

MINUTES OF THE MEETING
GENERAL GOVERNMENT AND HIGHWAYS SUBCOMMITTEE
MONTANA STATE
JOINT SUBCOMMITTEE

February 18, 1985

The meeting of the General Government and Highways Subcommittee was called to order by Chairman Quilici on February 18, 1985 at 7:00 a.m. in Room 437 of the State Capitol.

ROLL CALL: All members were present with the exception of Senator Stimatz. Also present were Carolyn Doering from the Governor's Office, and Cliff Roessner from the LFA Office.

EXECUTIVE ACTION

DEPARTMENT OF REVENUE

Liquor Division: Exhibit No. 1 is the Liquor Division language for the appropriations bill. There was discussion on how the language should read (70;A;10). John LaFaver suggested that the language be amended.

Senator Keating moved the language as amended to read:

"Liquor Division proprietary funds necessary to maintain adequate inventories of liquor and wine and to operate the state liquor operation are appropriated. During the 1987 biennium, the division shall attempt to return at least 13 percent of net sales. Net sales are gross sales less discounts and all taxes collected. The division shall limit operational expenses of the liquor merchandising system to not more than 15 percent of net sales. Operational expenses may not include product costs, freight charges, or expenses allocable to other divisions or licensing bureau expenses.

The division retains full authority to determine store operating hours and the number and location of stores and employees. Nonprofitable or marginally profitable state stores shall be closed or converted to agency stores in an orderly manner. Agency stores shall be closed if the division considers them marginally profitable and other state stores or agencies are located within a reasonable distance."

The motion PASSED unanimously.

Natural Resources and Corporation Tax: There was discussion on the amount of travel needed by the agency. Cliff Roessner went over last year's actual expenditures (70;A;170).

Jerry Foster explained why money was reverted for travel expenses in 1984 and is going to be reverted in 1985. During those periods they were going through the growing pains of reorganization. Much more in-state travel was done because of the amount of new auditors. In-state travel is cheaper than out-of-state travel. Two auditors also stayed full-time in the office because of the inventory credit. They only traveled 10.5 weeks in 1984, and they now think they should travel 12 weeks per auditor.

Senator Keating moved the 31.66 FTE with 2 percent vacancy savings, plus \$11,794 in 1986 and \$18,287 in 1987 for the career ladder increase for the auditors, the LFA budget for operating expenses and an increase of \$25,000 each year for travel, and the LFA budget for equipment. The funding will be the maximum on special funds. The motion PASSED unanimously.

There was then discussion on the budget modification for the Coporation Tax Auditor (70;A;480). Representative Lory moved approval of the budget modification. The motion PASSED unanimously.

There was then discussion on the budget modification for the Natural Resource Tax Auditor (70;A;660). Senator Keating asked how many they now have. Presently there are six or seven other auditors. There was discussion on the definition of a severance tax, and the interpretation of the laws.

Representative Lory moved approval of the budget modification for the Natural Resource Tax Auditor. The motion PASSED unanimously.

There was then discussion for the Clerical Corp/Tax modification and the word processing operator modification (70;B;150). The committee asked if there was possibly anyway the agency could do without these modifications. Jerry Foster told them that already auditors were doing filing, and the 2 word processor operators they now have are already doing overtime. If they get the additional auditors they definitely need the extra help.

Representative Lory moved approval for both of the modifications. The motion PASSED unanimously.

There was discussion on the Mineral Royalties Auditors budget modification (70;B;245). This modification is 100 percent reimbursed by federal funds. Representative Lory moved approval of the modification. The motion PASSED unanimously.

The budget modification for the Royalties Auditor is funded by the State Lands Resource Development. Jerry Foster told the committee that his division has done some auditing for the Department of State Lands on a pilot basis, and this position he thinks should bring in approximately \$600,000 a year for one auditor (70;B;334).

Representative Lory moved approval for the above budget modification. The motion PASSED with 3 yes and 1 no.

Motor Fuel Tax Division: Cliff Roessner went over the budget issues (70;B;407). Senator Keating moved the 27.17 FTE with 2 percent vacancy savings, the LFA budget for operating expenses plus \$934 in FY 1986 added to communications for the telephone system, and the OBPP budget for equipment. The motion PASSED unanimously.

Senator Keating moved the budget modification to automate fuel tax collection. The motion PASSED unanimously.

