

**BIENNIAL REPORT OF THE
TREASURER OF STATE OF
COLORADO FOR THE TWO
FISCAL YEARS ENDING
NOVEMBER 30, 1896**

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Biennial Report of the Treasurer of State of Colorado for the Two Fiscal Years Ending
November 30, 1896 by H. E. Mulnix

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H. E. MULNIX

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H. E. MULNIX
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TO THE GOVERNOR

DENVER, COLORADO:
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BIENNIAL REPORT
OF THE
TREASURER OF STATE
OF
COLORADO.

State of Colorado,
Office of Treasurer,
Denver, Colorado, December 1, 1896.

TO HIS EXCELLENCY,
ALBERT W. McINTIRE,
GOVERNOR OF COLORADO.

Sir: I have the honor to herewith submit to you my report of the business transactions of the Treasury Department of the State of Colorado for the two fiscal years ending November 30, 1896, together with such suggestions as I can offer, which, in my opinion, will have a tendency to better the financial condition of the State.

FLOATING INDEBTEDNESS.

General revenue warrants outstanding.....	\$1,447,420.89
Capitol building warrants outstanding.....	480,025.87
Cash warrants outstanding.....	9,341.13
Certificates of indebtedness.....	70,288.05
Estimated interest on certificates.....	8,751.30
Estimated interest on warrants.....	391,202.10

\$2,387,009.34

Deduct:

Cash in treasury for above.....	\$245,234.30
Uncollected taxes due state.....	619,962.06

\$ 865,196.96

\$1,521,812.38

BIENNIAL REPORT

BONDED INDEBTEDNESS.

Capitol building.....	\$600,000.00	
Insurrection	70,500.00	
Casual deficiency.....	100,000.00	
		\$ 770,500.00

The administration has reason to congratulate itself because of the fact that the revenues for the fiscal years of 1895 and 1896 will be sufficient to pay all of the expenses of the State government and institutions during that time, in addition to our having paid several former appropriations for claims against the State, including one of the Mute and Blind Institute of \$16,190.52, one of the Normal School of \$10,000, and sundry other claims amounting to \$16,500.

CASUAL DEFICIENCY.

At the close of the fiscal year 1894, our predecessors had a casual deficiency of revenue of, approximately, \$106,000 for the years 1893 and 1894, and certificates of indebtedness, with accrued interest, amounting to \$70,500, the latter being incurred in the suppression of the riots in Cripple Creek in 1894. This indebtedness has been satisfied by the Legislature authorizing the issuance of four per cent. (4%) bonds for the payment of the same. These bonds were sold at par and premium and interest, which, after the deduction of expenses incurred, amounted to \$2,003.14. They would have brought a much better price had it not been for the failure of the State to pay warrants issued in the years 1887, 1888 and 1889. Owing to the apparent repudiation of this indebtedness, I found it difficult to dispose of the issue, even at the price named.

Of these two accounts there has been paid as follows:

Casual deficiency.....	\$101,084.26
Insurrection	67,819.60

GENERAL REVENUE WARRANTS.

During the past two years our general revenue warrants have been practically at par. This is owing to the fact that the major part of the warrants issued have been invested by the Treasurer's office in the various investment funds of the state, purchasing them from the original holders.

There is held in the Public School Permanent fund \$300,000 of Capitol Building bonds, bearing 3½ per cent. interest per annum. If it were possible for the Treasurer of State to dispose of these bonds, I think it would be advisable for him

to do so, as, with that additional amount of money in this fund, which could be used for investing State warrants, bearing 6 per cent. interest per annum, the Public School Income fund would derive \$7,500 per annum more than it now does. Furthermore, it would place the State upon practically a cash basis, so far as the purchasing of supplies for the various State institutions is concerned, and in that event a saving of from \$15,000 to \$20,000 per annum would be made in the purchase of supplies alone.

CONSTITUTIONAL AMENDMENT.

In my opinion, the people of the State made a serious mistake in voting down the proposed constitutional amendment, which provided for the payment of the warrants issued in 1887, 1888 and 1889. Most of the warrants were issued for the purpose of paying the salaries of the executive and judicial officers, and for the maintenance of the various State institutions. I would suggest that, if you can find it consistent to do so, you recommend to the Eleventh General Assembly that they provide some means of funding this debt, which to me seems a just one.

