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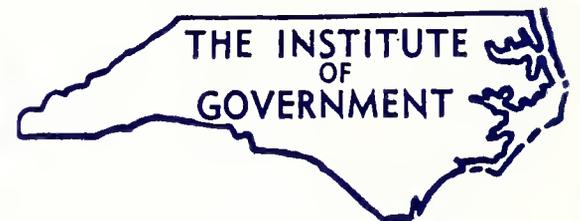
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POPULAR GOVERNMENT

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SEPTEMBER, 1939

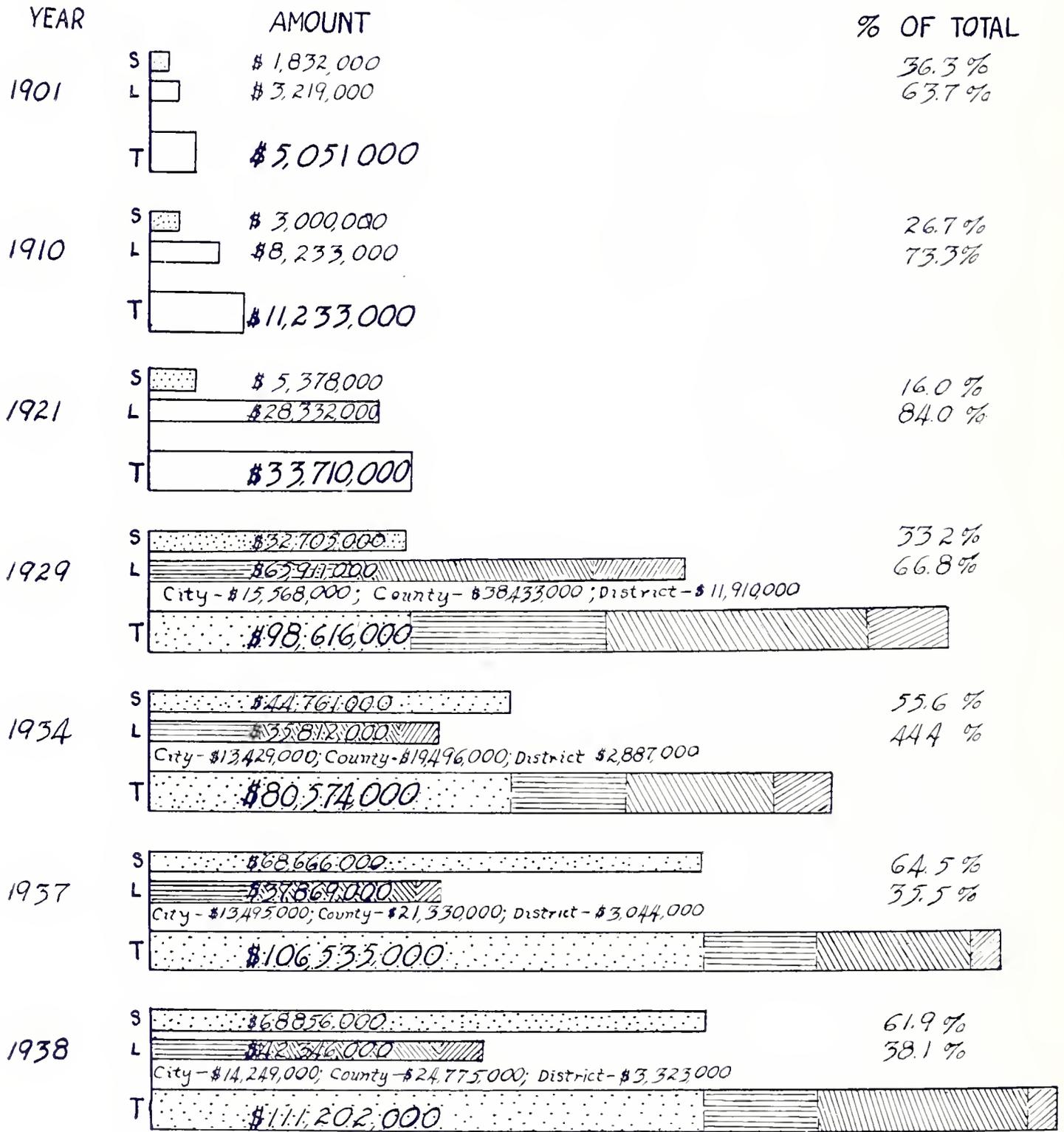
VOL. 6, NO. 1

J. Wallace Whitborne

COMPARATIVE SIZE OF TOTAL TAX BILL - LOCAL AND STATE, 1901-1938

(INCLUDES STATE, COUNTY-WIDE, DISTRICT AND TOWN)

S - State
 L - Local
 - City
 T - Total
 - County
 - District
 - State



POPULAR GOVERNMENT

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SEPTEMBER
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North Carolina Per Capita Tax Increases Twenty-Fold during Past 38 Years

Increasing Services Push Total Tax Bill from 1901 figure of \$5,000,000 to New 1938 High of \$111,000,000

By ALBERT COATES, Director
of the Institute of Government

NORTH CAROLINA'S state and local tax bill increased from \$5,000,000 in 1901 to \$111,000,000 in 1938, as indicated on the accompanying chart, prepared by W. S. Mitchell of the Institute of Government staff.

It doubled from 1901 to 1910, trebled from 1910 to 1921, trebled again from 1921 to 1930, and for the first time passed the hundred million dollar mark in 1930 with a total levy of \$102,000,000. In 1934 it cut 1/5 from its former high total, dropping back to \$80,000,000, and then climbed at a much slower pace, about \$7,500,000 a year, to a new high level of \$111,000,000 in 1938.

Local Percentage Drops

The chart becomes even more interesting on further analysis. In 1901 the state tax bill was 36.3% of the total, and the local was 63.7%, but by 1938 this ratio almost completely reversed, with the local tax bill 38.1% of the total and the state 61.9%.

The turning point came between 1921 and 1923. In the twenty years from 1901 to 1921 the State tax bill, though steadily increasing in amount, dropped in proportion from 1/3 to 1/6 of the total, while the local tax bill increased from 2/3 to 5/6 of the total.

After 1921 the state tax bill began gaining on the local. From 16% of the total tax bill in 1921, it increased to 33% in 1929, to 55% in 1934, to 64% in 1937.

These shifting proportions tell a story of shifting burdens from local shoulders to the State. It is a story of the shift of local school support: from state aid to local units in 1901, to state support of the six months term in 1931, to state support of the eight months term in 1933—with pressure for increases already applied, and twelfth grade additions in the offing.

It is a story of the shift of local road support: from state aid to counties from 1915 to 1921, to state support of a primary system of hard surfaced roads from 1921 to 1931, to state support of all roads outside cities and towns since 1931.

It is also a story of expanding state and local activities along many lines. Future issues of POPULAR GOVERNMENT will undertake to analyze these expanding activities in order to show where tax money goes.

Shifting Burdens

These shifting burdens, along with the depression, are reflected in local budgets.

Cities. The total city tax bill has ranged from \$15,000,000 in 1929, to \$13,000,000 in 1934, to \$14,000,000 in 1938. (School operating taxes levied by city authorities are included in the district tax totals.)

Counties. The total county tax bill has ranged from \$38,000,000 in 1929, to \$19,000,000 in 1934, to \$25,000,000 in 1938—this latter increase being explained in large part by Social Security requirements.

Special Districts. The total district tax bill has ranged from \$12,000,000 in 1929 to \$3,000,000 in 1938.

(Continued on page 10)

Governmental Services Expand With Costs

It should be noted that the "total tax bill," as discussed in this article and as illustrated in the accompanying chart, includes actual tax collections for the state and tax levies for local units, and excludes other sources of revenue, such as fees, water rents, special assessments, etc.

It should be noted that the "total tax bill," as discussed in this article to show expanding governmental services corresponding to increasing governmental costs. Future issues of POPULAR GOVERNMENT will tell this story. It is just as true to say that governmental services are at their highest peak, as it is to say that governmental costs are at their highest peak.

Both article and chart are based largely on reports from cities and counties to the State Revenue Department, made available through the courtesy of A. J. Maxwell, Commissioner of Revenue.

New WPA Laws

THE 1940 relief act makes a number of changes and adds several restrictions to the spending of WPA funds of far-reaching importance to North Carolina cities and counties with projects under way or in contemplation, as well as to the workers on such projects.

1. Sponsors' contributions to WPA projects after January 1 must average 25% of the total cost. This does not mean that the State WPA office can not go over its 75% limit in emergencies, but its share for all projects for the year must not average more than 75%.

2. Federal contributions will be limited to a maximum of \$52,000 for a non-federal project and \$50,000 for a federal building constructed by WPA.

3. Beginning September 1, all WPA workers who have been on the rolls for 18 months, except veterans, are to be dismissed. These will be eligible for re-employment after 30 days if re-certified.

4. Payment of the "prevailing wage" for that type of work in the particular section has been abolished. Henceforth, each WPA worker must work 130 hours a month to receive the "security wage" which is set, and which is to be the same throughout the country for the same types of work, with slight differentials for living costs.

Widespread WPA strikes against the "security wage" provisions have since led to the promulgation of wage increases by the different State WPA offices. This increase, of course, means a parallel increase in the contribution of each city or county sponsoring a project.

The new "security wage" scale, announced for this State on August 16, puts WPA pay as follows: Unskilled "B" (inside work)—\$31.20, \$36.40, and \$42.90 for counties in which the population of the largest municipality in 1930 was under 5,000, 25,000, and 100,000 respectively. Unskilled "A" (outside work)—35.10, 40.30, and 48.10, respectively. Intermediate—42.90, 48.10, and 57.20. Skilled—54.60, 62.40, and 74.10. Professional and technical—55.90, 65.00, and 75.40.



Williamston's handsome new WPA swimming pool.

Relief Outlook

MRS. W. T. BOST'S appeal as State Welfare head to the County Commissioners at their annual convention this month to make provision in their budgets for the needy who are being cut off WPA and other federal projects raises several timely questions for officials and taxpayers.

What is the outlook for public work and relief in North Carolina during the coming year? Will the reduced appropriations of the federal work relief agencies, plus the present federal-state-county social security set-up, meet the needs of the needy and unemployed? Have the counties and cities already done their share, or is it going to be necessary for the counties to revive and expand the former "outside poor" grants if they are to take care of all of their needy?

These are questions which only the future months, and what they bring in the way of business upturn, can answer. In the meantime, however, a brief examination of the outlook at present is in order.