Property Valuation Division

Appraisers and Assessors: Exhibit No. 2 is the third level justification for the assessors and appraisers. There was discussion on the third level of the budget issues (70;B;564).

Cliff Roessner asked of these expenses that you are requesting, which of these can be dropped off after this biennium. Gregg Groepper told the committee it depends on what happens with some of the legislation that is before the body, the appraisal schools and the assessment schools are annual expenditures, the independent fee appraisers if they only have to have this done every five years, they could drop off at the end of the biennium, and they would show up again in 1991. The sales ratio program also depends on the passage of legislation, they attempted to put this sales ratio program in at the minimal level and at the end of the biennium this would be it. And if the other bills pass, there are fiscal notes attached to those presuming to have to do them annually or every couple years (71;A;60).

There was then discussion on the differences in printing (71;A;90).

The division did not contemplate any bills taking place, they addressed those in fiscal notes that correspond to the bills.

There was discussion on the microfilm services (71;A;246). The records are stored in the counties.

Representative Lory moved the OBPP budget for 2102 which is \$58,000 in FY 1986 and \$45,500 in FY 1987. The motion PASSED unanimously.

Under printing, Senator Keating moved the OBPP budget for 2110, which is \$144,125 in FY 1986 and \$131,728 in FY 1987. The motion PASSED unanimously.

Senator Keating moved the storage fees with the OBPP budget, which is \$500 for both years. The motion PASSED unanimously.

Senator Keating moved the OBPP budget for film services of \$2,800 each year, which is 2129. The motion PASSED unanimously.

Senator Keating moved the OBPP budget of \$23,600 for each year under 2135 for education and training. The motion PASSED unanimously.

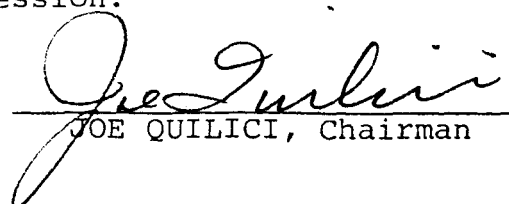
Representative Lory moved the OBPP budget for \$15,680 in both years for Microfilm Services under 2144. Senator Keating resisted the motion. The motion PASSED with 3-yes and 1-no.

Senator Keating moved the LFA budget for 2172 and 2173. The motion PASSED unanimously.

Representative Lory moved the OBPP budget for systems development for \$4,898 in FY 1986 and \$779 in FY 1987. The motion PASSED unanimously.

Senator Keating moved the LFA budget on 2176 for \$00.00 and let the regular appropriation take care of it because it's a contingent on tax rate legislation. The motion PASSED unanimously.

ADJOURN: The meeting adjourned at 10:00 a.m. because the Representatives went into Session.


JOE QUILICI, Chairman

DAILY ROLL CALL

General Government and Highways SUB COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 2/18/85

[illegible]

Exhibit #1
2/18/85

LIQUOR DIVISION LANGUAGE

Liquor Division proprietary funds necessary to maintain adequate inventories of liquor and wine and to operate the state liquor operation are appropriated. During the 1987 biennium, the division shall attempt to return at least 13 percent of net sales, Net sales are gross sales less discounts and all taxes collected. The division shall ~~attempt to~~ limit operational expenses of the liquor merchandising system to not more than 15 percent of net sales. Operational expenses may not include product costs, freight charges, or expenses allocable to other divisions or licensing bureau expenses.

The division retains full authority to determine store operating hours and the number and location of stores and employees. Nonprofitable or marginally profitable state stores shall be closed or converted to agency stores in an orderly manner. Agency stores shall be closed if the division considers them marginally profitable and other state stores or agencies are located within a reasonable distance.

00081 ASSESSORS AND APPRAISERS
BIENNIUM 87 BUDGET REQUEST
THIRD LEVEL JUSTIFICATION

PERSONAL SERVICES

FY'84 Full Funded	\$8,047,727
FY'84 Budgeted	7,677,135
FY'84 Spent	7,836,027
Vacancy Savings	2.63%

By statute, elected assessors must be replaced upon resignation. Impossible to generate savings for 53 F.T.E.

