

Finance Committee

The meeting was called to order by Chairman Werland at 2 P.M.

Present: Werland, Awee, Nolan, Peratrovich, Poulsen, Barr, White.

The chairman appointed White as secretary.

The chairman suggested the election of a vice-chairman. Peratrovich nominated Barr, Barr nominated Nolan, Nolan declined the nomination, Barr was unanimously elected vice-chairman.

Moved by Peratrovich, seconded by Nolan, the secretary handle publicity for the committee with the approval of releases by the chairman. Without objection.

Moved by White, seconded by Peratrovich, the committee be governed by the rules adopted as the permanent rules of the convention. Passed unanimously.

P.A.S. paper 79 - State Finance - was read aloud in rotation. There followed a general discussion of the questions raised by the above paper.

The meeting was adjourned at 3:50 P.M., and 2 P.M. November 16, set as the time of the next meeting of the committee. The secretary so notified the secretary of the convention.

Respectfully submitted,

Barrie M. White, Jr.
Secretary

Finance Committee

The meeting was called to order by chairman Nerland at 2:35 P.M.

Present: Nerland, Peratrovich, White, Aves, Nolan, Poulsen, Barr.

The minutes of the meeting of November 15 were read and approved.

Mr. Barr introduced Mr. Jack McKay, executive director of the legislative council.

Mr. McKay outlined his background, which includes 9 years in state and local government, specializing in local government and finance and taxation, 2 years with the Alaska legislative council, 3 years with the Texas legislative council, publication of various pamphlets on state and local finance, work with the "Little Hoover Commission" in Kansas, and staff work in various other states.

Mr. McKay discussed the background of the present Alaska financial picture as regards the organic act, and special financial provisions in recent statehood enabling acts.

There followed a general discussion of the material in the P.A.S. paper #9 - finance - and finance provisions in the Model State Constitution, Hawaii and Puerto Rico constitutions, and those of various states.

The discussion included classification for taxing purposes, public purpose and uniformity clauses, alienation clauses as they may affect tax incentives and other matters, debt limitation, budget and accounting provisions, local financing provisions and other matters pertinent to the subject of finance.

Mr. McKay offered to help the committee in any way possible and agreed to transcribe the sections of the Alaska Organic Act pertaining to finance and those sections of recent statehood enabling acts dealing with finance, and to provide the committee with a chart showing action taken by other states regarding debt limitations. Mr. McKay also informed the committee that he had sent for various other materials dealing with finance and upon arrival would be glad to go over them with the committee.

White moved that a majority of the committee constitute a quorum. Passed without objection.

The meeting was adjourned at 4:10 p.m. and 2 p.m. November 17, set as the time of the next meeting. The secretary so informed the secretary of the convention.

Respectfully submitted,

Barrie M. White, Jr.
Secretary

MINUTES OF MEETING

November 17, 1955

The meeting was called to order at 2:25 p.m. by Chairman Nerland. Present were Nerland, Aves, Paratrovich, Poulsen, Barr, Nolan, and White.

The minutes of the preceding meeting were approved as read.

Mr. McKay presented a memorandum entitled "Taxing Limitations in the Organic Act"; a chart showing uniformity provisions; memorandum of the finance requirements in HR 2535; Pamphlet entitled "^{Constitutional} Gentinual Debt Control in the States"; a chart showing the results of earmarking and various other matters.

Moved by Poulsen and seconded by Barr that paragraph 2, to the extent that it concerns Finance and paragraphs 3 and 6 of the secretariat memorandum no. 8 be tentatively adopted by the committee. Passed unanimously.

Moved by Aves, seconded by Barr that the outline in PAS paper no. 9 be ^{followed} shown in committee deliberations. Passed unanimously.

Moved by Nolan, seconded by Barr, that the committee tentatively adopt the following phrase "the power of taxation shall never be surrendered". *NOTION PASSED*

The meeting was adjourned at 3:55 p.m. and 2 p.m., November 18 set as the time for the next meeting. The Secretary so informed the Secretary of the Convention.

Respectfully submitted,

Barrie M. White Jr., Sec.

MINUTES OF MEETING
Nov 18, 1955

Meeting was called to order by Chairman Nerland at 2:10 p.m.

Present: Nerland, Awes, Peratrovich, Poulson, Barr, Noland, and White.

Minutes of the preceeding meeting were approved as read.

The chairman announced ~~that committee secretaries were to be invited to attend future meetings of the committee chairmen, and~~ that it was desired that an outline of committee work and estimated completion date be arrived at as soon as possible.

