

MINUTES

MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By CHAIRMAN GERRY DEVLIN, on March 9, 1995, at
8:00 a.m.

ROLL CALL

Members Present:

Sen. Gerry Devlin, Chairman (R)
Sen. Mike Foster, Vice Chairman (R)
Sen. Mack Cole (R)
Sen. Delwyn Gage (R)
Sen. Lorents Grosfield (R)
Sen. John G. Harp (R)
Sen. Dorothy Eck (D)
Sen. Barry "Spook" Stang (D)
Sen. Fred R. Van Valkenburg (D)

Members Excused: None

Members Absent: None

Staff Present: Jeff Martin, Legislative Council
Renée Podell, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: SB 413, SB 417
Executive Action: HB 188, SB 176

HEARING ON SB 413

Opening Statement by Sponsor:

SEN. GARY FORRESTER, SD 8, Billings, commented SB 413 is a simple, honest bill in it's approach and begins in 1986. He stated it will reduce personal property tax combining class 8 and class 4 personal properties into one taxing unit at 3.6%. SEN. FORRESTER explained it will cost \$55 million the first year. He stated it will reimburse counties with a block grant proposal.

Proponents' Testimony:

Dennis Burr, Montana Taxpayers Association, said SB 413 is a road map as to where we need to get to in the future. He explained SB 413 simply returns the burden of tax to where it was 20 years

ago. **Mr. Burr** commented Montana is one of the bottom states in sharing state revenue sources with local governments. He acknowledged he appreciates **SEN. FORRESTER** introducing this bill in order to allow concept discussion.

Mick Robinson, Director, Department of Revenue (DOR), expressed he is a proponent of some of the concepts of the bill even though the budget can't afford some of the costs in the bill. He stated from an administrative standpoint one problem the DOR has with SB 413 is the difference between real and personal property.

David Owen, Montana Chamber of Commerce, implored the committee to look at this bill and decide if this tax structure will serve the people well in the future.

Riley Johnson, National Federation of Business People (NFBP), stated NFBP likes this bill and suggested combining SB 413 and SB 417. He further suggested instead of going from 9% to 6% in three years, go from 9% to 3.8% in five years. **Mr. Johnson** commented small business taxes are probably the most unfair taxes in Montana, not because it's a tax, but because it probably isn't enforced as well as it should be.

Jim Peterson, Montana Stockgrowers Association, stated Montana ranks as the third highest state in the nation for taxes. He urged support for this bill.

John Youngberg, Montana Farm Bureau, testified this concept is good for agriculture.

Don Allen, Montana Wood Products Association, acknowledged support for the concept in SB 413.

Candice Torgerson, Montana Cattlewomen's Association, supported **SEN. FORRESTER'S** effort in this bill and echoed **Mr. Youngberg's** testimony.

Charles R. Brooks, Billings Chamber of Commerce, supported aggressive action towards tax reform and urged serious consideration of the concepts in this bill. He acknowledged support for the block grant feature of the bill.

Rex Manual, CENEX Petroleum, testified in support of the bill.

Dan Wirak, Mergenthaler Transfer and Storage, Helena, supported any legislation that gives them a break on taxes.

Opponents' Testimony:

Gordon Morris, Director, Montana Association of Counties (MACo), presented written testimony from **Sanders County Commissioners (EXHIBIT 1)**, and **Blaine County Commissioners (EXHIBIT 2)**. He commented MACo supports the concept in the bill, however, the block grant proposal is a problem. He stated from the county

perspective, the property being reduced does not follow populations.

Eric Feaver, Montana Education Association (MEA), said he doesn't trust block grants. He explained block grants are good from one legislative session to the next. He stated there must be a guarantee that the money which replaces property taxes relieved, will continue to flow forever.

Alec Hansen, League of Cities and Counties, declared a reimbursement program needs to be set up to provide some way to make sure that the money keeps flowing to the local level. He commented he is concerned with the block grant proposal based on population because population doesn't necessarily follow the losses. **Mr. Hansen** encouraged the committee to look at a better way to calculate the losses and provide a reimbursement.

Don Judge, Montana State AFL-CIO, stated his opposition for both SB 413, and SB 417. He acknowledged he doesn't know what the magic answer is, he just knows there has to be a formula for whatever is given away and there must be a way to recover.

Nathan Tubergen, Director of Finance and Administrative Services, City of Billings, opposed this legislation and commented basic services must be provided within the city structure. He stressed the City of Billings is under a cap and only allowed 74 mills.

Terry Minow, Montana Federation of Teachers, registered opposition to the bill and echoed the comments made by **Eric Feaver** and **Mr. Hansen**.

Wayne Stahl, Phillips County Commissioners, and Agricultural Small Businessman, stated taking out \$500,000.00 in Phillips County budget would cause layoffs of county employees, and a serious reduction in county services. He presented written testimony in opposition to SB 417 from **Hill County Commissioners**.
EXHIBIT 3.

Bill Verwolf, Manager, City of Helena, supported testimony presented by **Alex Hanson**.

Blake Wordal, Lewis and Clark County Commissioners, attested the commissioners are opposed to the bill because the state doesn't have the money to fund a block grant program, and because personal property and business equipment are moved into the same level as residential property. He said business equipment is used to generate profit and a residence doesn't generate profit. **Mr. Wordal** stated the only income a residence can produce is when the residence is sold. He declared these are two separate types of property and they shouldn't be combined into the same category.

Informational Testimony:

None

{Tape: 1; Side: A; Approx. Counter: 48.9.}

Questions From Committee Members and Responses:

CHAIRMAN DEVLIN asked **Mr. Feaver** if he would support this bill if it was put on the ballot and locked into the Constitution. **Mr. Feaver** responded he isn't fond of placing tax policy in the Constitution. **Mr. Feaver** stated he believes the legislature is the responsible authority for making adjustments in tax policy from one session to the next and it should continue to do so.

SEN. BARRY "SPOOK" STANG commented there is a difference between personal property and residential property. He stated an individual isn't allowed to depreciate a home on their taxes so the value of the home doesn't go down. He asked **Mick Robinson** if an individual is allowed to depreciate business property in order for the value to go down. **Mr. Robinson** said the value does go down. He said it still has a market value concept which is utilized in personal property. He commented personal property wears out and has a market value base. **SEN. STANG** said if he has business equipment which breaks down he is allowed to deduct the expenses on his tax return, but is he allowed to deduct home improvement expenses. **Mr. Robinson** said the income tax laws don't allow a deduction for residential repairs. He said the income laws do allow a deduction for repairs for real and personal property in the business setting. **SEN. STANG** said he is concerned with combining personal property and residential property. **Mr. Robinson** said repairs and maintenance are not allowed as an add-on to the basis of a house.

SEN. JOHN HARP asked **Mr. Robinson** if 1989 was the last time personal property taxes were reduced. **Mr. Robinson** stated it was in the 1989 Special Session. **SEN. HARP** said one of the concerns of the 1989 Special Session was if personal property taxes were lowered the legislature wanted to make sure local government was made whole. He asked **Mr. Robinson** if a lump sum allocation was given to local governments because of the reduction of personal property taxes. **Mr. Robinson** said HB 20 reimbursed approximately \$18 million a year. **SEN. HARP** asked **Mr. Robinson** if the \$18 million stays consistent. **Mr. Robinson** said it was a smaller number to begin with but it increased as mill levies increased over the years. He commented in 1993, a bill was passed capping the reimbursement. **Mr. Robinson** affirmed the fund is currently at \$18 million.

Closing by Sponsor:

SEN. FORRESTER stated he was quoted in the Billings Gazette in 1992 as wanting to reduce personal property tax. He acknowledged SB 413 is an honest attempt to reduce taxes beginning next year.

SEN. FORRESTER commented SB 413 gives a mechanism for refunding money to the counties helping business now.

{Tape: 1; Side: B; Comments: Tape Turned}

HEARING ON SB 417

Opening Statement by Sponsor:

SEN. THOMAS KEATING, SD 5, Billings, affirmed SB 417 deals with a reduction of the personal property tax in class 8 only. He presented schedules of property taxes in various classes. EXHIBIT 4 and EXHIBIT 5. He discussed the exhibits demonstrating the proposed reimbursements for all taxing jurisdictions. SEN. KEATING commented the reason for offering this proposal evolves from study after study revealing personal property taxes are a deterrent to economic growth. He stressed the means of production should never be taxed. The axiom of taxing production is, if one wants less of something, tax it, if one wants more of something, subsidize it. SEN. KEATING stated the purpose of a tax is to provide the taxpayer with a service that he can't provide for himself. He acknowledged the individual who receives the services is the individual who lives in the residential area. He summarized by stating the purpose of the bill is to reduce the burden of personal property on the means of production. SEN. KEATING stated SB 417 will help the counties in the long run explaining they won't be losing money because the tax base will be restored with a larger tax base.

Proponents' Testimony:

Mick Robinson, Director, Department of Revenue (DOR), attested SB 417 is presented at the request of the Governor. Mr. Robinson presented EXHIBIT 6 (a handout titled, "Effective Personal Property Tax Rates for Selected Cities). He used the handout to demonstrate how this particular bill works to project movement from 9% to 6% over a period of years to reduce the tax rate in Montana cities listed in the handout (SEE EXHIBIT 6). He stated this movement will make Montana cities more competitive. Mr. Robinson reported Page 6 of the bill recommends that a Advisory Committee be appointed to review local government finances in the State of Montana.

Dennis Burr, Montana Taxpayers Association, thanked SEN. KEATING for bringing this proposal forward. He voiced concern with the starting date because it gives local government another legislative session to kill the bill before it is implemented. Mr. Burr hoped the starting date could be in this biennium rather than the next. He presented an article in regard to Montana business tax problems. EXHIBIT 7. He suggested the block grant program from the previous bill be considered even with the 9.87 reduction in this bill.

SEN. LARRY TVEIT commented there is a need to send the signal out of Helena that the legislature will do something about high taxes. He stated SB 417 is a good start. He asked the committee to move the starting date to 1996 instead of 1997 because it is a priority. **SEN. TVEIT** remarked he anticipates the committee will look favorably on this bill with some minor alterations.

Don Allen, Montana Wood Products Association, commented for the reasons outlined in his testimony on SB 413 he trusts the committee will give this bill a do pass.

Robert White, Bozeman Area Chamber of Commerce, urged support for SB 417.

David Owen, Montana Chamber of Commerce, said he appreciates the legislature talking about "when" personal property will be reduced and not "if". He stated his board wants to know why the starting date in the bill doesn't begin sooner.

Jim Mockler, Executive Director, Montana Coal Council, remarked he hopes the committee will combine SB 413 and SB 417, move the effective date up, and move forward.

John Youngberg, Montana Farm Bureau, urged support for this bill.

Jim Peterson, Montana Stockgrowers Association, stated he was asked to speak on behalf of **Montana Cattle Women's Association,** urging support of this bill and to move up the effective date.

Curt Laingen, Montana Motor Carriers Association, urged support for SB 413 and SB 417.

Russ Ritter, Washington Corporation, said SB 413 and SB 417 is good solid tax relief and urged support.

Carl Schweitzer commented SB 413 and SB 417 is a move forward.

