

File No. 36404 Continued.

"It is clear that the Legislature meant such buildings and works as were reasonably convenient and appropriate to the maintenance and operation of the road."

Consequently, it was held that while it had the power to erect warehouses, it could not engage in the business of warehousemen or conduct hotels for the accommodation of the public generally, and when such structures were owned and used for carrying on a business separate from its obligation as a carrier they "are taxable according to valuation as other real property." Further, it was held that the Metropolitan Branch of the Company's road, constructed pursuant to a special power (Acts of 1865, Chapter 70) was taxable, as well as the Company's interest in steamship lines authorized by the Act of 1861, Chapter 471, and it was likewise held that bonds held by the Company outside of its franchises "would be liable to taxation as other bonds, that is, according to their market value". The Court, in concluding its opinion on the subject, held that:

"It is sufficient to say that the gross receipts derived from all properties and investments held and owned under franchises granted subsequent to the Act of 1826 * * * upon which no exemption from taxation was engrafted, are liable to the tax imposed by the Act of 1872."

The result of that decision was to hold liable for a direct property tax (a) property of the Baltimore & Ohio Railroad owned and not "necessary and expedient to the operation of its roads"; (b) all property of the Railroad acquired under the Acts of the General Assembly subsequent to its Charter, upon which no exemptions had been engrafted.

At the session of the General Assembly of 1878 (and after the decision in 48th Md.) the subject of adjusting the controversies then existing between the State of Maryland and the Railroad Company, was presented for consideration. The passage of Chapter 155 of the Acts of that year resulted, whereby as a compromise of all matters between the State and the Company, it was agreed that the Railroad should be subject to taxation for State purposes to the extent of an annual tax of one-half of one percentum of the gross receipts of its Railroad, including the Metropolitan Branch and the Washington Branch, and from all other sources in this State, "but to no further or greater