A tentative committee meeting on TV station KTVF in the Northward Bldg. at 4 P.M., Saturday, November 26 was announced. All committee members with the possible exception of Mr. Poulsen signified their availability at that time.

~~Mr.~~ Awes announced that Mr. McKay would mail some books pertinent to Finance Committee work from Juneau.

Mr. Barr introduced and read a proposal re the finance section of the Constitution.

A general discussion of public purpose clauses ensued.

Moved by Awes, 2nd Barr, that the committee tentatively adopt the first sentence of Sec. 6, Article 6, of the Hawaii Constitution. Passed unanimously.

There followed a general discussion of uniformity clauses.

The meeting adjourned at 3:30 P.M., and 2:00 P.M., November 21 set as the time of the next meeting. The secretary so informed the secretary of the Convention.

Respectfully submitted,

Barrie M. White Jr., Sec.

Constitutional Convention
Finance/ ~~6~~
Approved Nov 22, 1955

Minutes of Meeting
Nov. 21, 1955

The meeting was called to order by Chairman Nerland at 2:20 P.M.
Present were Nerland, Awes, Peratrovich, Poulsen, Barr, Nolan, White.

The minutes of the previous meeting were approved as corrected.

The Chairman announced that the TV committee meeting had been tentatively rescheduled for 4:00 P.M., Monday, November 28.

Uniformity provisions were discussed and Mr. Sady of the staff was invited to participate. Mr. Sady offered to do some research for the Committee, including the reference in footnote #16 in P.A.S. paper #9.

Tax ~~ex~~emptions and the alienation of taxing power were discussed at length.

The meeting was extended to 4:00 P.M. by general consent, and adjourned at that time. November 22 at 2:00 P.M. was set as the time of the next meeting, and the secretary so informed the Secretary of the Convention.

Respectfully submitted

Barrie M. White, Jr., Secretary

Minutes of Meeting
Nov. 22, 1955

The meeting called to order by Chairman Nerland at 2 P.M. Present Nerland, Awes, Peratrovich, Poulsen, Barr, Nolan, White.

Guests: Alice Stuart and Mr. Nishioka of Ladd AFB

Moved by White, 2nd Poulsen that the Finance Committee submit to the convention a proposed article on finance, all at one time.

Awes moved, Barr 2nd that the motion be amended to permit submission of the finance article in two parts. The amendment failed. The original motion passed.

Peratrovich moved, White 2nd, that the Chairman notify the Committee on Style and Drafting of the above motion, and make such progress reports as he deems necessary. The motion passed.

It was agreed without objection that the chairman would contact Dr. Moberg and the secretary, Mr. Rogers, for assistance.

Receipt of Alaska Legislative Council's "Industrial Incentives" and a pamphlet on Public Authorities was noted. Miss Awes agreed to read and submit a report.

Poulsen moved, Barr 2nd, that public hearings be set at 2:00 p.m. Saturday, December 3rd. The motion passed, and the secretary was instructed to notify the secretary of the convention and see to a suitable publicity release.

Moved by Barr, 2nd Awes that the committee tentatively adopt paragraph #7 of Mr. Barr's proposal, as amended. The motion passed.

Moved by Awes, 2nd Barr, that the above paragraph be amended to include tentatively paragraph 2, section 1, article 8 of the New Jersey constitution from its beginning through the word "repealed" and inserting the word "allowed" on the 4th line after the phrase "may be." The motion passed.

The meeting was adjourned at 3:30 p.m. and the next meeting set for 2:00 p.m., November 23.

Respectfully submitted,

Barrie M. White Jr., Sec.

Minutes for Meeting

November 23, 1955

The meeting was called to order by Chairman Nerland at 1:58 P.M. Present were Nerland, Aves, Peratrovich, Poulsen, Barr, Nolan, White.

Guests: Miss Stuart, Mr. McCutcheon, Mrs. Foster, Mrs. Douthitt.

The minutes of the preceding meeting were approved as read.

Miss Aves reported on the Alaska Legislative Council report "Tax Incentives".

Tax incentives were discussed. It was the consensus of the committee that tax incentives may well be useful in Alaska, that the Constitution should therefore not prohibit them, that the matter is tentatively covered to the committee's satisfaction by paragraph #6 of Mr. Barr's proposal.

Tax limits were discussed. It being the feeling of the committee that tax earmarking was pertinent to the subject, there followed a discussion of earmarking.

Barr moved, Peratrovich seconded that the committee tentatively adopt paragraph #10 of Mr. Barr's proposal. The motion carried by a vote of 7 - 3.