The 1940 appropriation of 1 3/4 billion dollars for WPA and related agencies, which is about one-third less than 1939, is expected to carry an average of 2 million persons on the 1940 rolls as compared with almost 3 millions in 1939. This is substantially the amount the President requested of Congress, but, the administration was expecting its proposed lending program to give new employment to half a million men at "no out-of-pocket cost to the government" and thus take up the slack. The lending measure, of course, was killed in the House on August 1, at least for this session. Several proposals to make additional appropriations for PWA projects were also side-tracked as being unnecessary, due to the contemplated lending program. These, too, went by the boards with adjournment, leaving the reduced WPA appropriation to carry the burden of work relief.

As a result, the WPA has had to begin reducing its rolls from a current summer total of 2.2 millions toward a figure of about 1.5 millions

(Continued on page 12)

WPA Has Spent Sixty Millions in State

Sixty million dollars worth of works, service projects, and employment is WPA's contribution to North Carolina from its beginnings in the summer of 1935 to July 1, it has just been computed and announced. This figure includes both federal grants and sponsors' contributions.

The following table not only shows how the funds have been used but furnishes officials a quick check-list of the types of projects the WPA has been and is now handling.

Secondary Roads and Feeders	\$13,713,270
Streets and alleys	1,503,191
Other highway, road and street projects	5,382,229
Educational Buildings	3,909,250
Other public building projects	5,792,425
Recreational facilities	5,116,347
Conservation projects	1,124,408
Sewer systems	2,330,965
Other public utility projects	2,192,550
Transportation projects	2,004,247
Education projects	1,673,090
Professional and Service Projects	5,581,029
Recreation projects	1,189,000
Sanitation and health projects	5,950,155
Distribution of surplus commodities	584,299
Projects not elsewhere classified	562,715
Federal projects	845,064
Miscellaneous	1,019,814
Total Expenditures and Encumbrances	\$60,474,048
Through June 30, 1939	

City Officers in Annual Meet

Addresses by John M. Carmody, administrator of the new consolidated Federal Works Agency, and Thomas H. McDonald, head of the Federal Bureau of Public Roads, highlighted the annual convention of the North Carolina Municipal League at Wrightsville, August 17 and 18.

A long-range, ten-year plan to develop the country was urged by Mr. Carmody, while Mr. McDonald told the officials, "There is nothing more important than good government. You hold in your hands the future of the state. It is you who can make possible better living conditions for the people of your state."

J. B. Flora, Elizabeth City Mayor and Manager, was elected President, succeeding J. E. L. Wade, of Wilmington. Other new officers are C. W. Smedburg, Greensboro Manager, first vice-president; Mayor W. F. Carr, of Durham, second vice-president; and Mayor Earl B. Horner, of Burlington, third vice-president.

Resolutions passed, among other things:

1. Urged an annual appropriation of \$3,000,000 by the State to be



"WE ARE ALL POLITICIANS," New President J. B. Flora (above) of Elizabeth City told the Municipal League meeting . . . Next June there will be a Primary . . . Say something to those running for the Legislature as to how they feel toward municipalities . . . Put them on record before the elections, and you will do a lot more good than you will do lobbying after they have been elected."

spent for widening, improving, building, and rebuilding city streets, regardless of whether they are used as public highways.

2. Protested the State's curtailing city license, franchise, and property taxes.

3. Urged repeal of an amendment to the municipal employees' retirement.

(Continued on page 8)



"HORNET'S NEST." Pat Healy, (above) Executive Secretary of the League, who also addressed the County Commissioners, told a story of a man who was a champion at flicking flies off the wall with a bullwhip. "Why don't you flick that hornet's nest?" he was asked. "Oh, oh," he answered. "Them hornets is organized." Mr. Healy drew a lesson on organization for municipalities declaring that "the strength of the wolf is in the pack, and the strength of the pack is in the wolf."



Andrew Joyner, Jr., Business Manager of the Greensboro News and former Greensboro City Manager, appears justifiably happy in the company of his wife.



AT THE LEAGUE MEETING—OFFICERS AND SPEAKERS TABLE

Left to right: J. E. L. Wade, Wilmington Commissioner of Public Works and retiring President; Mayor Tom Cooper of Wilmington; D. J. Herring, Mayor of Wrightsville Beach, the host; and Mayor W. F. Carr of Durham.



Mayor Ben Douglas (center) of Charlotte stops on the boardwalk for a chat with his tax collector, James Armstrong (right) and Henry Brandis, Jr., Chief of the Tax Research Division of the State Revenue Department and consultant to the Institute of Government.

Laughs and Tears--From The Old Age Assistance Letters

By N. H. YELTON, Director
Division of Public Assistance

ALTHOUGH the pathos of many of our applicants for Old Age Assistance and Aid to Dependent Children tears at our heartstrings, there are touches of humor running through their statements now and then beyond the powers of the professional humorist because they are so human, real, and deadly earnest.

"Dear Mrs. Bost," one anxious mother wrote. "I want to know why I can get old Age Assistance for my four little independent children." And another letter carried the single statement, "You have changed my boy to a girl in the enclosed envelope."

One of the best stories concerns an Old Age Assistance recipient who was reported to be making frequent visits to the local ABC store. The local Superintendent felt it his duty to discuss this objection with the recipient, who was 84, married three times, and living with his wife, herself in the late seventies. When the Superintendent pointed out that his money should not be spent thus, the old man arose, doddered on his cane, and pointing the cane at his spouse explained: "Now, Mr. Superintendent, I know you'll understand how this is with me. You see that woman over there? Well, the only time she looks pretty to me is when I am drinking."

The number of different names by which the division is addressed are amusing. One letter was directed to "House of Bisnes," and another was addressed "To Whom it May Consume." Some even get to Governor Hoey, who received one fervent note of thanks with the closing: "May the Lord bless you and help you if it is thy will."

Some of the statements of fact, made in all seriousness, would make the "Picturesque Speech" columns. "I am 74 and my she is 72," wrote one applicant. Another stated that

he was "4 years old when 'Mr. Lee' decided to stop fighting." And a third wrote, "I was born Feb. 1860, consisting of one boy and four daughters."

Amusing domestic difficulties also are frequently aired in the alleged wrongs and complaints. "Mrs. Bost," one colored woman wrote, "my husband done left me. He left me and my three little children, and now he ain't got but one leg wherever he is." Another woman who was remonstrated with for spending her checks on tombstones for her three deceased husbands declared: "I've a heap more satisfaction paying for their tombstones than I'd get out of spending it on the one I'm living with."

AID TO NEEDY YOUNG AND OLD

For the month of July, the number of old age recipients was 33,078, and the grants totalled \$317,153, or an average of \$9.59. The number of grants for dependent children was 21,295, totalling \$125,789, and averaging \$5.91. Up to this time a total of 656 Confederate Pensioners have been transferred to the Old Age rolls, under the mandate of the 1939 Assembly, and these received \$16,545, or an average of \$25.22. Several hundred other pensioners remain to be transferred.

The annual allotment for the three types of aid is close to six million dollars. Of this, the counties' share will be about one and a half million dollars, and the balance will come from State and Federal funds. The highest county tax rate for Social Security has been reduced, as a result of the application of the \$125,000 equalization fund, from 38 $\frac{1}{4}$ c to 17c, and the lowest rate is 4 $\frac{1}{2}$ c. The average tax rate has been reduced from 9.27c to 7.21c since the fund was applied.

Some of the requests are just as good. "I ask Mr. Roosevelt to give me a prize for my three sect of twens," wrote one mother. "I see why he give other prizes, and I thought I would ask for one too. I have been the mother of 20 children. Three sect twins in 3 years."

Not even President Roosevelt escapes the complaints and demands entirely. One applicant wrote to him at Washington, as follows: "Kindly send me some money. These people who have charge of the government relief money will not help the poor people. There is a war coming because I got the news from Heaven. This government is going to have to fight German again. Japan is going to help Germany. If this Government lets the poor people stay here and perish there will be nobody to fight this coming war but the rich folks."

Changes in Social Security Laws . . .

SOCIAL SECURITY for the masses in North Carolina advanced a step further with the passage by Congress this month of several important amendments to the Security act extending its coverage, liberalizing benefits, postponing tax increases, and reducing the future proportions of the old-age reserve fund. The tax changes are expected to save employers and employees about \$900,000,000 in social security taxes in the next three years. And the broadening and liberalizing amendments were hailed by a leading social publication as "a milestone" which "transforms old age insurance from a system of saving for old age protection to a broader system of social insurance with the emphasis upon security for the family unit."

The changes, however, were not accomplished until after a protracted debate and an intense struggle which lasted until the day before adjournment, August 4. Up until the closing day it looked as though no social security amendments would be passed this session. House and Senate con-

(Continued on page 12)



President H. W. Harkey, (center) Mecklenburg, goes in a huddle with Chairman George L. Stansbury (left), Guilford, and Judge F. M. Redd of Charlotte. C. S. Vinson, Halifax accountant, is in the background.

Candid Camera Catches County Officials at Annual Convention



T. L. Covington, Richmond, and John McGougan, Hoke, swap experiences as county accountants at the left, and at the extreme right Robert C. Collins, Buncombe chairman, chats with a friend.

The County Commissioners and Accountants associations enjoyed their 32nd annual convention at Wrightsville Beach August 16 and 17. New officers elected by the Commissioners were C. C. Ward of Edgecombe, President, and R. Linn Bernhardt, of Rowan, Vice-President, while John L. Skinner, of Rowan, was re-elected Secretary-Treasurer. The Accountants named J. A. Orrell, of New Hanover, President; J. C. Garrison, of Buncombe, Vice-President; and J. George, of Johnston, Secretary. Resolutions passed by the Associations follow:

1. Thanks to Governor Clyde R. Hoey for his help in furthering the work of the associations.

2. Appreciation to Patrick Healey and the League of Municipalities for their aid in preventing the exemption of homesteads from taxation and changing the date of tax



"Presidents come and Presidents go, but old John Skinner like old man river, just keeps on rolling along," is the way the veteran secretary (left) was referred to by Albert Coates. R. P. Holding (right), bank president and Johnston Chairman, received the Association's thanks for his work as Chairman of the Legislative Committee.

making available information pertaining to local government.

