

DELEGATE ROBIE: Thank you.

THE CHAIRMAN: Delegate Beatrice Miller.

DELEGATE B. MILLER: Chairman Case, I have just a clarifying question.

In the first place, I am not quite sure how your reply yesterday to Delegate Maurer's question on section 8.01(a) applies, in terms of whether or not the taxing power could be exercised by an elected school board, if such an elected school board were exercising powers. Since I am not an attorney, I do not understand what the definition of legislative power is.

For instance, a school board which sets teachers salaries, which sets policies for the schools, are these legislative powers?

DELEGATE CASE: No. Legislative powers are powers to make laws and my answer to Delegate Maurer's question was simply this — if it was Delegate Maurer; I have forgotten now — that if the General Assembly could constitutionally set up a school board and provide that its membership should be elected by the people vested with the power to make laws about any and all subjects pertaining to schools, then in my judgment, the General Assembly could also grant to that board the power to tax.

THE CHAIRMAN: Delegate Miller.

DELEGATE B. MILLER: It is a little bit far fetched, but is it possible then that the state school board could be given such a taxing power?

THE CHAIRMAN: Delegate Miller, I am not sure you understand Delegate Case. He had a small important word at the beginning of his sentence. It was "if." I do not think he was suggesting to you that that would be done.

DELEGATE B. MILLER: My question was, under the definition — I see. You are saying in effect that even the state school board at the present time does not have such legislative power?

DELEGATE CASE: It does not.

I have been a member of that board, and I have some knowledge of it.

THE CHAIRMAN: Delegate Miller.

DELEGATE B. MILLER: I have another question, please.

In section 8.02-2, when you talk about exemptions, exemptions with respect to any tax imposed by the State shall be made,

do you mean just the State, or do you mean the State and its subdivisions?

DELEGATE CASE: Just the State.

THE CHAIRMAN: Delegate Miller.

DELEGATE B. MILLER: My third question is: Did your Committee at any time consider under section 8.02 an alternative method of relief for the farmers?

DELEGATE CASE: I think you would have to be a little more specific. We discussed the problem in great detail, and I would guess that perhaps in that discussion there was some, or there were alternatives suggested. If you will give me exactly what you have in mind, I will be glad to comment on it.

THE CHAIRMAN: Delegate Miller.

DELEGATE B. MILLER: I was thinking perhaps of a kind of tax rebate or tax writeoff which we have granted to the elderly, rather than getting involved with the question of land, which has proved such a difficult one.

DELEGATE CASE: Yes, Delegate Miller, we not only discussed those, but we discussed the general theory as held in some states, and which was advanced here last time, that taxes be deferred until the sale of the property, and then at that time the property would be subject to reassessment, for say a period of five years back, taxes calculated to what they would have been if the property had been assessed and collected at that time.

The reason we did not go for that is, as you know, the General Assembly this year in enacting the Agnew-Hughes tax plan, has imposed for the first time the capital gains tax, so the farmer will be hit with this tax, which he never would have been before as far as state taxes are concerned. So for this and other reasons these credits and deferred credit procedures are tremendously different, but they are not a constitutional dimension anyway, but these were all considered.

THE CHAIRMAN: Are there any further questions, Delegate Miller?

DELEGATE B. MILLER: Yes, Mr. Chairman, I have one final question. The question of special exemptions for corporations has come up several times in the committees of this convention. I find no place in the recommendations of the State Finance any mention of this. Have you considered it — and if so, why did you omit any reference to it?