OPERATING EXPENSES

2100 CONTRACTED SERVICES (FY'84 Sacrifices - computer expense paid in '83 \$156,000; nonstate computers \$65,000; software development \$28,800; data processing \$150,000)

	<u>FY'84</u>	<u>FY'85</u>	<u>FY'86</u>	<u>FY'87</u>
Spent	\$526,511			
Budgeted		\$555,652		
OBPP Request			\$641,196	\$488,050
LFA Request			550,101	425,161

2102 Consulting and Professional Services (FY'84 Spent \$74,010)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 59,813	\$ 59,813
OBPP Request	58,000	45,500
LFA Request	28,000	28,000

Develop sales ratio program, appraisal school instructors, assessment school instructors, and independent fee appraisers for research on land market values to start next appraisal cycle. LFA allowed for Petroleum County contract only.

2110 Printing (FY'84 spent \$113,331)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$194,020	\$194,020
OBPP Request	144,125	131,728
LFA Request	113,331	113,331

New value assessment notices on all properties, replacement of plat and ownership books; new appraisal manuals, new assessment forms to start new appraisal cycle; annual assessment manuals. LFA assumed current level.

2120 Storage Fees (FY'84 spent \$84)

	FY'86	FY'87
Our Request	\$ 500	\$ 500
OBPP Request	500	500
LFA Request	84	84

Anticipated increase in documents to be stored - litigation files, appeals and memoranda pertinent to reappraisal.

2129 Film Services (FY'84 Spent -0-)

	FY'86	FY'87
Our Request	\$ 6,300	\$ 6,300
OBPP Request	2,800	2,800
LFA Request	0	0

County section maps, municipality mylars and overlays, pictures for the proof copy of the appraisal manual all require filming support. 15-8-102(3) requires we produce maps. This wasn't done in 1984 because the maps were not complete. Plan to do some counties in 1986 and the rest in 1987.

2135 Education and Training (FY'84 Spent -0-)

	FY'86	FY'87
Our Request	\$ 41,000	\$ 41,000
OBPP Request	23,600	23,600
LFA Request	14,958	14,958

Certification training for the appraisal staff plus legally required assessor training school annually. (Money in '84 came from 2102.) LFA allowed money transferred from 2102.

2144 Microfilm Services (FY'84 Spent -0-)

	FY'86	FY'87
Our Request	\$ 31,474	\$ 31,474
OBPP Request	15,680	15,680
LFA Request	0	0

To accommodate efficient storage of appraisal and assessment records in each county office. This is critical for freeing up storage space for the next reappraisal cycle. Either we must rent space or reduce storage requirements.

2172 Computer Proc./D of A (FY'84 spent \$34,637)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$185,530	\$ 61,400
OBPP Request	185,530	61,400
LFA Request	185,530	61,400

These are direct reappraisal incursions:

Recost Master File	\$55,100
Regression/Sales Analysis	3,025
County Mgt. Reports for Sales Adjustments	
960,000 Properties	67,200
Corrections & New Construction	30,255

2173 Computer Processing/Nonstate (FY'84 Spent \$303,269)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$206,063	\$206,063
OBPP Request	206,063	206,063
LFA Request	206,063	206,063

Assessment data processing on county computer systems in 7 counties (\$164,063) plus Marshall Valuation computer services on commercial properties (\$42,000).

2175 Sys. Development & Support/D of A (FY'84 Spent \$779)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 4,898	\$ 1,000
OBPP Request	4,898	779
LFA Request	1,734	924

Bursting and deleaving of appraisal data printouts, D of A data processing manuals and miscellaneous instructional data entry manuals.

2176 Sys. Development & Support/Non State (FY'84 Spent \$28,800)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 45,000	\$ 7,200
OBPP Request	0	0
LFA Request	0	0

Contingent on tax rate legislation.

2200 SUPPLIES AND MATERIAL (FY'84 sacrifices - pricing guides \$50,000; county provided DP supplies \$7,500)

	<u>FY'84</u>	<u>FY'85</u>	<u>FY'86</u>	<u>FY'87</u>
Spent	\$239,602			
Budgeted		\$278,426		
OBPP Request			\$326,436	\$303,952
LFA Request			255,216	255,216

2212 Photo & Reproduction (FY'84 spent \$18,530)

	FY'86	FY'87
Our Request	\$ 48,098	\$ 56,698
OBPP Request	46,130	52,730
LFA Request	18,530	18,530

Anticipate increased copies of records due to appeals, creation of up-to-date ownership maps (\$12,000) and generation of new data collection manuals (\$8,600 - FY'87) and cost computation manuals. Less than \$100 per office for maps, \$10,000 for copies. LFA assumed current level.

