Mr. Chairman, I move that the property of Wells, Fargo & Co. in the State be assessed at a valuation of $390,000, to be distributed among the several counties where they are operating at their pro rata per mile. I think all the Assessors can figure the mileage, not including stage lines and steamboats.

Governor Oddie—You think it is better to have the motion in that form, in a lump sum, rather than so much a mile?

Mr. McTerney—Last time we had so much confusion. We are trying to get an assessment that will stand. The last time it was on their earning basis.

State Controller Eggers—How is each county going to get its pro rata?

Mr. McTerney—That comes to $300 per mile, and each county can figure its own pro rata.

Governor Oddie—Mr. McTerney, I just make the suggestion that the Western Union Telegraph Company, and as has been the custom on railroad companies, was assessed at so much a mile. The Pullman Com-

pany was assessed so much a mile, and assessing it the way you suggest would make it a little different. It would have to be figured up in any event.

Mr. McTerney—It would be figured on a county basis, but, Governor, you are overlooking the fact that the Western Union Telegraph Company and the Pullman Company have something you can go and get, and if you could get anything from Wells-Fargo it would be all right. I would like the Attorney-General to give his idea.

Attorney-General Baker—The only question, as has been suggested by the State Controller, is whether or not the various Assessors would understand what it would be.

Mr. McTerney—It would be so much per mile. There seems to be no misunderstanding.

Mr. Ingalls—How is that; according to the mileage in each county?

Mr. McTerney—Mr. Shaughnessy has that from the several counties which totals up to the 1,300 miles. We each take our mileage.

Mr. Ingalls—We ought to fix that here, should we not?

Mr. McTerney—Well, you have mileage in your county.

Mr. Ingalls—Yes.

Mr. McTerney—I have it in mine. We simply assess them so many miles at $300 per mile.

Governor Oddie—Well, that $300 per mile ought to show in the motion or some instructions from this board ought to go to every Assessor showing the basis of computation. As it is now, what is the motion? I will ask the clerk to read the motion.

Attorney-General Baker—I would like to ask the Assessors if the tax last year was paid?

Mr. McTerney—Not in Eureka.

Mr. Weathers—Not in Elko.

Attorney-General Baker—Has it been paid in any county?

Mr. Sitton—Yes, it was paid in my county, $300 per mile.

Governor Oddie—Under that motion the Assessors here would have to get together and figure it out.

Mr. McTerney—If the motion stood at the rate of $300 per mile——

Governor Oddie—If there is a discrepancy after the different Assessors have brought all their figures in——

Mr. Whitehead—Mr. Chairman, was the actual mileage 1,300?

Governor Oddie—I would suggest that the Railroad Commission can be of splendid assistance in a matter of this kind and also with reference to the Western Union Telegraph Company in furnishing the Assessors data as to mileage.

Mr. McTerney—The Railroad Commission have been of invaluable assistance to us all through, but I thought that was a matter that we

need not bother them with. It is extra work for them, and each Assessor has his railroad mileage.

Governor Oddie—One Assessor might make a mistake and might not have the same mileage the Railroad Commission has now and after the thing was all settled there might be a discrepancy, a shortage. So if the Railroad Commission would furnish this exact mileage to each Assessor before we go on and the board could be assured that the Assessors would figure——

Mr. McTerney—Mr. Shaughnessy kindly offered to give me that information and I told him I did not think it would be necessary to bother his office with it.

Mr. Shaughnessy—Each Assessor in his own county has his mileage. The express company operates over the various railroads in the various counties. It don't seem to me it would be hard to apply his mileage.

Governor Oddie—The point I make is there might be a discrepancy, as he has it and as you have it, and if the gross valuation is based on the mileage you have, the mileage the Assessors might put in later would not foot up to yours.

Mr. Shaughnessy—I want to correct my statement. I gave that mileage as 1,300. Instead there is 489 to be taken off the 1,674 miles of railroad operating express company, Wells-Fargo, and that leaves 1,185 miles that the Wells-Fargo express company are operating in this State at the present time. Three hundred dollars per mile would amount to $355,500 instead of $390,000 as we first made it. I think that is entirely correct, and the matter of application is just simply applying the county mileage in each county.

Governor Oddie—Will you consent to that change being made, Mr. McTerney, or move it as an amendment?

Mr. McTerney—I will just change my motion.

Governor Oddie—Just change your motion to comply with these corrected figures?

Mr. McTerney—Yes.

Governor Oddie—I would suggest that that point be settled, that the Assessors request the Railroad Commission to furnish them with data with reference to mileage in each county so that the Assessors can all work in harmony.

Attorney-General Baker—If I might offer a suggestion along that line, Mr. McTerney, you are making here a lump assessment at the rate of $300 per mile. Now in the event that Wells-Fargo might increase their operation that would increase generally the lump assessment, would it not? Suppose instead of operating 1,315 miles, they were to increase their operations to 1,500 miles?

Mr. McTerney—They would scarcely get any increased operation before the assessment was levied.

Attorney-General Baker—They might decrease. I am looking forward with the idea of bringing a lawsuit if they don't pay their taxes and in case of a lawsuit placing it at so much per mile would obviate any difficulty. For instance, if it was taken off the V. & T. it might involve questions that might mean serious difficulty, whereas if it is so much per mile at the time the Assessors make the assessment, they can find out how many miles are operated at the time of the assessment. I just make that as a suggestion. I do not know whether anything like that will occur.

Mr. Whitehead—Mr. Chairman, I cannot see any reason for making a lump assessment. There is a matter here I would like to call attention to. In making the motion last year Mr. Owens said: "Mr. Chairman, I move that a valuation of $300 per mile be placed against Wells, Fargo & Co. for all railroad mileage they have in the State of Nevada." It seems to me there is a question as to whether they have any railroad mileage; they operate over railroads.

Governor Oddie—That was improperly put.

Mr. Whitehead—I will substitute a motion for Mr. McTerney's and move that a valuation of $300 per mile be placed against Wells, Fargo & Co. for all the railroad mileage over which they operate in the State of Nevada.

Governor Oddie—Would you be willing to accept that as a substitute motion, Mr. McTerney?

Mr. McTerney—If you all think it would make a more valid assessment, of course I will consent.

Governor Oddie—It is up to you.

Mr. McTerney—I withdraw my motion.

Governor Oddie—Does your second withdraw? I don't think it had a second. It has not become a motion.

Governor Oddie—Gentlemen, I will simply make the statement that I don't think you have done anything about Wells-Fargo operating stage lines yet.

Mr. McTerney—We determined to cut that out last year. I don't think their stage lines are very profitable. There is no one who would suffer much from it, and they might give up the stage lines.

Mr. Jere Burke—Mr. Chairman, may I say a word about this assessment from the point of view of common interest of the taxpayer. We have this interest in it, that the taxes that Wells, Fargo & Co. do not pay, those of us who do pay our taxes will eventually have to make good for. Now you have not, under the laws of the State of Nevada, any provisions for the taxation of franchises, and really the great value of Wells, Fargo

& Co. is in franchises. You may not reach that under your laws and it is doubtful if you will be successful in litigation involving this assessment when it is shown that the property which is assessed, which goes to make up this $300 per mile, is almost nothing. Somebody expressed it here last year: They had an old iron safe, a desk worth $4, and a chair worth $2.50, and sometimes they owned a wagon and sometimes they hired one. But the point is, when you come to contest suits brought by Wells, Fargo & Co. testing the validity of this Act, it may be shown by them that you have assessed at the rate of somewhere in the neighborhood of $350,000, property which, of itself, is not worth $35,000, and it is very doubtful if the State or the county will be successful in such litigation. The result is, as I said before, those of us who pay taxes will have to make good for the people who don't pay. And I submit therefore, in the interest of everybody, that it would be a great deal better if that tax rate were reduced to something that Wells, Fargo & Co. would pay. It would be better for the State and the counties and better for the other taxpayers. I hold no brief for Wells, Fargo & Co. As I said before, I have only the common interest of the taxpayer.

Governor Oddie—Can we hear from the Attorney-General on that?

Attorney-General Baker—That is a question which will doubtless be raised in the suit which it may be necessary for the counties or State to bring in an effort to collect these taxes. The question of taxing the various express companies has been decided by the Supreme Court of the United States and the question, of course, will have to be decided by the Supreme Court of this State as to whether or no the question of franchise makes it possible for us to assess their intangible property as well as their tangible property. The Supreme Court of the United States in 166 U. S. held, in the case which was brought before them of the Adams Express Company of Ohio, which I think Judge Burke is familiar with and realizes that is the law of the United States today, that they had the right to tax the intangible property of a company as well as the tangible property. In that case the tangible property of the express company operating in the State amounted to something like four million dollars, whereas the intangible property of bonds, good will and business, and the amount for which the bonds could be sold upon the market, amounted to something like sixteen million dollars, and Justice Brewer, in a well-written decision in that case, held that they could tax the intangible property as well as the tangible property. In States where Wells, Fargo & Co. are operating, as to what the Supreme Court of this State would hold, I am not prepared to say.

Mr. Burke—The Supreme Court of this State has held that franchises are not taxable.

Attorney-General Baker—That case was brought under a Federal

statute, but the law of this State is that franchises are not taxable and I suppose the Supreme Court of this State, unless it gave a different construction of our laws, would be bound.

Mr. McTerney—That was my idea of placing it at a lump sum and avoid any question of taxing their franchises. If the same is unreasonable, I would be very glad to hear from any Assessor.

Mr. J. F. Dennis—I think the tax in Ohio was in the case of a license tax, and if they failed to pay the license they could not do business.

Attorney-General Baker—If the board has a minute, I will read an extract from that decision from the Supreme Court of the United States which will bring this question fully before the board and the reasons for it and the reasons upon which Chief Justice Brewer made the decision.

I read from page 217 of the 166th volume of the United States Reports, the case of *Adams Express Co.* v. *Ohio:*

MR. JUSTICE BREWER delivered the opinion of the court.

We have had before us at the present term several cases involving the taxation of the property of express companies, some coming from Ohio, some from Indiana, and one from Kentucky; also a case from the latter State involving the taxation of the property of the Henderson Bridge Company. The Ohio and the Indiana cases were decided on the 1st of February. (165 U. S. 194.) Petitions for rehearing of those cases have been presented and are now before us for consideration.

The importance of the questions involved, the close division in this court upon them, and the earnestness of counsel for the express companies in their original arguments, as well as in their briefs on this application, lead those of us who concurred in the judgments to add a few observations to what has hitherto been said.

Again and again has this court affirmed the proposition that no State can interfere with interstate commerce through the imposition of a tax, by whatever name called, which is in effect a tax for the privilege of transacting such commerce. And it has as often affirmed that such restriction upon the power of a State to interfere with interstate commerce does not in the least degree abridge the right of a State to tax at their full value all the instrumentalities used for such commerce.

Now the taxes imposed upon express companies by the statutes of the three States of Ohio, Indiana and Kentucky are certainly not in terms "privilege taxes." They purport to be upon the property of the companies. They are, therefore, not, in form at least, subject to any of the denunciations against privilege taxes which have so often come from this court. The statutes grant no privilege of doing an express business, charge nothing for doing such a business and contemplate only the assessment and levy of taxes upon the property of the express companies situated within the respective States. And the only really substantial question is whether, properly understood and administered, they subject to the taxing power of the State property not within its territorial limits. The burden of the contention of the express companies is that they have within the limits of the State certain tangible property, such as horses, wagons, etc.; that that tangible property is their only property within the State; that it must be valued as other like property, and upon such valuation alone can taxes be assessed and levied against them.

But this contention practically ignores the existence of intangible property, or at least denies its liability for taxation. In the complex civilization of today a large portion of the wealth of a community consists in intangible property and there is nothing in the nature of things or in the limitations of the Federal Constitution which restrains a State from taxing at its real value such intangible property. Take the simplest illustration: B, a solvent man, purchases from A certain property, and gives to A his promise to pay, say, $100,000 therefor. Such promise may or may not be evidenced by a note or other written instrument. The property conveyed to B may or may not be of the value of $100,000. If there be nothing in the way of fraud or misrepresentation to invalidate that transaction, there

exists a legal promise on the part of B to pay to A $100,000. That promise is a part of A's property. It is something of value, something on which he will receive cash, and which he can sell in the markets of the community for cash. It is as certainly property, and property of value, as if it were a building or a steamboat, and is as justly subject to taxation. It matters not in what this intangible property consists—whether privileges, corporate franchises, contracts or obligations. It is enough that it is property which though intangible exists, which has value, produces income, and passes current in the markets of the world. To ignore this intangible property, or to hold that it is not subject to taxation at its accepted value, is to eliminate from the reach of the taxing power a large portion of the wealth of the country. Now, whenever separate articles of tangible property are joined together, not simply by a unity of ownership, but in a unity of use, there is not infrequently developed a property, intangible though it may be, which in value exceeds the aggregate of the value of the separate pieces of tangible property. Upon what theory of substantial right can it be adjudged that the value of this intangible property must be excluded from the tax lists, and the only property placed thereon be the separate pieces of tangible property?

The first question to be considered therefore is whether there is belonging to these express companies intangible property—property differing from the tangible property—a property created by either the combined use or the manner of use of the separate articles of tangible property, or the grant or acquisition of franchises or privileges, or all together.

To say that there can be no such intangible property, that it is something of no value, is to insult the common intelligence of every man. Take the Henderson Bridge Company's property, the validity of the taxation of which is before us in another case. The facts disclosed in that record show that the bridge company owns a bridge over the Ohio, between the City of Henderson in Kentucky and the Indiana shore, and also ten miles of railroad in Indiana; that that tangible property—that is, the bridge and railroad track—was assessed in the States of Indiana and Kentucky at $1,277,695.54, such, therefore, being the adjudged value of the tangible property. Thus the physical property could presumably be reproduced by an expenditure of that sum, and if placed elsewhere on the Ohio River, and without its connections or the business passing over it or the franchises connected with it, might not of its itself be worth any more. As mere bridge and tracks, that was its value. If the State's power of taxation is limited to the tangible property, the company should only be taxed in the two States for that sum, but it also appears that it, as a corporation, had issued bonds to the amount of $2,000,000, upon which it was paying interest; that it had a capital stock of $1,000,000 and that the shares of that stock were worth not less than $90 per share in the market. The owners, therefore, of that stock had property which for purposes of income and purposes of sale was worth $2,900,000. What gives this excess of value? Obviously the franchises, the privileges the company possesses—its intangible property.

Now, it is a cardinal rule which should never be forgotten that whatever property is worth for the purposes of income and sale it is also worth for purposes of taxation. Suppose such a bridge were entirely within the territorial limits of a State, and it appeared that the bridge itself cost only $1,277,000, could be reproduced for that sum, and yet it was so situated with reference to railroad or other connections, so used by the traveling public that it was worth to the holders of it in the matter of income $2,900,000, could be sold in the markets for that sum, was therefore in the eyes of practical business men of the value of $2,900,000, can there be any doubt of the State's power to assess it at that sum, and to collect taxes from it upon that basis of value? Substance of right demands that whatever be the real value of any property that value may be accepted by the State for purposes of taxation, and this ought not to be evaded by any mere confusion of words. Suppose an express company is incorporated to transact business within the limits of a State, and does business only within such limits, and for the purpose of transacting that business purchases and holds a few thousands of dollars' worth of horses and wagons, and yet it so meets the wants of the people dwelling in that State, so uses the tangible property which it posesses, so transacts business therein that its stock becomes in the markets of the State of the actual cash value of hundreds of thousands of dollars. To the owners thereof, for the purposes of income and sale, the corporate property is worth hundreds of thousands of dollars. Does substance of right require that it shall pay taxes only upon the thousands of dollars of tangible property which it possesses? Accumulated wealth will laugh at the crudity of taxing laws which reach only

the one and ignore the other, while they who own tangible property, not organized into a single producing plant, will feel the injustice of a system which so misplaces the burden of taxation.

A distinction must be noticed between the construction of a state law and the power of a State. If a statute, properly construed, contemplates only the taxation of horses and wagons, then those belonging to an express company can be taxed at no higher value than those belonging to a farmer. But if the State comprehends all property in its scheme of taxation, then the good-will of an organized and established industry must be recognized as a thing of value. The capital stock of a corporation and the shares in a joint-stock company represent not only the tangible property, but also the intangible, including therein all corporate franchises and all contracts, privileges and good-will of the concern.

Now, the same reality of the value of its intangible property exists when a company does not confine its work to the limits of a single State. Take, for instance, the Adams Express Company. According to the return filed by it with the Auditor of the State of Ohio, as shown in the records of these cases, its number of shares was 120,000, the market value of each $140 to $150. Taking the smaller sum, gives the value of the company's property taken as an entirety as $16,800,000. In other words, it is worth that for the purposes of income to the holders of the stock and for purposes of sale in the markets of the land. But in the same return it shows that the value of its real estate in Ohio was only $25,170; of real estate owned outside of Ohio $3,005,157.52; or a total of $3,030,327.52; the value of its personal property in Ohio $42,065; of personal property outside of Ohio $1,117,426.05; or a total of $1,159,491.05, making a total valuation of its tangible property $4,189,818.57, and upon that basis it insists that taxes shall be levied. But what a mockery of substantial justice it would be for a corporation, whose property is worth to its stockholders for the purposes of income and sale $16,800,000, to be adjudged liable for taxation upon only one-fourth of that amount. The value which property bears in the market, the amount for which its stock can be bought and sold, is the real value. Business men do not pay cash for property in moonshine or dreamland. They buy and pay for that which is of value in its power to produce income, or for purposes of sale.

It is suggested that the company may have bonds, stocks or other investments which produce a part of the value of its capital stock, and which have a special situs in other States or are exempt from taxation. If it has, let it show the fact. Courts deal with things as they are, and do not determine rights upon mere possibilities. If half of the property of the Adams Express Company, which by its own showing is worth $16,000,000 and over, is invested in United States bonds, and therefore exempt from taxation, or invested in any way outside the business of the company and so as to be subject to purely local taxation, let that fact be disclosed, and then if the State of Ohio attempts to include within its taxing power such exempted property, or property of a different situs, it will be time enough to consider and determine the rights of the company. That if such facts exist they must be taken into consideration by a State in its proceedings under such tax laws as are here presented, has been heretofore recognized and distinctly affirmed by this court. (*Pittsburg, Cincinnati, etc.*; *Railway Co.* v. *Backus*, 154 U. S. 421, 443; *Western Union Telegraph Co.* v. *Taggart*, 163 U. S. 1, 23; *Adams Express Co.* v. *Ohio*, 165 U. S. 194, 227.) Presumably all that a corporation has is used in the transaction of its business, and if it has accumulated assets which for any reason affect the question of taxation, it should disclose them. It is called upon to make return of its property, and if its return admits that it is possessed of property of a certain value, and does not disclose anything to show that any portion thereof is not subject to taxation, it cannot complain if the State treats its property as all taxable.

But where is the situs of this intangible property? The Adams Express Company has, according to its showing, in round numbers, $4,000,000 of tangible property scattered through different States, and with that tangible property thus scattered transacts its business. By the business which it transacts, by combining into a single use all these separate pieces and articles of tangible property, by the contracts, franchises and privileges which it has acquired and possesses, it has created a corporate property of the actual value of $16,000,000. Thus, according to its figures, this intangible property, its franchises, privileges, etc., is of the value of $12,000,000, and its tangible property of only $4,000,000. Where is the situs of this intangible property? Is it simply where its home office is, where is found the central directing thought which controls the workings of the great

machine, or in the State which gave it its corporate franchise; or is that intangible property distributed wherever its tangible property is located and its work is done? Clearly, as we think, the latter. Every State within which it is transacting business and where it has its property, more or less, may rightfully say that the $16,000,000 of value which it possesses springs not merely from the original grant of corporate power by the State which incorporated it, or from the mere ownership of the tangible property, but it springs from the fact that that tangible property it has combined with contracts, franchises and privileges into a single unit of property, and this State contributes to that aggregate value not merely the separate value of such tangible property as is within its limits, but its proportionate share of the value of the entire property. That this is true is obvious from the result that would follow if all the States other than the one which created the corporation could and should withhold from it the right to transact express business within their limits. It might continue to own all its tangible property within each of those States, but, unable to transact the express business within their limits, that $12,000,000 of value attributable to its intangible property would shrivel to a mere trifle.

