

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

April 4, 1985

The sixty-fourth meeting of the Senate Taxation Committee was called to order by Chairman Thomas E. Towe at 8:06 am in Room 413-415 of the State Capitol.

ROLL CALL: All members of the committee were present.

CONSIDERATION OF HJR 9: Representative Steve Waldron was recognized as chief sponsor of the resolution. He provided the committee with Exhibit 1 which compares the revenue estimates of the Legislative Fiscal Analyst, the Governor's Office of Budget and Program Planning and HJR 9.

He explained that in the past the Appropriations and Finance and Claims Committees decided the revenue estimates and the appropriations. He said this resolution was an effort to involve the Taxation Committees of each house in the revenue projection process. He suggested that HJR 9 should be finalized and that then the appropriations should conform to that amount. He went through the resolution with the committee and noted that the assumptions used in its drafting are incorporated as a part of the resolution.

Finally he said that the bottom line for the general fund came to \$747,108,169 and for the school foundation program to \$526,314,000. He added that if HB 500 passes in its current form it would add auditors to the Department of Revenue staff which should produce additional revenue of \$13.2 million per Department projections, or \$11 million per LFA projections.

He noted that the accounting method used was GAAP, Generally Accepted Accounting Principles. He said all state agencies have been told to conform to GAAP by the next legislative session.

He concluded saying that the major revenue sources were carefully analyzed by a hard working subcommittee of House Taxation. He said that smaller items were compromised between the LFA and OBPP, but that the major revenue items represented newly formulated projections.

Chairman Towe said he would not call for proponents and opponents, but with permission from the committee would simply invite people to speak on the bill.

He then recognized Judy Curtiss Waldron of the Legislative Fiscal Analyst's office. She provided the committee with Exhibit 2 and proceeded to look at the differences indicated in that exhibit.

Mr. Dave Hunter, Director of the Office of Budget and Program Planning, said that all revenue estimates were moving in the direction of OBPP estimates. He said the major inconsistency in assumptions was that OBPP included executive policy changes in its projections.

Mr. Terry Johnson, OBPP, provided the committee with Exhibit 3 which

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compares the estimates to the actual receipts and constantly revises them. He said the projections are made by first comparing the relationship between the tax source and the economic variables, then checking that data against additional sources and finally monitoring what was actually happening.

Senator Towe asked if, because oil receipts are running ahead of the estimates, more might not be collected from that area. Mr. Johnson said that oil prices have dropped drastically in the same period.

Mr. Johnson said that interest rates were lower than anticipated, but that investable cash was up. He said these kinds of offsetting entries were going on all the time. He said that there is less than one percent total difference between the OBPP and the resolution before the committee.

Senator Hager asked about SB 247 and SB 72. Mr. Hunter said that they included the impact of the first and excluded the impact of the second because that was in keeping with executive policy. Senator Hager asked if SB 247 benefited public employees. Mr. Hunter said, yes.

Chairman Towe said his intention was to delay action on the resolution until more information was available so that some items could be updated.

Senator Goodover asked if the resolution would go to Finance and Claims. Senator Towe said the resolution comes from their suggestion to involve Taxation Committee in the process.

Senator Hager objected to work on the resolution saying that the bill is a club to pass and kill bills. He said that three separate estimates are not needed and the work is wasted.

Senator Mazurek disagreed saying that the Legislature has the responsibility to balance the budget and that it would be irresponsible to totally accept the estimates of the executive branch. Senator Hager responded that the Legislative Fiscal Analyst is hired to do that. Senator Towe said that these agencies present the figures and the decision making belongs to the Legislature in the form of this resolution. Senator Eck said that the resolution gave a record of the process that was not available before.

Representative Waldron closed noting that the constitution requires a balanced budget. He said HJR 9 is not set in cement and not intended as a club, but as a way of involving the Taxation Committee and not leaving the matter solely to Appropriations and Finance and Claims. He said that would leave too much fiscal control in the hands of one committee. He said if the resolution were killed that power would be all in one committee, thus he urged the committee to take HJR 9 very seriously.

Chairman Towe invited any members of the committee to work on the evolution of HJR 9. Senators Halligan, Mazurek, Eck, Neuman, Brown and Hager volunteered.

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Senator Goodover asked if HJR 9 was a bipartisan effort. Senator Towe said, yes, that it had been developed from a bipartisan subcommittee made up of House Taxation Committee members. Senator Mazurek noted that the House had amended its rules to create the committee to develop the resolution.