6. Thanks to the local government commission for its help in sponsoring the local government act.

7. Endorsement of Congressman Graham A. Barden's efforts regarding the wage and hour law and small enterprises.

8. Condemnation of the prevalent laxity in collections of delinquent taxes.

9. Endorsement of an act requiring payment of last year's delinquent taxes.

10. Opposition to the homestead
(Continued on page 8)



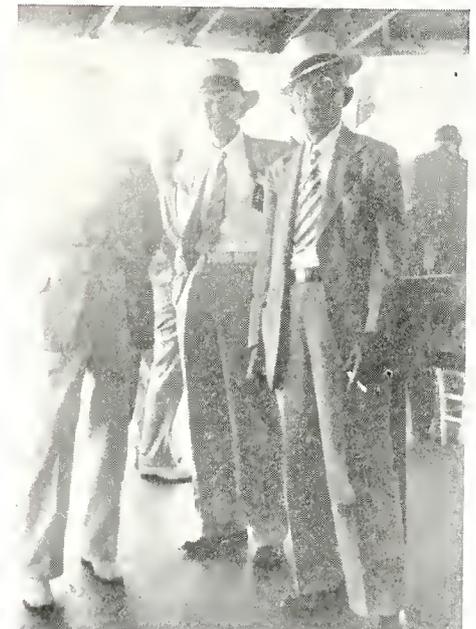
J. P. Bunn, Nash attorney, Jerry George, Johnston Accountant, and party take time out for a drink and a snack on the porch overlooking the beach.

listing to January 1 during the last session of the legislature.

3. Thanks to R. P. Holding, chairman of the legislative committee, for his efforts in behalf of the organization during the last session of the legislature.

4. Approval and support of an act by the legislature making a jail sentence mandatory for convictions on drunken driving charges.

5. Appreciation to the Institute of Government for its activities in



John A. Orrell (center), New Hanover, re-elected president by the Accountants, takes a stroll between sessions with D. W. Newsom (left), Durham Manager, and Addison Hewlett, New Hanover Chairman.



The old and the new, and at the left, Retiring President H. W. Harkey, Mecklenburg, shakes hands with the incoming head, C. C. Ward, Edgecombe Chairman. At right, John Swain, Wake Chairman, and Albert Coates, Director of the Institute of Government, talk things over a cold drink. Mr. Coates said it was the sun in his eyes.

Local Officials Pay Tribute To Uncle Sam--but not so Much!

Most Salaries Still below Federal Income Tax Line, Institute Study Reveals

By ALBERT COATES, Director
of the Institute of Government

BETWEEN January 1 and March 15, 1940, for the first time in the nation's history, North Carolina state and local officials and employees will pay federal income tax on salaries received from state and local governmental units. The cloak of immunity fashioned by the United States Supreme Court in *Collector v. Day*, 11 Wall. 113, 20 L. Ed. 122 (holding that the salary of a state officer, a probate judge, was immune from federal income tax), and worn by city, county and state employees for seventy years, became threadbare in spots, and was finally torn away in the *Port of New York Authority* case in 1938 (*Helvering v. Gerhardt*, 58 Sup. Ct. Rep., 969).

This decision spread alarm through the ranks of city, county and state employees, who feared that salaries for back years might become

subject to taxation. The Federal Congress in the 1939 Public Salary Act, removed any possible retroactive effects of this decision by providing that the resulting liability for federal income tax should begin with January 1, 1939, and the first federal income tax returns on salaries of state and local officials should be filed between January 1 and March 15, 1940.

Possible Effect on Cities

Although it will be impossible to determine the exact effect of this tax until individual returns with their multiplicity of variations are filed, its possible effect may be illustrated with the example of one of the larger cities in North Carolina with 542 employees and an annual payroll of \$650,000 and one of the larger counties with 160 employees and a payroll of \$218,000, from estimates prepared by W. S. Mitchell of the Institute of Government staff.

It should not be overlooked that income other than governmental salaries might bring persons otherwise exempt within the taxing range, or lift the income tax from a lower to a higher bracket, thus changing the results. Also, allowable deductions, other than personal exemptions and earned income credit here included, might exempt persons otherwise included or drop them into a lower bracket, thus changing the results. The following figures are based on the assumption that the employee has no other income and no other allowable deductions.

290 of the employees of this city receive salaries of \$1,000 or less, and would pay no federal income tax. This group represents 1/3 of the total payroll: \$216,000.

232 employees receive salaries from \$1,000 to \$2,500. If all of this group were unmarried, with no dependents, they would pay an average of \$16.63 each, or a total of \$3,859. If all were married, they would pay nothing. This group represents 56.1% of the payroll: \$365,000.

18 employees receive salaries from \$2500 to \$4,000. If all of this group were unmarried, with no dependents, they would pay an average of \$71.17, or a total of \$1,281.00. If all were married, they would pay an average of \$11.17, or a total of \$201.00. If all were married, with an average family of three children, they would pay nothing. This group represents 8.5% of the total payroll: \$56,000.

One employee receives \$4,800. If he were unmarried, with no dependents, he would pay \$133. If he were married, with no dependents, he would pay \$73. If he were married, with an average family of three children, he would pay \$25, and with five children he would pay nothing.

The remaining employee, would pay a proportionately higher tax with added surtax.

Thus, on the basis of the above estimates, if all employees were single, 290 employees receiving 1/3 of the total payroll would pay nothing, and the remaining 252 receiving 2/3 of the total payroll would pay a total of \$5,700. If all were married with no dependents, 522 of the 542 employees receiving 89.4% of the payroll would pay nothing, and the re-

(Continued on page 12)

Judges Clash on Taxation of Officials' Salary

Majority Opinion of Justice Stone

"A non-discriminatory tax" laid on the net income of state employees, "in common with that of all other members of the community," no more obstructs the state in the performance of its governmental functions "than like private enterprises are obstructed by our taxing system." . . . "The effect of the immunity if allowed would be to relieve respondents of their duty of financial support to the national government, in order to secure to the state a theoretical advantage so speculative in its character and measurement as to be unsubstantial." . . .

Dissenting Opinion by Justice Butler

"Thus now it appears that the United States has always had power to tax salaries of state officers and employees. . . . The compensation for the past as well as for future service to be taxed and the rates prescribed in the exertion of the newly disclosed power depend on legislative discretion not subject to judicial revision. Futile indeed are the vague intimations that this Court may protect against excessive or destructive taxation. Where the power to tax exists, legislatures may exert it to destroy, to discourage, to protect or exclusively for the purpose of raising revenue."

THE 1939 Congress adjourned August 5 after a series of bitter conflicts and almost unbroken reverses for the President's policies during its last six weeks. The negative note on which its work was closed led some newspaper commentators to dub it the "do-nothing Congress." However, such a description would hardly apply to the matter of appropriations, for the 1939 Congress set a new peace-time record of \$13,345,650,000.

The President secured the exact amount requested for Work Relief in 1940. However, this was one-third less than 1939, and the administration expected its lending-for-recovery program to provide work to take care of the difference. The defeat of this measure and of the President's proposed revision of the neutrality act, of course, were the administration's two biggest losses in those hectic closing days. Its outstanding success, on the other hand, was approval of the President's national defense program virtually in toto.

Except for these measures, the "do-nothing" description is fairly apt as to the rest of the work of the session, at least as far as results are concerned.

No progress was made toward balancing the federal budget, and no fundamental changes were made in basic New Deal laws. Administration leaders in Congress succeeded in blocking amendments to the Wage-Hour act and the Labor Relations Act. The Agricultural Adjustment

Fiscal Year	Receipts	Expenditures*	Net Deficit	Increase in Debt	Public Debt (June 30)
1931	3,190	3,671	481	616	16,801
1932	2,006	4,535	2,529	2,686	19,487
1933	2,080	3,864	1,784	3,052	22,539
1934	3,116	6,011	2,895	4,514	27,053
1935	3,800	7,010	3,210	1,648	28,701
1936	4,116	8,666	4,550	5,077	33,778
1937	5,294	8,442	3,148	2,647	36,425
1938	6,242	7,626	1,384	740	37,165
1939†	5,520	9,492	3,972	3,967	41,132
1939	5,668	9,210	3,542	3,175	40,340
1940†	5,669	8,995	3,326	3,326	44,458

* Exclusive of debt retirement.
† Estimated in 1940 budget.

Keeping Up with Washington

Doings of a \$13,000,000,000.00 Congress



act, the Trade Agreements act, and the various securities, public utilities, and housing acts of recent Con-

gresses also escaped destructive amendment, but limits were set to indefinite expansion of T. V. A. activities. The Stabilization Fund and the President's powers over the dollar were also renewed after a sustained fight.

On the affirmative side, Congress appropriated \$225,000,000 for parity payments to farmers; revised the revenue laws to remove "business irritants" including the undistributed profits tax; and revised the Social Security Act to extend its coverage, liberalize benefits, postpone increases, and reduce the future proportions of the old-age reserve fund.

The principal changes in the Work Relief and Social Security acts are summarized on pages 2 and 4 of this issue. The new law as to reciprocal taxes on the incomes of federal, state, and local officials is taken up on page 6. Other matters of interest to state and local governments and officials in North Carolina follow.

The new Hatch bill to prohibit "pernicious political activities" by federal office holders, which will go into effect before the 1940 national conventions and the ensuing campaigns, applies to all federal officials except Congressmen and policy-determining officials the same rules

PRINCIPAL PROVISIONS OF "BUSINESS APPEASEMENT" TAX ACT

Undistributed profits tax on corporations earning more than \$25,000 annually permitted to expire December 31, 1939. (Tax was graduated from 16½ to 19 per cent in accordance with proportion of profits retained.) Flat tax of 18 per cent on net income of these corporations substituted.

Rates for corporations earning less than \$25,000 unchanged: 12½ per cent on first \$5,000; 14 per cent on next \$15,000; 16 per cent on next \$5,000.

Corporations, partnerships and individuals given privilege of carrying net operating losses over for two years, deducting losses of bad years from profits of good years in computing gross income. Limitation of \$2,000 on capital losses that may be charged against ordinary income repealed.

Corporations in "unsound financial condition" to be permitted to reduce fixed charges and scale down indebtedness by buying in their securities without the difference between par value and price paid being taxed as a capital gain.

Capital stock and excess profits provisions revised to permit corporations to increase—but not to reduce—their capital stock values for each of the next two years, thus to provide additional scope for protection against increases in reciprocating excess profits levies.

Special treatment for banks, insurance companies, China trading act corporations and corporate bodies in United States possessions discontinued.

Stamp taxes, manufacturers' excise taxes, and miscellaneous taxes expiring June 30, 1939, renewed for two years. Three-cent rate on non-local first class mail renewed for two years.

Appropriations Made by 1940 Relief Act	
Work Projects Administration	\$ 1,477,000,000
National Youth Administration	100,000,000*
Farm Security Administration	143,000,000**
Indian Service (relief and rehabilitation)	1,350,000
Other agencies for relief accounting, etc.	20,400,000
Puerto Rican Reconstruction Administration	7,000,000
U. S. Employee's Compensation Commission	5,250,000
National Emergency Council	850,000
National Resources Planning Board	750,000
Total	\$ 1,755,600,000

* A reduction of \$23,000,000 from the amount requested by the President, but \$24,000,000 more than was allotted to N.Y.A. for the fiscal year 1939.

