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OF THE

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STATE OF UTAH

SPECIAL SESSION

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SENATE JOURNAL

EIGHTEENTH LEGISLATURE
SPECIAL SESSION

FIRST DAY

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Jan. 27, 1930.

Pursuant to a call by His Excellency, the Governor, the Senate of the Eighteenth Legislature of the State of Utah met in Special Session in the Senate Chamber at the State Capitol at 12 o'clock noon.

President Gardner in the chair.

Prayer was offered by Dr. Levi Edgar Young of the University of Utah.

Roll Call—Quorum present.

Secretary of State, Milton H. Welling read the following proclamation of His Excellency, the Governor.

BY THE GOVERNOR OF THE STATE OF UTAH.
A PROCLAMATION.

WHEREAS, an extraordinary occasion requires the convention of a special session of the LEGISLATURE of the State of Utah,

NOW THEREFORE, I, George H. Dern, Governor of the State of Utah, by virture of authority vested in me by Section Six, Article Seven of the Constitution of the State of Utah, do, by this Proclamation, call the LEGISLATURE of the State of Utah to meet in Sepcial Session at the CAPITOL, Salt Lake City, Utah, on the

27th day of January, A. D. 1930, at 12 o'clock Noon, for the following purposes:

To consider and propose such amendments to the Constitution of the State of Utah, as are necessary to put into effect the tax plan recommended by the Utah Tax Revision Commission, and to consider such other legislative business which may be brought, by the Governor, to the attention of the LEGISLATURE while in such session.

In testimony whereof, I have hereunto set my hand and caused to be affixed the GREAT SEAL of the State of Utah.

Done at the Capitol, Salt Lake City, Utah, this 17th day of December, A. D. 1929.

(Signed) GEO. H. DERN,
Governor.

By the Governor.

(Signed) M. H. WELLING,
Secretary of State.

SECRETARY OF STATE'S OFFICE

I, M. H. Welling, Secretary of State of the State of Utah, do hereby certify that the above and foregoing is a full, true and correct copy of the proclamation made by the Governor of the State, December 17, 1929, calling the Legislature of the State of Utah, to meet in special session at and upon the date therein specified.

As appears on file in my office.

In witness whereof, I have hereunto set my hand and affixed the great seal of the state of Utah at Salt Lake City, this 27th day of January 1930.

M. H. WELLING,
Secretary of State.

MISCELLANEOUS COMMUNICATION

Senate Chamber,
State Chapitol,

Salt Lake City, Utah, January 27, 1930.

Honorable Hamilton Gardner, President,
and the Members of the Senate,
Eighteenth Session of the Legislature
of the State of Utah.

Gentlemen:

I hereby resign, effective March 15, 1929, the office of Senator of the Fourth Senatorial District of the State of Utah, the term of which ends about January 1, 1931.

Your honorable body was not in session on March 15, 1929, and I was therefore unable to present the resignation to you, but nevertheless on that day I presented my written resignation to Governor Dern and same was subsequently filed with the Secretary of State.

My resignation, as you are aware, was made necessary because of my appointment as United States Attorney for the District of Utah. On March 16, 1929, I qualified and entered upon the duties of that office.

Respectfully,

C. R. HOLLINGSWORTH.

Communication filed.

COMMUNICATION FROM THE GOVERNOR

Executive Office,
State Capitol,

TO THE SENATE:

I have the honor to inform you that under date of March 15, 1929, the following communication was addressed to my office by Senator Charles R. Hollingsworth:

Honorable George H. Dern,
Governor of the State of Utah.
Capitol Building,
Salt Lake City, Utah.

Dear Sir:

I hereby resign, effective this date, the office of Senator of the Fourth Senatorial District of the State of Utah, the term of which ends about January 1st, 1931.

This resignation is presented because of my recent appointment as United States District Attorney for Utah and my intention to qualify shortly and enter upon my new duties. The Constitution of Utah provides that no Federal officer shall be a member of the Legislature.

Respectfully,

(Sgd.) C. R. HOLLINGSWORTH.

The foregoing letter was filed in the office of the Secretary of State, and will be forwarded to your honorable body if desired.

There appears to be no statute providing how a member of the legislature may resign, and I therefore transmit the foregoing for your information and for any action that you may deem appropriate under the circumstances.

Very respectfully,

GEO. H. DERN,
Governor.

Communication filed.

COMMUNICATIONS FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,
Salt Lake City, Utah, Jan. 27, 1930.

Mr. President:

I am directed to inform your Honorable Body, that Representatives Mr. Smoot, Mr. Jefferson, and Mr. Tin-

gey, have been appointed to notify the Senate, that the House is in order and ready for business.

Respectfully,

E. L. CROPPER,

Chief Clerk.

Communication filed.

THE HOUSE OF REPRESENTATIVES
State Capitol,

Salt Lake City, Utah, Jan. 27, 1930.

Mr. President:

I am directed to inform your Honorable Body, that Representatives, Mrs. Jensen, Mrs. Cooper, and Mrs. Stewart, have been appointed to act with a like committee from the Senate to notify his Excellency the Governor, that the Legislature is ready to receive any communication he may have to make.

Respectfully,

E. L. CROPPER,

Chief Clerk.

Communication filed.

On motion of Sentor Young the President appointed a committee consisting of Senators Young, Musser, and Griffin to notify the House that the Senate is organized and ready for business.

On motion of Senator Young the President appointed a committee consisting of Senators Marsden, Welling and Evans to act with a committee from the House to inform the Governor that the legislature is organized and ready to receive his communications.

REPORT OF
THE LEGISLATIVE TAX COMMITTEE

To the Eighteenth Legislature of the State of Utah, in Special Session assembled,

Honorable Hamilton Gardner, President of the Senate.

Honorable David Stine, Speaker of the House of Representatives.

Your Legislative Tax Committee appointed at the regular session of the Eighteenth Legislature in 1929, pursuant to the provisions of the bill creating this body and the Tax Revision Commission, herewith submit the report of its work.This Committee was composed of the following members of the Eighteenth Legislature:

Senator W. D. Candland.....Mt. Pleasant
Senator Wilson McCarthy.....Salt Lake City
Senator Knox Patterson.....Moab
Senator George H. Ryan.....Eureka
Representative A. R. Creer.....Spanish Fork
Representative George A. Critchlow.....
.....Salt Lake City
Representative David Hirschi.....Hurricane
Representative L. J. Holther.....Ogden
Representative S. M. Jorgensen.....Salina
Representative Austin P. Miller....Salt Lake City
Representative James B. Wilson.....Midway

Owing to the insistent demand that some change be made in our tax system, the last regular session of the legislature enacted, Chapter 99, Session Laws of 1929, creating the Tax Revision Commission whose duty was to make a thorough investigation of our revenue and taxation system and report to the Governor by December 1, 1929. The same law provided for the appointment of the Legislative Tax Committee whose duty was

to act in an advisory capacity to the Commission, conduct the public hearings and bring back to the legislature the benefit of the Committee's experience in conducting this investigation.

The Committee met on April 15, and organized by electing Senator George H. Ryan, Chairman, and Representative Austin P. Miller, Secretary. It adopted such rules as it deemed necessary for its guidance. It voted to allow the members $6.00 per diem expense for the days in attendance and travelling to and from their homes, ten cents per mile for transportation and in addition telephone, telegraph and express charges. For these expenses it used the unexpended balance of our last appropriation for the Eighteenth Session and attach hereto a statement showing amount used.

All of the meetings of the two bodies were held in the Board Room of the Capitol Building. Senator George H. Ryan, Chairman of the Legislative Advisory Committee presiding. All meetings of the Legislative Tax Committee or its subcommittees and all joint meetings were open to the public and notice thereof given to the press. The relationship between the Tax Commission and the Legislative Committee was at all times most harmonious and the fullest co-operation was given to the Committee in its efforts to not overlook any phase of the question and in giving ample consideration to the suggestions made by the Committee. Attendance at meetings of the Committee was good, and the members applied themselves diligently to the task of making the investigation thorough and conclusive of definite results. This work has been arduous and has entailed a great deal of sacrifice.

OUTLINE OF WORK

Upon the appointment by the Governor of the members of the Tax Revision Commission the two bodies met in joint session for the purpose of arriving at a proper understanding of the law creating them and to lay plans

for conducting the investigation. No set rules were adopted. It was thought best to be governed by the common interpretation and decide upon proceedure as the work of the two bodies moved forward. The Chairman of the Legislative Committee presided at all joint meetings of the Commission and the Committee. The workings of the two bodies were harmonious and all seemed to have a definite aim in view, that of finding the symptoms of the supposedly poor tax system and hoping and studying to find a satisfactory remedy. The Committee planned to make the third Monday of each month a regular meeting date until conditions required more frequent sessions.

The Committee set out with the idea of *tax revision* and not tax raising. They sought new sources of revenue *only for the relief of the tax burden now upon tangible property.*

This was the unanimous thought of the Committee and was kept uppermost in mind during their intense research and discussion.

After the organization the first work of the Committee and Commission in joint session was the formulation of a plan for acquiring the information necessary upon which to base definite conclusions. As stated in the report of the Commission it was decided to call for the submission of plans and suggestions by interested taxpayers of whatever status and while awaiting the receipt of these the Commission compiled a great deal of information from other states relative to this question. The Commission also started the compilation of the constitutional and statutory provisions relating to revenue and taxation.

The Commission, with the approval of the Committee, early got into communication with Doctor Harley L. Lutz, Professor of Public Finance of Princeton University, who consented to act as our advisor, and tax expert, during the consideration of the question. Dr. Lutz

arrived the latter part of June and until July 15 the Committee and Commission were busy devising a tentative plan upon which to base constitutional revision. The advice and counsel of Dr. Lutz proved to be very helpful. There was no question raised as to what effect certain taxes would have that he could not give specific instances of its application. The Committee feels indebted to Dr. Lutz for the many practical suggestions which he gave during the investigation.

In making up this report your Committee has purposely omitted statistics and tabulations for the reason that the Commission's report contains a digest of all of the statistical data which was gathered during this investigation. In this report we wish to give you a summary only of the work as it progressed and touch only the salient facts upon which the Committee based its conclusions and recommendations. The report of the Commission considers the question sufficiently from the academic and theoretical standpoint and much of the information which was presented to us by various experts on taxation is contained in full in the transcript of the hearings, copies of which you all have. Therefore it was felt that it would be unnecessary to duplicate any of this work in our report.

PLANS SUBMITTED

By the middle of July, several plans had been submitted, each of which was mimeographed and mailed to the members of the Committee. The plans which were received as a result of the invitation given to the public to participate in this question are well worthy of your careful consideration. They contain many very pertinent suggestions and the Commitee feels that they reflect quite thoroughly the sentiment of the majority of the people of this state. Coming as they do from the Farm Bureau, the Taxpayers Association, the Utah Education Association, the Associated Mining interests and the State Realtors Association, also many individuals,

it would seem to represent the majority sentiment of the people. These plans represent not only organized business but the average citizen as well. It is unnecessary to give a detailed account of the plans, as they have all been copied and sent to you, so we will confine our presentation to the following short summary of each one.

The plan submitted by the present State Board of Equalization, Messrs. Snow, Stewart and Sutton, goes into the question of bank taxation more thoroughly than any of the other plans. This is a matter that is of the utmost importance, to all of the states which offend Federal Statute 5219, because of the fact that they exempt bonds, notes, mortgages and other forms of intangible property from taxation and are confronted with the same problem. Practically all of the business done in these classes of intangible property is done in direct competition with local and national banks. Many cases throughout the United States have demonstrated that any state which exempts, or levies a lower rate of tax upon this class of property than it does upon nationl banks, offends the federal statute regarding taxation of national banks. The State Board plan handles the question quite thoroughly but the problem of dealing with the taxation of banks is mainly one for legislative action. The constitutional bar at the present time is in sections 2 and 3 of article 13, wherein it defines property and states that a uniform and equal rate of assessment and taxation must be made upon all property. In order that intangibles may be segregated and taxed at a lower rate of interest, it will be necessary to adopt this form of classification, which is a constitutional provision and then by statute provide for levying a tax upon this class of property competing with banks and which comes within the provisions of the federal statute. In general, the Snow plan is based upon the three principles laid down by the National Tax Association in what is called the Model Tax Plan. These are:

1. A tangible property tax upon the theory that all taxable property should pay for the protection afforded it and to the jurisdiction wherein it is located.

2. That business carried on for profit in any locality, should pay a business tax for the benefit it receives whether such business is carried on by individuals, partnerships or corporations.

3. Every person having taxable ability should pay a direct personal tax based on income.

The plan submitted by the State Board may be considered as setting forth the result of their study of the tax situation from the standpoint of tax administrators as worthy of very serious consideration in our work of tax revision. The remedy suggested is as follows:

"Anything in the Constitution to the contrary notwithstanding, all property in the State not exempt by the Constitution and Laws of the State, or which may hereafter be exempted, shall be subject to taxation for public purposes only; but the manner, mode or method of assessing, equalizing, collecting and distributing taxes shall be such as the legislature shall prescribe by law."

The Utah Education Association submitted a plan embodying the most comprehensive review of the tax situation. This plan reviewed the various actions, official and unofficial, since 1910 which may be taken as the series of events leading up to this work. It gave a resume of the reports of the two tax Commissions appointed in 1912 and 1922, and the reports of the State Board of Equalization.

The idea followed throughout the body of the report is confined very closely to the model tax plan as does the report of the State Board. The principle recommendations in this plan are as follows:

1. Additional power to the State Board of Equalization to permit corrections of individual assessments and the collection of all taxes.

2. The imposition of taxes on non-essentials.

3. The imposition of income tax and the amendment of the constitution to permit, outside of debt limitation, the question of taxation being handled by the legislature as changing economic conditions may demand.

The plan presented by the Farm Bureau stressed the creation of a strong state tax commission with extended powers over local taxing units because of the lack of unification in the application of our tax laws. Also the constitution should be liberalized to permit greater freedom of legislative action. It recommends the exemption of homes from taxation and calls attention to the abuse of the exemption clause applying to church property and recommends such changes as will minimize the abuse prevalent under the exemption of property used for religious purposes. It also advocated the application of income taxes and favors the calling of this special session of the legislature.

The plan submitted by the Utah State Realty Association stressed the situation in which real property finds itself due to competitive lowering of valuations with resulting raise in levies and the escape of all forms of intangible property. The association recommends as a remedy the imposition of personal and business income taxes patterned after the Virginia plan, the classification of property to permit the taxation of intangibles and the separation of state and local income. They also advocate the increase of assessments to the proper 100% as required by law and a corresponding reduction in the rate of levy; further that a capitation tax be applied on the theory that every resident of any commonwealth should be required to contribute to the cost of government. It also recommends a sales tax on commodities other than gasoline because of the great convenience of this kind of tax. The Association stressed the change from annual to semi-annual payment of taxes.

Mr. John P. Cahoon advocated exemption of homes and personal property in connection therewith, and property taxation on all revenue producing properties.

Mr. Joseph R. Murdock asked that the Commission and Committee incorporate into its plan S. B. No. 6 by Mr. Smith exempting power plants, and power transmission lines from taxation when used in connection with irrigation.

Miss Edna Rosenkrantz suggested the law should provide for:

1. Tax on earned income. (From any source).
2. Tax on income from property (Of any description.)
3. Land tax—not to exceed 5 or 6% of income from such lands.
4. Gasoline tax.
5. Business tax taking in all lines.
6. Inheritance tax.
7. Personal property tax.

Mr. T. C. Winn suggested the institution of a sales tax to take care of the educational needs, some relief for the farmers and property holders and exemption of homes up to $2500 in value.

The plan submitted by the Utah Taxpayers Association stressed the administrative features of revenue and taxation laws and discouraged any attempt to make a change to new forms of taxation until we see what relief can be gained through more rigid interpretation of existing laws. Because of the great difference in opinion among the members of the Taxpayers association the question of the administration of tax laws is the only one upon which they could all agree. The summation of the Taxpayers Association's recommendations are as follows:

1. The legislation that will establish a state body vested with authority and amply financed, to supervise, regulate and control the assessment of all taxable property in the state.

2. Amend the present budget law so as to impose the penalty of removal from office for failure to adhere to, and function under, the budgetary requirements.

3. Strengthening of the present independent audit law and attaching penalties for failure to have complete, regular audits by competent registered accountants.

4. Legislation that calls for review of all bond issues proposed by any taxing unit of the state, by some constituted state body whose opinion shall be handed down and published for the information and guidance of the electors of the unit affected.

Mr. J. S. Pyeatt, President of the Denver and Rio Grande Western Railroad Company, submitted a plan in which the points particularly stressed are the creation of a central tax administrative body with the power of equalizing between individuals in any taxing unit; supervisory powers over taxing units; supervision of bond issues throughout the state; to see that accounting systems are properly adhered to and that all of the taxing units so adjust their levies as to meet the principal and interest of bond issues without having to refund a bond issue through lack of money to pay same when it matures.

Mr. Pyeatt points to the way this disregard of business principles by the lower taxing units, not only threatens their own credit, but the credit of the state as a whole. He favors the creation of a budget commission which would visit the various taxing units of the state and advise and assist local officials in following out a uniform budget practice. This he says has been done elsewhere and thinks it could be applied very profitably to Utah's problem.

Mr. Ward C. Holbrook, of the Board of Education of Davis County, suggests (1) more state responsibility over things of general character such as health, education and roads (2) state board of assessment with duties to assess all tangible property in state, same to be non-partisan and appointed by civil service (3) personal income tax (4) business excise tax based on income (5) special taxes continued and (6) sale tax be placed on luxuries, cosmetics, amusements, soft drinks and etc.

Representative W. D. Hammond of Moab submitted a plan for school equalization together with a tabulation showing how this would effect each school district in the state. Mr. Hammond's plan proposed to use $12.50 of the present $25 district school fund.

Mr. J. Albert Whitelock suggested publicity of assessments as possibly the best way of getting uniform and just assessments.

After the Committee and Commission had discussed the various plans submitted, the Commission suggested the following summary of findings and recommendations be advertised as the basis of discussion for the public hearings. This was done for the purpose of having at least a tentative proposition for discussion, inasmuch as the Commission and Committee did not feel that from the perusal of the plans it could select a plan or build a new one which thoroughly represented the ideas of the various groups of the taxpayers of the state, as well as meeting the situation from the standpoint of the state.

SUMMARY OF FINDINGS RELATIVE TO OPERATION OF UTAH REVENUE SYSTEM (Revised)

1. The constitutional rule requiring the taxation of intangible property at the same rate as tangible property is inequitable and unenforceable and must be changed.

2. Only a very small proportion of the total amount of intangible wealth owned in the state is now placed on

the assessment rolls. The remainder is either exempt by constitutional provision or by common agreement of the assessor and taxpayer.

3. The decision of the United States Supreme Court and recent Federal legislation compels the state to change its methods of taxing national banks.

4. Standards of property assessment vary widely over the state, due to the competition of districts and of property owners to avoid tax levies. The legal standard of assessment at full value is nowhere observed. Nominal tax rates are unduly high in consequence.

5. The State Board of Equalization lacks authority to attain uniform and equitable assessments.

6. No central authority exists with adequate supervisory powers over assessment and equalization to secure reasonable uniformity.

7. The present system of corporation license taxes based on capital stock does not provide an adequate nor an equitable measure of the privilege of doing business within the state.

8. There is some escape from taxation through irregularities of assessment. Every case of relative underassessment, or of unwise construction of exemption provisions, increases the tax burden on others.

9. The present tax system deliberately exempts all non-property owning classes, and all owners of mortgages and stocks in Utah corporations. The owners of taxable property must pay more, since these classes pay no taxes directly.

10. Owners of moneyed capital used in competition with banks are not adequately taxed under the present system.

11. The system of tax administration in Utah lacks the central supervision over assessment and equalization necessary to equitable taxation.

12. No central administrative control over local budgets, tax levies and bond issues in order to provide an effective means of controlling expenditures and the burden of taxation exists.

13. The present system of distributing the assessed valuations of utility and mining property to the districts in which such property is located results in concentrating the taxes on these properties in a few favored districts, at the expense of the remainder of the state, every part of which contributes to the prosperity of these activities, and to the benefits of government which they receive.

SUMMARY OF RECOMMENDATIONS FOR REVISION OF UTAH TAX SYSTEM (Revised)

1. These recommendations are based on the following principles of equitable taxation:

(a) All tangible property in the state should be taxed for the benefits which it receives from government.

(b) All business done for profit in the state should be taxed for the benefits received.

(c) A direct personal tax should be paid by all residents of the state having taxable capacity.

2. All tangible property should be taxed at rates which shall be uniform throughout the jurisdiction of the authority levying the tax. All exemptions should be strictly construed.

3. All property subject to taxation should be assessed at its full cash value.

4. All persons or concerns doing business in this state, except insurance companies, should be taxed at a moderate uniform rate on the net income from the business done within this state. In computing this tax there should be no offsets on account of property taxes paid to the state or its subdivisions.

5. All insurance companies doing business in the state should pay in lieu of the business tax, a tax at the rate of not less than 2% (per cent) of their net premiums from business done within this state. The present credit of property taxes against the premium tax should be discontinued.

6. The present taxes on the capital stock of corporations and on the freight and passenger miles of automobile corporations should be repealed as the business tax is applied.

7. All persons residing in this state, having taxable capacity, should pay a direct personal income tax at moderate, graduated rates.

8. All intangible property should be exempted from taxation as property, but with the express provision that the income therefrom shall be included in the personal income of the holders for purposes of the personal income tax or the business tax. The income from intangibles owned by business concerns should be allocated to this state for purposes of the business tax in so far as such investments represent, or are connected with, the business done within the state.

9. The license taxes on gasoline, cigarettes and motor vehicles should be retained. In the case of commercial motor vehicles, the plate or license tax should be adjusted to the factors which indicate the degree of use, wear and tear of the roads, such as weight, horsepower of motor, the size and kind of tire, single or compound units.

10. The proceeds of the business tax and of the personal income tax should be devoted to the state district school fund with a view to reducing the present state levy for this purpose.

11. The valuation of mines and public utilities now made by the State Board of Equalization should be taxed at the average rate of taxation on the true value of prop-

erty locally assessed throughout the state. The yield of this tax, after deducting the state's share, as determined by applying the state general fund levy, should be distributed as follows: fifty percent to the counties on the basis of the relative assessment of property locally assessed, and fifty per cent to the subdivisions in which the property is located. The proportion allocated to counties on the basis of assessed valuation shall be credited to the several district school funds with a view to reducing local property tax levies for school purposes.

12. The present constitutional State Board of Equalization should be abolished, and a bi-partisan State Tax Commission created, by statute, with full power and authority to supervise the operation of the entire tax system.

13. The personnel of the State Tax Commission should be selected on the basis of fitness and qualifications for the position. Stable tenure and adequate salaries should be provided. All partisan, sectional and group interests should be disregarded in making these appointments.

14. The State Tax Commission should have adequate provisions for clerical and technical staff.

15. The administration of all taxes should be centralized in the office of the State Tax Commission. It should not be loaded down with duties foreign to the administration of the state's financial system.

16. The State Tax Commission should have power on appeal of ten or more, to review any local budget, local tax levy or local bond issue to the extent of bringing all of the facts involved to the attention of the taxpayers concerned, with a view to checking unnecessary expenditure, and equalizing tax burdens.

17. The State Tax Commission should have authority, on its own initiative, to prescribe and enforce suitable regulations for the preparation of all local budgets,

and to render assistance to any local authority in the preparation of its budget.

18. Provision should be made for the preparation, by the State Tax Commission, of a system of uniform accounts for all local authorities, and authority should be given the Commission to compel and require the introduction of such uniform accounting systems.

19. The Tax Commission should have the authority to conduct regular independent audits of all local public accounts, and to take the necessary steps to safeguard public funds through the prosecution of all violations of proper accounting proceedure.

20. It is further recommended, that the legislature authorize a comprehensive study of expenditures and governmental organization and business methods, with a view to ascertaining whether more economical methods of handling the public business, or more efficient methods of governmental organization, may be introduced.

PUBLIC HEARINGS

As had been advertised, the Committee and Commission started public hearings on July 15, 1929 and continued at intervals until November 21st. Those appearing at the public hearings were:

T. C. Winn.
Joseph R. Murdock.
Able John Evans.
Mr. Allen.
Walter Tuttle.
John P. Cahoon, Real Estate Board.
James Correy, Denver and Rio Grande Railroad Co.
D. W. Parratt, Utah Education Association.
C. H. Skidmore, Utah Education Association.
Philip Zoercher, Utah Associated Industries.
John C. Watson, Utah Farm Bureau Federation.
L. C. Graton, Mines.

A. P. Bigelow, Banks, Taxpayers Association.
George H. Smith, Taxpayers Association.
Roland A. Vandegrift, Mines.
John G. M. Barnes, Associated Industries.
W. Mont Ferry, Mines.
Oscar W. Carlson, Taxpayers Association.
G. A. Marr, Banks.
C. A. Epperson, Press Association.
E. E. Monson.
E. M. Sawyer, Oregon Short Line Railroad.
County Assessors.
J. S. Earley, Manufacturers Association.
G. H. Backman, Manufacturers Association.

Mr. John G. M. Barnes, President of the Utah Associated Industries introduced Mr. Philip Zoercher, a member of the State Board of Tax Commissioners of Indiana, who presented the argument of the Association.

Mr. Zoercher said, in part, "Because of the limited wealth of Utah today, Utah should not aim to keep up in expenditures with her sister states with many times her wealth but should be very economical. The greatest need of this state is a strong central body with power to force economy and equalize assessments." He recommended that the state body have some control over bond issues, budgets and levies of all taxing units of the state. The constitution should be amended to exempt intangibles from a direct tax. No new source of revenue should be looked for until after the strong central body has had time to function, then if more revenues are needed there should be a consideration of the personal income and business excise taxes, but these should not be attempted at this time. He cited numerous instances from Indiana's experience in establishing a tax commission, one of the most striking of which was the effect of the central control of assessments. In 1917 the assessed valuation of Indiana was two and one half billion dollars. Under the readjustment made by the tax commission the valuation at once increased to over five billion seven hundred and

fifty million dollars; two and a half times the previous valuation. Mr. Zoercher said: "It did two things: It equalized the tax burden and it brought contentment to our people for the reason that each one knew that he was taxed on the same basis as his neighbor. I wish to tell you that it is unequal treatment that nettles the taxpayer. This can be corrected only when authority is vested somewhere in the state to overcome inequalities, favoritisms and special privileges."

At the same time the levies were reduced from a little over thirty-five mills to eighteen mills. This was made compulsory by law which provided that as valuation increased, levies should decrease—the result is equalization without increased expenditure.

Prior to the establishment of the Indiana Commission, assessments of the same class of property varied according to the location from 15% to 80% of full valuation. Of the ninety-two counties in Indiana only from two counties did requests come for intervention by the tax commission after the complete reassessment of the state had been made. When the tax commission began to function it had complaints from more than three-fourths of the counties, so the result is very evident that this system works satisfactorily and does not take away any of the privileges of local government, otherwise there would be great dissatisfaction evident.

Mr. Zoercher stated in answer to a criticism that this plan destroyed local self-government:

"You ask if this has destroyed local self-government. To the contrary, it has given the taxpaying people in each unit an opportunity to be heard before an impartial body, to have an end put to precipitate action, and to the increase and manipulation between public officials and private individuals, and groups. It has proved in the interest of the taxpayer—and the application of the ounce of prevention.

"And when we discuss the matter of local self-government, I am reminded of a forward movement in your own state respecting schools.

"At one time your town was recognized as the local unit, but now, through the process of expansion, your local unit is your county, and I understand that it is not unlikely that even larger combinations will take place.

"In all this local autonomy is preserved. We must remember that the word 'local' is a very flexible term.

"I read in your papers almost daily about your pride in Utah—your endeavor to bring tourists to your state and entertain them. If I read aright, people throughout Utah look upon the whole state as a unit.

"So that in Utah, as in Indiana, the application of this power to review and analyze proposed expenditures in the interest of the local taxpayers does in no wise destroy that right of local self-government which we so jealously and zealously guard."

In support of this Mr. Zoercher pointed to the fact that after the law creating the tax commission had first been tried out the legislature repealed its power to review levies of local taxing units but with no curb on spending. The tax levies on the increased valuation immediately rose to such a tremendous figure that the following session re-enacted the law giving the commission control over levies. This instance of the result of the lack of centralized control was all that the Indiana taxpayers needed to convince them of the merit in this plan.

Mr. Zoercher also pointed to the tremendous savings which had been effected through the state tax commission securing proper consideration of proposed bond issues. In nearly every instance these irregularities were due to dishonesty on the part of the public officials who entered into collusion with the contractors engaged to do public work. Fortunately for us here in Utah instances of dishonesty on the part of county commissioners have

been very, very rare, and we do not propose this plan for the purpose of correcting such evils. It is merely because our investigations have demonstrated that close co-operation between the state and its lesser units is absolutely necessary to secure sound and efficient business administration of public affairs. Another feature which Mr. Zoercher stressed is that, in Indiana, the taxpayer makes his taxpayment in two installments. This is a question which may be very seriously considered in our plan of tax revision as it doubtless has many arguments in its favor.

Mr. Zoercher's address and discussion is given at length in the transcript of public hearings for August 19th.

Mr. W. Mont Ferry, introduced Dr. L. C. Graton, Professor of Mining Geology at Harvard University, who was brought here to represent the mining interests of the state. Because of Dr. Graton's experience as an engineer of mine valuation for the government, when the income tax was inaugurated, he was able to give a very complete discussion of the many factors entering into mine valuation. His paper has been published in full in pamphlet form by the mining interests and is also contained in the report of our public hearings, for August 19th. Dr. Graton pointed out the principal features of mine valuation as developed by the federal government and stated that the basis of valuation used in Utah is at best but an arbitrary method which he thought could be dispensed with to advantage if the more scientfic method employed by the government could be inaugurated. The main difficulties with our method of arriving at value by multiplying the net proceeds is unscientific and does not recognize some of the principal facts entering into mine accounting and valuation, chiefly, depletion of the ore reserve, depreciation of equipment and cost of management. These are allowed under the government method of valuation and have been accepted as necessary and legitimate items of expense in determining the value of

a mine. The other method mentioned by Dr. Graton was developed in England more than two hundred years ago and has been in successful operation there ever since. This method arrives at a basis of valuation by capitalizing the net income of each year and taking into consideration all of the expense items entering into the operation of the property. Dr. Graton stated that while the mining industry was averse to radical and unwise changes in the tax laws yet it was perfectly willing to co-operate to the fullest extent in any plan which had been given adequate study by the proper authorities. He advocated that in making any change we take but one step at a time so as to find out how the proposed plan would operate and the effect it would have upon the mining industry. He was not opposed in principle to an income tax but thought that if used in connection with the property tax great care should be exercised to prevent any unnecessary levy upon the industry. Like Mr. Zoercher who appeared for the Associated Industries, Mr. Graton laid particular stress upon the administration of the entire revenue system as being more likely to correct the evils which now exist than would any attempt to inaugurate an entirely new tax plan.

Mr. A. P. Bigelow, President of the Utah Taxpayers Association introduced Mr. George H. Smith, General Attorney for the Oregon Short Line Railroad and a member of the Central Committee of the Association.

Mr. Smith stated that due to the complexity of business interests represented in the membership of the Taxpayers Association, and their inability to unite upon any definite plan for tax revision that the presentation of the Associations views would be confined to the administrative features, upon which idea all of the members could unanimously agree. Mr. Smith pointed out that the ad valorem property tax is, and must be, the foundation of revenue and taxation and that this will fail unless efficiently administered. Proper administration can be had only by enlarging the powers of the Central Board,

whether it be called the Board of Equalization or the Tax Commission. He thought the constitution should be changed to permit the proposed Commission to supervise local units for the purpose of securing greater uniformity in accounting and interpretation of our tax laws, in particular the adjustment of valuation between individuals and a check by the board upon bond issues and levies.

He pointed out the necessity for providing proper technical men as employees of the board to the end that the best talent obtainable be applied to this most important function of government. Should classification of property be decided upon, he thought the classes should be fixed in the constitution in order to provide stability to business. He stated that the association did not approve the application of new laws seeking new sources of revenue until this central board with extended authority had been functioning long enough to learn to what extent it could correct present administrative defects.

Mr. Bigelow, President of the Taxpayers Association stressed the need of more authority in the central administrative body and that strong limitations should be placed in the constitution. He was also opposed to the application of new forms of taxation until the central body had been in operation long enough to make definite recommendations on this question.

Mr. W. Mont Ferry introduced Mr. Rolland A. Vandegrift, Director of Research and Tax Counsel who had been brought here by the mining interests of the state for the purpose of conducting an extensive survey of our situation for the mining industry. Mr. Vandegrift presented much interesting statistical information regarding our situation, all of which material was secured from our various public offices, documents and reports. Mr. Vandegrift's report has been prepared in pamphlet form by the mining industry and is also included in the report of

our hearings on August 20th. Mr. Vandegrift stated that the mining industry wished to co-operate with the Committee and Commission in every way possible in attempting to revise our present revenue system. Due to the magnitude of the work in making an extensive survey of conditions he was not prepared to present any definite plan of revision. His recommendations were directed more to the administrative features than to something new. In this he followed the thought presented by those appearing for the Associated Industries, the mines and the Taxpayers Association.

He had made a particular study of assessment throughout the state and presented some startling examples of under assessment, mentioned some cases of over assessment, pointed to what he termed weakness in our present laws and defects in their administration. He thought the best results could be obtained by a strong central tax administrative body with proper supervision over local units which would force all property upon the rolls. The administration of the laws by local assessors was pointed out as one of the weaknesses which brought about the present agitation. Like those preceding him, Mr. Vandegrift stressed the necessity for the central body to have authority for equalizing values within taxing units as well as between taxing units. He also mentioned that at the present time the state taxes are collected through six different departments; that there is a great lack of uniformity in accounting in these departments as well as in the assessors offices throughout the state. He also stressed the point that the economic conditions of the state must be recognized in any plan of tax revision to the end that capital might be directed into the state for the purpose of developing our vast natural resources. Mr. Vandegrift stated that the mining interests wished to make one specific recommendation:

"We are convinced from our studies to date, gentlemen, that if your bodies will do no more than make recommendations which will result in correcting the evils and

weaknesses of the present administration, many of the inequalities of tax distribution, and much of the general tax problem of Utah will be solved. In fact it would be far better to achieve these constructive results, the desirability of which is generally agreed, than to precipitate contention with tax proposals upon which there may be strong differences of opinion. If this one great forward step is made by correcting generally recognized weaknesses in administration other possible shortcomings in the tax setup, if they exist, will become apparent and can be given specific attention. Other states with far more tax experience than Utah has had, have been content to move slowly in such serious matters."

On the question of bank taxation, Mr. A. P. Bigelow, of the Bankers Association introduced attorney G. A. Marr as its representative, to present the Bankers case at the hearing.

Mr. Marr stated there were three questions to solve:

1. What are you going to do with respect to banks right now?

2. What are we going to suggest as amendments to the constitution, looking to a possible plan or plans of taxation in the future?

3. What should be suggested as the initial plan of taxation to be recommended by you?

After discussing these problems the following remedies were suggested:

1. We strongly urge improvement in our assessment machinery, centralized administration in collecing taxes and authority over the system generally.

2. Pass an emergency measure covering taxation on banks and competitive institutions at the special session based on the Marsden Bill, (Session 1929).

3. Be governed by the experience of other states and the decisions of the courts enacting permanent laws for taxation of banks.

Mr. Clyde A. Epperson of Kaysville, President of the State Press Association appeared at a joint hearing to present the views of the Association relative to taxation. Mr. Epperson thought that greater publicity of financial reports of the various taxing bodies would serve as a check on unwise expenditures. He was not averse to the classification of property and favored the establishment of a central administrative body with greater powers than given to the present State Board of Equalization. He also suggested that this body be empowered to enforce the obedience of public officials to the laws defining their acts.

Mr. Oscar W. Carlson, Attorney for the Associated Industries was presented by Mr. Bigelow as one of their representatives whom they wished to appear at the hearing. Mr. Carlson stressed the need for complete supervision of assessment of all taxable property; the power of review and correction of local levies and budgets and the power to review local bond issues. He thought that the attempt to seek new methods of taxation or to apply any method or plan which had not been given careful consideration would do more harm than good and that before attempting any revision the state should correct some of the deficiencies and evils which exist in our present laws and their administration.

At the instance of Senator Candland, Mr. E. M. Sawyer Tax Agent for the Oregon Short Line Railroad, presented a very interesting plan which has been adopted by the Oregon Tax Commission, in which the state levies upon all property for state purposes, at a figure close to one hundred per cent value, as determined by the Commission. The counties are permitted to levy at whatever percentage of value they may determine, but the contribution of the county's share of the state ex-

penses is paid to the state upon the ratio which the county valuation bears to the entire state valuation. In connection with the proposition that some means be devised which would induce local assessors to keep their valuations up, this plan might be worked out to advantage.

The Iife Insurance interests of the state presented Mr. Charles F. Cresswell of New York City as their spokesman at the hearings. Mr. Cresswell is a member of the Association of Life Insurance Presidents.

He presented the case of the insurance companies in regard to the method which is in use by the majority of the states in taxing this form of business. He pointed out that Utah is merely following the precedent established throughout the Union by taxing insurance companies on their net premiums. No recommendation was made by Mr. Cresswell or other representatives of insurance companies in regard to the general plan of tax revision.

The following persons appeared in the interest of insurance companies operating in this territory: Mr. Paul Green, Secretary of the Life Underwriters of Salt Lake City; Mr. Charles F. Barrett, representing the Mutual Life Insurance Company; Mr. Frank Mosely, for the Beneficial Life; Mr. Irwin Clawson and Mr. Charles M. Howells, representing the Reciprocal Exchange of the United States; Mr. Frank B. Hammond, President of the Salt Lake Surety and Casualty Association; Mr. E. Hugh Miller from the Insurance Department of Tracy Loan and Trust Company; Mr. Percy V. Long, Assistant General Counsel of the National Board of Fire Underwriters.

Mr. Long quoted from the report of the insurance section of the Chamber of Commerce of the United States as follows:

"(1) There should be a material amount of reduction in the amount of premium tax collected.

"(2) In fire and casualty insurance, re-insurance and return premiums, dividends to policy holders and losses, should be deducted from gross premiums before the rate of taxation is applied to the premium income.

"(3) Income taxes are inequitable on the fire business as at present levied."

Mr. S. P. Dobbs, representing the Utah League of Building and Loan Associations stated (1) that the business tax would result in double taxation (2) that legislation may not be enacted to tax business done without the state. This may be held to conflict with the U. S. Statute 5219, as no similar tax is placed on banks. The recent act passed in Oregon may be a splendid guide for our Commission and legislature to follow.

Mr. George M. Cannon, representing the Deseret Building Society presented an argument tending to show that, as Mutual Building and Loan associations are not operating for profit, but are organized solely for mutual benefit, they have nothing to tax.