ILLEGAL WARRANTS.

Suit was instituted against my predecessor (after which my name was substituted for his) to compel the state to pay the Graham & Weber, Lawrence & Co., and Collier & Cleveland warrants, issued in 1889. The cases were carried to the Supreme Court and judgment was rendered in favor of the state in the first two mentioned. The Collier & Cleveland case was decided in favor of the holders of those warrants, which have since been paid by me, under direction of the Court.

EXCESS WARRANTS.

The Auditor and Treasurer, in the fiscal years of 1893 and 1894, issued warrants in the sum of about \$36,000 in excess of the revenues of those years. Twenty thousand dollars of this amount was issued by order of the Court in favor of the Soldiers' and Sailors' Home. I would suggest that you call the attention of the Legislature to this matter, in order that they may, in some manner, make provision for the payment of these warrants.

ASSESSED VALUATION OF PROPERTY.

Much has been said relative to assessing property at its full cash valuation. While I do not wish to imply that those whose duty it is to assess property have not tried to comply

with the law, I do believe that much better results can be obtained, and State revenues be better equalized as between the various counties, if a law were passed by the General Assembly limiting the counties to a maximum amount of levy for county purposes. In this manner the valuations would necessarily be raised and the tax levy reduced, and the State be insured sufficient revenue to maintain the expenses of its government, thus relieving the executive and legislative departments of the unpleasantness of having a deficiency of revenue each fiscal year.

INTEREST ON CASUAL DEFICIENCY AND INSURRECTION BONDS.

The Tenth General Assembly, in authorizing the issuance of the casual deficiency and insurrection bonds, provided that the first year's interest on the same be paid from the Interest on Deposit fund, and that the State Board of Equalization make special levy for interest accruing in subsequent years. This the board could not do for the fiscal year of 1896, as the interest for the first year had already been paid from the revenue of that year. I would recommend that the General Assembly change the law which provides for the manner of paying this interest, authorizing the Treasurer to pay the same each year out of the Interest on Deposit fund.

INTEREST ON DEPOSITS.

The amount of interest collected upon bank deposits is much less than that collected by my predecessor. There are several causes for this, some of which it might be well for me to recite. The State had on deposit in The American National Bank of Denver \$21,823.09, and in The Union National Bank of Denver \$50,000, when those institutions closed their doors. The latter bank has since paid \$10,000 of the amount due. My predecessor, Hon. A. Nance, had on deposit in The German National Bank of Denver the sum of \$25,000 at the time I took charge of this department, which principal amount was settled on the 21st day of August, 1896. With the exception of the last deposit, on which there was interest paid in the sum of \$357.99, the State has received no interest on these accounts.

It has been my policy to call in outstanding warrants as fast as the revenues were collected. By doing so the interest on warrants has been very much reduced, the estimated interest on warrants heretofore being 9 per cent. As an evidence of the benefits derived by this policy, the average rate of interest on the warrants of the revenue of 1895, as esti-

mated by the Auditor of State, is but 5½ per cent., and that on the warrants of the revenue of 1896 but about 4½ per cent.

STATE AND SAVINGS BANKS.

I desire to call your attention to the importance of changing the banking laws of the state, requiring each bank to make a statement to the Treasurer of State, showing the condition of the bank, upon call instead of at a stated time, for which the law now provides.

I would also recommend that the General Assembly make a law authorizing the appointment of a State Bank Examiner by the Treasurer of State.

AUDITOR'S OFFICE.

It gives me great pleasure to add a few words of commendation for the manner in which the Auditor's office has been conducted during the past two years. Auditor Parks and his assistants have given to the state such an administration as should redound to their credit. The relations between the two departments have been most pleasant.

I desire to acknowledge my most sincere appreciation of the able and conscientious assistance rendered me in the performance of my official duties by my deputy, Mr. George W. Kephart; chief clerk, Mr. J. H. Clark, and Miss Ruth C. Warren, secretary. The courteous manner in which they have performed their several duties has added very materially to what success we may have attained in the discharge of our official responsibilities.

Please accept for yourself my thanks for many courtesies extended to me during your administration.

Very truly yours,

H. E. MULNIX,
Treasurer of State.