** An increase of \$20,000,000 over the amount requested by the President, but \$32,000,000 less than was allotted to F.S.A. for the fiscal year 1939.

crease its loan authorizations, and broaden its authority to include projects for farm families of low income, after passing the Senate, was shelved in the House along with the lending program.

CITY OFFICIALS MEETING

(Continued from page 3)

ment act which now calls for a referendum before retirement systems can be put into effect.

Mayor D. C. Dungan of Salisbury made the lowest net score in the Association's annual goal tournaments and won a leather golf bag as first prize. Mayor June Crumpler of Mebane was second.

COUNTY OFFICIALS CONVENTION

(Continued from page 5)

or any other act that will tend to increase taxes.

11. Opposition of any candidate for office who advocates taking any of the county money for state governmental operations.

12. Endorsement of Governor Clyde R. Hoey for the presidency of the United States.

13. Respectful request to the state highway and public works commission to do a better job on the secondary roads in the state or return them to the counties with the money that is being spent on them.

At Left— Mayor Ed Haupt (right) inspects Newton's 35 miles of WPA-built streets. With him is Engineer Bob Hart of WPA.



(Continued from preceding page)

which already apply to civil service employees. President Roosevelt suggested to Congress the study at its next session, and before the next federal election, proposals to extend the same prohibitions to "state and local government employees who participate actively in federal elections."

A bill to permit reciprocal taxation by the federal and state governments of interest paid on federal, state, and local securities was introduced, and hearings were begun by the House Ways and Means Committee in June, but floor action was deferred until 1940. No action was taken on another bill to create a national tax commission to study overlapping federal, state, and local taxation. Two other measures which went over to 1940 and which are of wide interest to local units were the Wagner health bill and the Thomas-Harrison education bill, which would provide large outlays for these items in future years.

The continuation of CCC camps was guaranteed by a bill, passed in the closing days, extending the Corps to July 1, 1943. Previously, the life of five government lending agencies—the RFC, Electric Home and Farm Authority, Disaster Loan Corporation, Commodity Credit Corporation, and Export-Import Bank—had been extended to June 30, 1941. The Federal Housing Administration and its various powers were likewise extended, and its maximum lending power upped from 3 to 4 billions. However, a proposal to extend the U. S. Housing Authority, in-

Lending Program Submitted by President			
	Disbursements in Fiscal Year 1940	Duration of Program (years)	Total Amount of Program
Loans for water works, sewage-disposal plants, bridges, hospitals and other municipal projects	\$150,000,000	2	\$350,000,000
Loans for toll roads, bridges, high-speed highways and city by-passes	150,000,000	4	750,000,000
Funds for purchase of equipment to be leased or sold to railways	100,000,000	3	500,000,000
Additional loans under rural electrification program	20,000,000	7	460,000,000
Additional loans under farm tenant program	250,000,000	2	500,000,000
Foreign loans to promote American exports	200,000,000	2	500,000,000
Total	\$870,000,000		\$3,060,000,000

Recent Supreme Court Cases

CLERKS OF COURT

Jurisdiction of Clerk to Enter Judgment on Retraxit. (Plaintiff brought action for assault and battery. Defendant pleaded in bar a judgment upon retraxit, in that plaintiff had agreed to a settlement and to dismissal of a previous case.) Held, that on the facts, the judgment entered by the Clerk of the Superior Court in the original action was, in effect a judgment upon retraxit, and within the Clerk's jurisdiction, and that such judgment barred further actions. "A judgment is in retraxit is usually based upon and follows a settlement out of court. Where the parties to an action have settled their dispute and agreed to a dismissal such dismissal is a retraxit and amounts to a decision upon the merits . . . The rule seems to be universal that a judgment of dismissal entered by agreement of the parties pursuant to a compromise and settlement of the controversy is a judgment on the merits barring any other action for the same cause.) *Steele v. Beatty*, 215 N. C. 680.

ESCAPES

Civil Liability of Escaped Prisoner for Money Expended by State to Effect Capture after Escape. (Defendant escaped from State Prison. The State Highway and Public Works Commission expended \$1,134.21 to effect his recapture, and then brought a civil action against defendant to recover such sum.) Held, "no governmental expenditure paid out for apprehension of a criminal or the maintenance or recovery of his custody incident to the punishment or correction of such a crime can be construed into a tortious invasion of the property rights of the State, since

it is voluntarily made by the State," and therefore the defendant cannot be held liable civilly for the expense incurred by the State in effecting his recapture after escape.) *Highway Commission v. Cobb*, 215 N. C. 556.

MUNICIPAL CORPORATIONS

Liability in Tort—Sewage Disposal—Stream Pollution. (Defendant municipality diverted water polluted by its sewage disposal plant from one stream to another which damaged plaintiff's land.) Held, plaintiff may recover permanent damages sustained even though defendant municipality engaged in exercise of governmental function and even though no negligence on part of such defendant municipality. Such continued nuisance, to extent land is damaged, constitutes taking of an easement by eminent domain. Damages should be assessed on basis of difference in market value of plaintiff's land before municipality began to pollute stream and immediately thereafter, such damages to be compensation for permanent easement by municipality entitling it to continued use of stream for such purposes. *Clinard v. Kernersville*, 215 N. C. 745.

Mandamus to Compel Issuance of Building Permit in Violation of Municipal Ordinance. (Municipality refused to issue permit to build filling station within city fire limits where ordinance prohibited unloading of gasoline by method proposed to be used at station after it was constructed. Plaintiff sought mandamus to compel issuance of permit on ground that ordinance was void by reason of arbitrariness.) Held, mandamus will not lie to compel an official to do an act in violation of an ordinance. Mandamus will lie only to

compel an official to do that which it is his duty to do without it. *Distributing Co. v. Burlington*, 216 N. C. 32.

Street Assessments. (A municipality purchased in fee simple the part of a lot which abutted on a city street. The owner of the remaining part of the lot was permitted the right of ingress and egress over the land purchased by the city. The city used the front part of the plot it purchased for street purposes, but not the strip lying adjacent the defendant's lot. The municipality sought to assess defendant's property for improvements.) Held, city did not dedicate entire tract it purchased to street purposes, and therefore defendant's lot did not abut upon the improvements, and hence an assessment against defendant's lot therefor is void. Held further, where municipality levies assessment without statutory jurisdiction, defendant not limited to statutory procedure prescribed for objection, but may object and resist assessment at any time. *Winston-Salem v. Smith*, 216 N. C. 1.

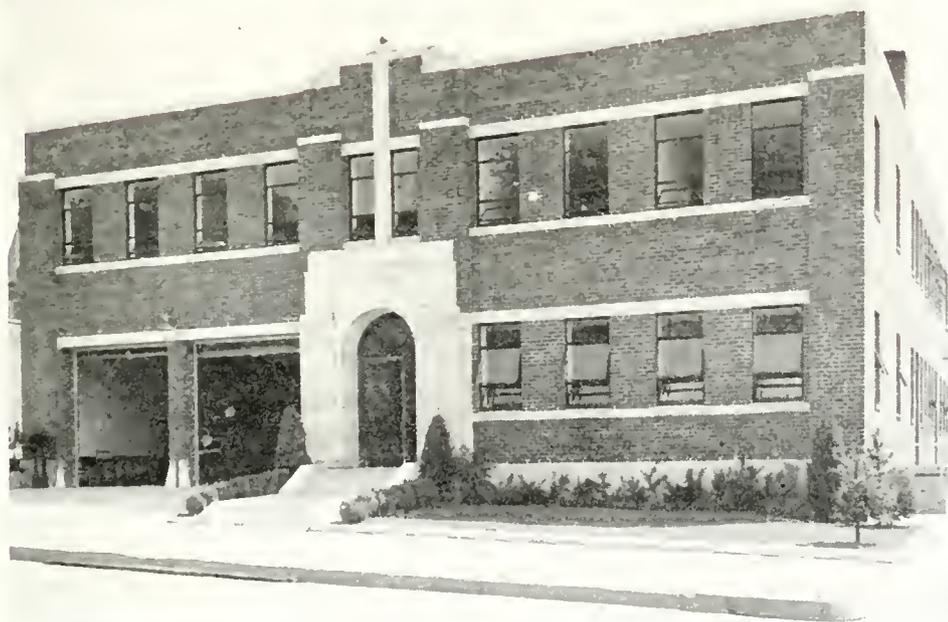
Maintenance of Electric Power Lines Outside Corporate Limits as Ultra Vires Act. (Plaintiff's intestate was killed by reason of negligence of city's employees in respect to an uninsulated power line with which plaintiff's intestate came into contact. The wire was part of a system of lines operated by the city outside the corporate limits.) Held, that under the general law the operation and maintenance of power lines for those within the corporate limits, and incidentally outside the corporate limits for the benefit of persons living outside the city limits would not be ultra vires, and the municipality would be liable.

WORKMEN'S COMPENSATION

Deputy sheriff-jailer. (A person who served both as jailer and as a deputy sheriff under appointment by the sheriff, on being informed of a shooting two doors from the jail, rushed out of the jail, and in attempting to arrest the person who had done the shooting was himself fatally wounded. Action was brought to secure compensation under the Workmen's Compensation Act.) Held, that in leaving the jail and attempting to make an arrest on this occasion, the officer was acting in his capacity as a deputy sheriff, and not as a jailer, and hence not covered by the Workmen's Compensation Act. Justices Clarkson, Devin and Schenck dissenting. *Gowens v. Alamance County*, 216 N. C. 107. NOTE: Subsequent to the time the events in this case took place, the General Assembly enacted a statute bringing deputy sheriffs under the Workmen's Compensation Act, so that a different result would be reached if the same events were to take place today. Public Laws, 1939, Ch. 277.

Night Speed Limit

Kansas City tried a 25-mile night speed limit for three months, and deaths from automobile accidents dropped from 22 for the corresponding period in 1938 to 9. The new low speed has now been made permanent, and is in effect from half an hour after sunset to half an hour before sunrise.—*Nebraska Municipal Review*.



MARION'S NEW CITY HALL

The City Offices in Marion, home town of Supreme Court Justice Wallace Winborne, are now housed in the handsome new Municipal Building pictured above. Mayor Zeno Martin presides over the new building and also serves as Judge of Mayor's Court.

Monthly Survey - - -

News and Developments from Here and There in the Major Governmental Fields.