Charles Brooks, Billings Area Chamber of Commerce, stated he wants to echo the remarks made in regard to moving the effective date up. He urged a do pass vote.

Rex Manuel, CENEX Petroleum, went on record in support of this legislation.

Opponents' Testimony:

Gordon Morris, Director, Montana Association of Counties (MACo), referenced written testimony in opposition to the bill from **Sanders County Commissioners and Blaine County Commissioners (SEE EXHIBIT 1 AND EXHIBIT 2).** **Mr. Morris** submitted written testimony from **Chet Blaylock, EXHIBIT 8.** **Mr. Morris** stated on behalf of County Commissioners the concept of tax reform is supported and this bill is a good start. He explained the significant difference between SB 413 and SB 417 is the number of people who

signed onto the bill. He strongly encouraged consideration for the mechanism that is in **SEN. FORRESTER'S** bill as an alternative to the one that is in SB 417. **Mr. Morris** attested probably no one has taken a look at the term consequences of this bill relative to the revenues that are going to be impacting local governments in the State of Montana. He announced he has looked at this issue, and over the life of this bill through the year 2010 there is a long term commitment in excess of \$350 million. He said the legislature could bond for that obligation through the year 2000, saving the state money in the long term, and provide a concession and assurance to local governments that the money will be there through the years covered under the bill.

Larry Fasbender, City of Great Falls, Cascade County and Cascade Public Schools, illustrated the impacts of this legislation. He stated tax shifts will take place and in this case into the property tax base. He stressed there will be more pressure on counties and school districts. **Mr. Fasbender** urged a do not pass on this bill.

Alec Hansen, Leagues of Cities and Towns, commented he trusts the legislature, he just doesn't have a lot of faith in the Montana economy. He stated this is an honest proposal and no where in this bill does he find the word "forever". He said it is a good idea for the committee to look at the possibility of combining the proposal in **SEN. FORRESTER'S** bill into SB 417.

{Tape: 2; Side: A.}

Wayne Stahl, Phillips County, affirmed Montana has a major problem in its tax structure. He commented the government would be more efficient if it were decentralized and local control were given back to the local people. **Mr. Stahl** acknowledged Eastern Montana and Phillips County are in a serious financial situation. He said real estate taxes, not personal property taxes need to be looked at to do the job saving the state from bankruptcy.

Blake Wordal, Lewis and Clark County Commissioners, affirmed the Commissioners rise reluctantly in opposition to this bill. He stated property taxes are unfair, and this is a property tax that is unfair. He said the need to lower percentage in personal property taxes is understood, however, they aren't quite as optimistic as **SEN. KEATING** about being able to build the valuation back up. **Mr. Wordal** said if the valuation doesn't increase over the ten year period, Lewis and Clark County will lose \$5,274,000.00 from this bill. He commented the honesty in the bill is appreciated.

Nathan Lubergen, Director of Finance and Administrative Services for the City of Billings, affirmed support for the **League of Cities and Counties** position. He offered assistance in revamping the bill.

Jim Halverson, Association of Oil, Gas and Coal Counties, professed support for MACo's position in opposition to SB 417.

Phil Campbell, Montana Education Association, echoed Eric Feavor's comments of opposition.

Terry Minow, Montana Federation of Teachers, testified in opposition.

Informational Testimony:

None

Questions From Committee Members and Responses:

SEN. STANG asked Mr. Robinson for a copy of the State of Washington's report as discussed in his testimony. Mr. Robinson stated he would prepare a copy for the committee. SEN. STANG asked Mr. Robinson for a comparison of commercial real property for the cities listed on the handout he presented (SEE EXHIBIT 6). Mr. Robinson stated his staff would prepare one. SEN. STANG voiced concern with testimony in regard to a tax shift in the school systems. SEN. STANG asked Mr. Robinson if taxes are being shifted from businesses to individual homeowners. Mr. Robinson explained if the reimbursement is continued, the shift won't occur. He acknowledged in this particular bill there is a phase out of reimbursement. He reported the Governor is concerned with the impact this could have on the funding of local government and schools and care must be taken in this area to determine what is the proper way to deal with this matter. He acknowledged this is the reason for the advisory committee.

SEN. MACK COLE asked Mr. Robinson for the pros and cons in regard to bonding as mentioned by Mr. Morris. Mr. Robinson said he had a discussion with Mr. Morris about the bonding issue and passed on the information to Dave Lewis, Budget Director. He stated Mr. Morris' concern is the risk local government has in terms of the dollar amount.

SEN. DOROTHY ECK asked SEN. KEATING why the impact on schools is excluded. SEN. KEATING commented schools are a taxing jurisdiction and refunds will flow to the school districts. SEN. ECK stated schools aren't included in the advisory committee and asked why. SEN. KEATING asked Judy Paynter to please respond. Ms. Paynter said city and county government financing is different from school financing. She acknowledged there are people who have expertise in school financing, but there is not a focal point for anyone to deal with city and county finances. She attested they are both complex topics and difficult to handle at the same time.

SEN. FRED VAN VALKENBURG commented Missoula County has the highest mill levy in the state, yet it has the second highest amount of business equipment. SEN. VAN VALKENBURG stated

Missoula County has one of the highest growth rates in the state, much the same as Flathead and Gallatin Counties. He asked **SEN. KEATING** why growth in business equipment is happening in counties with very high effective taxes and no growth in counties with much lower taxes. **SEN. KEATING** stated no single item is neither an impediment or determinant for decisions that are made in business. He said the bottom line is profitability. **SEN. KEATING** said the fact is, there has been a shift of businesses from this state to other states for several reasons, among those and high on the list is property taxes.

Closing by Sponsor:

SEN. KEATING remarked he has been tracking the cost of education for the last six or seven years on a per student basis and obtained the total expenditure report from each school district from the Office of Public Instruction. He explained the last expenditure report from 1994, indicated the cost per student was \$6,170.00 per student across the State of Montana. **SEN. KEATING** commented the growth in schools on a per student average has gone up every year. He stated the opponents to SB 417 are the counties and the schools. He acknowledged he understands the counties concerns because they are frozen at I-105 levels, in regard to mills, but the schools aren't frozen. **SEN. KEATING** stated this bill is focused on trying to improve the economy.

{Tape: 2; Side: A; Approx. Counter: 34.2.}

EXECUTIVE ACTION ON SB 176

SEN. DELWYN GAGE and **SEN. LORENTS GROSFIELD** were not in attendance.

Motion: **SEN. JOHN HARP** MOVED AMENDMENTS TO SB 176 (sb017601.agp).

Discussion: **SEN. HARP** announced he offered this amendment on January 26, 1995 as a condition that this bill would become law if the Highway Department didn't reduce their outstanding indebtedness by \$40 million by December 31, 1995. **SEN. HARP** stated by reducing the outstanding indebtedness of \$40 million on or before December 31, 1995 the savings would be an average of \$3.3 million per year and the debt service for an 8 year period of time, 2004, would save almost \$27 million.

SEN. ECK asked **SEN. HARP** if he was aware of the action the Appropriation Committee is taking on this issue. **SEN. HARP** stated, "Yes". **SEN. ECK** commented the Appropriation Committee decided to shift the money to local government projects. She stated if this amendment was passed the money couldn't be shifted to local government. **SEN. HARP** stated that isn't true because there is enough money in the reserves to take care of the \$40 million indebtedness and the \$7.5 million. He commented the Senate has yet to take a look at the proposal. **SEN. HARP**

acknowledged his interest is in the primary system rather than distribution to local government.

SEN. VAN VALKENBURG announced he opposes the amendment on the same basis as when the bill was heard. He stated this isn't a contingent voidness provision in the same respect that has been previously dealt with. He explained on other contingent voidness issues they are tied to a reduction by the legislature in state spending. **SEN. VAN VALKENBURG** said this is a disingenuous way of saying to people that one can vote for a reduction in the fuel tax, but it really won't have any affect because the Department of Transportation has plans to reduce its debt. He stated if someone wants to kill the bill, kill it.

SEN. GROSFIELD left his vote with **CHAIRMAN DEVLIN**.

Vote: MOTION CARRIED 5 - 3 on roll call vote.

Motion: **SEN. HARP** MOVED SB 176 BE TABLED. **CHAIRMAN DEVLIN** stated the motion is a non-debatable motion.

Discussion: **SEN. VAN VALKENBURG** said he takes issue with **CHAIRMAN DEVLIN'S** ruling that it is a non-debatable issue.

Motion: **SEN. HARP** WITHDREW HIS MOTION TO TABLE SB 176.

Discussion: **SEN. VAN VALKENBURG** stated committee motions have never been non-debatable in the Senate until this year. He said this action does a disservice to the committee process. He commented he doesn't know why **SEN. HARP** wanted to amend the bill and then table it at the same time. **SEN. VAN VALKENBURG** said the bill introduced by **SEN. JERGESON** was designed to deal with the situation where a great deal of revenue was raised, more than was intended to be collected when the fuel tax was put into place. He acknowledged he believes very highly in the highway program in the state and there is good reason to maintain the highway program as it currently exists. **SEN. VAN VALKENBURG** affirmed this approach has not been an honest approach. He announced if there was an honest approach to the bill he would oppose the bill, but he can't support a motion to table the bill given the amendment that was put on the bill.

SEN. BARRY "SPOOK" STANG said he has been involved in the highway program since he has been in the legislature, and has been a supporter of the concept. He commented letters from his constituents think the contingent voidness clause is needless. **SEN. STANG** said he can't support a motion to table the bill.

SEN. ECK affirmed she agrees with what **SEN. VAN VALKENBURG** and **SEN. STANG** have said, however, she stated she strongly opposes the motion to rebate the income tax monies. She commented people in Montana support the gas tax for highways. **SEN. ECK** said she would prefer to see the department be honest in regard to this bill. She acknowledged she supports the fact that a good deal of

money will go to streets and roads in Montana cities and counties.

SEN. HARP said he recalls the hearing on the 26th of January. He said the comments made by the sponsor of this bill were very political. **SEN. HARP** stated the committee realizes if the 5¢ gas tax was eliminated the legislature would be back here in two years asking for additional taxes. He said the way the highway program is presently situated, Montana challenges will be met for a decade. He explained he has been an advocate of the highway program as much as anyone has. **SEN. HARP** declared this bill was introduced strictly for one reason, and that reason is politics.

Motion/Vote: **SEN. HARP** MOVED TO TABLE SB 176. MOTION CARRIED 6 - 2 on roll call vote.

EXECUTIVE ACTION ON HB 188

Motion: **SEN. COLE** MOVED HB 188 BE CONCURRED IN.

Discussion: **SEN. STANG** stated he is opposed to the ½% tax.

Vote: MOTION CARRIED 6 - 1 WITH **SEN. STANG** VOTING IN OPPOSITION.

ADJOURNMENT

Adjournment: 10:58 a.m.


GERRY DEVLIN, Chairman


RENEE J. PODELL, Secretary

GD/rp

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 9, 1995

MR. PRESIDENT:

We, your committee on Taxation having had under consideration HB 188 (third reading copy -- blue), respectfully report that HB 188 be concurred in.