2214 Printing (FY'84 spent \$148)

	FY'86	FY'87
Our Request	\$ 148	\$ 148
OBPP Request	148	148
LFA Request	148	148

For miscellaneous printing supplies.

2215 Vehicular (FY'84 spent \$147)

	FY'86	FY'87
Our Request	\$ 100	\$ 100
OBPP Request	100	100
LFA Request	147	147

Miscellaneous supply items for cars and trucks.

2216 Gasoline (FY'84 spent \$59,713)

	FY'86	FY'87
Our Request	\$112,014	\$ 81,532
OBPP Request	73,349	61,407
LFA Request	59,713	59,713

Critically necessary for ongoing reappraisal fieldwork both to finish the current cycle and begin the new one. As smaller counties get reappraisal completed, more appraisers will travel outside their county to ensure larger counties are completed. Older worn out cars are using more gas. LFA assumes current level adequate. OBPP allows for a 20% increase due to reappraisal and travel for 2 programmers at 12,000 miles.

2219 Forms/Central Stores (FY'84 spent \$616)

	FY'86	FY'87
Our Request	\$ 6,487	\$ 6,487
OBPP Request	616	616
LFA Request	616	616

Ongoing requirement for administrative forms to accommodate day-to-day personnel, payroll, travel, procurement activities in the county offices.

2220 Forms/Nonstate Provider (FY'84 spent \$4,473)

	FY'86	FY'87
Our Request	\$ 2,283	\$ 2,283
OBPP Request	2,283	2,283
LFA Request	2,283	2,283

For provision of special assessment forms not available from Central Stores.

2224 Maps, Charts & Pamphlets (FY'84 spent \$1,476)

	FY'86	FY'87
Our Request	\$ 6,241	\$ 6,241
OBPP Request	1,476	1,476
LFA Request	1,476	1,476

Provides for county and city maps, directories and permits to assist in property location efforts.

2225 Books and Reference Materials (FY'84 spent \$39,725)

	FY'86	FY'87
Our Request	\$ 98,102	\$ 98,102
OBPP Request	69,725	64,725
LFA Request	82,000	82,000

We will require new reappraisal reference materials and assessment guidebooks for each county. Increase green guides because counties without them are estimating and randomly assessing the property. LFA allowed more for guidebooks.

2226 Paper/Central Stores (FY'84 spent \$14,142)

	FY'86	FY'87
Our Request	\$ 32,385	\$ 8,000
OBPP Request	30,142	8,000
LFA Request	14,142	14,142

We provide computer paper to automated county assessment offices. We now have 30 automated counties, additional paper will be necessary to complete reappraisal. LFA assumed current level. OBPP added approximately \$500 for each automated county.

2231 Photographic (FY'84 spent \$37,425)

	FY'86	FY'87
Our Request	\$ 19,593	\$ 19,593
OBPP Request	19,593	19,593
LFA Request	19,593	19,593

We require pictures of appraised and assessed properties in our records for value comparisons and appeal defense.

2236 Office Supplies/Central Stores (FY'84 spent \$32,417)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 65,881	\$ 65,881
OBPP Request	65,881	65,881
LFA Request	32,417	32,417

We must by law provide county offices with the various and sundry supplies needed for day-to-day operations. We've been unable to do so in the past. LFA assumed current level.

2239 Microfilm Supplies (FY'84 spent \$812)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 681	\$ 681
OBPP Request	681	681
LFA Request	812	812

Several assessor offices are microfilming records which require acquisition of related supplies.

2241 Off. Supplies/Nonstate Provider (FY'84 spent \$21,839)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 11,800	\$ 11,800
OBPP Request	9,000	9,000
LFA Request	21,839	21,839

Would allow assessor, appraiser and area manager offices to purchase supplies locally when orders of less than \$20 are necessary in compliance with Central Stores policy. LFA assumes current level is adequate. OBPP reduced department request.

2245 Data Processing Supplies (FY'84 spent \$838)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 9,003	\$ 9,003
OBPP Request	7,000	7,000
LFA Request	838	838

Automated counties need diskettes, printer ribbons, printer reels, etc. for their computer components. We now have 30 automated counties using these supplies. Approximately \$230 annually per automated county.