Mr. Walter Tuttle appeared before the Committee and presented some very interesting facts showing the extent to which property is exempted from taxation because it is owned by some religious organization. Mr. Tuttle did not present a written statement, but stated that his long experience in the real estate business in this city has given him a very clear insight into this question. While the constitution already provides just what property may be exempted from taxation, the practice of assessors has been very lenient and has not hewn close enough to the intent of the law. Consideration of this question of exemptions is necessarily statutory and will be taken up at the time study is made of the necessary changes in the statutes.

Mr. W. J. Bateman representing Zions Benefit Building Society asked that Mutual Companies be exempt as

they are not in business for profit but the real purpose of these companies is to aid members in building and paying for homes.

Dr. John C. Watson, Chairman of the Tax Committee of the Illinois Agricultural Association appeared for the Utah State Farm Bureau Federation. He presented an analysis of the Utah situation taken from the report of the National Bureau of Economic Research for the years 1919, 1920 and 1921. These are the latest figures gotten out by this organization. Dr. Watson's analysis of the Utah problem was based entirely upon net income. It shows the extent to which we subject the various classes of property owners to taxation and a careful study of Dr. Watson's address as given in the hearing for October 17th and 18th, will give one a very clear idea of the question. We will not go into the presentation of his recommendations at great length but call your attention to a few pertinent facts. He advocated classification of property, the desirability of income tax and the creation of a centralized tax administrative body, with sufficient power to unify the tax system of the state.

In his discussion, Dr. Watson pointed out that the group which pays little or no taxes received over 50% of the total net income in 1919. The total for that year was $127,564,000; in 1920 it was $148,830,000 and the percentage was 55.21. In 1921 it was $127,803,000 and a percentage of 57.30.

"The federal income reported from the State of Utah in the year 1926, the latest year for which such information is available, 47 per cent of it came from this single source—wages and salaries, in spite of the fact that you had exemptions and personal exemptions running from $1000 to probably as much as $4000—$1000, at least, for every one, and $2500 and running higher, dependent upon the number of children, for the married people, and despite the fact that no salaries included there which were paid by the State of Utah or any subdivision of the State

of Utah, as they could not be included in the federal income, and yet 47 per cent of the entire income reported from the State of Utah in the year 1926 was wages and salaries."

"Now we come to the second great subdivision of income; and this is income from sources which pay heavy direct state, county and local taxes. Now under this we have. 'Owner operated tangible property.' This includes no corporation property, the income of which is counted in the hands of individuals as paid in the form of dividends. The item for the first year 1919, is $108,680,00 and the percentage is 43.21.

"You threw almost the entire tax burden on that item. You threw it nearly all on this item, in spite of the fact the owners of property which produced this had but 43 per cent of the income, you throw practically the whole burden of taxation on them, and, gentlemen, you begin to see the weakness of this tax system in the state of Utah today.

"In 1920, $107,454,000 or 40.6 per cent of the total, and the year 1921, $83,886,000 or 37.60 per cent of the total in that year."

You will observe from these quotations that the heaviest taxpayers are in the classes which receive the least net income. A careful study of Dr. Watson's presentation will convince you that we are on the right track in attempting to readjust the tax burden.

Mr. J. S. Earley, Secretary of the Utah Manufacturer's Association presented the view of this body. Mr. Earley presented an argument to show that his association feared the business tax, as proposed, would merely add about 4% to the taxes now paid on property, and therefor not be of any benefit to the manufacturers of the state. Also that the 4% would not take a sufficient tax from those businesses which do not have property but which may in the aggregate represent as much return, or

more, than the businesses owning property. To remedy this condition the manufacturers proposed that offsets be used in order to accomplish this equalization. Mr. Earley's discussion did not go to the other points of the proposed plan, but assured the Committee that the Manufacturer's Association would be perfectly willing to cooperate to the fullest extent in working out a plan for the re-distribution of taxes and said that if the business franchise tax is applied in an equal manner they will give it their unified support.

Because the proposal to create a tax commission with certain additional powers over local tax officials would directly affect County Commissioners and Assessors, an invitation was extended to these public officials to meet with the Commission and Committee for the purpose of discussing this phase of the question and any others upon which they might wish to express themselves. More than half of the counties of the state were represented, either by the assessor or one or more of the commissioners, all of whom expressed their views on this point. The proposition of the tax commission was explained in detail and the officers present expressed themselves on its various phases. Some very pertinent suggestions were made and the consensus of opinion seemed to be that such a body as proposed would work to the great advantage of the local units in many ways. Some fear was expressed that the extended powers to the tax commission would take away some of the privileges of local government but when the reason for this commission and its limited supervisory powers was fully explained and understood, much of this opposition disappeared. The assessors realized the necessity for great cooperation especially as the state has, in recent years, assumed a considerable responsiblity in the extension of public roads and the aid of local schools. It may safely be said that the majority opinion of the county officials present favored the creation of a tax commission.

The discussion on the method of taxing insurance business was raised because of the first recommendation made by the Commission that insurance companies be taxed 2 per cent upon their net premiums, and that no credit be allowed against this tax for property taxes paid. After considerable time spent in discussing the question of taxation of insurance companies and having presented to us evidence showing that the present method of applying a tax of 1½ per cent upon the net premium and allowing credit for dividends, losses and property taxes paid, it was very close to the average insurance tax throughout the United States. Forty-five of the states now use the premium tax method, so it is practically universal. For this reason the Committee suggested that the recommendation be changed and that we make no change in the present method of taxing the insurance business.

The question was raised as to whether the state was receiving from this tax a proper return for the vast amount of insurance money invested in securities throughout the state, and whether it would be possible to reach the income from this class of investment with a business excise tax measured by income. Sentiment seemed to be pretty much in favor of leaving the insurance tax as it is because it represented a fair contribution to the state by this class of business.

The present situation in Utah, inasmuch as it represents an average for the entire country was thought to be fairly satisfactory. None of these representatives favored the application of an income tax of any kind to the insurance business, pointing out that this business is unique and not comparable to other forms of business in regard to income or profit.

The work of the previous commissions, the reports of the State Board of Equalization, the messages of the four preceding Governors, the public hearings before the two bodies and the various plans submitted, completed

the argument that some revision of the revenue and taxation system of this state is necessary. The causes leading up to the present situation as gleaned from previous study and our present investigation, may be summarized as follows:

1. Inequality of property valuation.
2. Lack of uniformity in the interpretation and application of tax laws by the officials of the several taxing units.
3. Escape of all forms of intangible property and income.
4. Competitive lowering of valuations.
5. Exemptions not in accordance with the law and not justified.
6. Delinquencies.
7. Necessary increase in government expenditures.

From the mass of material at hand the four cardinal principles were evolved upon which to base constitutional revision:

1. Division of property into two major classes, tangible and intangible, with the possible subdivision of intangibles;
2. Personal income tax;
3. Business excise tax based on income;
4. Creation of central tax administrative body with adequate authority over local taxing units.

CLASSIFICATION OF PROPERTY.

As you are all aware, section 12 of article 13 states "Nothing in this constitution shall be construed to prevent the legislature from providing a stamp tax, or a tax based on income, occupation, licenses or franchises."

However section 2 provides that "The word property, as used in this article is hereby declared to include moneys, credits, bonds, stocks, franchises and all things (real, personal and mixed) capable of private ownership", and section 3 says "The legislature shall provide by law a uniform and equal rate of assessment and taxation on all property in the state according to its value in money".

It is quite evident that in applying to any property having limited earning power the same uniform and equal rate of assessment which is applied to property not having a relatively small fixed income, the result will defeat that equality of contribution at which the framers of the constitution aimed. Therefore, all forms of intangible property, most of which have a lower fixed return in the form of dividends or interest rates compared to the possible return from tangible property, would be placed in a most unfair position by the application of even the average state rate, which amounts to about thirty mills, or three per cent. The highest local rate in 1928 was 53.1 mills or 5.31 per cent. Imposition of the average levy to "moneys, credits, bonds or stocks," as property, would take from 50% to more than 100% of their maximum earning capacity. To apply the average levy to the incomes from intangibles would take too much from the small incomes, especially when the owner of the small income is also a property owner. Its application to incomes would naturally restrict its use to only the larger amounts, leaving a wide range of income which would not pay any return, although justly entitled to do so.

A second strong argument brought out in the investigation in favor of classification is that it will assist in relieving the situation we are in respecting taxation of banks. You are doubtless more or less familiar with the bank tax situation in most of the states, arising from the fact that over forty of them offend the provisions of Federal Statute 5219 because some, or all forms of competing capital are either exempt or taxed at a lower rate

than is applied to banks. By an income tax, it will be possible to tax banks without offense to federal provisions, although at a much lower rate than applied by an ad valorem tax, and also apply the same tax to competing capital, much of which now escapes, thereby making up in part the revenue lost from banks. Until 5219 is amended the states must make the best of the situation.

According to the evidence presented at the hearings intangible property is increasing in the state and has reached such an amount that it should no longer escape all responsibility of contributing to government costs. The various forms of intangible property and the business concerns dealing in it demand relatively as much from government as does tangible property. Therefore because it does make demands on government functions it should contribute a share of the cost.

Classification, for the purpose of bringing intangibles into the taxpaying column, has been urged repeatedly by the last four Governors, the three Tax Commissions, the State Board of Equalization and Assessment, The Utah State Realty Association, The Utah Farm Bureau and many individuals.

No very marked opposition developed during the hearings to the suggested form of classification. The majority of the submitted plans favored classification, as well as a majority of those appearing at the public hearings. These expressions undoubtedly indicate the views of a substantial majority of the people of the state. Some opposition developed from the industrial, mining and financial interests but was not pronounced.

PERSONAL INCOME TAX.

The question of a personal income tax has been agitated for several years by various groups and it now seems to be favored by such a large number that the Committee and Commission gave it particular attention. The most common fact regarding this class of property is

that, with the advance of industrial development many people are necessary for the conduct of business, in its many phases. By far the largest number are in what may be termed the "nominal salary class" and under any system of income taxation would not pay more than the minimum tax. Above the nominal salary class the number of persons in each salary group decreases as the salary mounts. While a large proportion of salaried people become real property owners and taxpayers, there are a sufficient number who do not pay enough indirect taxes per family to take care of more than a small part of the expense of schooling one child and nothing for those other functions of government upon which they call. Basing our case on the theory that all citizens should contribute directly to the support of government the investigation endeavored to secure as much information on this question as possible. The facts available are taken from Statistics of Income, published by the Internal Revenue Department. These show that over 16,000 residents of Utah reported in 1927, $30,709,672 income from salaries, wages, interest and dividends. Salaries and wages constituted 45.73% of the total income and interest and dividends 19.93%. The intimate details of the records of the Internal Revenue Department are not available but only totals may be secured. However, the exemptions allowed at the present time on federal income reports are large and the figures available indicate that there are a sufficient number of residents within the state receiving incomes and who own little or no personal property, so that the imposition of an income tax would secure a contribution from these who are now escaping anything but indirect taxation. The address of Mr. John C. Watson analyzed the situation on an income basis from statistics gathered by the National Bureau of Economic Research and his analysis of the case is very enlightening. It is well worth careful study even though the figures are not yet available for the years subsequent to 1921. The reports of the State Board of Equalization, some of the governor's reports, and the reports of the two previous

tax commissions all advocate the imposition of a personal income tax. Also several of the civic, educational and industrial organizations, in making a study of the Utah tax problem, have arrived at the same conclusion. The committee feels that in view of the fact stated we should at least make a start in this direction even though the receipts at first are not great. This class of wealth will continue to increase with the natural development of the state and it is of sufficient importance even now to justify asking for a contribution to the cost of state government.

CORPORATE INCOME TAX.

Early in the investigation the commission sent out questionnaires to all of the firms reporting to the secretary of state on corporation license taxes. The questionnaire was designed to get a relation between taxes paid and net and gross income, also the relation between the amount of business and property within the state to the total business and property of concerns engaged in interstate business. Upon comparing these returns it became evident that many large concerns doing business within the state are paying a ridiculously small amount of tax for that privilege and for the use of the various state functions upon which they call from time to time. Many of these corporations are engaged in lucrative business and enjoy all of the protection which the state gives to anyone, but because of the inadequacy of the corporation license taxes now applied, the return to the state is not at all in proportion to the privileges which they enjoy. A great deal of the business, represented in these instances where only a nominal corporation tax is paid and little or no property tax, is engaged in direct competition with banks. The amount of money which the state could receive from business now escaping would make up a considerable part of that which is now being lost as a result of the banks' action last year, wherein they compromised on the basis of thirty-five per cent of their former assessment. The previous research and study of this question of an in-

come tax upon corporations has resulted in recommendations for a change in our present system in order that a more equitable assessment could be made upon this class of business which is now ecaping almost entirely. Some business which is now escaping almost entirely. Some opposition developed to the proposition of a business income tax but nearly everyone recognized the situation in which the state finds itself as a result of the application of the present law on the taxation of corporations. The idea of the committee all through this discussion was simply to formulate some plan by which these business concerns which now escape taxation can be made to pay an adequate tax and at the same time not lay an additional burden upon those corporations which own considerable amounts of property.

TAX COMMISSION.

This is a subject which created more discussion than almost any other question which came up during the investigations. The present constitutional provision creating the state board of equalization and assessment and defining in part its functions so restricts the authority of the board that it is impossible for it to correct many of the evils and irregularities which exist throughout the state. It seems from a study of the constitutional and statutory provisions that the intent was to have a centralized body which would operate to equalize and correct irregularities in all of the taxing units. However, strict interpretation of the statutes prevents the board from functioning properly especially since the development of the state has made all of the counties less independent and more a part of the state as a whole. Time was, before the wonderful improvement in transportation and communication between the several counties of the state, that conditions naturally tended to make each particular section, especially in the outlying counties, sufficient unto itself. They had little intercourse with the more thickly populated sections and with adjoining counties and naturally there was less need of unification in the way in

which they conducted their affairs; but under present economic conditions, wherein the state is called upon to construct and maintain through highways as part of the national system, extend its participation in educational activities and maintain necessary penal and reformatory institutions, the state is amply justified in requiring its lesser units to readjust their affairs so they will assume their just share of maintaining these activities. Valuations and levies vary to such an extent that the responsibility of one county in the contribution of its share of the state's expense is wholly out of proportion with others.

We think there is no question of the principle that each taxing unit must bear its proportional share of state levies. From the evidence presented during the hearings, it appears that county valuations vary from about 40% to 70% of true value and individual assessments from as low as 10% to over 100%.

It is quite evident then, that some localities are shifting their share of the state burden to other districts where the Assessors try to hold valuations closer to the standard required by law.

Also, local conditions so influence the assessment of property that great disparity exists within a taxing unit and two pieces of property in the same class do not bear the same proportion of the tax burden. Because of local influence it is often quite impossible for local officials to correct these inequalities. They exist to such an extent that valuations are uniformly low, which necessarily raises the rate of assessment. It is wholly unnecessary, but is the result of a combination of circumstances which have resulted in a most chaotic condition not confined to any particular locality. The state board of equalization and assessment being the one body which comes in contact with all sections of the state and therefore is in a position to make a comparison, has repeatedly requested the additional authority by which it could have a certain amount of supervision over the entire revenue and taxation sys-

tem of the various taxing units. All students of the question both in this state and other states have recognized this same difficulty and several of the states have corrected it to greater or less degree. This is the one question upon which there was greater unanimity of thought than any other which came before the Committee and Commission. Aside from the recommendation by the state board of equalization each plan submitted by the various other oganizations contained a recommendation for enlarging the powers of the centralized body so that it could have general supervision over the tax system of the several taxing units. Also the county assessors who appeared before the Committee, when the question was explained to them and they understood it was not designed to take away from the counties any of the privileges of self-government which they now enjoy, expressed their approval of the plan in general. While they were not in entire accord on this question a majority of those appearing expressed themselves in favor of it. The Committee and Commission tried to make its stand plain on this question—that in advocating such a proposition it did not wish to take any prerogative of self-government from local units, but to give a method which would provide for correcting the difficulties of which they complain, as well as of which the state board of equalization complains.

Some expressed the fear that it would take the question of taxation farther from the people than it is at present. The statutes when enacted should provide that any taxpayer may have the right of appeal to the state board from decisions of his local commissioners, or that on the appeal of any ten taxpayers in a district affected, questions under controversy would be subject to review. The only recourse now is to raise or lower an entire class of property and if the local authorities do not equalize between the individual assessments in a class, a class raise by the state board of equalization often works a great hardship on a large number of taxpayers and in no way

relieves the inequality. All hearings must be in the unit affected and open to the public. The one outstanding instance of the operation of such a body which came directly to our attention during the hearings was brought by Mr. Philip Zoercher of the Indiana Tax Commission. His description of the operation of this plan in Indiana was that, it does not remove the taxpayer a greater distance from the taxing official. The mere fact that a central body has the power of review, has acted as a brake against the use of arbitrary power in certain localities. Fortunately in Utah, we have no instance where county commissioners have wilfully misspent public funds through the letting of contracts at exhorbitant prices or for their personal gain. Therefore, the remedy is not sought because of any such deplorable condition, but because, due to a peculiar combination of circumstances in which practically every young state finds itself sometime or other, it becomes necessary to unify and systematize the conduct of public business.

The foregoing propositions, classification, personal and business income taxes and the creation of a Tax Commission, are distinctly developments of the effort of Government to correct defects in our organic law and make it more conformable to present conditions. The messages of Governors Spry, Bamberger, Mabey and Dern, the reports of the previous Tax Commissions, the state board of equalization, civic and business organizations, and the consensus of opinion as expressed in the plans and testimony submitted to this Committee and Commission center on one or all of these principles.

The Committee feels that these four propositions as outlined represent the best study of these various groups, all of which has been substantiated by the past years investigation. We know that these principles conform also to the trend of tax revision in other states. They have given relief to the general property taxpayer and have consolidated the various subdivisions of state govern-

ment into a unified and systematic business concern. Under our present economic and social development the state naturally is the main political unit. Counties, school districts and municipalities are its logical subdivisions. Owing to the evolution of our social and economic structure the state is called upon for greater participation in certain functions of government which require participation with the local units throughout the state, principally in school costs and highway development. As long as the lesser units contribute part of the taxes levied upon their property to the support of these statewide activities it becomes necessary for greater cooperation between them and the central government. The proposition to centralize a certain amount of authority does not in any way tend to take the administration of the government from the people, but gives them a more direct participation in it. Therefore the Committee feels that it can unanimously support these suggested changes and so recommends to this legislature.

In addition to the above mentioned four cardinal principles, four other questions originated within the Committee and Commission:

1. The method of determining the value of producing mines for assessment purposes;

2. The creation of an endowment fund, the principle of which should be derived by taking a percentage of the taxes collected from metalliferous and non-metalliferous mining property, oil wells and other depleting natural resources;

3. Guarantees in the constitution against changing rates when once established, except by a two-thirds vote of the legislature, but without the necessity of submitting these changes to the vote of the people;

4. Using the present $25 per capita district school fund for the purpose of equalizing educational advantages throughout the state.

MINE VALUATION.

The question of mine valuation was raised by Senator Patterson, who was Chairman of the subcommittee on mines. As a result of the Committee's discussion of this question there was but one negative vote to the proposition that the basis of valuing producing mining property for assessment purposes should be written into the constitution. The method of using net proceeds as the basis of valuation was also supported almost unanimously. The multiple to be applied for the purpose of valuation was the subject of much discussion and the Committee was unable to support unanimously the proposition presented by motion that the multiple 3, applied to net proceeds, be written into the constitution. The vote on this question was very close, being five in the affirmative and four in the negative, two absent not voting. Although both Dr. Graton and Mr. Vandegrift presented very able arguments in support of the proposition to fix the multiple at 3 and to write it into the constitution much of the evidence presented tended to show that net proceeds as defined in the statutes is not a truly scientific and businesslike method of arriving at the value of a mine. It was pointed out that net proceeds as defined under our existing law is a most arbitrary proceedure and does not adhere to the best modern accounting practice. The method mentioned as an alternative is the present government system of valuation for the purpose of the federal income tax, the basis of which has been in vogue in England, one of our really old mining countries, for upwards of two hundred years. The government method, or "present worth" is based entirely upon net income and those factors of depletion and depreciation, also management expense are allowed as deductions from the gross income. Ordinary accounting practice in our modern business system recognizes these factors as pertinent and legitimate to consider in arriving at the cost of production and net income.

It would seem that our arbitrary method of taxing mines on the net proceeds really has very little defense from a technical viewpoint, and that it might be quite beneficial both from the standpoint of the mining interests and of the state, if some more businesslike methods were devised and that both parties would be relieved of a great deal of inconvenience. Looking at the question from the standpoint of the mining interests and of the state, the Committee feels that it would relieve each session of the legislature of one of the most controversial questions with which it has to deal, because it would then be unnecessary for the mining interests to exert so much effort among the members of the legislature to prevent the industry from being saddled with an additional and possibly an unjust burden. Because of the extremely close division of sentiment among the members of the Committee on this question of mine valuation, the Committee could not make a unanimous recommendation as to the multiple to be used but did recommend with but one negative vote that the basis of valuation on net proceeds be written into the constitution. We feel however that a more scientific and businesslike method of valuation would undoubtedly result to the advantage of all concerned. We appreciate the attitude of the mining interests in their declaration of being perfectly willing to meet any additional burden, which after careful research and study of the tax problem, should be deemed necessary, provided they are treated equitably.

The mining industry has also been of great assistance to the Committee in compiling and analyzing a great deal of data which have been submitted to us especially in connection with the problem of school equalization. Because of the fact that none of our state officers were equipped to do this class of work in addition to their regular duties, the help which we have received from Mr. Vandegrift's research department is fully appreciated.

We think the question of mine valuation should be given sufficient study so that a basis satisfactory to the

interests of both parties concerned be worked out and then incorporated in our laws. We do not wish to impose any unjust burden upon any industry, neither do we wish to give any industry protection which cannot be extended in like measure to all others.

ENDOWMENT FUND.

The second proposition originating within the Committee was presented by the Chairman as a possible solution for the difficulties we encountered in trying to evolve a plan for the equalization of educational opportunities. This suggestion was that the state create an endowment fund, similar to the one which we now have, the interest of which supplies a part of the $25 per capita distributed to the school districts of the state according to school population. It was suggested that in the creation of this fund a percentage of the taxes levied annually upon those industries engaged in the exploitation of the state's wasting assets such as metalliferous and non-metalliferous mines, oil and other natural resources which are being depleted constantly by the operations which take them from the ground, be placed in this endowment fund, the interest only accumulating from this fund, as it is invested, to be applied toward the cost of schools. It was felt that such action would be justified because of the fact that these natural resources are being depleted and the state is receiving from them only their annual contribution to current expenses. These resources represent the heritage of the entire citizenship of the state and future generations should not be deprived entirely of the advantages which their possession means to the commonwealth. Also, using a small part of these taxes in this way would eventually create a fund of such magnitude that the interest therefrom would go a long way toward the support of our educational system and relieve to just that extent the burden of taxation, which is now being levied to support these institutions. Mr. Watson commented favorably on the endowment fund idea.

This proposition was not presented until rather late in the hearings and while it met with considerable approval there was not time in which to fully discuss its effect and the Committee therefore was not in a position to make a recommendation regarding it.

CONSTITUTIONAL LIMITATIONS.

In the discussions regarding the advisability of writing into the constitution the multiple 3 as the basis upon which to value producing mines, Senator Patterson suggested that if a method could be devised which would give all business that guarantee and stability which business seems to desire, it would be much better to do so than to single out any particular class of business for the protection which is offered by placing it apart in the constitution. In seeking to devise such blanket guarantee, the Committee,after much discussion evolved the proposition of stating in the constitution that when once a rate of taxation or method of valuation was adopted by legislative action and written into the statutes that it could not then be changed except upon the vote of two-thirds of the members elected to any session of the legislature. This,it was thought would make it possible for the legislature, in its wisdom, to make such changes as would meet the economic conditions confronting it without having to put the proposition to a vote of the people, as is now required. This in reality would be tying the statutes relating to rates of taxation and methods of valuation very closely to the constitution and while not being a part of the constitution, yet they could not be changed by the ordinary legislative majority.

Another argument in favor of the proposition is the fixed rate of state levy in section 7 of article 13. The Committee realized that with the naturally increasing cost of government that it would be much more logical and convenient to government business if the legislature, which may be compared to the board of directors of the state corporation, could have the power within itself to

provide for the necessarily increasing costs of government without having to put the proposition to a vote of the people. It was felt that submission of this proposition to the people would give them ample opportunity to show their approval or disapproval, and if their approval were given that it would then give the legislature that freedom which a board of directors should have in meeting the varying conditions which confront it from time to time.

SCHOOL EQUALIZATION.

At the last regular session the legislature passed what is known as House Joint Resolution No. 8, by Representative S. M. Jorgensen, which provides that the state shall furnish by a levy upon all property, a fund of $5 per capita of school population for the purpose of equalizing educational advantages in the outlying districts. At the time this proposition passed the legislature it was shown that many school districts in the state are unable to raise with a high levy a sufficient amount of money, which together with the $25 state aid would give them enough to carry on a full term school with proper equipment and teachers particularly qualified to handle the situation. The legislature felt that something should be done in this respect and accordingly passed this resolution, which will, if not changed or recalled, go to the people at the next general election for their approval or rejection. The request was first made for a large amount and the $5 per capita represents the compromise which was reached at that time. During the investigation by the Committee and Commission, the Commission in its second recommendations presented what was termed section 11, which reads as follows:

"The valuation of mines and public utilities now made by the State Board of Equalization should be taxed at the average rate of taxation on the true value of property locally assessed throughout the state. The yield of this tax, after deducting the state's share, as determined

by applying the state general fund levy, should be distributed as follows: fifty per cent to the counties on the basis of the relative assessment of property locally assessed, and fifty per cent to the subdivisions in which the property is located. The proportion allocated to counties on the basis of assessed valuation shall be credited to the several district school funds with a view to reducing local property tax levies for school purposes."

This proposition had a two-fold purpose, first, for the relief of the present local levy made to support schools in the poorer districts, and second, as an incentive for the local taxing units to keep their valuations close to the standard of one hundred per cent called for in the constitution and statutes.

Upon analysis it was found there are certain counties and districts which would be so adversely affected by this method of distribution that the plan was abandoned. It was not given up however until after a great deal of time had been spent in looking into its various phases. Although it has many meritorious aspects it was finally felt that it would be unworkable because it could not be applied with complete equality.

As a result of the Committee's decision to abandon this premise, Representative Jorgensen brought up the question of using the present fund of $25 per capita for the purpose of equalization. This question was gone into at great length by the Committee and Commission because it wished to give thorough consideration to this phase of our taxes, inasmuch as the schools now take about fifty per-cent of the total tax collected. Several methods of distribution were analyzed for Mr. Jorgensen and the Committee by Mr. Brownrigg of the Vandegrift Research Bureau and the results of these analyses are available to the members of the legislature. The $5 equalization fund provided for in House Joint Resolution No. 8 has also been carefully analyzed and figures are available for your study which will enable you to decide the

relative merits of these two propositions. This is another case in which the Committee did not reach more than a bare majority decision so that it felt justified in not making a definite recommendation to the legislature for its adoption. Upon regular motion the Committee expressed approval of the principle by a vote of four to three, four absent and not voting.

There are so many facts entering into the distribution of any money for the purpose of equalizing educational opportunities that we felt the question should be given greater consideration and analysis.

The Committee in its deliberation on this equalization feature attempted to get the State Board of Education and the Utah Education Association in co-operation with it to determine the relative merits of the propositions offered. There was a marked reluctance on the part of these two organizations to participate in our investigation, however the Education Association finally presented the Committee with a partial plan of distributing the $5 equalization fund, and these figures have been quite thoroughly analyzed and are available for your consideration.

As a result of the study given to the plans and the ideas presented at the public hearings, the Committee revised the conclusions and recommendations submitted by the Commission as follows, with the request that the Commission build its constitutional revision on this basis:

COMMITTEE'S AMENDED PLAN

TAX REVISION COMMISSION

Gentlemen:

In regard to the summary of recommendations submitted October 17, 1929, the Legislative Tax Committee has considered these in detail and submit herewith conclusions and recommendations in regard to the principles therein contained. As a premise on which to base our

deliberations the Committee adopted four cardinal principles underlying the present effort to readjust the tax system and equalize the tax burden. These are, the classifications of property for the purpose of valuation and assessment which will permit,

First, a tangible property tax as we have at present;

Second, a personal income tax;

Third, a business excise tax;

Fourth, the creation of a state tax commission with such extended powers and authority as will tend to unify the valuation and assessment of property and the application of our tax laws.

The Committee feels that the following plan and recommendations are an elaboration of the details necessary to accomplish the ideas contained in the foregoing cardinal principles.

Section 1 is approved as written: "All tangible property in the state not exempt from taxation by the constitution shall be assessed at its full cash value, and shall be taxed at rates which are uniform throughout the jurisdiction of the authority levying the tax."

Section 2 is amended to read as follows: "All intangible property shall be taxed as the legislature may provide."

Section 3 is amended to read as follows: "All corporations, and such other business as may be prescribed by law, doing business for profit in the State of Utah, except insurance companies, shall be taxed at a moderate and uniform rate upon the net income of the business done within the state. The income from intangible property owned by business corporations shall be allocated to this state for the purpose of the business excise tax, insofar as such investments represent or are connected with the business done within this state. Insurance com-

panies shall be taxed on their net premiums." In relation to this section the Committee approved the following amendments: "The Committee does not favor the fixing of rates on any specific class of property in the constitution, but are in favor of setting up constitutional limitations and guarantees against excessive rates and frequent changes of the business or personal income tax."

The Committee was unable to reach satisfactory agreement as to the full import of your recommendations contained in Section 3 so the Committee adopted with reservation the amended section. It does, however, wish to pass the section back to the Commission in the hope that you will be able to correlate and reconcile the various opinions expressed dealing with the principles set forth in this section.

Section 3 is approved as written: "All persons residing in this state having taxable ability shall pay a direct personal income tax at moderate, graduated rates."

Section 5 is amended to read as follows: "The Legislature shall have full authority to determine what income shall be taxable under the provisions of the business excise tax and the personal income tax, and may provide for fair and equitable deductions, offsets and exemptions on the business and personal income tax, and shall fix the rate thereof; which rate shall not be changed for a period of six years, except upon the vote of two-thirds of the legislature therefor." Section 5 is approved by the Committee as amended.

Section 5-a is added as follows: "The Legislature shall have power to enact any legislation that may be necessary to meet the requirements of the laws of the United States respecting the taxation of national banks."

Section 6 is approved as amended, as follows: "The proceeds of the business excise tax, intangible property tax if any, and the personal income tax shall be devoted

to the State District School Fund and the State District School Fund levy shall be reduced by the amount of revenue which is received from this source."

Section 7 is approved as amended to read as follows: "The present license tax on corporations shall be repealed when the business excise tax becomes effective."

Section 8 is approved as amended: "The present constitutional State Board of Equalization shall be abolished and a State Tax Commission created. The Commission shall be composed of four persons, not more than two of whom shall be members of the same political party. The personnel of the Commission shall be selected on the basis of fitness and qualifications for the position. Sectional and group interests shall be disregarded in making these appointments. Stable tenure and adequate salaries for the members shall be provided."

Section 9 is approved as written: "The administration of all special taxes for state purposes shall be centralized in the office of the State Tax Commission. The Commission shall have full power and authority to supervise the operation of the tax system of the state as specified hereafter."

Section 10 is amended as follows: "The State Tax Commission shall have power to equalize the valuations of any assessment within any county of the state and shall also have the power to equalize the valuation of classes of property between counties. The Commission shall have power to assess the property of mines and utilities and shall have such other powers of original assessment as may be provided by law. In those instances where the State Tax Commission determines that equalization within a county is necessary it must conduct a hearing in the county where the property is situated and give an opportunity to all persons concerned to be heard before the equalization order is made. On appeal of ten or more persons the Commission shall review and correct any tax levies for local purposes with a view to

checking unnecessary expenditures. On appeal of ten or more persons the Commission shall review any local bond issue and shall bring all of the facts involved to the attention of the taxpayers concerned with the recommendation of the Commission."

Section 11 is approved as amended: "The State Tax Commission shall have authority to prescribe a system of uniform accounts for all local taxing units and shall have power to enforce the use of such uniform accounting system. It shall also have power to enforce suitable regulations for the preparation of all local budgets and shall have the authority to conduct independent audits of all local public accounts and to take the necessary steps to safeguard public funds through the prosecution of all violations of proper accounting procedure."

Section 12 is amended and approved as follows: "Any taxpayer or taxing unit disagreeing with the action of the State Tax Commission in regard to any matter in which such taxpayer or taxing unit is involved shall have the right to appeal from the decision of the Tax Commission to the district court."

Section 13 is approved as written: "It is further recommended that the legislature authorize a comprehensive study of expenditures and governmental organization and business methods, with a view to ascertaining whether more economical methods of handling the public business, or more efficient methods of governmental organization, may be introduced."

In regard to Section 14, the Committee felt that its action on this recommendation should be withheld until we have received and acted upon the constitutional changes suggested by your Commission.

Other matters were injected into the deliberations of the Committee which were not contained in your recommendations. These were whether rates should be fixed in the constitution and the method of arriving at

the valuation of metal mines for assessment purposes. Also in regard to offsets, exemptions and deductions in connection with income taxes. The first of these questions is covered in the amendment to section three, which is self explanatory. The second, regarding taxation of mines has been laid over until the Committee can secure some additional data on this question. The question of arriving at the valuation on which to assess mining property is one which offers a rather difficult proposition, and the Committee feels that its importance warrants further consideration before attempting to reach a conclusion. In connection with this point is also raised the question of whether the basis upon which the insurance tax is levied should be a constitutional provision. This point is covered in the last sentence of section 3. The question raised in old Section 11 regarding the principles of levying a tax on a specific industry and devoting that tax to a specific purpose with the two-fold object of creating an equalization fund for the schools of the state and by the distribution of this fund to induce an approach to one hundred per-cent valuation on locally assessed property, was brought into our deliberations again in the shape of the following proposition: "The valuation of metalliferous mines as now made by the State Board of Equalization shall be taxed at the average rate of property locally assessed throughout the state after deducting the rate applied within incorporated cities and towns. The yield of this tax after deducting the state's share as determined by applying the state general fund levy, shall be distributed to the various school districts of the state upon the basis of the proportionate assessed valuation of property locally assessed, such distribution to be made for the purpose of reducing the tax levies for local school purposes."

Discussion of this feature was delayed until the Committee is in possession of certain tabulated data which are being prepared by the statistician of the Tax Commission.

The Committee is of the opinion that the constitutional features to be stressed are the classification of property into tangible and intangible classes for the purpose of assessment. This will deal principally with Sections 2 and 3 of article 13, which now act as a bar against the application of a business or personal income tax as provided in section 12. The definition of the basis of value on which each class of property shall be assessed is a principle which the Committee agrees should go into the constitution for the purpose of giving confidence regarding what value should be used on which to assess property. Also the Committee thinks that the enumeration of what persons shall be taxed is another fundamental. Also that the creation of the tax commission should be stated in the constitution as now is stated the creation of the State Board of Equalization and Assessment, and finally that the powers conferred on the legislature in regard to carrying out the details of these several propositions should be sufficient constitutional changes. The Committee is of the opinion that the present constitution should be retained as far as possible as a foundation upon which to build our revision of the present tax structure, and that only such changes be made as will permit carrying out these ideas.

Respectfully submitted,

LEGISLATIVE TAX COMMITTEE.

When this suggestion was made to the Commission, the latter body suggested, in view of the short time remaining at its disposal in which to make the report that the Committee attempt the work of formulating the constitutional amendments. Accordingly your Legislative Committee appointed a subcommittee on constitutional amendments, consisting of Senators Patterson, Candland and Ryan and Representatives Critchlow and Holther.

The subcommittee went into session immediately and the main Committee adjourned, subject to the call

of the chairman when the proposed amendments were ready for their consideration.

The sub-committee, mindful of the Committee's recommendation in its revised findings as quoted above, started out with the idea of adhering closely to those recommendations. However, a close analysis of the wording of the present constitution led the sub-committee to deviate to the extent of attempting to draft article 13 in what they considered a more logical arrangement, to retain everything which the old article had, but re-arranging with and the new matter, dividing it into eighteen sections. This re-arrangement placed the various items in proper sequence and incorporated in addition, those four other propositions which had been brought out during the hearings and joint discussion.

The result of this work was as follows:

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF UTAH:

two-thirds of all the members elected to each house concurring therein:

ARTICLE 13

SECTION 1. That it is proposed to amend Article XIII of the constitution of the State of Utah as follows:

Section 1. The legislature shall provide by law for an annual tax, sufficient with other sources of revenue, to defray the estimated ordinary expenses of the state for each fiscal year. For the purpose of paying the state debt if any there be, the legislature shall provide for levying a tax sufficient to pay the interest annually and to pay the principal of such debt within twenty years from the final passage of the law creating the debt.

Section 2. No appropriation shall be made, or any expense authorized, by the Legislature, whereby the expenditure of the state during any fiscal year shall exceed

the total tax then provided for by law, and applicable to such appropriation or expenditures, unless the legislature making such appropriation shall provide for raising funds therefor, by the imposition of any tax authorized by this constitution, sufficient to pay such appropriation or expenditure, within such fiscal year. This provision shall not apply to bond issues or to appropriations or expenditures to suppress insurrections, defend the state, or assist in defending the United States in time of war.

Section 3. All property in the state not exempt under the laws of the United States, or under this constitution, shall be subject to taxation.

Section 4. The property of the United States, of the State, counties, cities, towns, school districts, municipal corporations and public libraries, lots with the buildings thereon used exclusively for either religious worship, or charitable purposes, and places of burial, not held or used for private or corporate benefit, shall be exempt from taxation. Water rights, ditches, canals, reservoirs, pipes and flumes, power plants, pumping plants and transmission lines, owned and used by individuals or corporations for irrigating lands within the state, owned by such individuals or corporations, or the individual members thereof, shall not be separately taxed as long as they shall be owned and used exclusively for such purposes. The taxes of the indigent poor may be remitted, or abated, at such times and in such manner as may be provided by law, and the legislature may provide for the exemption from taxation of homes, homesteads, and personal property, not to exceed $250 in value for homes and homesteads, and $100 for personal property, and may provide for exemptions for persons disabled in the military service of the United States, or of the State of Utah.

Section 5. For the purpose of taxation all taxable tangible property, except as otherwise provided in this constitution, shall be assessed at its full cash value and

shall be taxed at rates which shall be uniform throughout the jurisdiction of the authority levying the tax.