Signed: 
Senator Gerry Devlin, Chair


Amd. Coord.
Sec. of Senate

SEN. COLE
Senator Carrying Bill

551133SC.SPV

Sanders County

State of Montana

SENATE TAXATION

DATE March 9, 1995

MEMORIT NO. 1

FILE NO. SB 413

SB 417



March 8, 1995

Senate Taxation Committee
Senator Gerry Devlin, Chairman
Capitol Building
Helena, MT 59820

Dear Sir:

Regarding House Bill 413 and House Bill 417, Sanders County Commissioners are in favor of any economic stimulation a tax percentage cut may bring to our businesses. But, the problem we have with this concept is that if the business economy does not rejuvenate, there has been no fail-safe mechanism added to these bills to insure that our County and our schools are not drastically impacted. Our local government is somewhat of a "business" also and if a good portion of the revenues to us are cut, we will not be able to maintain our business.

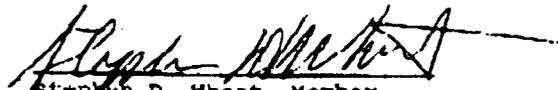
There is no way for Sanders County to be reimbursed if we do lose a substantial amount of revenue because the business economy in our County is not stimulated by these tax cuts.

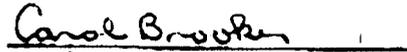
This may be another "cut" that our local government can ill afford.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
Sanders County, Montana


Charie Hooten, Chairman


Stephen D. Wheat, Member


Carol Brooker, Member

Post-it® Fax Note	7671	Date	3/9/95
To	MACO	From	Chesce
Co./Dept.		Co.	
Phone #		Phone #	827-4391
Fax #	442-5238	Fax #	

CURTIS C. MOXLEY
Commissioner

ARTHUR KLEINJAN
Commissioner

KEITH BENSON
Commissioner

SANDRA L. BOARDMAN
Clerk and Recorder/Assessor

SHIRLEY GRUBB
Treasurer

PERRY W. MILLER
Justice of Peace



SENATE TAXATION

DATE March 9, 1995

EXHIBIT NO. 2

JOHN G. MC KEON
District Judge

KAY O'BRIEN JOHNSON
Clerk of Court District #17

MARK MARSHMAN
County Attorney

JOHN W. HARRINGTON
Sheriff and Public Administrator

CAROL L. ELLIOT
Superintendent of Schools

MARVIN A. EDWARDS
Coroner

B.W. MC GUIRE
Justice of Peace

BLAINE COUNTY

Chinook, Montana 59523

Good Morning!

TO: Senator Devlin & Senate Taxation Committee Members

RE: House Bills 413 & 417

Blaine County supports the concept of both bills. We realize there is a potential of increased spending that will boost our economy.

Yet on both bills, we need more security on replacing the lost revenues. The increase in revenue from additional spending will by no means replace the revenues the county will be losing.

In closing, we urge you to consider some long range guaranteed funding (like forever) for lost revenue to the counties. If this cannot happen, we would like you to vote NO on both bills.

Thank you.

Keith L. Benson

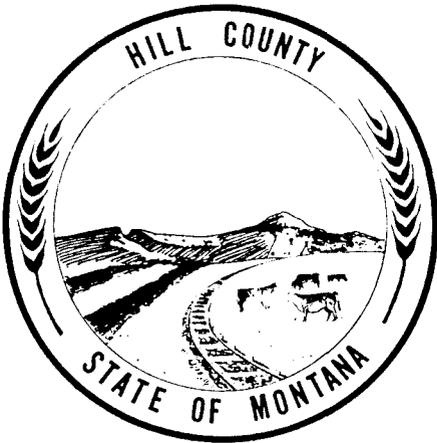
Keith L. Benson, Chairman

Curtis C. Moxley

Curtis C. Moxley, Commissioner

Arthur Kleinjan

Arthur Kleinjan, Commissioner



COUNTY OF HILL

STATE OF MONTANA
Havre, Montana 59501

SENATE TAXATION

DATE March 9, 1995

COMMITTEE NO. 3

BILL NO. SB 417

Lloyd Wolery, **Chairman**
Nora Nelson, **Commissioner**
Kathy Bessette, **Commissioner**

March 8, 1995

[406]265-5481 Ext. 27

Senate Taxation Committee

RE: Senate Bill 417

Dear Members of the Taxation Committee,

We are writing in opposition to SB-417. Hill County would lose \$1,513,022.00 in taxable valuation (over \$504,000.00 each year for three years). We are promised a reimbursement from the state but those dollars would end after three years. If the money is not appropriated, we will never see any reimbursement. How will local governments make up the difference? We can't provide necessary services on promises alone.

An argument in favor of this bill is that it would provide an incentive for purchasing but we don't see that happening. We feel rural counties would be devastated by this bill since a large percentage of business equipment is agricultural owned in these counties. We all know that agriculture is under much stress and the outlook is grim for the future.

Please vote against SB-417.

Sincerely,

Lloyd Wolery
Lloyd Wolery, Chairman

Nora Nelson
Nora Nelson

Kathy Bessette
Kathy Bessette

SENATE TAXATION

DATE *March 14, 1995*

EXHIBIT NO. *4*

BILL NO. *28-417*

Tax Year 1993

Market and Taxable Values for Tax Year 1993
By Property Type

Estimated Taxes Levied for Tax Year 1993
By Property Type

Property Type	Class	1993 Total			Assessed Value			Taxable Value			1993 Taxes Levied by:					Total Estimated 1993 Taxes Levied	Effective Tax Rate	Average Mill Levy for Property Type
		Assessed Value	1993 Total Taxable Value	1993 Total	Within Cities/Towns	Within Cities/Towns	Within Cities/Towns	University (5mills)	State Equalization (95 mills)	County	Local Schools	Cities/Towns						
Agricultural Land																		
Tillable Irrigated	3	45,782,045	13,736,029	137,744	40,402	82,416	1,304,923	970,247	1,845,262	3,604	4,206,452	9.19%	306.23					
Tillable Non-Irrigated	3	280,578,255	84,176,863	32,226	9,671	505,061	7,996,804	6,870,268	11,107,130	934	26,480,227	9.44%	314.58					
Grazing Land	3	127,775,901	38,342,710	54,222	16,281	230,056	3,642,557	2,995,356	4,854,576	1,480	11,724,026	9.18%	305.77					
Wild Hay	3	18,437,282	5,532,054	13,740	4,122	33,192	525,545	440,036	738,683	384	1,737,811	9.43%	314.13					
Timber Land	10	160,260,561	6,410,390	69,538	2,781	38,462	608,987	473,220	978,739	200	2,099,608	1.31%	327.53					
- Subtotal		632,834,044	148,198,066	307,470	73,257	889,188	14,078,816	11,749,158	19,524,390	6,572	46,248,124	7.31%						
- Subtotal Percent of Column Statewide Total		2.0%	8.6%	0.0%	0.0%	6.0%	8.6%	9.7%	8.1%	0.0%	7.9%	0.0%						
- Subtotal Average Mill Levy						6.00	95.00	79.28	131.75	89.71	312.07							
Residential Land																		
Farmstead 1 Acre	11	158,027,043	4,878,704	474,868	14,663	29,272	463,477	365,773	725,056	1,309	1,584,887	1.00%	324.66					
Farmstead 1 Acre - Low Income	11	2,058,080	36,722	4,372	67	220	3,489	2,800	5,392	6	11,907	0.58%	324.25					
City/Town Lots Residential	4	1,525,890,150	58,897,351	1,389,975,071	53,651,793	353,384	5,595,248	4,405,274	9,550,476	5,194,692	25,099,075	1.64%	426.15					
Suburban Tracts Residential	4	1,922,689,686	74,216,659	17,385,266	671,087	445,300	7,050,593	5,667,915	11,507,594	60,092	24,731,473	1.28%	333.23					
Suburban Tracts - Low Income	4	62,523,110	1,400,675	36,168,860	814,668	4,800	133,064	108,393	223,906	76,910	552,677	0.88%	394.58					
- Subtotal		3,671,168,069	139,430,111	1,444,008,437	55,152,278	836,581	13,245,861	10,560,155	22,012,414	5,335,009	51,980,020	1.42%						
- Subtotal Percent of Column Statewide Total		11.9%	8.1%	12.2%	10.6%	6.1%	8.1%	8.7%	9.1%	10.6%	8.8%							
- Subtotal Average Mill Levy						6.00	95.00	75.67	157.87	96.73	372.80							
Residential Improvements																		
Impr. on Ag and Timber Land	11	1,754,153,516	54,168,453	4,231,099	130,922	325,011	5,146,004	4,178,808	7,515,498	11,305	17,176,626	0.98%	317.10					
Impr. on Ag Land - Low Income	11	7,917,609	144,488	33,623	518	867	13,726	10,751	20,869	43	46,257	0.58%	320.14					
Impr. on Disparately Owned Ag Land	11	5,965,656	185,910	4,300	133	1,115	17,661	15,313	23,181	30	57,301	0.96%	308.22					
Impr. on Disparately Owned Ag Land	4	17,096,542	659,935	3,618,099	139,656	3,960	62,694	51,069	88,769	9,168	215,659	1.26%	326.79					
Impr. on Rt of Way - Agricultural	4	556,830	17,347	139,690	5,391	104	-1,648	1,318	2,591	381	6,042	1.09%	348.32					
Impr. on Class 4 Out of Production	4	65,953	255	0	0	-2	24	20	35	0	81	0.12%	316.43					
Remodeled Ag/Timber Improvements	11	0	0	0	0	0	0	0	0	0	0							
Impr. on Suburban Tracts Residential	4	3,881,260,310	149,816,842	30,836,177	1,190,278	898,901	14,232,600	11,092,872	23,589,085	113,381	49,928,841	1.29%	333.25					
Impr. on City/Town Lots Residential	4	5,676,485,528	219,107,662	5,087,518,488	196,373,601	1,314,646	20,815,228	16,845,337	35,605,766	18,847,695	93,428,693	1.65%	428.41					
Impr. on Tracts and Lots - Low Income	4	204,443,569	4,532,633	119,768,092	2,692,145	27,196	430,600	366,172	724,650	253,373	1,801,991	0.88%	397.56					
Impr. on Rt of Way - Residential	4	1,100,637	42,493	77,840	3,005	255	4,037	2,706	5,628	350	12,976	1.16%	305.37					
Remodeled Residential Improvements	4	1,066,561	11,291	1,066,561	11,291	68	1,073	865	1,838	1,548	5,391	0.51%	477.48					
Mobile Homes	4	334,630,461	12,886,743	80,913,854	3,112,920	77,320	1,224,241	969,479	2,017,040	294,817	4,582,897	1.37%	355.63					
Mobile Homes - Low Income	4	11,818,751	260,332	3,919,819	82,612	1,562	24,732	20,176	40,965	7,645	95,080	0.80%	365.22					
Mobile Homes on Ag and Timber Land	11	12,204,541	376,412	20,870	645	2,258	35,759	31,231	48,998	47	118,294	0.97%	314.27					
Mobile Homes/Ag - Low Income	11	1,093,710	3,567	183,640	475	21	339	270	435	51	1,116	0.10%	312.65					
- Subtotal		11,909,760,374	442,214,373	5,332,332,152	203,743,592	2,653,286	42,010,365	33,586,389	69,685,369	19,539,835	167,475,245	1.41%						
- Subtotal Percent of Column Statewide Total		38.6%	25.5%	45.2%	39.1%	25.5%	25.5%	27.8%	28.9%	36.7%	28.5%							
- Subtotal Average Mill Levy						6.00	95.00	75.95	157.58	95.90	378.72							