Local Finances

Million Dollar Call

A lawyer's insertion or omission of a "callable" clause in a new bond issue may seem a small matter at the time, but one such clause recently spelled a saving of a million dollars for Milwaukee, Wis. The City issued \$3,675,000 in 4% bonds in 1933, and was able this year, because they were callable, to pay them off out of cash and a new issue sold at 2 1/8% interest at a million dollar saving. The only objection to inserting a callable clause in a city's bond issues, of course, is that the interest rate would be increased thereby. Whether this would or would not be the case, however, could be determined by offering the bonds in both forms and comparing the bids.

City Fire Insurance Study

What is the ratio of fire losses to insurance premiums on your city's public buildings over a period of years? Such a study of 30 cities between 2,500 and 25,000 in a north central state shows a lost ratio of 25 per cent, which is much less than the 50 per cent average loss ratio set up as a basis for premiums by insurance companies. Experience in other states also shows that municipal buildings frequently have paid excessive fire insurance premiums.

Insurance on City-Used Autos

Because municipalities are generally liable for damage caused by automobiles used in government business, 11 cities in 30 surveyed by the Municipal Finance Officers Association now require insurance on both private and publicly owned cars used by employees in their work. Eight of the cities pay the premiums, and another shares the cost. Most of them require \$5,000 insurance for property damage, while public liability coverage ranges between \$10,000 and \$20,000.

Taxation

City Sharing in Gas Taxes

California with its splendid, coordinated highway system, both outside and through its municipalities, furnishes a good example of a state which is sold on the idea of city-sharing in the state gasoline taxes. Starting as an experiment six years ago, the plan has worked so successfully that the sunshine state, whose population is 75 per cent urban, now allocates one-half cent per gallon, or one-sixth of its total gasoline tax, to this purpose. The cities' total share amounts to eight million dollars of which half is for State highway routes through cities, and the other half is for major streets other than highways. The importance of the state's contribution to the city taxpayer may be better understood when it is seen that it represents a tax of 16.86 cents per one hundred dollars of assessed valuation within California cities.—*Western City.*

Shortcuts and Savings

Home-Made Fire Apparatus

A growing list of cities are saving money by building their own fire apparatus. Portland, Ore., reports a \$42,000 saving on seven pieces of equipment built in the fire department shop last year. Fresno, Cal., firemen recently built two pieces of apparatus at a third less than the price of new equipment. Milwaukee, the first city to start municipal replacement of fire engines, has built practically all its apparatus since 1925 at an estimated saving of 50 per cent.—*International City Managers Association.*

Annual Inventories

In order to keep a permanent, up-to-date record of equipment owned by the unit, inventories have been started recently in many cities and



Work progresses on Ahoakie's new sewer project—one of the many that WPA aid has made possible in the State.

counties over the country. Others have set up real estate controls, and some like Flint, Mich., and Denver, Colo., have put in both real and personal property records. The State offices in Indiana and Ohio are also making property inventories.

TAX INCREASES

(Continued from page 1)

Average Tax Bill

Total tax bill. The average per capita share of the total state and local tax bill has increased: from \$1.67 in 1901, to \$12.87 in 1921, to \$31.84 in 1938.

State tax bill. The average per capita share of the total state tax bill for all persons, *living inside and outside cities* has increased: from \$0.96 in 1901, to \$19.72 in 1938.

Local tax bill. The average per capita share of the total local tax bill increased from \$1.71 in 1901 to \$12.12 in 1938.

Summary

During the year 1938, the average individual: as resident of the state, paid a tax of \$19.72; as resident of a county, paid an added tax of \$7.10; *if he were also resident of a city*, paid an added tax of \$11.10; *if he were also resident of a special district*, paid an added tax of \$0.96—more or less, depending on the district; or, as a resident of all these overlapping units, paid a total tax of \$39.70.

Public Works

Municipal Yardsticks

Garbage and refuse collection is not a nice subject, but it costs taxpayers money just like every other public service, and in this case it serves to illustrate a point. Officials and citizens of Lowell, Mass., felt that this service was costing them too much, but what to do about it? Some argued that city collection was cheaper and more efficient, others held for collection by a private firm on a competitive bid, but none had the exact, comparative information on other cities' experience to be positive. Hasty inquiries were directed to nearby cities and governmental information services, the information was soon secured, and the result was a change in system estimated to save \$50,000 a year, or 50c on the tax rate.

Garbage Disposal

Trash dump, sanitary trench, incinerator or grinding—which is the most efficient and economical method to meet a city's garbage disposal problems? The pronounced trend, in spite of economy programs, is toward incineration, according to a report to the American Public Works Association. However, the report says that the trench method, filled over with dirt, is satisfactory from a public health viewpoint, and many cities are using it to reduce costs and reclaim worthless land. The new method of grinding garbage and dumping the residue into the city's sludge tanks is also drawing increased attention, it is said.

Here and There

Apprentice System

Learn by doing is the slogan in a growing number of city administrations, which are using the apprentice system to train recruits for municipal jobs. According to a study of 18 such cities by the International City Managers Association, the 18 employ a total of 108 apprentices. Ten of these said that their apprentices enter training with the understanding that satisfactory work will gain them permanent appointment. Eight former apprentices of these cities later became city managers. Others took municipal appointments, a number went into state service, and only three changed over to private business.

State Supervision

The trend toward state supervision of local finances has been carried a step further in New Hampshire with the setting up of a Municipal Accounting Division within the State Tax Commission. The new act provides for uniform accounting in all municipalities, counties, and school directors, and gives the Director charge of all municipal accounting. It also provides for a system of audits, at the instance of either the unit or the Director, and annual reports. Although the measure made for a great deal of centralization for New Hampshire, it is said that the bill met practically no opposition in the Legislature. — *New England Townsman*.

Police and Firemen

Camera Put to Good Use

The candid camera may have started as a fad, but it has also been put to good use by certain public agencies. Many fire departments have adopted its use to make a pictorial record of the fires they fight. And other police departments have equipped their motorcycle and radio patrol officers with cameras to take quick, accurate pictures at the scene of crimes and accidents. Camera film does not forget, and the result is said to have made for more exact reports and more complete records.

Curbing False Alarms

False alarms not only increase fire department costs but frequently result in deaths and injuries to firemen and others. But how to curb them? Portland, Ore., attaches signs to its boxes reading "Think—A False Alarm May Cost a Life." Chicago offers a reward of \$200 for information leading to a conviction. And Boston not only imposes a punishment of up to \$500 or two months in jail, but has sirens on boxes in areas with a high percentage of false calls. — *News Bulletin*, Public Administration Clearing House.

Penny Parking Meters

Traffic regulation in the public convenience or revenue raising—which should be the purpose of the parking meter? Many cities are securing the advantages of the former without the objections to the latter through the use of penny meters, taking as low as 1c for each 12 minutes' time, or 5c an hour. The system meets the complaint of motorists that they must pay for a full hour when they park for only a few minutes, but still helps speed up parking, and relieves the volume of traffic looking for parking places with the attendant congestion.

To Brand Reckless Drivers

Scranton, Pa., is considering a plan to make motorists safety conscious by painting circles on the rear of violators' automobiles. Different colors would be used for successive offenses, and the marking would be retained for 30 days. The city legal department is now determining whether such punishment is lawful.



EDENTON'S HANDSOME NEW ARMORY

— is one of a number of such structures built by WPA in North Carolina, and not only provides for activities of the National Guard, but also serves as a community center.

SOCIAL SECURITY LAWS

(Continued from page 4)

erees were in a hopeless deadlock over the Connally Amendment to require the Federal Government to put up \$2 to the State's \$1 up to a maximum of \$15 per month, and to match each State dollar above this figure up to \$10. It was Senator Robert M. LaFollette who saved the program. Although he favored the Amendment, he reluctantly sacrificed it in order that the entire program might not be lost. The principal amendments as finally adopted are briefly as follows.

Federal Old Age Insurance. 1. Advances from January, 1942, to January 1, 1940, date on which initial benefits become payable.

2. Freezes tax levies on employers and employees at present 1% rate for 1940, 1941, and 1942, instead of permitting them to rise next year to 1½%. Taxes only the first \$3,000 paid to an employee annually under unemployment compensation provisions as well as under old-age insurance program.

3. Extends coverage of system to maritime workers, bank employees, certain types of agricultural workers, and employed persons over 65—groups totaling about 1,100,000.

4. Provides supplementary benefits to aged wives of annuitants and substitutes monthly benefits for lump-sum payments to survivors of annuitants.

5. Provides for calculation of benefits on the basis of the insured person's average wage, rather than his total wages.

Unemployment Compensation. Extends coverage to about 200,000 additional workers, chiefly bank employees.

Old-Age Pensions. 1. Raises maximum federal contribution to pensions paid by the states from \$15 to \$20 per month, with the 50-50 matching requirement retained.

Aid to the Blind. 1. Raises maximum federal contribution to the states for assistance to the blind from \$15 to \$20 per month.

Aid to Dependent Children. 1. Requires Federal Government to pay half the cost.

Administrative Costs. 1. Keeps present 5% arrangement as to program for aged, but the Federal Government is to pay one-half of admin-

istration of state plans for aid to dependent children and the blind.

Other Phases. 1. Increases Federal grants to the states for child and maternal health services by \$2,020,000 a year, for crippled children by \$1,020,000, for public health by \$3,000,000, and for vocational rehabilitation by \$3,500,000.



City Manager R. L. Heffner, looks over construction work on Hickory airport, now nearing completion and the last of 11 built by WPA in this State.

LOCAL OFFICIALS PAY TRIBUTES

(Continued from page 6)

maining 20 receiving 10.6% of the total payroll would pay a total tax of \$603. If all were married, with an average family of three children, 540 employees receiving 97.9% of the total payroll would pay nothing, and the two remaining would pay a total tax of \$250.

Possible Effect on Counties

Under the same assumptions used in the foregoing city illustration, a total number of 160 employees of one of the larger North Carolina Counties, 60 receive less than \$1,000, and would therefore pay no federal income tax. This group receives \$24,000 or 11.1% of the total payroll.

85 receive from \$1,000 to \$2,500. If all were single, they would pay an average tax of \$18.35, or a total of \$1,560. If all were married, they would pay nothing. This group receives \$138,000 or 63.2% of the total payroll.

10 receive from \$2,500 to \$4,000. If all were single they would pay an average of \$75 or a total of \$750. If all were married, with no dependents, they would pay an average of \$15 or a total of \$150. If all were married, with three children, they would pay nothing. This group receives \$32,000 or 14.7% of the total payroll.

5 receive from \$4,000 to \$6,000. If all were single they would pay an average of around \$160 or a total not exceeding \$800. If all were married, with five children, they would pay nothing. This group receives \$24,000 or 11% of the total payroll.