Section 6. For the purpose of the property tax, all metalliferous mines or mining claims, both placer and rock in place, shall be assessed at $5 per acre, and in addition thereto, at a value equal to three times the net annual proceeds thereof, as such net proceeds may be defined by law; provided, however, that the multiple to be applied to net proceeds for the purpose of determining such value, may be changed by the legislature at any time subsequent to the sixth year after the adoption of this amendment, two-thirds of all the members elected to each of the two houses voting in favor thereof. All other mines or mining claims, and other valuable mineral deposits, including lands containing coal or hydro-carbons shall be assessed as other tangible property. All machinery used in mining and all property or surface improvements upon, or appurtenent to, mines or mining claims and the value of any surface use made of mining claims or mining property, for other than mining purposes, shall be assessed as other tangible property. Ten percentum of the annual property taxes levied upon and collected from all mineral resources, including coal and hydrocarbons, shall be paid by the several funds and taxing units sharing in such taxes, into an endowment fund, the interest of which only shall be used for school purposes, in such manner as the legislature may provide.

Section 7. All corporations or persons in this State, or doing business herein, shall be subject to taxation for state, county, school, municipal, or other purposes, on the tangible property not exempt under this constitution, owned or used by them within the territorial limits of the authority levying the tax.

Section 8. All intangible property may be taxed or exempted from taxation in such manner and to such extent as the legislature shall provide.

Section 9. All persons within this state having taxable ability shall be required by law to pay a direct tax based upon income.

Section 10. The right to do business for profit within this state, may be taxed as the legislature shall provide.

Section 11. All corporations doing business for profit within this state except insurance corporations, shall be required by law to pay a business excise tax based upon the net income of such corporation from business done within this state. Insurance corporations shall be required by law to pay a business excise tax based upon their net premiums received from business written within this state.

Section 12. The rate of taxation for all purposes on intangible property shall not exceed 5 mills on each dollar of the true value thereof. The rate of taxation on tangible property for state purposes shall not exceed on each dollar of valuation:

(a) Two and four-tenths mills for general state purposes.

(b) Two-tenths of one mill for the high school fund, and

(c) Such levy for the state district school fund, which, together with the interest on the permanent school fund, and such other revenue as may be provided for this purpose by the legislature, will raise annually an amount equal to $30 for each person of school age in the state, as shown by the last preceding school census.

Said rates shall not be exceeded except upon the vote of two-thirds of all the members of each house of the legislature voting in favor thereof.

The state district school fund shall be distributed as follows:

An amount equal to $25 for each person of school age, shall be distributed among the several school dis-

tricts, according to the school population therein, as shown by the last preceding school census. The balance of said fund shall be distributed among the several school districts of the state in such manner as the legislature may provide.

Section 13. Each tax imposed by law under this constitution shall be uniform as to all persons, businesses and property of the same class subject thereto; and no provision of any law imposing any such tax relating to rates of taxation or to any offset, deduction or exemption thereof shall be changed when once established except upon vote of two-thirds of all members of each house of the legislature voting in favor thereof.

Section 14. The proceeds of any tax based upon or measured by income or of any tax levied on intangible property or the right to do business, shall be applied to the state district school fund, and the state district school fund levy shall be reduced according to the amount of revenue which is received from any such source.

Section 15. The legislature shall not impose taxes for the purpose of any county, city, town or other municipal corporation, except as otherwise provided in this constitution, but may by law vest in the corporate authorities thereof, respectively, the power to levy and collect taxes for all purposes of such corporation, subject to such powers of regulation as the legislature may confer upon the state tax commission.

Section 16. Nothing in this constitution shall be construed to prevent the legislature from levying such special taxes as may be deemed necessary to provide revenues for the state, nor to prevent the legislature from including in any income subject to tax, in any tax based upon or measured by income, the income from property already taxed as such, or exempted from taxation as property under this constitution, or under any law enacted pursuant thereto; nor to prevent the legislature

from applying to any tax based upon income, graduated, progressive rates.

Section 17. Until otherwise provided by law, there shall be a state tax commission consisting of four members, not more than two of whom shall belong to the same political party, and whose tenure of office shall be provided by the legislature. The members of the tax commission shall be appointed by the Governor, by and with the consent of the Senate, and the Governor shall, within fifteen days after the convening of the legislature, submit to the Senate for confirmation, the names of persons suitable therefor. The duty of the state tax commission shall be:

To assess the property of mines and utilities, to adjust and equalize valuations throughout the state and to administer and supervise the tax laws of the state. The legislature may authorize the state tax commission to assess other property for taxation and to review proposed bond issues of taxing units, and to review and correct levies, budgets and expenditures of taxing units. The state tax commission shall have and exercise such other powers and duties as may be prescribed by law.

Section 18. An accurate account of the receipts and expenditures of the public moneys shall be published annually in such manner as the legislature may provide.

Section 19. The making of profit out of public moneys, or using the same for any purpose not authorized by law, by any public officer, shall be deemed a felony, and shall be punished as provided by law, but part of such punishment shall be disqualification to hold public office.

DISCUSSION OF AMENDMENTS.

The Committee was unanimous in its recommendation to the Commission that the proposed Article 13 be submitted as one amendment, if this can be legally done. In doing so we felt it would be better to lose the entire

proposition and retain what we have, rather than have a part of the plan accepted and part rejected, which latter situation would result in a most chaotic and probably totally unworkable condition. We realize that this proposed amendment was not just what each member would like, nor was it what the several organizations and individuals appearing at the hearings would like. It represented a series of compromises, which is true of almost any legislation.

The Committee plan makes possible the accomplishment of classification, income taxes, constitutional guarantee, school equalization and the creation of the tax commission.

The final form in which the Committee presented the amendments to the Commission was the result of discussion upon the draft which the subcommittee presented as a result of its study. It differs but slightly from the subcommittee's proposition and although the Committee departed to considerable extent from its recommendations it did so after having carefully analyzed the situation and decided that, inasmuch as the present constitution, due to amendment, is in rather unworkable shape that it would suggest this re-arrangement which you will observe retains all of the features and provisions of the present constitution except wherein we suggest amendments in line with the four cardinal principles. Also it was felt that further amendment to this article would be much easier if the various propositions were grouped in proper sequence according to subject matter. In arriving at this decision the Committee had the benefit of the legal advice from its own members and in delivering this to the Commission made the recommendation that the entire article be submitted as one amendment, which we had been advised would be possible and feasible because it relates entirely to one subject—taxation.

In support of its recommendation to submit article 13 as one amendment the Committee requested the assis-

tance of Messrs. G. A. Marr, W. W. Ray, and Attorney General G. P. Parker, requesting each of these gentlemen to give their opinion as to the feasibility and desirability of submitting this article either in its entirety or separately in sections to the vote of the people. The Committee also invited the Honorable Hamilton Gardner, President of the Senate and the Honorable David L. Stine, Speaker of the House, to confer with it in the consideration of these constitutional amendments. Several suggestions made during this conference were incorporated into the proposed amendments. Messrs. Marr and Ray were of the opinion that it could be presented for vote as one amendment. They cited several very strong cases in support of their views. The Attorney General submitted an opinion in which he cited a case opposing the proposition to submit the entire article as one amendment. The case cited in opposition, however, has been overruled.

At the time of submitting the foregoing proposition the joint session passed the following motion:

"That the Commssion and Committee do recommend to the Governor that a special session of the legislature be called to consider tax revision and submit to the people such constitutional amendments necessary to carry out such recommendations as may be made by the Commission."

The Tax Revision Commission differed with the Committee in regard to the changes necessary to achieve the four cardinal principles and incorporated in its report amendments to sections 2, 3, and 11, giving its reasons therefor.

The four so-called controversial questions were excluded as not being pertinent to the main object of tax revision and equalization.

It will be noted that the Commission amendments adhere strictly to the four cardinal principles and to the Committee's instructions contained in our revised recommendations on page 59.

The following letter from the Commission further sets forth its views on this subject.

December 5, 1929

HONORABLE GEORGE H. RYAN, CHAIRMAN,
LEGISLATIVE TAX COMMITTEE,
SALT LAKE CITY, UTAH.

DEAR MR. RYAN:

Upon the receipt of the recommendations of the legislative committee relative to the amendments to the constitution, the tax commission referred the matter to the code commission for advice and suggestions. The opinion of the code commission not only substantiated the attitude of Judge Parker, which has already been considered by you, but went even further than that. We do not at this time attempt to settle this controversy, relative to the submission of constitutional amendments, but we believe that in the interest of safety it is advisable to present the amendments to the constitution in such form that there will be no legal contest on the matter.

We inclose herewith a copy of our proposed amendments to the constitution which accompanies our report to the governor. We have studiously endeavored to propose only such amendments as are necessary to put the plan into operation which was jointly agreed upon and to state them as briefly as possible consistent with clearness and perspicuity. We have tried to avoid the statement of details which properly belong to the legislature, bearing in mind the fundamental idea that the legislature, unless prohibited by our own constitution or the constitution of the United States, will have the power to do whatever is necessary in exercising the functions of a sovereign state. Following this train of thought, after a careful analysis of our plan, we have arrived at the conclusion that there are two, and only two, fundamental changes necessary to be made.

First, the classification of property into tangibles and intangibles thereby eliminating the requirement that all property both tangible and intangible shall be assessed according to its value at a uniform rate.

Second, the creation of a central board with extended powers as to adjustment and equalization with such other powers as the legislature may provide.

In our plan presented to the legislative committee we recommended that section 3 relating to the valuation of mines remain as it is in the constitution except to substitute the words "state tax commission" for the words "state board of equalization" to make it conform to our proposed section 11. It was urged by a majority of the legislative committee that for the purpose of taxation three times the net proceeds of metalliferous mines should be fixed in the constitution as the measure of their valuation, said value to remain unchanged for a period of six years, after which the multiple might be changed by a two-thirds vote of all of the members of each house elected to the legislature. An amendment to that effect was proposed by the committee. The commission are unable to agree with the policy of fixing such value of metalliferous mines in the constitution. The fact that the multiple may be changed after six years by a two-thirds vote of all of the members of each house of the legislature does not make the proposed amendment less objectionable. It cannot be contended with any degree of certainty that three times the net proceeds is anything more than an arbitrary estimate of the value of a mine. As conditions change it is conceivable that such a method might be unfair to the mining interests, or it might be unfair to the owners of other property.

The proposed revision of article XIII of the constitution recommended by the legislative committee contained certain restrictions which would prevent a change in tax rates except through a two-thirds vote in favor of such change after once established. It was apparently

the desire of the committee to prevent frequent changes in tax rates in order to maintain a certain stability in taxation. We are equally anxious with the committee to prevent frequent and unwise changes in our taxing system, but we propose that these changes be prevented through a different means. An examination of the changes in taxation which have been made in recent years indicated that amendments are often attempted without a full consideration of the facts involved. In many instances the necessary facts have not been available and as a result legislative enactments have been made which required a revision as soon as such could be effected. An illustration of this is the recent legislation on the corporation license tax. We believe that the rates of taxation should be carefully studied before they are ever put into effect, and we have already recommended that the legislature provide for a continuation of the present study in order that in 1931 when legislation on this proposed tax plan is introduced, the question of rates will have been carefully studied and the legislature will have complete information on the subject. If this policy is followed we believe that most of the errors of hasty legislation will be averted and frequent changes will be made unnecessary. After the tax rates are once established we propose that the newly created tax commission be required to make a continual study of the operation of our tax system and supply the legislature with all needful data in regard to its effect. If this is done the legislature will always have basic facts which should prevent unwise legislation. We believe, therefore, that the protection which the public deserves can be better supplied in this manner than through arbitrary measures in the constitution which may work to the disadvantage of the very public interests which such measures are designed to serve. Furthermore, it appears that this proposal is in conflict with another article of the constitution."

The Commission considered the proposal contained in the recommendation of the committee on constitutional amendments that an endowment fund equal to 10% of the annual property tax levied upon and collected from all mineral resources be set aside, the interest of which only is to be used for school purposes in such manner as the legislature may provide. The purpose of this proposal has definite merit but it was impossible in the brief time after the recommedations came from the committee for the commission to make an analysis of the practical operation of such a scheme. We therefore decided not to incorporate it in our proposals for constitutional amendments.

It is a matter of some regret on our part that your proposed amendments were presented to us at a date too late for us to give them thorough consideration which we would otherwise have given, especially some entirely new features which we have not had opportunity to consider. There is, however, this satisfaction. There is still opportunity if any substantial error has been committed or any important matter over-looked to correct the same between now and the time the legislature meets.

Respectfully submitted,

(Signed) S. R. THURMAN.

At the joint meeting called December 7, 1929, to discuss the Commission's proposed amendments the criticism by the Committee resulted in the Commission requesting the appointment of a subcommittee to go over the amendments and reconcile our differences as far as possible. Accordingly the Advisory Committee on motion appointed Representative Critchlow and the Chairman to act in this matter. Commissioner Armstrong being absent on account of ill health, Commissioners Thurman and Hammond and the subcommittee wrestled with the problem for four days, finally agreeing on the wording as follows:

Be it resolved by the legislature of the State of Utah two-thirds of all members elected to each house concurring therein:

Section 1. That it is proposed to amend sections 2 and 3 of article XIII of the constitution of the state of Utah so that the same will read as follows:

"Section 2. All tangible property in the state, not exempt under the laws of the United States, or under this constitution, shall be taxed in proportion to its value, to be ascertained as provided by law. The property of the United States, of the state, counties, cities, towns, school districts, municipal corporations and public libraries, lots with the buildings thereon used exclusively for either religious worship or charitable purposes, and places of burial not held or used for private or corporate benefit, shall be exempt from taxation. Water rights, ditches, canals, reservoirs, pumping plants, transmission lines, pipes and flumes, owned and used by individuals or corporations, for irrigating lands within the state owned by such individuals or corporations, or the individual members thereof, shall not be separately taxed as long as they shall be owned and used exclusively for such purposes. The taxes of the indigent poor may be remitted or abated at such times and in such manner as may be provided by law. The legislature may provide for the exemption from taxation of homes, homesteads, and personal property, not to exceed two hundred and fifty dollars in value for homes and homesteads, and one hundred dollars for personal property. The legislature may exempt property not to exceed $3000 in value owned by persons disabled in the military services of the United States or of the State of Utah.

The legislature shall provide by law for an annual tax sufficient with other sources of revenue, to defray the estimated ordinary expenses of the state for each fiscal year. For the purpose of paying the state debt, if any there be, the legislature shall provide for levying a tax annually, sufficient to pay the annual interest and to pay

the principal of such debt, within twenty years from the final passage of the law creating the debt.

"Section 3. The legislature shall provide by law a uniform and equal rate of assessment and taxation on all tangible property in the state, according to its value in money, and shall prescribe by general law such regulations as shall secure a just valuation for taxation of such property so that every person and corporation shall pay a tax in proportion to the value of his, her or its tangible property. Intangible property may be taxed in such manner and to such extent as the legislature shall provide, but, when taxed by the state of Utah as property, the income therefrom shall not also be taxed. All revenue which is derived from any tax based upon income, or a tax upon intangible property, shall be paid into the state district school fund, and the state levy for such fund shall be reduced by the amount of revenue derived from such taxes."

Section 2. The secretary of state is directed to cause this proposed amendment to be published as required by the constitution, and to be submitted to the electors of the state at the next general election in the manner provided by law.

Section 3. If approved by the electors of the state, this proposed amendment shall take effect on the 1st day of January, 1931.

Be it resolved by the legislature of the state of Utah two-thirds of all members elected to each house concurring therein.

Section 1. That it is proposed to amend section 11 of article XIII of the constitution of the state of Utah so that the same will read as follows:

"Section 11. There shall be a state tax commission consisting of four (4) members, not more than two of whom shall belong to the same political party. The terms of office of the members of the commission shall be pro-

vided by law and they shall be appointed by the governor, by and with the consent of the senate. The state tax commission shall administer and supervise the tax laws of the state; it shall assess mining property and the property of public utilities, and equalize and adjust the valuation and assessment of property among the several counties. It shall have such other powers of original assessment as the legislature may provide. It shall, under such regulations as the legislature may prescribe, establish systems of accounting, review proposed bond issues, revise the tax levies, and budgets of local tax units, and equalize valuations within the counties. The duties imposed upon the state board of equalization in section 4 of this article, shall be performed by the state tax commission.

In each county of this state there shall be a county board of equalization consisting of the board of county commissioners of said county. The county boards of equalization shall adjust and equalize the valuation of the real and personal property within their respective counties, subject to such regulation and control by the state tax commission as may be prescribed by law. The state tax commission and the county boards of equalization shall each have such other powers as may be prescribed by the legislature."

Section 2. The secretary of state is directed to cause this proposed amendment to be published as required by the constitution and to be submitted to the electors of the state at the next general election in the manner provided by law.

Section 3. If approved by the electors of the state, this proposed amendment shall take effect on the 1st day of January, 1931.

In this form the amendments contain very much the same wording as was used in the corresponding propositions in the Committee draft, but the Commission did not

desire to consider the four propositions, mine valuation, constitutional limitations, endowment fund and school equalization, or the proposition to submit in one amendment, consequently the subcommittee and Commission did not reach an agreement on any of those points.

The report of this subcommittee was presented to the Committee and filed. To conform to the criticism and objections of some of the Committee and some of the public, sections two and three may be submitted as one amendment and section eleven as one.

This entire procedure is in strict conformity to the provisions of the act authorizing the tax investigation.

Section 11 thereof states: "In case the findings and recommendations of the Commission require amendments of the constitution or of any existing law or the enactment of new law, the Commission shall have drawn and made a part of its report all resolutions respecting amendments to the constitution and all bills for enactment by the legislature as may be necessary to carry into effect its recommendations."

"If the Commission and Legislative Tax Committee or a majority thereof, shall conclude that the best interests of the State will be served by having its recommendations considered by the Eighteenth Session of the Legislature convened in special session, it shall so advise and recommend to the Governor. If the Governor convenes the Eighteenth Legislature in special session to consider the report and recommendations of the Commission he shall submit to the Legislature so convened in special session the report and recommendations of the Commission."

The last sentence in Section 10 says: "The powers herein given shall be liberally construed to carry into effect the purposes of this act."

The Committee realizes that in considering the question of tax revision no point should be overlooked and in its investigation has given the widest lattitude to discussion of every subject in present article 13 on which a question was raised.

The Committee believes that the question of mine valuation, endowment fund, constitutional limitations and school equalization, should be given consideration by this special session and, if passed and presented to the voters, consideration of the grouping should be given most careful attention. It would be a mistake to lose an opportunity for making a forward move in this important matter because of failure to heed the indications of the desires of the people who cast the votes.

There are two other minor amendments, which may be necessary in sections 7 and 10 in connection with the proposition to classify property. In this connection we call your attention to the fact that House Joint Resolution No. 8 submits to the people an amendment to section 7 and it may be necessary to recall the same for correction.

We also call your attention to sections 2200, 2201 and 2202, compiled laws of 1917, requiring constitutional amendments to be submitted to every registered voter in comparison with the existing section, accompanied by arguments for and against. The enormous expense of this procedure is apparent and it seems unnecessary. These sections should be repealed by this Special Session in order to expedite the procedure.

On December 19th and 20th, the Committee met again for the purpose of giving further consideration to Mr. Jorgensen's school equalization plan, which was approved by a vote of four to three, four members being absent. At this meeting the Chairman and Secretary were directed to write the report of our investigation and if deemed necessary, to call the Committee once more for the purpose of considering this report. In addition to

writing the report and getting the minutes in shape for transmittal to the legislature, your Chairman and Secretary have indexed the transcript of hearings, deeming this a necessary piece of work, in order that the members of the legislature may have easy access to the discussions of the subjects during the hearings. Representative George A. Critchlow has also indexed the transcript of the hearings reported by the mining interests. A complete set of this transcript was presented to the committee and is on file in room 327, where it is available to the members of the Legislature.

The Committee further recommends that this special session of the Eighteenth Legislature provide for the continuation of this study of our tax problem, which so far has gone only to the constitutional amendments. We have become convinced that in order to properly complete this work it will be necessary to continue the investigation during the current year for the purpose of gathering data and statistics which will be necessary in order that we may formulate the proper statutory revision to carry this whole plan into effect. We should make quite an exhaustive survey of our state departments, especially those which the amendments contemplate consolidating under the supervision of the proposed tax commission. Also in order to determine to what extent revaluation of property will affect the proposed plan, we should make a survey of the several taxing units of the state. This will give us a comprehensive idea of the discrepancies which are claimed to exist; the percentage of valuation which may be increased to a standard even though it be below the goal of one hundred per-cent and the extent to which levies may be reduced. This investigation should go to the accounting systems of the several taxing units that we may have information upon which to base a suggestion for a unified system. We feel that this recommendation is amply justified by the result of the past year's investigation. It is certainly within the realm of possibilities to effect such a revision

of the present system as to put it upon a more co-operative and uniform basis and which under existing conditions we feel is amply justified. To abandon the work at this time we think would be disastrous to the outcome which we see possible as a result of our study. This investigation should be carried to a conclusion such as we here recommend, for it must be remembered that the coming regular session of the legislature in 1931 will in all probability be composed of many men and women to whom this question of tax revision has not come as intimately as it has to us. In order that these new members may have the benefit, to the fullest extent possible, of our work we feel that it should be continued and that every possible source of information be drawn upon in order to present to our successors the information which will enable them to pass the legislation necessary to give effect to these constitutional amendments.

The continued investigation of this question will also furnish the data upon which to build the arguments in support of the proposed amendments. Further we feel that the citizens of the state in their capacity of individuals as well as in their capacity as members of our various business organizations are entitled to this orderly and comprehensive study of this vital question before we ask the legislature to attempt any revision of the statutes which affect the welfare of all.

In conclusion the Committee wishes to reiterate that its sole desire throughout this entire investigation has been to devise means of revision which would more equally distribute the entire tax burden. We have kept in mind throughout all our deliberations the thought that we do not wish to find more property to tax merely that we may have more money to spend. However we must not lose sight of the fact that because government is a direct reflection of the habits and desires of the people composing it, we must expect the various activities of government to change as our personal desires change. Any

study of taxation shows that the total amount of public expenditures increase from year to year, but this increase is always in direct relation to the general economic and social conditions.

Realizing that our state is restricted in the possibility of agricultural development the Committee has borne in mind that to progress we must make conditions attractive for local and outside capital to undertake the development of our vast natural resources. We are also favorably situated so that many lines of manufacturing have developed and it is quite probable these can be expanded under favorable conditions and many new enterprises brought into being. We therefore wish to proclaim to business in general that we do not wish to lay any undue burdens upon those who have the vision and the courage to undertake new enterprises.

In order that the revision which we suggest may result in a direct reduction of the property tax, we recommend that any revenue from new sources such as income taxes and intangibles, be applied directly to reduction of the state district school levy. We did this because we wished primarily to assure every taxpayer that any tax receipts from new sources will be applied directly to a reduction of the present burden. Under the proposition suggested, without, however, attempting to make a division of the income from these new sources, the state general fund would lose the amount now received from the corporation license tax. A study of the state's financial condition should be made before any division of the new revenue is attempted. The best policy would be to refrain from making any reference in the constitution to the distribution of this revenue, for we are certain that

the same result may be obtained after further study of conditions, the principal thought being that, whatever new revenue may be derived will be applied directly to effect a reduction as far as possible in present levies.

Our state government has been operating each year with an annual deficit of around two hundred thousand dollars. This in itself shows that the revenues of the state are insufficient to meet the demand or that we are expending money unwisely. In addition to this deficit we are faced with additional expenditures demanded by the people in connection with the state prison, the extension of our roads, increased state aid to schools and the various departments of state, which, if they function as designed, must grow and expand as the state activities as a whole expand. We must nevertheless realize that public expenditure, even though kept within the bounds of sound business administration, is going to increase as time goes on. We can hardly hope for a reduction, but what we must always work for is more efficiency in the expenditure of public money.

Respectfully submitted,

LEGISLATIVE TAX COMMITTEE,

GEORGE H. RYAN,
Chairman

AUSTIN P. MILLER,
Secretary

Read and approved by the Committee this 24th day of January, 1930.

AUSTIN P. MILLER,
Secretary

MISCELLANEOUS BUSINESS

A committee consisting of Representatives Smoot, Jefferson and Tingy notified the Senate that the House is organized and ready for business.

The committee appointed to call on the Governor, jointly with a similar committee from the House reported that his Excellency would deliver his message to the joint assembly, at 2 o'clock p. m. today.

On motion of Senator Welling the Senate recessed until 1:45 o'clock p. m.

AFTERNOON SESSION

The Senate reconvened at 1:45 o'clock p. m., President Gardner in the Chair.

Roll Call—Quorum present.

Senator McCarthy moved that at the conclusion of the joint session the Senate adjourn until 10 o'clock A. M. January 28th. Motion carried.

The joint session assembled in the House of Representatives, President Gardner in the chair.

Roll Call of both Houses were called showing a quorum present from each.

Prayer by Senate Chaplin.

The joint committee consisting of Senators Marsden, Welling and Evans, and Representatives Mrs. Jensen, Cooper and Stewart appointed to call on the Governor, proceeded to the Executive Office and at 2:15 returned escorting Governor Geo. H. Dern who was greeted with standing applause.

He was introduced to the assembly by President Gardner and proceeded to read his message.

EXECUTIVE OFFICE,
STATE OF UTAH.

To the Eighteenth Legislature of the State of Utah in Special Session:

You have been convened in special session for the primary purpose of laying the foundation for a revision of the state's system of taxation. No Utah legislature has ever been confronted with a more important task, and no Utah legislature has ever had a better opportunity for constructive service. I am sure you have assembled here with a determination to take such steps as may be appropriate at this time toward enacting a more equitable program of raising public revenues.

INJUSTICE IN TAX SYSTEM

That the people of our state are now suffering distressing injustice from our tax laws is not wholly the fault of past legislatures. Their hands have been tied by constitutional restrictions, by reason of which they have been powerless to grant relief to property owners. The present situation is a most convincing example of the unwisdom of making the constitution a code of statutory law which fetters the legislature. The legislators are the representatives of the people, and if the people cannot trust their own representatives then our system of government is a self-confessed failure. Moreover, there is an element of unfairness in the action of one generation, which cannot foresee how conditions may change, binding future generations and hindering them in meeting their problems.

TAX PROBLEM INTENSIVELY STUDIED

Although taxes in Utah are not higher than in neighboring states, the burden of taxation is at present unequally distributed. Some classes of property are bearing levies that often approach confiscation, whilst other classes go practically scot free. In your regular session you recognized the aggravated nature of this condition, but felt that the data available were not sufficient to

enable you to act advisedly in applying remedial measures. You therefore enacted Chapter 99, Laws of Utah, 1929, which I approved on March 15, 1929. By the terms of that Act the Utah Tax Revision Commission was created, as was the Utah Legislative Tax Committee, and upon these two bodies was laid the duty of making an intensive "study of the subject of revenue and taxation, with special reference to the problems presented in Utah."

REASONS FOR SPECIAL SESSION

The Act provides that "if the Commission and Legislative Tax Committee or a majority thereof, shall conclude that the best interests of the State will be served by having its recommendations considered by the eighteenth session of the legislature convened in special session, it shall so advise and recommend to the Governor. If the Governor convenes the eighteenth legislature in special session to consider the report and recommendations of the commission he shall submit to the legislature so convened in special session the report and recommendations of the commission."

Under date of December 6, 1929, the following joint communication was addressed to me by the Commission and the Committee:

Honorable George H. Dern,
Governor of Utah,
State Capitol.

Dear Governor:

Saturday, November 23, 1929, at the forenoon session, the Utah Tax Revision Commission and the Legislative Tax Committee, in joint session, passed the following motion, presented by Representative George A. Critchlow and seconded by Representative David Hirschi:

'I move that the Commission and Committee do recommend to the Governor that a special session

of the Legislature be called to consider tax revision and submit to the people such constitutional amendments necessary to carry out such recommendations as may be made by the Commission.'

This motion was unanimously adopted.

Yours very truly,

GEO H. RYAN
Chairman, Legislative Tax Committee.

AUSTIN P. MILLER,
Secretary, Legislative Tax Committee.

S. R. THURMAN,
Acting Chairman, Tax Revision Commission.

R. E. HAMMOND,
Secretary, Tax Revision Commission.

Pursuant to the foregoing letter, and in compliance with the provisions of the Act of 1929, I have convened you in special session and I do now submit to you the report and recommendations of the Tax Revision Commission. The report has been printed and copies have been furnished all of your members.

In thus submitting the report and recommendations of the Tax Revision Commission I am literally complying with your own mandate as expressed in the law which you enacted last year. The question has informally been raised whether I am thereby unduly restricting the legislature in its consideration of tax revision. My own attitude is that tax revision is the proper task of the Legislative Department, which should have a free hand, and that the Executive Department should not presume to limit the field of discussion. I must assume, however, that you had a purpose in imposing limits upon yourselves, that purpose probably being to guard against too much diffusion of effort which might defeat the main object that you had in mind. You have only to indicate, by appropriate joint resolution, a desire to consider other phases of the tax problem and I shall most cheerfully lay them before you.

ORDER OF PROCEDURE IN TAX REVISION

The eighth recommendation of the Tax Revision Commission, in which I am informed the Legislative Tax Committee joined, is that "it is recommended that the governor call a special session of the legislature for the purpose of submitting to the voters of the state the necessary constitutional amendments which must be passed before the complete tax plan can be put into operation." This language implies that this special session of the legislature shall limit itself to proposing constitutional amendments. The wisdom of this policy is obvious. If and when the state's system of revenue and taxation is revised it should be done, not piecemeal, but according to a well considered, comprehensive plan. It would seem to be the course of prudence first to alter the constitution and then to enact the necessary statutes. Such statutory acts should be prepared with extreme care and with due regard for their harmonious relationship to each other as component parts of a general scheme.

If, therefore, the tax plan recommended by the Commission should commend itself to your favor, either with or without amendments, and in case you should propose such constitutional amendments as in your judgment may be deemed advisable, I recommend that the Tax Revision Commission be continued, with the necessary appropriation for its support, to estimate the results that may be expected if its plan or some other plan is adopted, and to draft the necessary bills to be considered by the nineteenth legislature.

UNTRIED PLANS DANGEROUS

There is always risk in adopting an entirely new scheme, especially if it is revolutionary in character, because it is not possible to estimate its effect on business and on public revenues. Other states have done a great deal of costly experimenting in state and local taxation, and we shall do well to profit by their experience rather than to rely upon our own guesses. It is unnecessary for

this state to embark on any untried plan. The commission should be directed to make a detailed study of the problem in all its ramifications so that the necessary bills which may be drafted for the consideration of the Legislature next year shall contain only such provisions as have been successfully operated elsewhere. If this is done we shall avoid pitfalls and at the outset establish confidence in our new tax system. Such details as the semi-annual payment of taxes may very properly be considered by the Commission in its study.

If you desire likewise to continue the legislative tax committee, notwithstanding the fact that most of its members will not be in the next legislature unless re-elected, I shall be glad to approve your action in this respect.

WORK OF COMMITTEE AND COMMISSION

It would be impossible to give too much praise to the members of Legislative Tax Committee for their devoted service to the state. At great sacrifice to themselves they have for many weeks unselfishly and patriotically applied themselves to a study of the intricate and difficult problems of taxation that have beset our state for years and that urgently call for a solution. They have earned the gratitude of their fellow citizens for their thoroughness and their patience in collaborating with the Commission to bring about a co-ordinated program of taxation that should, so far as possible, remove the existing inequities and yet be fair to all interests. These members are now equipped to bring to their respective Houses an authoritative knowledge of the subject that has engrossed their attention for nearly a year.

To the Tax Revision Commission also should be given credit for displaying a thorough grasp of the subject of taxation, and for evolving a plan that is singularly free from bias, prejudice or partiality.

The fact that the Commission and the Committee are in full accord on the fundamentals of the proposed

plan should commend it strongly to the legislature. The merit of the plan is further attested by the fact that a Kansas commission, after an exhaustive study, has recommended the same fundamental principles. It seems reasonable to presume that if the entire body of the legislature were to study the question with the same open-minded care and thoroughness that have distinguished the Commission and the Committee, it would inevitably reach the same result.

FOUR CARDINAL PRINCIPLES

As stated in its letter of transmittal, the Commission's plan is based upon what it terms the four cardinal principles of equitable taxation, viz:

I. All tangible property should be taxed at uniform rates throughout the jurisdiction of the authority levying the tax.

II. All business done for profit should be taxed at a moderate uniform rate upon the net income of the business done within this state.

III. All residents of this state having taxable ability should pay a direct personal income tax, at moderate graduated rates.

IV. Centralized administration should be provided, with adequate authority to supervise the entire tax system.

COMMISSION'S RECOMMENDATIONS

The specific application of these four cardinal principles is embodied in the recommendations of the Commission, which are as follows:

1. All tangible property shall be taxed at uniform rates throughout the jurisdiction of the authority levying the tax.

2. All intangible property shall be classified for purposes of taxation. Preferably, the intangible property shall be exempt from taxation as prop-

erty, with the express provision that the income therefrom shall be taxed.

3. All business conducted for profit, except insurance companies, shall be taxed at a moderate uniform rate upon the net income of the business done within this state.

   a. Insurance companies shall be taxed on their net premiums.

   b. The present license tax on corporations shall be repealed when the corporation income tax becomes effective. All other special taxes for state purposes shall be continued.

4. All residents of this state having taxable ability shall pay a direct personal income tax at moderate graduated rates.

5. The revenue which is derived from the business tax and the personal income tax shall be devoted to the state district school fund, and the levy for state district school fund purposes shall be reduced accordingly.

6. The present constitutional state board of equalization shall be abolished and a state tax commission created.

   a. The state tax commission shall assess all mines and public utilities.

   b. The state tax commission shall have power to equalize the valuations of any assessments within any county of the state and shall also have the power to equalize the valuations of classes of property between counties.

   c. On appeal of ten or more persons the commission shall review and correct any tax levies for local purposes with a view to checking unnecessary expenditures. On appeal of ten or more persons the commission shall review any local bond issue and shall bring

all of the facts involved to the attention of the taxpayers, together with the recommendations of the commission.

d. The administration of all special taxes for state purposes shall be centralized in the office of the state tax commission.

e. The state tax commission shall have authority to prescribe a system of uniform accounts for all local taxing units and shall have power to enforce the use of such uniform accounting system. It shall also have power to enforce suitable regulations for the preparation of all local budgets, and shall have authority to conduct regular independent audits of all local public accounts and to take the necessary steps to safeguard public funds through the prosecution of all violations of proper accounting procedure.

7. The legislature shall authorize a comprehensive study of expenditures, governmental organization, and business methods in connection with the operation of the proposed plan of tax revision, in order to determine whether more economical methods of handling the public business may be developed and for the purpose of securing a proper balance between state and local revenues under the proposed plan of tax revision.

8. Finally, it is recommended that the governor call a special session of the legislature for the purpose of submitting to the voters of the state the necessary constitutional amendments which must be passed before the complete tax plan can be put into operation.

ESSENTIAL AMENDMENTS TO CONSTITUTION

Having made the foregoing recommendations, the Commission states that they cannot be made effective at all points under the present constitution, and that

the first constructive step toward tax equalization in the State of Utah must be the amendment of certain constitutional provisions relating to taxation. The suggested amendments are indicated in its report.

A distinction must be drawn between the projected plan of tax revision recommended by the Commission and the proposed constitutional amendments which the Commission has presented for your consideration. It was necessary for the Commission to determine upon some fair and basic system of taxation in order to have a consistent aim in its work, and while it has proposed constitutional amendments which will make possible the enactment of its contemplated tax plan it should be borne in mind that these proposed amendments do not limit future legislatures to the particular plan of revision recommended by the Commission, except in regard to administration.

The two fundamentals contained in the proposed constitutional amendments deal with (1) the classification of intangible property for taxation purposes, and (2) centralized administration. In addition to these two main points a provision is made that all revenue derived from any income taxes which may be enacted shall be paid into the state district school fund. There are some other minor points contained in these proposals which appeared desirable to the Commission but which do not directly affect the main issues involved.

CLASSIFICATION OF PROPERTY

Experience in various states over a long period of years has demonstrated the impossibility of taxing intangible property in the same manner and at the same rates as tangible property is taxed. Consequently the separation of tangible property from intangible property is a fundamental necessity regardless of the enactment of the contemplated tax revision plan. Indeed, not a single step toward intelligent tax reform can be taken until the rule of uniformity is abolished.

CENTRALIZED ADMINISTRATION

The necessity for adequate central supervision of a state tax system has been shown again and again throughout the United States, and those states which have the most successful administrative systems invariably have a centralized authority with sufficient resources and power to supervise the entire tax system.

The objection may be raised in some quarters that the proposed centralization of tax control in a state tax commission is violative of the principle of local self government. The elementary principles of political science do not sustain this objection, for the power to levy taxes inheres only in the sovereign. The state is sovereign, and its subdivisions have no taxing powers except such as are expressly granted to them by the state, pursuant to Article XIII, Section 5, of the Constitution. Consequently there can be no such thing as the state encroaching upon the rights of its subdivisions in matters of taxation.

Viewed from another angle, if the assessment of property were only for local purposes the argument for local control of taxation might be sound, but since a substantial portion of the taxes on property is for state purposes, the assessment, equalization and collection of taxes loses its local character and becomes the concern of the state, and it is the duty of the state to see that all its citizens receive equal treatment in the levying of taxes for state purposes. This becomes increasingly necessary as the state more and more assumes direct responsibility for certain functions, such as the equalization of educational advantages. Those who oppose centralized control of assessments are, perhaps unwittingly, pleading for the retention of certain existing inequalities. I confess, however, that I am not committed to the policy of state control of levies for strictly local purposes.

These two fundamentals which appear in the suggested constitutional amendments are essential to any consistent, well ordered plan of tax revision. The ques-

tion before the special session of the legislature is not the enactment of the particular tax plan which has been recommended but rather the consideration of constitutional amendments which are necessary to permit the classification of intangible property for purposes of taxation, and to provide for effective centralized administration. Once these amendments are passed a fairly consistent foundation for future tax legislation will have been provided.

STATE GENERAL FUND REVENUES

While I am in sympathy with the program reported by the Tax Revision Commission, I feel that I ought to speak a word of caution in regard to one of its proposals. The suggestion that all revenue from income taxes shall be paid into the state district school fund is intended to prevent an increase in the total amount of taxes in case these new sources of income are made available. The Commission is to be commended for being actuated, not by a desire to raise more revenue, but by a determination to distribute the burden of taxation more equitably. However, in its zeal to protect the taxpayer from increased burdens the Commission becomes the first to deviate from its own sound dictum that "the constitution should establish the general principles of legislative action, but not the details."

The piece of legislation which is now proposed to be written into the constitution should be scrutinized very carefully because of its possible embarrassment of the state general fund. The general fund revenues are at present inadequate for the legitimate needs of the state government. If now the corporation license tax is abolished, the tax on intangibles as property is discontinued, and bank taxes are lost or greatly diminished, with no new sources of revenue provided, it is obvious that the state general fund will be left short, and the only way for the state to get enough revenue to function will be by raising assessed valuations on tangible property without reducing levies, which means higher taxes. The public

expenditures of a growing state are bound to increase. I remind you that the new state institution created at your regular session will at once call for an increase in the budget, which is already exceeding the revenues.

