

**REPORT OF THE TREASURER TO
HIS EXCELLENCY THE
GOVERNOR, NOVEMBER 2, 1891
FOR THE FISCAL YEAR ENDING
JUNE 30, 1891**

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Report of the Treasurer to his excellency the governor, November 2, 1891 for the Fiscal Year ending June 30, 1891 by Various

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VARIOUS

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State of Connecticut. *Debt*

REPORT
OF THE
TREASURER

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NOVEMBER 2, 1891.

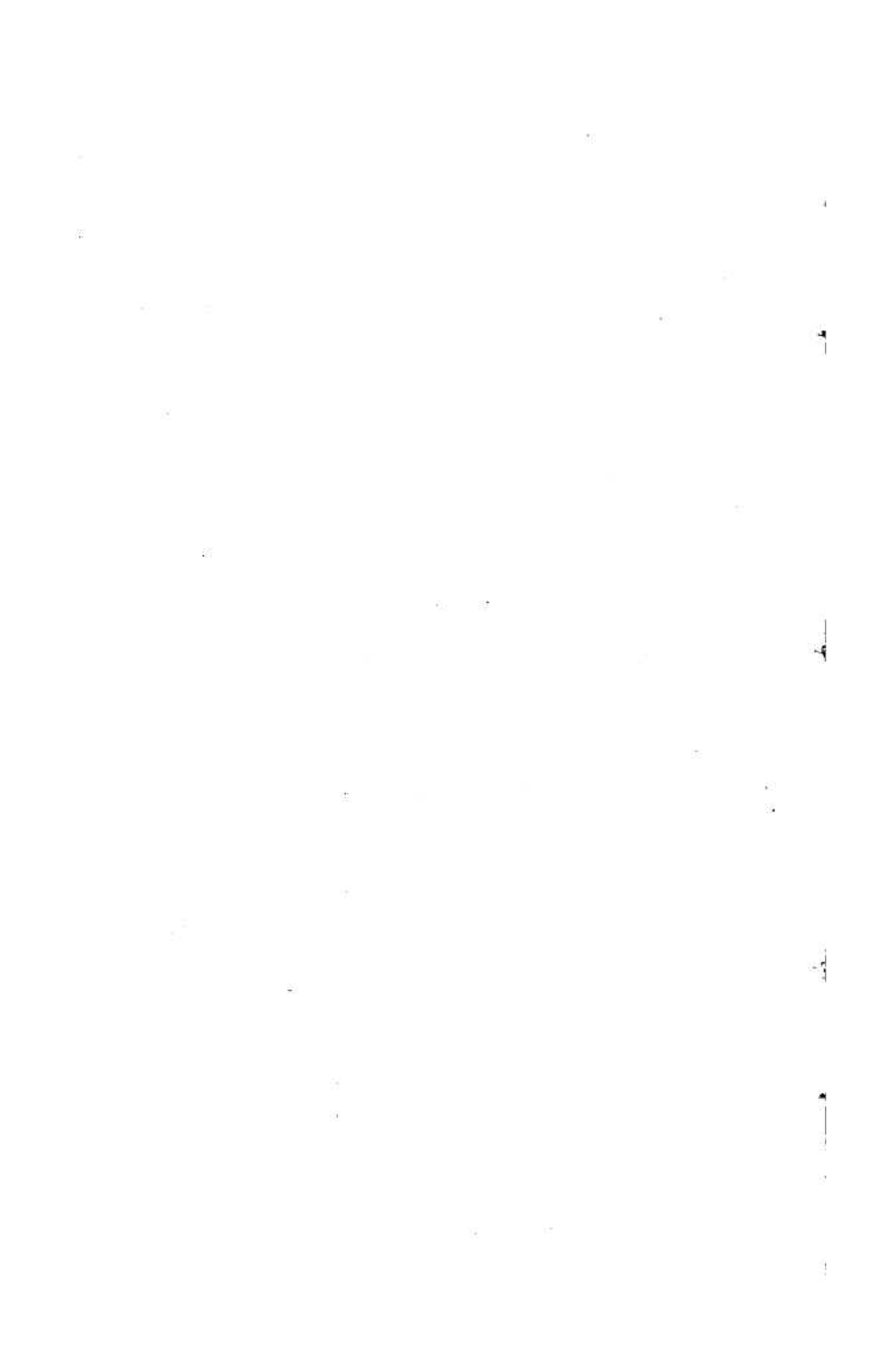
FOR THE

Fiscal Year ending June 30, 1891.