Thus, on the basis of the above estimates, if all were single 60 receiving 1/10 of the payroll would pay nothing, and the remaining 100 receiving 9/10 of the payroll would pay a total of around \$3,000. If all were married, 145 receiving ¾ of the payroll would pay nothing, and the remaining 15 receiving ¼ of the payroll would pay a total of around \$520. If all were married, with an average family of three children, 155 receiving 9/10 of the payroll would pay nothing, and the remaining five receiving 1/10 of the payroll would pay a total of around \$30.

RELIEF OUTLOOK

(Continued from page 2)

by next spring, and the PWA has started to liquidate its present projects and affairs by slashing its field force 50%.

What does this mean in North Carolina? The peak of WPA employment in this state (December, 1938) was 58 thousand. The number of workers certified as being eligible today is 52 thousand. The WPA quota for September, since the cut, is 30 thousand. This leaves 22 thousand needy eligibles for whom funds and work are not available. Some of these have found extra work to tide them over the summer. However, 9 thousand of them have WPA slips and all they are waiting for is assignments. Many of these will take the places of the 10 thousand who, under the new 18 months rule, must be cut off on September 1 for at least one month. But what of this 10 thousand and of the other thousands which winter always adds to the rolls of the needy?

The situation is not acute now due to summer gardens, agricultural work, etc. It is the winter months which will bring the hardships for the needy and headaches for the relief administrators. But now is the time when the Commissioners in each county must take stock and decide for themselves whether they need, should or can make additional provisions against the winter months.

Bulletin Service

Recent opinions and rulings of the Attorney General and
State Departments

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Prepared by

H. W. McGALLIARD of the Staff of the Institute of Government

I. Ad valorem taxes.

A. Matters relating to tax listing and assessing.

1. Exemptions—religious and educational organizations.

To Louis C. Allen. (A.G.) Under section 600 (7), chapter 310, Public Laws of 1939, real property is specifically exempted from ad valorem taxation where the rent or other income therefrom is used exclusively for educational purposes in this state.

5. Exemptions—city and county property.

To E. H. Ricks. Inquiry: Are county A.B.C. Boards liable for taxes on their fixtures and stocks of merchandise in charter districts and incorporated towns?

(A.G.) In my opinion, such property is subject to ad valorem taxation.

B. Matters affecting tax collection.

5. Collector's commissions.

To J. L. George. Inquiry: Is a tax collector entitled to commissions on ad valorem taxes collected for the school fund?

(A.G.) This office has held that no county or municipality is authorized to make a charge or fee for the collection of school taxes, unless special statutory authority can be found. The County Commissioners are by law the tax levying authorities for all county-wide ad valorem school taxes. They are under a mandatory duty to levy and collect school taxes. No charge can be made for performing this mandatory duty, unless a statute specifically authorizes it.

14. Delinquent taxes—requirement of advertising.

To Isaac S. London. Inquiry: What is the legal time for printing delinquent tax lists? Is any particular time mandatory?

(A.G.) Section 1715 (b) of the 1939 Machinery Act provides that "the county and

district sale shall be held on the first Monday and the city sale on the second Monday, in May or in any of the four succeeding months." "Public notice of the time, place and purpose of such sale shall be given . . . by advertisement once each week for four successive weeks preceding such sale in some newspaper published in the county."

In view of above, County Commissioners could publish the lists in April for a sale the first Monday in May and similarly for any of the four succeeding months, making September 1 the latest sale date.

To L. T. Hammond. Inquiry: When should 1937 foreclosures be instituted? Should they be included in the 1938 foreclosures? Should we wait until the fall of 1940 and then foreclose 1937 taxes under the law as it existed prior to 1939?

(A.G.) It is my opinion that under Section 1723 of the Machinery Act of 1939 the new procedures are "in addition to and not in substitution for" the prior law relating to foreclosure of 1937 taxes. Hence, you have an option to proceed either under the 1937 Act, under C. S. 8037, or under C. S. 7990. Under the 1939 Act foreclosures under either remedy may be begun at any time "but not less than six months" after the sale of taxes or issuance of tax sale certificate. Under C. S. 7990, foreclosure of the tax lien under that Section may be resorted to at any time after the taxes are due, the Act, however, making subsections (f) to (v), inclusive, of Section 1719 applicable in that event. Under C. S. 8037 the period of foreclosure is after sixteen and prior to twenty-four months from the date of the certificate of sale.

You may include the 1937 taxes in the foreclosure of 1938 taxes under C. S. 7990,

under C. S. 8037, or under Section 1719 of the 1939 Act. Personally, if resort is not had under 1720 of the 1939 Act, I would prefer to foreclose under Section 1719 of the 1939 Act, alleging that both 1937 and 1938 taxes are a lien. See Clayton v. Gower, 215 N. C. 82, and Sections 1719 (g) and 1723 of the 1939 Act.

You have an option to wait until the fall of 1940 and then foreclose 1937 taxes either under C. S. 7990 or 8037. See Section 1723 of the 1939 Act. If you do not wait until then you may proceed as above set forth.

To J. Vance Rowe. Inquiry: Is it necessary to sue in attachment in a tax-foreclosure suit in order to give the court jurisdiction of the property of a non-resident of the State?

(A.G.) It is not necessary to attach land which is being sold for delinquent taxes under tax foreclosure proceedings. It is only necessary to make publication to obtain service upon any non-resident who has any interest in the land.

33. Statute of limitations.

To R. H. Dye. (A.G.) Taxes for 1926 and prior years have been outlawed by enactment of Chapter 181, Public Laws of 1933. The law is rather confused as to attachment and garnishment for the collection of taxes; however, I am of the opinion, that all such taxes (personal property and poll) would be subject to attachment and garnishment back to the year 1926.

40. Tax collection—special assessments.

To O. L. Richardson. Inquiry: Is there any statute of limitations on actions to foreclose street assessments under C. S. 7990? (A.G.) No. See the case of Ashboro v. Morris, 212 N. C. 331.

52. Tax collection—discount.

To Fred P. Parker. Inquiry: Is a taxpayer entitled to a discount for taxes paid during September?

(A.G.) Section 1403 of the Machinery Act sets stated discounts for payments on or before July 1 and during July and August. It also permits a discount of one-half of one per cent for taxes paid on or before November 1, which we think would control as to payments in September.

65. Tax collection—garnishment.

To John G. Mills, Jr. (A.G.) In our opinion rents due a taxpayer may be garnished for taxes even though such rents are collected by the taxpayer's rental agent or trustee.

77. Tax collection—priority of lien.

To George Perry. Inquiry: Our Town has a claim for taxes and street assessments against certain property on which county taxes are also delinquent. Which rights are prior?

(A.G.) Section 1704 of the Machinery Act provides that the liens of county and city taxes are of equal dignity and priority and that each is superior to the lien of street assessments.

If you should begin foreclosure, the proper procedure would be to join the County as a party defendant, unless joint foreclosures is had as allowed by Section 1719 (j).

It might be wise for the Town and County authorities to bid in the property jointly and work out their rights as best they can by sale or lease of the property, as authorized by Section 1719 (t).

85. Disposal of property purchased by taxing unit at foreclosure sale.

To John H. Taylor. Inquiry: Where should real property acquired by a municipality under a tax foreclosure sale be resold?

(A.G.) While we have found no authority for the proper place of sale, it is my opinion that it should be made at the municipal building of the town, rather than at

PARKING METERS

To Mr. Patrick Healy, Jr. Inquiry: May cities in N. C. legally install parking meters such as are now used by cities in several other states?

(A.G.) There are no cases on this subject in N. C. Four cases in other states have upheld the legality of the use of such meters on the following grounds:

(1) Free use of streets does not include the right of parking thereon.

(2) Fees charged for the use of the meter is not a tax but is a police measure and is therefore valid, but

(3) It must not appear that the regulation is unreasonable or that the fee charged bears no reasonable relation to the expenses incurred in enforcing the ordinance. A reasonable leeway will be allowed. (Harkew v. McCarthy, 171 So. 314 (1936); Harper v. City of Wichita Falls, 105 S. W. (2d) 743 (Tex. 1937); Ex parte Harrison, 122 S. W. (2d) 314 (Tex. 1938); and, Ex parte Duncan, 65 (2d) 1015 (1937).

One case has been contra. (Birmingham v. Hood McPherson Realty Co., 172 So. 114 (Ala. 1937)).

In my opinion, the above propositions are correct, but it must be borne in mind that any parking meters erected must not interfere with the free right of egress and ingress of abutting property owners. Such right, in my opinion, does not include the right to park on the street.

The answer to whether a municipality may charge a fee depends upon whether the fee is a tax for revenue purposes or is a police measure bearing some reasonable relation to the cost of enforcing the ordinance. Though it has not been decided in N. C., in my opinion, the regulation would be regarded as a police, and not a revenue measure.

SPENDING STATE STREET FUNDS

To S. R. Hoyle. (A.G.) When the State Highway and Public Works Commission allots funds to be expended upon the streets in a municipality, they have complete control of the expenditure of those funds. Since they are State highway funds, they should also be used on streets which are part of the State Highway System, and the local authorities do not have the right to designate the streets upon which such funds shall be expended. The State Highway and Public Works Commission may expend its funds only on streets which are part of the State Highway System, and they have complete jurisdiction over these expenditures.

the court-house door of the county. Only municipal property is involved, and the statute would be satisfied if you include the place of sale in your notice.

To John A. Oates. Inquiry: Is there any legal objection to change of time of expiration of city auto license tags from July 1 to January 1?

(A.G.) If the revenue derived from the sale of the tags every year is not pledged for some particular purpose so that a diminution of the amount of revenue for one year would work an impairment of contract obligations, I can see no reason why the date of expiration cannot be changed, if done so that a tax of not more than one dollar is collected during the year.

11. For hire cars and transfer trucks.

To Joe N. Cox. Inquiry: What license tax may a city levy on a taxi operator?

(A.G.) We are of the opinion that C. S. 2787 (36), authorizing municipalities to license and regulate the taxi business, is superseded by Section 61, Chapter 407, Public Laws of 1937, which limits the town tax to \$1 per resident vehicle.

14. Privilege license—beer and wines.

To J. R. Morgan. (A.G.) I am of the opinion that under section 510, Chapter 158, Public Laws of 1939, the tax therein prescribed is mandatory, and that municipalities are required thereunder to levy a tax both on beer and wine upon persons who are engaged in the business of selling both these beverages.

40. License tax on peddlers.

To W. N. Rose. (A.G.) Although the 1939 revenue act, Section 121, exempts sellers of "wood or fuel," it is my opinion that this is a typographical error and should read "wood for fuel." Therefore, only peddlers of "wood for fuel" would be exempted from the provisions of the section, and all other peddlers of fuel would be liable for the tax.