2300 COMMUNICATIONS (FY'84 shortage - counties paid \$30,000 of our postage and phone bills)

	<u>FY'84</u>	<u>FY'85</u>	<u>FY'86</u>	<u>FY'87</u>
Spent	\$166,553			
Budgeted		\$263,401		
OBPP Request			\$356,247	\$278,247
LFA Request			165,830	165,830

2301 Telephone - Local Serv. & Equip. (FY'84 spent \$51,695)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 59,128	\$ 59,128
OBPP Request	51,695	51,695
LFA Request	51,695	51,695

Ongoing fixed phone costs for assessor, appraiser and area managers offices.

2302 Telephone - Long Distance (FY'84 spent \$32,388)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 36,611	\$ 36,611
OBPP Request	35,661	34,661
LFA Request	32,366	32,366

Ongoing long distance communications requirements plus expected increase due to reappraisal. OBPP allowed an increase due to reappraisal.

2304 Postage & Mailing (FY'84 spent \$68,164)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$231,788	\$231,788
OBPP Request	231,788	154,788
LFA Request	68,164	68,164

CRITICAL! We must by law mail out new value assessment notices to virtually all property taxpayers plus the legal requirement to send arbitrary and estimated assessments by registered mail. Some counties have paid our postage bills in the past. Must mail computer generated values to counties. (FY'84 340,820 mailings, FY'86 1,007,774 mailings, FY'87 750,000 mailings.) LFA assumed this was a county responsibility.

2308 Post Office Box Rental (FY'84 spent \$667)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 613	\$ 613
OBPP Request	613	613
LFA Request	613	613

We need to maintain P.O. Boxes in certain locations as it is the only method of postal delivery.

2309 Advertising (FY'84 spent \$1,726)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 14,605	\$ 14,605
OBPP Request	\$ 14,605	\$ 14,605
LFA Request	1,726	1,726

Senior citizen exemption deadlines, property tax exemption deadlines, assessor and appraiser office schedules, nonfossil energy applications and recruitment activities all require media advertising. Current effort is inadequate and not in compliance with the law. LFA assumed current level.

2314 Telephone - STS Usage (FY'84 spent \$11,266)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 21,770	\$ 21,770
OBPP Request	21,770	21,770
LFA Request	11,266	11,266

Current use of STS lines in appraisal offices and area managers offices plus anticipated increases in use regarding reappraisal questions and appeals warrants this amount. This figure contemplates inquiries will at least double in FY'86 and FY'87. Appeals increased 540% in first year of current cycle.

2316 Telephone - One-time Charges (FY'84 spent \$650)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 115	\$ 115
OBPP Request	115	115
LFA Request	0	0

2400 TRAVEL As smaller counties get reappraisal completed, more appraisers will travel outside their counties to ensure reappraisal is completed in the larger counties. OBPP allowed for a 20% increase to complete reappraisal in FY'86 and defend appeals in FY'87 plus \$5,000 for a second assessors' school. LFA assumed current level.

2nd appraisal school
2nd assessment school

	<u>FY'84</u>	<u>FY'85</u>	<u>FY'86</u>	<u>FY'87</u>
Spent	\$143,718			
Budgeted		\$248,079		
OBPP Request			\$216,196	\$183,640
LFA Request			143,718	143,718

2401 In-State Personal Car Mileage (FY'84 spent \$24,503)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 81,272	\$ 65,688
OBPP Request	27,827	25,646
LFA Request	24,503	24,503

Primarily for assessors doing property field inspections and travel to assessment schools with some personal car travel required by appraisal personnel.

2402 In-State Commercial Transport (FY'84 spent \$3,851)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 3,642	\$ 3,642
OBPP Request	3,642	3,642
LFA Request	3,851	3,851

Travel by assessment auditors when driving cost and time is not cost effective.

2403 In-State Aircraft Rental (FY'84 spent \$2,009)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 2,009	\$ 2,009
OBPP Request	2,009	2,009
LFA Request	2,009	2,009

For travel to eastern counties not served by commercial transport for assessment audits and computer programming changes when driving is not practical.

2404 In-State Motor Pool (FY'84 spent \$485)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 337	\$ 337
OBPP Request	337	337
LFA Request	485	485

Occasionally assessors and appraisers need to check out a vehicle to do field work when their vehicle is in the shop for repairs or servicing.

2407 In-State Meals (FY'84 spent \$61,319)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 83,163	\$ 83,163
OBPP Request	76,709	67,422
LFA Request	61,319	61,319

Appraisal field work, assessment field work, certification training and assessor schools all rely on adequate funding here.