HARTFORD, CONN.:

PRESS OF THE FOWLER & MILLER COMPANY, 311 MAIN STREET.

1891.



State of Connecticut.

REPORT.

STATE OF CONNECTICUT.

TREASURER'S OFFICE, HARTFORD, November 2, 1891.

To His Excellency

MORGAN G. BULKELEY,

Governor :

Sir,—

In compliance with the requirements of the General Statutes and in conformity with my duty as Treasurer of the State, I have the honor to submit to your consideration the following report of the transactions of this department of the State government during the fiscal year ending June 30, 1891 :

CIVIL LIST ACCOUNT.

Balance of cash on hand July 1, 1890,	\$897,674 26
Revenue receipts from all sources during year,	1,843,913 71
	<u>\$2,741,587 97</u>

Specific Receipts were as follows :

Commissioners of Pharmacy,	\$1,589 00
Commissioners of Shell-Fisheries,	7,362 46
Board of Railroad Commissioners, salaries, etc.,	11,498 92
Bank Commissioners, salaries,	5,014 50
Tax on telegraph companies,	10,653 46
Taxes from towns, military commutation,	123,903 60
Avails of courts and bonds,	15,760 51
Tax on savings banks,	261,753 85
Tax on non-resident stock,	90,972 52
Tax on mutual insurance companies,	247,048 18
Tax on stocks erroneously returned to Town Assessors,	77 60

Fees from Executive Secretary,	\$72 50
Fees from State Secretary,	1,412 75
Miscellaneous,	382 84
Tax on express companies,	252 35
Tax on rolling stock companies,	182 33
Tax on Greenwich Trust, Loan & Deposit Co.,	500 00
Tax on railroads,	817,516 76
Commissioner of Insurance,	51,654 52
Corporate franchise tax,	7,100 00
Tax on investments,	80,524 47
Tax on investment companies,	29 00
Tax on investment brokers,	13 00
Collateral inheritance tax,	74,758 93
Interest,	33,879 66
Total,	<u>\$1,843,913 71</u>

Payments were as follows :

Civil list orders,	\$1,185,813 26
Registered orders,	249,372 59
Interest on State bonds,	118,700 00
Interest on Agricultural College Fund in Treasury,	172 42
Interest on Town Deposit Fund in the Treasury,	418 35
Interest on Principal of School Fund in the Treasury,	765 50
Interest on revenue of School Fund in the Treasury,	2,269 75
State bonds redeemed,	200,000 00
Total,	<u>\$1,757,511 87</u>
Balance in the Treasury to the credit of civil list, July 1, 1891,	984,076 10
	<u>\$2,741,587 97</u>

GENERAL AND SPECIAL ACCOUNTS.

Balance to the credit of all accounts July 1, 1890,	\$1,006,513 45
Receipts from all sources during fiscal year ending June 30, 1891,	<u>\$2,215,816 28</u>
Total,	<u>\$3,222,329 73</u>
Deduct payments for all purposes,	<u>2,145,776 75</u>
Balance to the credit of all accounts, including Trust Funds, at the close of the fiscal year ending June 30, 1891,	<u>\$1,076,552 98</u>

STATE DEBT.

The funded debt of the State, June 30, 1891, was . . .	\$3,540,200 00
Less cash in Treasury to the credit of civil list funds, . . .	<u>984,076 10</u>
Total State debt, less available cash in Treasury,	\$2,556,123 90
Showing a reduction of the State indebtedness during last fiscal year of	286,401 84
A reduction of annual interest upon bonded indebtedness of	7,000 00

In this connection it may be remarked that the State tax upon towns, collected during the fiscal year ending June 30, 1890, amounting to \$354,557.65, was remitted last year by the Treasurer under authority conferred by a special statute passed by the General Assembly of 1889; had this tax been collected the State debt would have been still further reduced over \$360,000.

The State is now receiving a uniform rate of interest of 3 per cent. upon all funds deposited, as authorized by the General Statutes, in the banks and trust companies of the State; as before stated, the State received an income of \$33,879.66 from this source, offsetting the interest upon nearly \$1,000,000 of bonded indebtedness.