It may be true that the principal office of the corporation is in New York, and that for certain purposes the maxim of the common law was "*mobilia personam sequuntur*," but that maxim was never of universal application, and seldom interferred with the right of taxation. (*Pullman Palace Car Co.* v. *Pennsylvania*, 141 U. S. 18, 22.) It would certainly seem a misapplication of the doctrine expressed in that maxim to hold that by merely transferring its principal office across the river to Jersey City the situs of $12,000,000 of intangible property for purposes of taxation was changed from the State of New York to that of New Jersey.

It is also true that a corporation is, for purposes of jurisdiction in the Federal courts, conclusively presumed to be a citizen of the State which created it, but it does not follow therefrom that its franchise to be is for all purposes to be regarded as confined to that State. For the transaction of its business it goes into various States, and wherever it goes as a corporation it carries with it that franchise to be. But the franchise to be is only one of the franchises of a corporation. The franchise to do is an independent franchise, or rather a combination of franchises, embracing all things which the corporation is given power to do, and this power to do is as much a thing of value and a part of the intangible property of the corporation as the franchise to be. Franchises to do go wherever the work is done. The Southern Pacific Railway Company is a corporation chartered by the State of Kentucky, yet within the limits of that State it is said to have no tangible property and no office for the transaction of business. The vast amount of tangible property which by lease or otherwise it holds and operates, and all the franchises to do which it exercises, exist and are exercised in the States and Territories on the Pacific Slope. Do not these intangible properties—these franchises to do—exercised in connection with the tangible property which it holds, create a substantive matter of taxation to be asserted by every State in which that tangible property is found?

It is said that the views thus expressed open the door to possibilities of gross injustice to these corporations, through the conflicting action of the different States in matters of taxation. That may be so, and the courts may be called upon to relieve against such abuses. But such possibilities do not equal the wrong which sustaining the contention of the appellant would at once do. In the City of New York are located the headquarters of a corporation whose corporate property is confessedly of the value of $16,000,000—a value which can be realized by its stockholders at any moment they see fit. Its tangible property and its business is scattered through many States, all whose powers are invoked to protect its property from trespass and secure it in the peaceful transaction of its widely dispersed business. Yet, because that tangible property is only $4,000,000, we are told that that is the limit of the taxing power of these States. In other words, it asks these States to protect property which to it is of the value of $16,000,000, but is willing to pay taxes only on the basis of a valuation of $4,000,000. The injustice of this speaks for itself.

In conclusion, let us say that this is eminently a practical age; that courts must recognize things as they are and as possessing a value which is accorded to them in the markets of the world, and that no fine-spun theories about situs should interfere to enable these large corporations, whose business is carried on through many States, to escape from bearing in each State such burden of tax-

ation as a fair distribution of the actual value of their property among those States requires.

The petition for a rehearing is denied.

So it would seem in that case that the question involved was purely whether or not the State had the right to tax tangible property.

Mr. Burke—It was clearly decided there that they could do it in Ohio because the statutes of Ohio provided for that kind of an assessment. I had no desire to go into an argument with the worthy Attorney-General on this, and I only spoke of it again in order that my motives in speaking in the first instance may not be misconstrued. Proceedings for the collection of taxes are strictly construed against the taxing power. The assumption that the body levying the assessment upon which the tax is proposed to be collected is charged with or granted authority to make the assessment will never be presumed. It has got to be shown that the assessment levied was within the power of the man, board or body making the assessment. We submit that this State Board of Assessors is limited to the statute creating it as to the assessment of property. It is nowhere authorized to assess the intangible property of any company, and it is only authorized to assess corporations, companies, I take it, by implication, and I therefore submit, gentlemen, that all of the presumptions are in favor of the express company here. I cannot believe that they want to avoid entirely the payment of taxes in the State of Nevada. I think they will pay a fair tax levied against them, but if the tax is one which they believe is not authorized by the statute to be levied and they believe that it is not justified by the business that they are doing in proportion to other taxes assessed and levied in the State, why naturally they will contest it, and it is my belief, gentlemen, that Wells, Fargo & Co. can successfully contest the assessment that was levied against them here last year, and that they can successfully contest the assessment that is proposed to be levied here now, and I only submit that my whole purpose in speaking of the matter was to suggest that out of respect to the members of the board that they fix an assessment here that Wells, Fargo & Co. will pay taxes upon and we will all be better off if you do that.

Mr. Ingalls—Mr. Chairman, I would like to find out what they will pay of their own free will, Wells, Fargo & Co.

Mr. Randall—Mr. Chairman, has there been a second to the motion?

Governor Oddie—The motion has been made and I will ask the Clerk to read it.

The Clerk—The original motion of Mr. McTerney was that the property of Wells, Fargo & Co. be assessed at $355,000 and that it be distributed among the several counties according to the proportionate mileage therein at the rate of $300 per mile, to which was offered a substitute by Mr. Whitehead that a valuation of $300 per mile be placed on

the property of Wells, Fargo & Co. for every mile of railroad over which they operated in the State of Nevada.

Governor Oddie—Is that seconded?

Mr. McTerney—Neither motion has been seconded.

Governor Oddie—The second one by Mr. Whitehead?

Mr. Randall—I seconded the original motion.

Mr. McTerney—One moment, Mr. Chairman. Why this discrepancy in mileage. It should be apportioned to each county as their mileage is to the total mileage in the State and assess a lump sum. I make this as my motion.

Governor Oddie—How does that compare with your motion, Mr. Whitehead? Now Mr. McTerney has changed his motion and it becomes a substitute for yours.

Mr. Whitehead—I will withdraw my substitute.

Governor Oddie—And then, Mr. McTerney, you and Mr. Norcross can correct this so as to get the wording as you intended to have it. Gentlemen, I will ask the Clerk to read the motion as made.

The Clerk—The motion by Mr. McTerney is that the property of Wells, Fargo & Co. be assessed at a valuation of $355,000; the value to be apportioned to the several counties in the State pro rata according to the mileage in operation in each county.

Governor Oddie—Do you think it would add strength to it, Mr. McTerney, and simplify it to add that the mileage figures be furnished by the Railroad Commission?

Mr. McTerney—I don't see it would make any difference.

Mr. Randall—Mr. Chairman, I think every Assessor has the mileage.

Mr. McTerney—We can take it from the Railroad Commission.

Mr. Weathers—Mr. Chairman, also have it appear as railroad mileage, so that it won't interfere with stage lines.

Governor Oddie—Gentlemen, I was just speaking to the Attorney-General about the matter of making this check up, and he has an idea which he will explain to you.

Attorney-General Baker—I think by putting it down in a lump sum in a way you put a limitation on it, a limitation which might work out in a bad way and lead to endless trouble. In other words, suppose they might increase or decrease it. The board has levied an assessment of $350,000, to be levied in a certain way. Now if the Wells-Fargo Company should suspend operatians we could not make that part of the assessment go and probably we would not be able to collect on $350,000. If you simply say so much a mile you can handle it easier and avoid any difficulty and arrive at the same purpose.

Governor Oddie—The Attorney-General was just saying, Mr. McTerney, that in case the company should suspend operations on part of its system

in the State, the Assessors would be unable to collect the full amount. Some of them might have levied their proportion of the assessment for certain counties and another county would be unable to do it because there would have been a change.

Mr. McTerney—We will take the mileage as it is at present. We are levying the assessment and assuming that mileage and it does not make any difference to Wells-Fargo whether they suspend or not. They are assessed at a lump sum.

Mr. Miles—Mr. Chairman, as I understand the law in regard to taxation in this State, the taxes become a lien against the property on the day the taxes are levied by the Board of County Commissioners, and also on all property which comes into the State prior to the first Monday in September. Now, if we attempt to levy on property that exists today, tomorrow we may not have it, and in several counties I understand the taxes have not been levied. Nye County has not. In some counties there is a change in the property between now and the time the taxes are levied. If that property should go out of existence or out of the State it would not be taxable in our State, if it goes out prior to the day that the taxes are levied, and I don't see how we are going to get around this lump sum. In some counties they have real estate and in some counties none. In my county they have no real estate, but a few hundred dollars' worth of personal property, and I suggest that we cut that out and place it at so much per mile.

Governor Oddie—Gentlemen, this is a very important matter and we do not want to be in a hurry at all on it, but we don't want to do anything that will sidestep it. I will ask the Clerk to read the new motion. Mr. McTerney, will you withdraw your original motion and make this as a new one?

Mr. McTerney—Yes, I want to make it express mileage instead of railroad mileage.

The Clerk—That the property of Wells, Fargo & Co. be assessed at the valuation of $355,500; the value to be apportioned to the several counties in the State in the proportion that the number of miles of railroad over which said express company operates in said counties bears to the total number of miles of railroad over which said express company operates in the State of Nevada, said mileage to be computed from figures to be furnished by the Nevada Railroad Commission.

Mr. Miles—Mr. Chairman, if we adopt this we might get into a mix up. If Washoe County levies her tax today there might be a greater valuation than there would be in the State in a month from now.

Governor Oddie—Well, the idea is, if you will excuse me, Mr. Miles, that the valuations should be computed from the figures as they stand today. Is that not the idea, Mr. McTerney?

Mr. McTerney—Yes.

Mr. Miles—I may be wrong, but I understand that the law on this provides that property that is within the county on the day taxes are levied is liable for taxation; it becomes a lien against the property on the day the taxes are levied. Now, if the taxes are levied in this county today and say there is half a million dollars worth of property in the State, in one month from now the taxes are levied in Washoe County, and there is $400,000 worth of property in the State, then how are you going to divide that property? You cannot levy a tax against a property that is in my county before the taxes are levied, and if you do it today it is my belief that it won't stand.

Mr. McTerney—Mr. Miles, this comes under the head of personal property which is delinquent the first day of January.

Mr. Miles—Mr. Chairman, I understand the law applies in every kind of property the same, personal and real estate, and I would like to hear an expression from the Attorney-General on that.

Attorney-General Baker—What is the question you wanted to know, Mr. Miles?

Mr. Miles—As to when the taxes against property, real estate and personal property, becomes delinquent against the property.

Attorney-General Baker—It becomes delinquent after the assessment is levied.

Mr. Miles—At the time the assessment is levied?

State Controller Eggers—The tax becomes a lien against the property.

Mr. Miles—That is on the day the taxes are levied. The law requires that the several Boards of County Commissioners of the State shall levy the taxes in each year prior to the first Monday in March. They can levy the tax, as I understand it, on the first Monday in January, at any time up to the first Monday in March. There are several counties that have not levied their taxes.

Attorney-General Baker—The law says (Sec. 1083, Comp. Laws):

The Board of County Commissioners shall, prior to the first Monday of March of each year, cause to be prepared suitable and well-bound books for the use of the Assessor, in which the County Assessor shall enter his tax-list and assessment roll, as hereinafter provided; and in which list and assessment roll shall be assessed and included all taxes levied by authority of law for county purposes. Said book shall contain suitable printed heads, and be ruled to conform with the form of the assessment roll, as provided by this Act. All property must be assessed at its full cash value.

Mr. Miles—I contend that section is conflicting with any levy we may make on any property here, for the simple reason that some of the counties have levied taxes and some have not, and I don't see any way to distribute that valuation if there be any property taken out of the State.

Mr. Whitehead—Mr. Chairman, I would like to ask the Attorney-

General for information. Suppose we levy this assessment of $355,500 and the Wells-Fargo Company sells out to the American Express next month, what will become of that assessment?

Attorney-General Baker—If they should sell out next month?

Mr. Whitehead—Or the month after, or any month?

Attorney-General Baker—I believe the tax would stand from the time you levied it, but as to whether you would be able to collect it I am not prepared to say. The question that you were asking for, Mr. Miles, is (Sec. 1079, Comp. Laws):

That every tax levied under the provisions or authority of this Act is hereby made a lien against the property assessed, and a lien shall attach upon the real property for the tax levied upon the personal property, of the owner of such real estate, which lien shall attach upon the day on which the taxes are levied in each year, on all property then in this State, and on all other property whenever it reaches the State, and shall not be satisfied or removed until all the taxes are paid, or the property has absolutely vested in the purchaser under a sale for taxes.

Also Sec. 1080, Compiled Laws:

All special taxes levied for city, town, school, road or other purposes throughout the different counties of this State, shall be a lien on the property so assessed, and shall be assessed and collected by the same officers, at the same time, and in the same manner as the state and county taxes are now or may hereafter be assessed and collected.

Mr. Miles—Then I would like to ask—say the Boards of County Commissioners before the first Monday in next month—that if I or any other Assessor in his county could assess and collect taxes on personal property where there is no real estate charged? If they could assess and collect on personal property in their counties where there is no real estate to charge property tax, that is prior to the levy of the tax by the Board of County Commissioners?

Attorney-General Baker—I do not quite grasp your point. Just state your question again, Mr. Miles.

Mr. Miles—I would like to know if personal property could be assessed by the Assessor and the taxes collected before the Board of Equalization in the county levies the tax for State and county?

Mr. Hayes—Mr. Chairman, there is a statute there which states that you can levy on last year's rate and that you can collect that, and if it is in excess the County Commissioners have to pay it back to the party that it is collected from. You will find it there somewhere or in an amended statute.

Mr. Ingalls—Mr. Chairman, I will state that I collect taxes in Esmeralda before they are levied and collect on the old levy of last year.

Attorney-General Baker—I will look up that question for you, Mr. Miles. I will run that down and give you an opinion on it in a little while, if you wish, as to that point.

Mr. Randall—Mr. Chairman, I move we take a recess until tomorrow morning at 10 o'clock.

Motion seconded by Mr. Lemaire and carried.

Accordingly the board here took a recess until 10 a. m., January 12, 1911.

FOURTH DAY

The board resumed its session, pursuant to recess, on Thursday, January 12, 1911.

Upon roll-call all members of the State Board of Revenue and State Board of Assessors answered present.

Attorney-General Baker—Last night a question was submitted to me by Mr. Miles which I ran down for him. The question is whether the various Assessors can assess taxes on personal property. Where the assessment is made before the board meets they have the right to collect under the old levy, and if there is any difference between the old and the new levy it can be taken up with the Board of Equalization. But the law also contemplates that this body shall meet on the second Monday in January. The County Commissioners do not have to make a levy until prior to the first Monday in March, consequently any time the assessment is made by this board the levy goes into effect at that time, and the power to assess carries with it the power to collect it also.

Governor Oddie—Gentlemen, I will ask the Secretary to read the motion as made. It has not been passed on yet.

The Clerk—That the property of Wells, Fargo & Co. be assessed at a valuation of $355,500, the value to be apportioned to the several counties in the State in the proportion that the number of miles of railroad over which said express company operates in said counties bears to the total number of miles of railroad over which said express company operates in the State of Nevada, said mileage to be computed from figures to be furnished by the Nevada Railroad Commission.

Governor Oddie—Was that motion seconded last night?

Mr. McTerney—I don't remember.

Governor Oddie—Is there a second to it? I would like to hear a discussion on this. Gentlemen, you have heard the motion. It has not been seconded.

Mr. Ingalls—I am not sure; it seems to me Mr. Randall seconded that motion.

Governor Oddie—Did you second the motion, Mr. Randall?

Mr. Randall—Yesterday; yes, sir.

Governor Oddie—Well, then, it is open to discussson. In your opin-

ion is the motion right, Mr. Attorney-General? Is it something that would be safe to stand on.

Attorney-General Baker—On the intangible property?

Governor Oddie—Well, this motion as it is now? Would it conflict with any right of the State in case the State——

Attorney-General Baker—It is a question whether intangible property can be assessed. It seems to me to be the only fair way of taking it. If you only assessed on wagons and horses it would not be much of a taxation.

Mr. McTerney—The safest way to levy that tax would be in a lump sum.

Attorney-General Baker—It would be an advantage this way, that in the event of a suit the Attorney-General would bring a suit for the whole amount of the tax, whereas if it were levied in each county the various county attorneys would have to bring the suit, and in that way it would be an advantage I should think.

Governor Oddie—Gentlemen, are you ready for the question? Mr. Miles.

Mr. Miles—Gentlemen, my object in taking up this matter of taxation and collection of taxes was to go into this thing and put it into shape where the thing could at least be brought into the courts and not thrown out on some technicality, and I can see no reason why we could not adopt this plan under the advice of the Attorney-General which we have.

The question was called for, and upon roll-call the motion was unanimously carried.

American Express Company

Governor Oddie—Now the question comes up on No. 20, The American Express Company.

Western Union Telegraph Company

Mr. H. D. Jones (representing the Western Union Telegraph Company)—Mr. Chairman, before you take up the other subject, on behalf of the Western Union Telegraph Company I am requested from San Francisco to request the honorable State Board of Assessors to reconsider the matter which was up yesterday after a presentation of data which is being prepared today and which will be forwarded by first mail for the consideration of the board. It won't take much of your time and it might change your opinion, but we would like this privilege. In behalf of the Western Union Telegraph Company I make this reguest.

Governor Oddie—What is your pleasure in this matter, gentlemen?

Mr. McTerney—When will that data be here?

Mr. Jones—Is this Wednesday?

Mr. McTerney—This is Thursday.

Mr. Jones—It could not be here before Saturday morning.

Governor Oddie—Is there a motion before the board?

The Clerk—No.

Governor Oddie—I would suggest, then, that as long as the matter was taken up yesterday and voted upon unanimously, and as the gentleman who presented the motion has not seen fit to move to reconsider, I do not see that anything more can be done in the matter. It has already been passed.

Mr. Ingalls—I think if they can get their statement in here they ought to be heard, and I am willing to hear them. If they can get their data here tomorrow, we can take it up afterwards.

Governor Oddie—Let me ask the Attorney-General, can a motion be reconsidered after a day?

Attorney-General Baker—I suppose they can reconsider, but it must be done with the consent of the man who made the motion and his second.

American Express Company

Governor Oddie—The next order is the matter of the American Express Company.

Mr. Whitehead—Mr. Chairman, I believe the two counties of Lincoln and Clark are the only ones that have the American Express Company and also that they only commenced business last August, and there is no data that I know of on which we could base any assessment. Mr. Shaughnessy, you say there is some data?

Mr. Shaughnessy—No.

Mr. Whitehead—Therefore, I move that the assessing of the property of the American Express Company be left to the Assessors of the counties through which that company operates.

Motion seconded by Mr. McTerney.

Governor Oddie—I will ask the Clerk to state the motion as made. The motion has been seconded.

The Clerk stated the motion.

Governor Oddie—The motion is seconded. Any further remarks on this, gentlemen?

Question called for.

Upon roll-call the motion was carried unanimously.

Globe Express Company

Governor Oddie—The next matter is No. 21, the Globe Express Company.

Mr. Leonard—Mr. Chairman, that is in the same class as the American, and I make a motion that it be left to the various Assessors. It operates on the Western Pacific and has just commenced business and has nothing, I guess, as yet; hardly any business.

Mr. Lemaire—I second the motion.

Governor Oddie—Has the Railroad Commission any data?

Mr. Shaughnessy—Mr. Chairman, we have no data as yet.

Governor Oddie—The motion is the same as the last. The Clerk will read the motion.

The Clerk read the motion.

Governor Oddie—The motion has been made and seconded, gentlemen, and you have heard it read. Are there any remarks?

The question was called for, and upon roll-call the motion carried unanimously.

Central Pacific Railway Company

Governor Oddie—The next order of business is Railroads, No. 22. The first is the Central Pacific Railway and sidetracks of same.

Mr. Weathers—Mr. Chairman, I would at this time ask that the representative of the Southern Pacific be permitted to talk on the subject and also the Railroad Commission.

Seconded by Mr. Norris.

Mr. Jere Burke (representing the Central Pacific Company)—Thank you, Mr. Chairman and gentlemen. Representing the Central Pacific Railway Company, gentlemen of the Board of Assessors, I have very little to say except that the Central Pacific comes here knowing that you gentlemen are going to do your duty by your constituents and the State of Nevada and that you are going to be fair to the railroad. We submit that there are some considerations that perhaps you have not thought of in connection with the assessment of the Central Pacific Railway Company last year that I would like to call attention to. The increase in taxes paid by the company in Nevada for 1910 over the amount paid in 1909 was $98,873.11. The total assessment on the company's property in the State for 1910 was $15,308,894 as against $10,893,759 in 1909. These figures include the assessment made by the State Board of Assessors and property locally assessed by County Assessors other than grant lines. You will note that this increase is something more than 40 per cent for 1910 over 1909, the total increase being $4,415,000, and in this connection I would like to read for you some figures as to the assessed value of all property in this State for the year 1910 as compared with the assessment for the railroads, as compared with the assessment in the year 1909.