The meeting was adjourned at 3:30 P.M., and the next meeting set for 2 P.M., Friday, November 25.

Respectfully submitted,

Barris M. White Jr., sec.

MINUTES OF MEETING
Nov. 24, 1955

1. The meeting was called to order by Chairman Nerland at 2:00 p.m.
2. Present: Nerland, Aves, Peratrovich, Barr, Nolan and White.
3. It was agreed to accede to any decision made by the committee chairman regarding TV appearances.
4. The chairman announced that 2:00 p.m., December 3, had definitely been set aside as the time for public hearing.
5. The committee agreed to set December 12 as the target date for submission of a finance article to the Convention.
6. Moved by Barr, seconded by Nolan that Sec. 10 of Mr. Barr's proposal tentatively adopted by the committee be amended as follows: "All tax revenues shall be deposited in a general fund to be established and maintained by the state. This provision shall not prohibit the continuance of any special fund for special purposes existing at the effective date of the constitution." Motion passed 5 - 1.
7. A general discussion of tax limits followed, during which Mr. Robertson was invited and appeared before the committee in support of par. 3, Proposal 3. Mr. Robertson explained that his wording intended applying only to state taxes. He explained that his proposal stemmed from a belief some limitation should be placed upon taxation, and cited the support of the American Bar Association for a federal limitation of 25%. Mr. Robertson suggested, that to arrive at a realistic figure, the committee should try to ascertain the present Territorial limit.
8. Mr. Stewart advised the committee that the Legislative Committee was considering asking for the services of Prof. Dayton McKean of the University of Colorado, and suggested he might be of service to the Finance Committee. The chairman agreed to notify Mr. Stewart of the committee's decision by Monday.
9. The meeting was adjourned at 3:45 p.m., and Nov. 25 set as the time for the next meeting.

Respectfully submitted,

Barrie M. White, Jr., Sec.

Minutes of Meeting
November 25, 1955

The meeting was called to order at 2:05 p.m. by Chairman Norland. Present were: Norland, Aves, Peratrovich, Barr, Nolan, White.

Guests: Mrs. V. Fischer, Sgt. Barton of Ladd AFB, and Mr. Ryan.

The minutes of the preceding meeting were approved as read.

It was agreed that the committee would cover new material on the Monday TV program. State debt, and planning and controlling state expenditures were set aside as topics for discussion for the program.

Paragraph 3 of Mr. Robertson's proposal, setting a maximum limit of 25% on state taxes based upon net or gross income, was discussed at length. It was the opinion of some members that such limitation was undesirable and of others that it would be unwieldy or not serve the desired purpose. No final action was taken.

Proposal #20, by Mr. Minckel, was discussed at length. Mr. Minckel being unavailable for consultation, no final action was taken.

The proper action to take re proposals submitted to the committee, and the timing for sending them back to the convention was discussed. The chairman agreed to bring the matter up at the next meeting of committee chairmen.

The meeting was adjourned at 3:20 p.m., and the next meeting set for immediately after the afternoon plenary session November 28.

Respectfully submitted,

Harrie E. White, Sec.

Constitutional Convention
Finance/11
Approved _____

Minutes of Meeting
Nov. 28, 1955

The meeting was called to order by Chairman Norland at 2:20 P.M.
Present: Norland, Aves, Peratrovich, Paulsen, Barr, Nolan, White.

The TV meeting was discussed briefly, and the meeting recessed until 4:00 P.M.

At 4:00 P.M. the meeting reconvened at station KTVF in the Northward Building to go on television.

The chairman introduced and gave a brief background sketch of the committee members.

The committee discussed debt limits at length, covering the material in the P.A.S. paper and provisions in various constitutions.

It appeared to be the consensus of opinion that strict debt limitation should be avoided; that debt for operating expenses should be limited; that Alaska will be faced with a big building program, some phases of which will undoubtedly call for longterm financing; that referendums for bond issues are probably a good thing. No action was taken.

The meeting was adjourned at 5:00 P.M. and 2:00 P.M., November 30 set as the time for the next meeting.

Respectfully submitted,

Barrie M. White Jr., Sec.

