

State Officials Back Down Today on Clark County Boulder Dam Payment

Franks, Schmidt Want Legislative Okeh for Payment

Arrival of Nevada's first check for Boulder dam revenue yesterday, precipitated a heated controversy in Carson City and Reno.

The check was for \$300,000, and according to the legislative enactment of 1941, 20 per cent, or \$60,000, is supposed to be paid to Clark county.

Want New Law

The check put in its appearance yesterday morning. State Treasurer Dan Franks and Controller Henry Schmidt were quoted in the Reno Gazette as stating they would not pay Clark county without a new legislative enactment authorizing them to do so.

The Gazette has fought the Clark county allocation from the beginning, and has predicted on several occasions of late that despite the 1941 act, it would not be paid.

This morning both Franks and Schmidt declare they were misquoted in the Gazette and the treasurer has announced he would request Attorney-General Gray Mashburn for an opinion on the matter.

It is understood in Carson City that Franks and Schmidt question the validity of the law on a technicality regarding the

method by which the 20 per cent is to be paid Clark county. The law provides that immediately upon receipt of any Boulder dam revenues, the state treasurer shall immediately pay to the treasurer of Clark county, 20 per cent of the said sum. 30 of 3 1/23/

Statute Defective

The controller and treasurer were understood to have taken the position yesterday that because this method of payment is not in conformity to the general practice which calls upon the treasurer to make payments only upon warrants from the controller, the statute is defective.

Attorney - General Mashburn, in a wire to the Review-Journal this afternoon declares the treasurer and controller "deny statement published in last night's Gazette that they were of the opinion Clark county cannot legally be paid its share under the 1941 legislative act of the \$300,000 payment made to the state treasurer yesterday as the first year's payment of the state's portion of Boulder dam revenue, but say they only stated they would ask my opinion.

"I certainly have never been formally asked for or given in any way any such opinion. The treasurer now says he will ask for my opinion, and if he does, I will render it as quickly as possible."

Staunch Champion

Mashburn has been one of the staunchest champions of Clark county's right to a share of the revenue, and appeared before both senate and house committees at the last legislative session in support of this county's contention.

Basing his statements on the principle underlying the recognition of the right of Arizona and Nevada to compensation in lieu of taxes, as set forth in the debates on the original bill, Mashburn has repeatedly expressed the opinion Clark county is entitled to a just share of the revenue.

Mashburn said this morning that while he had not had occasion to read the 1941 act "it was clearly the intention of the legislature to pay Clark county twenty per cent of the revenues."

The payment received yesterday is Nevada's share of the Boulder dam revenue for the fiscal year 1937-38.