The total for 1910 of all property was $78,554,979. In 1909 the total was $73,825,379, showing an increase for 1910 over 1909 of $4,729,379. In the same year, 1910, various railroads in the State of Nevada were increased by $7,088,922. Various other railroads were decreased by $703,000, leaving the net increase in the value of the railroads in Nevada, for the year 1910, $6,375,913. Taking the total increase in the assessment roll for the State given above, $4,729,379 from the total increase of railroad values, shows a net decrease in the assessment of all other properties in the State of Nevada of $1,646,534. In other words, while rail-

roads were increased over six millions of dollars, all other property in the State was decreased $1,646,000. I will be glad to leave a copy of the statement with the reporter.

Now, gentlemen, in addition to the increase in taxes of last year the revenues of this company were reduced in the State of Nevada by reason of the reduction in freights by an amount approximating a million dollars as nearly as we can estimate it now, somewhere between $900,000 and a million dollars. In addition to that there has recently been granted an increase of wages for practically all of the operating men of the railroad lines in the West, which includes the engineers and firemen, conductors and railway trainmen, which takes in practically all of the other men engaged in transportation, which will amount to something between 12 and 14 per cent of the present schedule of wages, and on the Southern Pacific Company, Pacific System, that increase will be between $1,000,000 and $1,200,000, approximately 12 per cent of which is applicable to the State of Nevada. So that our expenses will in Nevada this year be increased by reason of this order something from one hundred to one hundred and twenty thousand dollars.

In consideration of these various matters submitted here, going to show, in the first place, impairment of revenue by rate reductions and in the next place increase of operating expenses by additional charges and burdens put upon the company, I submit, gentlemen, that the assessment levied by the State Board of Assessors here last year is perhaps higher than it ought to be. I say perhaps, for the reason that it may be that the valuation of the Central Pacific Railroad Company should have been raised before it was, but under all the circumstances and in view of all the conditions, I submit that the assessment upon the property of the company levied here last year is a full, fair assessment so far as the people of the State of Nevada are concerned.

Now, it was developed in the hearing last year that property in the State of Nevada is assessed by and large at 40 per cent of its value; certainly it is not in excess of that. I don't think any of you gentlemen think it is. On that basis the assessment on the assumption of value in the property of the Central Pacific Railway Company is $75,175 per mile. Now that is a higher estimation of value than is placed upon it in any of the jurisdictions where it is taxed. The assessment in Nevada is practically the same as in the State of California, the only difference being something like $38.81 per mile in valuation. California is now admittedly on a 60 per cent basis as to assessed value to real value. The estimation of value of the Southern Pacific line in California under these circumstances would be something in the neighborhood of $56,000. A comparison between Nevada and California is hardly fair to the company, because, as you all know, the cost of the line in California was perhaps twice what it is in Nevada; at least, that

is so as far as the main line is concerned. Now, gentlemen, the Central Pacific Railway Company and its operating company, the Southern Pacific Company, wants to get on good terms with the people of Nevada. We interposed no technical defense against the assessment of last year. As they say in the vernacular, "We took our medicine," and we paid it, and we submit that in all fairness to the company that it should not be assessed higher this year than it was last. I thank you, gentlemen.

Governor Oddie—I will ask Mr. Shaughnessy, on the part of the Railroad Commission, to give his views.

Mr. Shaughnessy—Well, just what particular point does the board want information on?

Mr. Lemaire—On anything you can enlighten us on.

Governor Oddie—I would suggest anything bearing on the amount of the assessment.

Mr. Burke—Mr. Chairman, might I ask Mr. Shaughnessy if, in a general way, he could verify the figures I gave as to decrease in revenue and increase in wages, and if, in a general way, they are correct?

Mr. Shaughnessy—Yes, they are correct, Mr. Bruke. Well, I don't know; it is hardly within the province of the Railroad Commission to come here and advocate an increase in the assessment. I have made some comparisons here in regard to what various assessments amount to that I will give the board for their information, and they can act upon it as they see fit.

Assuming the board places an assessment of $30,000 per mile on the Central Pacific in Nevada, including sidetracks and equipments, it would make a total valuation of $34,500 per mile and would be a total assessed valuation of the property of $15,476,000, or an increase of $96,000 over the assessment of last year. This would give in taxes about $309,000 as compared to the $294,000 which was paid last year. Now, the Railroad Commission, as stated last year, assumed that the Central Pacific property is worth $100,000 per mile, and that valuation that I have just read, $30,000 per mile, would aggregate on the basis of $100,000 valuation, assuming that the line is worth that, 34½ per cent. If your valuation were placed at $33,000 per mile of line, plus $4,500 for sidetracks, equipment, rolling stock, etc., that would be a total of $37,500 per mile, or 37½ per cent on that basis. That would be placing the per line valuation at $33,000 per mile, plus the $4,500 per mile for sidetracks and equipment, rolling stock, etc., upon the basis of a $35,000 assessment, plus the $4,500 per mile for sidetracks and equipment, or a total of $39,500 per mile. That would be an average of 39½ per cent on the basis of $100,000 per mile valuation.

As the property can probably be reproduced for $80,000 per mile, and as the line has practically been reproduced from Ogden to Reno at an enormous expense, we have felt that it was only fair to allow some-

thing over and above the actual cost of reproduction for the expenditures which have been made upon the old original line and which had been abandoned when the new construction was made. Hence our valuation of $100,000 per mile; although, if we take the total cost of the road from the time of its original construction to date, it has cost the Central Pacific Company a total of $155,000 per mile; that is, including road equipment and every expenditure that they have made and improvements.

As I stated before, for the purposes of rate-making we have in the commission cut that $155,000 cost down to a basis of $100,000. We split the difference with them; in other words, assuming that the line, as it now exists in Nevada from Ogden to Reno, can be reproduced for $80,000 per mile, we have allowed for the purposes of rate-making $100,000 per mile. If you gentlemen figure that the cost of reproduction is the correct basis on which to levy your assessment, and taking $80,000 per mile as the cost of reproduction, why, then, $30,000 per mile, including sidetracks and rolling-stock, which would bring it up to $40,000 per mile, would make it 40 per cent. If you put on a $33,000 per mile valuation, it would be 47 per cent.

Mr. Burke—Mr. Chairman, might I say to Mr. Shaughnessy that the assessment per mile of the line this year above the $28,000 assessment was $5,828, nearly $2,000 more than your figures.

Mr. Shaughnessy—That would make some increase. I averaged that on the basis of last year's tax. I did not figure on this year's accruing taxes, and I figure that Mr. Burke's statement is correct. It would have the effect of increasing this percentage 1½ or 2½ per cent. If you place on the main line a valuation of $35,000 plus the rolling stock and equipment, etc., it would be a fifty per cent valuation, assuming that the valuation was $80,000 per mile. There is this year reported 448 miles of Central Pacific railroad in operation in Nevada, the mileage having been slightly reduced in some minor changes near Wells, I believe. I understand the method of assessment in California is on the 4 per cent of gross earnings basis. Is that right, Mr. Burke?

Mr. Burke—Yes.

Mr. Shaughnessy—If a 4 per cent of gross earnings basis were applied to the revenues accruing to the Central Pacific lines in Nevada, it would very greatly increase the taxes over and above anything that we have suggested here. However, I do not know, but I am quite sure that would be too high at this time, because it would be out of all proportion to the value at which any other property is assessed in the State. I do not think we have arrived at the time where we could properly place a valuation of that kind. But upon the assumption that the gross earnings of the Central Pacific are $12,000,000, which they were in 1907, and applying 4 per cent to that and dividing by the mileage we would

have in total taxes paid to the State and counties $480,000 from the Central Pacific, and in order to reach that amount it would be necessary for this board to make an assessment of $53,500 per mile. I notice by comparison that the Central Pacific in California pays in taxes $1,152 per mile. That, of course, includes very valuable terminals and real estate throughout California. We have no way of segregating the railroad line taxes from those properties, but there is one thing that strikes me as remarkable, that valuation, or whatever it may be, or that amount of money paid in taxes is distributed equally over all of the lines in California on a mileage pro rata basis. Is that not correct, Mr. Burke?

Mr. Burke—I think it is.

Mr. Shaughnessy—The point in that is this, that that $1,152 per mile, or as much less of it as is applicable to the railroad mileage, applies uniformly over the mileage in California, regardless of whether it may be valuable main line or branch lines, and while they do in the State of Nevada pay over the main line on the basis of the assessment levied last year in actual taxes $657 per mile on the main line of Central Pacific, there is a lesser amount paid in taxes over the line of the Nevada and California, which is a constituent part of the company in Nevada. There is that differentiation in the taxes in Nevada, and if we average the total taxes paid by the system in Nevada, considering the Central Pacific and the Nevada and California as one system in Nevada, it very materially reduces the taxes paid per mile in this State, and especially so as compared with the taxes paid per mile in California. That is about all I think of at this time, unless somebody wishes to ask a question.

Mr. Burke—Mr. Chairman, I would like to say a word, if I may, about the 4 per cent of gross earnings in California. The 4 per cent of gross earnings there is at this time entirely a state tax, and it is predicated upon an assumption in the first place that all property is assessed at 60 per cent of its value. When the constitutional amendment was first suggested in California it was quite apparent that that assumption was not true, and during three or four years the State Board of Equalization in California undertook to get all property up to that 60 per cent of assessed value to true value, the result being that that raised some counties quite as much as 100 per cent. Ventura County was raised 100 per cent, and the injustice of it was shown the next year they came back with the assessment as shown by the State Board of Equalization and five or six millions added on to it. The County of Los Angeles was raised 40 per cent, and the next year the assessment was practically upon the basis of the county valuation as raised by the State Board of Equalization. The effect of that was that, while it brought the railroad values up, it brought tax rates down so that, while the assessment of the properties of the Southern Pacific Company were increased by the State

Board of Equalization applying for four years the percentage of gross earnings plan to the Southern Pacific Company, the taxes were not increased anything like the proportionate increase which they naturally would have borne to the increase in valuation. Now, the State Tax Commission, in fixing upon that 4 per cent, assuming that all property was assessed at 60 per cent of its value, found that the average tax rate of the State was 1 per cent on true value, and they capitalized these various corporations on their net earnings so as to provide a percentage of net earnings that would amount to a tax payment equivalent to 4 per cent of gross earnings. That is the way in which that 4 per cent of gross earnings plan was arrived at.

Now, if all property in the State of Nevada were assessed at 60 per cent of its true value, we could not be here to object to a 4 per cent gross income tax here on a valuation fixed upon 4 per cent, but we submit that upon a 45 per cent valuation that 3 per cent of gross earnings in Nevada would be equal to a 4 per cent of gross earnings in California, because it is assumed that you gentlemen are going to assess us just like you do everybody else. Three per cent is 25 per cent less than 4 per cent and 45 per cent of valuation is 25 per cent less than 60 per cent. Consequently on a 45 per cent of assessed value to true value the percentage of gross earnings ought to be 3 per cent. I think we paid last year slightly in excess of that. Certainly we will pay on the same valuation this year in excess of 3 per cent because our revenues this year, as I have pointed out before, will be considerably reduced. Then there are other reductions that will come no doubt through the rates fixed by your State Board of Railroad Commissioners which have been determined and which have not been taken into account in making this statement concerning our revenues. The California plan works very satisfactorily because it is a certain, definite and automatic tax and is based, as I said before, on an estimation of 60 per cent of assessed value to true value which, by raises made by the State Board of Equalization in that State, has practically been accomplished as to all other property in the State.

Mr. Sitton—Mr. Chairman, I move that we take a recess until 1:30 p. m.

Motion seconded by Mr. Lemaire.

Motion carried. Accordingly the board took a recess at 10:55 a. m. until 1:30 p. m.

Afternoon Session.

The board resumed its session after recess, at 1:45 p. m.

Upon roll-call all members of the State Board of Revenue and State Board of Assessors answered present.

Governor Oddie—The first matter, which the board left off this morning, was the Central Pacific Railway.

Mr. Lemaire—Mr. Chairman, I ask that we have a recess for about thirty minutes.

Seconded by Mr. Weathers.

Motion carried.

Accordingly the board took a recess until 2:15 p. m.

The board resumed its session after recess at 2:30 p. m.

Upon roll-call all members of the State Board of Revenue and State Board of Assessors answered present.

Governor Oddie—Gentlemen, we are ready for business.

Mr. Lemaire—Mr. Chairman, in order to place this matter before the board, I make a motion that a valuation of $33,000 per mile be placed on the Central Pacific Railway Company.

Motion seconded by Mr. Randall.

Mr. Weathers—Mr. Chairman, I move to amend that motion by placing it at $31,500.

Motion seconded by Mr. McTerney.

Governor Oddie—Gentlemen, the question now is on the amendment. Any remarks?

Question called for.

Governor Oddie—Is this on the main line?

Mr. Lemaire—On the main line, yes.

The Clerk—The pending motion is on the motion of Mr. Weathers to amend the motion of Mr. Lemaire, making the valuation $31,500 per mile on the main line of the Central Pacific Railway.

Upon roll-call the following was the result:

YEAS—Messrs. Whitehead, Weathers, Ingalls, McTerney, Leonard, Norris, Malley, Miles—8.

NAYS—Messrs. Sitton, Arrild, Lemaire, Randall, Regan, Seeman, Hayes—7.

So Mr. Weather's amendment to the motion carried.

Governor Oddie—The question now is on the original motion as amended. I will ask the Clerk to state the motion as amended.

Mr. Whitehead—Mr. Chairman, as I understand it now, we are voting on the question; that is the motion as it has been amended, and we vote now yes or no, as to whether it shall be $31,500.

Governor Oddie—Yes.

The Clerk—The pending motion is on the motion of Mr. Lemaire as amended, that a valuation of $31,500 per mile be placed on the main line of the Central Pacific Railway Company.

Governor Oddie—Mr. Lemaire, I would suggest that on the tax-list roll the motion calls for "Railroad Company" and it is "Railway Company." Do you consent to the change so as to make the description correct, make it "Central Pacific Railway Company" in the motion, and add to the motion "in Nevada." You both agree to that?

Messrs. Lemaire and Weathers—Yes.

The Clerk—The pending motion now is that a valuation of $31,500 per mile be placed on the main line of the Central Pacific Railway Company in Nevada.

Governor Oddie—Gentlemen, you have heard the motion. Is there any discussion; any remarks? Are you ready for the question?

Question called for.

Mr. Arrild—Mr. Chairman, I thought we voted before on the $31,500.

Governor Oddie—You voted on the amendment before, Mr. Arrild. Now that amendment changes the original motion. You are voting on the original motion now, as amended.

Upon roll-call the following was the result of the vote:

YEAS—Messrs. Whitehead, Weathers, Ingalls, McTerney, Leonard, Norris, Malley, Miles—8.

NAYS—Sitton, Arrild, Lemaire, Randall, Regan, Seeman, Hayes—7.

So the motion as amended, placing a valuation of $31,500 per mile on the main line of the Central Pacific Railway Company in Nevada was carried.

Central Pacific Railway Company Sidetracks

Governor Oddie—The next question is sidetracks of the Central Pacific Railway Company.

Mr. Lemaire—Mr. Chairman, I make a motion that a valuation of $6,000 per mile be placed on the sidetracks of the Central Pacific Railway Company.

Motion seconded by Mr. Sitton.

Governor Oddie—Are there any remarks on this, gentlemen? I will ask the Clerk to state the motion before it is put.

The Clerk—The motion of Mr. Lemaire: That a valuation of $6,000 per mile be placed on the sidetracks of the Central Pacific Railway Company in Nevada.

Upon roll-call the motion carried unanimously.

Nevada and California Railway Company (Broad-Gage)

Governor Oddie—The next is the Nevada and California, broad-gage. What is the title of the road?

Mr. Sitton—What is the correct title of that road?

Governor Oddie—Nevada and California Railway Company.

Mr. Sitton—Mr. Chairman, I move that the main line of the Nevada and California Railway Company, broad-gage, be assessed at $14,000 per mile.

Motion seconded by Mr. Ingalls.

Governor Oddie—I will ask the Clerk to state the motion.

The Clerk stated the motion.

Governor Oddie—"In Nevada," I would suggest in there. Gentlemen, you have heard the motion. Is there any discussion; any remarks?

Question called for.

Upon roll-call the motion carried unanimously.

Nevada and California Railway Sidetracks

Governor Oddie—The next is the Nevada and California Railway Company, sidetracks, of the broad-gage.

Mr. Ingalls—Mr. Chairman, I move that the sidetracks be assessed at $2,800 per mile, the same as last year. If I am not mistaken, that is the same as last year.

Mr. Burke—Mr. Chairman, I think Mr. Ingalls is mistaken.

Mr. Randall—It was $3,200 last year.

Mr. Ingalls—Well, I will make it $3,200, the same as last year.

Motion seconded by Mr. Sitton.

Upon roll-call the motion carried unanimously.

Nevada and California Railway Company (Narrow-Gage)

Governor Oddie—The next is the Nevada and California Railway Company, narrow-gage.

Mr. Ingalls—Mr. Chairman, I move that the Nevada and California Railway Company, narrow-gage, be assessed at $2,800 per mile, the same as last year.

Motion seconded by Mr. Norris.

The Clerk stated the motion.

Mr. Ingalls—In the State of Nevada. There is part of it in California.

Upon roll-call the motion carried unanimously.

Nevada and California Railway (Narrow-Gage) Sidetracks

Governor Oddie—The next question is sidetracks of the Nevada and California Railway Company, narrow-gage.

Mr. Ingalls—Mr. Chairman, I move that the sidetracks be assessed at $800 per mile, the same as last year, in the State of Nevada.

Motion seconded by Mr. Norris.

Upon roll-call the motion was carried unanimously.

CORRECTION OF MINUTES

Governor Oddie—Gentlemen, I will ask your permission to allow the Clerk to make the change in the minutes, stating that these various roads are "assessed" at so much, instead of "placed." It is just a matter of wording. With your permission the Clerk will make the correction.

Mr. Ingalls—Make it the "assessed valuation placed."

Governor Oddie—Or that the road be "assessed at." If some one will make the motion that on the minutes where the word "placed" has been used that the word "assessed" may be substituted?

Mr. Lemaire—Mr. Chairman, I will make a motion to that effect that the word "assessed" be substituted for the word "placed."

Motion seconded by Mr. Whitehead.

The question was put, and the motion carried.

Hazen and Fallon Railroad

Governor Oddie—The next is the Hazen and Fallon.

Mr. Sitton—Mr. Chairman, I move that the Hazen and Fallon branch be assessed at $8,000 per mile.

Motion seconded by Mr. Randall.

Governor Oddie—The correct title of that is the Hazen and Fallon branch of the Nevada and California. Is that correct, Mr. Burke?

Mr. Burke—The Hazen and Fallon branch of the Nevada and California Railway Company.

Mr. Lemaire—Mr. Chairman, in the order of business should that correction be made?

Governor Oddie—Well, it should be corrected in the original motion so as to give the correct title of the road. If you will include that in your motion we will put it that way.

Mr. Lemaire—Yes.

Governor Oddie—I will ask the Clerk to state the motion.

The Clerk—On the motion of Mr. Sitton, that the Hazen and Fallon branch of the Nevada and California Railway Company be assessed at $8,000 per mile, main line.

Upon roll-call the motion carried unanimously.

Hazen and Fallon Railway Sidetracks

Governor Oddie—The next is the Hazen and Fallon, sidetracks of same. Same title.

Mr. Sitton—Mr. Chairman, I move that the sidetracks on the Hazen and Fallon branch of the Nevada and California Railway Company be assessed at $1,000 per mile, the same as before.

Motion seconded by Mr. Lemaire.

Upon roll-call the motion carried unanimously.

Tonopah and Goldfield Railroad Company

Governor Oddie—The next is the Tonopah and Goldfield Railroad Company.

Attorney J. F. Dennis (representing the T. & G. R. R.)—Mr. Chairman, I would like to state that I appear for the Tonopah and Goldfield Railroad, if the members of the board would like to hear from me.

Governor Oddie—Would the members of the board like to hear from Judge Dennis?

Mr. Malley—Mr. Chairman, I would like to move that Judge Dennis give us what data he has on that road.

Motion seconded by Mr. Norris.

Judge Dennis—Mr. Chairman and gentlemen of the Board of Assessors, the Tonopah and Goldfield Railroad is a Nevada corporation. It owes its existence to the laws of this State. As its representative here, I want to say to you that we want to bear our just proportion of the bur-

den of taxes under the laws of this State. We believe that the valuation last year as applied to the conditions at this time is too high, for the reason that we believe that it is above the actual cash value of the road when applied to the laws of this State.