Constitutional Convention
II/Finance/12

Approved _____

Minutes of Meeting

November 30, 1955

1. The meeting was called to order by Chairman Nerland at 2:40 PM. Present were Nerland, Awea, Peratrovich, Poulsen, Barr, Nolan, White.
2. The minutes of the meetings of November 26 and November 28 were approved as read.
3. The Chairman announced that the matter of suspending the TV committee meetings as of Saturday was before the committee chairmen. The Committee agreed unanimously with such suspension.
4. There followed a lengthy discussion of debt limitations.
5. Mr. Barr moved that the secretary be instructed to draft a tentative section on debt limitation, incorporating the suggestions of the committee. Without objection, it was so ordered.
6. Barr moved, Awea seconded, that the above draft include wording to limit debt incurred without referendum to 1% of the last general appropriation. The motion passed.
7. The meeting was adjourned at 3:30 PM and the next meeting set for 2:00 PM, December 1, 1955.

Respectfully submitted,

Barrie M. White Jr., Secretary

Finance/13 was assigned to a preliminary draft of the section on debt limitation.

Minutes of Meeting
Dec. 1, 1955

1. The meeting was called to order by Chairman Nerland at 2:00 p.m. Present were: Nerland, Aves, Peratrovich, Poulsen, Barr, Nolan and White.
2. The minutes of the preceding meeting were approved as read.
3. The section re debt limits tentatively adopted by the committee, was discussed. The wording "capital improvements" as it applies to debt incurred by referendum was approved. Several changes were tentatively adopted as to wording.
4. Moved by Peratrovich, seconded by Barr, that "3%" be inserted in the tentative proposal as to limit of debt to be incurred except by referendum or other special provision.
5. Moved by Barr, seconded by Aves, that action on the above motion be postponed to a time definite; the time being when the tentative section is to be discussed in detail. The motion passed.
6. Budget provision were discussed.
7. Moved by White, seconded by Poulsen, that the committee tentatively adopt the wording of sec. 703 of the Model State Constitution, striking the first line to the first comma, and inserting instead the first line of the comparable section in the Hawaii Constitution, down to the first comma. The motion passed.
8. Mr. McKay joined the meeting to discuss earmarking as it might affect federal grants.
9. Moved by Barr, that the phrase "except as state participation in Federal programs might thereby be denied" be added to the proposal tentatively adopted re earmarking.
10. The meeting was adjourned at 3:35 p.m., and 2:00 p.m., December 2 set as the time for the next meeting.

Respectfully submitted,

Barrie W. White, Jr., Sec.

Minutes of Meeting
December 2, 1955

The meeting was called to order by Chairman Merland at 2:10 p.m. All members were present.

The minutes of the preceding meeting were approved as read.

Mr. McKay joined the meeting and read Title 16, Sec. 669 of the U.S. code regarding the Pittman-Robertson Act as it applies to earmarking of funds. He reported that similar language is found in the Dingell-Johnson Act.

Moved by Barr, seconded by Aves, that the language "except as State participation in Federal programs might thereby be denied" be inserted in the committee's tentatively adopted section on earmarking, the motion passed.

The committee requested that a stenotypist be requested for the hearing on Saturday.

The chairman announced that the period December 19 - January 4 was under consideration for recess.

Mr. Poulsen read two proposals for the committee's consideration.

Moved by Geratovich, seconded by Barr, that Mr. Poulsen's proposal #2 be tabled.

The committee agreed that Mr. Poulsen's proposal #1 would be a matter for the legislature.

Budget and accounting procedures were discussed further.

There was general agreement it was not necessary to limit the power of the legislature to change the budget.

Moved by White, seconded by Barr, that the committee tentatively adopt Sec. 708 of the Model State Constitution, inserting "who shall be a Certified Public Accountant" after the word "auditor" in the second line, striking all after "post-audits" in line 3 and inserting "in the manner provided by the legislature and to report to the governor and the legislature." The motion passed.

The secretary was directed to prepare copies of all sections tentatively adopted to date.

The meeting was adjourned at 3:30 p.m., and 2:00 p.m., December 3, set as the time of the next meeting.

Respectfully submitted,

Barrie W. White, Jr., Secretary

Constitutional Convention

XI/Finance & Taxation/17
December 3, 1955

MINUTES OF HEARING
December 3, 1955

The hearing was called to order by Chairman Nerland at 2:00 p.m. Committee members present were Nerland, Barr, Nolan, Awes, White, Poulsen.

The chairman declared the hearing open, and asked if anyone in the audience from outside the Convention wished to be heard. There being none, the chairman asked if any delegate wished to be heard.

Mr. Hinckel rose in support of his proposal #20, which is before the committee. The proposal would provide that the legislature set a limit on property taxation "such that payment of the property tax will be possible by a person of moderate circumstances and income". Mr. Hinckel said that he had discussed the matter with various individuals, that he found general agreement with the idea, and that no one could suggest a better way of accomplishing it.