No system of taxation is sound that is not elastic enough to produce the revenue that may be needed from time to time under varying conditions. I content myself with simply inviting your attention to the danger lurking in the proposition, and to reiterate my misgivings about constitutional provisions that are a code of law instead of general principles underlying a code of law.

I make no other criticism of the excellent program upon which the Commission and the Legislative Committee have agreed. On the contrary, I deem it sound, and it has my hearty endorsement.

While this special session of the legislature has been called primarily to consider tax revision, yet I avail myself of the opportunity to call your attention to a few other subjects upon which action is imperative and which I think may be disposed of expeditiously.

STATE BUILDING PROGRAM

The State building program authorized by Chapter 101, Laws of Utah, 1929, is under way and will provide sorely needed space and facilities at the several state institutions. Moreover, this program of construction will help to stabilize economic conditions and relieve unemployment, thereby fitting into President Hoover's efforts to avert a period of depression. Unfortunately, two of the projects that were prescribed to be carried out during the current biennium do not seem to meet the most urgent needs and are therefore ill-advised. One of the objects of the State Building Commission bill as originally introduced was to have a competent body study the building requirements of the several institutions to the end that money should not be wasted by constructing buildings that were not justified. This businesslike provision was stricken out and in its final form the bill ordered certain prescribed buildings to be constructed during the biennium.

UTAH STATE HOSPITAL

For the Utah State Hospital there is included in the State Building Commission law an addition to the present main building, at an estimated cost of $175,000. The State Board of Insanity recently adopted the following resolution, to which I invite your attention:

> WHEREAS, the Legislature of 1929 appropriated the sum of $175,000 to be expended by the State Building Commission for the construction of an addition to the present main building of the Utah State Hospital at Provo; and
>
> WHEREAS, in the judgment of the State Board of Insanity it would be undesirable and unwise to construct such an addition; and that it will be to the greater advantage of the institution if a separate new building is constructed;
>
> NOW, THEREFORE, BE IT RESOLVED that the State Board of Insanity does hereby respectfully ask the Governor to call this matter to the attention of the Legislature at its forthcoming special session; and that he request that the aforesaid appropriation be made available for the construction and equipment of such new building or buildings as may be jointly agreed upon by the State Board of Insanity and the State Building Commission.
>
> BE IT FURTHER RESOLVED that the Governor be requested to inform the Legislature that such a building as can be constructed and equipped for $175,000 will not adequately relieve the present deplorable condition of overcrowding, and that in order to furnish proper room for the present hospital population the aforesaid appropriation should be doubled.
>
> BE IT FURTHER RESOLVED that the Governor be respectfully requested to ask the Legislature to amend the Building Commission law so as to per-

mit the use of inmate labor and regular employees on construction work so far as practicable.

Inasmuch as the authorized building program is financed by a bond issue of $1,150,000, and the bonds so authorized have been printed and partly sold, it does not seem feasible to increase the amount of this issue. Unless an additional appropriation can be provided from other sources it appears advisable to resort to another disheartening make-shift by constructing and equipping, with the present appropriation, a building in such form that it may be subsequently enlarged, if and when additional money is provided for that purpose.

STATE INDUSTRIAL SCHOOL

At the State Industrial School the law authorizes an administration building and hospital, at an estimated cost of $50,000. The Board of Trustees and the State Building Commission jointly recommend that the Act be amended so as to make the appropriation available for the construction of a boys' gymnasium and the remodeling and building of an addition to the girls' dormitory. I submit the recommendation for your consideration.

USE OF INMATE LABOR

Should you deem it wise to amend the State Building Commission Act as above recommended, you might at the same time consider the desirability of relieving the Building Commission from the present rigid legal requirement that all work must be done by contract, and permit the use of inmate labor and regular employees so far as practicable. Such labor has an important therapeutic, reformatory and educative value, and considerable economies may thereby be effected if you will grant the necessary authority. This would be in harmony with the state's use plan, which is generally endorsed by labor organizations. It would not decrease the amount of money to be expended by the state for labor on the authorized buildings, but might make it possible to get larger buildings for the money that has been appropriated.

STATE CAPITOL GROUNDS

At your regular session you appropriated $25,000 to the Secretary of State for the improvement of the State Capitol grounds in order to furnish a more suitable setting for our magnificent Capitol. With the assistance of a committee of the Utah Chapter of American Institute of Architects, a competent landscape architect was selected to prepare a plan of improvement and beautification and to lay out the work. Pursuant to the design that was adopted, the grounds have been cleared, graded and covered with top soil and the sidewalks have been built. Secretary Welling has made a report on this subject, a copy of which will be furnished each member of the Legislature. You are invited to inspect the work that has been done, and to consult with the architect in regard to the proposed ultimate development. The appropriation now available will not be adequate to complete the project. If you shall see fit to make provision for carrying forward part or all of the comprehensive plan during the current year, I shall be happy to approve your action.

One of the urgent needs of the Capitol grounds is to cover the roadways and parking spaces with hard surface pavement. To relieve the state general fund of this expense, I ask you to consider the advisability of treating these roadways as a part of the State Road system and paving them out of state road funds.

Should it seem necessary to call other legislative business to your attention while you are in session I shall do so by means of a supplemental message. However, I do not wish unnecessarily to distract your attention from the subject of tax revision which is the sole cause of convening you in special session.

GEORGE H. DERN.

January 27, 1930.

On motion of Senator Parratt the joint assembly ordered the message of the Governor spread on the journal of each House.

On motion of Representative Jorgensen the joint assembly disolved.

SECOND DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Jan. 28, 1930

The Senate was called to order at 10 A. M. by President Gardner.

Roll Call—All members present.

Prayer by the Chaplain.

MISCELLANEOUS BUSINESS

On motion of Senator McCarthy, the President was appointed to notify the House that they would meet in joint session, with the House to hear Dr. Lutz, on Thursday, January 30, at 2 P. M.

Senator Parratt moved the Senate recess until afternoon for consideration of the Legislative Tax Committee report. Motion carried.

On motion of Senator Candland, senate recessed until 2. P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Jan. 28, 1930

The Senate reconvened at 2 P. M., President Gardner in the Chair.

Roll Call—All Senators present.

Senator Ryan read the report of the Legislative Tax Committee.

On motion of Senator Irvine a five minute recess was taken.

Senate resumed session.

COMMUNICATIONS FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Jan. 28, 1930

Mr. President:

I am directed to inform your Honorable Body, that the House concurs in the Senates suggestion and approves a Joint Session on Thursday, January 30th at 2:00 o'clock P. M. to hear Dr. Lutz, on the subject of taxation.

Respectfully,

E. L. CROPPER,

Chief Clerk.

Communication filed.

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Jan. 28, 1930

Mr. President:

I am directed to inform your Honorable Body, that the House has this day passed, under suspension of rules, House Bill No. 1, by Mr. Leatham.

"An act appropriating $25,000.00, to defray the regular and contingent expenses of the Special Session of

the Eighteenth Session of the Legislature of the State of Utah", and the same is herewith transmitted for your action.

Respectfully,

E. L. CROPPER,

Communication filed. Chief Clerk.

Senator Ryan, moved that the rules be suspended and House Bill No. 1 be read the second and third times and placed on its final passage.

The motion carried, and House Bill No. 1 was read second and third times and passed on the following roll call:

Ayes, 19; Nays, 0; Absent, 0.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Evans, Fowles, Griffin, Irvine, Marsden, Maw McCarthy, Musser, Owens, Parratt, Patterson, Ryan, Smith, Welling, Young, Mr. President.

PRESENTATION OF RESOLUTIONS

The Junior Chamber of Commerce of

Salt Lake City, Utah.

December 20, 1929.

Dear Mr. President:

At a meeting of the Board of Governors of the Junior Chamber of Commerce of Salt Lake City, Utah, held December 17, 1929, the following resolution was passed:

"RESOLVED: The Junior Chamber of Commerce of Salt Lake City shall be of record as in favor of appropriate legislation being enacted at the coming special session of the Legislature of the State of Utah, for the purpose of remedying the traffic evils existing in the State of Utah, and recommending as an aid in the solution of the problem, the enactment of a statute requiring the drivers of motor driven vehicles to be licensed

by the State, requiring a rigid examination as a prerequisit to obtaining a license, and providing for revocation of said license in appropriate cases where the holder has violated other provisions of the Traffic Code of this State."

It was the sense of the meeting that this resolution be communicated to you in the hope that your aid may be enlisted in remedying the traffic situation in this State.

Very truly yours,

D. HOWE MOFFAT.

Secretary.

Hon. Hamilton Gardner,
President of the Senate
Kearns Building
Salt Lake City, Utah.

Communication filed.

COMMUNICATION FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Jan. 28, 1930

Mr. President:

I am directed to inform your Honorable Body, that H. B. No. 1, by Mr. Leatham, entitled: "An Act appropriating $25,000.00, to defray the regular and contingent expenses of the Special Session of the Eighteenth Session of the Legislature of the State of Utah", has been signed in open session in the presence of the House, by the Speaker and the same is herewith transmitted for the signature of the President.

Respectfully,

E. L. CROPPER,

Communication filed. Chief Clerk.

H. B. No. 1 was signed by the President in open session in the presence of the Senate and was returned to the House for transmission to the Governor.

Senator Irvine moved that when Senate adjourns it do so until tomorrow, January 29, at 10 A. M.

Motion carried.

Senator Egan moved that Mr. Hammond of the Tax Commission be invited to speak to the Senate, Jan. 29 at 10 A. M.

Motion carried.

On motion of Senator Irvine the Legislative Tax Committee was extended a vote of thanks.

On motion of Senator Parratt the Senate adjourned.

THIRD DAY

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Jan. 29, 1930.

The Senate was called to order at 10 A. M., by President Gardner.

Roll Call—All members present, except Senators Evans, Irvine and Young.

Prayer by the Chaplain.

The Journal for the First Day was read and approved with corrections.

INTRODUCTION OF BILLS

S. J. R. No. 1. By Mr. Musser.

A joint Resolution proposing an amendment to Section 11 of Article XIII of the Constitution of the State of Utah, relating to Revenue and Taxation.

S. J. R. No. 1 was read the first time and referred to the Committee on Revision and Enrolling.

Senator Ryan moved that Senate resolve itself into committee of the whole, to hear from Mr. Hammond, member of the Tax Revision Commission.

Motion carried.

On motion of Senator McCarthy, Dr. Lutz and Judge Thurman were asked to appear before the Senate at 2 P. M. Wednesday.

Mr. President: Your Committee of the whole begs to report that it has dissolved after having completed its first session at which Mr. R. E. Hammond, Secretary of the Utah Tax Revision Commission discussed some of the points contained in the report of the commission. As chairman of said committee I move that this report be accepted and entered in the minutes and printed in the Senate Journal.

Respectfully,

GEO. H. RYAN,

Report filed. Chairman.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Jan. 29, 1930.

The Senate reconvened at 2 P. M. President Gardner in the Chair.

Roll Call—A Quorum present.

REPORTS OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Jan. 29, 1930.

Mr. President:

Your Committee on Revision and Enrolling reports

back S. J. R. No. 1, by Mr. Musser, being a resolution to amend Section 11, Article 13, of the Constitution of the State of Utah and recommend that the same be printed.

Respectfully,

RAY E. DILLMAN,

Report filed. Chairman.

S. J. R. No. 1 was ordered printed and referred to the Committee on State and Municipal affairs.

COMMUNICATION FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Jan. 29, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the Governor, has this day approved and filed with the Secretary of State H. B. No. 1, by Mr. Leatham, entitled: "An Act appropriating $25,000.00, to defray the regular and contingent expenses of the Special Session of the Eighteenth Session of the Legislature of the State of Utah."

Respectfully,

E. L. CROPPER,

Communication filed. Chief Clerk.

On motion of Senator Griffin, Mr. Hammond of the State Tax Commission was to be heard at 10 A. M., Jan. 30.

Senator McCarthy moved that Senate go into committee of the whole to hear Dr. Lutz and Judge Thurman.

Mr. President: The Committee of the Whole begs to report that it dissolved after having completed its second session, at which Judge S. R. Thurman of Tax

Revision Commission and Dr. Harvey Lutz, expert on Taxation, discussed some of the points contained in the report of the commission, as chairman of said committee, I move that this report be accepted and entered in the minutes and printed in the Senate Journal.

Respectfully,

WILSON, McCARTHY,

Motion carried. Chairman.

INTRODUCTION OF BILLS

S. J. R. No. 2. By Mr. Ryan,

(By request of Tax Revision Commission)

A Joint Resolution proposing an amendment to Sections 2 and 3 of Article 13 of the Constitution of the State of Utah, relating to Revenue and Taxation, was read the first time and referred to the Committee on Revision and Enrolling.

S. J. R. No. 3. By Mr. Ryan,

(By request of the Utah Tax Revision Commission)

A Joint Resolution proposing an amendment to Section 11 of Article 13 of the Constitution of the State of Utah, relating to Revenue and Taxation, was read the first time and referred to the Committee on Revision and Enrolling.

On motion of Senator Parratt the Senate adjourned.

FOURTH DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Jan. 30, 1930.

The Senate was called to order at 10 A. M. by President Gardner.

Roll Call—Quorum present.

Prayer by the Chaplain.

The Journal for the Third Day was read and approved with corrections.

APPOINTMENT OF REVISION COMMITTEE

With the consent of the Senate, President Gardner appointed a committee consisting of Senators Welling and Owens to act during the next five days in revising the Senate Journal each day and certifying to its correctness as amended.

REPORTS OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Jan. 30, 1930.

Mr. President:

Your Committee on Revision and Enrolling reports back, S. J. R. No. 2 by Mr. Ryan, A joint resolution proposing an amendment to Sections 2 and 3 of Article 13 of the Constitution of the State of Utah, relating to revenue and taxation, and recommend that the same be printed.

Respectfully,

RAY E. DILLMAN,
Chairman.

Report filed.

S. J. R. No. 2 was ordered printed and referred to the Committee on State and Municipal Affairs.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Jan. 30, 1930.

Mr. President:

Your Committee on Revision and Enrolling reports

back, S. J. R. No. 3, by Mr. Ryan, "A Joint Resolution proposing an amendment to Section 11, of Article 13, of the constitution of the State of Utah, relating to revenue and taxation, and recommend that same be printed.

Respectfully,

RAY E. DILLMAN,

Chairman.

Report filed.

S. J. R. No. 3 was ordered printed and referred to the Committee on State and Municipal Affairs.

INTRODUCTION OF BILLS

S. B. No. 1. By Mr. Ryan.

An Act appropriating $50,000 out of state highway funds, to be expended by the state road commission in the construction of roadways and parking spaces on the State Capitol Grounds., was read the first time and referred to the Committee on Revision and Enrolling.

Senator Ryan moved that One Thousand copies of the Legislative Tax Committee report be printed.

Motion Carried.

On motion of Senator Egan the Senate was resolved into Committee of the Whole to hear from Mr. Hammond and Dr. Lutz.

Motion Carried.

SENATE SESSION RESUMED

Mr. President: Your Committee of the Whole begs to report that it has dissolved after having completed its third session at which Mr. R. E. Hammond and Dr. Harley Lutz discussed the tax problem. As chairman

of said committee I move that this report be accepted and entered in the minutes and printed in the Senate Journal.

Respectfully,

H. FRED EGAN,

Chairman.

Motion Carried.

Senator McCarthy moved that Dr. Lutz be invited to meet with the Senate Jan. 31, at 10 A. M. and discuss the Mines tax problem or other tax problems.

COMMUNICATION

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Jan. 30, 1930.

To the Honorable Hamilton Gardner,
President:

The University of Utah, cordially invites yourself and the members of the Senate, to be its guests at the Basket ball Games, in which the University of Utah participates as contestant, on Friday or Saturday Evening next, to be held at the Deseret Gymnasium.

Please advise the number that will be present on either of these occasions, so that proper reservation may be made. We will not be able to accomodate all of your members on the same night, and suggest that you divide the attendance as near equally as possible, between the two dates.

These games are scheduled for 8:45 P. M.

Cordially,

DR. THOMAS,
University of Utah.

Communication filed.

On motion of Senator Fowles the Senate recessed until 1:55 P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Jan. 30, 1930.

The Senate reconvened at 1:55 P. M. President Gardner in the Chair.

Roll Call—Quorum present.

MISCELLANEOUS BUSINESS

Ogden Chamber of Commerce,
Ogden, Utah.

January 29, 1930.

Secretary,
Utah State Senate,
Salt Lake City, Utah.

Dear Sir:

We are inclosing a copy of a resolution recently passed by the Board of Directors of the Ogden Chamber of Commerce in executive session, which refers to the speech made by Dr. Harvey Lutz, at Palo Alto, California.

The resolution is self-explanatory.

Very truly yours,

E. J. FJELDSTED,

Secretary.

Communication filed.

Senator McCarthy moved that at the conclusion of the Joint Session the Senate adjourn until 10 o'clock A. M., Jan. 31st. Motion Carried.

Joint Session called to order by President Gardner. A majority of both Houses present.

Representative Wilson as a member of the Tax Re-

vision Committee presented tokens of appreciation to Senator Ryan, chairman of the committee and Representative Miller, secretary of the committee.

Senator Ryan and Representative Miller responded.

President Gardner introduced Dr. Harley L. Lutz to the assembly, who spoke on the tax problem.

Mr. Leatham moved that the Joint Session dissolve.

Motion Carried.

FIFTH DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Jan. 31, 1930.

The Senate was called to order at 10 A. M. by President Gardner.

Roll Call—All members present.

Prayer by the Chaplain.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Jan. 31, 1930.

Mr. President:

We, your committee on Revision of the Journal respectfully report that we have read the Journal for the Fourth Day and find it correct with amendments.

Respectfully,

TRACY R. WELLING,

W. T. OWENS, Jr.

Senator Musser moved that the Senate go into a Committee of the Whole to hear Dr. Lutz.

Motion Carried.

SENATE SESSION RESUMED

Mr. President: Your Committee of the Whole begs to report that it has dissolved after having completed its fourth session at which Dr. Harvey Lutz discussed the tax problem. As chairman of said committee I move that this report be accepted and entered in the minutes and printed in the Senate Journal.

Respectfully,

BURTON W. MUSSER,

Chairman.

Motion Carried.

REPORTS OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Jan. 31, 1930.

Mr. President:

Your Committee on State and Municipal Affairs beg leave to report that it has had under consideration S. J. R. No. 1 by Mr. Musser, "A joint resolution proposing an amendment to Section 11 of Article XII of the Constitution of the State of Utah, relating to revenue and taxation";

S. J. R. No. 2 by Mr. Ryan, "A joint resolution proposing an amendment to Sections 2 and 3, of Article 13 of the Constitution of the State of Utah, relating to revenue and taxation"; and

S. J. R. No. 3 by Mr. Ryan, "A joint resolution pro-

posing an amendment to Section 11, of Article 13 of the Constitution of the State of Utah, relating to revenue and taxation."

While Resolutions 1 and 3 are identical in subject matter, No. 1 not being in proper form, your committee herewith reports back S. J. R. No. 3, without recommendation or further comment.

Respectfully,

W. D. CANDLAND,
Chairman.

Report filed.

S. J. R. No. 3 was placed on the second reading calendar.

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Jan. 31, 1930.

Mr. President:

Your Committee on State and Municipal Affairs beg leave to report back for your consideration S. J. R. No. 2 by Mr. Ryan, "A joint resolution proposing an amendment to Sections 2 and 3, of Article 13 of the Constitution of the State of Utah, relating to revenue and taxation," without comment or recommendation.

Respectfully,

W. D. CANDLAND,
Chairman.

Report filed.

S. J. R. No. 2 was placed on the second reading calendar.

On motion of Senator Candland, the Senate recessed until 2 P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Jan. 31, 1930.

Senate reconvened at 2 P. M., President Gardner in the Chair.

Roll Call—Quorum present.

On motion of Senator Fowles the rules were suspended and S. J. R. No. 3 was read the Second time.

Senator Fowles moved that the attorney general be requested to give the Senate a ruling as to whether or not, a bill could be passed repealing sections 2193, 2200, 2201 and 2202, Compiled Laws of Utah, 1917 under the Governors call for a special session of the Eighteenth Legislature of the State of Utah.

Motion Carried.

COMMUNICATION

Executive Office,
Chamber of Commerce and
Commercial Club.

Salt Lake City, Utah, Jan. 31, 1930.

Dear Mr. Gardner:

We extend a cordial invitation to you and your Honorable Body to be the guests of the Board of Governors at a dinner, to be held Friday, February 7th, at 6:30 P. M., in the Main Dining Room of the Chamber of Commerce.

A similar invitation is being extended to the House of Representatives, the purpose of which is to provide an opportunity for the members of the Legislature and the membership of the Chamber of Commerce to form a mutual acquaintance.

I also desire to extend a cordial invitation to the members of the Legislature to make the Chamber of Commerce and it's club rooms, their headquarters while they are in session in Salt Lake City.

I shall appreciate it if you will advise our Secretary, Mr. J. C. Rebholz, at the earliest possible moment, the

members of your Honorable Body who will be in attendance so that definite arrangements for your entertainment and comfort con be made.

Sincerely yours,

E. O. HOWARD,

President.

Mr. Hamilton Gardner,
President—Utah State Senate
State Capitol Building.
Salt Lake City, Utah.

Communication filed.

Invitation accepted with thanks.

Senator Maw moved that when the Senate adjourn it do so until Sat, Feb. 1 at 10 A. M. Carried.

On motion of Senator Evans the President appointed the following Committee on Constitution and Procedure; Senators Candland, Ryan, Owens, Parratt and Patterson.

On motion of Senator Candland the Senate adjourned.

SIXTH DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 1, 1930.

The Senate was called to order at 10 A. M. by President Gardner.

Roll Call—All present except Senators Evans, Fowles, Griffin, and Young.

Prayer by the Chaplain.

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 1, 1930.

Mr. President:

We, your Committee on Revision of the Journal, respectfully report that we have read the Journal for the Fifth Day and with minor changes, find it correct.

Respectfully,
TRACY R. WELLING,
W. T. OWENS, Jr.

CONSIDERATION OF BILLS ON SECOND READING

S. J. R. No. 3 was then ordered read the third time on the following roll call:

Ayes, 14; Nays, 1; Absent, 4.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Irvine, Marsden, Maw, McCarthy, Musser, Owens, Parratt, Ryan, Smith, Welling, Mr. President.

Those voting in the negative were: Senator Patterson.

Absent and not voting, Senators Evans, Fowles, Griffin and Young.

S. J. R. No. 3 was placed on third reading calendar.

S. J. R. No. 2 was read the second time.

Committee report read.

Senator Musser moved to amend, by striking out on page 2, line 23, the words "all revenue which is de-" and strike out all of lines 24, 25 and 26.

Motion was postponed indefinitely.

Senator Patterson moved that when the Senate adjourn, it do so until Monday, February 3, at 10 A. M.

Motion Carried.

On motion of Senator Patterson the Senate adjourned.

EIGHTH DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 3, 1930.

The Senate was called to order at 10 A. M., by President Gardner.

Roll Call—All members present except Senator Smith.

Prayer by the Chaplain.

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 3, 1930.

Mr. President:

We, your Committee on Revision of the Journal, respectfully report that we have read the Journal for the Sixth Day and, with minor changes, find it correct.

Respectfully,

TRACY R. WELLING,
W. T. OWENS, Jr.

Report adopted.

REPORT OF SPECIAL COMMITTEE

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 3, 1930.

Mr. President:

Your Committee on Constitution and Procedure beg leave to submit the following:

First: We recommend that the Chairman of the Legislative Tax Committee be requested to submit to the Senate the recommendations of said Committee to the Commission, that the same may be considered in connection with Senate Joint Resolutions Nos. 2 and 3; and that allowing for the fullest discussion, consideration and amendments, these and other resolutions desired relating thereto be passed as soon as possible.

Second: That the question of distribution of income tax be postponed pending further investigation by members of the Senate.

Third: That the Senate consider the request of the Automobile Dealers Association for a public hearing on the question of exempting automobiles from the property tax.

Respectfully submitted,

W. D. CANDLAND,

Report filed. Chairman.

CONSIDERATION OF BILLS ON THIRD READING

S. J. R. No. 3 was read the third time.

On motion of Senator Musser, S. J. R. No. 3 was postponed temporarily and that S. J. R. No. 2 be considered on second reading.

Senator Patterson moved that the Salt Lake Auto Dealers Association be allowed a hearing before the Senate in Committee of the Whole. Motion amended by Senator Irvine that they be allowed to submit briefs to the Senate and that they furnish twenty-seven copies of such briefs.

Amendment carried.

INTRODUCTION OF BILLS

S. B. No. 2. By Mr. Irvine.

An Act appropriating the sum of $20,000.00 for im-

provements on the State Capitol Grounds, was read the first time and referred to the Committee on Revision and Enrolling.

On motion of Senator Patterson the Senate adjourned until 2 P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 3, 1930.

Senate reconvened at 2 P. M., President Gardner in the Chair.

Roll Call—All members present.

UNFINISHED BUSINESS

With the consent of the Senate, the motion by Senator Musser to strike lines 23 to 26 on page two of S. J. R. No. 2 was withdrawn.

Senator Musser renewed his motion to strike Lines 23 to 26 on page two of S. J. R. No. 2.

On motion of Senator Candland the motion of Senator Musser to strike lines 23 to 26 on page two of S. J. R. No. 2 was made Special Order for Feb. 4 at 10 A. M

REPORTS OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 3, 1930.

Mr. President:

Your Committee on Revision and Enrolling reports

back S. B. No. 1 by Mr. Ryan; "An Act appropriating $50,000 out of State Highway Funds, to be expended by the State Roard Commission in the construction of roadways and parking spaces on the State Capitol Grounds." and recommend that the same be printed.

Respectfully,

RAY E. DILLMAN,

Chairman.

Report filed.

S. B. No. 1 was ordered printed and referred to the Committee on State and Municipal Affairs.

On motion of Senator Evans the Senate adjourned until Feb. 4 at 10 A. M.

NINTH DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 4, 1930.

The Senate met at 10 A. M., President Gardner in the Chair.

Roll Call—All members present, except Senator Welling.

Prayer by the Chaplain.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 4, 1930.

Mr. President:

We, your Committee on Revision of the Journal, res-

pectfully report that we have read the Journal for the Eighth Day and with minor changes, find it correct.

Respectfully,

TRACY R. WELLING,

W. T. OWENS, Jr.

Report filed.

SPECIAL ORDER

Senator Musser's motion of Feb. 3, to strike lines 23 to 26, page 2 of S. J. R. No. 2. Carried.

Senator Gardner moved to insert the following:

Amendment to S. J. R. No. 2.

Page 1, line 23: strike all of said line except the first word and the period.

Page 2, line 1: strike all of said line.

Page 2, line 2: strike all of said line except the last two words.

Insert in lieu thereof:

"Property owned by disabled persons who served in any war in the military service of the United States or of the State of Utah and by the unmarried widows and minor orphans of such persons may be exempted as the legislature may provide."

Motion carried.

COMMUNICATION

February 4, 1930.

Hon. Hamilton Gardner,
President, Senate
State Capitol.

Dear Mr. Gardner:

The Women's Democratic Club extend a cordial in-

vitation to the members of the Senate to attend a dance in their honor at the Newhouse Hotel, Thursday evening, February 13.

Cordially yours,

WOMEN'S DEMOCRATIC CLUB,

By Mrs. E. S. Holmes.

President.

Communication filed.

On motion of Senator Musser the invitation was accepted with thanks.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 4, 1930.

Hon. George P. Parker,
Attorney General of Utah.
Capitol Building.

Dear Judge Parker:

The Senate has directed me to request from you an opinion in writing pertaining to the procedure in submitting constitutional amendments at the general election this fall.

Can the present Special Session of the Legislature repeal or amend the sections of the Statute which require that printed arguments and copies of the proposed amendments be submitted to all registered voters—all without endangering or questioning the legality of the Constitutional amendments. If this can be done what is the proper procedure?

Very truly yours,

HAMILTON GARDNER,

COMMUNICATION FROM THE ATTORNEY GENERAL

The State of Utah,
Office of the Attorney General.

Salt Lake City, Utah, Feb. 3, 1930.

Hon. Hamilton Gardner,
President, Utah State Senate,
Capitol Building, City

Dear Mr. Gardner:

I acknowledge receipt of your letter of February 1st, in which you ask—"Can the present Special Session of the Legislature repeal or amend the sections of the Statute which require that printed arguments and copies of the proposed amendments be submitted to all registered voters,—all without endangering or questioning the legality of the constitutional amendments? If this can be done what is the proper procedure?"

In reply permit me to call to your attention, section 6 of Article 7 of the State Constitution, which reads in part as follows:

> "On extraordinary occasions the Governor may convene the Legislature by proclamation, in which shall be stated the purpose for which the Legislature is to be convened, and it shall transact no legislative business except that for which it was especially convened, or such other legislative business as the Governor may call to its attention while in session. * * *"

In view of the constitutional provision just referred to, I am of the opinion that if the matter of repealing or amending the statutes referred to in your letter, is called to the attention of the Legislature while in special session, by the Governor, that legislation providing for the repealing or amending of such statutes could be enacted by the Legislature while in such special session.

Now as to whether or not such legislation would have

any effect upon the validity of the adoption or rejection of any constitutional amendments proposed by this special session of the Legislature, I give it as my opinion that if such repeal or amendment of such statutes is made to take effect and be in force before anything is to be performed in connection with the printing and submitting of any constitutional amendments under the provisions of said statutes as they now stand then and in that event such legislation could have no legal effect upon the validity of the adoption or rejection of such constitutional amendments as might be proposed by the Legislature while in special session.

The proper procedure then is:

First, to have the question as to whether such statutes should be repealed or amended brought to the attention of the Legislature by the Governor:

Second, to enact suitable legislation providing for the repeal or amendments of such statutes; such legislation to fix the time for the taking effect of such acts by which such statutes are repealed or amended, so that such act or acts shall be in effect and in force prior to the time that anything relating to the printing and submitting of such proposed constitutional amendments are required to be performed under said statutes as they now stand.

I might add that under the provisions of sections 2201 and 2202, Compiled Laws of Utah, 1917, which relate to the printing and distribution of pamphlets containing the proposed constitutional amendments and the arguments for and against same, such pamphlets are required to be distributed to the various county clerks by the Secretary of State not less than thirty days before the election next ensuing, at which time such amendments are to be voted on. So, it would appear that there is ample time for the act or acts repealing or amending said sections to take effect and be in force before anything is required to be done under the provisions of sections 2201 and 2202

as they now stand, without incorporating in such act or acts repealing or amending such sections, a provision to the effect that such act or acts shall take effect upon the approval by the governor.

Very truly yours,

GEO. P. PARKER

Attorney General.

Communication filed.

On motion of Senator Musser the committee on Constitution and Procedure was instructed to take such steps as may be necessary to bring this matter properly before the Senate.

CONSIDERATION OF BILLS ON THIRD READING

S. J. R. No. 3 on third reading.

Senator Ryan moved the following amendment to S. J. R. No. 3:

Insert on line 5 after the comma following members, *"Not more than two of whom shall belong to the same politcal party. The members of the commission shall be."*

Motion carried.

Senator Maw moved the following amendment to S. J. R. No.3:

On line 5 after the word "member" and before the word "appointed", insert the following language:

"Not more than two of whom shall belong to the same political party and each of whom shall be"

Consideration of the amendment posponed.

On motion of Senator Musser, S. J. R. No. 3 was made Special Order for 2 P. M.

REPORTS OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 4, 1930.

Mr. President:

Your Committee on Revision and Enrolling reports back S. B. No. 2 by Mr. Irvine, entitled: "An Act appropriating the sum of $20,000.00 for improvements of the State Capitol Grounds," and recommend that the same be printed.

Respectfully,

RAY E. DILLMAN,
Chairman.

Report filed.

S. B. No. 2 was ordered printed and referred to the Committee on Appropriation and Claims.

On motion of Senator Parratt the Senate adjourned until 2 P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 4, 1930.

Senate called to order at 2 P. M., by President Gardner.

Roll Call—All members present, except Senator Welling.

UNFINISHED BUSINESS
SPECIAL ORDER

S. J. R. No. 3 on Third Reading.

Senator Maw moved the following amendments to S. J. R. No. 3:

On line 8, page 1, after the word "shall" and before the word "adjust", insert the following language:

"Assess the property of mines and public utilities and"

On line 10 after the word "such" and before the word "powers", insert the word *"other"*.

Motion Carried.

Senator McCarthy moved that the Senate go into a Committee of the Whole to hear Dr. Lutz.

Motion Carried.

The Senate reconvened at 3:30 P. M., President Gardner in the Chair.

Mr. President: Your Committee of the Whole begs to report that it has dissolved after having completed its fifth session at which Dr. Harvey L. Lutz discussed the tax problem. As chairman of said committee I move that this report be accepted and entered in the minutes and printed in the Senate Journal.

Respectfully,

KNOX PATTERSON,

Chairman.

Motion Carried.

On motion of Senator Parratt S. J. R. No. 3 was amended as follows:

Second line of Title, strike comma after 11.

On page one line two, capitalize word "Constitution"

Line 8, capitalize the word "State".

Line 12, capitalize the word "Legislature".

Line 18, capitalize the word "State".

Page 2, line 3, capitalize the word "Legislature".

Line 5, capitalize the word "Constitution".

Line 6, capitalize the word "State".

Line 8, capitalize the word "State".

On motion of Senator Musser the following words were stricken from the amendment made by Senator Maw. On page 1, line 8, "The property of".

S. J. R. No. 3 then passed on the following roll call:

Ayes, 18; Nays, 0; Absent, 1.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Evans, Fowles, Griffin, Irvine, Marsden, Maw, McCarthy, Musser, Owens, Parratt, Patterson, Ryan, Smith, Young, Mr. President.

Absent and not voting, Senator Welling.

S. J. R. No. 3 was transmitted to the House.

On motion of Senator Musser the Senate adjourned.

TENTH DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 5th, 1930.

The Senate met at 10 A. M., President Gardner in the Chair.

Roll Call—All members present except Senator Maw.

Prayer by the Chaplain.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 5th, 1930.

Mr. President:

We, your Committee on Revision of the Journal, res-

pectfully report that we have read the Journal for the Ninth Day, and with minor changes, find it correct.

Respectfully,

TRACY R. WELLING,

W. T. OWENS, Jr.

Report filed.

President Gardner appointed Senators Evans and Young to revise the Journal for the next five days.

CONSIDERATION OF BILLS ON SECOND READING

S. J. R. No. 2 was considered.

On motion of Senator Musser the Senate adjourned until 2 P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 5th, 1930.

Senate called to order at 2 P. M., by President Gardner.

All members present, except Senator Irvine.

COMMNICATIONS

University of Utah,
Salt Lake City, Utah, Feb. 5th, 1930

Hon. Hamilton Gardner,
President of the Senate,
State Capitol.

Dear Mr. Gardner:

The University of Utah cordially invites the members of the Legislature to attend the basketball games

between the University and the Utah State Agricultural College, Friday and Saturday evenings of this week, at the Deseret Gymnasium. The games are scheduled to begin at 9 P. M.

As the seating capacity for basketball games is so limited compared with the demand for seats, it is necessary that we be furnished in advance with a list of the names of those who desire to attend. This list should be in our hands, in writing, by 5 p. m., Thursday, and should indicate which night each prefers to come. It will be impossible to care for late orders.

The tickets for each night will be placed in the office of the Deseret Gym, and will not be held after 8:50 o'clock. We experienced a difficult situation last week. While we were turning people away due to lack of seats, some members failed to call for their tickets. The public, not knowing the situation, criticized us for keeping seats vacant while they stood up. Kindly help us. If something arises so that you cannot attend, please telephone and release your order. The tickets will be delivered to those who attend, at the door as they enter.

Very sincerely yours,

GEORGE THOMAS,

President.

Communication filed.

Invitation received with thanks.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 5th, 1930.

Hon. Hamilton Gardner,
President of the Senate
State Capitol.

Dear Mr. Gardner:

Members of the Senate and employes are cordially

invited to be the guests of the Third House at a dance to be held Monday evening, in Memory Grove.

Respectfully,

CHRIS GREENHAGEN,

Speaker of the Third House.

Communication filed.

Senator Fowles moved that the invitation be accepted with thanks.

Motion carried.

SPECIAL ORDER

Senator Musser moved to amend Senator Ryan's proposed amendment on line 11, page 2. S. J. R. No. 2 and that consideration of the amendment be made Special Order to follow Senator Pattersons argument on S. J. R. No. 2, Thursday morning, at 10 A. M.

Motion Carried.

On motion of Senator Musser the Senate adjourned until 10 A. M., Feb. 6.

ELEVENTH DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 6, 1930.

Senate was called to order at 10 A. M., President Gardner in the Chair.

Prayer by the Chaplain

Roll Call—All members present except Senator McCarthy, excused.

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 6, 1930.

Mr. President:

We, your Committee on Revision of the Journal, respectfully report that we have read the Journal for the Tenth Day, and with minor changes, find it correct.

Respectfully,
C. E. YOUNG,
R. E. EVANS.

Report filed.

UNFINISHED BUSINESS

S. J. R. No. 2 was considered on 2nd Reading.

Senator Musser moved that when the Senate adjourn it do so until 2:30 P. M.

Motion Carried.

On motion of Senator Candland the Senate adjourned.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 6, 1930.

Senate called to order at 2:30 P. M., by President Gardner.

Roll Call—All members present, except Senator McCarthy, excused.

REPORT OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 6, 1930.

Mr. President:

Your Committee on Appropriation, to which was re-

ferred Senate Bill No. 2 by Mr. Irvine, entitled "An Act appropriating the sum of $20,000.00 for improvements on the State Capitol Grounds," beg to report that they have considered the same and report said bill back to the Senate without recommendation.

Respectfully,

A. B. IRVINE,
Chairman.

Report filed.

S. B. No. 2 was placed on the second reading calendar.

Senator Dillman moved that when the Senate adjourns Friday, it do so until Monday, Feb. 10 at 10 A. M.

Motion Carried.

Senator Candland announced a round table discussion of the mines problem at the Alta Club, Monday, Feb. 10 at 6:30 P. M.

CONSIDERATION OF BILLS ON SECOND READING

S. J. R. No. 2 on second reading.

Senator Ryan moved to amend Section 3 of S. J. R. No. 2

After the word "taxed" on page 2 line 23, add the following:

"The rate of taxation for all purposes on intangible property shall not exceed 5 mills on each dollar of the true value thereof. The rate of taxation on tangible property for state purposes shall not exceed on each dollar of valuation:

(a) Two and four-tenths mills for general state purposes.

(b) Two-tenths of one mill for the high school fund, and

(c) Such levy for the state district school fund, which together with the interest on the permanent school fund, and such other revenue as may be provided for this

purpose by the legislature, will raise annually an amount equal to $30 for such person of school age in the state, as shown by the last preceding school census.