The net earnings of the road, without going into strict details, were approximately, that is the surplus is approximately, $27,000. Well, we will say approximately $27,000 for the purposes of the illustration. The exact figures are on the statement filed with the Railroad Commission of the earnings for the fiscal year ending June 30th. This amount of money, $27,000, when capitalized at 7 per cent, which we contend to be the amount that we are entitled to earn on an investment of this character that pays for anything upon the earnings, would amount to a capital of $386,000; that is, it would take a capital of $386,000 to earn 7 per cent on the investment. Now, I don't want to confuse you, that our capitalization is not very much higher, indeed it runs up into the millions, so far as the statement is concerned, but I am considering now the earnings of this road. I believe we are entitled to be assessed approximately on these earnings; that is to say, taking 7 per cent as the basis, that we are entitled to earn on the investment or the actual cash value of our road at this time, which approximates $386,000. If that be true, we would have a valuation of something like $3,860 per mile. That would be the valuation divided into miles, assuming that the road is 100 miles long, which it is I believe, approximately, probably a fraction over, but I am speaking generally. It would be $3,860 a mile. We are paying upon $10,000 a mile.

Now, I will say to you gentlemen that we are willing to pay an assessment of $7,000 a mile. We will say that we are entitled under the law to be assessed at $4,000 per mile, as other roads are equalized and assessed I believe, as property in the State of that character is generally assessed; we will say, in order to take up the fractions, that we are entitled to be assessed on $4,000 per mile. We are willing to pay an assessment of $7,000 per mile, and we are willing that our sidetracks should stand as they did last year.

I will say further in explanation of my position upon this road that we are in competition with two other railroads that come into Goldfield, namely, the Tonopah and Tidewater and the Las Vegas road. While I am not familiar with the earnings of those roads more than in a general way, I do not believe they are earning anything upon their investment, perhaps not upon any investment. I do not know as to that, however, but I do know that they divide the traffic to Goldfield with the Tonopah and Goldfield Railroad. I do know that they are in the freight market there to get traffic from Los Angeles and from the east; that they have other connections; that we have no other connections except by way of

those roads and by way of the Southern Pacific, or rather the Hazen and California line that connects with us at Mina.

Now, we are one hundred miles of road right in the midst of the great American desert. We have invested a large sum of money as shown by the statement on file with the Railroad Commission, and we do not desire any litigation with the State of Nevada, the County of Nye or Esmeralda. We desire to be liberal. We desire to pay taxes on more than our cash valuation in order to avoid anything of that kind. Therefore, I say that we will be willing to be assessed upon $7,000 on the main line. I believe that is all I care to say on the subject.

Governor Oddie—Gentlemen, it is suggested that we hear from Mr. Shaughnessy on this. Mr. Ingalls, do you wish to say anything?

Mr. Ingalls—Go ahead.

Mr. Shaughnessy—The cost of road as reported to us by the Tonopah and Goldfield is $36,800 per mile. That included reconstruction of that line and is not hardly fair. I should judge that that line would probably cost to reproduce $25,000 per mile of line and equipment. The earnings of that company, however, have been material during the last year and during its existence it has been a very prosperous company. They have made good dividends, and they have carried substantial amounts to surplus. At the present time they have something over $550,000 surplus account, and they also have in sinking fund account several hundred thousand dollars. The Tonopah and Goldfield cannot properly come before this board and plead poverty to the same extent that the other lines that are operating in that southern country can, namely the Las Vegas and Tonopah and the Bullfrog and Goldfield.

On a 4 per cent gross earnings basis, on the basis of last year's earnings, the Tonopah and Goldfield could properly be assessed at $14,480 per mile. On net earnings basis, on the $204,000, that would be 7 per cent on three million dollars of property, or an average value of $27,500 per mile, or taking 45 per cent of that it would be $12,375 per mile. It seems to me off-hand that the present valuation of $10,000 per mile is entirely reasonable for the Tonopah and Goldfield Railroad.

Mr. Ingalls—Mr. Chairman, in regard to the Tonopah and Goldfield, the most of it is in Esmeralda County, and with all due respect to Judge Dennis they have a very good showing I find, and they have a very nice gross revenue and little operating expenses, but the Nevada and California is assessed at $14,000 per mile, and in comparison with the two I cannot see where the Tonopah and Goldfield is assessed any higher in proportion than the Nevada and California. I want to be fair with all roads, with every one, and I cannot see where we are unfair to leave the Tonopah and Goldfield as it is. I will make a motion that we assess the Tonopah and Goldfield the same as last year, $10,000 a mile.

Motion seconded by Mr. Malley.

Governor Oddie—I will ask the Clerk to state the motion.

The Clerk—This is main line?

Mr. Ingalls—Main line.

The Clerk—On the motion of Mr. Ingalls, that the Tonopah and Goldfield Railroad Company, main line, be assessed at $10,000 per mile.

Governor Oddie—Gentlemen, are there any remarks on this?

Mr. Miles—Mr. Chairman, I would like to ask Mr. Malley if a part of that road runs into his county?

Mr. Malley—One and seven-tenths mile in my county.

Mr. Miles—Are you acquainted with the conditions there?

Mr. Malley—I am, sir; pretty well.

Question called for.

Upon roll-call the motion carried unanimously.

Tonopah and Goldfield Railroad Sidetracks

Governor Oddie—The next question is on the sidetracks of the Tonopah and Goldfield Railroad.

Mr. Ingalls—Mr. Chairman, I make a motion that the sidetracks be assessed at $2,500 per mile, the same as last year, assessed valuation.

Motion seconded by Mr. Malley.

Governor Oddie—You have heard the motion, gentlemen. Are there any remarks?

Mr. Miles—What was the value?

Governor Oddie—$2,500, Mr. Ingalls?

Mr. Ingalls—$2,500.

The Clerk stated the motion.

Upon roll-call the motion carried unanimously.

Nevada Northern Railway Company

Governor Oddie—The next is the Nevada Northern, the Nevada Northern Railway Company.

Mr. Miles—Mr. Chairman and gentlemen of the board, I have talked with several members of this board regarding the Nevada Northern Railroad, and some of them seem to be satisfied with the valuation that was placed on the road last year, $10,000 a mile, and I would like for each of the members who feel interested in it—we all certainly are more or less interested in it—to go into the matter as far as they can and for any other person who feels interested in the taxation of that line, to express themselves here. I would also like to have the Chairman of this board, if the board sees fit to make any material raise on the line, to notify Mr. Cannon, who is superintendent of the line. He asked me to do so. He stated he could not be present at the present time. He asked me to notify him if there was any material raise on the road.

Governor Oddie—Is there any one representing the road here?

Mr. Miles—No one that I know of.

Governor Oddie—Well, then, I would suggest that we hear from Mr. Shaughnessy on this question.

Mr. Shaughnessy—On the basis of the reports rendered the Commission by the Nevada Northern Railway they are operating a mileage of 165. The cost of the road per mile is $16,869. This property, however, if the 4 per cent basis were applied, would bring a very much higher valuation than that; the property could be assessed on that basis at $18,150 per mile. The road is in a very prosperous condition, and they show for the year ending June 30, 1910, net earnings of $930,000. That is 7 per cent on $13,000,000 or an average value per mile of $78,800, or, taking 45 per cent of that, it would be $35,460. This property is in a very prosperous condition and the assessment on it I should say could very properly be raised to $12,500 per mile.

Mr. Ingalls—Mr. Chairman and brother Assessors, I consider this Nevada Northern according to their report as not assessed as high in proportion as other roads in the State of Nevada. I think the valuation should be raised. That is what we are here for, to equalize as near as we can and be just and fair with all, and to do so this road is not in proportion to the balance of the roads. I do not know the conditions out there, but from the showing the valuation ought to be raised.

Mr. Malley—Mr. Chairman, as Mr. Shaughnessy has stated, the net operating revenue of that road is $930,000 and that is assessed the same as the Tonopah and Goldfield Railroad at $10,000 and the net operating revenue of the Tonopah and Goldfield is only $204,000. They are not on the same basis at all. It is giving the Tonopah and Goldfield the worst of it or giving the other road the best of it.

Mr. Weathers—Mr. Chairman, I feel a good deal as Mr. Miles does about that road, that it was Mr. Cannon's request that he would like to appear before the board if a raise were made.

Governor Oddie—How long would it take Mr. Cannon to come?

Mr. Miles—He could not be here before Saturday morning.

Governor Oddie—We would be holding this board over too long. This is Thursday and tomorrow will be Friday.

Mr. Whitehead—Mr. Chairman, in view of the facts as given us by the Commission and also as the representative of that road knew the board was to meet, and the fact that they are doing very well, and the fact they spoke to Mr. Miles about it, they anticipated it, and in view of these conditions, I cannot see why we cannot proceed, and I therefore make a motion that we assess the Nevada Northern Railway Company at $12,500 per mile.

Motion seconded by Mr. Lemaire.

Mr. Whitehead—Main line?

Governor Oddie—Unless that is put in the form of a motion, Mr. Miles, to defer the matter, I don't see how the board can defer so long,

because it is a long ways from Ely and he probably could not be here until after the board had adjourned. I will ask the Clerk to state the motion.

The Clerk—On the motion of Mr. Whitehead, that the main line of the Nevada Northern Railway Company be assessed at $12,500 per mile.

Mr. Miles—Mr. Chairman, before that motion is put, I would like to go over the thing a little bit.

Governor Oddie—The question is open to discussion now, Mr. Miles. The board will be glad to hear from you.

Mr. Miles—Would you allow us a recess for ten minutes.

Governor Oddie—Is that agreeable to the board?

Mr. Miles—I move we have a recess for ten minutes.

Motion seconded by Mr. Weathers.

Accordingly at 2:20 p. m. the board took a recess for ten minutes.

The board resumed its session after recess, at 3:35 p. m.

Board called to order by Governor Oddie as Chairman. Upon roll-call all members of the State Board of Revenue and State Board of Assessors answered to their names.

Governor Oddie—Mr. Whitehead asks permission to restate the motion.

Mr. Whitehead—Mr. Chairman, with the consent of my second, I move to reconsider the motion and change it in some respects.

Mr. Lemaire—I consent.

Mr. Whitehead—I will move that the Nevada Northern Railway Company be assessed at $14,000 per mile on its main line and to include the branch line on which the ore trains are run from the switch east of East Ely to the concentrating plant of the Steptoe Valley Smelting and Mining Company at the same valuation of $14,000 per mile.

Motion seconded by Mr. Lemaire.

The Clerk stated the motion upon request of the Chairman.

Mr. Weathers—Mr. Chairman, I move that we delay action upon that and adjourn until tomorrow at 11 o'clock.

Mr. Ingalls—Mr. Chairman, before we adjourn, I would like to hear from the Attorney-General on this proposition of this road as compared with the others; that is, if the board sees fit to hear an explanation.

Governor Oddie—Well, a motion to adjourn is before the board.

Mr. Miles—I want to second Mr. Weathers' motion, and before you put the question——

Governor Oddie—Then we will ask the Attorney-General to give his views on it.

Attorney-General Baker—Well, may it please the body, this is not a matter which I am here for. I am here to assist in whatever humble way I can as far as legal advice may be concerned, but as to any advice as to what valuation should be placed upon the different railroads and sidetracks in the State, it is not a matter of my special concern, and

therefore I would hesitate somewhat at expressing any view towards the valuation which this body should place upon these various roads. However, there was one point which was called to my attention which might be well for your consideration, and in discussing this matter I want to be understood as expressing no opinion as to what the valuation should be. That is a matter with this board and you are more qualified than I am. But there is one question which I take it might be well to consider in regard to placing this valuation and that is this: The Constitution of this State provides that there shall be a just valuation and a uniform valuation placed upon the different railroads and other properties which are assessed in the State. That uniform valuation in the Constitution, if it means anything, means that it shall be as nearly alike as possible, all conditions taken into consideration. Now, if from a consideration of the figures that you have as to the earnings of one railroad you arrive at a conclusion as to what the valuation should be with reference to that railroad, and if, regarding another railroad you have other figures submitted to you which are greater and you do not make a proportional levy according to those figures which you have in comparison and fairness to the other roads, there might be a question arise as to whether a uniform valuation was placed on the railroads by this body, and that question might be one of contention and might be properly raised in a court. I do not say that it will. But it is just that legal question placed up to me, and I do not want to be construed as saying that the valuation shall be placed on this or any other road. But as to making your valuation with reference to one road and then arriving as to what a valuation should be on another road, and you do not arrive at the same end, the question is whether you are making a uniform valuation.

Mr. Burke—Mr. Chairman, with your consent and the members, I would like to be heard informally and would ask that the reporter not take this down. It goes to a personal question. I am desirous of getting away tonight——

Mr. Randall—It is my judgment, Mr. Burke, that the assessing of rolling stock should be left to the Assessors.

Mr. McTerney—Mr. Chairman, I move that we change the order of business and take up that matter now.

Governor Oddie—There is a motion before the board to adjourn.

Mr. McTerney—I would ask Mr. Weathers to withdraw his motion for a few moments.

Mr. Weathers—I withdraw.

The second to the motion consented to the withdrawal.

Governor Oddie—There is a motion before the board to suspend the regular order of business and take up the question of rolling stock.

Motion seconded by Mr. Weathers.

Mr. Weathers—I move, Mr. Chairman, that the assessing of rolling stock be left to the various Assessors of the county.

Governor Oddie—In the first place this other motion has not been acted on. If there is no objection, I will make it a yea and nay vote.

The question was put, and the motion carried.

Mr. Weathers—I move that the assessing of rolling stock of all railroads be left to the Assessors of the various counties of the State.

Motion seconded by Mr. McTerney.

The Clerk stated the motion.

Upon roll-call the motion carried unanimously.

Nevada Northern Railroad

Mr. Malley—Mr. Chairman, the same rule may apply to other representatives of the various roads, especially to the Las Vegas and Tonopah and Tonopah and Tidewater. The representatives of these roads wish to leave this evening, if they possibly can, and I think it would be well to take up these roads. If Mr. Miles does not wish to take up his road, if he wishes to inform the representative of his road, we can let that go until tomorrow and take up those I have mentioned.

Governor Oddie—Gentlemen, I would like to make a statement regarding the Nevada Northern. Is it supposed that we will be through here tomorrow night; is that the sense of the meeting? In that event it will be impossible for the representative of that road to get here tomorrow.

Mr. Miles—Mr. Chairman, if we do not get on the Nevada Northern tomorrow, we might in the morning postpone action on that road and possibly we will run over until Saturday morning. If such be the case, the representative could be here. If we finish tomorrow we could take up the Nevada Northern later on, any time the board chooses to do so.

Governor Oddie—I would state that the representative had notice that the board would be in session this week, and it seems to me he should have made a special effort to be here.

Mr. Miles—He knows the board is in session; there is no question about that.

Governor Oddie—It seems to me rather unreasonable to ask the board to wait so long.

Mr. Malley—Mr. Chairman, I move we postpone action on the Nevada Northern until tomorrow and proceed to the next order of business.

Motion seconded by Mr. Whitehead.

The question was put, and the motion carried.

San Pedro, Los Angeles and Salt Lake Railroad

Governor Oddie—The next order of business is No. 7, San Pedro, Los Angeles and Salt Lake Railroad.

Mr. Whitehead—Mr. Chairman, I move that we assess the main line of the San Pedro, Los Angeles and Salt Lake Railroad Company at $9,000 per mile in the State of Nevada.

Motion seconded by Mr. Norris.

Governor Oddie—Are there any remarks on this, gentlemen? The representative of that road is here; Mr. Whittemore is the representative.

Mr. C. C. Whittemore—I am not representing directly the San Pedro, Los Angeles and Salt Lake Railroad, but the interests I represent here are identified with it. I understand, however, that the assessment fixed is satisfactory to Mr. Walters, who is the tax agent of that company.

Governor Oddie—Gentlemen, I suggest that we call on the Railroad Commissioner, Mr. Shaughnessy.

Mr. Shaughnessy—The San Pedro road has suffered a severe loss, in a calamity, down there. I guess about eighty miles of their road was destroyed last year, and they have been under a very heavy expense reconstructing the line. The assessment formerly was $9,000 per mile, and was reduced last year to $5,000 because of the calamity they met with. The company, however, although they were washed out for several months during the past year, made a fair operating revenue and a fair net revenue. They made in gross revenues $6,092,822 and had left a net revenue of $786,927. I understand the San Pedro reconstructed their line through the Meadow Valley Wash and in addition thereto they are reconstructing a new high line at considerable expense, but the Nevada mileage, the 210 miles through Nevada, it seems to me ought from this time on to be equally as valuable for the purposes of taxation as the Tonopah and Goldfield. I think it would be no more than fair to assess the San Pedro main line of 210 miles at $10,000 per mile and make the valuation somewhat uniform. That 210 miles will earn more than the Tonopah and Goldfield will from this time on. I don't think it would be unfair to make that valuation $10,000. The average taxation of the San Pedro in California totals $215; in Utah $250 per mile.

Mr. Whitehead—Mr. Chairman, I would like to state that I have information from the County Assessor in Iron County, the county that adjoins our State, that they assessed $8,000 per mile on the San Pedro road and also to call attention to the fact that this net revenue includes the total road, which is over 1,000 miles, and another fact is also that last year while the members of this board in considering that road tried to give them a reduction that would mean something to them, which in reality meant practically nothing, for the simple reason that the rate in our county was raised to 60 cents, and as I say I believe the board tried to give them some benefit when they had that washout, but in reality they did not give them the benefit they thought they were, because the actual taxes in Lincoln and our county was only a little over $2,000, and they are still under construction, and the high line is nothing like completed, and you will remember that road was washed out a year ago, and it may be gone now with this storm, and I am figuring on a basis of fairness. At the same time I think, with this $9,000 valuation and other valuations

we place on rolling stock, will bring them up to a fair valuation in our county.

Mr. Whittemore—Mr. Chairman, I would like to add in addition to what was said that the gentleman is correct in the basis of valuation in the adjoining county in Utah and also call attention of the members of the board that the 210 miles of the San Pedro through this State has only three stations where any business is done practically, Caliente and Las Vegas. In California this line is dotted with thriving places and towns from which there is a great deal of business. In Utah it is practically the same. Unfortunately for us the line through Nevada is you might say, a bridge with practically no local business, and, as stated by Mr. Whitehead, the showing of the net earnings of that road is for the entire 1,000 miles of line, and I might say conservatively that of that revenue not 5 per cent would be earnings on business in the State of Nevada, at least not over 10 per cent of it would be on business that we take in the State of Nevada or take out of the State of Nevada, so that I feel that the assessment of $9,000 per mile would be fair and reasonable under the circumstances.

Mr. Shaughnessy—Mr. Whittemore's statement of the earnings of the system, as a whole, is correct, and in reference to the assessed valuation I wish it to be understood that the figures I gave for California, $15,000, and Utah, $12,000, are the valuation on a pro rata mileage basis. The county adjoining Lincoln may, perhaps, be $8,000 per mile, or whatever it is, but that is what your tax figured out in Utah on a mileage basis.

Mr. Whittemore—I might explain to the board in reference to that. In Utah, where they have a State Board of Equalization comprised of gentlemen who devote their entire time to railroad assessment of public utilities and corporations, the assessment of the San Pedro road is graded in the various counties. You take Salt Lake County, and the assessment is higher because the business done in that county is greater. You take the counties as they extend on down through the State, and the assessment is gradually decreased until Iron county is reached, which is the last county in the State adjoining the State of Nevada, and in which the conditions are practically the same as they are in Lincoln County; the assessment there is $8,500 per mile, so that in fixing this assessment at $9,000 it is a little higher than the same road under the same conditions is assessed in Utah.

Governor Oddie—Any further discussion on this, gentlemen?

Mr. Whitehead—Mr. Chairman, I would like to state that before I left home I anticipated something and I telegraphed to the Assessor of Iron County, and that is where I got my information that they assessed it at $8,000 per mile.

The question called for.

Upon roll-call the motion carried unanimously, assessing the main line of the San Pedro, Los Angeles and Salt Lake Railroad at $9,000 per mile.

San Pedro, Los Angeles and Salt Lake Sidetracks

Governor Oddie—The next question is the sidetracks.

Mr. McTerney—Mr. Chairman, I move we adjourn until 11 o'clock tomorrow morning.

Governor Oddie—Well, the sidetracks might be assessed.