Mr. Kilcher rose in support of the proposal, and suggested that to accomplish its purpose the benefits might be limited to persons over age 65.

Mr. Cooper asked what consideration the committee had given tax incentives for Alaska.

At the request of the chairman, the secretary read the

sections tentatively adopted which bear on this subject, and explained that the committee intended to make it possible for the legislature to grant tax incentives, while not specifying any in the constitution. Mr. Cooper said this provision would satisfy him as to tax incentives.

Mr. Hurley rose to suggest that tax exemptions not be mentioned in the constitution. It was Mr. Hurley's particular desire that this matter be left to local government jurisdictions.

There followed some discussion of uniformity and classification proposals under consideration by the committee.

Mr. V. Fischer rose to suggest that care be taken in the drafting of such provisions, to allow different rates to be applied to property for taxation purposes on different levels of local government.

Mr. V. Rivers rose to ask if a uniformity clause would prevent tax incentives, and committee members replied that it was believed the matter could be taken care of through a proper classification clause.

Mr. White asked both Mr. V. Rivers and Mr. Hinckel as to their opinion of the desirability of uniform assessment practices. Both replied that they thought such a provision worthwhile.

The time set for the hearing having expired at 3:00 p.m., the meeting was adjourned.

Respectfully submitted,

Barrie M. White, Jr.
Secretary

Minutes of Meeting
December 5, 1955

The meeting was called to order by Chairman Herland at 3:10 p.m. All members were present.

The minutes of the meeting of December 2 were approved as read.

The chairman introduced Mr. Weldon Cooper, consultant, to the committee members. Committee members asked Mr. Cooper questions during the ensuing period, ranging over the field of finance and taxation.

Mr. Cooper said that absence of a uniformity clause could raise grave questions as to compliance with the 14th amendment, although it is undoubtedly true the 14th amendment would apply in any case and possibly no harm would come of omission of a uniformity clause.

He said that provision for classifying would be necessary, that specific classifications should be left to the legislature, and that it is hard to say how far classification can go.

He said that proper allowance for classification could enable grant of tax incentives. Asked as to the advisability of tax incentives, Mr. Cooper pointed out that expert opinion was nearly unanimously against it on principle, and that actually industry rarely expected it or even desired it. He advised that should the committee want to provide for incentives, it consider reinserting the words "suspended or

bargained away" in the pertinent clause, add "except as herein provided", and then specify what incentives would be allowed. He also advised setting a time limit constitutionally. Asked if incentives might be viewed differently by experts in the light of Alaska's unusual position, Mr. Cooper replied, yes, but that it should be part of an overall picture.

The important overall picture, Mr. Cooper advised, is one of a sound financial structure, some of the important ingredients being: No constitutional tax limitation, good budget, accounting and post-audit systems, coupled with public access to records and statements and a good civil service system to assure competent professional management. Asked if the broad outlines of budget, accounting and post-audit procedures should have constitutional status, Mr. Cooper replied it might be advisable if unnecessary detail could be avoided.

Mr. Cooper stressed the importance of extending sound financial practices to units of local government. Asked if standard assessment practices would help, he replied that if this could be worked out it would be a great contribution. He also suggested the possibility of temporary central assessment for the smaller units of local government. He went on to say that central collection of taxes would in his opinion lapinge too heavily on home rule for local unit.

Asked if he knew of any example of the exception from taxation of non-profit religious etc. institutions being left

to local government units, Mr. Cooper replied, no, and that it would not be advisable. Committee members raised the question of non-exemption of business enterprises of non-profit institutions, and Mr. Cooper thought the matter well taken care of by the word "exclusive" in the committee's tentative draft of the pertinent section. Mr. Cooper also pointed out that experts generally viewed tax exemptions, beyond those traditionally granted as a poor practice.

Mr. Cooper agreed to draft a tentative section dealing with tax incentives, and stated that he planned to be at the convention until approximately December 16.

The meeting was adjourned at 4:45, and 3:10 December 6 set as the time for the next meeting.