2408 In-State Lodging (FY'84 spent \$49,894)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 87,909	\$ 87,909
OBPP Request	64,531	56,243
LFA Request	49,894	49,894

Appraisal field work, assessment field work, certification training and assessor schools all rely on adequate funding here.

2409 In-State Car Rental (FY'84 spent \$422)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 422	\$ 422
OBPP Request	422	422
LFA Request	422	422

Unusual circumstances (car breakdowns, etc.) require us to be able to rent a car in an emergency.

2412 Out-of-State Commercial Trans. (FY'84 spent \$400)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 6,000	\$ 6,000
OBPP Request	400	400
LFA Request	400	400

Travel for special training of appraisal managers.

2417 Out-of-State Meals (FY'84 spent \$147)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 1,575	\$ 1,575
OBPP Request	147	147
LFA Request	147	147

Travel for special training of appraisal managers.

2418 Out-of-State Lodging (FY'84 spent \$172)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 3,500	\$ 3,500
OBPP Request	172	172
LFA Request	172	172

Travel for special training of appraisal managers.

2500 RENT

	<u>FY'84</u>	<u>FY'85</u>	<u>FY'86</u>	<u>FY'87</u>
Spent	\$ 29,851			
Budgeted		\$ 51,864		
OBPP Request			\$ 43,595	\$ 43,595
LFA Request			29,850	29,850

2504	Office Equipment	(FY'84 spent \$1,844)	
		<u>FY'86</u>	<u>FY'87</u>
	Our Request	\$ 1,282	\$ 1,282
	OBPP Request	1,282	1,282
	LFA Request	1,282	1,282

Occasional rent of typewriters and calculators pending replacement; and overhead projectors, screens and visual aid items for schools, meetings and workshops.

2506	Postage Meter	(FY'84 spent \$27)	
		<u>FY'86</u>	<u>FY'87</u>
	Our Request	\$ 588	\$ 588
	OBPP Request	588	588
	LFA Request	588	588

Hill County assessor's postage meter and meters for area managers.

2516	Meeting Rooms	(FY'84 spent \$1,256)	
		<u>FY'86</u>	<u>FY'87</u>
	Our Request	\$ 3,425	\$ 3,425
	OBPP Request	3,425	3,425
	LFA Request	1,256	1,256

Rooms for 2 annual assessor schools and area manager staff meetings.

2528	Rent/Non D of A Buildings	(FY'84 spent \$26,724)	
		<u>FY'86</u>	<u>FY'87</u>
	Our Request	\$ 38,300	\$ 38,300
	OBPP Request	38,300	38,300
	LFA Request	26,724	26,724

Office space for appraisal offices which cannot be accommodated in county buildings. Rosebud County appraisal area condemned; cost based on quoted increases by providers. LFA assumed current level.

2600	UTILITIES-ELECTRICITY	(FY'84 spent \$597)	
		<u>FY'86</u>	<u>FY'87</u>
	Our Request	\$ 720	\$ 720
	OBPP Request	597	597
	LFA Request	597	597

We must pay for electricity in rented private office space where appraisal offices are not located in courthouses.

2700 REPAIR AND MAINTENANCE (FY'84 sacrifice - deferred car repairs \$20,000; unpaid county computer maintenance \$25,000)

	<u>FY'84</u>	<u>FY'85</u>	<u>FY'86</u>	<u>FY'87</u>
Spent	\$ 94,364			
Budgeted		\$133,074		
OBPP Request			\$184,668	\$173,013
LFA Request			69,095	69,095

2704 Office Equipment (FY'84 spent \$59,479)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 34,360	\$ 34,360
OBPP Request	34,360	34,360
LFA Request	34,360	34,360

Maintenance required on Burroughs machines, graphotypes and addressographs, etc. in county offices.

2706 Vehicles - Passenger (FY'84 spent \$32,319)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 34,360	\$ 34,360
OBPP Request	34,360	34,360
LFA Request	32,319	32,319

Vehicle maintenance required particularly on older cars which are no longer cost effective but haven't been replaced yet.

2727 Tires & Tubes (FY'84 spent \$1,940)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 10,200	\$ 10,200
OBPP Request	5,000	5,000
LFA Request	1,940	1,940

Ongoing requirement for tire replacement on vehicle fleet. Department deferred maintenance in FY'84 to pay for pay plan in FY'85. LFA assumed current level.