Mr. Norris—Mr. Chairman, I move that the sidetracks be assessed at $1,800 per mile on the San Pedro, Los Angeles and Salt Lake Railroad.

Motion seconded by Mr. Malley.

Governor Oddie—You have heard the motion, gentlemen. Are there any remarks? This is the same rate as last year.

Mr. Miles—Mr. Chairman, it looks to me as though that is a little out of proportion to other sidetracks. The San Pedro road is quite an extensive road and we have several here assessed at $2,500, some $2,800 and up to $6,000. That is a little low, is it not?

Mr. Lemaire—Mr. Chairman, I make an amendment to the motion placing the valuation at $2,000 on the sidetracks, the San Pedro, Los Angeles and Salt Lake Railroad.

Motion seconded by Mr. Sitton.

Upon roll-call the motion carried unanimously.

Governor Oddie—The amendment has carried. The question is on the original motion. I will ask the Clerk to state the original motion.

The Clerk stated the original motion as amended, that the sidetracks of the San Pedro, Los Angeles and Salt Lake Railroad be assessed at $2,000 per mile.

Upon roll-call the motion carried unanimously.

Governor Oddie—Before the motion to adjourn is made, I would like to ask Mr. Whittemore if he represents any of these roads.

Mr. Whittemore—The Las Vegas and Tonopah. I have some very important business tomorrow in San Francisco, and it would be a great accommodation to me if you could take up and dispose of the assessment of the Las Vegas and Tonopah.

Governor Oddie—What is the pleasure of the board.

Mr. Randall—I move, Mr. Chairman, that we listen to him.

Motion seconded by Mr. Malley and carried.

Las Vegas and Tonopah Railroad

Mr. Whittemore—I shall be very brief, gentlemen. The Las Vegas and Tonopah is a line extending from Las Vegas, in Clark County, through Nye County and into Esmeralda County, to Goldfield. It is 195 miles, completed in 1907. The decrease in business of that country from that time on has been such that the road has been operated almost continuously at a loss. The statements of our receipts and expenditures

are a matter of record with the Board of Railroad Commissioners, and they show each year an operating loss until in the year 1910 we show a loss in operating expenses of something over $42,000, without taxes. Including taxes, our losses were $70,000, and with the interest charges on the road it is over $83,000. The road extends through almost entirely unsettled country. There are only three or four stations. The first is Amargosa, from which there is practically no business. The next is the town of Beatty, which is substantially deserted, and the next is the town of Rhyolite where there is practically no business, and then into Goldfield. You all know more or less of the conditions of that part of the country. Each year the owners of this road have continued its operation, even at a loss, with the hope that conditions might improve, that we might have some more big strikes that brought Goldfield and Tonopah into prominence, but our case looks almost hopeless now. We have borne our share of the taxes of the State uncomplainingly, in fact, compared with the other roads, I believe the Las Vegas and Tonopah has paid the highest proportion of taxes of any other road in Nevada. On the basis of our gross earnings last year the taxes that we paid would amount to 18 per cent. Of course we have no net earnings, so I cannot make any calculation on that.

We now ask you in fixing the valuation to fix it on the basis it was laid down by the Supreme Court of this State in the case of the *State of Nevada* v. *The Central Pacific Railroad Company*, decided by Judge Beatty in 1875, and which has been followed since and which is to the effect that where a road does not earn its operating expenses and the conditions of the country are such that it is not expected to, that its value for the purposes of assessment and taxation is the value of the material in the road, the movable material less the expense of taking the road up and taking it to market. We have prepared and have submitted to Mr. Shaughnessy of the Railroad Commission a statement showing just what the value of the materials in this road would be, and he can give you the information as to whether they are substantially correct. Upon that basis the value of material in our road would be $2,880 per mile. We have taken it up and discussed this question with the representatives of the three counties through which our road extends and have stated to them that we are willing to accept an assessment of $3,000 per mile on our main line of road, which would make our total assessment in the neighborhood of $600,000, and Mr. Shaughnessy can explain to you whether, under the circumstances, such a valuation in his opinion would be fair and reasonable. We are not coming here, gentlemen, shedding any tears, or asking sympathy; we simply want an assessment based on what the law prescribes should be the basis upon the conditions under which we are operating. I thank you very much.

Mr. Ingalls—Mr. Chairman, in view of the fact that we have quite thoroughly investigated the condition of the Las Vegas and Tonopah as stated by the gentleman, I move that we place the assessed valuation of the Las Vegas and Tonopah Railroad at $3,000 per mile, main line.

Motion seconded by Mr. Malley.

Governor Oddie—I suggest that we might hear from Mr. Shaughnessy on this, now the motion has been made, if he has any remarks.

Mr. Shaughnessy—I think what Mr. Whittemore has said to the board is substantially correct. The railroad has been operating at a loss for the past two years and during the year ending June 30, 1910, they had a deficit of $43,000 in operating expenses or net earnings. The statement made by Mr. Whittemore that they have paid a substantial portion of the taxes in the southern country is also correct. It may be noted that the taxes paid by this company in actual money was $30,529, with a loss in revenue of $43,000, while upon the other hand the Tonopah and Goldfield, with net revenue of $204,000, only paid in taxes $36,969, so that it is evident that the Las Vegas and Tonopah has been bearing more than their share of the burden of taxation in southern Nevada. Mr. Whittemore's figures in regard to the invoice value of the materials in case the railroad was taken up and sold as second-hand material are substantially correct. I think it would be no more than fair to assess them at a valuation of $3,000 per mile.

The same statement may be made also in reference to the Bullfrog and Goldfield. They have run behind the past year, and there don't seem to be any hope for them in a business way; about the only hope they have is to construct to some other point out of Goldfield if they intend to continue operations in that country. I think they should be given the benefit of reduced taxation because the service is of great benefit to the entire State of Nevada and especially to all of southern Nevada.

Mr. Malley—I will state that I don't believe the road will ever amount to anything until they come to Tonopah.

Governor Oddie—I will ask the Clerk to state the motion.

The clerk stated the motion, that the main line of the Las Vegas and Tonopah Railroad be assessed at a valuation of $3,000 per mile.

Mr. Leonard—Mr. Chairman, it strikes me that we are a little out of order here.

Mr. Whitehead—It was moved to take it up out of order.

Governor Oddie—Are there any further remarks on this? Are you ready for the question?

Question called for.

Governor Oddie—Just a minute, I would like to look that up in the minutes. That road was mentioned in the motion.

Upon roll-call the motion was carried unanimously.

Las Vegas and Tonopah Railroad Sidetracks

Governor Oddie—The next question is the sidetracks of the Las Vegas and Tonopah. I will state that they were $1,500 last year.

Mr. Malley—I move that we place a valuation of $1,000 per mile on the sidetracks of the Las Vegas and Tonopah Railroad in the State of Nevada.

Motion seconded by Mr. Ingalls.

Upon roll-call the motion carried unanimously.

Governor Oddie—Now, what other line was it that you represent, Mr. Whittemore?

Mr. Whittemore—That is all.

Mr. Regan—Mr. Chairman, I move an adjournment until 11 a. m. tomorrow.

Governor Oddie—Is there any second?

Mr. Malley—Mr. Chairman, Mr. Keith represents the Tonopah and Tidewater.

Governor Oddie—If it is the pleasure of the board, I will ask Mr. Keith to make some remarks.

Bullfrog and Goldfield and Tonopah and Tidewater Railroads

Mr. W. W. Keith—It would hardly warrant my taking up any time of the board in making any remarks because the condition of our lines in the south are practically on a parity. The Bullfrog and Goldfield is also running behind as will be seen from the reports. Its net operating revenues are less than its expenses and as a consequence we base our contention on the same thing, asking for the indulgence of this board to place a valuation at not over $3,000 per mile.

With regard to the Tonopah and Tidewater, we have some twenty-eight and a fraction miles in the State. In the case of that road there is a small net operating revenue shown, I think some one hundred and forty-odd thousand dollars, but the main source of the revenue is from the Tonopah and Tidewater Railroad, which is the borax line in California, so that when you come to figure the actual earning value of the twenty-eight miles in the State of Nevada it has to rely on the same source as does the eighty-three miles of the Bullfrog road, which is operated by the same company. However, there has been a difference in previous years as to the assessment on the Tonopah and Tidewater. I am simply basing my contentions on the Bullfrog and Goldfield Railroad, and ask the board to place the assessment on the face of the Supreme Court decision at not over $3,000 per mile.

Governor Oddie—I will ask Mr. Shaughnessy to say something.

Mr. Shaughnessy—Mr. Keith's statement is correct. That line is in practically the same position as the Las Vegas and Tonopah and until that line can extend out of Goldfield to some other point at considerable distance, or unless there should happen to be another boom in Southern

Nevada, there does not seem to be any hope for increased earnings, and I think they are reasonably entitled to the same assessment as was given to the Las Vegas and Tonopah; that is, with respect to the Bullfrog and Goldfield Railroad running from Goldfield to Rhyolite. With reference to the Tonopah and Tidewater, there might be some increase on that. I think Mr. Keith is agreeable to some increase being made on the Tonopah and Tidewater. So far as the Bullfrog and Goldfield is concerned, it should be assessed at the same figure as the Las Vegas and Tonopah.

Mr. Ingalls—Mr. Chairman, I move we change the order of business and take up the Bullfrog and Goldfield and the Tonopah and Tidewater.

Governor Oddie—To include both these roads. Then we will take up the Tonopah and Tidewater first.

Tonopah and Tidewater Railroad

Mr. Malley—Mr. Chairman, owing to the facts and figures received from Mr. Shaughnessy of the Railroad Commission, which correspond with the figures presented by the representative of the Tonopah and Tidewater, that they are running further behind each year, their deficit is getting greater; the Tonopah and Tidewater had a deficit of $44,000 last year, I think; that is including the interest; Mr. Keith, is that correct?

Mr. Keith—The actual deficit, including interest, the debit balance to profit and loss was $59,833.30.

Mr. Malley—We don't wish to tax these people out of existence entirely, and that is the reason we ask for a reduction of valuation. It was suggested by the Board of County Commissioners of our county that we should be lenient towards those companies running into Goldfield, and on those grounds I move we place a valuation of $4,000 per mile on the Tonopah and Tidewater in the State of Nevada.

Motion seconded by Mr. Whitehead.

Upon roll-call the motion was carried unanimously.

Tonopah and Tidewater Railroad Sidetracks

Governor Oddie—The question is now on the sidetracks of the same.

Mr. Malley—Mr. Chairman, I move we place a valuation of $2,000 per mile on the sidetracks of the Tonopah and Tidewater Railroad.

Motion seconded by Mr. Lemaire.

Mr. Keith—Mr. Chairman, in connection with that I call attention to the fact that last year the sidetracks were assessed at $1,500 only.

Mr. Malley—$2,200.

Mr. Keith—Was it $2,200?

Mr. Shaughnessy—Yes, the Tonopah and Tidewater was assessed at $2,200 for sidetracks last year.

Governor Oddie—Gentlemen, you have heard the motion. Are there any remarks. Are you ready for the question?

Question called for.

Mr. Ingalls—Mr. Chairman, I think this is out of proportion to the way we are assessing other roads for the sidetracks. Assessing the road at $4,000 I think we should place the valuation of the sidetracks at about $1,500. We are getting out of proportion. I will amend this motion to assess the sidetracks at $1,500.

Governor Oddie—The motion has been put, but with the consent of the mover——

Mr. Malley—With the consent of my second, I will make that the original motion.

Governor Oddie—Then the original motion is, with the consent of the second, that the assessed valuation be placed at $1,500 for the sidetracks of the Tonopah and Tidewater Railroad.

Upon roll-call the motion was carried unanimously.

Governor Oddie—Gentlemen, are you willing to take up the Bullfrog and Goldfield now?

Bullfrog and Goldfield Railroad

Mr. Ingalls—Mr. Chairman, I move we take up the Bullfrog and Goldfield now.

Governor Oddie—Out of order? If that is agreeable to the board, we will suspend the regular order and take that up.

Mr. Ingalls—I move the Bullfrog and Goldfield Railroad main track be assessed at $3,000 per mile.

Motion seconded by Mr. Lemaire.

Mr. Miles—Mr. Chairman, is this the Tonopah and Goldfield or the Bullfrog and Goldfield?

Governor Oddie—This is the Bullfrog and Goldfield.

Upon roll-call the motion carried unanimously.

Bullfrog and Goldfield Railroad Sidetracks

Governor Oddie—The question now is on the sidetracks of the same.

Mr. Ingalls—I make a motion we assess the sidetracks at $1,000 per mile.

Motion seconded by Mr. Malley.

Upon roll-call the motion carried unanimously.

Mr. Lemaire—Mr. Chairman, I move we have a recess until tomorrow morning at 11 o'clock.

Motion seconded and carried.

Accordingly the board took a recess until 11 a. m., January 13, 1911.

FIFTH DAY

The board resumed its session at 11 a. m., January 13, 1911.

Upon roll-call all members of the State Board of Revenue and State Board of Assessors answered present.

Governor Oddie—I will ask the Clerk to state the unfinished business.

Nevada Northern Railroad

The Clerk—On the motion of Mr. Whitehead, that the Nevada Northern Railway Company be assessed at $14,000 per mile on its main line and to include the branch line on which its ore trains run from the switch east of East Ely to the concentrating plant of the Steptoe Valley Smelting and Mining Company, at the same valuation of $14,000 per mile.

Governor Oddie—Gentlemen, I would suggest that, if it is your pleasure, this matter can be placed at the bottom of the file and we can proceed with other matters first, if you care to have it that way.

Mr. Miles—I would like to have it that way.

Governor Oddie—Do you care to make that motion?

Mr. Miles—I move that it be placed at the bottom of the file.

Motion seconded and carried.

Gardnerville Railroad

Governor Oddie—The next matter is No. 11, Gardnerville Railroad.

Mr. Arrild—Mr. Chairman, I would like to hear from our Railroad Commissioner in regard to the Gardnerville Railroad.

Governor Oddie—Mr. Shaughnessy, will you tell the board about the Gardnerville Railroad, give them what information you can? What is the correct title of the road?

Mr. Shaughnessy—Minden branch of the Virginia and Truckee Railway, but we don't have separate reports for that branch. It is reported for the system as a whole. We have some data here on the Virginia and Truckee proper.

Mr. Regan—I would suggest, Mr. Chairman, that Mr. Murphy will be here in a few minutes. We could hear from Mr. Shaughnessy now.

Governor Oddie—In the meantime, Mr. Regan, the Nevada, California and Oregon comes after the Gardnerville, and then if we take up the Virginia and Truckee and the Gardnerville Railroad together, would not that be better?

Mr. Regan—Yes.

Governor Oddie—With the sanction of the board we will take up the Nevada, California and Oregon at this time.

Nevada, California and Oregon Railway

Mr. Hayes—Mr. Chairman, I think my county is the only one through which the Nevada, California and Oregon runs. I talked with Mr. Shaughnessy about that and we came to the conclusion that the present valuation of $2,500 per mile would be about right on that road. They are improving and building, but they have not completed the road yet, so we concluded to let it stand; that is, if there are no objections to it.

Governor Oddie—Do you make that in the form of a motion?

Mr. Hayes—I make that as a motion.

Motion seconded by Mr. Lemaire.

Governor Oddie—The main line?

Mr. Hayes—Main line; it is a narrow-gage.

Mr. Shaughnessy—The Nevada, California and Oregon is a little narrow-gage operating out of Reno. They only operate about 28 miles in this State and their business is light. As Mr. Hayes says, they are making arrangements, and have been, so far as that is concerned, to extend their line as rapidly as they can northward into California and Oregon, and such earnings as they have been able to make they have been putting into property and improving the property in trying to make it as valuable as possible for service to the people and also to the company. I think that the valuation that Mr. Hayes suggests is a fair one in view of the circumstances.

Governor Oddie—Gentlemen, you have heard the motion. Are there any remarks?

Mr. Ingalls—Mr. Chairman, I would like to inquire how many miles of road there are of this Nevada, California and Oregon.

Mr. Shaughnessy—184.1; 28 miles in the State of Nevada, Mr. Ingalls.

Mr. Ingalls—This report is on the whole line?

Mr. Shaughnessy—Yes, I will say there is no station other than Reno in the State of Nevada and they do not take up or lay down a pound of freight in the State of Nevada. What goes through they ship from Reno to Oregon and California points. The system as a whole is doing pretty well. I will say that the gross earnings of the Nevada, California and Oregon for the year ending June 30, 1910, are $437,000; and net operating revenue $229,000. There is very little of that, practically none of that, made in Nevada. It is all made in California and Oregon, and, as I said before they are putting back every cent they are earning extending the property northward.

Upon roll-call the motion was carried unanimously.

Nevada California and Oregon Railway Sidetracks

Governor Oddie—The next is on the sidetracks of same.

Mr. Hayes—Mr. Chairman, I move that they be assessed at $1,000 per mile, the same as last year.

Motion seconded by Mr. Weathers.

Governor Oddie—Are there any remarks? Is there any information you can give us on that, Mr. Shaughnessy?

Mr. Shaughnessy—The sidetracks were assessed at $1,000 last year. I think that would be a fair assessment for narrow-gage sidetracks.

Upon roll-call the motion carried unanimously.

Eureka and Palisade Railroad

Governor Oddie—With the permission of the board, we will take up the Eureka and Palisade Railroad out of order next.

Mr. McTerney—Mr. Chairman, I believe the Attorney-General has a communication regarding this road. They are liable to start building at most any time. The road is out of commission. I move that it be left to the Assessor.

Motion seconded by Mr. Weathers.

Governor Oddie—Is that the main line and sidetracks?

Mr. McTerney—Yes.

Governor Oddie—I will ask the Attorney-General to read the communication.

Attorney-General Baker—This is a communication sent to the Clerk of the board. I will read it.

PETITION

To the Honorable the Board of County Assessors of the State of Nevada:

The petition of George W. Heintz respectfully represents:

That on the 29th day of November, 1910, your petitioner, at the foreclosure sale in the suit of the *National Bank of D. O. Mills and Company* v. *Eureka and Palisade Railway Company, et al.*, pending in the United States Circuit Court for the District of Nevada, purchased at public sale, for the sum of seventy-seven thousand five hundred and ninety-eight and forty-one one-hundredths dollars ($77,598.41) all of the property of the Eureka and Palisade Railway; that the said property of the said railway was assessed for the purposes of taxation for the year 1910 to 1911 in the sum of one hundred and seventy-nine thousand one hundred and seventy-two dollars ($179,172);

That during the month of January, 1910, a considerable portion of the roadbed of the said railway and several of its bridges were washed out by storms and freshets of unusual violence, and that since the month of January, 1910, the said railway has been out of commission and has not been operated; that the washing out of the said railway has destroyed considerable portions thereof and has materially impaired the value thereof;

That the said sum of seventy-seven thousand five hundred and ninety-eight and forty-one one-hundredths dollars ($77,598.41), bid by your petitioner for the said road, covered the amount of the judgment secured by the National Bank of D. O. Mills and Company in said foreclosure suit and also the amount of the judgment of the Richmond-Eureka Mining Company against said railway company, together with the expenses and costs of suit; that the said sum was bid by your petitioner to cover the said judgments and expenses and costs of suit and is far in excess of the real value of all of the property of the said railroad; that the National Bank of D. O. Mills and Company at said sale bid the sum of fifty-two thousand three hundred and four and thirty-three one-hundredths dollars

($52,304.33) for said road, to cover the amount of its judgment against said road; that other than said National Bank of D. O. Mills and Company and your petitioner there were no other bids or bidders for said railroad;

That your petitioner, as purchaser of said property, has been obliged to pay the first installment of the taxes on said road for the year 1910 to 1911, amounting to the sum of eighteen hundred and eighty-nine and seventy-eight one-hundredths dollars ($1,889.78), and that your petitioner will be obliged to pay the same sum as and for the second installment of the taxes on the property of the said railroad;

That no income whatever can be derived from said railroad until it is reconstructed and rehabilitated and that the cost of reconstruction and rehabilitation of said railroad will amount to a large sum of money; that the cash value of all of the property of the said railroad in its present condition is only nominal:

Wherefore, your petitioner respectfully prays that your honorable board, in fixing a valuation on the property of the said railroad, for purposes of assessment and taxation for the year 1911 to 1912, will take into consideration the fact that the said property of said railroad in its present condition has a nominal value only.

And your petitioner will ever pray.

GEORGE W. HEINTZ.
By ALFRED SUTRO,
His Attorney.