60. License tax on laundries.

To J. E. Sawyer. (A.G.) Since there is no prohibition in section 150 of the 1939 Revenue Act against cities and towns levying a privilege tax on laundries situated within the city limits, I am of the opinion that under the terms of C. S. 2677 your city could, by proper ordinance, levy a tax on laundries so operated. See State v. Bridges, 211 N. C. 235.

61. License tax on out-of-town businesses.

To W. P. Kanto. (A.G.) Our Supreme Court has held, in the case of State v. Bridges, 211 N. C. 235, that municipalities may by proper ordinance levy a privilege tax upon bakers who deliver bread within

the corporate limits of any such municipality.

To M. O. Wyrick. Inquiry: What license may our Town charge an out-of-town firm, employing more than three persons, for soliciting dry cleaning within our city limits?

(A.G.) Section 139 of the Revenue Act permits you to charge a tax of \$25, but the tax does not apply to soliciting in towns without a plant, shop or established agency, provides the solicitor has paid a State, county and municipal license tax in this State.

70. License tax on chain stores.

To J. L. Walston. (A.G.) A county which operates a chain of liquor stores is subject to the chain store tax levied under Sec. 162 of the 1939 Revenue Act.

To R. T. Allen. Inquiry: Should a store belonging to a chain, not carrying a stock of goods for sale, but as samples, and filling orders for delivery, at the store, of the merchandise selected, be required to pay a chain store license tax to a city under the present Revenue Act?

(A.G.) There is, perhaps, sufficient authority for you to hold in the instant case that there is tax liability under the taxing authority referred to (Section 162 of the Revenue Act).

B. Collection of license taxes.

15. Penalties for non-payment.

To R. L. Shoe. Inquiry: What action may be taken when a person refuses to pay a city or county privilege license tax for carrying on a business?

(A.G.) Under Section 187 of the 1939 Revenue Act, it is a misdemeanor to engage in such business without paying the described license tax.

IV. Public Schools.

A. Mechanics of handling school funds.

2. Signing of vouchers.

To Clyde A. Erwin. (A.G.) We are of the opinion that all vouchers drawn upon the county treasurer, including school vouchers, are required to be signed by the county accountant. See C. S. 1334 (66) (68).

3. School insurance—mutual companies.

To J. W. Paynter. (A.G.) County Boards of Education have authority to insure school property in mutual fire insurance companies authorized to do business in this State. Fuller v. Lockhart, 209 N. C. 61.

B. Powers and duties of counties.

16. Application of supplementary funds.

To W. T. Crutchfield. Inquiry: Would the supplementing of salaries of school bus drivers by a county require a special election?

(A.G.) Under the provisions of Section 9, Chapter 358, Public Laws of 1939, when necessity is shown and upon approval of the county board of education, or of the trustees of any city administrative unit, the State School Commission may approve the use of funds derived from fines, forfeitures, etc., to supplement any object or item of the current expense budget, and no election would be necessary.

C. Powers and duties of city administrative units.

10. Elections to supplement state funds.

To Thomas P. Pruitt. Inquiry: A special school tax was voted by the voters in our city administrative unit, but the levy was enjoined on the ground of alleged irregularities in the election. If the restraining order is dissolved, is it mandatory on the County Commissioners to levy the tax?

(A.G.) We think that it is in the discretion of the board of trustees of the unit to include funds for the higher standard in their budget, and of the County

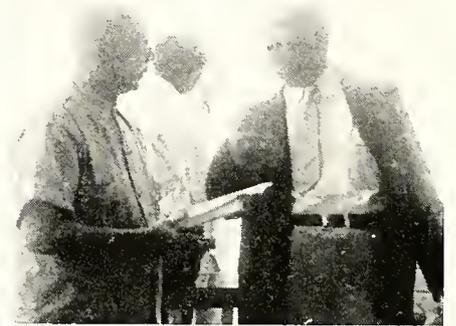
Commissioners to approve the request. The tax, even though it is approved by a vote, still has to be levied by the Commissioners.

To Lloyd Griffin. Inquiry: Is Chapter 245, Public Laws of 1935, covering injuries to school children, applicable to ninth month operation of buses by units?

(A.G.) Yes, but it imposes no obligation on the State. The tax-levying authorities of any school district operating a ninth month are authorized and directed to make provisions to pay such compensation as Chapter 245 authorizes the School Commission to pay.

43. Workmen's compensation.

To Clyde A. Erwin. (A.G.) The responsibility for workmen's compensation during the eight months school term is placed on the State School Commission, but County and City administrative units are made responsible for workmen's compensation for school employees whose salaries or wages are paid by the local units from local funds.



AT CONVENTION OF COUNTY OFFICIALS

G. D. Bradshaw, Mecklenburg Accountant, and J. W. Whitaker, Halifax Chairman, talk things over between sessions.

F. School officials.

7. County board—contracting with members.

To H. L. Capps. Inquiry: May a member of a Board of Education sell to such board any building materials, fire insurance, or other materials?

(A.G.) No. He would violate the provisions of C. S. 4388, which prohibits a director of public trust from contracting for his own benefit.

50. Principals and teachers—election and contracts.

To C. A. Erwin. Inquiry: Where the school committee has one candidate for school principal, and the county board of education has another, and they cannot agree, which body makes the final selection?

(A.G.) Section 7, 1939 School Machinery Act, provides that the district committee shall elect a principal in the first instance, subject to the approval of the county superintendent and the county board of education. "In the event the local school authorities are unable to agree upon the nomination and election of teachers, the county board of education shall select the teacher or teachers, which selection shall be final for the ensuing school term." This would make the selection of the county board of education in the present case final.

To Clyde A. Erwin. (A.G.) In the employment of teachers, Section 12 of the 1939 School Machinery Act provides that

no rule shall be made or enforced which discriminates with respect to the sex, marriage or non-marriage of an applicant.

V. Matters Affecting County and City Finance.

1. Issue of bonds.
5. Revenue bonds.

To William B. Campbell. (A.G.) It is my opinion that the Revenue Bond Act does not cover a bond issue for street paving projects.

VI. Miscellaneous Matters Affecting Counties.

- A. Contractual powers.
20. Soil improvement associations.

To Robert P. Burns. (A.G.) A county may become directly liable for the replacement purchase price of necessary equipment to be used in soil erosion prevention. They are empowered to let farmers use the equipment on rental or other basis, C. S. 4958(1).

The county commissioners could guarantee the payment of the purchase price of machinery purchased by a county soil association, C. S. 4958(2) and C. S. 4958(4).

The law does not provide for the levy of taxes or floating of bonds for the purchase of the equipment.

G. Support of the poor.

5. Old age assistance.

To L. E. Lancaster. (A.G.) Under Chapter 395, Public Laws of 1939, Section 1(h), it is in the discretion of the County Welfare Boards to make public the awards, and applications on which they are based, for Old Age Assistance.

To Nathan Y. Yelverton. (A.G.) Chapter 102, Public Laws of 1939, is very definite in providing that confederate pensioners who are eligible for Old Age Assistance must be transferred from the Confederate pension to the old age rolls.

- P. Costs payable by the counties.
5. Premiums on officials' bonds.

To W. S. Gregory. Inquiry: May a coun-

ty pay premiums on bonds of County Officials?

(A.G.) In the absence of a Public Local law to the contrary, payment of such premiums would be a legitimate charge which the County Commissioners could legally pay.

VII. Miscellaneous Matters Affecting Cities.

- B. Matters affecting municipal utilities.
6. Collection.

To C. R. Lassiter. (A.G.) Under C. S. 2808 municipalities are authorized to fix dates when water rents are due and payable, and may cut off the water upon failure to make such payment.

To J. L. Hollifield. Inquiry: May a town legally accept water rents in advance of the delivery of the water, so that money could be raised for the installment of new pipes?

(A.G.) In my opinion, the procedure outlined by you would not be warranted by law. This would merely be doing indirectly what the town could not do directly, since it would be borrowing money from the customers of the water department.

C. Police and fire protection.

5. Police regulations.

To M. H. Coburn. Inquiry: Does a municipality have the power to prohibit the use of all slot machines?

(A.G.) It is my opinion that an ordinance prohibiting the use of slot machines licensed by the Department of Revenue would be invalid.

To Russell E. Harrison. (A.G.) I think it entirely within the police power of municipalities of the State to enact ordinances regulating the use of bicycles on its streets, and that an ordinance requiring a registration fee for bicycles would be valid.

N. Police powers.

20. Regulation of trades and businesses.

To Mr. Harvey Dinkins. Inquiry: May a city enforce an ordinance which sets up restrictions on eating places more stringent than the state laws?

(A.G.) As a general proposition a municipality may not impose requirements which would prevent the carrying on of any business or activity which has been duly licensed by the state. It may, by city ordinance, impose health and sanitation requirements, but such requirements may not be unreasonable or arbitrary.

Q. Town property.

10. Sale of town property.

To Messrs. Harding and Lee. (A.G.) Under C. S. 2688 a city may sell at public auction without special act of the legislature, property on which the old city hall, fire station, and other municipal buildings are located when new municipal buildings serving the purposes of the old ones have been constructed.

Z. Workmen's compensation and other employees' funds.

To C. E. Lassiter. Inquiry: Where a municipality employes only three persons, a town clerk and two policemen, what is the liability in event of serious injury or death to either policeman?

(A.G.) I am of the opinion that such town would come under the provisions of the Workmen's Compensation Act, and would be liable for injuries, if such arose out of and in the course of employment, regardless of the number of employees of the town.

A.B.C. BOARDS

To George W. Huntley, Jr. Inquiry: Is it legal for county A.B.C. boards to do or perform any of the following things: Purchase real estate, above its requirements to conduct the business of the board? Make loans to A.B.C. personnel, either secured or otherwise? Make donations to civic organizations? Make donations to business enterprises? (A.G.) I can find no statutory authority for any of the above listed activities. If the county A.B.C. boards engaged in these activities in absence of any statutory authority, they would be subjecting themselves to liability for mismanagement of public funds.

VIII. Matters Affecting Chiefly Particular Local Officials.

A. County Commissioners.

5. Trading with members of board.

To David L. Kelly. (A.G.) Under C. S. 4388 a county may deposit funds in a bank of which one of the county commissioners is a cashier because transactions with banks and banking institutions are exempted from the restrictions imposed in this section.

30. Legislative powers.

To C. B. Roebuck. Inquiry: Do County Commissioners have a right to refuse to issue licenses for slot machines?

(A.G.) Under Section 130 of the 1939 Revenue Act, Subsection 7, counties, cities, and towns may levy and collect a license tax not in excess of 50% of the license tax collected by the State under subsection 3.