Said rates shall not be exceeded except upon the vote of two-thirds of all the members of each house of the legislature voting in favor thereof.

The state district school fund shall be distributed as follows:

An amount equal to $25 for each person of school age, shall be distributed among the several school districts, according to the school population therein, as shown by the last preceding school census. The balance of said fund shall be distributed among the several school districts of the state in such manner as the legislature may provide."

Senator Candland moved that Senator Ryan's amendment to S. J. R. No. 2 be laid on the table.

Motion Carried.

COMMUNICATION FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,
Salt Lake City, Utah, Feb. 6, 1930

Mr. President:

I am directed to inform your Honorable Body that the House has this day passed, as amended, H. C. M. No. 1, by Mr. Burton, entitled "A Memorial Petitioning the Congress of the United States to Amend Section 5219, U. S. Revised Statutes, so as to Authorize the State of Utah to impose a just and equitable tax upon national banks," and the same is herewith transmitted for your action.

Respectfully,
E. L. CROPPER,
Chief Clerk.

Communication filed.

H. C. M. No. 1 was read the first time and referred to the Committee on Banking and Commerce.

Senator Candland moved the following amendment to S. J. R. No. 2.

Page 2, on line 23 after the word "taxed" insert the following:

"The Legislature shall have full authority to determine what income shall be taxable under the provisions of the business excise tax and the personal income tax, and may provide for fair and equitable deductions, offsets and exemptions on the business and personal income tax."

Senator Candland moved that further consideration of this amendment to S. J. R. No. 2 be postponed until Feb. 7.

S. J. R. No. 2 was ordered read the third time on the following roll call:

Ayes, 18; Nays, 0; Absent, 1.

Those voting in the affirmative were: Senators Candland, Dillman Egan, Evans, Fowles, Griffin, Irvine, Marsden, Maw, Musser, Owens, Parratt, Patterson, Ryan, Smith, Welling, Young, Mr. President.

Absent and not voting, Senator McCarthy.

On motion of Senator Marsden the Senate adjourned until Feb. 7 at 10 A. M.

TWELFTH DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 7, 1930.

The Senate was called to order at 10 A. M., by President Gardner.

Roll Call—All members present except Senators Dillman and Fowles, excused.

Prayer by the Chaplain.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 7, 1930.

Mr. President:

We, your Committee on Revision of the Journal, respectfully report that we have read the Journal for the Eleventh Day, and with minor changes, find it correct.

Respectfully,

C. E. YOUNG,

R. E. EVANS.

Report filed.

CONSIDERATION OF BILLS ON THIRD READING

S. J. R. No. 2 was read the third time.

CONSIDERATION OF BILLS ON SECOND READING

S. B. No. 2 was read the second time.

S. B. No. 2 was then ordered read the third time on the following roll call:

Ayes, 11; Nays, 4; Absent, 4.

Those voting in the affirmative were: Senators Egan, Irvine, Maw, McCarthy, Musser, Parratt, Patterson, Ryan, Smith, Welling, Young,

Those voting in the negative were: Senators Candland, Griffin, Owens, Mr. President.

Absent and not voting, Senators Dillman, Evans, Fowles, Marsden.

On motion of Senator Young, the Senate adjourned until 2 P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 7, 1930.

The Senate reconvened at 2 P. M., President Gardner in the Chair.

Roll Call—All Senators present, except Senators Irvine, Fowles, and Dillman.

UNFINISHED BUSINESS

Further Consideration of S. J. R. No. 2 on third reading.

Senator Evans moved to amend S. J. R. No. 2.

On page 1, after the period on line 17, add the following:

Power plants, power transmission lines and other property, used for generating and delivering electrical power, a portion of which is used for furnishing power for pumping water for irrigation or dainage purposes on lands in the State of Utah, shall be exempt from taxation to the extent that such property is used for such purpose. These exemptions shall accure to the benefit of the consumers of such power under such regulations as the legislature may prescribe.

Motion Carried.

Senator Candland moved the following amendment.

Page 2, line 23 after the word "taxed" insert the following:

"The Legislature shall provide for deductions, offsets and exemptions on any business or personal income tax."

Senator Musser moved an amendment to Senator Candland's amendment as follows:

On page 2, end of line 11, add the following:

There shall be deducted from any tax on income all property taxes imposed by this state and paid by the person or corporation liable to pay any income tax under the laws of this state.

Senator Musser's amendment lost.

Senator Candland's amendment then passed.

Senator Patterson gave notice that he would move to reconsider the amendment of Senator Candland on page 2, line 23.

On motion of Senator McCarthy the Senate adjourned until Feb. 10, at 10 A. M.

FIFTEENTH DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 10, 1930.

Senate called to order at 10 A. M., by President Gardner.

Roll Call—All members present except Senators Evans, Griffin, Owens and Young.

Prayer by the Chaplain.

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 10, 1930.

Mr. President:

We, your Committee on Revision of the Journal respectfully report that we have read the Journal for the Twelfth Day, and with minor changes, find it correct.

Respectfully,
C. E. YOUNG,
R. J. EVANS.

Report filed.

CONSIDERATION OF BILLS ON THIRD READING

Senator Parratt moved to amend S. J. R. No. 2, on page 2, by inserting after the words "income tax in the Candland amendment on line 23, the following:

"All revenues received from taxes based on income or from other taxes on intangible property shall constitute a fund to be called the "tax equalization fund," which may be used for educational or general State purposes as the Legislature shall provide and the State levy on tangible property for educational or general State purposes shall be reduced in a corresponding amount."

Motion Carried.

Senator Musser moved to postpone until Feb. 11, at 2 P. M. Senator Patterson's motion of reconsideration of Senator Candland's amendment to S. J. R. No. 2. On page 2, line 11 "The Legislature shall provide for deduction, offsets and exemptions on any business or personal income tax."

Motion Carried.

CONSIDERATION OF BILLS ON THIRD READING

S. B. No. 2 was read the third time and made Special Order for 3 P. M. today.

REPORT OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 10, 1930.

Mr. President:

Your Committee on State and Municipal Affairs, having under consideration, Senate Bill No. 1, by Mr. Ryan, entitled: "An Act appropriating $50,000. out of State Highway Funds, to be expended by the State Road

Commission in the construction of roadways and parking spaces on the State Capitol Grounds," begs leave to report the same back without recommendation.

Respectfully,

W. D. CANDLAND,
Chairman.

Report filed.

S. B. No. 1 was placed on the second reading calendar.

On motion of Senator Egan the Senate adjourned until 2 P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 10, 1930.

Senate called to order at 2 P. M., President Gardner in the Chair.

Roll Call—All members present except Senators Griffin and Owens.

UNFINISHED BUSINESS
CONSIDERATION OF BILLS ON THIRD READING

S. B. No. 2 on third reading.

S. B. No. 2 then passed on the following roll call:

Ayes 17, Nays, 0; Absent, 2.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Evans, Fowles, Irvine, Marsden, Maw, McCarthy, Musser Parratt, Patterson, Ryan, Smith, Welling, Young, Mr. President.

Absent and not voting, Senators Griffin, Owens.

S. B. No. 2 was transmitted to the House.

On motion of Senator Fowles the Senate adjourned until Feb. 11, at 10 A. M.

SIXTEENTH DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 11, 1930.

The Senate was called to order at 10 A. M., President Gardner in the Chair.

Roll Call—All members present except Senator Irvine, excused.

Prayer by the Chaplain.

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 11, 1930.

Mr. President:

We, your Committee on Revision of the Journal, respectfully report that we have read the Journal for the Fifteenth Day, and with minor changes, find it correct.

Respectfully,

C. E. YOUNG,

R. J. EVANS.

Report filed.

CONSIDERATION OF BILLS ON THIRD READING

S. J. R. No. 2 on third reading.

On motion of Senator McCarthy the Senate adjourned until 2 P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 11, 1930.

The Senate was called to order at 2 P. M., President Gardner in the Chair.

Roll Call—All members present except Senator Irvine, excused.

UNFINISHED BUSINESS

The motion of Senator Patterson to reconsider the amendment on page 2, line 23, of S. J. R. No. 2, "The Legislature shall provide for deductions, offsets and exemptions on any business or personal income tax," was withdrawn.

Senator Paratt moved the following:

That we request the attorney general for an opinion regarding the necessity of amending H. J. R. No. 8 and H. J. R. No. 3 as passed by the legislature last winter for them to harmonize with the proposed tax revision program now being considered by the legislature and, in case he deems it necessary to make any amendments in the joint resolutions, that he advise us as to what course we should follow in getting the resolutions before the legislature.

Motion Carried.

On motion of Senator Parratt the word "other" on the second line of the amendment at the end of Section 3 on page 2 was stricken out.

On motion of Senator Parratt the following words were inserted after the word "property" on line 2 of the amendment at the end of Section 3, Page 2 "when taxed as property."

The Senate reverted back to order of Introductino of Bills.

INTRODUCTION OF BILLS

S. J. R. No. 4. By Mr. Ryan.

A Joint resolution proposing an amendment to Section 4, of article 13 of the constitution of the State of Utah, relating to Revenue and Taxation, was read the first time and referred to the Committee on Revision and Enrolling.

Senator Smith moved that the President appoint some one to deliver an address on Abraham Lincoln at the session of the Senate tomorrow.

Motion Carried.

On motion of Senator McCarthy the Senate adjourned until Feb. 12, at 10 A. M.

SEVENTEENTH DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 12 ,1930.

The Senate was called to order at 10 A. M., by President Gardner.

Roll Call—All members present.

Prayer by the Chaplain.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 12, 1930.

Mr. President:

We, your Committee on Revision of the Journal, respectfully report that we have read the Journal for the Sixteenth Day, and with minor changes, find it correct.

Respectfully,

R. J. EVANS.

C. E. YOUNG,

Report filed.

SENATE CHAMBER,
State Capitol.

February 12, 1930.

Honorable George P. Parker,
Attorney General of Utah,
Capitol Building.

Dear Judge Parker:

I am instructed by the Senate to obtain a written opinion from you upon the following matters:

1. Is it necessary to amend Section 7 of Article 13 by placing the word "tangible" after the word "on" and before the word "property" in the first part of said section so that it will read "the rate of taxation on tangible property, etc;" in order to make such section consistent with the amendments to Sections 2 and 3 now proposed in S. J. R. No. 2?

2. In your opinion is it necessary to recall H. J. R. No. 8 and H. J. R. No. 3 passed by the regular session of the Eighteenth Legislature in 1929 on the theory that such two amendments are possibly in conflict with the present S. J. R. No. 2 and S. J. R. No. 3, which are the recommendations of the State Tax Revision Commission?

3. If the answer to question No. 2 as to either resolution is in the affirmative, what will be the proper and necessary steps for the Legislature to take in order to recall H. J. R. No. 8 and H. J. R. No. 3 of 1929; and in particular is a bare majority vote or a two-thirds vote necessary for such a recall?

Very truly yours,

HAMILTON GARDNER,

President

REPORT OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 12, 1930.

Mr. President:

Your Committee on Revision and Enrolling reports back S. J. R. No. 4 by Mr. Ryan, entitled: "A joint resolution proposing an amendment to section 4, article 13, of the constitution of the State of Utah, relating to revenue and taxation," and recommend that the same be printed.

Respectfully,

RAY E. DILLMAN,
Chairman.

Report filed.

S. J. R. No. 4 was ordered printed and referred to the Committee on State and Municipal Affairs.

CONSIDERATION OF BILLS ON THIRD READING

S. J. R. No. 2 on third reading.

Senator Parratt moved to adjourn until 2 P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 12, 1930.

The Senate met at 2 P. M., President Gardner in the Chair.

Roll Call—All members present except Senator Irvine, excused.

President Gardner introduced Carl A. Badger, a former state senator, who gave an interesting address on the life and achievements of Abraham Lincoln.

Senator Parratt moved that the appreciation of the Senate be extended to Mr. Badger for his presence and the splendid address he gave, also its pleasure at the presence of Governor Dern, Chief Justice Cherry and Associate Justices Hanson and Folland of the Utah Supreme Court.

Motion Carried.

UNFINISHED BUSINESS

The Senate reverted back to the order of Introduction of Bills.

INTRODUCTION OF BILLS

S. J. R. No. 5 By Mr. McCarthy.

A joint resolution providing for an amendment to section 4, article 13, of the constitution of the State of Utah relating to the taxation of mines and mining property, was read the first time and referred to the Committee on Revision and Enrolling.

CONSIDERATION OF BILLS ON SECOND READING

S. B. No. 1 was read the second time.

Consideration of S. J. R. No. 2 was resumed.

Senator Gardner moved the following amendment:

On page 2, add to paragraph 3, the following:

"Neither the basis nor the rate of any tax based on income nor of any tax on intangibles as property nor of the assessment of mines at a value based upon a multiple of the net annual proceeds thereof, shall be changed except upon the vote of two-thirds of the members of each House of the Legislature voting in favor thereof; provided the present multiple of three times the net annual proceeds of mines in determining the assessed value

thereof shall not be changed for six years from the date of the adoption of this amendment."

Senator Ryan moved to amend the amendment by striking the following:

After the word "property" nor of the assessment of mines at a value based upon a multiple of the net annual proceeds thereof.

Also strike after the word "thereof" Provided the present multiple of three times the net annual proceeds of mines in determining the assessed value thereof shall not be changed for six years from the date of the adoption of this amendment.

Senator Musser asked that four Senators arise and join him in demand for a roll call.

The necessary number arose. The amendment lost on the following roll call.

Ayes, 4; Nays, 14; Absent, 1.

Those voting in the affirmative were: Senators McCarthy, Parratt, Smith, Welling.

Those voting in the negative were: Senators Candland, Dillman, Egan, Evans, Fowles, Griffin, Marsden, Maw, Musser, Owens, Patterson, Ryan, Young, Mr. President.

Absent and not voting, senator Irvine.

Senator Ryan gave notice of reconsideration of the vote by which his amendment lost.

REPORT OF STANDING COMMITTEES

Senate Chamber,
State Capitol,
Salt Lake City, Utah, Feb. 12, 1930.

Mr. President:

Your Committee on Revision and Enrolling reports back S. J. R. No. 5 by Mr. McCarthy, entitled: "A joint

resolution providing for an amendment to Section 4, Article 13, of the constitution of the State of Utah relating to the taxation of mines and mining property," and recommend that the same be printed.

Respectfully,

RAY E. DILLMAN,

Report filed. Chairman.

S. J. R. No. 5 was ordered printed and referred to the Committee on State and Municipal Affairs.

On motion of Senator Evans the Senate adjourned until Feb. 13, at 10 A. M.

EIGHTEENTH DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 13, 1930.

Senate was called to order at 10 A. M., by President Gardner.

Roll Call—All members present.

Prayer by the Chaplain.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 13, 1930.

Mr. President:

We, your Committee on Revision of the Journal respectfully report that we have read the Journal for the Seventeenth Day, and with minor changes, find it correct.

Respectfully,

C. E. YOUNG,

R J. EVANS.

President Gardner appointed Senators Griffin, and Smith to revise the Senate Journal for the next five days.

CONSIDERATION OF BILLS ON THIRD READING

S. J. R. No. 2 on third reading.

Senator Candland moved the following amendment to the amendment made by Senator Gardner on Feb. 12, to S. J. R. No. 2.

On page 2, add to paragraph 3, the following:

"The rates of any tax based on income or of any tax on intangibles as property when established by the Legislature, shall not be changed except upon the vote of two-thirds of the members of each House voting in favor thereof; and the present multiple of three times the net annual proceeds of metalliferous mines in determining the assessed value thereof shall not be changed for six years from the date of the adoption of this amendment.

Senator Musser asked that four Senators arise and join him in demand for a roll call.

The necessary number arose. The amendment was carried on the following roll call:

Ayes, 11; Nays, 6, Absent, 2.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Fowles, Griffin, Marsden, Musser, Owens, Patterson, Young, Mr. President.

Those voting in the negative were: Senators Evans, McCarthy, Parratt, Ryan, Smith, Welling.

Absent and not voting, Senators Irvine, Maw.

The amendment as amended was then adopted on the following roll call:

Ayes, 11; Nays, 6; Absent, 2.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Fowles, Griffin, Marsden, Musser, Owens, Patterson, Young, Mr. President.

Those voting in the negative were: Senators Evans, McCarthy, Parratt, Ryan, Smith, Welling.

Absent and not voting, Senators Irvine, Maw.

Senator McCarthy moved to strike in S. J. R. No.2, page 2, line 23, the amendment made by Senator Parratt on Feb. 10, which reads as follows:

"All revenues received from taxes based on income or from other taxes on intangible property shall constitute a fund to be called the "tax equalization fund," which may be used for educational or general state purposes as the Legislature shall provide and the state levy on tangible property for educational or general State purposes shall be reduced in a corresponding amount."

Motion Carried.

On motion of Senator Welling the Senate adjourned until 2 P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 13, 1930.

The Senate reconvened at 2 P. M., President Gardner in the Chair.

Roll Call—All members present.

REPORTS OF STANDING COMMITTEES

Senate Chamber,
State Capitol,

Salt Lake City, Utah, Feb. 13, 1930.

Mr. President:

Your Committee on State and Municipal Affairs, beg leave to report back for your consideration S. J. R.

No. 4, by Mr. Ryan, entitled: "A joint resolution proposing an amendment to Section 4, of Article 13, of the Constitution of the State of Utah, relating to revenue and taxation," without comment or recommendation.

Respectfully,

W. D. CANDLAND,
Chairman.

Report filed.

S. J. R. No. 4 was placed on 2nd Reading Calendar.

Senate Chamber,
State Capitol,

Salt Lake City, Utah, Feb. 13, 1930.

Mr. President:

Your Committee on State and Municipal Affairs, beg leave to report back for your consideration S. J. R. No. 5, by Mr. McCarthy, entitled: "A joint resolution providing for an amendment to Section 4, Article 13, of the constitution of the State of Utah relating to the Taxation of Mines and Mining Property," without comment or recommendation.

Respectfully,

W. D. CANDLAND,
Chairman.

Report filed.

S. J. R. No. 5 was placed on 2nd Reading Calendar.

UNFINISHED BUSINESS
CONSIDERATION OF BILLS ON THIRD READING

S. J. R. No. 2 on third reading.

Senator Smith moved to amend S. J. R. No.2.

Page 2, by striking out the following from Senator Candland's amendment added to paragraph 3, beginning

with the words "The rates of any tax on intangibles as property when established by the Legislature, shall not be changed except upon the vote of two-thirds of the members of each House, voting in favor thereof; and", and capitalize the letter T of "the".

Senator Maw asked that four Senators arise and join him in demand for a roll call. The necessary number arose. The amendment was adopted on the following roll call:

Ayes, 11; Nays, 8; Absent, 0.

Those voting in the affirmative were: Senators Dillman, Evans, Fowles, Griffin, Irvine, Maw, McCarthy, Parratt, Ryan, Smith, Welling.

Those voting in the negative were: Senators Candland, Egan, Marsden, Musser, Owens, Patterson, Young, Mr. President.

Senator Welling moved to amend S. J. R. No. 2. by striking out the following lines in Senator Candland's amendment added to paragraph 3, page 2.

"The present multiple of three times the net annual proceeds of metalliferous mines in determining the assessed value thereof shall not be changed for six years from the date of the adoption of this amendment".

Senator Welling asked that four Senators join him in demand for a roll call. The necessary number arose.

The amendment failed to pass on the following roll call:

Ayes, 5; Nays, 14, Absent, 0.

Those voting in the affirmative were: Senators McCarthy, Parratt, Ryan, Smith, Welling.

Those voting in the negative were: Senators Candland, Dillman, Egan, Evans, Fowles, Griffin, Irvine,

Marsden, Maw, Musser, Owens, Patterson, Young, Mr. President.

Senator Parratt moved the following amendments.

Page one, line 4, capitalize the "S" in the word "State."

Page one, line 5, capitalize the "C" in the word "Constitution."

Page one, line 7, capitalize the "S" in the word "State."

Page 1, line 19, capitalize the "L" in the word "Legislature."

Page one, line 21, after the word "hundred" strike the word "and."

Page 2, line 17, insert comma after the word "her."

Page 2, line 31, capitalize the "S" in the word "State."

S. J. R. No. 2 then passed on the following roll call:

Ayes, 19; Nays, 0; Absent, 0.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Evans, Fowles, Griffin, Irvine, Marsden, Maw, McCarthy, Musser, Owens, Parratt, Patterson, Ryan, Smith, Welling, Young, Mr. President.

S. J. R. No. 2 was then transmitted to the House.

CONSIDERATION OF BILLS ON SECOND READING

S. B. No. 1, on 2nd Reading.

Senator Candland moved to amend S. B. No. 1.

Page 1, line 2 as follows, strike the word "Highway" and insert the word "General."

Senator Candland asked for four Senators to arise and join him in demand for a roll call. The necessary number arose.

The amendment failed to pass on the following roll call:

Ayes, 6; Nays, 13; Absent, 0.

Those voting in the affirmative were: Senators Candland, Dillman, Evans, Griffin, Owens, Patterson.

Those voting in the negative were: Senators Egan, Fowles, Irvine, Marsden, Maw, McCarthy, Musser, Parratt, Ryan, Smith, Welling, Young, Mr. President.

On motion of Senator Parratt the rules were suspended and S. B. No. 1 was read the third time and placed on its final passage.

S. B. No. 1 then passed on the following roll call:

Ayes, 15; Nays, 4; Absent, 0.

Those voting in the affirmative were: Senators Dillman, Egan, Evans, Fowles, Irvine, Marsden, Maw, McCarthy, Musser, Parratt, Ryan, Smith, Welling, Young, Mr. President.

Those voting in the negative were: Senators Candland, Griffin, Owens, Patterson.

S. B. No. 1 was transmitted to the House.

On motion of Senator Welling the Senate adjourned until 10 A. M., Feb. 14.

MORNING SESSION

NINETEENTH DAY

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 14, 1930.

The Senate met at 10 A. M., President Gardner in the Chair.

Roll Call—All members present.

Prayer by the Chaplain.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 14, 1930.

Mr. President:

We, your Committee on Revision of the Journal, respectfully report that we have read the Journal for the Eighteenth Day and with minor changes, find it correct.

Respectfully,

W. H. GRIFFIN, JR.

DAVID F. SMITH.

REPORT OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 13, 1930

Mr. President:

Your Committee on Banking and Commerce reports back favorably, with the following amendments, H. C. M. No. 1, by Mr. Burton, entitled: "A Memorial Petitioning the Congress of the United States to amend Section 5219, U. S. Revised Statutes, so as to authorize the State of Utah to impose a just and equitable tax upon national banks."

Strike all of lines 6, 7, 8 and 9.

In line 15, after the word "memorialized" strike the balance of the line.

In line 16, strike first four words. Before the word "amendment" insert the word "to." Strike "ment"

from the fifth word in line 16. Strike out the word "to" before Section in line 16.

In the house amendment strike the words "the President of the United States."

Respectfully,

L. N. MARSDEN,

Chairman.

Report filed.

H. C. M. No. 1 was placed on 2nd Reading Calendar.

CONSIDERATION OF BILLS ON SECOND READING

S. J. R. No. 4 was read the second time.

On motion of Senator Patterson the Senate adjourned until 2 P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 14, 1930.

The Senate reconvened at 2 P. M., President Gardner in the Chair.

Roll Call—All members present except Senators Irvine and Egan.

STATE CAPITOL EXHIBIT COMMITTEE

You are cordially invited to attend the formal opening and presentation of the Salt Lake County Exhibit of the State and Salt Lake County.

The unveiling of the exhibit will take place Monday, Feb. 17, at 7:30 P. M., in the State Capitol Exhibit Hall.

Light refreshments will be served from 12 noon to 8:00 P. M.

Cordially yours,

JOHN HANSEN,
Chairman of Committee.

INTRODUCTION OF BILLS

S. C. M. No. 1. By Mr. Dillman.

A memorial requesting the interstate commerce commission of the United States to consider the needs of the Uintah Basin for railroad and to protect the future rights in the use of the Moffatt Tunnel therefor, was read the first time and referred to the Committee on Revision and Enrolling.

UNFINISHED BUSINESS

CONSIDERATION OF BILLS ON SECOND READING

Further consideration of S. J. R. No. 4 on 2nd Reading was postponed.

H. C. M. No. 1 was read the second time under the suspension of the rules.

The Committee report on H. C. M. No. 1 was read.

On motion of Senator Marsden the committee report was adopted.

On motion of Senator Patterson the words "as will" on line 17 was stricken, and the word "to" inserted in lieu thereof.

Senator Fowles moved to amend H. C. M. No. 1, by striking lines 4 and 5.

Motion Carried.

Senator Candland moved to amend H. C. M. No. 1 by striking lines 10, 11 and 12.

Motion Carried.

On motion of Senator Parratt the words "now therefore" on line 13 was stricken.

Senator Maw moved to amend H. C. M. No. 1, on line 3 by striking the words "federal and state statutes" and insert "Section 5219 United States revised statutes"

Motion Carried.

H. C. M. No. 1 was then ordered read the third time on the following roll call:

Ayes, 16; Nays, 0; Absent, 3.

Those voting in the affirmative were: Senators Candland, Evans, Fowles, Griffin, Marsden, Maw, McCarthy, Musser, Owens, Parratt, Patterson, Ryan, Smith, Welling, Young, Mr. President.

Absent and not voting, Senators Dillman, Egan, Irvine.

Further consideration of S. J. R. No. 4.

S. J. R. No. 4 was then rejected on the following roll call:

Ayes, 8; Nays, 8; Absent, 3.

Those voting in the affirmative were: Senators Candland, Evans, Fowles, Owens, Parratt, Ryan, Smith. Welling.

Those voting in the negative were: Senators Dillman, Griffin, Marsden, Maw, McCarthy, Musser, Young, Mr. President.

Absent and not voting, Senators Egan, Irvine, Patterson.

S. J. R. No. 5 was read the second time.

S. J. R. No. 5 was then ordered read the third time on the following roll call:

Ayes, 14; Nays, 2; Absent, 3.

Those voting in the affirmative were: Senators Candland, Dillman, Evans, Fowles, Griffin, Marsden, Maw, McCarthy, Owens, Parratt, Ryan, Smith, Welling, Young.

Those voting in the negative were: Senators Musser, Mr. President.

Absent and not voting, Senators Egan, Irvine, Patterson.

REPORT OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 14, 1930.

Mr. President:

Your Committee on Revision and Enrolling reports back S. C. M. No. 1 by Mr. Dillman, entitled: "A memorial requesting the interstate commerce commission of the United States to consider the needs of the Uintah Basin for a railroad and to protect the future rights in the use of the Moffatt tunnel therefor," and recommend that the same be printed.

Respectfully,

RAY E. DILLMAN,

Chairman.

Report filed.

S. C. M. No. 1 was ordered printed and referred to the Committee on State and Municipal Affairs.

Senator Fowles moved that when the Senate adjourn it do so until Feb. 17, at 10 A. M.

Motion Carried.

On motion of Senator Fowles the Senate adjourned.

TWENTY-SECOND DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 17, 1930.

The Senate was called to order at 10 A. M., President Gardner in the Chair.

Roll Call—All members present.

Prayer by the Chaplain.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 17, 1930.

Mr. President:

We, your Committee on Revision of the Journal, respectfully report that we have read the Journal for the Nineteenth Day, and with minor changes, find it correct.

Respectfully,
W. H. GRIFFIN, JR.
DAVID F. SMITH.

COMMUNICATION FROM THE ATTORNEY GENERAL

The State of Utah.

Salt Lake City, Utah, Feb. 14, 1930

Hon. Hamilton Gardner,

President of Senate, State of Utah,
State Capitol Building, City.

Dear President Gardner:

In your letter of the 12th instant you propound the following questions:

"1. Is it necessary to amend Section 7 of Article 13 by placing the word 'tangible' after the word 'on' and before the word 'property' in the first part of said section so that it will read 'the rate of taxation on tangible property, etc;' in order to make such section consistant with the amendments to Sections 2 and 3 now proposed in S. J. R. No. 2?

2. In your opinion is it necessary to recall H. J. R. No. 8 and H. J. R. No. 3 passed by the regular session of the Eighteenth Legislature in 1929 on the theory that such two amendments are possibly in conflict with the present S. J. R. No. 2 and S. J. R. No. 3, which are the recommendations of the State Tax Revision Commission?

3. If the answer to question No. 2 as to either resolution is in the affirmative, what will be the proper and necessary steps for the Legislature to take in order to recall H. J. R. No. 8 and H. J. R. No. 3 of 1929; and in particular is a bare majority vote or a two-thirds vote necessary for such a recall?

In answer to question No. 1, I beg to advise that in my opinion it is necessary to insert the word "tangible" in the place which you designated in section 7, article 13 as proposed to be amended by H. J. R. No. 8 of the Laws of Utah 1929; in order to avoid an apparent conflict between said section 7 and S. J. R. No. 2.

You will observe that said section 7 provides that the rate of taxation on property shall not exceed on each $1.00 valuation, 2.4 mills for general state purposes and .2 of one mill for high school purposes; while S. J. R. No. 2 on page, 2, lines 18, 19 and 20 provides that intangible property may be taxed to such extent as the Legislature may provide. I appreciate that I have interpreted the word "property" as used in the first part of said section 7, to include both tangible and intangible property. While this interpretation might not be followed by our supreme

court if it were called upon to construe the meaning of said word "property" in the light of other sections of the Constitution, yet I am, nevertheless of the opinion that in order to make said section 7 and S. J. R. No. 2 consistent and in harmony with each other, that the word "tangible" should be inserted at the place designated in your question No. 1.

In answer to question No. 2, I give it as my opinion that it is not necessary to "recall" H. J. R. No. 8 and H. J. R. No. 3 as passed by the Eighteenth Legislature of 1929. I have been unable to detect any conflict between said resolutions and S. J. R. Nos. 2 and 3 now before the Senate, except as above mentioned.

Having answered your question No. 2 in the negative, it is apparent that there is no need for a consideration of question No. 3.

Trusting that the foregoing answers your question satisfactorily, I am,

Very truly yours,

GEO. P. PARKER,

Communication filed. Attorney General.

PRESENTATION OF RESOLUTION

Resolution Passed by the Springville Kiwanis Club at Their Regular Meeting, Held Feb. 13, 1930.

WHEREAS House Bill No. 2, has been introduced at the present special session of the Utah State Legislature, which bill provides a change in the law governing the construction of state buildings so that labor of inmates of custodial institutions may be used in the construction of buildings for such state institutions instead of by contract as now provided.

AND WHEREAS we recognize the fact that a serious unemployment condition exists at this time among

the employees of the building construction industry of this state, which employees are in most cases home owners and taxpayers and that their interests should be paramount to those of institution inmates. We agree with that part of a report of the United Chamber of Commerce which reads as follows:

"We believe that the ruling practice in the expenditure of public funds for construction-municipal, county, state or federal, should be to use firm contracts, let under wide competition and guaranteed by adequate bonds. It is required for the success in such a policy that for all projects public bids should be received on carefully and fully prepared plans."

NOW THEREFORE BE RESOLVED, the Springville Kiwanis Club go on record as being opposed to the proposed change in the building law of this state as above indicated and if it is desired to use a small number of such buildings, that the same be made a matter of administrative routine between the State building commission and the contractor to whom the work is awarded.

BE IT FURTHER RESOLVED, that a copy of this resolution be forwarded to the Legislature of the State of Utah and to Governor Dern.

M. R. SHAW,
President.

CHARLES BOYER,
Secretary.

Communication filed.

INTRODUCTION OF BILLS

S. B. No. 3. By Mr. Candland.

An act to provide for the collection, compilation and summarization of taxation statistics and making an appropriation therefor, was read the first time and referred to the Committee on Revision and Enrolling.

CONSIDERATION OF BILLS ON THIRD READING

H. C. M. No. 1 was read the third time and placed on its final passage.

H. C. M. No. 1 then passed on the following roll call:

Ayes, 12; Nays, 1; Absent, 6.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Griffin, Marsden, McCarthy, Owens, Parratt, Patterson, Ryan, Welling, Mr. President.

Those voting in the negative were: Senator Musser.

Absent and not voting, Senators Evans, Fowles, Irvine, Maw, Smith, Young.

H. C. M. No. 1 was transmitted to the House.

S. J. R. No. 5 was read the third time.

On motion of Senator Parratt the Senate adjourned until 2 P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 17, 1930

The senate reconvened at 2 P. M., President Gardner in the Chair.

Roll Call—All members present.

INTRODUCTION OF BILLS

S. B. No. 4. By Mr. Candland.

An act providing for the continuation in existance of the code commission created by chapter 37 of session laws of 1929, was read the first time and referred to the Committee on Revision and Enrolling.

S. B. No. 5. By Mr. Candland.

An act repealing sections 2200, 2201 and 2202, Compiled Laws of Utah, 1917, relating to the preparation and distribution of statements concerning proposed constitutional amendments, was read the first time and referred to the Committee on Revision and Enrolling.

S. B. No. 6 By Mr. Ryan

An Act to continue the existence of the Utah Tax Revision Commission and the Utah Legislative Tax Committee created by Chapter 99, Laws of Utah 1920, was read the first time and referred to the Committee on Revision and Enrolling.

S. B. No. 7. By Mr. Irvine.

An Act to amend Section 2104, Compiled Laws of Utah, 1917, relating to the filling of vacancies in the office of representative in congress or member of the Legislature, was read the first time and referred to the Committee on Revision and Enrolling.

S. J. R. No. 6. By Mr. Irvine.

A Joint Resolution proposing and amendment to Section 13 of Article VI of the Constitution of the State of Utah, relating to vacancies in the Legislature, was read the first time and referred to the Committee on Revision and Enrolling.

S. B. No. 8. By Mr. Dillman.

An Act amending Sections 5 and 6, Chapter 16, Laws of Utah, 1925, relating to registration and tuition fees of the University of Utah, the Utah State Agricultural College and the Branch of the Utah State Agricultural College at Cedar City, and other fees at these institutions, and the payment into the State Treasury of all moneys received, and providing for disbursement of union building fees, was read the first time and referred to the Committee on Revision and Enrolling.

GOVERNOR'S SUPPLEMENTAL MESSAGE

Executive Office,
State Capitol

To the Eighteenth Legislature of the
State of Utah in Special Session:

When I presented my message at the beginning of your special session I stated that I did not wish unnecessarily to distract your attention from the subject of tax revision, but that if it should seem necessary to call other legislative business to your attention I would do so by means of a supplemental message. I am pleased to learn from your presiding officers that satisfactory progress is being made on the tax measures which you have had under consideration, and I therefore take liberty of inviting your attention to a few other topics of some importance and urgency, which can probably be disposed of with dispatch.

CONGRESSIONAL VACANCY

On December 24, 1929, Hon. Elmer O. Leatherwood, who had represented the Second Congressional District since 1921, died at Washington, D. C. Congressman Leatherwood was a man of ability and force imbued with the highest ideals, and embodying the finest attributes of good citizenship. He unswervingly devoted himself to the interests of his country and state, and deserved and had the respect and esteem of his constituents.

No steps have yet been taken to fill the vacancy caused by his death. The Constitution of the United States provides that "when vacancies occur in the representation from any state the executive authority thereof shall issue writs of election to fill the vacancy." Upon investigation I find that this provision is not construed as a command to call a special election immediately, but that it merely specifies that vacancies must be filled by election rather than by appointment, and that it lies

within the power of state legislatures to prescribe the time when special elections to fill vacancies shall be held. Pursuant to such authority, some states have enacted statutes providing that vacancies in Congress shall be filled at the next general election.

Section 2104, Compiled Laws of Utah, 1917, however, reads as follows:

> 2104, When a vacancy or a failure to elect by reason of a tie vote or for any reason whatever, occurs in the office of representative in congress or member of the legislature, the governor must at once issue a proclamation calling an election to fill such vacancy; provided, that if there be no session of the legislature or of congress, as the case may be, between the happening of such vacancy and the next general election occuring forty-five or more days thereafter, such vacancy shall be filled at the general election.

This section was taken from a Minnesota statute of 1894, long since repealed by that state.

There is no doubt that this law is mandatory in form, yet there is doubt in the minds of some eminent lawyers that the present situation is one to which the law applies.

For example, I have been strongly admonished that I have no legal right to call a special election at this time because I have no right to assume that the present unexpired session of Congress will last beyond the time when a new representative could be elected and take his seat, and that the only session of Congress coming clearly within the law is the short session, beginning on the first Monday in December; and that therefore the vacancy must be filled at the general election next November, when it can be done without any additional expense.

In support of this argument the following analogy has been presented to me. Suppose a vacancy were to

occur in the legislature today by death or otherwise. A literal construction of the statute would demand a special election to fill the vacancy, and yet before such an election could be held the legislature would in all probability have adjourned, and hence the special election would have been held to no purpose, and to call such an election would be inexcusable. Congress may adjourn at its own pleasure, and it might adjourn before a special election could be held, and hence such a special election, entailing great expense, would likewise be held to no purpose.

If there were no general election before Congress meets in December a special eletion would obviously be required, but in the present situation the application of the law is in doubt.

I hesitate to impose upon the taxpayers a costly election which they do not want and from which they will derive no appreciable benefit. Popular sentiment against incurring the heavy expense of a special election has been plainly and forcibly made manifest to me by the responsible officials of both major political parties, by the Utah delegation in Congress, by County Commissioners of the Counties which comprise the Second Congressional District, and by civic organizations, newspapers and citizens generally. It is conceded that the only object of calling an election would be to comply with the law, and even that object seems to be in doubt.

After full deliberation I have concluded to lay the matter before the Legislature. I am sure you are all interested in saving money for the taxpayers and in having the laws faithfully executed. You can clarify the situation if you will amend Section 2104 so that vacancies shall be filled at the next general election. Should you fear emergencies in which such a general law might be detrimental you might add a proviso to the effect that if in the judgment of the governor an emergency exists requiring that the state be fully represented he may call a special election.

LEGISLATIVE VACANCIES

I also invite you to consider the advisability of proposing an amendment to Article 6, Section 13 of the Constitution, so that vancancies in the State Legislature shall be filled in such manner as may be prescribed by law. This would make possible the filling of vacancies in the legislature by some method of appointment rather than by special election. The present constitution provision and statute are a dead letter, and have never been invoked in the history of the state, on account of the unwarranted expense. Moreover, in the absence of a statute setting forth how a member of the legislature may resign, there is often doubt as to whether or not vacancy legally exists.

PRISON REMOVAL

Section 6 of Chapter 101, Laws of Utah, 1929, provided that, with the concurrence of the State Board of Corrections, the Utah State Building Commission shall investigate appropriate sites for the state prison and shall report its findings and recommendations to both houses of the State Legislature at its next session. The prescribed investigation has not been completed but a recommendation will undoubtedly be ready for presentation to the nineteenth legislature. However, the suggestion is frequently made that when the prison is removed from its present location there should be no limitations in selecting a new site. In order to give the state a free hand to put the prison wherever it can best perform its functions, it would be necessary to amend the constitution which now provides that the state prison shall be in Salt Lake County.