Dated January 6, 1911.

Perhaps this should be filed with the Clerk.

Governor Oddie—It is so ordered that it be filed.

Upon roll-call the motion carried unanimously.

Gardnerville Railroad

Governor Oddie—Gentlemen, with your permission, we will take up the Gardnerville Railroad out of order. Mr. Murphy is here now.

Mr. Regan—Mr. Chairman, Mr. Murphy is here and I would like to have the Gardnerville branch taken up now.

Governor Oddie—With the permission of the board, I will ask Mr. Murphy to address the board.

Eureka and Palisade Railroad

Attorney-General Baker—Just a minute. I would like to have it shown in the minutes, Mr. McTerney, that the peculiar condition of the road there makes it impossible for the board to levy the assessment now, so that we can show in the minutes why the board cannot assess the road.

Mr. McTerney—I will make that a part of the motion. The road has been washed out and the right of way and everything else is gone. In the meantime they contemplate rebuilding later.

Governor Oddie—With the permission of the board, the Clerk will be instructed to make the minutes read in that way, showing the reason.

Gardnerville Railroad

Governor Oddie—Now I will ask Mr. Murphy to address the board.

Mr. F. E. Murphy—Well, in this valuation it is a very hard matter to segregate the earnings of the two different branches of the road, the main line and what they call the Gardnerville branch designated here.

We call it the Minden extension, but I have bulked all our figures and we have come before the board requesting a reduction of $500 a mile on the main line which runs from Reno to Virginia City, and $250 a mile on the branch running from Carson to Minden. Last year our operating revenues were $297,000 in round numbers, but the operating expenses against that were $189,000, with a net operating revenue of $107,000. That, as you understand, is without deducting the taxes. On that basis we paid out of the net operating revenues 18 per cent in taxes; that is, $19,248. For the five months beginning in July our revenues have fallen off $6,608.76 and figuring on that basis for the balance of the year, there is no reason to believe there will be any improvement, rather there is likely to be a falling off, but on that basis it would be making our net operating revenue $91,580. On that basis we pay 21 per cent in taxes. Last year our taxes were increased $2,600.

Now the Newlands law, as I understand it, contemplated that the raise in taxes, the raise in the valuation, should be proportionate to the reduction in the tax rate. Instead of having a reduction in the tax rate, as the members of the board will admit, the railroads have gone ahead every year and the tax rate has not been reduced proportionately. Of course it has not been a general-fund tax rate, but on bonds and other extraordinary expenses they have requested this board to levy extra taxes, as in Virginia City. In that way our taxes, instead of being in accordance with the law, are being raised each succeeding year, and when you contemplate that last year we paid 21 per cent of our net operating revenues for taxes and this year it will make a much worse showing, I cannot see how the board can reasonably ask us to maintain the assessment that we have had for so many years. I think in all these figures that the Railroad Commission will bear me out. I thank you.

Governor Oddie—I will ask Mr. Shaughnessy to give us some figures on this.

Mr. Shaughnessy—The Virginia and Truckee operates a total mileage of 67.48 miles, about 17 miles of that is classified as branch, the Gardnerville branch. I do not know whether there is any substantial reason why that should be classified as branch at this time or not. There probably was a reason for it in the beginning, but at the present time I think the branch is equally as profitable as the line from here to Virginia City at the present time. I do not see any reason why the Virginia and Truckee property should not be considered as a whole and assessed as a whole.

On the basis of their earnings the property is worth at this time $1,600,000, or an average value of $23,700 per mile. Taking 45 per cent of that, the property is reasonably worth for taxes $10,675 per mile. The total cost of the road to date, that is including all expenditures, is $74,269 per mile. If you proceed upon a 4 per cent of gross

earnings basis the property is worth for the purposes of taxation $8,750 per mile. The present assessed value of the property, as assessed last year, is $8,500 on the main line and $5,750 on the branch. Now I think that the branch and the main line, the entire property, might be made the same. If it is found expedient to make a reduction of $500 per mile, it should be considered a uniform valuation over the property as a whole. The valuation of last year of $8,500 might be made $8,000 over the property as a whole instead of classifying it, or the present assessment of $8,500 will stand on the Virginia and Truckee as a reasonable assessed valuation.

Mr. Hayes—Mr. Chairman, as far as we are concerned I would like the Virginia and Truckee to be assessed regardless of that, provided you do not reduce it. We would not feel as though we should want you to reduce the Virginia and Truckee on account of the Gardnerville Railroad. We would not think that would be right.

Mr. F. E. Murphy—Mr. Chairman, with your permission and the permission of the board, I would like to say that Mr. Shaughnessy, in assuming that the Minden branch be considered a part of the main line, is not well taken. All of the business from the southern country, of course, from Minden to Reno, comes over the main line. While I cannot say right now, I should judge over 60 per cent of the traffic or the net earnings comes from the main line, and not from the Minden branch. It has now been in operation for five years, or four and one-half years. When it was put into operation we had a very fair valuation on it and it has been increased gradually each year—$250 each year. The time will come when the tax rate of the counties will be more nearly equal, and then it will be time to consider placing an equal or uniform valuation on the branch as well as on the main line.

Mr. Arrild—Mr. Chairman, I make a motion that the Gardnerville or Minden branch be assessed to the amount of $5,750 per mile, the same as it was last year.

Motion seconded by Mr. Regan.

Governor Oddie—You have heard the motion, gentlemen.

Mr. Shaughnessy—That is included in the system as a whole to us. It has just been classified for the purposes of taxation only.

The Clerk—What would be the correct title?

Mr. Shaughnessy—Do you designate that as the Minden branch?

Mr. Murphy—They designate it uniformly on the list here as the Gardnerville Railroad. It really should be the Minden Extension of the Virginia and Truckee Railway.

The Clerk read the motion, that the main line of the Minden Extension of the Virginia and Truckee Railway Company be assessed at $5,750 per mile.

Governor Oddie—You have heard the motion, gentlemen. Are there any further remarks? Are you ready for the question?

Question called for.

Upon roll-call the motion carried unanimously.

Minden Extension, Virginia and Truckee Railway, Sidetracks

Governor Oddie—The question now is on the sidetracks of the same.

Mr. Arrild—Mr. Chairman, I make a motion that the sidetracks be assessed at $1,000 per mile on the extension.

Motion seconded by Mr. Regan.

Mr. Miles—Mr. Chairman, I did not quite catch that?

Governor Oddie—Sidetracks of the Minden Extension, $1,000 per mile, the same as last year.

Upon roll-call the motion carried unanimously.

Governor Oddie—Now, with your permission, gentlemen, we will take up the Virginia and Truckee out of order.

Mr. Lemaire—Mr. Chairman, would it not be better to have the order of business read the Minden Extension of the Virginia and Truckee Railway, instead of the Gardnerville Railroad?

Governor Oddie—Yes, with the permission of the board, if you will move to amend the order of business.

Mr. Lemaire—I move to amend the order of business, No. 11, Railroads, Gardnerville Railroad, to read the Minden Extension of the Virginia and Truckee Railway.

Motion seconded by Mr. Randall.

Mr. Lemaire—That really should have been done before the other motion was put.

Governor Oddie—Yes, but in the motion it was called the Minden Extension.

The question was put, and the motion carried.

Virginia and Truckee Railway Company

Governor Oddie—Now, with your permission, we will take up the Virginia and Truckee out of order.

Mr. Regan—Mr. Chairman, I move we assess the Virginia and Truckee Railway, main line, at $8,500 per mile.

Motion seconded by Mr. Randall.

Upon roll-call the motion carried unanimously.

Virginia and Truckee Railway Sidetracks

Governor Oddie—The next question is the sidetracks of the same.

Mr. Regan—Mr. Chairman, I move we assess the sidetracks of the Virginia and Truckee Railway at $2,500 per mile.

Motion seconded by Mr. Randall.

Upon roll-call the motion carried unanimously.

Nevada Central Railroad

Governor Oddie—The next is No. 15, Nevada Central.

Mr. Lemaire—Mr. Chairman and members of the board, I will state that in 1909 the Nevada Central Railroad was assessed at $1,300 per mile on the main line, the sidetracks at $500 per mile. In 1910, the spring of 1910, owing to the washouts, the same as on the Eureka and Palisade, they put in the valuation on the main line at $1,200 per mile, on the sidetracks $250 per mile, and owing to the fact that this board made a valuation of $1,350 per mile on the main line and $500 on the sidetracks, I had to raise to conform to those figures. Now for the fiscal year ending June 30, 1910, the gross earnings from every source of this road was $60,096.43. The operating expenses and taxes were $63,742.69, which made a loss of $3,640.23. The cost of washouts and repairs, not including the above expenses, $24,568.58, a total loss for the year of $28,214.84. These expenses do not include any interest on bonds or any figures outside of actual labor supplies and office expenses, and I believe Mr. Shaughnessy has all these figures with him. So I make a motion placing a valuation of $1,250 on the main line. Shall I include it all in one motion?

Governor Oddie—You might as well.

Mr. Lemaire—And a valuation of $500 per mile on sidetracks.

Motion seconded by Mr. Weathers.

Governor Oddie—I will ask Mr. Shaughnessy to say something.

Mr. Lemaire—I made a mistake in the valuation of sidetracks. It should be $300. I thought it was $500 last year.

Mr. Shaughnessy—The statement made by Mr. Lemaire regarding the conditions over the Nevada Central are correct. They suffered a severe washout last spring which destroyed some forty miles of their track and roadbed which had to be reconstructed at much expense. I think the assessment as made by Mr. Lemaire is entirely fair under the circumstances and that perhaps next year, in view of the fact that the mining industry is picking up around Austin, the property will be in condition whereby you can levy a substantial increase.

Mr. Whitehead—Mr. Chairman, I would like to ask the Attorney-General for information in regard to this question how this would compare on the basis of other roads that were assessed yesterday; that is, on the basis of the actual value of the material were it taken up and put on the market.

Mr. Shaughnessy—That is about the invoice value of the materials.

Attorney-General Baker—That is supposed to be the basis upon which it is figured.

Mr. Shaughnessy—The valuation placed by Mr. Lemaire on the Nevada Central, which is a narrow-gage, is substantially the invoice value of the materials if taken up and sold.

Attorney-General Baker—Is that satisfactory?

Mr. Whitehead—That is satisfactory.

Upon roll-call the motion was carried unanimously.

Silver Peak Railroad

Governor Oddie—The next is No. 16, Silver Peak Railroad. I would suggest, to save time, we include sidetracks in the original motions.

Mr. Ingalls—Mr. Chairman, the Silver Peak Railroad, which is in Esmeralda County, is a little branch line of the Tonopah and Goldfield, from Blair. I have had no communication from these people this year and know nothing about it. I see it was assessed at $1,700 per mile last year on main line and sidetracks at $400. I do not know whether to ask you to leave that to the Assessor of the county or to assess it the same as last year. I see they have a little showing of profit. I would like to hear from Mr. Shaughnessy.

Mr. Shaughnessy—With regard to the Silver Peak, the line is small and used exclusively for the benefit of the mining company. It does no commercial business to speak of. Of course, anything that shows up over there is moved, but it is handled almost exclusively by the mining company. Their net earnings were only $62,104. I think, however, it would be well for the board to place a valuation upon the property in the interest of uniformity, even though they place the same valuation which was placed last year. I think that would be a fair valuation in view of the conditions obtaining on that road.

Mr. Ingalls—Mr. Chairman, I move that the Silver Peak Railroad be assessed at $1,700 per mile on the main line and $400 on the sidetracks, the same as last year.

Motion seconded by Mr. Malley.

Upon roll-call the motion carried unanimously.

Caliente and Pioche Railroad

Governor Oddie—The next is the Caliente and Pioche.

Mr. Norris—Mr. Chairman, the Caliente and Pioche is a branch line running from Caliente to Pioche, and at the present time they are operating not over twice a week. They are doing very little business over it, and I make a motion that the main line be assessed at $2,500 per mile and the sidetracks at $800 per mile.

Motion seconded by Mr. Whitehead.

Mr. Norris—I would like to hear from Mr. Shaughnessy on that.

Mr. Shaughnessy—I think that the assessment as made by the gentlemen from Lincoln is entirely fair on the Caliente and Pioche. It is a little branch line running from Caliente from the San Pedro to Pioche. It is classified as the Caliente and Pioche at this time for assessment only, as it is a branch line. In regard to operation it is considered as a portion of the San Pedro system and is so reported to us. I understand the mining operations are very small there, and as that constitutes practi-

cally the entire business of the line and in view of the conditions I believe the assessment is fair.

The Clerk stated the motion, that the main line of the Caliente and Pioche Railroad be assessed at $2,500 per mile and the sidetracks thereof at $800 per mile.

Upon roll-call the motion carried unanimously.

Atchison, Topeka and Santa Fe Railroad

Governor Oddie—The next is the Atchison, Topeka and Santa Fé.

Mr. Whitehead—Mr. Chairman, so far as I can learn, the Atchison, Topeka and Santa Fé runs into Searchlight from the south, and Searchlight is practically dead. I have had no information from anywhere, except the Railroad Commission's office, as to whether it should be reduced or not, but in view of the fact that we have had no information, I will move that we assess the Atchison, Topeka and Santa Fé—the main line—at $2,500 per mile and the sidetracks at $800, the same as last year.

Motion seconded by Mr. Norris.

Governor Oddie—Mr. Shaughnessy, will you give us some information?

Mr. Shaughnessy—The Atchison, Topeka and Santa Fé mileage in the State of Nevada at the present time is about thirteen miles. It has been known heretofore as the Barnwell and Searchlight. It operates from Searchlight and its business is confined exclusively to mining and the business is very small as reported to the Commission; in fact, they have a deficit of about $3,000 on last year's business, and the valuation placed by Mr. Whitehead is high enough for the property.

Upon roll-call the motion carried unanimously.

Glasgow and Western Exploration Railroad and Sidetracks

Governor Oddie—The next is No. 19, the Glasgow and Western Exploration Company and sidetracks of same.

Mr. Leonard—Mr. Chairman, I move that the Glasgow and Western Exploration Company Railroad be left to the Assessor of Humboldt County. It is a non-revenue road. They do not do any business at all.

Motion seconded by Mr. Lemaire.

Governor Oddie—Mr. Shaughnessy, will you give us any information?

Mr. Shaughnessy—I think the motion made by Mr. Leonard is entirely in order, as the railroad is a private concern and it has no commercial business, and I do not know whether it is in operation at this time or not. It is only in operation portions of the year, as I understand it. Private lines of that nature are not required to make reports to the Railroad Commission, and I think the matter can very well be left in the hands of the Assessor.

The Clerk stated the motion.

Mr. Leonard—Does the motion include the sidetracks?

Governor Oddie—Yes.

Upon roll-call the motion carried unanimously.

Pioche and Pacific Transportation Railroad and Sidetracks

Governor Oddie—The next is the Pioche and Pacific Transportation Company Railroad and sidetracks.

Mr. Miles—Mr. Chairman, I move we take a recess until 2 o'clock this afternoon.

Motion seconded by Mr. Weathers.

The question was put, and the motion carried.

Accordingly the board took a recess until 2 p. m.

Afternoon Session

The board resumed its session at 2 p. m.

Upon roll-call all the members of the State Board of Revenue and State Board of Assessors answered present.

Western Union Telegraph Company

Mr. H. D. Jones—I beg the privilege of laying some data before the board on the Western Union.

Governor Oddie—There is a motion before the board. No, I beg your pardon, there is no motion. With the permission of the board we will have Mr. Jones address the meeting.

Mr. Jones—I have secured some data on this Western Union tax matter looking at the situation from three standpoints, and in going over the figures I think I have eliminated a few inaccuracies which will put a little different light on the subject.

The report by your committee shows that we have property, Western Union Telegraph Company property, in the State of Nevada valued at approximately $800,000, figured on a percentage basis of what the Nevada mileage represents to the entire mileage in the United States. This basis may be fair so far as it relates to the main line of the Southern Pacific, but the average is materially reduced when considering the nine hundred or more miles of small one and two-wire side lines.

A very careful estimate of the cost of renewing the entire system of 1,488 miles of line on the basis of carrying five wires, three iron and two copper, shows that the plant could be rebuilt for $580,000, with entirely new material, at current prices, including labor and freight, while the office equipment, batteries, etc., can be reproduced for approximately $20,000, making a total of $600,000, or $200,000 less than estimated by your committee.

On a basis of 55 per cent exemption as allowed by your committee ($330,000), leaves 45 per cent assessable, *i. e.*, $270,000, whereas we actually return by our report $253,351, a difference of $16,649, and at the average tax rate of 2 cents would indicate that an increase in our tax of about $332.98 per year would be about right.

The other point: Your committee has estimated our net earnings at $49,000. By using the gross earnings of the State as a basis, deducting only the actual conducting and operating expenses and eliminating the maintenance and general office expense on the ground that such expenses stand for the conducting of through business, this does not appear to be an equitable accounting. Admitting that a certain portion of maintenance and general office expense covers through business, fully one-half of the maintenance and general office expense is chargeable to the State. Hence, in arriving at a just estimate of our net earnings, I beg to submit the following:

Gross earnings, approximately		$201,000
Less interstate leased wire rentals erroneously reported		19,000
Leaves actual gross earnings about		$182,000
From which should be deducted:		
One-half maintenance structures and equipment	$25,000	
Actual conducting expenses	119,000	
General office expenses	8,500	
Taxes	4,700	
		157,200
Leaving approximate net earnings		$24,800
Instead of		49,000
Or, less than estimated		$24,200

On this basis, dividing the net earnings as we now find them into 7 per cent to arrive at an estimated capitalization, as your committee seems to consider fair, we have $354,285, instead of $700,000, indicating clearly that the figures given by the committee are far from accurate.

By taking the estimated capitalization at approximately $360,000 for convenient figuring, and exempting 55 per cent as your committee has done in this particular case, deducts $198,000 and leaves 45 per cent assessable, *i. e.*, $162,000, and further dividing the assessable capitalization by the approximate wire mileage, 7,000, we have $23.15 per mile of wire as against $45 arrived at by your committee, or an excessive assessment of about $17 per mile of wire.

The third point of view: To show you that our return was within the requirements of the law, permit me to add that we returned approximately 1,500 miles of poles at $100 per mile, which is an average of $3.33 per pole, allowing that a pole with fixtures complete will cost $3, including freight, delivered in Nevada, and that it will cost $3 to set it and place five wires thereon, we have a gross cost of about $6 per pole, or $180 per mile on the basis of thirty poles per mile. Exempting 55 per cent as customary ($99), leaves 45 per cent assessable, $81 per mile, or $19 less than we actually returned.

As to wire: Iron, including freight, costs $13.75 delivered in Nevada, and it costs $6 per mile to string it; total $19.75. Deducting the 55 per cent, we have left $8.90, whereas we returned it at $10 per mile.

Copper wire, including freight, costs $28 delivered in Nevada, and it costs $7 per mile to string it; total $35. Again deducting the 55 per cent we have $15.75 per mile, whereas we returned it at $20.

On this basis a five-wire line, which is the average line in Nevada, will cost today—

For poles and fixtures	$180.00
3 iron wires	26.70
2 copper wires	31.50
Per mile	$238.20

of which 45 per cent is asssessable—$107.19. Dividing by five wires gives an average assessable value per wire-mile of $21.44.

In conclusion: Looking at this matter from three standpoints, the proposed assessment of $40 per wire-mile is unjust and excessive, and if applied without discrimination will work a hardship.

On the basis of $600,000 total valuation, our tax would not exceed $5,400 at 2 cents, whereas we paid $4,700, an increase of about 1 per cent, $700, on 7,000 miles of wire.

On the basis of earnings and capitalization, $162,000 at 2 cents, we should pay but $3,240, or $1,540 less than we did pay.

And on actual cost of new line today, at current prices, including labor and freight, on 1,488 miles of five-wire line, on basis of 45 per cent, $159,498.72, at 2 cents, we should have paid $3,189.97, or about $1,500 more than we did pay.

Governor Oddie—I will ask Mr. Shaughnessy if he will make some remarks on this.

Mr. Shaughnessy—There has been a difference between Mr. Jones and myself in arriving at the fair value of the Western Union property in Nevada. Mr. Jones has figured his materials and everything at the minimum, I think, while we have put in the cost of poles, wires and other stuff at what it would cost one of our local companies who buy in the market, but are not able to buy as largely as the Western Union. The Western Union can perhaps get better prices, but, even at that, I think Mr. Jones is entirely too low on his valuations. He figures his poles at $3, but from the best information I can obtain you cannot purchase those poles for less than $4. The scheme arrived at by your committee in its report to this board was in order to obtain something like a fair valuation of the Western Union property, and in arriving at the net earnings there is a difference in the method employed by the Railroad Commission and by Mr. Jones, the representative of the Western Union Company.

