

the value of the easement was equal to the value of the property in fee simple. Still, this pipe line company has to pay no property taxes to Fairfax County on this easement. Since this land is still owned by the landowner, he can be assessed with the property taxes; or, if he can prove to the tax assessor of Fairfax County that his land has been decreased in value by the amount of the easement, he would be entitled to have his taxes decreased by this amount. Therefore, Fairfax County is left holding the bag, with acres of land owned by private individuals and used by public utilities on which no taxes are paid.

The cities, counties and towns of this State, collectively, are being deprived of millions of dollars of real estate taxes to which they are rightfully entitled. An easement which a public utility has is in effect an interest in land, to which they have attached property which the General Assembly has said shall be taxed at the rate of real estate, as to poles, transmission lines, etc., rather than as personal property. The poles, etc., are to be taxed as real estate, but they must be attached to some interest in real estate, which is the easement, and this easement should be taxable to the public utilities.

I don't blame the public utilities for not paying taxes on the easements, when the State Corporation Commission does not assess the value of the easements to the public utilities. The State Corporation Commission, under the Constitution of Virginia, must assess all public utility property in Virginia, and report the assessed value to the respective county, city or town, which then levies taxes on it at its regular tax rate. We thus find that within the State Corporation Commission itself, the department which has charge of the assessment of public utility property for local tax purposes is not assessing the value of the easements, and the public utilities therefore pay no tax on the value of the easements; yet the division which has charge of valuing utility property for rate making purposes, is including the cost or the value of these easements for the purpose of fixing rates which the consumers of the public utility services in Virginia must pay.

Since the State Corporation Commission takes the position that they are not going to assess easements of public utilities for local taxation purposes unless they are made to do so, I feel that the 1968 Session of the General Assembly, in fairness to the other taxpayers of this State who must pay taxes on their interests in real estate, should enact a law requiring the State Corporation Commission to assess these easements of public utilities for local taxation purposes, along with other property of public utilities.

It may be true that sixty years ago, these easements were of little value, especially when they were out in the country, because they were over farmland which a farmer could still use for pasture or to plant crops on. Today, these easements in both urban and rural areas, go across land which, because of these easements, cannot be used for commercial or residential purposes. These easements are of value to the public utilities, they are interests in real estate, and the value should be assessed for local taxation purposes by the State Corporation Commission.

Thank you.

REPORT OF INVESTIGATING COMMITTEE UNDER SENATE RESOLUTION NO. 30 AND
HOUSE JOINT RESOLUTION NO. 514

To the Honorable Clem McSpadden, President Pro Tempore of the Oklahoma State Senate:

We, the undersigned members of the Investigating Committee, appointed by you, under the authority of Senate Resolution No. 30 and House Joint Resolution No. 514, have completed our investigation and herewith submit our report in compliance with said resolutions.

While the authorization for this investigation, as set forth in said resolution, is broad in scope, the complaints received by the Committee as to irregularities and alleged violations of law concerned primarily the Corporation Commission, the employees of said commission, companies subject to regulation by said commission, employees of said companies and attorneys representing said companies.

In the conduct of this investigation, the Committee adopted a policy of hearing any and all witnesses who desired to be heard, either in person or by sworn affidavit or both and no person was denied an opportunity to be heard before the Committee, either in person or by written affidavit. All of said testimony was transcribed by a certified Court Reporter and a complete transcript of said testimony is likewise herewith submitted.