EXHIBIT

DATE 3-9-95

SB 417

Tax Year 1993

Property Type	Market and Taxable Values for Tax Year 1993 By Property Type				Estimated Taxes Levied for Tax Year 1993 By Property Type							Total Estimated 1993 Taxes Levied	Effective Tax Rate	Average Mill Levy for Property Type	
	Class	Tax Rate	Assessed Value		Taxable Value		University Equivalization (6 mills)	State Equivalization (95 mills)	County	Local Schools	Cities/ Towns				
			1993 Total Assessed Value	1993 Total Taxable Value	Within Cities/Towns	Within Cities/Towns									
Personal Property															
Furniture and Fixtures	8	9.000%	400,870,920	36,062,446	311,881,051	28,069,897	216,495	3,427,832	2,738,992	5,916,708	2,727,138	15,027,165	3.75%	416.47	
Locally Assessed Co-op Pers. Prop.	5	3.000%	11,795,860	353,872	381,987	11,459	2,123	33,618	27,473	48,158	408	111,780	0.95%	315.88	
Machin., other than Farm, Min., Manuf.	8	9.000%	326,624,322	29,386,880	49,653,012	4,468,817	176,381	2,792,704	1,869,850	3,661,776	430,562	8,931,272	2.73%	303.82	
Repair Tools	8	9.000%	1,556,560	132,584	663,965	57,206	796	12,595	12,087	17,926	5,641	49,045	3.15%	369.92	
Manufacturing Machinery	8	9.000%	786,070,607	70,746,371	82,567,827	7,431,096	424,478	6,720,905	4,967,249	10,904,481	689,974	23,707,087	3.02%	335.10	
Mining Machinery	8	9.000%	13,052,249	1,174,703	1,451,675	130,650	7,048	111,597	80,908	147,387	12,330	359,271	2.75%	305.84	
Ski Lifts	8	9.000%	5,296,127	476,652	0	0	2,860	45,282	32,579	56,452	0	137,172	2.69%	287.78	
Supplies and Materials	8	9.000%	71,005,130	6,392,805	12,921,571	1,164,662	38,357	607,316	394,937	868,811	104,403	2,013,824	2.84%	315.01	
All Other Property	8	9.000%	531,073	47,797	870,145	57,471	287	4,541	3,538	5,914	4,333	18,612	3.50%	389.39	
Rural Telephone Property	7	8.000%	1,446,517	115,721	608,908	48,712	694	10,993	9,402	20,861	4,384	46,335	3.20%	400.40	
Air and H2O Pollution Control	5	3.000%	420,172,037	12,605,162	18,566,535	556,996	75,631	1,197,490	324,775	656,022	41,097	2,297,016	0.55%	182.23	
New & Expanding Ind-Air & H2O P C	5	1.500%	9,387,546	141,474	1,746,166	26,192	849	13,440	8,221	21,449	2,200	45,159	0.49%	326.27	
All Gasohol Related Property	5	3.000%	0	0	0	0	0	0	0	0	0	0	---	---	
R & D Personal Property	5	3.000%	1,604,431	48,133	832,495	24,975	289	4,573	3,346	6,962	2,819	17,989	1.12%	373.73	
New & Expanding R & D Pers Prop	5	1.500%	841,560	14,566	0	0	87	1,384	1,140	1,998	0	4,609	0.55%	316.43	
Aluminum Electrolytic Equipment	5	3.000%	29,316,959	879,509	0	0	5,277	83,553	75,814	139,522	0	304,166	1.04%	345.84	
Melting Barley Processing Equipment	6	4.000%	0	0	0	0	0	0	0	0	0	0	---	---	
Canola Seed Processing Equipment	6	4.000%	0	0	0	0	0	0	0	0	0	0	---	---	
Cable TV Systems	8	9.000%	13,688,731	1,231,995	8,849,397	796,453	7,392	117,040	95,517	197,330	78,829	496,107	3.62%	402.69	
Theatre and Sound Equipment	8	9.000%	894,473	80,505	921,797	82,962	483	7,648	5,528	12,726	7,894	34,279	3.83%	425.80	
Radio and TV Broadcasting Equip.	8	9.000%	14,497,955	1,304,824	6,044,233	543,983	7,829	123,958	98,308	215,990	55,679	501,764	3.46%	384.55	
CB's and Mobile Phones	8	9.000%	3,439,986	309,605	721,859	63,762	1,858	29,413	23,499	48,458	7,134	110,361	3.21%	356.46	
Rental Equipment (Less Than \$5,000)	6	4.000%	5,911,683	223,662	4,076,852	163,072	1,342	21,248	17,115	36,876	15,582	92,163	1.65%	412.06	
Rental Equipment	8	9.000%	13,261,283	1,193,512	10,486,027	943,736	7,161	113,384	73,633	180,413	80,882	455,473	3.43%	381.62	
Class 4 Out of Production PP	8	9.000%	0	0	0	0	0	0	0	0	0	0	---	---	
New & Expanding Ind- Mach & Eq	8	4.500%	231,908,744	10,491,255	16,888,350	782,610	62,948	996,669	642,410	1,517,368	79,463	3,298,658	1.42%	314.44	
New Industry - Personal Property	5	3.000%	55,513,944	1,665,418	251,484	11,419	9,993	158,215	27,432	48,463	1,379	245,480	0.44%	147.40	
Oil & Gas Field Equipment	8	9.000%	77,919,511	6,970,644	420,388	37,835	41,824	662,211	528,162	848,590	4,767	2,085,554	2.68%	299.19	
Oil & Gas Flow Lines	8	9.000%	36,591,891	3,293,279	96,471	8,682	19,760	312,861	261,849	409,444	711	1,004,625	2.75%	305.05	
Ag Implements	8	9.000%	617,475,692	55,572,981	1,255,780	113,026	333,438	5,279,433	4,389,272	7,307,422	8,831	17,318,396	2.80%	311.63	
Loc Assd Util Intra-Co Lines	8	9.000%	897,195	80,749	299,330	26,940	484	7,671	6,576	9,912	2,225	26,868	2.99%	332.73	
Value Added Machinery (15-24-2403)	8	0.000%	0	0	0	0	0	0	0	0	0	0	---	---	
Failure to Report Penalty	2	8.013%	10,260,108	822,190	3,641,883	325,083	4,933	78,108	60,928	121,223	29,994	295,187	2.88%	359.02	
- Subtotal			3,161,513,093	241,849,293	535,999,188	45,947,696	1,451,096	22,975,683	16,780,537	33,430,641	4,398,658	79,036,615	2.50%		
- Subtotal Percent of Column Statewide Total			10.2%	14.0%	4.5%	8.8%	14.0%	14.0%	13.9%	13.9%	8.7%	13.5%			
- Subtotal Average Mill Levy							6.00	95.00	69.38	138.23	95.73	326.80			

Tax Year 1993

Property Type	Market and Taxable Values for Tax Year 1993 By Property Type				Estimated Taxes Levied for Tax Year 1993 By Property Type										Average Mill Levy				
	Class	Tax Rate	Assessed Value		Taxable Value		1993 Taxes Levied by:										Total Estimated 1993 Taxes Levied	Effective for Property Tax Rate	
			1993 Total	1993 Total	Within Cities/Towns	Within Cities/Towns	University [5mills]	State Equalization [95 mills]	County	Local Schools	Cities/ Towns								
Proceeds																			
Net Proceeds	1	100.000%	5,366,912	5,366,912	0	0	32,201	509,857	426,264	565,774	0	0	0	0	1,534,097	28.58%	285.84		
Gross Proceeds of Coal Strip Mines	2	45.000%	0	0	0	0	0	0	0	0	0	0	0	0	0	---	---		
Gross Proceeds of Underground Coal	2	33.300%	0	0	0	0	0	0	0	0	0	0	0	0	0	---	---		
Gross Proceeds of Metal Mines	2	3.000%	351,999,924	10,559,998	7,097,562	212,927	63,360	1,003,200	849,571	1,669,286	20,743	0	0	0	3,606,160	1.02%	341.45		
- Subtotal			357,366,836	15,926,910	7,097,562	212,927	95,561	1,513,056	1,275,835	2,235,060	20,743	0	0	0	5,140,257	1.44%			
- Subtotal Percent of Column Statewide Total			1.2%	0.9%	0.1%	0.0%	6.00	95.00	80.11	140.33	97.42				322.74				
- Subtotal Average Mill Levy																			
Vehicles																			
Trucks over 1 Ton (9%)	8	9.000%	80,798,605	7,267,919	13,514,485	1,223,068	43,608	690,452	550,975	1,040,554	118,985	0	0	0	2,444,573	3.03%	336.35		
Buses	8	9.000%	1,082,312	97,314	272,083	24,457	584	9,245	6,714	13,726	2,299	0	0	0	32,568	3.01%	334.67		
Trailers (9%)	8	9.000%	62,725,224	5,650,053	10,736,927	970,039	33,900	536,755	426,182	806,703	92,893	0	0	0	1,896,433	3.02%	335.65		
Coal and Ore Haulers	8	9.000%	28,019,600	2,521,766	28,475	2,563	15,131	239,568	136,753	268,414	250	0	0	0	660,116	2.36%	261.77		
Locally Assessed Trucks & Trailers/Trailers (3%)	5	3.000%	1,039,913	31,829	474,165	14,736	191	3,024	2,432	4,242	1,649	0	0	0	11,538	1.11%	362.51		
- Subtotal			173,665,654	15,566,881	25,026,155	2,234,863	93,413	1,479,044	1,123,057	2,133,638	216,075	0	0	0	5,045,228	2.91%			
- Subtotal Percent of Column Statewide Total			0.6%	0.9%	0.2%	0.4%	6.00	95.00	72.13	137.05	96.68				324.06				
- Subtotal Average Mill Levy																			
Livestock																			
Horses	6	4.000%	51,790,324	2,074,977	684,307	27,346	12,450	197,123	157,747	286,317	2,462	0	0	0	656,119	1.27%	316.21		
Cattle	6	4.000%	633,478,837	25,339,152	211,362	8,457	152,035	2,407,219	1,960,955	3,267,709	553	0	0	0	7,788,472	1.23%	307.37		
Sheep	6	4.000%	14,236,089	569,335	1,711	67	3,416	54,087	52,307	67,078	6	0	0	0	176,894	1.24%	310.70		
Swine	6	4.000%	2,416,692	96,556	1,610	64	579	9,173	7,648	12,641	4	0	0	30,045	1.24%	311.16			
Other Livestock	6	4.000%	6,903,653	276,047	91,832	3,673	1,656	26,224	20,258	36,093	402	0	0	0	84,634	1.23%	306.59		
- Subtotal			708,825,595	28,356,067	990,622	39,607	170,136	2,693,826	2,198,915	3,669,838	3,447	0	0	0	8,736,163	1.23%			
- Subtotal Percent of Column Statewide Total			2.3%	1.6%	0.0%	0.0%	1.6%	1.6%	1.8%	1.5%	0.0%			1.5%	1.23%				
- Subtotal Average Mill Levy							6.00	95.00	77.55	129.42	87.04			308.09					

