

Weekly Legislative Summary

NOTE: This is the eighteenth of a series of weekly summaries prepared by the legislative staff of the Institute of Government on the work of the North Carolina General Assembly of 1955. It is confined to discussions of matters of general interest and major importance.

Without question the General Assembly is driving toward adjournment. The House began on Monday with two sessions a day, and kept up the pace for the entire week. The smaller Senate was able to keep up with its calendar, and did not find it necessary to hold more than one session per day until Friday; but then the occasion arose, as it did yesterday, the Senate also doubled its efforts. Committees in

both houses have been reporting bills out in a manner indicating a cleaning-out before adjournment, with many bills receiving unfavorable reports. Whether there can be an adjournment by the end of next week depends entirely upon one question—can the Senate and House get together tuckly on a tax bill?

TAXES

The House and Senate finance subcommittees were back in Raleigh early Monday, and by Monday evening, each group had agreed on a revenue bill—the House to raise some \$9.7 million a year and the Senate about \$9.8 million. The House proposal would raise privilege license taxes by 25%; the Senate proposal rejected this and had

instead an additional tax on beer, equivalent to 2¢ per can or bottle. The House, the Senate recessed for an hour and a half to give its finance committee opportunity to meet and act upon the House bill. The Senate committee reported the bill out on the same afternoon, amended in important respects. Thus, this legislative week ended with the prospect of a deadlock between the two houses.

The revenue bill passed by the House calls for these major new taxes: (1) increase of privilege license fees by 25 per cent; (2) 3 per cent sales tax on building materials; (3) 3 per cent gross rentals tax on hotels and motels; (4) 1 per cent tax, with \$80 limit, on sales of motor vehicles; (5) repeal of \$15 single article sales tax limitation; 6—increase of liquor tax from \$45 to 10 per cent; 7—increase of gross premiums tax on domestic insurance companies from 1 per cent to 1 1/2 per cent; 8—elimination of motor vehicle fleet owners exemption; 9—increase of fortified wine tax from 40¢ to 70¢ per gal.; 10—extension of 3 per cent sales tax to all coal purchases except that used for industry; 11—increase in insurance agents' license fees; 12—application of license and franchise taxes to cooperatives; and 13—3 per cent tax on retail sale of newspapers. The Senate amendments (adopted, but still to pass second and third readings) delete: 1—the provision imposing 25 per cent additional privileges license taxes; 2—the provision imposing a sales tax on newspapers; 3—the provision raising franchise taxes on certain hospital and medical service corporations; and 4—the provision allowing a wife a \$2,000 income tax exemption when her husband makes less than \$1,000 (leaving the exemption when the husband makes less than \$500). Sub-

stituted in lieu of these deletions was the increased tax on beer.

APPROPRIATIONS

With ratification of the big appropriations bill, containing about \$637 million for State spending during the coming biennium, the bulk of the work of the Appropriations Committee is over. However, there remains just over a million dollars which is considered "available" by Assembly leaders, to be distributed through supplemental appropriations bills. There is no lack of take-ers. New bills introduced this week would appropriate additional funds to the State Board of Education for home economics and vocational agriculture instruction, and for locating and mapping swamp lands which are owned by the Board; to N.C. State College for an industrial department program; to Appalachian State Teachers College for construction of a residence for its president; to the SBI for employment of two additional special agents; to the State Department of Archives and History for acquisition of the Zebulon Baird Vance birthplace; to the Revenue Department to secure more effective compliance with revenue laws and to administer the special fuels tax act; and to the SH&PWC for construction of a chapel at Central Prison. Another new bill would appropriate supplemental funds for maintenance of indigent patients in TB hospitals operated by Forsyth, Guilford, Mecklenburg, and Wake counties. The bill providing for construction of a new state office building to house the motor vehicles department and certain other departments has passed the House.

MOTOR VEHICLES

On April 28 a bill passed the Senate requiring all Highway Patrol cars to be painted black and silver. The House had already passed a bill requiring all cars to be painted black, but this bill has since languished in a Senate committee. So the House, when the Senate bill came before it, put its provisions into the Senate bill by amendment. The Senate refused to go along with the House amendments, and now a conference committee will try to get the senators and the representatives agreed on the color of state-owned automobiles.