The Railroad Commission, in applying expenses to the gross earnings reported for Nevada, have taken the average operating expenses, the average proportion of operating expenses, for the Western Union system as a whole as compared to the gross earnings, which averages about 75

per cent, and applied that to the gross earnings made in Nevada, and by that method it gives a net earning for Nevada of $49,000. Mr. Jones, on the other hand, has figured upon the basis of the operating expenses as reported by his company to the commission, which include the maintenance of the lines in Nevada, of maintenance charges, and I will say in connection with all those maintenance charges that they include the cost of maintaining all lines which pass entirely through the State and which are not devoted to the service of the State. Therefore we consider it unfair, and therefore we take the average operating expenses as a fair basis in finding the net.

However, this scheme which your committee adopted was only for the purposes of finding a fair valuation, and assuming, which we do not, that Mr. Jones' estimate of the cost of reproduction is correct, $600,000 for the Western Union Telegraph Company in Nevada and by applying 50 per cent or thereabouts to the $600,000, we have for the purposes of assessment in this State something like $300,000. Now, this assessment is made upon the basis of the assessment of $45 per mile, estimating it on the basis of $315,000, so that they are so close together that there is absolutely little if any difference in the real result arrived at. And, further in connection with that, while your committee reported that a valuation of $45 per mile might be placed on the wire mileage in Nevada, they only placed a valuation of $40 per mile on it.

I will say further, in connection with the valuation of the Western Union Company, that Mr. Jones has confined himself exclusively to the local business of Nevada, when as a matter of fact those lines crossing the State here produce enormous revenue and the revenue as credited to Nevada is only a small portion of the whole. Now surely that through business makes the line very much more valuable than what this board has tried to reach in an assessment. I think on the whole that the Western Union Company on the valuation of $45 per wire mile is getting off very reasonably. I do not see why there should be any change in the assessment.

Mr. Whitehead—Mr. Chairman, I would like to state in this connection that we have a small telephone line in our county and the line pays nothing yet; at the same time, if we were to assess our line at $40 per mile, the same as the Western Union, which is paying dividends, we would pay only a very few more dollars in taxes than we now pay, so that I don't think that our line, in comparison with the Western Union line, ought to be assessed more than one-third as much, not more than one-fourth as much, which would hold us for a great deal lower than our taxes were last year, so that I cannot see any reason so far advanced, comparing it with other lines as I know them, why we should reconsider the matter.

Mr. Jones—Mr. Chairman, the principal point is to go on record.

By careful figures this advance is going to increase our valuation in the State $100,000 or more. At the two-cent rate it will increase our taxes $2,000 a year, or make them nearly $7,000, as compared with $5,000, which we are now paying, but we are going to pay a great deal more taxes in the State now that the Western Pacific is completed.

In regard to the maintenance of structures and equipment, I conceded to the Railroad Commissioner that, so far as the other lines were concerned, that was perfectly proper to be eliminated, but there are a thousand miles of local lines in the State, one and two-wire lines, that are local Nevada institutions, feeding Nevada territory exclusively, and it seems perfectly proper that that maintenance question should be taken into account in arriving at the gross receipts, and I cannot figure out in any way, even adding 10 or 15 per cent to the cost of material, I cannot figure out any way that the valuation of $40 would be in reason. Even $35 would not be in reason, and I imagine if the other companies have as many wires on their poles as the Western Union had they would object to such an assessment also. It is the big lines that hurt us. On the small lines we come out a little ahead. On them we pay $80 and that line costs us $120. But when you get up to a 4, 5, 6, 7, 8, 9, 10, or 11-wire line, that hurts. I really wish you could see your way clear to come down to $35 anyway on that valuation. You will be doing not only the Western Union an injustice, but all the other companies an injustice, because you certainly should treat everybody alike.

Mr. Lemaire—Mr. Chairman, I have just been wondering what kind of a valuation I would place on those telephone lines according to the figures just given us. Now, we have telephone lines there, and I think it is a No. 12 or 14 wire, common cottonwood poles, which only last about two years, I guess, three at the most, and I thought a valuation of $30 a mile on that was very reasonable. So I do not know what kind of a valuation I would place on them if the Western Union should be any less.

Governor Oddie—Are there any further remarks, gentlemen?

Mr. Miles—Mr. Chairman, comparing these things, I will say that I remember I assessed on the Nevada Northern telegraph line that runs from Cobre to Ely, a distance of about 140 miles, last year for $20 a mile. Now, their poles are about 4 by 4 inches, and in figuring 5 cents for the timber that is in them they would cost about $1.12½ a pole, and with the insulators added, there is one wire, with the insulator added, I do not know what the cost of the insulator would be. Besides the wire, I think it is about a No. 12 wire, small wire, I am sure of that, it was assessed at $20 per mile last year.

Mr. Malley—Mr.Chairman, the little line running from Manhattan to Austin does very little business and they are assessed at $50 per mile and as you know yourself the Clifford line running to Ellendale is assessed $40

per mile, and I do not see where the Western Union is getting any the worst of it assessing it at $40. I therefore move that we proceed with the next order of business.

Mr. Jones—You all seem to hang out for the one-wire system. I don't think there is any comparison at all. That Manhattan line charges you a dollar for a message. We charge less, and if they charge a dollar they should pay more taxes. I think you hadn't ought to draw a comparison between these little one-wire lines and the Western Union lines which afford the Nevada people overland communication that no other company does.

Governor Oddie—Mr. Malley, I will state as there is no motion before the board that your motion would not be necessary because as it stands the matter is just as it was left. Then if there is nothing further on this, gentlemen, we will proceed with the regular order of business and take up the Pioche and Pacific Transportation Company.

Mr. Jones—I thank you.

Governor Oddie—And the sidetracks of the same.

Pioche and Pacific Transportation Company Railroad

Mr. Norris—Mr. Chairman, the Pioche and Pacific is a little narrow-gage line runnning from Pioche to the mine, and is not doing any business, and I move it be left to the Assessor of Lincoln County.

Governor Oddie—I would like Mr. Shaughnessy to give us some information on this.

Mr. Shaughnessy—This is a small line doing no commercial business and is in the same class as the Glasgow and Western Exploration Company line, and I think the Assessor of Lincoln County is very reasonable, that it should be left to the Assessor.

Governor Oddie—Is that seconded?

Mr. Whitehead—I second the motion, Mr. Chairman.

Upon roll-call the motion carried unanimously.

Nevada Copper Belt Railroad

Governor Oddie—The next is the Nevada Copper Belt Railroad and the sidetracks of same.

Mr. Randall—Mr. Chairman, the Copper Belt Railroad has a representative here by the name of Mr. Henry I. Moore, and I ask that he be allowed to address the meeting.

Mr. Henry I. Moore (attorney for Nevada Copper Belt Railroad)—There is not very much to say with reference to the Copper Belt. Last year when the Copper Belt was mentioned Mr. Lemaire very promptly and properly, I think, asked for information as to what the Copper Belt was and where it was, and I think in all probability a little statement with reference to the Copper Belt, its location and its purposes at this time would not be out of place before the board.

As we all know for a good many years there have been companies operating in the copper properties in Lyon County. A number of foreign companies went in there some six or seven years ago and took hold of some copper properties in the vicinity of Mason and Smith Valleys and spent some three or four years in the development of those properties in an effort to ascertain whether there was ore of commercial value in sufficient quantities to warrant its mining. About a year and a half ago the principal properties of the district were sufficiently developed that the companies all together decided that they were warranted in putting up a smelter for the treatment of the ore and in putting in a method of transportation, carrying the ore out from Mason and Smith Valleys to the smelter. The two largest companies handling properties there at that time were the Mason Valley Mines Company and the Nevada-Douglas people. By mutual consent, or mutual agreement I might say, those companies took it upon themselves, the Mason Valley Mines Company, to put in a smelter at Wabuska for the treatment of the ores of that section of the State.

Upon the other hand the Nevada-Douglas people took it upon themselves to put in a line of railway extending from the smelter down to the mines for the purpose primarily of handling the ores from those mines to the smelter. The Copper Belt Railroad was the creation of that agreement, and construction work was begun on it a little over a year ago by the Nevada-Douglas people, by the same people under a separate organization and incorporation. Last year we finished the road into Mason, the town of Mason, in Lyon County, from Wabuska, some 14 miles, and for the greater part of the year that 14 miles has been in operation. When I say in operation, they have been hauling and handling the passenger traffic and the local produce and freight in and out of Mason Valley. The railway people went ahead with their construction work or with their grading and have now finished the grade some 31 miles, all of it, however, in Lyon County. The grade is completed, and they have 16 miles beyond the town of Mason at this time, and they are now laying the track from Mason south. The road will extend then from Mason on through Mason Valley, through the Walker River Pass and into Smith Valley, and the last lap of the track from the town of Smithvale up to the Nevada-Douglas mine, some eight or nine miles has not yet been graded, although the contract has been let within the last ten days for that work.

Now, the primary purpose of the road, as I stated, was for the handling of the ores out of those different mines. It has not begun to perform the functions that it was organized and incorporated for as yet, and will not probably until late in the year. We know that the road within the next four months will be completed to Smithvale, and as soon as completed will be put in operation that far. From Smithvale

on to the mines the road must be completed by next September, as the company has its contract with the smelter people to be ready to deliver ore at that time to the smelter, but by the time the Board of Equalization of that county meets we should have, instead of sixteen—we have sixteen miles in operation at this time because within the last few months a little over two miles have been laid down from Wabuska northward to the smelter site—before the Board of Equalization of Lyon County meets, we should have an additional sixteen miles in operation. That road as it stands today has none of the equipment for the handling of ore; no equipment is there upon the ground at this time, except the equipment for the handling of the local traffic or local freight in and out of the valley. They have one little motor car that they are using for passenger service. I will say within the next four or five months the road should not only be completed to Smithvale, but should have additional equipment there. At this time we have about eight miles of steel laid south of Mason. From that point on we have the grade completed eight or nine miles to Smithvale, with absolutely no material laid down upon it at all. From Smithvale to the Nevada-Douglas mine we have nothing done but the preliminary survey of the right of way.

With these conditions, I think it is not necessary to go into details with reports and condition of the road. I think our reports show that operating into Mason Valley there was a small net revenue last year, and of that I think between 20 and 25 per cent was paid in taxes last year. The assessing of that road was left to the Assessor of Lyon County and the Board of Equalization of Lyon County by the Board of Assessors last year, and I am here to ask, under all conditions, that this board pass the matter up to the Assessor and the Board of Equalization of Lyon County this year again. We are under construction, and there is absolutely no method of fairness to all parties, I think, by which this board could attempt at this time to fix a tax rate upon the mileage that will be in existence by the time the Board of Equalization meets down there or by the time the Assessor makes up his rolls, and I am sure we paid taxes last year upon a valuation of $3,500 a mile, and I can assure the board something that I guess it needs no assurance upon, and that is that the interests of the State and of Lyon County in dealing with us, being in the hands of Mr. Randall, will be well protected.

Mr. Randall—Mr. Chairman, at this time it will be impossible for me to place a valuation upon the road, and I move that it be left to the Assessor of Lyon County.

Motion seconded by Mr. McTerney.

Mr. Miles—Mr. Chairman, I would like to ask Mr. Randall if that railroad is all in Lyon County.

Mr. Randall—Yes, sir.

Governor Oddie—Any remarks that you could make, Mr. Shaughnessy, that would give any information?

Mr. Shaughnessy—I think the action of the board is a just one. The Copper Belt Railroad, as Mr. Moore explained, is under construction, and the reports to the Commission indicated at that time that they only had in operation 14 miles and that they had made a net operating revenue of $3,522, which of course does not amount to hardly anything in view of the fact that they are putting the money as fast as they get it into new extensions, and, as it is the policy of the State to encourage the building of new railroads, I think the action is entirely fair.

Upon roll-call the motion was carried unanimously.

Western Pacific Railway

Governor Oddie—The next is the Western Pacific.

Mr. McTerney—Mr. Chairman, I suggest that we hear from the representative of the Western Pacific.

Mr. E. E. Caine (representing the Western Pacific)—Mr. Chairman, and members of the board, as I am not prepared with any data at this time upon which you could base a scientific assessment of the Western Pacific, I shall not take up but a very few moments of your time.

We occupy in the railroad world of Nevada a position that is unique in that we cannot be compared with any other road in operation in the State. We are operating at a loss, as you probably know, but that is not due to the fact that we are in failing circumstances. It is simply due to the fact that we are just coming into our own. The reports are in the hands of the Railroad Commission, and the facts are we are under construction up to the 30th of June in this year, and we are practically yet under construction as we have yet to put in our bridges and sidetracks, and it will be some time before we can declare ourselves a first-class trunk line.

Our passenger service was not installed until the 22d day of August of this year and as yet, due to the different arrangements that have to be made with the Interstate Commerce Commission and with connecting lines, it is merely nominal in its operation, although we maintain a train each way each day. We expect to be a factor in paying taxes in this State, not only in taxes on our own property, but in taxes on property that we shall bring into existence by virtue of our being, but that time has not arrived yet.

Our line in Nevada, as a few of you who are familiar with it know, was built for the purpose of getting a one per cent line across the State, irrespective of other conditions, and that has resulted in making it necessary for us to miss many of the towns which would net us a revenue and miss much of the already developed territory of the State. That in itself

is a good thing in that other towns and other sections must come to life now due to the influence of this road.

As I said before, gentlemen, we are just getting on our feet. We have been over five years in construction. We have spent millions of dollars, all of which has been lying idle and bearing no interest. We have been paying taxes, nominal ones at first, and then gradually increasing for several years past, and as yet everything is a deficit so far as income is concerned. Next year it will be better, and we hope of course in time to take our place and carry the proper share of burdens of the State, but at the present time we are before you asking for as much consideration as you can conscientiously give us. In a proposition of this kind it requires the outlay of millions of dollars, and every item, even though it may mean only a few thousand dollars, must be considered and must be accounted for and as carefully and conservatively as possible in order that a road of this kind can be justified to the bondholders and stockholders so that the needed money for betterments and improvements will be forthcoming without delay.

I believe all the men on the main line understand this matter, the conditions under which we are operating, the conditions of our road and all of the things that would make it impossible at this time for them to make a scientific or a comparative tax levy. We feel that it is proper that our taxes should be raised, and we are glad to be able to pay the bill, and, if I might add by way of suggestion, that we have worked this thing out very carefully, in so far as we were able, and we would feel that a raise of 50 per cent over our valuation of last year, namely, a valuation of $7,500 per mile on the main line, would be fair and equitable, not only to the people, but also to us. It would represent an increase in taxable property of this State of something over a million dollars, and would be figuring on a 2 per cent basis, quite an increase to us. At the same time it would hardly be possible for us to get on an even basis within the next year, but we feel that we have been shown great consideration, and we would be willing and glad to have that increase voted us at this time. Anything more we feel would be a burden.

Governor Oddie—I will ask Mr. Shaughnessy to give us some information.

Mr. Shaughnessy—The statement made by Mr. Caine in reference to the Western Pacific seems to be eminently just and fair. At the close of the last fiscal year, June 30, 1910, the Western Pacific was still in the hands of the construction company and is yet. It is our information that they will not begin operating a full passenger-train service until some time in the spring or summer, at which time they expect to be in condition to begin full operation. Heretofore since the advent of the Western Pacific in Nevada it has been a continual outlay of money, and

while the company has been operating a train service, still the revenues produced from that service have gone into further construction of the property to complete it. I think that this board can very well afford to encourage a property like the Western Pacific Company. It is going to result in the upbuilding and development of a great portion of the State of Nevada and will eventually bring in many thousands of dollars in taxes to the people of this State. I think a valuation of $7,500 on the main line is entirely fair under the circumstances, and sidetracks about $2,000 per mile.

Governor Oddie—What were they last year, the main line and sidetracks?

Mr. Shaughnessy—The main line last year was $5,000 and sidetracks $1,500.

Mr. Weathers—Mr. Chairman, I move that the Western Pacific, main line, be assessed at $7,500, and $2,000 upon the sidetracks.

Motion seconded by Mr. Lemaire.

Upon roll-call the motion carried unanimously.

Miscellaneous Railroads

Governor Oddie—The next question is No. 23, miscellaneous railroads.

Mr. Lemaire—Mr. Chairman, I think that that should be miscellaneous property, for the reason that under that head it would include any and all property not assessed by this board and on which no valuation has been placed, and I make a motion that the order of business be changed to miscellaneous property instead of miscellaneous railroads and that that be left to the various Assessors.

Motion seconded by Mr. Miles.

Mr. Whitehead—Mr. Chairman, would it be all right to place that under the head of miscellaneous property including all property not assessed by the board?

Governor Oddie—Will you include that in the motion?

Mr Lemaire—Do you think that would be best?

Governor Oddie—Yes.

Postal Telegraph Company

Mr. Randall—Mr. Chairman, I would like to ask if anyone knows anything about the Postal Telegraph Company.

Governor Oddie—Under the motion made several days ago that was carried, that was left to the various Assessors; all telegraph and telephone companies, except the Western Union, were left to the various Assessors, and the board passed on the Western Union.

Mr. McTerney—Mr. Shaughnessy may give us some information.

Governor Oddie—Then I will ask Mr. Shaughnessy.

Mr. Shaughnessy—I stated formerly here before the board that the

Postal Telegraph Company, while it is in partial operation in the State between various points, is still under construction, and for that reason we are not prepared to make a full report through the Commission, and day before yesterday, I think it was, when that subject was before the board, I advised that I would be unable to reach any basis by which we could figure what the valuation of the Postal Telegraph Company's property was at that time, and I think it is proper to leave it to the various Assessors.

Miscellaneous Property

Mr. Miles—Mr. Chairman, I understand by the previous motion that the Nevada Northern Railway was placed at the bottom of the list.

Governor Oddie—Yes, that will follow this miscellaneous property.

Mr. Miles—I did not wish it to be thought by any one that it should be included in this motion.

Governor Oddie—Well, will you withdraw that motion?

Mr. Lemaire—Yes, I will withdraw that motion.

Nevada Northern Railroad

Governor Oddie—Well, then, if the board please, we will take up the Nevada Northern.

Mr. Ingalls—Mr. Chairman, I believe there is a motion before the board regarding this Nevada Northern.

Governor Oddie—Yes, there is a motion before the board, Mr. Ingalls. I will ask the Clerk to state the motion as it is on the Nevada Northern. With the permission of the board we will take up the Nevada Northern Railroad now.

The Clerk—The motion of Mr. Whitehead pending as unfinished business, that the Nevada Northern Railway Company be assessed at $14,000 per mile on its main line and to include the branch line on which its ore trains run from the switch east of East Ely to the concentrating plant of the Steptoe Valley Smelting and Mining Company, at the same valuation of $14,000 per mile.

Governor Oddie—Was that motion seconded?

The Clerk—Yes.

Govenor Oddie—Now we are open for discussion on this matter.

Mr. Sitton—I would like to hear a word from Mr. Shaughnessy regarding that, whether that $14,000 a mile is a fair valuation or not.

Mr. Shaughnessy—On the basis of the earnings of the Nevada Northern Railway Company, I can say it can very properly stand an assessment of $14,000 per mile. I suggested the other day at the close of my remarks that a valuation of $12,000 might be placed and as the amended motion has been made to $14,000, I can say that it will stand that assessment justly upon an earning basis or a valuation basis, or any basis they wish to apply, and further by comparison with what other properties are

assessed at it will also be proper to place such a valuation as that upon the property. The assessed valuation placed upon the Nevada and California Railway, with net earnings of $550,000 last year, was $14,000, while the Nevada Northern with net earnings of $930,000 can certainly very properly stand the same assessment. The character of both lines is very similar in the matter of construction and cost. I think on a reproduction basis that the Nevada Northern is equally as valuable as the Nevada and California. I don't think there would be but a very few dollars either way in the value of construction. They are both branch lines for the Central Pacific Railway and on the earning basis comparison they should be assessed at the same figure.

Governor Oddie—What is your pleasure, gentlemen, in regard to this?