EXHIBIT 4
DATE 3-9-95
SB 417

Tax Year 1993

Property Type	Market and Taxable Values for Tax Year 1993 By Property Type			Estimated Taxes Levied for Tax Year 1993 By Property Type							Average Mill Levy			
	Class	Tax Rate	1993 Total Assessed Value	1993 Total Taxable Value	Assessed Value Within Cities/Towns	Taxable Value Within Cities/Towns	University (6mills)	State Equalization (95mills)	County	Local Schools		Cities/Towns	Total Estimated 1993 Taxes Levied	Effective Tax Rate
Utilities Real														
Electric Companies Real	9	12.000%	1,135,547,082	136,265,656	5,610,072	673,206	817,594	12,945,237	4,414,950	8,034,571	65,278	26,276,731	2.31%	192.83
Gas & Electric Companies Real	9	12.000%	966,082,742	115,929,936	34,386,418	4,126,377	695,580	11,013,344	5,904,957	11,238,662	405,123	29,257,666	3.03%	252.37
Rural Co-op companies Real	5	3.000%	261,949,923	7,858,484	13,182,939	395,481	47,151	746,556	606,701	1,085,777	36,966	2,523,151	0.96%	321.07
Railroads Real	12	7.310%	703,079,497	51,393,112	60,030,240	4,388,207	308,371	4,882,536	3,770,148	7,099,204	453,833	16,514,091	2.35%	321.32
Airlines Real	12	7.310%	68,522,118	5,009,438	7,411,639	542,261	30,057	475,897	370,379	848,890	42,056	1,767,278	2.58%	352.79
Pipelines Real	9	12.000%	296,016,061	35,521,930	1,164,041	139,685	213,132	3,374,583	2,431,637	4,684,464	16,016	10,719,832	3.62%	301.78
Telecomm. Companies Real	9	12.000%	322,336,420	38,680,360	127,515,795	15,303,973	232,082	3,674,634	2,935,553	6,049,840	1,479,549	14,371,658	4.46%	371.53
Indep. Tele. Companies Real	7	8.000%	7,104,638	568,373	66,355	6,909	3,410	53,995	43,335	81,028	958	182,726	2.57%	321.49
- Subtotal			3,760,638,481	391,229,289	249,387,499	25,576,099	2,347,376	37,166,782	20,476,759	39,122,435	2,499,780	101,613,132	2.70%	
- Subtotal Percent of Column Statewide Total			12.2%	22.6%	2.1%	4.9%	22.6%	22.6%	16.9%	16.2%	5.0%	17.3%		
- Subtotal Average Mill Levy							6.00	95.00	52.34	100.00	97.74	259.73		
Utilities Personal														
Electric Companies Personal	9	12.000%	49,282,015	5,913,842	1,862,429	223,491	35,483	561,815	342,665	586,042	18,491	1,544,516	3.13%	261.17
Gas & Electric Companies Personal	9	12.000%	369,868,395	44,383,840	157,051,037	18,844,035	266,303	4,216,465	3,451,942	7,129,440	1,830,994	16,895,143	4.57%	380.66
Rural Co-op companies Personal	5	3.000%	104,549,075	3,136,477	25,927,883	777,837	18,819	297,965	232,786	433,545	70,852	1,053,667	1.01%	335.94
Railroads Personal	12	7.310%	28,623,932	2,092,398	4,652,085	340,054	12,554	188,778	139,708	327,652	45,529	724,221	2.53%	346.12
Airlines Personal	12	7.310%	4,350,143	317,996	2,089,892	152,772	1,908	30,210	22,839	53,116	12,700	120,772	2.78%	379.79
Pipelines Personal	9	12.000%	61,002,807	7,320,340	3,544,876	425,385	43,922	695,432	518,910	986,585	57,411	2,302,260	3.77%	314.50
Telecomm. Companies Personal	9	12.000%	249,417,760	29,930,128	166,823,240	20,018,782	179,581	2,843,362	2,227,132	4,717,897	1,908,740	11,876,712	4.76%	396.81
Indep. Tele. Companies Personal	7	8.000%	3,830,499	306,440	138,934	11,115	1,839	29,112	22,205	42,741	1,542	97,439	2.54%	317.97
- Subtotal			870,924,626	93,401,461	362,090,376	40,793,471	560,409	8,873,139	6,958,207	14,277,018	3,945,958	34,614,731	3.97%	
- Subtotal Percent of Column Statewide Total			2.8%	5.4%	3.1%	7.8%	5.4%	5.4%	5.7%	5.9%	7.8%	5.9%		
- Subtotal Average Mill Levy							6.00	95.00	74.50	152.86	96.73	370.60		
Statewide Total			30,893,878,847	1,731,947,504	11,792,733,943	521,178,670	10,391,685	164,535,013	121,024,610	241,122,567	50,449,227	587,523,102	1.90%	339.23
- Statewide Average Mill Levy							6.00	95.00	69.88	139.22	96.80	339.23		

Compiled from data submitted to the Department of Revenue by County Assessors.
Estimated taxes levied for tax year 1993 based on tax year 1993 taxable values and tax year 1993 mills levied for state, county, local school, and city/town purposes.
Office of Research and Information, Montana Department of Revenue, November 1993.

SENATE TAXATION

DATE *March 9, 1995*

EXHIBIT NO. *5*

SB 417

Tax Year 1994

**Market and Taxable Values for Tax Year 1994
By Property Type**

**Estimated Taxes Levied for Tax Year 1994
By Property Type**

Property Type	Class	Tax Rate	1994 Total Assessed Value			1994 Total Taxable Value			Assessed Value Within			Taxable Value Within			1994 Taxes Levied by:					Total Estimated 1994 Taxes Levied	Average Mill Levy Effective for Property Type
			Assessed	Value	Within	Cities/Towns	Assessed	Value	Within	Cities/Towns	University (6mills)	State Equalization (95 mills)	County	Local Schools	Cities/Towns	State	County	Local Schools	Cities/Towns		
Agricultural Land																					
Tillable Irrigated	3	3.860%	359,742,802	771,644	29,784	13,865,647	83,314	1,319,136	1,027,925	1,989,813	2,723	4,422,911	1.23%	318.52							
Tillable Non-Irrigated	3	3.860%	2,098,162,244	246,551	9,520	80,989,207	485,935	7,693,975	6,838,333	11,594,194	1,203	26,613,640	1.27%	328.61							
Grazing Land	3	3.860%	968,755,973	239,805	9,258	37,392,933	224,358	3,552,329	2,979,872	5,056,347	833	11,813,638	1.22%	315.93							
Wild Hay	3	3.860%	146,942,055	5,671,878	3,805	5,671,878	34,031	538,828	457,323	812,876	318	1,843,376	1.25%	325.00							
Timber Land	10	0.790%	921,205,325	207,703	1,639	7,277,628	43,666	691,375	554,564	1,160,287	116	2,450,008	0.27%	336.65							
- Subtotal			4,494,808,399	1,618,808	54,006	145,217,293	871,304	13,795,643	11,857,817	20,613,518	5,293	47,143,575	1.05%								
- Subtotal Percent of Column Statewide Total			12.7%	0.0%	0.0%	8.1%	8.1%	8.1%	9.2%	7.7%	0.0%	7.5%									
- Subtotal Average Mill Levy							6.00	95.00	81.66	141.95	98.00	324.84									
Residential Land																					
Farmstead 1 Acre	4	3.860%	125,534,041	4,845,973	17,461	4,845,973	29,076	460,367	371,828	766,315	1,538	1,629,244	1.30%	336.21							
Non-Qualified Ag Land	3	27.020%	19,544,649	5,280,536	62,497	16,884	31,683	501,651	403,898	801,087	1,822	1,739,941	8.90%	329.50							
Non-Q Ag Land 1 Acre	4	3.860%	34,494,810	1,331,799	88,800	3,430	7,991	126,521	101,027	208,648	349	444,536	1.29%	333.79							
City/Town Lots Residential	4	3.860%	1,504,841,285	58,085,987	1,373,695,162	53,014,351	348,516	5,518,169	4,469,962	9,950,796	5,263,755	25,571,177	1.70%	440.23							
Suburban Tracts Residential	4	3.860%	1,904,995,084	73,533,401	16,196,100	625,165	441,200	6,985,673	5,775,785	12,238,937	58,011	25,499,606	1.34%	346.78							
Suburban Tracts - Low Income	4	2.245%	69,714,286	1,564,729	36,003,573	861,093	9,388	148,649	123,168	262,580	84,965	628,750	0.90%	401.83							
- Subtotal			3,659,124,155	144,642,425	1,428,498,366	54,538,384	867,855	13,741,030	11,245,668	24,228,363	5,430,339	55,513,255	1.52%								
- Subtotal Percent of Column Statewide Total			10.3%	8.1%	12.0%	10.3%	8.1%	8.1%	8.7%	9.1%	10.3%	8.8%									
- Subtotal Average Mill Levy							6.00	95.00	77.75	167.51	99.57	383.80									
Residential Improvements																					
Impr. on Ag and Timber Land	4	3.860%	1,650,211,924	63,698,145	4,116,195	158,865	382,189	6,051,324	5,043,446	9,429,151	16,017	20,922,127	1.27%	328.46							
Impr. on Disparately Owned Ag Land	4	3.860%	5,857,290	226,071	64,750	2,500	1,356	21,477	19,054	31,560	406	73,854	1.26%	326.68							
Impr. on Disparately Owned Ag Land	4	3.860%	16,859,806	650,792	4,009,139	154,749	3,905	61,825	49,959	89,378	10,147	215,214	1.28%	330.70							
Impr. on Rt of Way - Agricultural	4	3.860%	344,950	13,314	104,910	4,049	-	1,265	1,154	2,101	334	4,934	1.43%	370.58							
Impr. on Class 4 Out of Production	4	3.860%	0	0	0	0	0	0	0	0	0	0									
Remodeled Ag/Timber Improvements	4	1.118%	1,433,825	16,027	1,320,055	15,566	96	1,523	1,241	2,781	2,105	7,745	0.54%	483.26							
Impr. on Suburban Tracts Residential	4	3.860%	4,250,450,436	164,067,581	33,957,216	1,310,753	984,405	15,586,420	12,552,007	27,435,919	126,957	56,685,708	1.33%	345.50							
Impr. on City/Town Lots Residential	4	3.860%	5,765,582,576	222,550,613	5,182,928,708	200,060,210	1,335,304	21,142,308	17,530,068	38,027,535	19,745,006	97,780,220	1.70%	439.36							
Impr. on Tracts and Lots - Low Income	4	2.230%	227,012,964	5,062,647	124,991,039	2,817,628	30,376	480,951	410,816	847,209	273,010	2,042,363	0.90%	403.42							
Impr. on Rt of Way - Residential	4	3.860%	2,603,114	100,483	214,780	5,445	603	9,946	9,755	13,188	616	33,708	1.29%	335.46							
Remodeled Residential Improvements	4	1.118%	1,433,825	16,027	1,320,055	15,566	96	1,523	1,241	2,781	2,105	7,745	0.54%	483.26							
Mobile Homes	4	3.860%	377,211,700	14,526,043	87,268,052	3,360,452	87,156	1,379,974	1,127,497	2,393,820	324,106	5,312,553	1.41%	365.73							
Mobile Homes - Low Income	4	2.197%	12,974,870	285,037	4,166,323	91,726	1,710	27,079	22,552	47,439	8,640	107,420	0.83%	376.86							
- Subtotal			12,310,543,455	471,196,753	5,443,141,167	207,981,973	2,827,181	44,763,692	36,767,549	78,320,079	20,507,344	183,185,845	1.49%								
- Subtotal Percent of Column Statewide Total			34.8%	26.4%	45.6%	39.3%	26.4%	26.4%	28.6%	29.4%	39.0%	29.1%									
- Subtotal Average Mill Levy							6.00	95.00	78.03	166.22	98.60	388.77									

