

# L. A. Bureau of Power And Light Files Tax Suit In Court Today

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A suit, seeking to restrain Frank C. Devinney, as county assessor, from collecting taxes on property owned in Clark county by the Los Angeles bureau of water and power, was filed today in the district court by attorneys out of City Attorney Ray L. Chesebro's office.

A sum of \$20,280 in taxes is involved in the suit, which attorneys for the Los Angeles municipal corporation describe as "a friendly one."

The suit alleges that the bureau is an agent of the United States government; that all taxes paid out by the bureau will fall as a direct burden on the government, both now and when the power rates are re-determined in 1940, as the contract between the bureau and the government provides; that much of the property involved in the tax dispute is on a government reservation and therefore free from state and county taxes; and that the county is seeking to collect taxes assessed on unsecured property, when the bureau owns enough real property in the county to secure the other.

The bureau's attorneys point out that the suit is in the nature of a friendly one to determine the validity of the taxes and not to keep from paying them, because the bureau would be paying taxes from public funds and the validity of those taxes must be determined legally to protect the bureau from legal recourse by taxpayers of the city of Los Angeles. They explained that if the taxes were paid, before they had been determined valid by the courts, that the bureau and the employes paying these taxes would be liable.

"This is a consistent policy with the bureau," the attorneys said today, "and this move is not against the state of Nevada. If the taxes are declared valid they will be paid forthwith."

It also is pointed out that the bureau was required, by the government, to transmit power from Boulder dam for other municipalities near Los Angeles, without profit and that these commitments have been made. If the taxes must be paid, there would have to be an adjustment in all existing contracts.