

MINUTES OF THE
LEGISLATIVE, JUDICIAL AND ADMINISTRATIVE SUBCOMMITTEE

February 21, 1979
8:00 a.m.
Room 132
State Capitol Building
Tape Data: 8:1-1:2147-end
8:2-4:0-47
Subject: Work Session

The meeting was called to order by Chairman Menahan at 8:00 a.m. All members were present except Representative Hand who was excused. Fiscal Analyst JanDee May was present as was Ed Eaton from the Budget Office and Laury Lewis and Dennis Burr from the Department of Revenue.

The meeting was a work session for making decisions on the Department of Revenue program budgets.

DEPARTMENT OF REVENUE
Property Tax

Dennis Burr, Administrator, stated to the committee that the 24 FTE for the Homestead Act which were eliminated from the program budget by the FA were in fact included in their budget and therefore, \$174,000 for salaries for 1980 would need to be reduced from their requested budget.

Mr. Burr felt the FA reductions of over \$1,000,000 were far too much to operate the program. He stated with eliminating the Mass Appraisal (\$295,000), the Administrative Program (\$134,000), the Personal Property (\$57,000), Inner County Property Bureau (\$109,000), all the supervision of the appraisal staff (\$275,000) the total would still be only half of the reductions made by the FA. From there county offices would need to be eliminated to reach the reduction figure of over \$1,000,000.

Senator Lockrem asked what the minimum amount of FTE would be to maintain the Mass Appraisal Program. Mr. Burr responded 7 FTE would be needed and for 1979 they are budgeted for \$295,000 which would be the minimum dollar amount they would need for each year of the 1980-81 biennium.

Mr. Burr commented that beyond the reduction of the 24 FTE the budget is a maintenance level budget.

Senator Lockrem stated that with all the funding appropriated to the reappraisal effort the reductions are not sufficient for just maintenance of the program. He felt the counties are still not doing the job effectively and with direct tax relief to the counties no savings is being passed on to the taxpayers.

Mr. Burr agreed on this point but stated if positions were cut

from the counties, the work would not get done.

The FA stated that looking at the county office increases by going back to 1976, the increases were fairly stable, running from 6% to 10%. What they are requesting is 23% and 27% increases. The majority of the FA reductions are in the county offices and not in the Helena operations.

Mr. Burr and the FA discussed the increases. Mr. Burr did not agree with the increases of the FA. He stated the overall budget increase was 9%. The Budget Office recommended \$7.3 million which was a 8% increase.

Mr. Burr stated the salary reductions of the FA averaged out to \$17,000 per position when the division's average salary was \$11,000.

Senator Lockrem made the motion to fund the Mass Appraisal \$298,000 for 1980 and \$298,000 for 1981 plus the 6% inflation factor on operating expenses, with maintaining 8 positions and adding these amounts to the FA recommendation.

Those in favor were Senator Lockrem, Representative Wood, Senator Thiessen and Chairman Menahan. The motion passed unanimously.

The program spent in 1978, \$34,690 for equipment. They are requesting \$25,000 for each year of the next biennium. They were limited by the Budget Office guidelines. Mr. Burr stated they have a couple items which would bring them over the \$25,000 to purchase. One item is a computer which they would purchase and pay for over 3 years in order to fit in with the Lincoln County appraising system. Mr. Burr stated they cannot predict other items in equipment which will need replacing.

Senator Lockrem made a motion to appropriate the program \$20,000 each year for equipment.


The committee discussed the reduction of an FTE in order for the program to buy the computer.

Senator Lockrem withdrew his motion for equipment.

The committee decided to have Mr. Lewis and Mr. Burr get together with the FA to go over her reductions and report back to the committee with their results.

The meeting was adjourned at 9:00 a.m.

Respectfully submitted.


William Menahan, Chairman