CONSIDERATION OF HB 844: Senator Severson said that the sugar beet farmers were being generous in asking for the two years, rather than a shorter time to qualify for the provisions of the bill. He said except for the brand new equipment, the rest would be almost immediately worthless.

Senator Hager said that in conversations with growers they are fearing that the number of acres needed to open the Billings plant will not be reached, thus the bill is necessary.

Chairman Towe noted that the phrase "surrounding area" needed to be specified.

MOTION: Senator Mazurek moved that HB 844 be amended per the Standing Committee Report attached here. The motion carried unanimously.

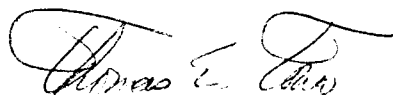
Senator Neuman said that this kind of preferential tax treatment to anyone else. He said at least the bill should be made optional to the counties who would lose the revenue.

Senator Mazurek asked if the tax is based on market value, then why was the bill necessary. Senator Towe said that theoretically it was market value but that the process of determination doesn't bring the value down quickly enough.

MOTION: Senator Hager moved that HB 844 be concurred in as amended. Senators Lybeck and Halligan voted no. Senator Neuman abstained. All other members voted yes. The motion carried. Senator Hager agreed to carry the bill.

CONSIDERATION OF HB 696: Senator Towe suggested the amendments here in Exhibit 4. Senator Mazurek said the amendments should be shown to those interested in the bill. The committee discussed the merit of changing a rule with legislation. Senator Towe said that these bills are not codified, but have statutory authority. Senator Mazurek added that the executive branch had challenged legislative authority to do this by resolution.

Chairman Towe noted that tomorrow would be devoted to executive action and adjourned the meeting at 10 am.



Chairman

ROLL CALL

SENATE TAXATION COMMITTEE

49th Legislative Session -- 1985

Date April 4, 1985

Location -- Room 413-415

Name	Present	Absent	Excused
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Senator Brown			
Senator Eck	✓		
Senator Goodover	✓		
Senator Hager	✓		
Senator Halligan	✓		
Senator Hirsch	✓		
Senator Lybeck	✓		
Senator Mazurek	✓		
Senator McCallum	✓		
Senator Neuman	✓		
Senator Severson	✓		
Senator Towe	✓		