Tax Year 1994

Market and Taxable Values for Tax Year 1994 By Property Type

Estimated Taxes Levied for Tax Year 1994 By Property Type

Property Type	Class	Tax Rate	1994 Total			Assessed Value			Taxable Value			1994 Taxes Levied by:					Total Estimated 1994 Taxes Levied	Average Mill Levy Effective for Property Type
			Assessed Value	Taxable Value	1994 Total Taxable Value	Within Cities/Towns	Within Cities/Towns	Within Cities/Towns	University (6mills)	State Equalization (95 mills)	County	Local Schools	Cities/Towns					
Commercial Land																		
Suburban Tracts Commercial	4	3.860%	224,843,441	8,678,998	16,123,922	622,394	52,074	824,505	698,051	1,511,995	65,376	3,152,001	1.40%	363.18				
City/Town Lots Commercial	4	3.860%	981,697,641	37,893,213	914,398,368	35,295,512	227,359	3,599,855	2,916,957	6,691,487	3,594,648	17,030,306	1.73%	449.43				
Industrial Sites	4	3.860%	65,367,615	2,523,223	11,855,938	457,654	15,139	239,706	166,891	404,170	43,744	889,650	1.36%	352.58				
New Industry Land	5	3.000%	158	0	0	0	1	15	9	21	0	46	0.88%	293.04				
R & D Land	5	3.000%	70,490	2,115	0	0	13	201	179	382	0	775	1.10%	366.20				
Qualified Golf Courses	4	1.930%	12,994,249	250,769	1,972,033	38,061	1,505	23,825	18,428	42,556	3,646	89,939	0.69%	358.63				
Locally Assessed Co-op Land	5	3.000%	207,783	6,234	82,670	3,141	37	592	451	839	327	2,246	1.08%	360.35				
Eligible Mining Claims	3	3.860%	565,130	21,820	49,704	1,920	131	2,073	2,487	3,700	28	8,513	1.51%	390.15				
Nonproductive Land Under 20 Acres	4	3.860%	122,846	4,744	16,830	378	28	451	393	768	28	1,669	1.36%	351.77				
Class 4 Out of Production Land	4	3.860%	0	0	0	0	0	0	0	0	0	0	---	---				
- Subtotal			1,285,874,445	49,381,294	944,499,665	36,419,060	296,288	4,691,223	3,823,846	8,655,897	3,707,891	21,175,145	1.65%	---				
- Subtotal Percent of Column Statewide Total			3.6%	2.8%	7.9%	6.9%	6.00	2.8%	3.0%	3.2%	7.0%	428.81	3.4%	---				
- Subtotal Average Mill Levy								95.00	77.44	175.29	101.81			---				
Commercial Improvements																		
Impr. on Suburban Tracts Commercial	4	3.860%	676,666,683	26,119,356	51,640,044	1,993,294	156,716	2,481,339	2,092,423	4,441,439	207,281	9,379,199	1.39%	359.05				
Impr. on City/Town Lots Commercial	4	3.860%	2,855,500,526	110,222,235	2,643,686,402	102,046,209	661,333	10,471,112	8,626,191	19,188,278	10,293,117	49,240,032	1.72%	446.73				
Impr. on Rt of Way - Commercial	4	3.860%	23,882,084	921,859	18,982,177	732,721	5,531	87,577	68,036	141,815	75,308	378,266	1.58%	410.37				
Locally Assessed Co-op Improvements	5	3.000%	389,348	11,782	104,600	3,982	71	1,119	668	1,607	341	3,806	0.99%	323.05				
Impr. on Hydraulic Power Works	4	3.860%	0	0	0	0	0	0	0	0	0	0	---	---				
Impr. on Qualified Golf Courses	4	1.930%	35,319,400	681,664	3,229,400	62,328	4,050	64,758	52,630	118,243	6,237	245,959	0.70%	360.82				
Impr. on Industrial Sites	4	3.860%	647,912,517	25,009,426	119,594,323	4,616,345	150,057	2,375,895	1,844,502	3,823,694	429,633	8,623,781	1.33%	344.82				
New Industrial Improvements	4	2.438%	67,942,391	1,656,716	18,315,821	399,596	9,940	157,388	105,312	253,240	42,778	568,659	0.84%	343.24				
Impr. on New Industry Land	5	3.000%	1,200	36	800	24	0	3	3	5	3	15	1.22%	405.32				
Remodeled Commercial Improvements	4	2.114%	9,642,413	203,817	8,645,751	189,650	1,223	19,363	16,037	34,835	21,335	92,792	0.96%	455.27				
R & D Improvements	5	3.000%	1,647,713	49,431	161,413	5,034	297	4,696	4,037	8,500	567	18,096	1.10%	366.07				
New and Expanding R & D Improvements	5	2.016%	1,430,800	28,846	0	0	173	2,740	2,253	3,795	0	8,962	0.63%	310.66				
Remodeled R & D Improvements	5	3.000%	0	0	0	0	0	0	0	0	0	0	---	---				
Impr. for Pollution Control	5	3.000%	10,297,000	308,910	4,882,100	146,463	1,853	29,346	23,609	50,668	10,545	116,042	1.13%	375.65				
- Subtotal			4,330,632,075	165,214,078	2,869,242,831	110,195,646	991,284	15,695,337	12,835,702	28,066,139	11,087,146	68,675,609	1.59%	---				
- Subtotal Percent of Column Statewide Total			12.2%	9.2%	24.0%	20.8%	9.2%	9.2%	10.0%	10.5%	21.1%	10.9%	10.9%	---				
- Subtotal Average Mill Levy							6.00	95.00	77.69	169.88	100.61	415.68		---				

EXHIBIT 5
 DATE 3-9-95
SB 417

Tax Year 1994

Property Type	Market and Taxable Values for Tax Year 1994 By Property Type				Estimated Taxes Levied for Tax Year 1994 By Property Type							Total Estimated 1994 Taxes Levied	Effective Tax Rate	Average Mill Levy for Property Type	
	Assessed Value		Taxable Value		State Equalization (95 mills)	County Schools	Local Schools	Cities/ Towns	University (6mills)	County Schools					
	1994 Total	1994 Total	Within Cities/Towns	Within Cities/Towns											
Personal Property															
Furniture and Fixtures	425,007,891	38,251,628	331,027,216	29,793,062	229,510	3,633,905	2,988,449	6,595,252	2,997,802	2,997,802	16,444,917	3.87%	429.91		
Locally Assessed Co-op Pers. Prop.	12,037,417	368,182	116,091	3,484	2,209	34,977	28,533	48,756	392	392	114,867	0.95%	311.99		
Machin. other than Farm, Min., Manuf.	337,403,307	30,381,423	42,501,143	3,825,453	182,289	2,886,235	2,045,045	4,183,010	383,380	383,380	9,679,959	2.87%	318.61		
Repair Tools	1,380,777	59,358	710,088	33,390	356	5,639	4,406	9,670	3,318	3,318	23,389	1.69%	394.04		
Manufacturing Machinery	910,923,603	81,982,871	84,875,551	7,638,803	491,897	7,788,373	5,595,869	12,829,496	711,351	711,351	27,416,957	3.01%	334.42		
Mining Machinery	2,817,834	253,605	578,754	52,090	1,522	24,092	16,164	35,905	5,748	5,748	83,431	2.96%	328.98		
Ski Lifts	5,962,890	536,659	0	0	3,220	50,983	35,660	72,160	0	0	162,023	2.72%	301.91		
Supplies and Materials	76,097,135	6,851,200	14,275,775	1,286,135	41,107	650,864	452,775	1,025,017	126,802	126,802	2,296,565	3.02%	335.21		
All Other Property	593,059	53,376	446,125	40,152	320	5,071	4,117	7,510	2,910	2,910	19,927	3.36%	373.34		
Rural Telephone Property	342,842	27,427	312,511	25,000	165	2,606	2,699	3,798	2,825	2,825	12,092	3.53%	440.87		
Air and H2O Pollution Control	408,139,786	12,244,195	16,340,866	490,227	73,465	1,163,199	342,692	771,268	37,687	37,687	2,388,311	0.59%	195.06		
New & Expanding Ind.-Air & H2O P C	18,179,080	278,772	1,688,126	25,322	1,673	25,483	17,474	46,282	2,254	2,254	94,165	0.52%	337.79		
All Gasohol Related Property	0	0	0	0	0	0	0	0	0	0	0	---	---		
R & D Personal Property	1,841,752	55,253	709,993	21,300	332	5,249	4,071	8,433	2,475	2,475	20,559	1.12%	372.09		
New & Expanding R & D Pers Prop	772,316	14,932	0	0	90	1,419	1,166	1,965	0	0	4,639	0.60%	310.68		
Aluminum Electrolytic Equipment	26,996,847	809,905	0	0	4,859	76,941	71,239	142,249	0	0	295,289	1.09%	364.60		
Milling Barley Processing Equipment	0	0	0	0	0	0	0	0	0	0	0	---	---		
Canola Seed Processing Equipment	16,246,170	1,462,161	9,518,602	856,694	8,773	138,905	114,916	246,800	86,251	86,251	595,646	3.67%	407.37		
Cable TV Systems	953,581	85,827	908,658	81,782	515	8,154	6,317	14,676	8,360	8,360	38,022	3.99%	443.01		
Theatre and Sound Equipment	17,071,972	1,538,484	4,732,341	425,912	9,219	145,966	115,829	267,858	43,757	43,757	582,430	3.41%	379.07		
Radio and TV Broadcasting Equip.	4,221,057	379,930	1,137,929	102,419	2,280	36,093	28,210	58,502	10,688	10,688	135,773	3.22%	357.36		
CB's and Mobile Phones	5,746,679	229,880	3,971,176	158,857	1,379	21,839	18,308	39,938	15,760	15,760	97,224	1.69%	422.93		
Rental Equipment (Less Than \$5,000)	11,691,044	1,052,199	9,308,132	837,755	6,313	99,959	69,016	174,170	75,825	75,825	425,283	3.64%	404.19		
Rental Equipment	0	0	0	0	0	0	0	0	0	0	0	---	---		
Class 20 Out of Production PP	239,141,096	10,974,349	37,534,058	2,349,063	65,846	1,042,563	662,031	1,643,919	216,148	216,148	3,650,507	1.53%	332.64		
New & Expanding Ind.-Mach & Eq	178,938	5,368	231,535	6,946	32	510	479	1,163	944	944	3,129	1.75%	582.86		
New Industry - Personal Property	70,228,936	6,320,603	778,865	70,096	37,924	600,457	517,721	834,917	7,483	7,483	1,998,502	2.85%	316.19		
Oil & Gas Field Equipment	33,035,079	2,973,176	24,106	2,033	17,839	282,452	256,760	397,062	235	235	954,368	2.89%	320.99		
Oil & Gas Flow Lines	655,567,666	59,001,182	1,388,696	124,990	354,007	5,605,112	4,810,281	8,398,503	9,865	9,865	19,177,768	2.93%	325.04		
Ag Implements	765,708	68,914	361,517	32,537	413	6,547	5,715	10,532	2,589	2,589	25,796	3.37%	374.33		
Loc Assd Util Intra-Co Lines	0	0	0	0	0	0	0	0	0	0	0	---	---		
Value Added Machinery (15-24-2403)	16,013,668	1,302,278	6,346,378	549,896	7,814	123,716	93,874	203,757	50,493	50,493	479,655	3.00%	368.32		
Failure to Report Penalty	0	0	0	0	0	0	0	0	0	0	0	---	---		
- Subtotal	3,299,358,150	257,561,137	569,624,232	48,833,378	1,545,367	24,468,308	18,329,618	38,072,588	4,805,342	4,805,342	87,221,223	2.64%	311.99		
- Subtotal Percent of Column Statewide Total	9.3%	14.4%	4.8%	9.2%	14.4%	14.4%	14.2%	14.3%	9.1%	9.1%	13.9%	2.64%	311.99		
- Subtotal Average Mill Levy					6.00	95.00	71.17	147.82	98.40	98.40	338.64		311.99		