2743 Data Processing Equipment (FY'84 spent -0-)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$100,989	\$ 89,334
OBPP Request	112,989	101,334
LFA Request	0	0

Maintenance agreements on hardware and software in 30 automated counties. This should go down somewhat in FY'87 as the state develops its own software for assessment and tax billing. No expense was incurred here in FY'84 because payments to counties were made through contracted services.

2800 OTHER EXPENSES (FY'84 sacrifices - cancelled certification school \$21,000)

	<u>FY'84</u>	<u>FY'85</u>	<u>FY'86</u>	<u>FY'87</u>
Spent	\$ 22,737			
Budgeted		\$ 41,587		
OBPP Request			\$ 20,045	\$ 9,932
LFA Request			7,779	7,779

2801 Dues (FY'84 spent \$306)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 176	\$ 176
OBPP Request	176	176
LFA Request	306	306

IAAO membership for certification.

2802 Subscriptions (FY'84 spent \$2,489)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 15,252	\$ 15,252
OBPP Request	15,252	5,289
LFA Request	2,489	2,489

Allows counties to subscribe to local real estate publications, multi-list, and city directories for current market information on residences and commercial facilities. Also provides for Marshal Swift commercial appraisal manuals for the new cycle. LFA allows no funds to start the next reappraisal cycle.

2809 Registration Fees for Training (FY'84 spent \$2,468)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 2,468	\$ 2,468
OBPP Request	2,468	2,468
LFA Request	2,468	2,468

Attendance at various management and special skills seminars.

2815 Recruiting (FY'84 spent \$1,247)

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 1,247	\$ 1,247
OBPP Request	1,247	1,247
LFA Request	1,247	1,247

Ongoing requirement for recruiting-related expenses with emphasis on Affirmative Action and EEO.

2822	Freight & Express	(FY'84 spent \$752)	
		<u>FY'86</u>	<u>FY'87</u>
	Our Request	\$ 5,171	\$ 1,246
	OBPP Request	902	752
	LFA Request	752	752

Shipment of data entry forms to and from Helena.

3000 EQUIPMENT OBPP reduced original equipment request by 1/3.

	<u>FY'84</u>	<u>FY'85</u>	<u>FY'86</u>	<u>FY'87</u>
Spent	\$330,822			
Budgeted		\$103,997		
OBPP Request			\$234,020	\$216,020
LFA Request			84,500	178,000

3103 Autos & Trucks

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$160,000	\$160,000
LFA Request	42,500	136,000

Replacement of 16 vehicles each year.

3106 Data Processing

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$ 48,600	21,600

For DP terminals in FY'86 for 27 county appraisal offices having access to county computers. In FY'87 12 additional terminals will be needed in twelve newly automated counties.

3112 Office

	<u>FY'86</u>	<u>FY'87</u>
Our Request	\$142,430	\$142,430
LFA Request	42,000	42,000

This request again returns to 15-8-102(2), MCA, and the requirement to provide sufficient personal property to complete all the assessment and appraisal responsibilities of the state. This request attempts to make up for the short funding in the last biennium as well as reflect our historical expenditures in this category. The expenditure request breaks down as follows and anticipates replacing 25% of the property on an annual basis. For the appraisal offices 51 calculators at \$200 each, each year of the biennium; 6 typewriters at \$1,000 each, each year of the biennium; copy machines at \$1,325 each, each year of the biennium; two microfiche readers at \$250 each, each year of the biennium; 2 proportional dividers at \$80 apiece each year of the biennium; 4 planimeters at \$200 each, each year of the biennium and 10 air

conditioners at \$500 each, each year of the biennium. Additionally, the assessment expenditures would include 50 calculators at \$200 each, each year of the biennium; 20 typewriters at \$1,000 each, each year of the biennium; 10 copiers at \$1,325 apiece each year of the biennium; 4 desks at \$600 apiece each year of the biennium; 10 chairs at \$150 apiece each year of the biennium; 10 file cabinets or data racks at \$250 each, each year of the biennium; 5 shelves at \$125 each, each year of the biennium; 2 tables at \$100 apiece and 4 computer terminals at \$1,800 each, each year of the biennium.

rh97

VISITORS' REGISTER

General Govt & Highways

COMMITTEE

Agencies
~~BILL NO.~~

Dept of Revenue (Work Session)

DATE _____

2/18/85

SPONSOR

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IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.