

LEWIS GOES TO AUSTIN TO CONFER ON PENDING BILLS

City Attorney Dick Lewis left for Austin Thursday to attend to several legislative matters of interest to the City Council.

He will protest against the passage of a bill, which has been introduced, to allow school taxes to be levied against municipally-owned water systems, in cases where those water systems have revenue bonds outstanding. This would affect the Houston system.

He will advocate the passage of a bill, which has also been introduced, to provide for the refunding to cities of the state tax on gasoline used in city-owned motorized equipment such as fire trucks. The city now gets back only the tax paid on gasoline used in street sweepers.

The Harris County representatives also will be asked by Lewis to introduce a bill validating the revenue bonds issued on the city convention and exposition convention hall now under construction, and also giving broader powers to the trustees under the deed of trust in case of default. This was advised by bond attorneys as a precautionary measure.

He will also confer with the federal internal revenue department concerning a claim against the city for about \$6000. Lewis explained that there is a special federal tax on the interest coupons of bonds owned by aliens. In 1894 the Houston water works, then privately owned, issued bonds payable to bearer. The water works was later purchased by the city which assumed the bond obligation.

Neither the city nor the federal government knows who holds these old bonds, but the federal government claims that the burden of proof to show that the bonds are owned by United States citizens and not aliens rests on the city and is claiming the tax until the burden of proof is discharged by the city. Lewis will try to convince the Internal Revenue Department that the written statement of the Chase National Bank of New York, which is the city's paying agent, to the effect that the bonds "to the best of their knowledge" are owned by United States citizens, is sufficient to discharge the burden.