Tax Year 1994

Market and Taxable Values for Tax Year 1994 By Property Type

Estimated Taxes Levied for Tax Year 1994 By Property Type

Property Type	Class	Tax Rate	1994 Total			1994 Total			1994 Taxes Levied by:			Total Estimated 1994 Taxes Levied	Average Mill Levy for Property Type	
			Assessed Value	1994 Total Taxable Value	Taxable Value Within Cities/Towns	Assessed Value Within Cities/Towns	1994 Total Taxable Value	Taxable Value Within Cities/Towns	University (6mills)	State Equalization (95 mills)	County			Local Schools
Proceeds														
Net Proceeds	1	100.000%	3,953,607	3,953,607	0	0	0	23,722	375,593	328,308	471,388	0	1,199,010	303.27
Gross Proceeds of Coal Strip Mines	2	45.000%	0	0	0	0	0	0	0	0	0	0	0	---
Gross Proceeds of Underground Coal	2	33.300%	0	0	0	0	0	0	0	0	0	0	0	---
Gross Proceeds of Metal Mines	2	3.000%	322,297,094	9,668,914	947,6308	284,289	58,013	918,547	751,103	1,513,645	27,695	3,269,004	1.01%	338.05
- Subtotal			326,250,701	13,622,521	9,476,308	284,289	81,735	1,294,139	1,079,411	1,985,033	27,695	4,468,014	1.37%	
- Subtotal Percent of Column Statewide Total			0.9%	0.8%	0.1%	0.1%	6.00	0.8%	0.8%	0.7%	0.1%	0.7%	1.37%	
- Subtotal Average Mill Levy							6.00	95.00	79.24	145.72	97.42	327.99		
Vehicles														
Trucks over 1 Ton (9%)	8	9.000%	89,266,078	8,028,762	16,038,376	1,440,970	48,173	762,732	628,148	1,233,070	140,407	2,812,529	3.15%	350.31
Buses	8	9.000%	1,198,952	107,005	422,680	38,042	642	10,165	7,675	15,599	4,190	38,272	3.19%	357.66
Trailers (9%)	8	9.000%	56,860,215	5,131,765	11,201,234	1,010,103	30,791	487,518	396,897	790,353	97,752	1,803,310	3.17%	351.40
Coal and Ore Haulers	8	9.000%	29,425,361	2,648,284	29,260	2,633	15,890	251,587	147,637	304,735	257	720,106	2.45%	271.91
Locally Assessed Trucks & Trailers Trailers (3%)	5	3.000%	1,729,510	70,425	525,532	16,289	423	6,690	5,134	10,310	1,680	24,236	1.40%	344.14
- Subtotal			178,480,116	15,966,241	28,217,082	2,508,037	95,917	1,518,693	1,185,492	2,354,067	244,285	5,398,453	3.02%	
- Subtotal Percent of Column Statewide Total			0.5%	0.9%	0.2%	0.5%	6.00	0.9%	0.9%	0.9%	0.5%	3.37	3.02%	
- Subtotal Average Mill Levy							6.00	95.00	74.16	147.26	97.40	337.69		
Livestock														
Horses	6	4.000%	54,589,531	2,187,191	632,495	25,367	13,123	207,763	170,014	321,562	2,377	714,859	1.31%	326.81
Cattle	6	4.000%	667,116,868	26,685,546	419,343	16,773	160,113	2,535,127	2,103,760	3,695,480	1,385	8,495,866	1.27%	318.21
Sheep	6	4.000%	14,990,772	599,522	11,214	447	3,597	56,555	55,731	77,769	22	194,074	1.29%	323.71
Swine	6	4.000%	2,288,161	91,595	0	0	550	8,702	7,735	13,094	0	30,080	1.31%	328.41
Other Livestock	6	4.000%	6,554,431	262,145	56,172	2,246	1,573	24,904	19,594	37,073	251	83,385	1.27%	318.01
- Subtotal			745,539,763	29,825,999	1,119,224	44,833	178,956	2,833,470	2,356,825	4,144,978	4,035	9,518,264	1.28%	
- Subtotal Percent of Column Statewide Total			2.1%	1.7%	0.0%	0.0%	1.7%	1.7%	1.8%	1.6%	0.0%	1.5%	1.28%	
- Subtotal Average Mill Levy							6.00	95.00	79.02	138.97	90.00	319.13		

EXHIBIT 4
 DATE 3-9-95
1 58417

Tax Year 1994

Property Type	Market and Taxable Values for Tax Year 1994 By Property Type				Estimated Taxes Levied for Tax Year 1994 By Property Type				Total Estimated 1994 Taxes Levied	Effective Tax Rate	Average Mill Levy for Property Type			
	Class	Tax Rate	Assessed Value		Taxable Value		University (5mills)	State Equalization (95 mills)				1994 Taxes Levied by:		
			1994 Total	1994 Total	1994 Total	1994 Total						County	Local Schools	Cities/ Towns
Utilities Real														
Electric Companies Real	9	12.000%	1,112,015,795	133,441,892	14,116,911	1,694,028	800,651	12,676,980	4,595,664	9,643,380	143,307	27,859,982	2.51%	208.78
Gas & Electric Companies Real	9	12.000%	1,002,280,221	120,273,623	34,344,139	4,121,293	721,642	11,425,994	6,428,583	12,995,574	413,996	31,985,799	3.19%	265.94
Rural Co-op companies Real	5	3.000%	279,421,708	8,382,643	30,833,464	2,386,245	50,296	796,351	666,870	1,246,242	216,313	2,976,072	1.07%	365.03
Railroads Real	12	7.150%	754,629,591	53,962,237	67,550,314	4,830,701	323,773	5,126,413	4,082,090	8,078,656	517,467	18,128,339	2.40%	335.95
Airlines Real	12	7.150%	73,563,386	5,259,781	7,897,308	564,658	31,559	499,679	395,824	933,837	46,432	1,907,331	2.59%	362.63
Pipelines Real	9	12.000%	299,762,222	35,971,468	998,591	119,829	215,829	3,417,289	2,543,938	5,121,420	14,278	11,312,754	3.77%	314.49
Telecomm. Companies Real	9	12.000%	326,090,016	39,130,794	121,065,740	14,527,884	234,785	3,717,425	3,019,862	6,426,446	1,442,453	14,840,971	4.55%	379.27
Indep. Tele. Companies Real	7	8.000%	7,391,339	591,308	2,680,767	317,793	3,548	56,174	45,057	91,340	28,715	224,834	3.04%	380.23
- Subtotal			3,855,154,278	397,013,746	279,487,234	28,562,431	2,382,082	37,716,306	21,777,868	44,536,895	2,822,961	109,236,132	2.83%	
- Subtotal Percent of Column Statewide Total			10.9%	22.2%	2.3%	5.4%	22.2%	16.9%	16.7%	16.7%	5.4%	17.4%		
- Subtotal Average Mill Levy							6.00	95.00	54.85	112.18	98.83	275.14		
Utilities Personal														
Electric Companies Personal	9	12.000%	63,713,565	7,645,628	4,191,064	502,927	45,874	726,335	415,530	836,568	47,687	2,071,994	3.25%	271.00
Gas & Electric Companies Personal	9	12.000%	397,732,778	47,727,940	155,114,679	18,613,755	286,368	4,534,154	3,793,750	8,087,792	1,856,347	18,558,411	4.67%	388.84
Rural Co-op companies Personal	5	3.000%	103,939,218	3,118,173	25,733,586	772,015	18,709	296,226	242,440	467,613	78,368	1,103,376	1.06%	353.85
Railroads Personal	12	7.150%	20,887,265	1,501,437	3,683,008	263,334	9,009	142,637	108,402	263,289	33,855	557,192	2.67%	371.11
Airlines Personal	12	7.150%	3,329,420	238,051	1,450,269	103,695	1,428	22,615	17,921	42,195	9,132	93,189	2.80%	391.89
Pipelines Personal	9	12.000%	67,242,189	8,069,064	3,533,359	424,006	48,414	766,561	608,749	1,177,340	59,312	2,660,375	3.96%	329.70
Telecomm. Companies Personal	9	12.000%	240,430,709	28,851,685	162,050,716	19,446,088	173,110	2,740,910	2,225,137	4,808,547	1,763,221	11,710,924	4.87%	405.90
Indep. Tele. Companies Personal	7	8.000%	3,138,633	251,090	187,399	14,992	1,507	23,854	17,305	36,556	153,521	232,742	7.42%	926.93
- Subtotal			900,413,777	97,403,068	355,944,080	40,140,812	584,418	9,253,291	7,429,234	15,719,900	4,001,462	36,988,306	4.11%	
- Subtotal Percent of Column Statewide Total			2.5%	5.5%	3.0%	7.6%	5.5%	5.8%	5.9%	5.9%	7.6%	5.9%		
- Subtotal Average Mill Levy							6.00	95.00	76.27	161.39	99.69	379.74		
Statewide Total														
- Statewide Average Mill Levy			35,366,179,314	1,787,064,555	11,931,068,997	529,562,849	10,722,387	169,771,133	128,689,051	266,697,457	52,643,794	628,523,821	1.78%	351.71

Compiled from data submitted to the Department of Revenue by County Assessors.
 Estimated taxes levied for tax year 1994 based on tax year 1994 taxable values and tax year 1994 millages levied for state, county, local school, and city/town purposes.
 Office of Research and Information, Montana Department of Revenue, December 1994.