Respectfully submitted

Barrie A. White, Jr.
Secretary

Approved _____

Minutes of Meeting
December 6, 1955

1. The meeting was called to order by Chairman Merland. All members were present.
2. The minutes of the meeting of December 5 were read and action deferred, as was action on the minutes of the hearing of December 3.
3. Miss Aves reported on the "Function of Constitutional Provisions Requiring Uniformity in Taxation," in the November 1949 -- May, 1950 issues of the Kentucky Law Journal.
4. There followed a general discussion of uniformity clauses.
5. Moved by Aves, seconded by Barr, that the committee tentatively agree that no uniformity clause be placed in the constitution. The motion passed 6-1.
6. Moved by White, seconded by Aves, that the committee tentatively adopt the following: "The legislature shall provide for the method of assessment of all real property assessed and taxed locally or by the state to be according to the same standard of value." The motion passed 6 - 1.
7. The committee started a review of the sections tentatively adopted, and tentatively reapproved para. 1, 2, & 3 of the memo of Nov. 22, with minor wording and punctuation changes in 1. The committee tentatively agreed to change para. 4 to read as follows: "The power of taxation shall never be surrendered, and shall never be suspended or contracted away except as hereinafter provided."
8. In para. 5, the committee agreed to reconsider the words "directly or indirectly."
9. In para. 6, the committee tentatively agreed to minor changes in wording and punctuation, and to the elimination of the last line, and deferred further consideration until the next meeting.
10. The chairman announced that Mr. McZean was due Thursday afternoon.
11. The meeting was adjourned at 5 PM, and 3:10 PM Dec. 7 set as the time of the next meeting.

Respectfully submitted,

Barrie N. White Jr., sec.

MINUTES OF MEETING

December 7, 1955

1. The meeting was called to order by Chairman Nerland at 3:10 P.M. All members were present.
2. The minutes of the hearing of December 3, and the meetings of December 5 and 6 were approved as read.
3. Guests present: Mrs. Sweeney, Mrs. White, Miss Stuart.
4. Mr. Elliott, consultant, was asked to join the committee, and there followed a discussion of tax exemptions for non-profit organizations as they apply to profit-making enterprises. The New York constitutional provision was read and discussed by Mr. Elliott. It was his opinion said provision would accomplish the end the committee desired.
5. Mr. Cooper, consultant, was asked to join the meeting, and further discussion was held on the above subject.
6. Moved by White, seconded by Barr, that para. 6 of the committee memo of November 2 be amended tentatively to insert " all or any portion of " between "and" and "such" on the second line, and to insert "as defined by law" after "purposes." The motion passed.
7. Moved by White, seconded by Awes, that the committee tentatively readopt para. 6, as amended. The motion passed.

8. Mr. Cooper was asked for general advice regarding the next step the committee might take. He advised the committee to step back and take a fresh look at the whole subject, and to submit proposed articles to those who would have to work with them. Mr. Cooper was furnished a copy of tentatively adopted articles for further study, and his comments invited.

9. The secretary and Mr. Peratrovich were named a committee to work with Mr. McKay in rearranging articles so far adopted.

10. The secretary was directed to send a copy of the proposed articles to Mr. Karl Dewey.

11. The chairman announced Mr. Ostrom, consultant, had been asked to attend the next meeting

12. The meeting was adjourned at 5 PM, and 3:10 Dec. 3 set as the time for the next meeting.

Respectfully submitted,

Barrie M. White Jr., Secretary

Minutes of Meeting

1. The meeting was called to order by Chairman Nerland at 3:10 p.m. All members were present. Also present: Miss Stuart, Mr. Kilcher.
2. The minutes of the meeting of December 7 were approved as read.
3. Mr. Ostrom, consultant, joined the meeting.
4. Mr. Ostrom suggested that para. of the Nov. 22 memo might be clarified, and raised the question of the necessity of the words "directly or indirectly" in para. 5.
5. A discussion of earmarking followed, during which Mr. Ostrom suggested that earmarking can lead to serious difficulties. The question was raised as to the effect of the wording "effective date", and Mr. Barr agreed to look into the matter.
6. The committee continued its review of the memo of Dec. 4, during which it was pointed out no provision had been made for the Governor to introduce bills in the legislature.
7. Moved by White, seconded by Barr, that the words "Introduce therein" on line 7, and the words "submit to" in line 9, of para. 2, be deleted, and "also submit" and "submit to" be inserted in their place. The motion passed.
8. Moved by Poulsen, seconded by Barr, that a period be inserted after revenues in the last sentence in para. 2, and the rest of the sentence stricken. The motion passed.
9. Moved by Nolan, seconded by Barr, that the words between the commas in line 1 of para. 3 be stricken. The motion passed.
10. The secretary said work was progressing on rearranging and duplicating the sections tentatively adopted by the committee.
11. The meeting was adjourned at 4:45 p.m., and 3:10, Dec. 9, set as the time for the next meeting.

Respectfully submitted,

Barrie M. White, Jr., Sec.

MINUTES OF MEETING
December 9, 1955

1. The meeting was called to order by Chairman Norland at 3:10 PM. All members were present.
2. The minutes of the meeting of December 8 were approved as read.
3. Mr. Cooper, consultant, was asked to join the meeting.
4. The committee discussed with Mr. Cooper all the provisions tentatively adopted to date, and suggestions made by Mr. Cooper. Particular attention was paid to the wording of various sections to make sure the intent of the committee would be carried out by the wording.
5. The meeting was adjourned at 4:45 PM, and 12 o'clock noon December 10, at Mr. Norland's apartment set as the time and place of the next meeting.

Respectfully submitted,

Barrie M. White Jr., Secretary

MINUTES OF MEETING

December 10, 1955

1. The meeting was called to order by Chairman Nerland at 12:15 PM. All members were present, as were Mr. McKay, staff member, and Mr. McKean, consultant.
2. The reading of the minutes of the preceding meeting was deferred.
3. The committee was furnished with copies of a preliminary draft of an article of Finance and Taxation, prepared at the committee's instruction by Mr. McKay and the secretary from the proposals tentatively adopted to date.
4. The committee discussed the draft with Mr. McKay and Mr. McKean as to substance and phraseology, with particular attention paid to sections 1, 3, 4, 6, and 8.
5. Mr. McKean's suggested changes, additions or deletions were noted by the committee for future action.
6. Mr. McKean suggested that if the committee wished to revise section 4, he would attempt to redraft it. The chairman asked Mr. McKean to do so.
7. Mr. McKay suggested that the committee consider insertion of a new section, between sections 10 and 11, as follows: No money shall be withdrawn from the treasury except in accordance with

appropriations made by law, nor shall any obligation for the payment of money be incurred except as authorized by law. No appropriation shall confer authority to incur an obligation after the termination of the fiscal period to which it relates.

3. - The meeting was adjourned at 3:30 PM.

Respectfully submitted,

Barrie M. White Jr.,
Secretary

MINUTES OF MEETING
December 11, 1955

The meeting was called to order by Chairman Herland at 8:15 p.m., at Mr. Barr's house. All members were present, as was Mr. McKay, staff member.

The reading of the minutes of the preceding meeting was deferred.

Sections 1 through 7 were studied further and discussed, with reference to additions, deletions or changes as suggested by Mr. McKay, Mr. Ostrom, Mr. Elliott, Mr. Cooper and Mr. McKean. Said sections were amended as shown on the copy of the draft marked "A" attached hereto and which is hereby made a part of this report.

Moved by Aves, seconded by Barr, that the committee adopt section 4, striking the first sentence through the word "personal", inserting instead the first sentence of the proposed section by Mr. McKean, marked "B" and attached hereto, and adopting the remainder of section 4 as amended.

Moved by Peratrovich, seconded by White, that section 1 be adopted as amended. The motion passed 5-2.

Moved by Peratrovich, seconded by Nolan, that section 2 be adopted. The motion passed unanimously.

Moved by Aves, seconded by White, that section 3 be stricken, and a new section 3 be adopted as follows: "The legislature shall establish the standards for assessment of all property assessed locally or by the State." The motion passed, 5-1.

Moved by Poulsen, seconded by Aves, that section 5, as amended, be adopted. The motion passed unanimously.

Moved by Poulsen, seconded by Barr, that section 6, as amended, be adopted. The motion passed unanimously.

Moved by Peratrovich, seconded by Barr, that section 7, as amended, be adopted. The motion passed unanimously.

The meeting was adjourned at 10:45 p.m.

Respectfully submitted,

Barrie M. White Jr., sec.

Minutes of Meeting
Dec. 13, 1955

The meeting was called to order by Chairman Berland at 10:30 A.M.
All members were present.

The minutes of the meetings of Dec. 9 and 11 were approved as read.

The discussion of the tentative draft "A" of the finance and
taxation article was continued.

The secretary reported that section 9, on debt, had been subdivided
by Mr. McKay into four sections, as directed by the committee,
shown on draft "C" - attached hereto - as Sections 9, 10, 11 and
12.

Moved by Barr, seconded by Paulsen, that section 11, draft "C",
be stricken. The motion passed unanimously.

Moved by White, seconded by Peratrovich, that section 10, draft
"C", be adopted. The motion passed unanimously.

Section 9, draft "C" was adopted without dissent.

Section 12, draft "C", renumbered section 11, was adopted without
dissent.