Believing that the condition of the State finances justified a further reduction of the bonded indebtedness of the State, after consultation with your Excellency, I deemed it my duty, and for the interest of the State, to call for redemption December 1, 1891, \$100,000 of State bonds, authorized May 18, 1887, and payable November 1, 1897, thus leaving only \$200,000 of bonded indebtedness, upon which the State has an option until January 1, 1903, and it is my belief that with a proper administration of the State's finances, together with reasonable economy in appropriations and expenditures, the entire indebtedness upon which the State has an option may be called and paid during the next two fiscal years.

UNCOLLECTED TAXES.

Taxes due the State, as stated in my last annual report, still remain unpaid, and suits for recovery are now pending in the courts.

During the past year an important suit, which involved the right of the State to collect a large amount of taxes claimed to be due and aggregating about \$100,000, has been decided against the State.

As this suit was instituted in 1836 by the then Treasurer of the

State, at the suggestion of the General Assembly, I deem it my duty to report the facts and decisions somewhat at length.

As the law stood from 1880 to 1885, inclusive, railroad companies were required to pay a property tax to the State. In order that this might be computed in the manner prescribed by the statute, the treasurer of the company was required to deliver to the Comptroller a sworn statement giving the data required, and, among other things, "the amount of cash on hand" on a certain named day. In computing the value upon which the tax was to be paid, a deduction was to be allowed to the company of the said amount of cash on hand.

It will therefore be seen that the larger the amount of cash on hand the greater the deduction, and the amount of tax paid to the State proportionately less.

From 1880 to 1885, inclusive, the treasurer of the New York, New Haven & Hartford Railroad Company delivered each year to the Comptroller his sworn statement, in which he stated that the amount of "cash on hand" on the 1st day of October in each of said years respectively was as follows:

Amount of cash on hand October 1, 1880,	\$2,047,065 80
Amount of cash on hand October 1, 1881,	3,160,616 32
Amount of cash on hand October 1, 1882,	3,208,790 19
Amount of cash, cash assets and sinking fund on hand October 1, 1883,	3,856,537 53
Amount of cash, cash assets and sinking fund on hand October 1, 1884,	4,013,909 51
Amount of cash, cash assets and sinking fund on hand October 1, 1885,	4,415,249 36
	<u>\$20,702,168 71</u>

During said years the company reported to the Railroad Commissioners that the amount of "cash on hand" September 30th in each of said years was as follows:

September 30, 1880,	\$542,429 82
September 30, 1881,	759,675 85
September 30, 1882,	220,997 22
September 30, 1883,	976,308 26
September 30, 1884,	610,152 71
September 30, 1885,	1,122,319 32
	<u>\$4,231,882 18</u>

The difference between the amount of "cash on hand" as returned to the Comptroller and the amount of "cash on hand" as returned to the Railroad Commissioners was due to the fact that the company included in the amount of "cash" returned to the Comptroller a large amount of stocks, bonds, materials, and supplies, together with the amounts due to it from agents and connecting roads.

The fundamental questions were as to the rights of the company to return such assets as "cash," and then if they were improperly returned as "cash," whether the State could now recover the amount of taxes which it had lost through such erroneous statement.

The Board of Equalization had no knowledge of these assets being returned as "cash," but understood and accepted the words "cash on hand" to mean simply "cash" as ordinarily understood.

The facts were found by the Superior Court, and the questions of law reserved for the advice of the Supreme Court.

This latter court has recently filed its opinion, which is of so much importance to the State that I consider it advisable to quote at length therefrom in order that the Legislature may be fully informed thereof.

First. Upon the question of what constituted "cash" which the Railroad Company was allowed to deduct, the Court says:

"We assent to the argument made by the counsel for the State, that the words 'cash on hand,' as used in said sixth section, intended ready money, or that which in ordinary business usage is the same thing. Bank notes, checks, drafts, bills of exchange, certificates of deposit, or other like instruments which pass with or without endorsement from hand to hand as money or are immediately convertible into money, fall properly enough within the words 'cash on hand.' But there is no elasticity of speech to which the words of the statute can be subjected that will permit many of the things included by the defendant in its item of cash on hand to be regarded as cash. Loans to other railroads on long time, stock of other companies not intended to be sold, and other investments of like kind, are clearly not cash on hand. Cash on hand means money at hand ready to be used, actual cash or its equivalent, and actually on hand."

Second. As to the right of the State to sue for taxes, the Court says:

"None of the sections above quoted, nor does any other section of the Statutes, provide a means for the collection of the taxes so