Effective Personal Property Tax Rates for Selected Cities

<u>Out-of-State Cities</u>	
Bismark, ND	0.00%
Rapid City, SD	0.00%
Casper, WY-Commercial	0.76%
Casper, WY-Industrial	0.92%
Reno, NV	1.14%
Spokane, WA	1.58%
Odgen, UT	1.89%
Boise, ID	2.31%
Salem, OR	2.39%
Boulder, CO	2.44%

<u>Montana Cities</u>	
Great Falls	3.84%
Billings	3.86%
Bozeman	4.06%
Helena	4.07%
Butte	4.31%
Kalispell	4.44%
Missoula	5.08%

Owner of the Corning Companies, developer and commercial real estate, Corning is a prime mover of deals both large and small — and he is bullish on Billings' economic future. Corning gives insight into the new generation of business

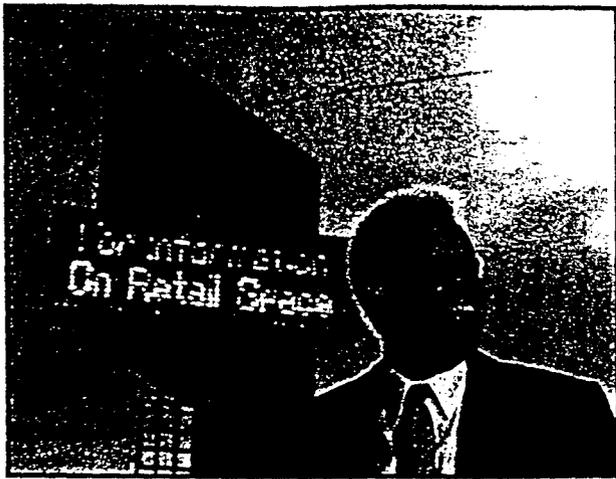


Photo by Kyle Brehm

Developer Steve Corning boosts opportunity in Billings with large and small retail spaces available.

At the big end of Corning's business spectrum is The Marketplace, home to retail giants Walmart, Toys R Us and Eagle Hardware. At the other end of the spectrum are small neighborhood commercial centers and mini malls such as the one at the intersection of Rehberg and Grand.

Corning operates as a broker and developer rather than as an owner of property. "We typically put together an equity group of strong, capable partners who can weather the ups and downs of business cycles. Then we go out and develop the property and operate it as the managing general partner."

With 25 properties in operation and new projects developing at the rate of two to three per year, Corning's success springs from two sources within himself.

First was his vision during the energy-induced economic slump of the 1980's that Billings eventually would prosper again. The second is his ability to discern opportunity in situations where change is just beginning to affect people and their needs.

Take North 27th St. for instance. Until Corning looked at it, the six-block area between downtown and Poly Drive had languished commercially as a side street to the medical corridor. Everybody could see that.

area despite the sense of no future. Across the available and maybe store from Corning. "There were still in the the doctor. Or fourth floor, and Corning focused special space for. Next came facilities such as the 11 Medicine Center. "In 1985 we tenants," Corning remember thinking. asked myself, "Business success and cents, gras

Shepherd stainless begins production of hi-tech furnaces

Contributed by Ron Moody

Silicon Valley will meet the Rockies at Billings if two Montana entrepreneurs are successful in marketing a new invention intended to save computer manufacturers millions each year.

The steelwork of a newly invented cleaner of quartz-lined furnaces—used to make computer chip wafers—will be manufactured in Billings at Shepherd Stainless, 205 N. 16th St., according to owner Stan Swenson.

Full production of the \$100,000 units will create 20 or more jobs in Billings and another 20 to 30 jobs at a new assembly facility in Powell, WY, according to inventor John

Continued on page 4

Bill Ballard - A MAJOR on the I



Photo by Kyle Brehm

Bill Ballard melds strong industry experience and love of doing business in his leadership of Ballard & Associates.

Contributed Gentleman to retire," Billings business 1992, now formed by Ballard to Equitable Resource Energy Company Pittsburgh 1987. Peers Balcron a elsewhere the industry are quick to for the business. Accordi attained a modestly gaily spiking p that have s risky price. In part this area. A Petroleum Economic the states' the states' They s is expecte

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Shepherd • Continued from page 1

Albrecht, president of CVD System Cleaners.

After five years of research and development partnership with CVD, Shepherd Stainless has completed prototype models with the first production units now under construction, Swenson said. "John has had standing orders for units 5 through 20 for sometime. Now we're getting orders for the first units and we're ready to roll."

Swenson said he already has purchased state-of-the-art steel working equipment needed to build the CVD cleaner.

The device Albrecht invented is actually a high-tech vacuum cleaner, he explained. It uses a sudden temperature change of thousands of degrees combined with a 600 mph air suction to remove microscopic flecks of silicon from the inner surfaces of the furnace.

The market is waiting for his better mousetrap, according to Albrecht. "Right now, major computer wafer plants must shut down about every two weeks to clean their furnaces. Their down time costs them about \$10,000 per hour, and the current processes take 24 to 36 hours."

His cleaner will do the same job in 15 minutes with a two-hour shut-down, Albrecht claims.

Other benefits include eliminating use of toxic acids as cleaners. "These are dangerous to the



Photo by Ron Moody

Stan Swenson, Shepherd Stainless, and John Albrecht, CVD System Cleaners, look over a partly assembled furnace cleaner.

workers and create environmentally hazardous wastes," Albrecht said. "My cleaner produces half a cup of beach sand (silicon) a year as waste."

Albrecht estimates his market to be \$2 to \$5 million this year, \$20 million next year and \$40 million per year after that. "We have the interest of every major U.S. computer manufacturer. And we have orders from Germany and Scotland," he said.

CVD came to be located in Montana because the 34-year-old Albrecht is a Kalispell native. He graduated from Montana State in 1983 with a degree in Industrial Management and Engineering.

Albrecht worked several years with a major computer company after college before losing his

job in a downsizing. During that time he worked on the manufacturing challenge presented by the furnaces with no success. "Ten years later I was teaching high school in Polson when the idea dawned on me," he said.

Albrecht came to Billings because of Shepherd Stainless, he said. "After I had my patent, I started searching for a fabricator who could do this quality of work. What I found was that Shepherd Stainless is as good as the best stainless steel shops in Seattle, Minneapolis or Denver — and they are a lot closer."

Shepherd Stainless is a 20-year-old local company that Stan took over from his father, Frank Swenson, four years ago. He operates as a family business with his wife, Jan. Their traditional market has been custom-made stainless equipment for restaurants and other commercial projects.

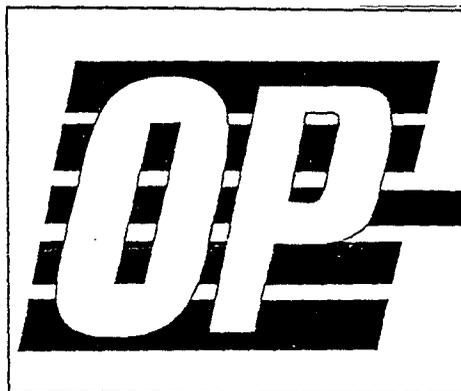
He has branched out into brass and copper fixtures, Swenson said. But light-gauge stainless is still his mainstay. His products range from as small as a stove hood up to steel-lined olympic size swimming pools.

Albrecht begins manufacturing at the end of a long entrepreneurial journey. He went back to MSU for help with his design and then to Austin, TX for testing at SEMATECH, the government-electronics industry consortium. "SEMATECH actually is one of the few government programs that really work for business," Albrecht said.

The inventor came back to Montana to start raising venture capital and he is currently financed by private investors.

After SEMATECH his regulatory road became rockier until he discovered Powell, WY. There state and local government helped him with tax breaks and access to a business incubator.

Actually the only reason he still has a Montana connection in his business is because of Shepherd Stainless. "The Montana work comp rates and the business property tax rates here raise a solid barrier to keep new business out," he said.



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Members of the House Taxation Committee:

S.B. 417 reduces personal property taxes from 9% to 6%. If enacted and signed by the Governor, the loss to local governments and schools will be \$66 million per biennium in 13 years. It will begin a process of economic strangulation for the counties and communities of Montana.

As written, it anesthetizes the pain that will eventually flower full force for Montana citizens in 2010. In that year, unless the enormous losses are replaced by other taxes at the local level (which will not happen if I 105 remains intact), such vital services as police, fire and public schools will shrivel to impotence.

The statement made by the author as reported that, "The trend (downward) is an incentive to investment and should increase real and personal property taxes through growth," is the same scam that was sold to the American people at the national level in 1981.

The rationale offered then was the proposal to cut taxes \$450 billion which would be made up by a great flowering of increased business investment. We were told that so much extra revenue would come in that we could increase defense spending by \$1 trillion 600 billion and the budget would be balanced in 1984. We are now \$4 1/2 trillion in debt.

The hoped-for economic growth, as stated by this bill's author, if any happens at all, will be pathetically inadequate to replace the \$66 million biennial loss at the local level.

Chet Blaylock
Chet Blaylock
502 3rd Avenue
Laurel, MT 59044

DATE March 9, 1995

SENATE COMMITTEE ON Taxation

BILLS BEING HEARD TODAY: SB 413 Senator Forrester
SB 417 Senator Keating

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Check One

Name	Representing	Bill No.	Support	Oppose
Blake Werdal	Lewis & Clark Co	SB 413 SB 417		✓
DENNIS BURR	MONTAX	413 417	✓	
Charles R. Brooks	Billing's Chamber	413 417	✓	
MICK ROBINSON	DOR	413 417	✓	
Peep Manuel	CENEX Pet.	413 417	✓	
Don Wink	Merger/Mkt Trans Co	417	✓	
David Owen	MT Chamber	413 417	✓	
John Youngberg	MT Farm Bureau	413 417	✓	
Matthew Tubergen	City of Billings	413 417		✓
Don Allen	MT Wood Products Assn	413 417	✓	
Jim Mockett	MT Coal Council	413 417	✓	
Jim Johnson	MT Foreman Assn.	413 417	✓	
Ward Vanaha	Stullweb Mining	417	✓	
Poni Judge	MT STATE AFL-CIO	413 SB 413 SB 417		✓

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE March 9, 1995

SENATE COMMITTEE ON Taxation

BILLS BEING HEARD TODAY: 413/417

< ■ > PLEASE PRINT < ■ >

Check One

Name	Representing	Bill No.	Support	Oppose
Russ Ritta	Wash. Corp	413/417	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Robert White	Bozeman Chamber	417	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gordon Morris	MA Co.	413/417	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Wayne O'Hara	PHILLIPS Co.	413/417	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Larry Faust	Senator	417	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Carl Schweitzer	MT Contractors' Assn	413/417	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Candace Torgerson	MT Cattlemen's Assn	413/417	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CURT LAINGEN	MT MOTOR CARRIERS ASSN	413/417	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Larry Fasbender	Cascade Coalition	413/417	<input type="checkbox"/>	<input checked="" type="checkbox"/>

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY