

terstate Commerce Commission to force the merger.

If that takes place under the language we have before you and which exists presently in Article III, section 48 of the Constitution, that will amount to taking advantage of one of the corporate prerogatives granted by the State of Maryland and will be conclusively presumed to be a surrender of the B&O exemption.

Under all these circumstances, therefore, we believe that we have to continue the language just the way it exists, except we have dropped one reference to municipal corporations, because we do not feel that we want to take the chance that in monkeying with the language or in failing to put it in the constitution the State of Maryland will jeopardize the opportunity to eliminate the tax exemption which the B&O Railroad has and which we feel it itself must put in jeopardy soon in order to comply with its merger agreement.

Consequently, therefore, with that rather involved and convoluted background, which is nothing more than a history of an attempt to regularize the B&O Railroad and to remove the exemption which it has, which no one else has — and this has, by the way, been reflected in putting only a 20 per cent gross receipts tax upon the B&O as compared to the hundred per cent that others pay, that is to say, a one-half of one per cent as compared to two and a half per cent which other railroads pay — but this generally has been a history of whittling down on that exemption and trying to do something about it.

The State of Maryland regrets that it ever did it, but the B&O Railroad has had the advantage of it to this day, and so we would urge keeping it in order to keep alive the hope in the heart of the State of Maryland that it will kill the B&O exemption and exemptions of like character some day.

THE CHAIRMAN: Are there any questions of the Committee Chairman?

Delegate Clagett.

DELEGATE CLAGETT: Mr. Chairman, in the light of what you have told us up to this point, will you tell us, please, what that first sentence means?

DELEGATE GALLAGHER: That first sentence means, when you read it in conjunction with old Article III, section 33, about no special laws — which we carried over into another section in LB-2 — it means that you cannot pass special laws

creating corporations where general laws already exist for the creation of corporations. For example, the State Tax Commission was created in 1910 to do the chartering instead of the General Assembly itself, so where the General Assembly has set up a mode of incorporating, it must force those who incorporate to follow that particular procedure rather than to go to the General Assembly itself and have the General Assembly pass a charter.

THE CHAIRMAN: Delegate Gallagher, notwithstanding your admonition to the Committee on Style, would not the first clause be more readable and make more sense if you made these changes — if in line 30 you struck the comma and the word “and”, and deleted the comma in line 31 and the comma in line 33?

DELEGATE GALLAGHER: Mr. Chairman, I do believe that the comma in line 31 ought to come out, because it just does not make any sense.

THE CHAIRMAN: And in line 33?

DELEGATE GALLAGHER: I would think so, but in so doing may I point out that this would be a change from the language as it was passed in 1851.

THE CHAIRMAN: Yes, I am just trying for the moment to get the sense of it.

Would you agree that for purposes of making sense out of the first clause you would also delete the comma and the word “and” on line 30?

DELEGATE GALLAGHER: “Corporations may be formed under general laws, but shall not be created by special act and except in cases where no general law exists providing for the creation of corporations —”

THE CHAIRMAN: Should you not delete the comma and the “and” — “shall not be created by special act except”?

DELEGATE GALLAGHER: “Corporations may be formed under general laws but shall not be created by special act except in cases where no special law exists providing for”—yes, I think that would more aptly clarify the meaning of that part of the sentence.

THE CHAIRMAN: Delegate Clagett, a further question?

DELEGATE CLAGETT: No, the Chair took my words.

THE CHAIRMAN: I am sorry.