While I believe a suitable site can be found in this county, yet it is quite possible that a careful study will reveal that the best interests of the state will be served if the prison is located elsewhere.

The submission of proposed constitutional amendments involves considerable expense, and several proposed amendments can be submitted almost as cheaply as can one. In the interest of economy and in the interest of expediting prison removal I shall be pleased to have you consider the advisability of proposing such a constitutional amendment along with those which you may propose with respect to taxation.

STATEMENTS CONCERNING PROPOSED CONSTITUTIONAL AMENDMENTS

Sections 2200, 2201 and 2202, Compiled Laws of Utah, 1917, provide for the preparation and distribution to all registered voters of printed arguments concerning proposed constitutional amendments. The purpose of this law is to give to every voter authentic information about proposed alterations in the state's basic law, which, of course, is highly desirable.

It is estimated that this law will involve an expense of $40,000 or more in connection with the submission of proposed constitutional amendments to the people this year. Members of the legislature have suggested to me that this expense is not justified, for the following reasons:

1. The tax question has already received general publicity, and will continue to be a live issue until election day, hence every voter will become familiar with the subject, and the pamphlets will give the voters no information that they will not receive through other sources.

2. Through the newspapers, the radio, and the efforts of various organizations interested in the tax question there are now better facilities for getting information to the voters than there were in 1917.

3. It is impossible to compress an understandable argument on so intricate a question as taxation into five hundred words, which is the limit imposed by the law.

While I shall have some regrets over the repeal of this law, which was intended as an aid to intelligent popular government, yet I recognize the weight of the arguments against spending the taxpayers' money where it will do no good, and I therefore lay the subject before you for any action that you may desire to take.

Should you repeal this law it will in no way affect the constitutional requirement that proposed amendments (not arguments) shall be published in at least one newspaper in very county of the state, where a newspaper is published, for two months immediately preceding the next general election.

I respectfully suggest that you make an appropriation at this time to cover the necessary expense of such publication.

GOVERNORS' CONFERENCE

It is my pleasure to report to you that pursuant to Senate Resolution No. 3, of 1929, I extended an invitation to the Governors' Conference to hold its 1930 session at Salt Lake City, and that the invitation was accepted. S. R. No. 3, as entered on page 855 of the Senate Journal, provided that "in the event the invitation is accepted, the Governor is hereby authorized to provide appropriate entertainment at the expense of the State of Utah."

Do you now wish to make a definite appropriation for this purpose, or do you prefer that the Board of Examiners shall allow a deficit to the Governor's contingent entertainment fund in such amount as may be found necessary? For obvious reasons I should prefer the former of these alternatives but if you take no action I suppose we may assume that you prefer the latter.

UNION BUILDING

At the University of Utah there stands the gaunt concrete skeleton of the proposed Union Building which was projected as a contribution to the University by the

alumni, students and friends. Money has not been forthcoming as anticipated, and work had to be suspended after the framework had been erected, with the result that the structure is now an eyesore on the campus. The Board of Regents desires authority to levy and collect a fee from the students for the completion and maintenance of the building. No state appropriation is expected and I gladly comply with a request that the matter be submitted for your consideration.

OLEOMARGARINE AND CIGARETTE TAXES

The State Treasurer has asked me to make it possible for you to consider certain proposed amendments to the oleomargarine tax law and the cigarette tax law, to aid in the administration of these two revenue measures. He will prepare the necessary bills and cause them to be introduced.

CODE COMMISSION

By the terms of Chapter 37, Laws of Utah, 1929, the Code Commission expires on December 31, 1930. I ask you to consider the desirability of continuing the commission until March 31, 1931, so that its members may be available to explain their work to the next Legislature, which will be expected to enact the revised code into law.

Most of the foregoing matters are formal in character and not controversial. I hope they will not be permitted to obstruct the progress of the tax revision program.

Respectfully yours,

GEO. H. DERN,

Governor.

February 17, 1930.

Communication filed.

REPORT OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 17, 1930.

Mr. President:

Your Committee on State and Municipal Affairs beg leave to report back for your consideration S. C. M. No. 1, by Mr. Dillman, entitled: "A memorial requesting the Interstate Commerce Commission of the United States to consider the needs of the Unitah Basin for a railroad and to protect the future rights in the use of the Moffatt Tunnel therefor," and recommend its passage.

Respectfully,

W. D. CANDLAND,
Chairman.

Report filed.

S. C. M. No. 1 was placed on the Second Reading Calendar.

SPECIAL ORDER

Senator Dillman moved that S. J. R. No. 5 be made special order at 2 P. M., Feb. 18.

Motion Carried.

On motion of Senator Irvine the Senate adjourned until 10 A. M., Feb. 18.

TWENTY-THIRD DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 18, 1930.

Senate was called to order at 10 A. M. by President Gardner.

Roll Call—All members present except Senator Irvine.

Prayer by the Chaplain.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 18 1930.

Mr. President:

We, your Committee on Revision of the Journal, respectfully report that we have read the Journal for the Twenty-Second Day, and with minor changes, find it correct.

Respectfully,

W. H. GRIFFIN, JR.

DAVID F. SMITH

REPORTS OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 17, 1930

Mr. President:

Your Committee on Revision and Enrolling report back Senate Joint Resolution No. 6, by Mr. Irvine: "A Joint Resolution proposing and amendment to Section 13 of Article VI of the Constitution of the State of Utah, relating to vacancies in the Legislature," and recommend that same be printed.

Respectfully submitted,

RAY E. DILLMAN,

Chairman.

Report Filed.

S. J. R. No. 6 was ordered printed and referred to the Committee on State and Municipal Affairs.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 17, 1930.

Mr. President:

Your Committee on Revision and Enrolling report back Senate Bill No. 3, by Mr. Candland, being: "An Act to provide for the collection, compilation and summarization of taxation statistics and making an appropriation therefor," with minor amendments and recommend that same be printed.

Respectfully submitted,

RAY E. DILLMAN.

Chairman.

Report filed.

S. B. No. 3 was ordered printed and referred to the Committee on State and Municipal Affairs.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 17, 1930.

Mr. President:

Your Committee on Revision and Enrolling report back Senate Bill No. 4, by Mr. Candland, being: "An Act providing for the continuation in existence of the code commission created by chapter 37 of the session laws of 1929," and recommend that same be printed.

Respectfully submitted,

RAY E. DILLMAN,

Chairman.

Report Filed.

S. B. No. 4 was ordered printed and referred to the Committee on Judiciary.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 17, 1930

Mr. President:

Your Committee on Revision and Enrolling report back Senate Bill No. 5, by Mr. Candland, being: "An Act to repeal sections 2200, 2201 and 2202, Compiled Laws of Utah, 1917, relating to the preparation and distribution of statements concerning proposed constitutional amendments," and recommend that same be printed.

Respectfully submitted,

RAY E. DILLMAN.

Chairman.

Report filed.

S. B. No. 5 was ordered printed and referred to the Committee on State and Municipal Affairs.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 17, 1930

Mr. President:

Your Committee on Revision and Enrolling report back Senate Bill No. 6, by Mr. Ryan, being: "An Act to continue the existence of the Utah Tax Revision Commission and the Utah Legislative Tax Committee created by Chapter 99, Laws of Utah, 1929," and recommend that same be printed.

Respectfully submitted,

RAY E. DILLMAN,

Chairman.

Report filed.

S. B. No. 6 was ordered printed and referred to the Committee on State and Municipal Affairs.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 17, 1930.

Mr. President:

Your Committee on Revision and Enrolling report back Senate Bill No. 7, by Mr. Irvine, being: "An Act to amend Section 2104, Compiled Laws of Utah, 1917, relating to the filling of vacancies in the office of representative in Congress or member of the Legislature," and recommend that same be printed.

Respectfully sumbitted,

RAY E. DILLMAN,

Report filed. Chairman.

S. B. No. 7 was ordered printed and referred to the Committee on State and Municipal Affairs.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 17, 1930

Mr. President:

Your Committee on Revision and Enrolling report back Senate Bill No. 8, by Mr. Dillman, being: "An Act amending Sections 5 and 6, Chapter 16, Laws of Utah, 1925, relating to registration and tuition fees of the University of Utah, the Utah State Agricultural College, and the branch of the Utah State Agricultural College at Cedar City, and other fees at these institutions, and the payment into the State Treasury of all moneys received, and providing for disbursement of Union Building fees," and recommend that same be printed.

Respectfully submitted,

RAY E. DILLMAN,

Report filed. Chairman.

S. B. No. 8 was ordered printed and referred to the Committee on Education.

COMMUNICATIONS FORM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 17, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the House has this day passed H. C. M. No. 2, by Mr. Greenhagen, entitled: "Memorializing the Congress of the United States, urging favorable action of Senate Bill No. 3257, by Senator C. C. Dill, providing for federal aid to assist the states in providing old pensions," and the same herewith transmitted for your action.

Respectfully submitted,

E. L. CROPPER,

Chief Clerk.

Communication filed.

H. C. M. No. 2 was read the first time and referred to Committee on State and Municipal Affairs.

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 17, 1930.

Mr. President:

This is to inform your Honorable Body, that the Speaker has this day signed, in open session H. C. M. No. 1, by Mr. Burton, entitled: "A memorial petitioning the Congress of the United States to amend Section 5219, U. S. Revised Statutes, so as to authorize the State of Utah to impose a just and equitable tax upon national

banks," the same is herewith transmitted for the Signature of the President.

Respectfully,

E. L. CROPPER,

Chief Clerk.

Communication filed.

H. C. M. No. 1 was signed by the President in open session in the presence of the Senate and returned to the House for transmission to the Governor.

INTRODUCTION OF BILLS

S. R. No. 1. By Mr. Patterson.

Resolution relating to withdrawal from Colorado River Compact, was read the first time and referred to the Committee on Revision and Enrolling.

PRESENTATION OF PETITIONS MOTIONS AND NOTICES

Senator McCarthy moved that the President be instructed to request the Governor to send the Senate a supplemental message authorizing the Legislature to take up the matter of the taxation of mines. Motion carried on the following roll call:

Ayes, 15; Nays, 0; Absent, 4.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Fowles, Griffin, Marsden, McCarthy, Musser, Owens, Parratt, Patterson, Ryan, Smith, Welling, Mr. President.

Absent and not voting, Senators Evans, Irvine, Maw. Young.

CONSIDERATION OF BILLS ON SECOND READING

S. C. M. No. 1 was read the second time.

Senator Dillman moved to amend S. C. M. No. 1, Page 1, line 10, following the word "with" strike the word "this.".

Motion Carried.

On motion of Senator Candland the rules were suspended and S. C. M. No. 1 was read the second and third times and placed on its final passage, and passed on the following roll call:

Ayes, 17; Nays, 0; Absent, 2.

Those voting in the affirmative were: Senators Candland, Dillman, Evans, Fowles, Griffin, Marsden, Maw, McCarthy, Musser, Owens, Parratt, Patterson, Ryan, Smith, Welling, Young, Mr. President..

Absent and not voting, Senators Egan, Irvine.

S. C. M. No. 1 was transmitted to the House.

COMMUNICATION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 18, 1930.

Honorable George H. Dern,
Governor of Utah,
State Capitol.

My dear Governor:

I am authorized and directed by the Senate to address the following communication to you.

On passing S. J. R. No. 2 February 13th, the Senate included an amendment by Senator Candland to the effect that the present basis of mine taxation and the present multiple of three should not be changed for a period of six years. In addition the Senate has before it as the special order of business at two o'clock today S. J. R. No.

5 by Senator McCarthy, which in substance proposes to turn the problem of mine taxation over to the new State Tax Commission. Moreover, I am informed that Representative T. H. Burton has introduced in the House of Representatives a joint resolution proposing to amend Article 13, Section 4 by writing in the multiple of three in that section.

Your original message delivered to this Special Session of the Legislature did not discuss the question of mine taxation nor did your supplemental message received by the Senate yesterday. Inasmuch as it is apparent that the Legislature desires to act on the subject and in order that no question shall subsequently be raised with respect to the legality of such action, I respectfully request you on behalf of the Senate to submit to this Special Session a supplemental message in which you may place before us the subject of mine taxation, together with such of your views thereon as you wish us to consider.

The motion instructing me to send this communication to you was made by Senator McCarthy and upon a roll call was passed by a vote of 15 ayes, no nays, 4 absent and not voting.

Respectfully yours,

HAMILTON GARDNER,
President.

COMMUNICATION FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 17, 1930.

Mr. President:

I am directed to inform your Honorable Body that the House has this day passed as amended, H. J. R. No. 1, by Committee on Revenue and Taxation, by request of the Tax Commission, entitled: "A Joint Resolution pro-

posing and amendment to Sections 2 and 3 of Article XIII of the Constitution relating to Revenue and Taxation," and the same is herewith transmitted for your action.

Respectfully,

E. L. CROPPER,

Chief Clerk.

Communication filed.

H. J. R. No. 1 was read the first time and taken under advisement by the President.

On motion of Senator Candland the Senate adjourned until 2 P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 18, 1930

The senate reconvened at 2 P. M., President Gardner in the Chair.

Roll Call—All members present.

Senator Egan moved that the President be instructed to request the Governor to lay before the Legislature a supplement message on the subject of semi-annual tax payment. Motion carried.

REPORTS OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 18, 1930

Mr. President:

Your Committee on Judiciary reports back S. B. No. 4 by Mr. Candland, entitled: "An Act providing for the Continuation of Existence of the Code Commission

created by Chapter 37 of the Session Laws of 1929," favorably and recommend that the same be passed.

Respectfully,

RAY E. DILLMAN,

Acting Chairman.

Report filed.

S. B. No. 4 was placed on 2nd Reading Calendar.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 18, 1930

Mr. President:

Your Committee on Education beg leave to report back for your consideration S. B. No. 8 by Mr. Dillman, entitled: "An Act amending Sections 5 and 6, Chapter 16, Laws of Utah, 1925, relating to registration and tuition fees of the University of Utah, the Utah State Agricultural College, and the branch of the Utah State Agricultural College at Cedar City, and other fees at these institutions, and the payment into the State Treasury of all moneys received, and providing for disbursement of Union Building Fees," without recommendation.

Respectfully,

RAY E. DILLMAN,

Chairman.

Report filed.

S. B. No. 8 was placed on 2nd Reading Calendar.

COMMUNICATION FROM THE GOVERNOR

Executive Office,
State Capitol

Salt Lake City, Utah, Feb. 18, 1930.

To the Eighteenth Legislature of the
State of Utah in Special Session:

I have just received the following letter from Hon. Hamilton Gardner, President of the Senate:

February 18, 1930.

Honorable George H. Dern,
Governor of Utah,
State Capitol.

My dear Governor:

I am authorized and directed by the Senate to address the following communication to you.
On passing S. J. R. No. 2, February 13th, the Senate included an amendment by Senator Candland to the effect that the present basis of mine taxation and the present multiple of three should not be changed for a period of six years. In addition the Senate has before it as special order of business at two o'clock to-day S. J. R. No. 5 by Senator McCarthy, which in substance proposes to turn the problem of mine taxation over to the new State Tax Commission. Moreover, I am informed that Representative T. H. Burton has introduced in the House of Representatives a joint resolution proposing to amend Article 13, Section 4 by writing in the multiple of three in that section.

Your original message delivered to this Special Session of the Legislature did not discuss the question of mine taxation nor did your supplemental message received by the Senate yesterday. Inasmuch as it is apparent that the Legislature desires to act on

the subject and in order that no question shall subsequently be raised with respect to the legality of such action, I respectfully request you on behalf of the Senate to submit to this Special Session a supplemental message in which you may place before us the subject of mine taxation, together with such of your views thereon as you wish us to consider.

The motion instructing me to send this communication to you was made by Senator McCarthy and upon a roll call was passed by a vote of 15 ayes, no nays, 4 absent and not voting.

Respectfully yours,

(Sgd) HAMILTON GARDNER,

President.

In my message at the beginning of the special session I stated that Chapter 99, Laws of Utah, 1929, explicitly directed me to submit to the legislature in special session the report and recommendations of the Tax Revision Commission. However I indicated that if you desired to consider other phases of the tax problem I should be glad to lay them before you if requested to do so by a joint resolution.

I am impressed by the statements contained in the letter quoted above. It appears that some action has already been taken in regard to the taxation of mines and further action is proposed in measures now pending. It would be most unfortunate if, after the Legislature had agreed on a tax program, the validity of its action could be contested and thrown into confusion on the technicality that the problem of mine taxation was not legally before the special session.

I also appreciate the fact that considerable time is consumed by the routine formality of passing a joint resolution through both Houses of the Legislature, and since the special session will expire in a few days by con-

stitutional limitation, such procedure might cause an undesirable delay which might hamper the Legislature in carrying out its own wishes.

In view of these circumstances, and in the conviction that the Legislature should have a free hand in tax revision, I have concluded not to insist upon a joint resolution of both Houses, but to comply with the unanimous request of the Senate, as conveyed in the letter just received from its president.

I therefore now lay before you, for such action as you may desire to take, the matter of amending the constitution with respect to the taxation of mines.

It would be impossible to overstate the importance of mining to Utah, not merely on account of the taxes paid by the mines but also on account of the general prosperity produced by mining operations. Mines, like every other form of property, should pay their fair share of taxes, no more and no less. I am sure you will be guided by this concept in your consideration of this very important phase of the tax problem.

Very respectfully,

GEO. H. DERN,

Governor.

Communication filed.

CONSIDERATION OF BILLS ON THIRD READING SPECIAL ORDER

S. J. R. No. 5 on Special Order.

Senator Candland moved the following amendment to S. J. R. No. 5. Line 12, strike the parenthesis and the words "in the the same manner", and insert after the word "assessed" on line 12 the words "in proportion to its value, by the State Tax Commission as provided from time to time by law". Motion Carried.

On motion of Senator Dillman S. J. R. No. 5 was amended on line 8 after the word "provided" insert the word "from time to time."

Senator Fowles moved that S. J. R. No. 5 lay on the table. Motion Carried.

REPORTS OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 18, 1930

Mr. President:

Your Committee on State and Municipal Affairs beg leave to report back for your consideration S. J. R. No. 6 by Mr. Irvine, entitled: "A joint resolution proposing an amendment to section 13 of article VI of the Constitution of the State of Utah, relating to vacancies in the Legislature," and recommend that the same be passed.

Respectfully,
W. D. CANDLAND,
Chairman.

Report filed.

S. J. R. No. 6 was placed on Second Reading Calendar.

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 18, 1930.

Mr. President:

Your Committee on State and Municipal Affairs beg leave to report back for your consideration S. B. No. 5 by Mr. Candland, entitled: "An Act repealing Sections 2200, 2201 and 2202, Compiled Laws of Utah, 1917, relating to the preparation and distribution of statements

concerning proposed constitutional amendments," and recommend that the same be passed.

Respectfully,

W. D. CANDLAND,

Chairman.

Report filed.

S. B. No. 5 was placed on 2nd Reading Calendar.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 18, 1930

Mr. President:

Your Committee on State and Municipal Affairs beg leave to report back for your consideration S. B. No. 7 by Mr. Irvine, entitled: "An Act to amend Section 2104, Compiled Laws of Utah, 1917, relating to the filling of vacancies in the office of representative in Congress or Member of the Legislature," and recommend that the same be passed.

Respectfully,

W. D. CANDLAND,

Chairman

Report filed.

S. B. No. 7 was placed on the 2nd Reading Calendar.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 18, 1929.

Mr. President:

Your Committee on Revision and Enrolling report back S. R. No. 1, by Mr. Patterson, being a Resolution relating to withdrawal from Colorado River Compact and

beg to report that such resolution is not one which would be required to be printed but should properly be presented as a motion or a Resolution to the Senate in session assembled.

Respectfully,

RAY E. DILLMAN,

Chairman.

Report filed.

On motion of Senator Maw the rules were suspended and S. B. No. 4, was read the second time.

S. B. No. 4 was then ordered read the third time on the following roll call:

Ayes, 15; Nays, 0; Absent, 4.

Those voting in the affirmative were: Senators Candland, Evans, Fowles, Griffin, Irvine, Marsden, Maw, McCarthy, Musser, Owens, Parratt, Patterson, Welling, Young, Mr. President.

Absent and not voting, Senators Dillman, Egan, Ryan, Smith.

On motion of Senator Irvine the rules were suspended and S. B. No. 4 was read the third time and placed on its final passage.

S. B. No. 4 passed on the following roll call:

Ayes, 16; Nays, 0; Absent, 3.

Those voting in the affirmative were: Senators Candland, Dillman, Evans, Fowles, Griffin, Irvine, Marsden, Maw, McCarthy, Musser, Owens, Parratt, Patterson, Welling, Young, Mr. President.

Absent and not voting, Senators Egan, Ryan, Smith.

S. B. No. 4 was transmitted to the House.

COMMUNICATION FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 18, 1930

Mr. President:

This is to inform your Honorable Body that the House has this day passed under suspension of rules S. C. M. No. 1, by Mr. Dillman, entitled: "A memorial requesting the interstate commerce commission of the United States to consider the needs of the Uintah Basin for a railroad and to protect the future rights in the use of the Moffatt Tunnel therefor," and the same is herewith returned for your further action.

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

S. C. M. No. 1, was then referred to the Committee on Revision and Enrolling to be Engrossed.

On motion of Senator Musser the rules were suspended and S. B. No. 5 was read the 2nd time.

S. B. No. 5 was then ordered read the third time on the following roll call:

Ayes, 17; Nays, 0; Absent, 2.

Those voting in the affirmative were: Senators Candland, Dillman, Evans, Fowles, Griffin, Irvine, Marsden, Maw, McCarthy, Musser, Owens, Parratt, Patterson, Ryan, Welling, Young, Mr. President.

Absent and not voting, Senators Egan, Smith.

On motion of Senator Irvine the rules were suspended and S. B. No. 5 was read the third time and placed on its final passage.

S. B. No. No. 5 passed on the following roll call:

Ayes, 16; Nays, 0; Absent, 3.

Those voting in the affirmative were:: Senators Candland, Dillman Evans, Fowles, Griffin, Irvine, Marsden, Maw, Musser, Owens, Parratt, Patterson, Ryan, Welling, Young, Mr. President.

Absent and not voting, Senators Egan, McCarthy, Smith.

S. B. No. 5 was transmitted to the House.

On motion of Senator Maw the rules were suspended and S. B. No. 7 was read the 2nd time.

S. B. No. 7 was ordered read the third time on the following roll call:

Ayes, 17; Nays, 0; Absent, 2.

Those voting in the affirmative were: Senators Candland, Dillman, Evans, Fowles, Griffin, Irvine, Marsden, Maw, McCarthy, Musser, Owens, Parratt, Patterson, Ryan, Welling, Young, Mr. President.

Absent and not voting, Senators Egan, Smith.

Senator Parratt moved to amend S. B. No. 7, line 3, strike the word "Section". On line 5 capitalize the word "Legislature," on line 4 after the word "whatever" strike the comma.

Senator Candland moved to amend S. B. No. 7 on line 8 capitalize the word "Governor". on line 7 lower case the word "Provided". Motion carried.

On motion of Senator Irvine the rules were suspended and S. B. No. 7 was read the third time and placed on its final passage.

S. B. No. 7 passed on the following roll call:

Ayes, 19; Nays, 0; Absent, 0.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Evans, Fowles, Griffin, Irvine,

Marsden, Maw, McCarthy, Musser, Owens, Parratt, Patterson, Ryan, Smith, Welling, Young, Mr. President.

S. B. No. 7 was then transmitted to the House.

COMMUNICATION FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 18, 1930.

Mr. President:

This is to inform your Honorable Body that the House has this day passed as amended by the House, S. J. R. No. 2 by Mr. Ryan, by request of the Tax Commission, entitled: "A Joint Resolution proposing an amendment to Sections 2 and 3 of Article 13 of the constitution of the State of Utah, relating to revenue and taxation," and the same is herewith returned for your further action.

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

Senator Egan moved that the Senate do not concur in the House amendments. Motion carried.

The Secretary was instructed to ask the House to recide from amendments to S. J. R. No. 2.

On motion of Senator Irvine the Senate adjourned until Feb. 19, at 10 A. M.

TWENTY-FOURTH DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 19, 1930.

The Senate was called to order at 10 A. M., by President Gardner.

Roll Call—All members present except Senator Irvine.

Prayer by the Chaplain.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 19, 1930.

Mr. President:

We, your Committee on Revision of the Journal respectfully report that we have read the Journal for the Twenty-third Day, and with minor changes, find it correct.

Respectfully,

W. H. GRIFFIN, JR.
DAVID F. SMITH.

REPORTS OF STANDING COMMITTEES

SENATE CHAMBER,

State Capitol,

Salt Lake City, Utah, Feb. 19, 1930.

Mr. President:

Your Committee on State and Municipal Affairs beg leave to report back for your consideration S. B. No. 3 by Mr. Candland, entitled: "An Act to provide for the Collection, Compilation and Summarization of Taxation Statistics and making an appropriation therefor," without recommendation.

Respectfully,

W. D. CANDLAND,
Chairman.

Report filed.

S. B. No. 3 was placed on the 2nd Reading Calendar.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 19, 1930.

Mr. President:

Your Committee on State and Municipal Affairs beg leave to report back for your consideration S. B. No. 6 by Mr. Ryan, entitled: "An Act to continue the existence of the Utah Tax Revision Commission and the Utah Legislative Tax Committee created by Chapter 99, Laws of Utah, 1929," without recommendation.

Respectfully,

W. D. CANDLAND,
Chairman.

Report filed.

S. B. No. 6 was placed on the 2nd Reading Calendar.

COMMUNICATION FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 18, 1930.

Mr. President:

I am directed to inform your Honorable Body that the House refuses to recede from its amendments to S. J. R. No. 2, by Mr. Ryan, entitled: "A joint resolution proposing an amendment to Sections 2 and 3, of Article 13 of the Constitution of the State of Utah, relating to revenue and taxation" and appoints Representatives Hirschi, Fuller and Critchlow as a conference committee to act with a like committee from the Senate.

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

The President appointed Senators Candland, Griffin, and Musser as a conference committee to act with the committee appointed by the House on S. J. R. No. 2.

COMMUNICATION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 19, 1930.

Honorable George H. Dern,

Governor of Utah,
Capitol Building.

My Dear Governor:

I am directed by the Senate to address the following communication to you:

Upon motion of Senator Egan the Senate indicated its desire to consider the subject of semi-annual payment of taxes. The motion passed by rising vote without roll call. I therefore respectfully request that you consider the advisability of placing this subject before this special session of the Legislature and if so desire, to indicate your view thereon.

Very respectfully yours,

HAMILTON GARDNER,

President.

Communication filed.

CONSIDERATION OF BILLS ON SECOND READING

S. B. No. 8 was read the second time.

S. B. No. 8 was then ordered read the third time on the following roll call:

Ayes, 16; Nays, 1; Absent, 2.

Those voting in the affirmative were: Senators Candland, Dillman, Egan Evans, Fowles, Griffin, Marsden, Maw, McCarthy, Owens, Parratt, Ryan, Smith, Welling, Young, Mr. President.

Those voting in the negative were: Senator Musser.

Absent and not voting, Senators Irvine, Patterson.

Senator McCarthy moved that rules be suspended and S. B. No. 8 be read the third time and placed on its final passage.

Motion Carried.

Senator Parratt moved to amend S. B. No. 8, page 1, line 3, strike "tion" from section and strike the words "Power to increase fees."

On line 12, strike "tion" from section and "Payments into State Treasury".

Motion Carried.

S. B. No. 8 was then passed on the following roll call.

Ayes, 17; Nays, 0; Absent, 2.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Evans, Fowles, Griffin, Marsden, Maw, McCarthy, Musser, Owens, Parratt, Ryan, Smith, Welling, Young, Mr. President.

Absent and not voting, Senators Irvine, Patterson.

S. B. No. 8 was transmitted to the House.

Senator Candland moved that rules be suspended and S. B. No. 3 be considered on 2nd reading.

Motion Carried.

S. B. No. 3 was read the second time.

On motion of Senator Candland the period on line 10 was stricken and the words "for such purposes" was inserted.

S. B. No. 3 was then ordered read the third time on the following roll call:

Ayes, 17; Nays, 0; Absent, 2.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Evans, Fowles, Griffin, Marsden, Maw, McCarthy, Musser, Owens, Parratt, Patterson, Ryan, Smith, Welling, Young.

Absent and not voting, Senators Irvine, Mr. President.

Senator Ryan moved the rules be suspended and S. B. No. 6 be considered on 2nd Reading.

Motion Carried.

S. B. No. 6 was read the second time.

On motion of Senator Candland the Senate adjourned until 2 P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 19, 1930

The Senate reconvened at 2 P. M., President Gardner in the Chair.

Roll Call—All members present except Senators Irvine and Maw.

COMMUNICATION

UTAH STATE AGRICULTURAL COLLEGE

Logan, Utah.
February 17, 1930.

President Hamilton Gardner,
Utah State Senate,
State Capitol,
Salt Lake City, Utah.
Dear President Gardner:

Would you please extend to the Senate the cordial invitation of the College to be our guests on the occasion

of the annual Military Ball, to be held on Friday Feb. 21, 1930, at Logan.

Major O'Brien, Head of the Department of Military Science and Tactics, joins in this cordial invitation to all of you.

Sincerely yours,

ELMER PETERSON,

President.

Invitation accepted with thanks.

Communication filed.

REPORT OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol

Salt Lake City, Utah, Feb. 19, 1930.

Mr. President:

Your Committee on Revision and Enrolling report back herewith S. C. M. No. 1 by Mr. Dillman, entitled: "A Memorial requesting the Interstate Commerce Commission of the United State to consider the needs of the Uintah Basin for a railroad and to protect the future rights in the use of the Moffatt Tunnel therefor," properly engrossed and enrolled for the signature of the President.

Respectfully,

RAY E. DILLMAN,

Chairman.

Report filed.

S. C. M. No. 1 was signed by the President in open session in the presence of the Senate and was transmitted to the House for the signature of the Speaker.

UNFINISHED BUSINESS

S. B. No. 6 on Second Reading.

S. B. No. 6 was then ordered read the third time on the following roll call:

Ayes, 9; Nays, 8; Absent, 2.

Those voting in the affirmative were: Senators Dillman, Fowles, Griffin, Marsden, McCarthy, Parratt, Ryan, Welling, Mr. President.

Those voting in the negative were: Senators Candland, Egan, Evans, Musser, Owens, Patterson, Smith, Young.

Absent and not voting, Senators Irvine, Maw.

COMMUNICATION FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,
Salt Lake City, Utah, Feb. 19, 1930

Mr. President:

I am directed to inform your Honorable Body, that the Governor has this day approved and filed with the Secretary of State, H. C. M. No. 1, by Mr. Burton, entitled: "A Memorial petitioning the Congress of the United States to amend Section 5219, U. S. Revised Statutes, so as to authorize the State of Utah to impose a just and equitable tax upon National Banks."

Respectfully,
E. L. CROPPER,
Chief Clerk.

Communication filed.

CONSIDERATION OF BILLS ON SECOND READING

S. J. R. No. 6 was read the second time.

S. J. R. No. 6 was then ordered read the third time on the following roll call:

Ayes, 16; Nays, 0; Absent, 3.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Evans, Fowles, Griffin, Marsden, McCarthy, Musser, Owens, Parratt, Patterson, Smith, Welling, Young, Mr. President.

Absent and not voting, Senators Irvine, Maw, Ryan.

On motion of Senator Welling the bill was amended as follows:

Line 4, strike "tion" from Section. Insert "()" before Vacancies.

On motion of Senator Fowles the rules were suspended and S. J. R. No. 6 was read the third time and placed on its final passage and passed on the following roll call:

Ayes, 17; Nays, 0; Absent, 2.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Evans, Fowles, Griffin, Marsden, McCarthy, Musser, Owens, Parratt, Patterson, Ryan, Smith, Welling, Young, Mr. President.

Absent and not voting, Senators Irvine, Maw.

S. J. R. No. 6 was transmitted to the House.

COMMUNICATION FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES.
State Capitol,
Salt Lake City, Utah, Feb. 10, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the Speaker has this day signed in open Session, in the presence of the House, S. C. M. No. 1, by Mr. Dillman, entitled: "A Memorial requesting the Interstate Commerce Commission of the United States to consider the needs of the Uintah Basin for a railroad and to protect

the future rights in the use of the Moffatt Tunnel therefor," the same is herewith returned for transmission to the Governor.

Respectfully,
E. L. CROPPER,
Chief Clerk.

Communication filed.

S. C. M. No. 1 was transmitted to the Governor.

On motion of Senator Candland the Senate adjourned until Feb. 20, at 10 A. M.

TWENTY-FIFTH DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930

The Senate was called to order at 10 A. M., President Gardner in the Chair.

Roll Call—All members present except Senator McCarthy.

Prayer by the Chaplain.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930

Mr. President:

We, your Committee on Revision of the Journal respectfully report that we have read the Journal for the Twenty-fourth Day, and with minor changes, find it correct.

Respectfully,
DAVID F. SMITH,
W. H. GRIFFIN.

COMMUNICATIONS FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 19, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the House has this day passed, under suspension of rules, S. B. No. 4, by Mr. Candland, entitled: "An Act providing for the continuation in existence of the Code Commission created by Chapter 37 of the Session Laws of 1929," and the same is herewith returned for your further action.

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

S. B. No. 4 was referred to the Committee on Revision and Enrolling to be Engrossed.

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 19, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the House has this day passed under suspension of rules S. B. No. 5, by Mr. Candland, entitled: "An Act repealing Sections 2200, 2201 and 2202, Compiled Laws of Utah, 1917, relating to the preparation and distribution of statements concerning proposed constitutional amendments," and the same is herewith returned for your further action.

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

S. B. No. 5 was referred to the Committee on Revision and Enrolling to be Engrossed.

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 19, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the House has this day passed, under suspension of rules, S. B. No. 7, by Mr. Irvine, entitled: "An Act to amend Section 2104, Compiled Laws of Utah, 1917, relating to the Filling of Vacancies in the office of representative in Congress or member of the Legislature," and the same is herewith returned for your further action.

Respectfully,

E. L. CROPPER,

Chief Clerk.

Communication filed.

S. B. No. 7 was referred to the Committee on Revision and Enrolling to be Engrossed.

CONSIDERATION OF BILLS ON THIRD READING

S. B. No. 3 was read the third time.

On motion of Senator Ryan, S. B. No. 3 was made Special Order for 11 A. M. today.

S. B. No. 6 was read the third time.

On motion of Senator Ryan, S. B. No. 6 was withdrawn.

S. B. No. 3 on third reading.

On motion of Senator Musser the bill was amended as follows:

On line 1 after the period following the figure 1, strike balance of the line. Strike all of lines 2 to 10 inclusive, and in lieu thereof insert the following:

The State Board of Equalization and Assessment is hereby directed to collect, compile, and summarize such taxation statistics and data as will be of assistance to the Eighteenth Legislature in formulating and enacting legislation in accordance with the Constitutional amendments on taxation to be voted on by the electors of the state in the general election of 1930: and with the Attorney General of Utah to prepare such bills to be introduced into the Nineteenth Legislature as are necessary or desirable to place in operation such plan of tax revision. The State Board of Equalization and Assessment is further directed to submit to the Governor of Utah by the first day of December 1930 for transmission to the Nineteenth Legislature a report of the work which it is hereby directed to perform and to include in such report the bills herein referred to.

Section 2. There is hereby appropriated for expenditure by the State Board of Equalization and Assessment from funds in the State Treasury, not otherwise appropriated, the sum of $5,000 or so much thereof as may be necessary for such purposes.

COMMUNICATION FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the House has this day passed, under suspension of rules, S. J. R. No. 6, by Mr. Irvine, entitled: "A Joint Resolution proposing an amendment to Section 13 of Article VI of the Constitution of the State of Utah, relating to

Vacancies in the Legislature," and the same is herewith returned for your further action.

Respectfully,

E. L. CROPPER,

Communication filed. Chief Clerk.

S. J. R. No. 6 was referred to the Committee on Revision and Enrolling to be Engrossed.

On motion of Senator Musser the Senate adjourned until 2 P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930

The Senate reconvened at 2 P. M., President Gardner in the Chair.

Roll Call—All members present except Senators Irvine and McCarthy.

REPORTS OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930.

Mr. President:

Your Committee on Revision and Enrolling report back S. B. No. 4, by Mr. Candland, entitled: "An Act providing for the continuation in existence of the Code Commission created by Chapter 37 of the Session Laws of 1929," properly Engrossed and Enrolled for the signature of the President.

Respectfully,

RAY E. DILLMAN,

Report filed. Chairman.

S. B. No. 4 was signed by the President in open session in the presence of the Senate and was transmitted to the House for the Signature of the Speaker.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930

Mr. President:

Your Committee on Revision and Enrolling report back S. B. No. 5, by Mr. Candland, entitled: "An Act repealing Sections 2200, 2201 and 2202, Compiled Laws of Utah, 1917, relating to the preparation and distribution of statements concerning proposed Constitutional amendments," properly Engrossed and Enrolled for the signature of the President.

Respectfully,

RAY E. DILLMAN,
Chairman.

Report filed.

S. B. No. 5 was signed by the President in open session in the presence of the Senate and was transmitted to the House for the Signature of the Speaker.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930

Mr. President:

Your Committee on Revision and Enrolling report back S. B. No. 7 by Mr. Irvine, entitled: "An Act to amend Section 2104, Compiled Laws of Utah, 1917, relating to the filling of vacancies in the office of representative in Congress or member of the Legislature," properly Engrossed and Enrolled for the signature of the President.

Respectfully,

RAY E. DILLMAN,
Chairman.

Report filed.

S. B. No. 7 was signed by the President in open session in the presence of the Senate and was transmitted to the House for the signature of the Speaker.

COMMUNICATIONS FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the House has this day passed, under suspension of rules, S. B. No. 1, by Mr. Ryan, entitled: "An Act appropriating $50,000 out of State highway funds, to be expended by the State Road Commission in the construction of roadways and parking spaces on the State Capitol Grounds," and the same is herewith returned for your further action.

Respectfully,

E. L. CROPPER,

Chief Clerk.

Communication filed.

S. B. No. 1 was referred to the Committee on Revision and Enrolling to be Engrossed.

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the House has this day passed as amended by the House, S. B. No. 2, by Mr. Irvine, entitled: "An Act appropriating the sum of $10,000.00 for improvements on the State

Capitol Grounds, and the same is herewith returned for your further action.

Respectfully,

E. L. CROPPER.

Communication filed. Chief Clerk.

Senator Fowles moved that Senate do not concur in House amendments, and that the Secretary be instructed to ask the House to recede from its amendments.

Motion Carried.

The Senate conference committee on S. J. R. No. 2 was given Special Leave for the afternoon.

UNFINISHED BUSINESS

S. B. No. 3 on Third Reading.

On motion of Senator Ryan consideration of S. B. No. 3 was postponed indefinately.

COMMUNICATION FROM THE GOVERNOR

Executive Office.
State Capitol,

Salt Lake City, Utah, Feb. 19, 1930.

To The Senate:

I have this day approved and transmitted to the Secretary of State S. C. M. No. 1, by Mr. Dillman, entitled: "A Memorial requesting the Interstate Commerce Commission of the United States to consider the needs of the Uintah Basin for a railroad and to protect the future rights in the use of the Moffatt Tunnel therefor."

Very respectfully,

GEO. H. DERN,

Governor.

Communication filed.

REPORTS OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930.

Mr. President:

Your Committee on Revision and Enrolling report back S. B. No. 1, by Mr. Ryan, entitled: "An Act appropriating $50,000 out of State Highway Funds, to be expended by the State Roard Commission in the construction of roadways and parking spaces on the State Capitol Grounds," properly Engrossed and Enrolled for the signature of the President.

Respectfully,

RAY E. DILLMAN,
Chairman.

Report filed.

S. B. No. 1 was signed by the President in open session in the presence of the Senate and was transmitted to the House for the signature of the Speaker.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930.

Mr. President:

Your Committee on Revision and Enrolling report back S. J. R. No. 6 by Mr. Irvine, entitled: "A Joint Resolution proposing and amendment to Section 13 of Article VI of the Constitution of the State of Utah, relating to Vacancies in the Legislature," properly Engrossed and Enrolled for the signature of the President.

Respectfully,

RAY E. DILLMAN,
Chairman.

Report filed.

S. J. R. No. 6 was signed by the President in open session in the presence of the Senate and was transmitted to the House for the signature of the Speaker.

COMMUNICATIONS FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the House refuses to recede from its amendments to S. B. No. 2, by Mr. Irvine, entitled: "An Act appropriating the sum of $10,000.00 for improvements on the State Capitol Grounds".

Respectfully,

E. L. CROPPER, ,
Chief Clerk.

Communication filed.

The President appointed Senators Young, Smith and Maw as Conference Committee on S. B. No. 2.

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the Speaker has this day signed in open Session, in the presence of the House, S. J. R. No. 6, by Mr. Irvine, entitled: "A Joint Resolution proposing an amendment to Section 13, of Article VI of the Constitution of the State of Utah, relating to Vacancies in the Legislature," the same is herewith returned for transmission to the Secretary of State.

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

S. J. R. No. 6 was transmitted to the Secretary of State.

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the Speaker has this day signed in open Session, in the presence of the House, S. B. No. 1, by Mr. Ryan, entitled: "An Act appropriating $50,000 out of State Highway Funds, to be expended by the State Road Commission in the construction of roadways and parking spaces on the State Capitol Grounds," the same is herewith returned for transmission to the Governor.

Respectfully,

E. L. CROPPER,

Chief Clerk.

Communication filed.

S. B. No. 1 was Transmitted to the Governor.

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the Speaker has this day signed in open Session, in the presence of the House S. B. No. 4, by Mr. Candland, entitled: "An Act providing for the continuation in existence of the Code Commission created by Chapter37

of the Session Laws of 1929," and the same is herewith returned for transmission to the Governor.

Respectfully,

E. L. CROPPER,

Chief Clerk.

Communication filed.

S. B. No. 4 was transmitted to the Governor.

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930

Mr. President:

I am directed to inform your Honorable Body, that the Speaker has this day signed in open Session in the presence of the House, S. B. No. 5, by Mr. Candland, entitled: "An Act repealing Sections 2200, 2201 and 2202, Compiled Laws of Utah, 1917, relating to the preparation and distribution of statements concerning proposed constitutional amendments," the same is herewith returned for transmission to the Governor.

Respectfully,

E. L. CROPPER,

Chief Clerk.

Communication filed.

S. B. No. 5 was transmitted to the Governor.

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the Speaker has this day signed in open Session, in the presence of the House, S. B. No. 7, by Mr. Irvine, en-

titled: "An Act to amend Section 2104, Compiled Laws of Utah, 1917, relating to the filling of vacancies in the office of representative in Congress or member the Legislature," the same is herewith returned for transmission to the Governor.

Respectfully,

E. L. COPPER,
Chief Clerk.

Communication filed.

S. B. No. 7 was transmitted to the Governor.

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930.

Mr. President:

I am directed to inform your Honorable Body that House has this day appointed Representatives Leathan, Ludwig and Smoot to act as a conference committee with a like committee from the Senate on S. B. No. 2, by Mr. Irvine, entitled: "An Act appropriating the sum of $10,000 for improvements on the State Capitol Grounds."

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

On motion of Senator Maw the Senate adjourned until 10 A. M. Feb. 21.

TWENTY-SIXTH DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 21, 1930.

The Senate was called to order at 10 A. M., President Gardner in the Chair.

Roll Call—All members present except Senators Irvine, and McCarthy.

Prayer by the Chaplain.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 21, 1930.

Mr. President:

We, your Committee on Revision of the Journal, respectfully report that we have read the Journal for the Twenty-Fifth Day, and with minor changes, find it correct.

Respectfully,

W. H. GRIFFIN, JR.

DAVID F. SMITH.

COMMUNICATIONS FROM THE GOVERNOR

Executive Office,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930.

To the Senate:

I have this day approved and transmitted to the Secretary of State, S. B. No. 1, by Mr. Ryan, entitled: "An Act appropriating $50,000 out of State Highway Funds, to be expended by the State Road Commission in the construction of roadways and parking spaces on the State Capitol Grounds."

Vesy respectfully,

GEO. H. DERN,

Governor.

Communication filed.

Executive Office,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930.

To the Senate:

I have this day approved and transmitted to the Secretary of State S. B. No. 4, by Mr. Candland, entitled: "An Act providing for the continuation in existence of the Code Commission created by Chapter 37 of the Session Laws of 1929."

Very respectfully,

GEO. H. DERN,
Governor.

Communication filed.

Executive Office,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930.

To the Senate:

I have this day approved and transmitted to the Secretary of State S. B. No. 5, by Mr. Candland, entitled: "An Act repealing Sections 2200, 2201 and 2202, Compiled Laws of Utah, 1917, relating to the preparation and distribution of statements concerning proposed constitutional amendments."

Very respectfully,

GEO. H. DERN,
Governor.

Communication filed.

Executive Office,
State Capitol,

Salt Lake City, Utah, Feb. 20, 1930.

To the Senate:

I have this day approved and transmitted to the Secretary of State S. B. No. 7, by Mr. Irvine, entitled:

"An Act to amend Section 2104, Compiled Laws of Utah, 1917, relating to the filling of vacancies in the office of Representative in Congress or Member of the Legislature."

Very respectfully,

GEO. H. DERN,

Governor.

Communication filed.

COMMUNICATIONS FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,
Salt Lake City, Utah, Feb. 20, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the House has this day passed as amended, H. B. No. 2, by Committee on Public Buildings and Grounds, State Mental Hospital and Industrial School, entitled: "An Act to amend Sections 6 and 7 of Chapter 101, Laws of Utah, 1929, relating to the Utah State Building Commission, and providing for an additional appropriation of $75,000 to the Utah State Hospital," and the same is herewith transmitted for your action.

Respectfully,

E. L. CROPPER,

Chief Clerk.

Communication filed.

H. B. No. 2 was read first time and referred to the Committee on Public Institution, Health and Labor.

On account of the resignation of Senator Hollingsworth the President appointed Senator Fowles in his stead as a member of the Committee on Public Institutions, Health and Labor.

THE HOUSE OF REPRESENTATIVES.
State Capitol,
Salt Lake City, Utah, Feb. 21, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the House has this day passed, as amended H. J. R. No. 9, by Mr. Smoot, entitled: "A Joint Resolution proposing an amendment to Section 3, of Article XIX of the Constitution of the State of Utah, relating to the location of the State Prison," and the same is herewith transmitted for your action.

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

H. J. R. No. 9 was read first time and referred to the Committee on Public Institution, Health and Labor.

On motion of Senator Parratt the Senate adjourned until 2 P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 21, 1930.

The Senate reconvened at 2 P. M., President Gardner in the Chair.

Roll Call—All members present except Senator McCarthy.

REPORT OF CONFERENCE COMMITTEE

Salt Lake City, Utah, Feb. 21, 1930.

President of the Senate,
Speaker of the House.

Your Committee on Conference on S. J. R. No. 2, begs leave to report that it has reached an agreement

respecting matters at issue between the two Houses and recommends the following:

1. On page one, line 17, concur in House amendment to the Senate amendment relating to power plants so that said amendment shall read as follows:

"Power plants, power transmission lines and other property, used for generating and delivering electrical power, a portion of which is used for furnishing power for pumping water for irrigation or drainage purposes on lands in the state of Utah, may be exempted from taxation to the extent that such property is used for such purposes. These exemptions shall accrue to the benefit of the consumers of such power under such regulations as the Legislature may prescribe."

2. On page 1, line 23, strike out both House and Senate amendments relating to exemptions for disabled veterans and substitute the following:

"Property not to exceed $3,000 in value, owned by disabled persons who served in any war in the military service of the United States or of the state of Utah and by the unmarried widows and minor orphans of such persons may be exempted as the Legislature may provide."

3. On page 2, lines 2, 3 and 4, concur in House amendment striking provision relating to exemption of motor vehicles.

4. On page 2, line 14, concur in House amendment striking out the word "general."

5. On page 2, line 17, after the word "property", strike House amendment relating to taxation of live stock and substitute the following: "provided that the legislature may determine the method of taxing live stock being fed for slaughter to be used for human consumption."

6. On page 2, line 20, after the word "provide" concur in the House amendment which read as follows:

"provided that if intangible property be taxed as property, the rate thereof shall not exceed five mills on each dollar of valuation."

7. On page 2, line 21, concur in House amendment changing the word "may" to "shall". The committee also recommends that the word "taxable" be inserted in line 21 after the word, "the" and before the word "income."

8. On page 2, line 23, after the word "taxed", concur in House amendment relating to deductions, exemptions and offsets with a slight modification so that the same shall read as follows: "The Legislature may provide for deductions, exemptions and/or offsets on any tax based upon income."

9. On page 2, following the last preceeding amendment, concur in the House amendment relating to personal income tax and excise tax with modifications so that the same shall read as follows:

"The personal income tax rates shall be graduated but the maximum rate shall not exceed six percent of net income. No excise tax rate based upon income shall exceed four percent of net income,"

10. On page 2, following the above, concur in Senate amendment relating to fixing the multiple of net proceeds for the taxation of mines with modifications so that the same will read as follows: "The rate limitations herein contained for taxes based on income and for taxes on intangible property shall be effective only until January 1, 1935 and the multiple to be applied to net annual proceeds to determine the value of metalliferous mines for the purpose of the tangible property tax as provided in Section 4 of this Article, shall remain at three until January 1, 1935 and may thereafter be changed by law by a vote of the majority of the members elected to each House of the Legislature."

11. On page 2, following the above, concur in House

amendment relating to allocation of the proceeds of taxes on income, etc., modified to read as follows:

"All revenue received from taxes on income or from taxes on intangible property shall be paid into the State District School Fund and the state levy for such purpose shall be reduced annually in proportion to the revenue derived from such taxes. Provided, that any surplus above the revenue required for such purpose, as provided in Section 7 of this Article, shall be paid into the State general fund and the levy for such purpose shall be reduced annually in proportion to the revenues so received."

W. D. CANDLAND,
W. H. GRIFFIN, JR.,
BURTON W. MUSSER,
Conferees on behalf of the Senate.

DAVID HIRSCHI,
GEO. A. FULLER,
GEO. A. CRITCHLOW,
Conferees on behalf of the House of Representatives.

Senator Candland moved the adoption of the Committee report.

Senator Patterson moved to postpone consideration of the motion to adopt the committee report until Feb. 22 at 10 A. M., and the Senators be supplied with type written copies of the report.

Senator Maw moved to amend the motion of postponement to adopt the committee report until the Senators receive type written copies, and that the bill as amended by the conference committee be printed and each Senator be furnished a printed copy. Motion Carried.

The motion as amended was adopted.

Senator Musser moved that when the Senate adjourn it do so until 7 P. M. Motion Carried.

COMMUNICATION FROM THE GOVERNOR

Executive Office,
State Capitol,

Salt Lake City, Utah, Feb. 21, 1930.

To the Eighteenth Legislature of the
State of Utah in Special Session:

I have received the following letter from Honorable Hamilton Gardner, President of the Senate:

February 19, 1930.

Honorable George H. Dern.
Governor of Utah,

Capitol Building.

My dear Governor

I am directed by the Senate to address the following communication to you:

Upon motion of Senator Egan the Senate indicated its desire to consider the subject of semi-annual payment of taxes. The motion passed by rising vote without roll call. I therefore respectfully request that you consider the advisability of placing this subject before this special session of the Legislature and if you so desire, to indicate your views thereon.

Very respectfully yours,

(Sgd.) Hamilton Gardner,

President.

Although the foregoing request relates to a tax subject that was not included in the recommendations of the Tax Revision Commission, it is now probably too late in the Special Session to have it come to me in the form of a Joint resolution of both Houses, and hence I am pleased to comply with the wishes of the Senate as communicated

in the above letter. I therefore lay before you for your consideration the proposal that the law shall be amended so that the annual property taxes shall be paid in two installments.

Pursuant to your suggestion that I indicate my views on this question, I take liberty of submitting the following observations.

Several states in the Union have a plan in operation whereby property taxes are paid in two installments, and I am informed that after the necessary adjustments are made the plan generally works successfully. The proposal has several times been before the Utah Legislature, but it has been found that we are confronted with certain difficulties in attempting to put it into operation here. These difficulties have hitherto apparently been considered serious enough to prevent affirmative action.

One of the chief obstacles is found in the fact that many counties and municipalities commence spending the revenue which they will receive from the property tax long before such taxes are actually collectd. Frequently a taxing unit begins spending money on January 1 which it will not receive until the latter part of the year. This is done through the issuance of tax anticipation notes.

If there is no constitutional provision to prevent the issuance of tax anticipation notes on January 1 of one year which would not be paid until June or July of the following year, at least one difficulty would arise. The amount of money expended for interest on such notes would be materially increased and the taxpayers would ultimately pay the interest on such notes. This is based upon the assumption that the second installment of the taxes would become due in the year following the year in which they were levied. Is the convenience of semi-annual payment of taxes worth the extra cost?

In order to put the semi-annual payment plan into effect it would be necessary either to make the first half of the annual tax payable six months earlier than at present, or else make the second half payable six months later than at present. If we undertook to make the first half of the taxes payable six months earlier it would not only temporarily put an additional burden upon the taxpayer, but it would be necessary to change the assessment and equalization laws throughout, so that the tax lists could be prepared several months earlier than at present. This appears to be practically impossible. The only feasible plan of paying taxes semi-annually, therefore, is to make the first installment due at the usual time and the second installment six months later.

There is no doubt that the semi-annual payment of taxes could be operated successfully and economically if the taxing units of the State were able to go on a cash basis, which means that they should have money enough in the treasury at the beginning of the year to last until taxes were received. It would, of course, be highly desirable to have all taxing units on a cash basis so as to avoid tax anticipation borrowings and save the large aggregate amount of interest which is now paid on such borrowings. It might develop, however, that the proposed plan of semi-annual payments would prove to be another step away from the cash basis rather than a step toward it.

If, in order to put the proposed plan into effect, it should prove necessary to go on a cash basis, a serious question is, how can it be done? Should bonds be issued to make up the deficiency? If so, provision must be made through increased taxes to retire these bonds and pay the interest. The other alternative is to increase the taxes until the objective is reached. This could only be done by raising the levies. Since levies are limited by statute and many taxing units are up to their limit, the only way to meet the situation would be to amend every statute which determines levies to permit such increase.

The payment of taxes in two installments would probably be approved by most business men and by those who receive salaries or other regular incomes, as well as by the banks. Whether or not it would benefit the farmer is open to question. At any rate the subject presents problems that should receive a great deal of study, and they should not be passed upon in any hurried manner. After they have been carefully studied and their effect on the operation of our taxing units is weighed, it will be possible to determine whether a semi-annual tax payment could safely be put into operation. I am not sure that we have sufficient information to decide upon a definite plan which would operate successfully without creating difficulties for taxing units and without increasing public expenditures.

Because these objections were in my mind, I suggested in my message at the beginning of the special session that the question of semi-annual payment of taxes be referred to the Tax Revision Commission for investigation and report. This does not signify that I am opposed to the plan, but merely that I think we should be careful to take no hasty action.

Very truly,

GEO. H. DERN,

Governor.

Communication filed.

INTRODUCTION OF BILLS

S. B. No. 9. By Mr. Egan.

An Act amending Sections 6015, Compiled Laws of Utah, 1917, as amended by Chapter 119, Laws of Utah, 1919, as amended by Chapter 97, Laws of Utah, 1923, and Sections 6016 and 6018, Compiled Laws of Utah, 1917, as amended by Chapter 120 and 121, Laws of Utah, 1919,

relating to the payment of taxes, was read the first time and referred to the Committee on Revision and Enrolling.

CONSIDERATION OF BILLS ON THIRD READING

Senator Dillman moved S. B. No. 3 be considered.

Motion Carried.

On motion of Senator Ryan the bill was amended as follows:

Strike Section 2 as amended and insert.

Section 2. Said Board shall have free access to all books and records in the several departments of the state government and of any public institution, municipal corporation and any political subdivision of the state.

Section 3. Said Board shall have power to issue processes to require witnesses to appear before it at any designated time or place to give testimony relating to the ownership and value of property, and taxes assessed thereon; and any facts relative to gross or net income; to swear witnesses; to reduce testimony to writing and to pay witnesses similar fees and mileage as paid in civil cases in the district courts. The district courts are vested with power to punish for disobedience to any process of said board, and the attorney general shall represent said Board in any such matter.

Section 4. Said board shall also have the power to require from any and all persons, firms and corporations in this state, sworn statements or special reports or such other information as it may desire with reference to ownership and value of property, taxes assessed and paid thereon, and any facts relative to gross or net income.

Section 5. It shall be the duty of said board to investigate and report upon questions, problems and matters of taxation as affecting the State of Utah; and said board shall make a careful study of the subject of revenue

and taxation with special reference to the problems presented in Utah and the comparative taxes paid, and shall investigate and study the systems of raising revenue, and tax problems, in other states. Said board shall secure information upon matters of taxation and revenue in the state of Utah and other states, the systems of taxation employed, the methods of financing the governmental agencies, and other information relative to the wealth and resources of the state of Utah, and other states, and the methods employed for securing revenue and the pro rata and compartive cost of maintaining and operating various governmental agencies and institutions.

Said board shall secure information as to tax conditions in the state of Utah and in such other states as it may deem necessary with reference to the amount of taxes paid by the various kinds and classes of property and industries in Utah and other states.

It shall be the duty of said board to prepare and submit to the governor and legislature an assessment roll, or rolls, covering various taxing units in the state and of the state board of equalization for the year 1929 showing the property taxed, assessed valuation, and taxes paid; and in addition shall prepare and submit forms containing any different grouping, system, or classification recommended or to be recommended by said board, with an approximation of the taxes which would be paid pursuant to any proposed or recommended system, grouping, or classification, and the amount of property, value thereof, and tax which would be paid on each kind or class of property under any such proposal. Said statement shall show the rate of levy used and proposed to be used against each class or kind of property taxed and proposed to be taxed, the amount of revenue now raised and which will be raised under any proposed system, and full and complete information as to the bases used and reasons for the various suggestions and recommendations proposed.

Said board shall have the power and authority to

employ and compensate all necessary clerical help and it shall be the duty of said board to make and keep a record of its investigations and of all funds expended by it, to whom paid and the amounts thereof. It shall not be the duty, however, of said board to keep a stenographic report of all information or investigations made by it but it shall have the authority to keep such records as it may deem advisable.

The powers herein given shall be liberally construed to carry into effect the purposes of this act.

Section 6. There is hereby appropriated from the money in the State Treasury not otherwise appropriated which together with the unexpended balance, if any, from the money appropriated for this Special Session of the Eighteenth Legislature, shall not exceed the sum of $15,000.00 or so much thereof as may be necessary for the purpose of defraying the expense of the investigation hereby authorized.

Section 7. This Act shall take effect upon approval.

Senator Maw moved to amend the amendment by striking in Section 6, line four the figures "$15,000" and insert "$10,000". Motion Carried.

The amendment of Senator Ryan to S. B. No. 3 as amended by Senator Maw was then adopted.

S. B. No. 3 was then placed on its final passage and passed on the following roll call:

Ayes, 11; Nays, 5; Absent, 3.

Those voting in the affirmative were: Senators Dillman, Egan, Evans, Fowles, Irvine, Maw, Parratt, Ryan, Welling, Young, Mr. President.

Those voting in the negative were: Senators Candland, Griffin, Marsden, Owens, Smith.

Absent and not voting, Senators McCarthy, Musser, Patterson.

S. B. No. 3 was transmitted to the House.

CONFERENCE COMMITTEE REPORT

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 21, 1930.

Mr. President and
Mr. Speaker:

Your Conference Committee appointed from the Senate and the House to confer on S. B. No. 2, by Mr. Irvine, entitled: "An Act appropriating the sum of $10,000.00 for improvements on the State Capitol Grounds," beg leave to report that the said joint committee have agreed and recommend the following:

That in line 1 of the title strike $10,000.00; and in line 3 of the bill strike $10,000.00 and insert in lieu thereof $15,000.00.

Respectfully,

C. E. YOUNG,
DAVID F. SMITH,
HERBERT MAW,

Conference Committee from the Senate.

H. P. LEATHAM,
P. F. LUDDWIG,
I. A. SMOOT,

Conference Committee from the House.

On motion of Senator Young the Conference Committee report on S. B. No. 2 was adopted.

S. B. No. 2 was then placed on its final passage and passed on the following roll call:

Ayes, 15; Nays, 0; Absent, 4.

Those voting in the affirmative were: Senators

Candland, Egan, Evans, Fowles, Griffin, Irvine, Marsden, Maw, Owens, Parratt, Ryan, Smith, Welling Young, Mr. President.

Absent and not voting, Senators Dillman, McCarthy, Musser, Patterson.

S. B. No. 2 was then transmitted to the House.

On motion of Senator Young the motion by Senator Musser that when the Senate adjourn they adjourn until 7 P. M., was reconsidered.

On motion of Senator Fowles the motion was amended that when the Senate adjourns it be until 10 A. M. Feb. 22.

The motion as amended was then carried.

REPORTS OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 21, 1930

Mr. President:

Your Committee on Public Institutions, Health and Labor, beg leave to report back for your consideration, H. B. No. 2, by Committees on Public Buildings and Grounds, State Mental Hospital and Industrial School, "An Act to amend Sections 6 and 7 of Chapter 101, Laws of Utah, 1929, relating to the Utah State Building Commission, and providing for an additional appropriation of $75,000.00 to the Utah State Hospital," without comment or recommendation..

Respectfully,

W. H. GRIFFIN,

Chairman.

Report filed.

H. B. No. 2 was placed on 2nd Reading Calendar.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 21, 1930.

Mr. President:

Your Committee on Public Institutions, Health and Labor, beg leave to report back for your consideration, H. J. R. No. 9, by Mr. Smoot, A Joint Resolution proposing an amendment to Section 3, of Article XIX of the constitution of the State of Utah, relating to the location of the State Prison, and recommend that the same be passed.

Respectfully,

W. H. GRIFFIN,

Chairman.

Report filed.

H. J. R. No. 9 was placed on 2nd Reading Calendar.

COMMUNICATIONS FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 21, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the House has this day passed, as amended H. B. No. 5, by Mr. Leatham, entitled: "An Act appropriating the sum of $12,000 for publishing constitutional amendments, and $10,000.00 to the Governor's contingent entertainment funds," and the same is herewith transmitted for your action.

Respectfully,

E. L. CROPPER,

Chief Clerk.

Communication filed.

H. B. No. 5 was read the first time and referred to the Committee on Appropriations and Claims.

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 21, 1930..

Mr. President:

I am directed t inform your Honorable Body, that the House has this day adopted the Conference Committee report and passed S. B. No. 2, by Mr. Irvine, entitled: "An Act appropriating the sum of $15,000 for improvements of the State Capitol Grounds," and the same is herewith returned for your further action.

Respectfully,

E. L. CROPPER,

Chief Clerk.

Communication filed.

S. B. No. 2 was referred to the Committee on Revision and Enrolling to be Engrossed.

On motion of Senator Irvine the Senate adjourned until Feb. 22 at 10 A. M.

TWENTY-SEVENTH DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 22, 1930.

The Senate was called to order at 10 A. M., President Gardner in the Chair.

Roll Call—All members present except Senators McCarthy, Welling and Young Excused.

Prayer by the Chaplain.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 22, 1930.

Mr. President:

We, your Committee on Revision of the Journal respectfully report that we have read the Journal for the Twenty-Sixth Day, and with minor changes, find it correct.

Respectfully,

W. H. GRIFFIN, JR.

DAVID F. SMITH.

REPORT OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 22, 1930

Mr. President:

Your Committee on State and Municipal Affairs beg leave to report back for your consideration H. C. M. No. 2, by Mr. Greenhagen, entitled: "Memorializing the Congress of the United States, urging favorable action on Senate Bill No. 3257, by Senator C. C. Dill, providing for Federal Aid to assist the State in providing Old Age Pensions," and recommend that same be not passed.

Senator Maw does not concur.

Respectfully,

W. D. CANDLAND,

Chairman.

Report filed.

H. C. M. No. 2 was placed on the Second Reading Calendar.

Senator Patterson moved that Senate proceed to discuss the Conference Committee report on S. J. R. No. 2. Motion Carried.

REPORT OF STANDING COMMITTEE

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 22, 1930

Mr. President:

Your Committee on Revision and Enrolling report back S. B. No. 9, by Mr. Egan, entitled: "An Act amending Sections 6015, Compiled Laws of Utah, 1917, as amended by Chapter 119, Laws of Utah, 1919, as amended by Chapter 97, Laws of Utah, 1923, and Sections 6016 and 6018, Compiled Laws of Utah, 1917, as amended by Chapters 120 and 121, Laws of Utah, 1919, relating to the payment of taxes," and recommend that same printed.

Respectfully,

RAY E. DILLMAN,

Chairman.

Report filed.

S. B. No. 9 was ordered printed and referred to the Committee on Revenue and Taxation.

On motion of Senator Egan the Senate adjourned until 2 P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 22, 1930.

The Senate reconvened at 2 P. M., President Gardner in the Chair.

Roll Call—All members present except Senators Irvine, McCarthy, Welling and Young, who were excused.

UNFINISHED BUSINESS

Consideration of the Conference Committe Report on S. J. R. No. 2.

On motion of Senator Patterson the Senate adjourned until Feb. 24, at 10 A. M.

TWENTY-NINTH DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 24, 1930

The Senate was called to order at 10 A. M., by President Gardner.

Roll Call—All members present except Senator McCarthy, excused.

Prayer by the Chaplain.

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 24, 1930.

Mr. President:

We, your Committee on Revision of the Journal, respectfully report that we have read the Journal for the Twenty-Seventh Day, and with minor changes, find it correct.

Respectfully,
DAVID F. SMITH,
W. D. GRIFFIN,JR.

After due consideration the President referred H. J. R. No. 1 to the Committee on State and Municipal Affairs.

UNFINISHED BUSINESS

Consideration of the Conference Committee Report on S. J. R. No. 2.

On motion of Senator Candland the Conference Committee report on S. J. R. No. 2 was recommitted to the committee and the Secretary instructed to request the House to consent to a further conference.

REPORT OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 24, 1930.

Mr. President:

Your Committee on Revision and Enrolling report back S. B. No. 2, by Mr. Irvine, entitled: "An Act appropriating the sum of $15,000.00 for improvements on the State Capitol Grounds," properly engrossed and enrolled for the signature of the President.

Respectfully,

RAY E. DILLMAN,

Chairman.

Report filed.

S. B. No. 2 was signed by the President in open session in the presence of the Senate and was transmitted to the House for the signature of the Speaker.

COMMUNICATION FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES.
State Capitol,

Salt Lake City, Utah, Feb. 24, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the Speaker has this day signed in open session in the

presence of the House, S. B. No. 2, by Mr. Irvine, entitled: "An Act appropriating the sum of $15,000.00 for improvements on the State Capitol Grounds," and the same is herewith returned for transmission to the Governor.

Respectfully,

E. L. CROPPER,

Communication filed. Chief Clerk.

S. B. No. 2 was transmitted to the Governor.

REPORT OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 22, 1930.

Mr. President:

Your Committee on Appropriations and Claims begs leave to report back for your consideration H. B. No. 5 by Mr. Leatham, entitled: "An Act appropriating the sum of $12,000 for publishing constitutional amendments and $10,000.00 to the Governor's contingent entertainment fund," and recommend that the same be passed.

Respectfully,

A. B. IRVINE,

Chairman.

Report filed.

H. B. No. 5 was placed on Second Reading Calendar.

Senator Irvine moved the rules be suspended and H. B. No. 5 be read the second time.

Motion Carried.

H. B. No. 5 was read the Second time.

H. B. No. 5 was then ordered read the third time on the following roll call:

Ayes, 18; Nays, 0; Absent, 1.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Evans, Fowles, Griffin, Irvine, Marsden, Maw, Musser, Owens, Parratt, Patterson, Ryan, Smith, Welling, Young, Mr. President.

Absent and not voting, Senator McCarthy.

On motion of Senator Irvine the rules were suspended and H. B. No. 5 was read the third time and placed on its final passage.

H. B. No. 5 then passed on the following roll call:

Ayes, 18; Nays, 0; Absent, 1.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Evans, Fowles, Griffin, Irvine, Marsden, Maw, Musser, Owens, Parratt, Patterson, Ryan, Smith, Welling, Young, Mr. President.

Absent and not voting, Senator McCarthy.

H. B. No. 5 was transmitted to the House.

On motion of Senator Parratt the Senate adjourned until 2 P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 24, 1930.

The Senate was called to order at 2 P. M. by Senator Candland by request of President Gardner.

Senator Smith was called to the Chair.

Roll Call—All members present except Senator McCarthy, excused,

COMMUNICATION FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 24, 1930.

Mr. President:

I am directed by the House to inform your Honorable Body, that the House agrees to your request for further conference on S. J. R. No. 2, by Mr. Ryan, entitled: "A Joint Resolution proposing an amendment to Sections 2 and 3, of Article 13 of the Constitution of the State of Utah, relating to revenue and taxation," and the House conferees have been directed to further confer with the conferees of the Senate.

Respectfully,

E. L. CROPPER,

Chief Clerk.

Communication filed.

REPORT OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 24, 1930

Mr. President:

Your Committee on Revenue and Taxation begs leave to report back for your consideration S. B. No. 9, by Mr. Egan, entitled: "An Act amending Sections 6015, Compiled Laws of Utah, 1917, as amended by Chapter 119, Laws of Utah, 1919, as amended by Chapter 97, Laws of Utah, 1923, and Sections 6016 and 6018, Compiled Laws of Utah, 1917, as amended by Chapter 120 and 121, Laws of

Utah, 1919, relating to the payment of Taxes," without recommendation.

Respectfully,

H. FRED EGAN,

Chairman.

Report filed.

S. B. No. 9 was placed on the 2nd Reading Calendar.

Senator Dillman moved that an opinion be obtained from the Attorney General as to whether a Legislative Session includes Sundays and Hollidays.

Motion Carried.

President Gardner resumed the Chair.

COMMUNICATIONS FROM THE GOVERNOR

Executive Office,
State Capitol,

Salt Lake City, Utah, Feb. 24, 1930

To the Senate:

I have this day approved and transmitted to the Secretary of State, S. B. No. 2, by Mr. Irvine, entitled: "An Act appropriating the sum of $15,000.00 for improvements on the State Capitol Grounds."

Very respectfully,

GEO. H. DERN,

Governor.

Communication filed.

Executive Office,
State Capitol,

Salt Lake City, Utah, Feb. 24, 1930.

To the Eighteenth Legislature of the
State of Utah in Special Session:

I have been strongly importuned by the Utah Society

for Mental Hygiene and others interested in the subject of mental health to lay before you the proposition of creating the office of State Psychiatrist in order that the standard of our institutional work might be raised and put upon a more modern and scientific basis. It would be the duty of this official to act in an advisory capacity to the Boards of all custodial state institutions as well as to the District and Juvenile Courts and the Board of Pardons. It would be idle to create such a position unless it were provided that the State Psychiatrist must be a graduate physician with institutional psychiatric training.

There is only one possible excuse for calling this subject to the attention of the Special Session as an emergency matter, instead of letting it go over to the next regular session. The Utah State Training School Commission has selected a site which will probably in the very near future be certified to the Secretary of State as provided by law. The next step will be to prepare the plans for the school.

I visited several such schools in Massachusetts and New York last summer and was in each case advised that the only safe way to proceed in establishing such a plant is to have a trained institutional man collaborate with the architect in preparing a comprehensive plan of ultimate development and in deciding upon the character and location of the initial buildings. I was told that this would be economy in the long run, because it would eliminate costly mistakes that might perpetually hamper the institution.

The most desirable way to handle this would be to select and employ the superintendent at once, and let him help in the conception and execution of the plan of construction: Since no appropriation for maintenance has been made to the State Training School, the Board of Trustees is unable to adopt this course. It has therefore been suggested that a State Psychiatrist might perform these functions in conjunction with his other import-

ant duties. I am sure the State Building Commission would welcome this sort of expert advice and cooperation.

I therefore submit the matter for your consideration.

Very respectfully,

GEO. H. DERN,

Governor.

Comunication filed.

UNFINISHED BUSINESS

Senator Parratt moved that the Conference Committee report on S. J. R. No. 2 be considered item by item, in order that the committee may have an idea of the opinion of the majority of the Senate on the report submitted February 21st.

Motion Carried.

Paragraph (1) Senator Evans moved that it be the consensus of opinion that the word "may" in the fifth line be stricken and word "shall" be inserted, also on line seven strike the words "These exemptions shall accrue to the benefit of the consumers of such power under" and insert the following: "These exemptions shall accrue to the benefit of the owners of the land irrigated by the water so pumped or to the owners of land so drained, under".

Motion Carried.

Paragraphs 2, 3, 4. Senator Fowles moved that it be the consensus of opinion that the Senate approve paragraphs 2, 3, 4.

Motion Carried.

Paragraph 5. Senator Dillman moved that it be the consensus of opinion to strike in line four the word "method" and insert the words "manner and extent".

Motion Carried.

On motion of Senator Fowles the consensus of opinion was to approve paragraph five with the above amendment.

Paragraphs 6, 7, 8. Senator Fowles moved that it be the consensus of opinion to approve paragraphs 6, 7, 8.

Motion Carried.

Paragraph 9. Senator Evans moved that it be the consensus of opinion that the Senate approve of paragraph nine.

Motion Carried.

Paragraph 10. Senator Evans moved that it be the consensus of opinion that the Senate approve of the first sentence in paragraph 10.

Motion Carried.

Senator Ryan moved that the Senate now take S. J. R. No. 5 from the table and place it on the third Reading Calendar.

Motion Carried.

Senator Parratt moved that when the Senate adjourn it do so until 7 P. M.

Motion carried.

COMMUNICATIONS FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 24, 1930..

Mr. President:

I am directed to inform your Honorable Body, that H. B. No. 5, by Mr. Leatham, entitled: "An Act appropriating the sum of $12.000 for publishing constitutional amendments, and $10,000 to the Governor's contingent entertainment fund," has been signed in open session in

the presence of the House, by the Speaker and the same is herewith transmitted for the signature of the President.

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

H. B. No. 5 was signed by the President in open session in the presence of the Senate and was returned to the House for transmission to the Governor.

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 24, 1930.

Mr. President:

I am directed to inform your Honorable Body that the House has this day passed, as amended by the House, H. B. No. 9, by Mr. Fuller, sustitute for H. B. No. 7, entitled: "An Act amending Chapter 91, Laws of Utah, 1929, defining Oleomargarine, regulating the sale thereof and providing for an excise tax thereon," and the same is herewith transmitted for your action.

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

H. B. No. 9 was read the first time and referred to the Committee on Public Institutions Health and Labor.

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 24, 1930

Mr. President:

I am directed to inform your Honorable Body that the House has this day passed, as amended by the House

H. B. No. 8, by Mr. Burton, substitute for H. B. No. 6, entitled: "An Act to amend Section 1, Chapter 145, Laws of Utah, 1921, as amended by Chapter 52, Laws of Utah, 1923, as amended by Chapter 68, Laws of Utah, 1925, regulating the sale of Cigarettes and Cigarette Paper," and the same is herewith transmitted for your action.

Respectfully,

E. L. CROPPER,

Chief Clerk.

Communication filed.

H. B. No. 8 was read first time and referred to the Committee on Public Institutions, Health and Labor.

CONSIDERATION OF BILLS ON THIRD READING

Senator Musser moved that S. J. R. No. 5 be considered. Motion Carried.

S. J. R. No. 5 was considered on third reading.

On motion of Senator Young the Senate adjourned until 7 P. M.

EVENING SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 24, 1930

The Senate reconvened at 7. P. M., President Gardner in the Chair.

Roll Call—All members present except Senators Irvine, McCarthy, Maw and Smith.

UNFINISHED BUSINESS

S. J. R. No. 5 on third reading.

REPORTS OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 24, 1930.

Mr. President:

Your Committee on Public Institutions, Health and Labor, beg leave to report back for your consideration H. B. No. 8 (substitute for H. B. No. 6) by Mr. Burton, entitled: "An Act to amend Section 1, Chapter 145, Laws of Utah, 1921, as amended by Chapter 52, Laws of Utah, 1923, as amended by Chapter 68, Laws of Utah, 1925, regulating the sale of Cigarettes and Cigarette Paper," with the following amendment: on page 3 underscore last line and recommend that the same be passed.

Respectfully,

W. H. GRIFFIN,

Chairman.

Report filed.

H. B. No. 8 was placed on the 2nd Reading Calendar.

SENATE CHAMBER,
State Capitol.
Salt Lake City, Utah, Feb. 24, 1930.

Mr. President:

Your Committee on Public Institutions, Health and Labor, beg leave to report back for your consideration, H. B. No. 9 (substitute for H. B. No. 7) by Mr. Fuller, entitled: "An Act amending Chapter 91, Laws of Utah, 1929, defining Oleomargarine, regulating the sale thereof and providing for an excise tax thereon," and recommend that the same be passed.

Respectfully,

W. H. GRIFFIN,

Report filed. Chairman.

H. B. No. 9 was placed on the 2nd Reading Calendar.

On motion of Senator Musser the Senate adjourned until Feb. 25 at 10 A. M.

Report filed.

THIRTIETH DAY

MORNING SESSION

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

The Senate was called to order at 10 A. M. by President Gardner.

Roll Call—All members present.

Prayer by the Chaplain.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

We, your Committee on Revision of the Journal, respectfully report that we have read the Journal for the Twenty-Ninth Day, and with minor changes, find it correct.

Respectfully,

DAVID F. SMITH,

W. H. GRIFFIN.

UNFINISHED BUSINESS

S. J. R. No. 5 on third reading.

Senator Gardner moved the following amendments to S. J. R. No. 5.

Strike all of lines 4 to 12 inclusive and insert in lieu thereof the following:

Sec. 4. All metalliferous mines or mining claims, both placer and rock in place, shall be assessed () as the Legislature shall provide; provided, the basis and multiple now used in determining the value of metalliferous mines for taxation purposes and the additional assessed value of $5.00 per acre thereof shall not be changed before January 1, 1935; provided further that after January 1, 1939, the Legislature may change the basis or rate of assessment and/or taxation of metalliferous mines only by a vote of two-thirds of the members elected to each house thereof. All other mines or mining claims and other valuable mineral deposits, including lands containing coal or hydrocarbons, () and all machinery used in mining and all property or surface improvements upon or appurtenant to mines or mining claims, and the value of any surface use made of mining claims, or mining property for other than mining purposes, shall be assessed () as other tangible property ().

Senator Candland moved to amend the amendment as follows:

After the figures 1935, Strike the following words "provided further that after January 1st, 1939, the Legislature may change the basis or rate of assessment and/or taxation of metalliferous mines only by a vote of two-thirds of the members elected to each house thereof. Motion carried.

The amendment as amended was then adopted.

S. J. R. No. 5 was then passed on the following roll call:

Ayes, 17; Nays, 2; Absent, 0.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Evans, Fowles, Griffin, Irvine, Marsden, Maw, McCarthy, Owens, Parratt, Ryan, Smith, Welling, Young, Mr. President.

Those voting in the negative were: Senators Musser, Patterson.

S. J. R. No. 5 was transmitted to the House.

Mr. President:

I move that the President and Secretary of the Senate be authorized to have made and framed suitable photographs of the several presidents of the State Senate and a group picture of the Senate at this Special Session and that when finished the pictures be hung in the Senate Lounge. The cost thereof not to exceed $175.00 which shall be paid out of the Senate contingent expense account.

Contingent Expense Committee on Feb. 24, 1930 gave its unanimous vote of approval.

Respectfully,

GEO. H. RYAN,

Chairman.

Report filed.

Motion Carried.

Senator Evans moved that the opinion of the Senate paragraph 10 of the conference committee report submitted Feb. 21 on S. J. R. No. 2 should, be stricken out.

Motion Carried.

On motion of Senator Irvine the Senate adjourned until 1:30 P. M.

AFTERNOON SESSION

SENATE CHAMBER,
State Capitol.

Salt Lake City, Utah, Feb. 25, 1930

The Senate reconvened at 1:30 President Gardner in the Chair.

Roll Call—All members present.

CONSIDERATION OF BILLS ON SECOND READING

H. B. No. 2 was read the second time.

On motion of Senator Young the bill was amended as follows:

Strike in the Title, line 1, "tion and 6".

In Sec. 1, line 1, strike "tion and 6".

Strike all of Section 6.

Motion Carried.

H. B. No. 2 was then ordered read the third time on the following coll call:

Ayes, 11; Nays, 0; Absent, 8.

Those voting in the affirmative were: Senators Dillman, Evans, Fowles, Marsden, Maw, McCarthy, Owens, Parratt, Welling, Young, Mr. President.

Absent and not voting, Senators Candland, Egan, Griffin, Irvine, Musser, Patterson, Ryan, Smith.

On motion of Senator Fowles the rules were suspended and H. B. No. 2 was read the third time and placed on its final passage.

H. B. No. 2 then passed on the following roll call:

Ayes, 13; Nays, 0; Absent, 6.

Those voting in the affirmative were: Senators Dillman, Egan, Evans, Fowles, Marsden, Maw, McCarthy, Owens, Parratt, Ryan, Welling, Young, Mr. President.

Absent and not voting, Senators Candland, Griffin, Irvine, Musser, Patterson, Smith.

H. B. No. 2 was transmitted to the House.

H. J. R. No. 9 was read the second time.

H. J. R. No. 9 was then ordered read the third time on the following roll call:

Ayes, 12; Nays, 0; Absent, 7.

Those voting in the affirmative were: Senators Dillman, Egan, Evans, Fowles, Marsden, Maw, McCarthy, Owens, Parratt, Welling, Young, Mr. President.

Absent and not voting, Senators Candland, Griffin, Irvine, Musser, Patterson, Ryan, Smith.

On motion of Senator Fowles the rules were suspended and H. J. R. No. 9 was read the third time and placed on its final passage.

H. J. R. No. 9 then passed on the following roll call:

Ayes, 17; Nays, 0; Absent, 2.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Evans, Fowles, Griffin, Marsden, Maw, McCarthy, Musser, Owens, Parratt, Patterson, Ryan, Welling, Young, Mr. President.

Absent and not voting, Senators Irvine, Smith.

H. J. R. No. 9 was transmitted to the House.

CONFERENCE COMMITTEE REPORT

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

To the Senate and
The House of Representatives:

Your Committee on Conference on S. J. R. No. 2 begs leave to report that it has reached an agreement respecting matters at issue between the two Houses and recommends the following:

1. On page one, line 17, concur in House amendment to the Senate amendment relating to power plants so that said amendment shall read as follows:

"Power plants, power transmission lines and other property, used for generating and delivering electrical power, a portion of which is used for furnishing power for pumping water for irrigation purposes on lands in the state of Utah, may be exempted from taxation to the extent that such property is used for such purposes. Those exemptions shall accrue to the benefit of the users of water so pumped under such regulations as the Legislature may prescribe."

2. On page 1, line 23, strike out both House and Senate amendments relating to exemptions for disabled veterans and substitute the following:

"Property not to exceed $3,000 in value, owned by disabled persons who served in any war in the military service of the United States or of the state of Utah and by the unmarried widows and minor orphans of such persons may be exempted as the Legislature may provide."

3. On page 2, lines 2, 3 and 4, concur in House amendment striking provision relating to exemption of motor vehicles.

4. On page 2, line 14, concur in House amendment striking out the word "general."

5. On page 2, line 17, after the word "property", strike House amendment relating to taxation of live stock and substitute the following: "provided that the Legislature may determine the manner and extent of taxing transient livestock and livestock being fed for slaughter to be used for human consumption.

6. On page 2, line 20, after the word "provide" concur in House amendment which reads as follows:

"provided that if intangible property be taxed as property, the rate thereof shall not exceed five mills on each dollar of valuation."

7. On page 2, line 21, concur in House amendment changing the word "may" to "shall". The committee also recommends that the word "tangible" be inserted in line 21, after the word "the" and before the word "income".

8. On page 2, line 23, after the word "taxed", concur in House amendment relating to deductions, exemptions and offsets with a slight modification so that the same shall read as follows:

"The Legislature may provide for deductions, exemptions and/or offsets on any tax based upon income.

9. On page 2, following the last preceeding amendment, concur in the House amendment relating to personal income tax and excise tax with modifications so that the same shall read as follows:

"The personal income tax rates shall be graduated but the maximum rate shall not exceed six percent of net income. No excise tax rate based upon income shall exceed four percent of net income."

10. On page 2, following the above, concur in House amendment striking Senate amendment relating to fixing the multiple of net proceeds for the taxation of mines.

11. On page 2, following the above, concur in House amendment relating to allocation of the proceeds of taxes on income, etc., modified to read as follows:

"All revenue received from taxes on income or from taxes on intangible property shall be allocated as follows: 75 percent thereof to the State District School Fund and 25 percent thereof to the State General Fund and the state levies for such purposes shall be reduced annually in proportion to the revenues so allocated. Provided that any surplus above the revenue required for the State

District School Fund as provided in Section 7 of this Article shall be paid into the State General Fund."

12. On page 2, following the provision relating to the personal income or excise taxes, the Committee recommends the insertion of the following:

"The rate limitations herein contained for taxes based on income and for taxes on intangible property shall be effective until January 1, 1937 and thereafter until changed by law by a vote of the majority of the members elected to each House of the Legislature."

Respectfully submitted,

W. D. CANDLAND,
W. H. GRIFFIN, JR.
BURTON W. MUSSER,
Conferees on behalf of the Senate.

DAVID HERSCHI
GEO. A. FULLER,
GEO. A. CRITCHIOW,
Conferees on behalf of the House of Representatives.

Senator Candland, moved the Conference Committee report on S. J. R. No. 2 be adopted.

Motion Carried.

S. J. R. No. 2 then passed on the following roll call:

Ayes, 16; Nays, 2; Absent, 1.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Evans, Fowles, Griffin, Marsden, Maw, McCarthy, Owens, Parratt, Ryan, Smith, Welling, Young, Mr. President.

Those voting in the negative were: Senators Musser, Patterson.

Absent and not voting, Senator Irvine.

S. J. R. No. 2 was transmitted to the House.

CONSIDERATION OF BILLS ON SECOND READING

H. C. M. No. 2 was read the second time.

On motion of Senator Egan H. C. M. No. 2 was laid on the table.

S. B. No. 9 was read the second time.

On motion of Senator McCarthy S. B. No. 9 was placed on the table.

COMMUNICATIONS FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the Governor has this day approved and filed with the Secretary of State, H. B. No. 5, by Mr. Leatham, entitled: "An Act appropriating the sum of $12,000 for publishing constitutional amendments, and $10,000 to the Governor's contingent entertainment fund."

Respectfully,

E. L. CROPPER,

Chief Clerk.

Communication filed.

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the House has this day passed as amended H. J. R. No. 8, by Mr. Burton, entitled: "A Joint Resolution proposing an amendment to Section 4, Article 13, of the Constitu-

tion relating to revenue and taxation," and the same is herewith transmitted for your action.

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

H. J. R. No. 8 was read the first time and referred to the Committee on State and Municipal Affairs.

Senator Patterson moved that H. C. M. No. 2 be taken from the table and asked that four Senators join him in demand for a roll call.

The necessary number arose.

The motion was lost on the following roll call:

Ayes, 7; Nays, 9; Absent, 3.

Those voting in the affirmative were: Senators Evans, Fowles, Maw, Musser, Parratt, Patterson, Smith.

Those voting in the negative were: Senators Candland, Dillman, Egan, Irvine, Marsden, Owens, Welling, Young, Mr. President.

Absent and not voting, Senators Griffin, McCarthy, Ryan.

CONSIDERATION OF BILLS ON SECOND READING

H. B. No. 8 was read the second time.

Senator Evans moved that on Page 3, last line, be underscored.

Motion Carried.

On motion of Senator Evans the rules were suspended and H. B. No. 8 was ordered read the third time on the following roll call:

Ayes, 17; Nays, 0; Absent, 2.

Those voting in the affirmative were: Senators Dillman, Egan, Evans, Fowles, Irvine, Marsden, Maw,

McCarthy, Musser, Owens, Parratt, Patterson, Ryan, Smith, Welling, Young, Mr. President.

Absent and not voting, Senators Candland, Griffin.

On motion of Senator Evans the rules were suspended and H. B. No. 8 was read the third time and placed on its final passage.

H. B. No. 8 then passed on the following roll call:

Ayes, 17; Nays, 0; Absent, 2.

Those voting in the affirmative were: Senators Dillman, Egan, Evans, Fowles, Irvine, Marsden, Maw, McCarthy, Musser, Owens, Parratt, Patterson, Ryan, Smith, Welling, Young, Mr. President.

Absent and not voting, Senators Candland, Griffin.

H. B. No. 8 was transmitted to the House.

H. B. No. 9 was read the second time.

H. B. No. 9 was then ordered read the third time on the following roll call:

Ayes, 15; Nays, 0; Absent, 4.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Evans, Marsden, Maw, McCarthy, Musser, Owens, Parratt, Ryan, Smith, Welling, Young, Mr. President.

Absent and not voting, Senators Fowles, Griffin, Irvine, Patterson.

On motion of Senator Evans the rules were suspended and H. B. No. 9 was read the third time and placed on its final passage.

H. B. No. 9 then passed on the following roll call:

Ayes, 15; Nays, 0; Absent, 4.

Those voting in the affirmative were: Senators

Candland, Dillman, Egan, Evans, Marsden, Maw, McCarthy, Musser, Owens, Parratt, Ryan, Smith, Welling, Young, Mr. President.

Absent and not voting, Senators Fowles, Griffin, Irvine, Patterson.

H. B. No. 9 was transmitted to the House.

COMMUNICATION FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,
Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the House has this day passed, as amended H. J. R. No. 10, by Mr. S. M. Jorgenson, entitled: "A joint resolution providing for amendments to House Joint Resolutions numbers Three and Eight passed by the Legislature in 1929, proposing to amend Section 3, Article 10, and Section 7, Article 13 of the Constitution of the State of Utah, relating to the State School Fund and the manner of distributing the interest of such fund and other revenues of the several school districts of the state," and the same is herewith transmitted for your action.

Respectfully,
E. L. CROPPER,
Chief Clerk.

Communication filed.

H. J. R. No. 10 was read the first time and referred to the Committee on Education.

REPORT OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol.
Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

Your Committee on Education report back House

Joint Resolution No. 10, by Mr. S. M. Jorgensen, being a Joint Resolution: "providing for amendments to House Joint Resolution numbers three and eight passed by the Legislature in 1929, proposing to amend Section 3, Article 10, and Section 7, Article 13 of the Constitution of the State of Utah relating to the State School Fund and the manner of distributing the interest of such fund and other revenues to the several school districts of the state," and recommend that same be passed.

Respectfully,

RAY E. DILLMAN.
Chairman.

Report filed.

H. J. R. No. 10 was placed on 2nd Reading Calendar.

Senator Fowles moved that the rules be suspended and H. J. R. No. 10 be considered on Second Reading.

Motion Carried.

H. J. R. No. 10 was read the second time.

COMMUNICATIONS FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

I am directed to inform your Honorable Body, that H. J. R. No. 9, by Mr. Smoot, entitled: "A Joint Resolution proposing an amendment to Section 3, of Article XIX of the Constitution of the State of Utah, relating to the location of the State Prison," has been signed in open Session in the presence of the House, by the Speaker and the same is herewith transmitted for the signature of the President.

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

H. J. R. No. 9 was signed by the President in open session in the presence of the Senate and was returned to the House for transmission to the Secretary of State.

THE HOUSE OF REPRESENTATIVES,
State Capitol,
Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

I am directed to inform your Honorable Body, that H. B. No. 2, by Committees on Public Buildings and Grounds, State Mental Hospital and Industrial School, entitled: "An Act to amend Section 7 of Chapter 101, Laws of Utah, 1929, relating to the Utah State Building Commission, and providing for an additional appropriation of $75,000.00 to the Utah State Hospital," has been signed in open session in the presence of the House, by the Speaker, and the same is herewith transmitted for the signature of the President.

Respectfully,
E. L. CROPPER,
Chief Clerk.

Communication filed.

H. B. No. 2 was signed by the President in open session in the presence of the Senate and returned to the House for transmission to the Governor.

Senator Musser moved that when the Senate adjourn it do so until 7 P. M.

Motion Carried.

Consideration of H. J. R. No. 10 on Second Reading.

Senator Irvine moved to amend H. J. R. No. 10 on page 2, line 6 after the first comma insert "—" and on line 8 after the comma following the word "schools" insert "—".

Motion Carried.

H. J. R. No. 10 was then ordered read the third time on the following roll call:

Ayes, 16; Nays, 0; Absent, 3.

Those voting in the affirmative were: Senators Dillman, Evans, Griffin, Irvine, Marsden, Maw, McCarthy, Musser, Owens, Parratt, Patterson, Ryan, Smith, Welling, Young, Mr. President.

Absent and not voting, Senators Candland, Egan, Fowles.

On motion of Senator Dillman the rules were suspended and H. J. R. No. 10 was read the third time and placed on its final passage.

H. J. R. No. 10 then passed on the following roll call:

Ayes, 19; Nays, 0; Absent, 0.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Evans, Fowles, Griffin, Irvine, Marsden, Maw, McCarthy, Musser, Owens, Parratt, Patterson, Ryan, Smith, Welling, Young, Mr. President.

H. J. R. No. 10 was transmitted to the House.

On motion of Senator Musser the Senate adjourned.

EVENING SESSION

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 25, 1930.

The Senate reconvened at 7 P. M., President Gardner in the Chair.

Roll Call—All members present except Senator Irvine.

COMMUNICATIONS FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES
State Capitol,
Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

I am directed to inform your Honorable Body, that H. B. No. 8, by Mr. Burton, entitled: "An Act to amend

Section 1, Chapter 145, Laws of Utah, 1921, as amended by Chapter 52, Laws of Utah, 1923, as amended by Chapter 68, Laws of Utah, 1925, regulating the sale of Cigarettes and Cigarette Paper," has been signed in open Session in the presence of the House, by the Speaker and the same is herewith transmitted for the signature of the President.

Respectfully,
E. L. CROPPER,
Chief Clerk.

Communication filed.

H. B. No. 8 was signed by the President in open session in the presence of the Senate and was returned to the House for transmission to the Governor.

THE HOUSE OF REPRESENTATIVES,
State Capitol,
Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

I am directed to inform your Honorable Body, that H. B. No. 9, by Mr. Fuller, entitled: "An Act amending Chapter 91, Laws of Utah, 1929, defining Oleomargarine, regulating the sale thereof and providing for an excise tax thereof," has been signed by the Speaker in open session in the presence of the House and the same is herewith transmitted for the signature of the President.

Respectfully,
E. L. CROPPER,
Chief Clerk.

Communication filed.

H. B. No. 9 was signed by the President in open session in the presence of the Senate and was returned to the House for transmission to the Governor.

THE HOUSE OF REPRESENTATIVES
State Capitol,
Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

This is to inform your Honorable Body, that the

Governor has this day approved and filed with the Secretary of State, H. B. No. 2, by Committees on Public Buildings and Grounds, State Mental Hospital and Industrial School, entitled: "An Act to amend Section 7 of Chapter 101, Laws of Utah, 1929, relating to the Utah State Building Commission, and providing for an additional appropriation of $75,000, to the Utah State Hospital."

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

THE HOUSE OF REPRESENTATIVES
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the House has this day passed as amended by the House, S. J. R. No. 5, by Mr. McCarthy, entitled: "A Joint Resolution providing for an amendment to Section 4, Article 13, of the Constitution of the State of Utah, relating to taxation of mines and mining property," and the same is herewith returned for your further action.

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

On motion of Senator Fowles the Senate concurred in the House amendments.

S. J. R. No. 5 then passed on the following roll call:

Ayes, 18; Nays, 0; Absent, 1.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Evans, Fowles, Griffin, Mars-

den, Maw, McCarthy, Musser, Owens, Parratt, Patterson, Ryan, Smith, Welling, Young, Mr. President.

Absent and not voting, Senator Irvine.

S. J. R. No. 5 was referred to the Committee on Revision and Enrolling to be Engrossed.

THE HOUSE OF REPRESENTATIVES
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the House adopted the Conference Committee report and passed S. J. R. No. 2, by Mr. Ryan, entitled: "A Joint Resolution proposing an amendment to Sections 2 and 3 of Article 13 of the Constitution of the State of Utah, relating to revenue and taxation," and the same is herewith returned for your further action.

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

S. J. R. No. 2 was referred to the Committee on Revision and Enrolling to be Engrossed.

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

This is to inform your Honorable Body, that the House has this day passed as amended by the Senate and House S. J. R. No. 3, by Mr. Ryan, entitled: "A Joint Resolution proposing an amendment to Section 11, of Article 13 of the Constitution of the State of Utah, re-

lating to revenue and taxation," and the same is herewith returned for your further action.

Respectfully,

E. L. CROPPER,

Chief Clerk.

Communication filed.

On motion of Senator Musser the Senate concurred in the House amendments to S. J. R. No. 3.

S. J. R. No. 3 was placed on its final passage and passed on the following roll call:

Ayes, 18; Nays, 0; Absent, 1.

Those voting in the affirmative were: Senators Candland, Dillman, Egan, Evans, Fowles, Griffin, Marsden, Maw, McCathy, Musser, Owens, Parratt, Patterson, Ryan, Smith, Welling, Young, Mr. President.

Absent and not voting, Senator Irvine.

S. J. R. No. 3 was referred to the Committee on Revision and Enrolling to be Engrossed.

REPORT OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

Your Committee on Revision and Enrolling report back S. J. R. No. 5, by Mr. McCarthy, entitled: "A Joint Resolution providing an amendment to Section 4, Article 13, of the Constitution of the State of Utah, relating to the taxation of mines and mining property," properly engrossed and enrolled for the signature of the President.

Respectfully,

RAY E. DILLMAN,
Chairman.

Report filed.

S. J. R. No. 5 was signed by the President in open session in the presence of the Senate and was transmitted to the House for the signature of the Speaker.

COMMUNICATION FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES
State Capitol,
Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

I am directed to inform your Honorable Body, that H. J. R. No. 10, by S. M. Jorgensen, entitled: "A Joint Resolution providing for an amendment to House Joint Resolution numbers three and eight passed by the Legislature in 1929, proposing to amend Section 3, Article 10, and Section 7, Article 13 of the Constitution of the tSate of Utah, relating to the State School Fund and the manner of distributing the interest of such fund and other revenues of the several school districts of the State," has been signed in open session in the presence of the House, by the Speaker and the same is herewith transmitted for the signature of the President.

Respectfully,
E. L. CROPPER,
Chief Clerk.

Communication filed.

H. J. R. No. 10 was signed by the President in open session in the presence of the Senate and was returned to the House for transmission to the Secretary of State.

On motion of Senator Evans H. J. R. No. 1 and H. J. R. No. 8 were rejected by the Senate.

COMMUNICATIONS FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES
State Capitol,
Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

I am directed to inform your Honorable Body, that

the Speaker has signed in the presence of the House, S. J. R. No. 5, by Mr. McCarthy, entitled: "A Joint Resolution providing for an amendment to Section 4, Article 13, of the Constitution of the State of Utah, relating to the taxation of mines and mining property," and the same is returned herewith for transmission to the Secretary of State.

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

S. J. R. No. 5 was transmitted to the Secretary of State.

THE HOUSE OF REPRESENTATIVES
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the Governor has this day approved and filed with the Secretary of State, H. B. No. 8, by Mr. Burton, entitled: "An Act to amend Section 1, Chapter 145, Laws of Utah, 1921, as amended by Chapter 52, Laws of Utah, 1923, as amended by Chapter 68, Laws of Utah, 1925, regulating the sale of Cigarettes and Cigarette Paper."

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

THE HOUSE OF REPRESENTATIVES
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the Governor has this day approved and filed with the

Secretary of State, H. B. No. 9, by Mr. Fuller, entitled: "An Act amending Chapter 91, Laws of Utah, 1929, defining Oleomargarine, regulating the sale thereof and providing for an excise tax thereon."

Respectfully,
E. L. CROPPER,
Chief Clerk.

Communication filed.

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the House has this day passed as amended, H. B. No. 4, by Mr. Critchlow, entitled: "An Act to continue the existence of the Utah Tax Revision Commission created by Chapter 99, Laws of Utah, 1929, reducing the number of said commission to two and appropriating $20,000.00," and the same is herewith transmitted for your action.

Respectfully,
E. L. CROPPER,
Chief Clerk.

Communication filed.

H. B. No. 4 was read the first time.

On motion of Senator Ryan the rules were suspended and H. B. No. 4 was read the second time.

On motion of Senator Dillman the House amendment at end of line 10, page 1, "and particularly to conduct a comprehensive study and investigation of mine taxation with special reference to the condition in this state, and to report its findings and recommendations as hereinafter provided", was stricken.

H. B. No. 4 was rejected on the following roll call:

Ayes, 3; Nays, 15; Absent, 1.

Those voting in the affirmative were: Senators Maw, Parratt, Ryan.

Those voting in the negative were: Senators Candland, Dillman, Egan, Evans, Fowles, Griffin, Marsden, McCarthy, Musser, Owens, Patterson, Smith, Welling, Young, Mr. President.

Absent and not voting, Senator Irvine.

H. B. No. 4 was returned to the House.

REPORT OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

Your Committee on Revision and Enrolling report back S. J. R. No. 2, by Mr. Ryan, entitled: "A Joint Resolution proposing an amendment to Sections 2 and 3, of Article 13, of the Constitution of the State of Utah, relating to Revenue and Taxation," properly engrossed and enrolled for the signature of the President.

Respectfully,

RAY E. DILLMAN,
Chairman.

Report filed.

S. J. R. No. 2 was signed by the President in open session in the presence of the Senate and was transmitted to the House for the signature of the Speaker.

COMMUNICATION FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the Speaker has this day signed in open Session, in the presence of the House, S. J. R. No. 2, by Mr. Ryan, entitled: "A Joint Resolution proposing an amendment to

Sections 2 and 3 of Article 13 of the Constitution of the State of Utah, relating to revenue and taxation," the same is herewith returned for transmission to the Secretary of State.

Respectfully,
E. L. CROPPER,
Chief Clerk.

Communication filed.

S. J. R. No. 2 was transmitted to the Secretary of State.

REPORTS OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,
Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

Your Committee on Revision and Enrolling report back S. J. R. No. 3, by Mr. Ryan, by Request of the Utah Tax Revision Commission, entitled: "A Joint Resolution proposing an amendment to Section 11, of Article 13, of the Constitution of the State of Utah, relating to revenue and taxation," properly engrossed and enrolled for the signature of the President.

Respectfully,
RAY E. DILLMAN,
Chairman.

Report filed.

S. J. R. No. 3 was signed by the President in open session in the presence of the Senate and transmitted to the House for the signature of the Speaker.

COMMUNICATIONS FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,
Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

This is to inform your Honorable Body, that the House has this day passed as amended, S. B. No. 8, by

Mr. Dillman, entitled: "An Act amending Sections 5 and 6, Chapter 16, Laws of Utah, 1925, relating to registration and tuition fees of the University of Utah, the Utah State Agricultural College, and the branch of the Utah State Agricultural College at Cedar City, and other fees at these institutions, and the payment into the State Treasury of all moneys received, and providing for disbursement of Union Building Fees," and the same is herewith returned for your further action.

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

On motion of Senator Dillman the Senate concurred in the House amendments to S. B. No. 8.

S. B. No. 8 then passed on the following roll call:

Ayes, 14; Nays, 2; Absent, 3.

Those voting in the affirmative were: Senators Candland, Dillman, Evans, Griffin, Marsden, Maw, McCarthy, Owens, Parratt, Ryan, Smith, Welling, Young, Mr. President.

Those voting in the negative were: Senators Musser, Patterson.

Absent and not voting, Senators Egan, Fowles, Irvine.

S. B. No. 8 was referred to the Committee on Revision and Enrolling to be Engrossed.

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

This is to inform your Honorable Body, that the House has this day passed as amended, S. B. No. 3, by

Mr. Candland, entitled: "An Act to provide for the collection, compilation and summarization of taxation statistics and making an appropriation therefor," and the same is herewith returned for your further action.

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

On motion of Senator Maw the Senate concurred in the House amendments to S. B. No. 3.

S. B. No. 3 then passed on the following roll call:

Ayes, 13; Nays, 4; Absent, 2.

Those voting in the affirmative were: Senators Dillman, Evans, Fowles, Griffin, Marsden, Maw, Owens, Parratt, Ryan, Smith, Welling, Young, Mr. President.

Those voting in the negative were: Senators Candland, Egan, Musser, Patterson.

Absent and not voting, Senators Irvine, McCarthy.

S. B. No. 3 was referred to the Committee on Revision and Enrolling to be Engrossed.

THE HOUSE OF REPRESENTATIVES,
State Capitol,
Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the Speaker has this day signed in open Session in the presence of the House, S. J. R. No. 3, by Mr. Ryan, entitled: "A Joint Resolution proposing an amendment to Section 11, of Article 13 of the Constitution of the State of Utah, relating to revenue and taxation," the same is herewith returned for transmission to the Secretary of State.

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

S. J. R. No. 3 was transmitted to the Secretary of State.

The President appointed Senators Dillman, Owens, and Evans to wait upon the Governor and ask if he had any further Conmunnications for the Senate.

The President also appointed Senators Ryan, Welling and Smith to notify the House that the Senate had concluded its business and was ready to adjourn Sine Die.

COMMUNICATION FROM THE GOVERNOR

Executive Office,
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

To the Senate:

I have the honor to inform you that I have no further Legislative business to call to the attention of the Eighteenth Legislature in Special Session convened.

I avail myself of this opportunity to congratulate you upon your success in taking the first steps toward a thorough and scientific revision of the State's system of taxation. I have confidence that the people will approve your actions, and thereby make it possible for the next Legislature to put into effect a new tax system that shall decrease existing inequalities and thus promote equity and contentment.

Please permit me to express my gratitude for your Cordial cooperation with the Executive Department.

Very respectfully,

GEO. H. DERN,
Governor.

Communication filed.

Senator Parratt moved that S. B. No. 9 be removed from the table and that the enacting clause be stricken.

Motion Carried.

Senator Candland moved that H. C. M. No. 2 be removed from the table and that the Senate reject it.

Motion Carried.

H. C. R. No. 2 was returned to the House.

A Committe consisting of Representatives Killian, Greenhagen, and Clauson from the House, reported the House was ready to adjourn.

On motion of Senator Evans the gratitude of the Senate was expressed to the daily news papers of Salt Lake, Representatives of the press for their fair and friendly reports of proceedings; to the Salt Lake Chamber of Commerce, Vern McCullough, and Hardy Downing, President Thomas of the U. of U. The "Third House", Agricultural College, Salt Lake City Police Department.

On motion of Senator Ryan the appreciation of the Senate was expressed to the Secretary, the Minute Clerk, Docket Clerk, Sergeant-at-arms, Chaplain, Committee Clerks, Dookeepers, watchmen and all other help.

REPORTS OF STANDING COMMITTEES

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

Your Committee on Revision and Enrolling report back Senate Bill No. 8, by Mr. Dillman, entitled: "An Act amending Sections 5 and 6, Chapter 16, Laws of Utah, 1925, relating to registration and tuition fees of the University of Utah, the Utah State Agricultural College, and the branch of the Utah State Agricultural College at Cedar City, and other fees at these institutions, and the payment into the state treasury of all moneys received,

and providing for disbursement of Union Building Fees," properly engrossed and enrolled for the signature of the President.

Respectfully,

RAY E. DILLMAN,
Chairman.

Report filed.

S. B. No. 8 was signed by the President in open session in the presence of the Senate and was transmitted to the House for the signature of the Speaker.

SENATE CHAMBER,
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

Your Committee on Revision and Enrolling report back S. B. No. 3, by Mr. Candland, entitled: "An Act to provide for the collection, compilation and summarization of taxation statistics and making an appropriation therefor," properly engrossed and enrolled for the signature of the President.

Respectfully,

RAY E. DILLMAN,
Chairman.

Report filed.

S. B. No. 3 was signed by the President in open session in the presence of the Senate and was transmitted to the House for the signature of the Speaker.

COMMUNICATIONS FROM THE HOUSE

THE HOUSE OF REPRESENTATIVES,
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

I am directed to inform your Honorable Body, that

the Speaker has this day signed in open session, in the presence of the House, S. B. No. 3, by Mr. Candland, entitled: "An Act to provide for the collection, compilation and summarization of taxation statistics and making an appropriation therefor," the same is herewith returned for transmission to the Governor.

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

S. B. No. 3 was transmitted to the Governor.

THE HOUSE OF REPRESENTATIVES
State Capitol,

Salt Lake City, Utah, Feb. 25, 1930.

Mr. President:

I am directed to inform your Honorable Body, that the Speaker has this day signed in open session, in the presence of the House, S. B. No. 8, by Mr. Dillman, entitled: "An Act amending Sections 5 and 6, Chapter 16, Laws of Utah, 1925, relating to registration and tuition fees of the University of Utah, the Utah State Agricultural College, and the branch of the Utah State Agricultural College at Cedar City, and other fees at these institutions, and the payment into the State Treasury of all moneys received, and providing for disbursement of Union Building Fees," the same is herewith returned for transmission to the Governor.

Respectfully,

E. L. CROPPER,
Chief Clerk.

Communication filed.

S. B. No. 8 was transmitted to the Governor.

On motion of Senator Candland the Eighteenth Special Session of the Utah State Senate was adjourned Sine Die.

RECORD OF ALL BILLS AND MEMORIALS PASSED BY THE SPECIAL SESSION OF THE EIGHTEENTH LEGISLATURE OF THE STATE OF UTAH, AND APPROVED BY THE GOVERNOR

SENATE BILLS

No.	Author	Subject
1	Ryan	Appropriation for Roads, State Capitol Grounds.
2	Irvine	Appropriation for Improvements, Capitol Grounds.
3	Candland	Compilation of Taxation Statistics.
4	Candland	Continuing Code Commission.
5	Candland	Repealing Sections 2200, 2201 and 2202, Compiled Laws of Utah, 1917.
7	Irvine	Vacancies in Office of Representative in Congress.
8	Dillman	Registration and Tuition, University of Utah.

SENATE CONCURRENT MEMORIALS

1	Dillman	To Protect Future Rights in Moffatt Tunnel.

HOUSE BILLS

1	Leatham	Legislative Expenses.
2	Committee on Public Buildings and Grounds	Relating to State Building Commission.
5	Leatham	Publishing Constitutional Amendments.
8	Burton	Sale of Cigarettes and Cigarette Paper.
9	Fuller	Regulating Sale of Oleomargarine.

HOUSE CONCURRENT MEMORIALS

1	Burton	Tax Upon National Banks.

RECORD OF JOINT RESOLUTIONS PASSED BY THE SPECIAL SESSION OF THE EIGHTEENTH LEGISLATURE OF THE STATE OF UTAH AND FILED WITH THE SECRETARY OF STATE

SENATE JOINT RESOLUTIONS

No.	Author	Subject
2	Ryan	Relating to Revenue and Taxation.
3	Ryan	Relating to Revenue and Taxation.
5	McCarthy	Relating to Revenue and Taxation.
6	Irvine	Relating to Vacancies in the Legislature.

HOUSE JOINT RESOLUTIONS

9	Smoot	Location of State Prison
10	S. M. Jorgensen	Relating to the State School Fund

COMMUNICATIONS FROM THE GOVERNOR

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CERTIFICATION

I, H. L. Cummings, Secretary of the Senate of the State of Utah, do hereby certify that the within is a full, true and correct record of the proceedings of the Special Session of the Senate, of the Eighteenth Legislature of the State of Utah, held at Salt Lake City, Utah, commencing on the 27th day of January, A. D. 1930, and ending on the 25th day of February, A. D. 1930.

H. L. CUMMINGS,

Secretary.

SENATE BILLS

Number	AUTHOR — SUBJECT	Introduced and Read First Time	Read Second Time	Read Third Time	Transmitted to House	Signed By President	Signed By Speaker	Action of Governor	OTHER REFERENCES
1	Ryan—Appropriation For Roads Around State Capitol	108	146	154	154	209	211	214	120, 139, 153, 207
2	Irvine—Appropriation For Improvements On State Capitol Grounds	118	136	139	140 229	235	236	239	126, 131, 133, 207, 210, 213, 228, 229, 231
3	Candland—Compilation of Taxation Statistics	163	196	203	228	274	275		175, 193, 197, 208, 225, 270
4	Candland—Continuation of Code Commission	164	189	189	189	206	211	215	175, 182, 202
5	Candland—Repealing Sections 2200, 2201 and 2202, Compiled Laws of Utah, 1917	165	190	190	191	206	212	215	176, 187, 202, 205
6	Ryan—Continuing the Utah Tax Revision Commission	165	197	203					176, 194, 199
7	Irvine—Vacancies in Office of Representative in Congress	165	191	191	192	207	212	215	178, 188, 203, 205, 206
8	Dillman—Registration and Tuition University of Utah	165	195	196	196	274	275		177, 183, 269
9	Egan—Relating to Payment of Taxes	224	254						233, 238, 272

SENATE CONCURRENT MEMORIALS

Number	AUTHOR — SUBJECT	Introduced and Read First Time	Read Second Time	Read Third Time	Transmitted to House	Signed By President	Signed By Speaker	Action of Governor	OTHER REFERENCES
1	Dillman—To Protect Future Rights in Moffatt Tunnel	157	179	180	180	198	200	208	159, 173, 190

SENATE RESOLUTIONS

1	Patterson—Relating to Colorado River Compact	179							188

SENATE JOINT RESOLUTIONS

Number	AUTHOR —— SUBJECT	Introduced and Read First Time	Read Second Time	Read Third Time	Transmitted to House	Signed By President	Signed By Speaker	Transmitted to Secretary of State	OTHER REFERENCES
1	Musser—Relating to Revenue and Taxation	103			253				104, 105, 112
2	Ryan—Relating to Revenue and Taxation	106	116	136	153	268	269	269	107, 112, 113, 118, 119, 121, 129, 131, 132, 133, 135, 137, 139, 141, 142, 145, 146, 149, 150, 151, 192, 194, 217, 233, 234, 235, 236, 250, 263
3	Ryan—Creating a State Tax Commission	106	114	118	128	269	271	272	108, 112, 113, 116, 125, 126, 127, 263, 264
4	Ryan—Relating to Revenue and Taxation	142	156						145, 151, 157, 158
5	McCarthy—Relating to Revenue and Taxation	146	158	164	248	265	266	266	147, 151, 173, 186, 242, 244, 246, 262, 264
6	Irvine—Relating to Vacancies in the Legislature	165	199	200	200	210	210		174, 187, 204, 209

HOUSE BILLS

Number	AUTHOR — SUBJECT	Introduced and Read First Time	Read Second Time	Read Third Time	Transmitted to House	Signed By President	Signed By Speaker	Action of Governor	OTHER REFERENCES
1	Leatham—Legislative Expenses	100	101	101	101	103	102	105	
2	Committee on Public Buildings and Grounds—Relating to State Building Commission	216	249	249	250	259	259	262	229
4	Critchlow—Continue Utah Tax Revision Commission	267	267						267
5	Leatham—Publishing Constitutional Amendments	231	236	237	237	243	242	254	230, 236
8	Burton—Sale of Cigarettes and Cigarette Paper	244	255	256	256	261	261	266	245
9	Fuller—Regulating The Sale of Oleomargarine	243	256	256	257	261	261	266	245

HOUSE CONCURRENT MEMORIALS

1	Burton—Tax Upon National Banks	134	157	164	164	179	178	199	155, 156, 158
2	Greenhagen—Old Age Pensions	178	254						232, 273

HOUSE JOINT RESOLUTIONS

1	Committee on Revenue and Taxation—Relating to Revenue and Taxation	181							235, 265
8	Burton—Relating to Revenue and Taxation	255							265
9	Smoot—Location of State Prison	217	250	250	250	259	258		230
10	S. M. Jorgensen—Relating to the State School Fund	257	258	260	260	265	265		