Under the law the county has a right to levy the license tax but it is not compelled to do so. The fact, however, that it did not levy and collect a license tax on the machines would not mean that the machines would not be legally operated within the county, to the extent that they are permitted to be operated under the law.

B. Clerks of the Superior Court.

I. Salary and fees.

To W. F. Humphries. Inquiry: Are clerks required to take commissions in accounts of fiduciaries of estates on the total receipts and disbursements collected and paid out during the course of the entire administration or only on total receipts and disbursements during the period covered from time of last annual report?

(A.G.) It is my opinion that the Clerk is entitled to a fee based on the entire receipts and disbursements, under Section 3904 (b).

To J. O. Tally. Inquiry: Does a Clerk of Superior Court have legal authority to set up a larger requirement for advance court costs in civil actions than the \$7.50 for one df. and \$1.50 for each additional df. prescribed in C. S. 3904(c)?

(A.G.) In the absence of any Public Local legislation which would permit him to do so, the clerk does not have authority to increase these amounts, as they are fixed by statute.

To Rufus F. Routh. (A.G.) Clerks of the Superior Court are not entitled to five per cent on the dollar additional costs assessed in criminal actions for the benefit of the Law Enforcement Officers' Benefit and Retirement Fund.

LIBRARY GRANTS & LIABILITY

To Louis C. Allen. Inquiry: Would our County Commissioners be personally liable for money appropriated to a public library to be used in sending books to various schools of the County in case the Supreme Court should hold the statute authorizing support of libraries unconstitutional?

(A.G.) The statute authorizing appropriations by counties for the support of public libraries has not expressly been declared unconstitutional, although the language in the case of Westbrook v. Southern Pines indicates that the Court would so hold. However, this question was not in all respects before the Court, and a different conclusion may be reached when it is directly presented. We are of the opinion that there would be no personal liability on your County Commissioners for making a reasonable appropriation for the support of a public library until the statute authorizing this appropriation has been expressly declared unconstitutional. See Smith v. Carolina Beach, 206 N.C. 831, and State v. Godwin, 123 N.C. 697.

23. Summons in civil actions.

To Fred F. Church. Inquiry: Is it the duty of the Clerk of Court to fill out summons forms in claim and delivery and attachment proceedings?

(A.G.) No. It is his duty merely to sign and deliver, that is, issue the summons. Litigants or their attorneys should prepare the papers, fill out forms, etc.

75. Administration of Guardian's Funds.

To C. F. Rice. (A.G.) Legal settlement in your County is not a requirement for a person to qualify as a guardian for an incompetent. If you are unable to find a suitable person in your County to qualify as a guardian, it would be entirely proper for you to go outside your County and appoint a non-resident to such place.

78. Dower.

To W. H. Young. (A.G.) A Clerk of Court would not be justified in paying money to a widow as her year's allowance until it has been allotted by a Justice of the Peace when the value of the property and the number of children, etc., has been determined in accordance with law. See Section 65(a) C. S.

C. Sheriffs.**1. Fees.**

To S. O. Worthington. (A.G.) In cases where the Sheriff is required to collect the bill of costs, he should add to such bill the two and one-half per cent for the use and benefit of the County.

When a Sheriff returns a summons marked "not to be found in _____ County," I find that it is generally customary throughout the State to return fees advanced when no service is had. The Statute relative to this fee is for service of summons.

To C. G. Smith. Inquiry: What fees may a sheriff charge, and what expense may be added to his fee, in connection with employing other persons to help move personal property of a defendant from land when serving a writ of possession?

(A.G.) It was held in *Allen vs. Spoon*, 72 N. C., 369, that the sheriff is not entitled to recover of the defendant his expenses in removing personal property from land under a writ of ejectment or a writ of possession. The only fee provided by law in such cases is the usual fee of one dollar.

D. Register of Deeds.**1. Fees.**

To C. C. Duke. (A.G.) I am of the opinion that a Register of Deeds is not entitled to a commission for collection of the \$3.00 state license tax on marriage licenses. A Register of Deeds has no authority to collect fees not provided by statute.

9. Marriage—licenses and certificates.

To J. B. Blaylock. (A.G.) A marriage license is valid for 60 days after its issuance and the parties may be married thereunder at any time within such period. The Marriage License Act of 1939 (chapter 314) does not contain any provision affecting the period during which the marriage ceremony may be performed under the statutory form of license.

To Miss Tempie J. Batton. (A.G.) The 1939 Marriage License Act provides that the health certificate be executed "within seven days from date of presentation," and requires that the laboratory test be made within two weeks of the time application for marriage is made.

COMMISSIONERS' TERMS

To Fred R. Seeley. (A.G.) Article VII, Section 1, N. C. Constitution, provides that in each county there shall be elected biennially as provided for the election of members of the General Assembly, among other officers, County Commissioners. However, Section 14 of that article provides that the General Assembly shall have power to modify, change or abrogate any of the provisions of the Article and substitute others in their place. I am of the opinion, therefore, that by virtue of Section 14 of this Article, the General Assembly has the power to extend the term of office of County Commissioners.

I think these provisions mean that the health certificate may be accepted up to and including the eighth day, and that the laboratory report may be accepted up to and including the 15th day.

To J. H. McAdoo. Inquiry: Please construe the 1939 Marriage License Law. What proof is necessary that a person signing a certificate is a licensed physician? How will the Register of Deeds ascertain that a laboratory is approved by the State Board of Health? Does Section 3 of the Act require the Register of Deeds to obtain information as to idiocy, mental defectiveness, epilepsy, or unsoundness of mind and to go behind the physician's certificate?

(A.G.) The State Board of Health is now taking steps to have issued to Registers of Deeds an official list of licensed physicians and medical examiners and approved laboratories, to be revised from time to time, that you would be justified in accepting lawful oath, affidavit or affirmation.

L. Local law enforcement officers.**24. Prohibition—liquor control acts.**

To W. D. Barrett. (A.G.) C. S. 3379 and 3408 are still in force, and possession of a federal retail liquor license is prima facie evidence, sufficient to support, but not compelling, a conviction of possession of liquor for purpose of sale.

30. Slot machines.

To J. D. Beatty. (A.G.) It is quite clear that if the machine gives any prize or pay-off by chance, it is a gambling device, and is nonetheless so because licensed either by the state or by a county or city.

To Mr. Ray Ingram. Inquiry: Under C. S. 4435 is it the duty of the county court to destroy the gaming machines of parties convicted in the county court?

(A.G.) C. S. 4435 has never been construed by the N. C. court, and its meaning is not exactly clear. Yet it would seem that the court should order illegal machines destroyed where a conviction has been had.

39. Motor vehicle laws.

To J. T. Armstrong. Inquiry: The amendment to Section 103 (b) of The Motor Vehicle Code specifically provides that no motor vehicle, except those operated under the direction of the police, fire department, public or private ambulances, travelling in emergencies, shall be operated at a speed in excess of 60 miles per hour.

This does not repeal the requirement of the other subsections in Section 103 relative to speed restrictions, and the operator of any motor vehicle is still required to observe the prima facie speed limits therein referred to.

120. Peace Officers' Fund.

To T. A. Clark. Inquiry: Does the collection of the additional one dollar cost for the Law Enforcement Officers' Benefit and Retirement Fund apply to violations of Town ordinances, such as parking regulations?

(A.G.) The additional one dollar cost should be collected in all criminal cases where defendant is required to pay costs. This would, of course, apply to a violation of town ordinances, in all courts, including those of Mayor and Justice of the Peace.

M. Health and Welfare offices.**3. County Welfare Superintendent.**

To N. H. Yelton. Inquiry: May the Board of County Commissioners reduce or determine the salary of the County Welfare Superintendent?

(A.G.) C. S. 5016, as amended by Section 5, Chapter 319, Public Laws of 1937, grants the Board of County Commissioners power to determine the salaries of the County Welfare officers.

P. Officials of Recorders' and County Courts.**4. Appointment.**

To S. M. Butler. (A.G.) Under section 1537, Consolidated Statutes, a Municipal Recorder must be elected by the governing body of the municipality either at the time of the establishment of the Court, or within thirty days thereafter, and shall hold office until his successor is elected and qualified. His successor shall be nominated and elected at the same time and manner provided by law for the elective officers of the municipality.

S. Mayors and Aldermen.**8. Costs and fees in Mayor's Court.**

To Lem Winsett. Inquiry: What fees are allowed a mayor for presiding in Mayor's Court?

(A.G.) C. S. 2634 entitles the mayor to the same fees which are allowed to Justices of the Peace.

10. Jurisdiction.

To Mart Wilson. Inquiry: Does a successor to a resigned Commissioner, serve until the next election or until the end of the term of the person he succeeded?

(A.G.) In the absence of any provision in the Charter of the town, he would serve only until the end of the term of the person succeeded.

26. Trading with member of board.

To R. R. Carpenter. Inquiry: If the cashier of a bank wherein the town deposits its funds is elected Mayor, will the Town be required to remove its funds to another bank?

(A.G.) I do not find any statute requiring the removal of the funds. C. S. 4388, however, may make the Mayor indictable on the theory that he is engaging in an undertaking for his own benefit.

T. Justices of the Peace.**3. Issuance of process and warrants.**

To Roy McKan. (A.G.) A Justice of the Peace may issue warrants under authority of C. S. 4522. He may also issue orders for arrest of persons in certain cases specified in C. S. 1500, rule 18.

Guidebooks for Tax Collectors

of Counties, Cities and Towns

1. **The New Law (1939 General Assembly) for Collection and Foreclosure of County and City Property Taxes.**

(Bringing up to date the Guidebook issued by the Institute of Government in 1935 and revised in 1938—comparing in detail the procedure under the old and new law).

2. **Listing and Assessing of Property for County and City Taxes.**
(With 1939 Supplement).

3. **The Levy and Collection of Privilege License Taxes under Schedule B—1939 Revenue Act. Chapters ready for distribution:**

1. Chart of Schedule B Privilege License Taxes under Schedule B, 1939 Revenue Act.
2. Peddlers and Itinerant Merchants.
3. Coin operated amusement, music, weighing, vending and slot machines.
4. Chain Stores.
5. Laundries.
6. Miscellaneous Provisions of Schedule B Construed by the Attorney General and the Supreme Court.

4. **Levy and Collection of Beverage Taxes.**

1. Beer.
2. Unfortified wines.
3. Fortified wines.
4. Liquor.

5. **Levy and Collection of Poll Taxes.**

(To be ready during the fall).

6. **Levy and Collection of Dog Taxes.**

(To be ready during the fall).

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