Mr. Miles—Mr. Chairman, I ask at this time that this matter be postponed one day in order that I may notify the company of the proposed raise, as I was requested to do so. Immediately after our adjournment yesterday evening I sent a telegram to the superintendent of the road, and will read it to you:

L. G. CANNON, *East Ely, Nevada:*
Proposed raise of Nevada Northern Railway to $14,000 per mile. Will likely adjourn tomorrow.

I signed my name. To that message I have had no reply. I have heard nothing from it, and I presume it is for the board to take up and do as they believe is just.

Governor Oddie—I will state, gentlemen, that as this matter stands, Mr. Miles has done the right thing in notifying these people as he agreed to do, but the railroad company had notice that this board would meet at a certain time, and they stated to Mr. Miles that if their assessment was raised from the present rate they would want to be heard. Now, they knew that it would take at least two days for them to come here, and that would necessitate holding this board at an expense to the State—quite an item each day—and it does not seem fair to me that they should expect this board to hold open for two days after the business is accomplished to give them a chance to be heard.

If it had been a case of unavoidable accident or sickness, then the matter would be different, but as it stands the only reason why they ask the board, the only excuse they offer for the keeping of the board, is that the assessment might be raised; in other words, that if the assessment is to be raised, they want the board to remain over two days longer, which seems to me to be unreasonable, and it would be impossible for some to stay, and some have made arrangements, and the Legislature meets Monday, so it seems to me, Mr. Miles, that they are asking almost an impossibility in this matter. It is putting you in an awkward position to put it this way and we all realize that you have done the best that could be done. You have done your duty in the matter.

Mr. Miles—I feel as though I have.

Governor Oddie—I would like to hear something from the other members.

Mr. Weathers—Why not have the sidetracks included?

Governor Oddie—Well, have the sidetracks included in the one motion. It will be simpler. Is there not a double line from the mines to the smelter part of the way?

Mr. Miles—For a short distance you can say there is a double line. There is a line on the north side of the town, and also a line through the town.

Governor Oddie—Would this include both of those lines?

Mr. Miles—No, it would include only one.

Governor Oddie—What would include the second line?

Mr. Miles—Besides the main line it would include the line running to the switch, perhaps seven or eight miles. That would take in everything except this high line which runs on the north side of the town, that is the line the ore trains are run over.

Governor Oddie—That goes up to the mine. How many miles is that?

Mr. Miles—Two miles. It has been given in as sidetrack.

Attorney-General Baker—I think it might avoid confusion if we take these two items separately.

Governor Oddie—Then we will ask the Clerk to call the roll on the main line as the motion stands now.

Upon roll-call the motion carried unanimously.

Governor Oddie—Now the question is on the sidetracks of the same.

Mr. Weathers—I move that the sidetracks be left the same as they were last year, $2,500.

Mr. Ingalls—Mr. Chairman, comparing this road with the Nevada and California, I think we can put the sidetracks the same as the Nevada and California, $3,200 per mile.

Governor Oddie—I will state, gentlemen ——

Mr. Weathers—I will withdraw my motion.

Governor Oddie—I would like to get a little information about this. That high line is the line over which all the ore goes to the smelters.

Mr. Miles—Except in cases when the high line is out of order they run through town. All the ore is practically hauled over this high line.

Governor Oddie—The other line can do the same work?

Mr. Miles—Their franchise provides, in case the high line is out of order and cannot be used, that they may run through the town, but all the ore trains are supposed to run over that line.

Mr. Whitehead—Mr. Chairman, in order to make the assessment uniform as compared with other roads assessed, main-line roads, I move that the sidetracks on the Nevada Northern be assessed at $3,200 per mile.

Motion seconded by Mr. Lemaire.

Governor Oddie—I will ask the Clerk to state the motion. The Clerk stated the motion.

Mr. Miles—Mr. Chairman, I would like to know if the name of the road is correct? Does it state there Nevada Northern Railroad?

The Clerk—Railway Company.

Mr. Miles—Correct.

Governor Oddie—Are there any further remarks?

Question called for.

Upon roll-call the motion carried unanimously.

Miscellaneous Properties

Governor Oddie—Now the question is No. 23, miscellaneous properties. Mr. Lemaire, you started to make a motion and withdrew it. I think it would be just as well to make a motion as that, under the order of business, No. 23, miscellaneous railroads be miscellaneous properties.

Mr. Lemaire—Mr. Chairman, I make the motion that the order of business be changed, No. 23 to read miscellaneous properties.

Motion seconded by Mr. Norris.

The question was put, and the motion carried.

Governor Oddie—Now that is before the board, gentlemen—miscellaneous properties.

Mr. Whitehead—Mr. Chairman, I move that miscellaneous properties, including all property not heretofore assessed by the board, be left to the various Assessors.

Motion seconded by Mr. Lemaire.

Upon roll-call the motion carried unanimously.

Mr. Miles—Mr. Chairman and gentlemen, I want to say that I am pleased with the way this business has been conducted. It has been harmonious and conducted in a business-like manner and I at this time move to thank the Railroad Commission and the State Board of Revenue for the assistance they have extended to the Board of Assessors.

Mr. Whitehead—Mr. Chairman, I have a little resolution I would like to offer along that line. In view of the fact that we were unable to assess all telegraph, telephone and electric and power lines on account of the lack of information that we had, I will offer this resolution:

WHEREAS, The Railroad Commission has offered to assist the State Board of Assessors in obtaining information in regard to the assessment of telegraph lines, telephone lines, electric and power lines, be it

Resolved, That we, the State Board of Assessors, through the honorable Chairman of the Board, do respectfully request the Railroad Commission to obtain all the information possible on the subjects above named and forward the information obtained to the various Assessors.

Also, that we tender the Railroad Commission a vote of thanks for the valuable assistance rendered at this meeting.

Governor Oddie—Mr. Whitehead, may I make a suggestion? Would it

not be a good plan that the Railroad Commission be requested to forward a copy of all data they obtain on these matters to the various Assessors? They would get it quicker then. So I would suggest that change.

Mr. Whitehead—You would suggest putting that in, instead of reporting to the next board to forward it to the various Assessors?

Governor Oddie—Yes, as they obtain the information.

Mr. Ingalls—Do I understand that the law gives them authority to get this data on these different things? If not, we ought to recommend that the Legislature pass laws authorizing them to get this data. I am just asking for information.

Mr. Shaughnessy—I will say, Mr. Ingalls and gentlemen of the board, that the Railroad Commission have jurisdiction and have data, or can secure data which is not completed at this time, upon all of the mentioned properties with the exception of power lines. Their jurisdiction does not extend to power lines. In response to the resolution the Railroad Commission will be very glad to help this board in securing the desired information and will forward it to the various Assessors as soon as we secure it. Many of the reports will be rendered now after the close of the year and we will be perhaps able to furnish the data some time next spring. We would also like the Assessors to feel free to call upon the Railroad Commission for any specific information they think of themselves that we should not happen to think of.

Governor Oddie—Mr. Miles, will you permit Mr. Whitehead's resolution to take precedence over yours, because Mr. Whitehead's embodies some new ideas?

Mr. Miles—I would like to hear the resolution read again.

Governor Oddie—Will you read that again, Mr. Whitehead?

Mr. Whitehead read the resolution again.

Mr. Miles—All right.

Mr. Lemaire—Mr. Chairman, I make a motion that this resolution be drafted into our minutes and be a part of our minutes.

Motion seconded by Mr. Sitton.

Governor Oddie—Is there anything further?

STATE TAX RATE

Mr. Miles—Mr. Chairman and gentlemen, I feel as though we should go into the matter of requesting the Legislature, if possible, to reduce our state tax. Our property is increasing from year to year, and our county taxes have been decreasing in many cases, and I feel as though our state tax should be reduced. There certainly should be an effort made to reduce it. It is now 60 cents, and I believe it can be reduced and hope it can, and I would suggest that the members of the board express themselves to some extent in that line, and if possible to put the matter up in proper form to the Legislature and have them act upon it.

Governor Oddie—I would suggest that Mr. Eggers, the State Controller, give us some views on that.

Mr. Eggers—Mr. Chairman, in reply to Mr. Miles I will state that my present report is on your table now and in the State Printing Office. I did not mention that fact, leaving it entirely to the Legislature and to the Governor. Under the circumstances, there is a rumor of a great expenditure in the way of new building, especially about this Capitol building, and under those conditions under this present law, the Newlands law, I believe, we are within ten cents of the limit. Fifty cents was to be the limit under that law, 50 cents state and 50 cents county. Now the State, of course, has not gotten quite to it yet, but I believe if it is possible for the Legislature to make the levy 50 or 55 even, I am surely in favor of it and will urge it by the time we get in all our revenue and everything straightened out. Some of the money comes in late. It did not get into my report, but we have it now. In my report two years ago I did recommend it. They did reduce it. I cannot figure what the Legislature intends to do. If they intend to carry on and go through with the present buildings, I am sorry to state that I do not believe there will be any chance to reduce the tax this year because it is going to take money to build that prison. What the extent is I cannot state. It is all guesswork. I have got to guess at it, but I will assure this board if I can according to the figures, I have the people at heart the same as you have, and if the taxes can be reduced I shall urge it later on after we see what is incidental. If they expect to carry the prison through as slated now and also this Capitol building under existing circumstances we are running now two or three outside places. We have no estimate, but if we expect to build a new Capitol or half a new Capitol I would not promise you a reduction in the tax rate of this State. I could not make the recommendation because I know some of them would come to my office to know where the money was.

Governor Oddie—Gentlemen, I would like to say just a few words as we are about to adjourn. I want to thank you all cordially for the very courteous treatment you have all shown me in this board. This has been my first experience, and I assure you it has been a very pleasant one. You have all conducted yourselves as gentlemen, and everybody has been serious about the work, and you have all done your duty well, and you have been a credit to your State.

I want to congratulate you gentlemen on the splendid way that you have conducted the meetings of this board, and I want to say in regard to revenue: I have not gone into the various details yet, the possible extensions for the future. I would like to see the tax rate reduced as much as possible, and I have some suggestions in my message to the Legislature, but it will deal with some very broad questions relating to

the whole State and I hope it will meet with your approval. I think when you study it carefully you will see it is based on reason and facts. I think you will realize that some very important things can be carried out for the State if the suggestions in the message are listened to by the Legislature in the right way. I think it will mean this, it will help all the Assessors in getting at just taxation.

Now, in regard to the heavy expenses mentioned by Mr. Eggers, it has not been called to my attention. That is something I knew nothing about. But in regard to the prison, you all know that the State has been driven to a heavy expense, aud just two days before my inauguration contracts were signed for the material for the new prison. This means an enormous expense. The Prison Board has not met yet to determine what is to be done, but we will meet in a very short time. We are getting data, and the Attorney-General is studying the matter with us. We cannot say at this time just how much money the State will have to spend in the prison construction because we do not know the exact status, but we do know that the last board two days before it went out of existence signed up an enormous contract, and whether that is too much for the material to be supplied and the work to be done we have not determined and we cannot determine it at this time, but the fact is that the State as it stands today is obligated for a large sum of money, but we will take that matter up and study it carefully and give it the very best that is in us. I want to thank you gentlemen for your courteous treatment of me.

Mr. Eggers—Mr. Chairman and gentlemen of the board, I believe that each County Auditor now has a book of personal property tax receipts in his possession ready to deliver to you. I will state that I only sent one this year so far on account of that same cause, hoping that the Legislature might reduce the rate and that has been the custom in the past, that one book is sent every two years when the Legislature is in session, and I hope that will be sufficient until the Legislature changes the rate either to 50 cents or whatever they wish and in case you cannot get along with that one you will have to give me notice in time, and perhaps we can persuade the State Printer to print some extras, but I don't like to have him print with the 60-cent rate when perhaps it might be a little less. And also the Sheriff's, I believe, all have their liquor-license books. You should have them by this time. Poll-tax books have also been sent to each County Treasurer ready to deliver to you as soon as they sign them.

Governor Oddie—Is there any further business to come before the board, gentlemen? If there is no further business, I presume a motion to adjourn would be in order.

Mr. Lemaire—Mr. Chairman, I move then that we adjourn *sine die*.

Motion seconded by Mr. McTerney.

The question was put, and the motion carried.

Accordingly, at 3:30 p. m. January 13, 1911, the board adjourned *sine die*.

CHARLES A. NORCROSS,
Clerk of the Board.

AFFIDAVIT OF REPORTER

STATE OF NEVADA, }
COUNTY OF ORMSBY. } ss.

James D. Finch, being first duly sworn, deposes and says: That the above and foregoing is a full, true, and correct transcription of stenographic notes of the minutes of the State Board of Assessors with the State Board of Revenue for the session beginning January 9, 1911, and ending January 13, 1911, both dates inclusive, said minutes having been stenographically reported and transcribed by affiant, and the same is a complete report of said meeting.

JAMES D. FINCH.

Subscribed and sworn to before me this 25th day of March, A. D. 1911.

[SEAL] C. H. PETERS,
Notary Public, Ormsby County, State of Nevada.

APPENDIX

APPENDIX

Following is a transcript of gross earnings, operating expenses, net earnings, capitalization per mile (which is the stock and bonded indebtedness), total cost per mile of line to June 30, 1910, assessed value per mile, 1910, per cent of assessed value to total cost of line June 30, 1910, net operating revenues per mile of road, 1910, gross taxes paid by carriers to State and counties for years 1908, 1909, and 1910, mileage, and net taxes paid per mile.

These figures were taken from the annual report of the Railroad Commission for the year ending June 30, 1910, which was furnished to the members of the Board of Assessors and used by them in finding the fair valuation of the different railroads:

EXHIBIT OF RAILROAD, TELEPHONE, TELEGRAPH, AND EXPRESS COMPANY OPERATIONS FOR THE YEAR 1910, AS SHOWN BY THE RAILROAD COMMISSION.

Railroad or company	Operating revenues (gross)	Operating expenses	Net operating revenue or deficit
Atchison, Topeka and Santa Fé	$86,971,313.00	$55,945,464.52	$31,025,848.48
Bullfrog-Goldfield Railroad	128,559.09	132,402.31	*3,843.22*
Eureka and Palisade Railway	109,417.07	105,147.70	4,269.37
Las Vegas and Tonopah Railroad	162,616.90	206,040.12	*43,423.22*
Nevada and California Railway	1,192,154.16	640,477.61	551,676.55
Nevada-California-Oregon Railway	447,857.17	218,604.34	229,252.33
Nevada Central Railroad	60,096.43	82,938.52	*22,842.09*
Nevada Copper Belt Railroad	9,759.89	6,237.82	3,522.07
Nevada Northern Railway	1,511,309.47	581,266.76	930,042.71
San Pedro, Los Angeles and Salt Lake	6,092,822.20	5,305,894.51	786,927.69
Silver Peak Railroad	16,692.23	14,527.71	2,164.52
Southern Pacific Company	95,189,004.70	52,628,529.98	42,560,474.72
Tonopah and Goldfield Railroad	789,204.71	585,140.01	204,064.70
Tonopah and Tidewater Railroad	421,529.22	278,695.46	142,833.76
Virginia and Truckee Railway	297,286.35	185,403.78	111,882.57
Wells, Fargo, & Co.	27,178,651.94	.....	3,371,092.39
Western Union Telegraph Company[a]	30,541,072.55	23,193,965.66	7,347,106.89
Pacific Telegraph and Telephone Co.[b]	13,055,539.00	9,612,984.00	3,442,555.00

[a]Report for year 1909.
Wells, Fargo & Co. Intrastate revenues $850,185.68. Report for 1910 not received.
[b]Pacific States Telegraph and Telephone Company, Nevada revenue for 1910, $59,119.
Italic figures denote deficit.

STATEMENT OF CAPITALIZATION, TOTAL COST PER MILE OF LINE, ASSESSED VALUE PER MILE, PER CENT OF ASSESSED VALUE TO TOTAL VALUE, AND NET REVENUE PER MILE OF ROAD AS SHOWN IN THE ANNUAL REPORT OF THE RAILROAD COMMISSION

Railroad or company	Capitalization and bonded indebtedness per mile, 1910	Total cost per mile of line to June 30, 1910	Assessed value per mile, 1910	Per cent of assessed value of total cost, June 30, 1910		Net operating revenue per mile of road, 1910
				1909	1910	
Barnwell and Searchlight Railway	$11,951.00	$11,973.88	$2,500.00	26.06	20.88	*$572.01*
Bullfrog-Goldfield Railroad	47,479.00	46,310.00	4,500.00	12.95	9.72	*46.30*
Central Pacific Railway	144,681.00	154,860.84	28,000.00	12.30	18.08	6,816.77
Eureka and Palisade Railway	3,864.00	4,154.68	1,700.00	.....	40.92	48.52
Las Vegas and Tonopah Railroad	7,565.00	15,966.12	4,500.00	36.38	28.18	*217.69*
Nevada and California Railway	15,400.00	15,032.25	14,000.00	95.76	93.13	
Nevada-California-Oregon Railway	17,287.00	17,574.34	3,500.00	17.65	19.92	1,245.87
Nevada Central Railroad	16,078.00	16,063.23	1,350.00	.....	8.40	*302.41*
Nevada Copper Belt Railroad	69,179.00	19,476.32	.....	.....	.....	209.72
Nevada Northern Railway	18,173.00	16,868.79	10,000.00	54.85	59.28	5,663.89
San Pedro, Los Angeles and Salt Lake Railroad	74,269.00	71,063.17	5,000.00	12.74	7.03	749.93
Silver Peak Railroad	11,428.00	10,654.84	1,700.00	.....	15.95	123.11
Tonopah and Goldfield Railroad	33,250.00	36,856.01	10,000.00	31.79	27.13	1,858.34
Tonopah and Tidewater Railroad	24,762.00	24,161.66	6,000.00	24.91	24.83	789.79
Virginia and Truckee Railway	74,006.00	74,269.74	8,500.00	11.18	11.44	1,658.01
Western Pacific Railway	.....	98,235.19	5,000.00	.....	5.09	

(Italic figures denote deficit.)

GROSS TAXES PAID BY CARRIERS TO STATE OF NEVADA, FOR YEARS 1908, 1909 AND 1910, AS SHOWN BY THE ANNUAL REPORT OF THE RAILROAD COMMISSION

Railroad or company	1908	1909	1910	Mileage, 1910	Taxes per mile, 1909	Net taxes per mile, 1910
Barnwell and Searchlight Railway	.....	$616.42	$1,103.52	$11.60	$53.14	$95.13
Bullfrog-Goldfield Railroad	$11,350.00	9,141.46	14,925.20	83.01	110.14	179.80
Central Pacific Railway	182,008.52	179,343.11	294,779.45	448.62	398.54	657.08
Eureka and Palisade Railway	4,413.99	4,361.29	4,347.27	88.00	49.56	49.40
Las Vegas and Tonopah Railroad	24,333.60	45,069.57	30,529.53	199.47	225.35	153.05
Nevada and California Railway	90,945.93	71,993.19	98,477.76	222.73	324.29	442.14
Nevada-California-Oregon Railway	1,973.85	2,147.94	2,263.96	28.14	76.71	80.45
Nevada Central Railroad	4,733.00	4,684.10	4,372.75	93.30	50.36	46.86
Nevada Copper Belt Railroad	.....	.....	586.00	14.00	.....	41.86
Nevada Northern Railway	19,153.30	20,976.00	36,969.67	165.08	127.13	223.95
San Pedro, Los Angeles and Salt Lake Railroad	47,322.79	57,969.94	65,954.12	243.02	238.56	271.39
Silver Peak Railroad	.....	1,055.16	1,199.93	19.00	55.54	63.15
Southern Pacific Company	.....	.....	.....	.....	.....	.....
Tonopah and Goldfield Railroad	55,419.03	45,850.66	34,453.74	109.86	420.65	313.61
Tonopah and Tidewater Railroad	.....	6,547.31	5,234.84	36.25	181.86	144.41
Virginia and Truckee Railway	15,600.12	16,388.66	17,505.49	67.48	242.79	259.42
Wells, Fargo & Co.	.....	2,657.74	2,543.26	.....	.....	.....
Western Union Telegraph Company	4,752.41	.....	.....	.....	.....	.....
Pacific Telephone and Telegraph Company	1,695.10	1,727.00	1,434.00	.....	.....	.....
Central Pacific Railway—In California	550,282.63	630,721.52	863,345.24	749.33	843.00	1,152.16
San Pedro, Los Angeles and Salt Lake Railroad	85,702.02	96,412.70	92,595.26	241.22	399.69	383.82
In Utah	108,838.67	130,360.49	126,566.69	498.67	261.42	253.81

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