EDUCATION

The House has passed and sent to the Senate a bill to revise and streamline the public school law. This bill implements a measure passed earlier which returned to local school boards complete authority over assignment and enrollment of school pupils. Continuing this trend, the bill would return the title to school buses to local school boards and permit local officials to manage the transportation system, designate bus routes, and assign pupils to buses. The State would continue to foot the bill by allocating school bus funds to local administrative units on a formula based on the number of buses and bus miles operated. Another significant change would permit teachers to be paid in nine equal installments on don the same day each month. A proposal to permit local boards of education to determine how much of a supplemental school tax (voted by the district) should be levied was soundly beaten on the floor, and the boards of county commissioners and city government bodies were left as the final tax levying authorities. Reported unfavorably were bills to 1—provide four year terms for county superintendents; 2—permit counties to establish capital outlay reserve funds; and 3—provide teachers with five days of sick leave each year. In lieu of appropriations for badly needed dormitories at major state supported colleges, Representative Doughton introduced a bill to permit UNC, East Carolina, Western Carolina, and Appalachian to issue revenue bonds for dormitories and use the rentals to retire the bonds. Bills to establish new state supported colleges at Charlotte, Wilmington, and Asheville were given favorable reports by the House Appropriations Committee.

MISCELLANEOUS

New introductions call for: 1—a constitutional amendment to change the Legislature's convening date to February, and to make the legislative term four years; 2—business development corporations to promote NC economic welfare; 3—a commission to study problems caused by excessive use of alcoholic beverages; 4—limiting to one quart the amount of liquor one may legally possess or transport in the State; and 5—restricting the sale of vaccines in prevention of human diseases. Killed this week were the municipal and county home rule bills, the bill to establish a medical research center, and the bill licensing assistant pharmacists.

-This Is The Law-

State College Answers Timely

SEALS
What is the effect of placing a seal beside a person's signature on a contract?
It makes an agreement without consideration binding, and it increases the period within which a court action can be brought for breach of the contract.
The statute of limitations bars a right of action arising out of an oral contract or a written contract not under seal by the lapse of a shorter period of time than a right of action arising out of a written contract under seal. The respective periods vary somewhat in the different states.

In North Carolina contracts not under seal must be sued upon within ten years from a breach thereof. This is why many contracts supported by a consideration are also under seal.
Joe Brown promises under seal to give ten thousand dollars to Susie Smith on her twenty-first birthday. Is the promise enforceable in a court of law?
Yes. The particular promise is binding though given out of friendship and not in exchange for a valuable consideration.
A gratuitous promise under seal, where no actual consideration is bargained for, is enforceable because of the solemnity and formality of seals.

What is a seal?
Originally a seal was an impression upon a piece of wax, a wafer, or any other tenacious substance capable of receiving an impression. In early times all persons of importance had seals. The idea of sealing contracts originated in a day when many of the noblemen were illiterate.
Agreements made by knights and lords were usually validated by pressing a signet ring against a lump of wax placed at the bottom of the document. The seal took the place of the signature. It was a personal thing. Any written promise sealed and delivered to another was enforced in the courts. The sealing of a document was a solemn and deliberate act.
Seals have lost much of their former dignity and importance.
Today in many states there is a sufficient sealing when there is affixed to the signature a scroll or scroll containing the word "seal".
A scroll or scroll alone has held sufficient in some states. The mere written or printed word "seal" or letters "L.S." (meaning Loco Signilli—the location of the seal) has even been held a seal.
Many of the printed contracts today have the word "seal" already printed beside the place the contracting party is to put his signature. The person signing, thereby adopts this seal as his own.

QUESTIONS: Is it all right to use insecticides in controlling true armyworms in grain?
ANSWER: You can use insecticides on grain crops to be cut for grain but not on crops to be used for silage or hay purposes without running the risk of residues.

QUESTIONS: What is the advantage of two-cut harvesting of hay?

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