Section 10, draft "A", renumbered section 12, was adopted without
dissent.

Section 11, draft "A", renumbered section 13, was adopted without
dissent.

Section 12, draft "A", renumbered section 14, was adopted without
dissent.

The committee recessed from 12:00 until 1:00 P.M.

Moved by White, seconded by Paulsen, that a new section 13 be
adopted as follows: "No money shall be withdrawn from the
treasury except in accordance with appropriations made by law,
nor shall any obligation for the payment of money be incurred
except as authorized by law.

"All appropriated funds unexpended at the end of a period of
time specified by law shall be returned to the general fund."

The section was adopted without objection.

Sections 13 and 14, draft "A", were renumbered 14 and 15.

Sections 14 and 15, draft "A" were adopted without dissent.

Moved by White, seconded by Aves, that section 8, draft "A" be adopted as amended and with the last sentence stricken.

A roll call vote was requested. Voting "Aye" were Poulsen and White. Voting "Nay" were Aves, Peratrovich, Barr, Nolan, Merland. The motion failed.

Moved by Nolan, seconded by Barr, that section 8, draft "A" be adopted. The motion passed unanimously.

The committee invited Delegate Saberg to attend the meeting to discuss proposal #41.

The committee discussed delegate proposals 3, 4, 6 (sections 8, 10, 11 & 12), 20 and 41, which had been referred to it.

The committee decided that such parts of the above proposals as were desirable for the constitution had been included in the committee proposal.

The secretary was instructed to confer with the local government committee as to local government debt limitations.

The meeting was adjourned at 3:30 P.M.

Respectfully submitted,

Barrie H. White Jr., sec.

Constitutional Convention
Finance Committee *18*
Approved _____

Minutes of Meeting January 13, 1956

The meeting was called to order by Chairman Nerland at 5:40 P.M. All members were present, as were consultants Mr. Sady and Mr. Bebout.

Mr. Sady explained to the committee that he had submitted the proposed draft of the article on Finance and Taxation to Public Administration personnel in Chicago during the Christmas recess, and discussed it with them. Mr. Sady presented the committee with a written report containing suggested changes from P.A.S.

The Committee discussed the report with Mr. Sady and Mr. Bebout.

The meeting was adjourned at 6:30 P.M.

Respectfully submitted,

Barrie M. White, Jr.,
Secretary

Constitutional Convention
Finance Committee/29
Approved _____

Minutes of Meeting January 15, 1956

The meeting was called to order by Chairman Merland at 12:30. All members were present.

A letter from Robert N. Druxman, Junuea, was read to the Committee.

Further discussion was held regarding the suggestions received from the Public Administration Service.

Moved by Miss Awes that in Section 13, page 4, line 24, of the article of Finance and Taxation, that the last sentence be stricken and the following inserted in lieu thereof: "All appropriations outstanding at the end of a period of time specified by law shall be void". Adopted without objection.

Moved by White that on line 25, page 2, after the word "all" insert the word "public". Adopted without objection.

Moved by Awes, seconded by Barr, that on line 21, page 3, "within one year" be stricken and "prior to the end of the next fiscal year" be inserted in lieu thereof. Adopted unanimously.

The meeting was adjourned at 2:20 P.M.

Respectfully submitted

Barrie M. White, Jr.
Secretary

Minutes of Meeting
January 26, 1956

The meeting was called to order by Chairman Nerland at 12:45 P.M.
All members were present.

The committee discussed the Style and Drafting Committee report on the
Article on Finance and Taxation.

The meeting was adjourned at 1:30 P.M.

Respectfully submitted,

Barrie M. White Jr., Secretary

Minutes of Meeting
January 27, 1956

The meeting was called to order by Chairman Nerland at 5 P.M. Present
were Nerland, Poulsen, Peratrovich, Nolan and White.

Letters from Preston, Thorgrimson & Horowitz, attorneys, Seattle, and
Wood, King & Dawson, attorneys, New York, were read and discussed.

It was agreed without objection to reinsert in Section 11, page 4,
of the Article on Finance and Taxation, the original language found
in lines 4 - 8 of the committee proposal as it was presented to the
convention.

It was agreed without objection that in Section 15, page 5, line 12,
that "and records" be inserted after the word "assets," and that on
line 13 "assets" be stricken and "the property" be inserted in lieu
thereof.

Changes made by Style and Drafting were agreed to, and the above
amendments agreed to be presented to the convention as committee
amendments.

The meeting was adjourned at 6 P.M.

Respectfully submitted,

Barrie M. White Jr., Secretary