Source of Revenue	Actual FY 83	Actual FY 84	OBPP FY 85	LFA FY 85	HUR 9 FY 85	OBPP FY 86	LFA FY 86	HUR 9 FY 86	OBPP FY 87	LFA FY 87	HUR 9 FY 87	OBPP FY 88 & 87	LFA FY 88 & 87	HUR 9 FY 88 & 87
Individual Income Tax	97,152,215	109,021,660	116,582,000	113,044,000	115,000,000	123,541,000	123,442,000	124,000,000	134,330,000	133,513,000	133,000,000	239,871,000	236,953,000	237,000,000
Oil Severance Tax	43,787,960	32,686,014	31,911,000	30,663,000	31,680,000	24,653,000	23,466,000	24,500,000	23,274,000	23,059,000	23,833,333	47,928,000	48,523,000	48,333,333
Interest on Investments	29,918,421	23,527,514	26,402,000	25,044,000	25,505,417	22,655,000	23,044,000	22,635,417	22,961,000	21,920,000	22,083,333	45,617,000	44,964,000	44,718,750
Corporation License Tax	20,733,658	20,547,177	35,017,000	31,217,000	35,017,000	29,957,000	29,388,000	29,957,000	32,304,000	32,561,000	32,304,000	62,261,000	61,949,000	62,261,000
Long Range Bond Excess	22,797,971	41,682,643	38,437,000	36,185,000	37,634,000	39,237,000	37,479,000	38,311,000	41,288,000	39,582,000	40,261,000	80,523,000	77,061,000	78,572,000
Coal Severance Tax	15,208,581	15,736,468	17,444,000	17,346,000	17,385,000	19,733,000	19,040,000	19,152,000	18,732,000	18,033,000	17,877,024	38,467,000	37,075,000	37,029,024
Coal Trust Interest	18,466,762	18,947,636	24,378,000	23,590,000	24,155,000	28,158,000	28,844,000	28,807,000	32,259,000	34,165,000	33,736,000	60,417,000	63,009,000	62,543,000
Insurance Tax	13,011,479	13,621,332	16,109,000	15,753,000	15,700,000	16,139,000	16,195,000	16,195,000	17,558,000	16,737,000	16,737,000	33,697,000	32,932,000	32,932,000
Institution Refundements	11,406,505	9,179,921	12,213,000	13,281,000	12,893,000	14,758,000	14,902,000	14,800,000	15,310,000	15,356,000	15,300,000	30,068,000	30,258,000	30,100,000
Inheritance Tax	6,398,489	5,960,471	6,289,000	6,247,000	6,624,000	6,656,000	6,247,000	6,600,000	7,072,000	6,247,000	6,800,000	13,728,000	12,494,000	13,400,000
Liquor Excise Tax	6,559,727	6,415,784	6,191,000	6,029,000	6,110,000	6,600,000	6,045,000	6,322,500	6,736,000	6,038,000	6,387,000	13,336,000	12,083,000	12,709,500
Liquor Profits	4,500,000	5,782,000	4,466,000	5,197,000	4,850,000	5,222,000	5,263,000	5,250,000	5,077,000	5,315,000	5,200,000	10,299,000	10,578,000	10,450,000
Natural Gas Tax	2,523,059	2,797,996	3,481,000	2,736,000	3,080,625	3,650,000	2,486,000	2,772,562	3,862,000	2,500,000	2,438,000	7,512,000	4,984,000	5,210,562
Telephone Tax	2,463,670	2,521,905	2,814,000	2,661,000	3,010,000	3,053,000	2,798,000	3,160,000	3,311,000	2,944,000	3,319,000	6,364,000	5,742,000	6,479,000
Metal Mines Tax	1,542,061	2,630,135	1,711,000	1,610,000	1,660,000	1,185,000	1,149,000	1,000,000	1,190,000	1,282,000	1,000,000	2,375,000	2,431,000	2,000,000
Electrical Energy Tax	1,546,157	2,413,172	1,986,000	2,084,000	2,212,000	2,042,000	2,074,000	2,273,000	2,169,000	2,165,000	2,405,000	4,211,000	4,239,000	4,678,000
Freight Line Tax	1,432,164	1,334,111	1,402,000	1,387,000	1,402,000	1,465,000	1,450,000	1,465,000	1,556,000	1,522,000	1,556,000	3,021,000	2,972,000	3,021,000
Beer Tax	1,235,805	1,204,236	1,180,000	1,175,000	1,115,000	1,157,000	1,146,000	1,146,000	1,133,000	1,096,000	1,096,000	2,290,000	2,242,000	2,242,000
Drivers' License Fees	816,365	799,616	817,000	905,000	861,000	835,000	905,000	880,000	854,000	905,000	899,000	1,689,000	1,810,000	1,779,000
Wine Tax	895,884	904,905	917,000	967,000	917,000	928,000	1,015,000	928,000	940,000	1,066,000	940,000	1,868,000	2,081,000	1,868,000
Other Revenue	11,176,083	12,590,802	13,474,000	14,364,000	14,474,000	13,030,000	14,326,000	14,395,000	14,922,000	13,413,000	13,387,000	29,952,000	29,739,000	29,782,000
Prior Year Adjustments	8,369,749	(866,998)	0	0	0	0	0	0	0	0	0	0	0	0
Totals	321,944,765	329,438,600	363,301,000	353,485,000	361,345,042	368,658,000	360,704,000	364,549,479	386,838,000	383,421,000	382,558,690	755,496,000	744,125,000	747,108,169

Exhibit 1 -- HUR 9
April 4, 1985

Source of Revenue	Actual FY 83	Actual FY 84	OBPP FY 85	LFA FY 85	MUR 9 FY 85	OBPP FY 86	LFA FY 86	MUR 9 FY 86	OBPP FY 87	LFA FY 87	MUR 9 FY 87	OBPP FY 86 & 87	LFA FY 86 & 87	MUR 9 FY 86 & 87
STATE REVENUE														
Individual Income Tax	37,930,067	42,586,587	45,540,000	44,160,000	44,922,000	49,040,000	48,220,000	48,438,000	52,473,000	52,150,000	51,953,000	101,513,000	100,370,000	100,391,000
Corporation License Tax	8,099,004	8,026,240	13,678,000	12,150,000	13,678,000	11,702,000	11,480,000	11,702,000	12,619,000	12,720,000	12,619,000	24,321,000	24,200,000	24,321,000
Coal Severance Tax	4,002,249	4,141,172	4,590,000	4,300,000	4,573,000	9,088,000	4,480,000	5,040,000	8,627,000	4,440,000	4,704,000	17,715,000	8,940,000	9,744,000
Interest and Income	36,398,297	36,982,835	37,456,000	38,200,000	37,456,000	38,860,000	41,630,000	38,666,000	40,411,000	43,670,000	40,137,000	79,271,000	85,300,000	78,803,000
US Oil and Gas Royalties	11,543,027	14,948,536	14,167,000	13,900,000	13,962,000	18,671,000	13,900,000	12,422,000	18,762,000	14,400,000	12,509,000	37,433,000	28,300,000	24,938,000
Education Trust Interest	8,230,693	5,107,378	6,019,000	6,220,000	5,967,000	6,809,000	7,080,000	6,735,000	7,436,000	7,880,000	7,325,000	14,245,000	14,960,000	14,060,000
Miscellaneous	24,013	2,145,511	5,268,000	0	0	0	0	0	0	0	0	0	0	0
Totals	106,247,430	113,938,479	126,718,000	118,970,000	120,560,000	134,170,000	126,790,000	123,010,000	140,328,000	135,280,000	129,247,000	274,498,000	262,070,000	232,257,000
COUNTY REVENUE														
45 Mills	104,864,000	107,940,000	108,771,000	107,879,000	107,771,000	107,879,000	105,140,000	106,366,000	110,020,000	106,130,000	108,885,000	217,899,000	211,270,000	215,251,000
Elementary Transportation	(3,540,000)	(3,540,000)	(3,540,000)	(3,540,000)	(3,540,000)	(3,823,000)	(3,680,000)	(3,823,000)	(4,129,000)	(3,830,000)	(4,129,000)	(7,952,000)	(7,510,000)	(7,952,000)
Cash Reappropriated	3,189,000	0	3,189,000	0	3,189,000	3,189,000	0	3,189,000	3,189,000	0	3,189,000	6,378,000	0	6,378,000
Forest Funds	1,014,000	1,010,000	1,014,000	1,014,000	1,014,000	1,800,000	1,000,000	1,800,000	1,800,000	1,000,000	1,800,000	3,600,000	2,000,000	3,600,000
Taylor Grazing	123,000	120,000	123,000	123,000	123,000	123,000	120,000	123,000	123,000	120,000	123,000	246,000	240,000	246,000
Miscellaneous	8,580,000	11,770,000	8,580,000	9,355,000	8,580,000	9,355,000	10,500,000	9,355,000	10,200,000	10,500,000	10,200,000	19,555,000	21,000,000	19,555,000
High School Tuition	(673,000)	(670,000)	(673,000)	(701,000)	(673,000)	(701,000)	(700,000)	(701,000)	(730,000)	(700,000)	(730,000)	(1,431,000)	(1,400,000)	(1,431,000)
Totals	113,557,000	116,630,000	117,464,000	117,822,000	117,822,000	112,380,000	116,309,000	120,473,000	113,220,000	119,338,000	238,295,000	225,600,000	235,647,000	235,647,000
DISTRICT REVENUE	18,739,000	18,500,000	18,739,000	18,739,000	18,739,000	19,248,000	18,800,000	18,993,000	19,409,000	19,100,000	19,417,000	38,837,000	37,900,000	38,410,000
TOTAL REVENUES	106,247,430	113,938,479	259,014,000	234,100,000	236,765,000	271,240,000	257,970,000	238,312,000	280,410,000	267,600,000	268,002,000	551,650,000	525,570,000	526,314,000

OFFICE OF THE LEGISLATIVE FISCAL ANALYST
REVISED GENERAL FUND REVENUE PROJECTION
April 4, 1985

<u>Source</u>	<u>Fiscal 1985</u>	<u>Fiscal 1986</u>	<u>Fiscal 1987</u>
Individual Income Tax	\$113,990,000	\$124,431,000	\$134,551,000
Corporation License Tax	33,178,000	28,790,000	31,860,000
Coal Severance Tax	17,346,000	19,040,000	18,035,000
Oil Severance Tax	32,696,000	23,941,000	23,442,000
Interest on Investments	25,044,000	23,044,000	21,920,000
Long Range Bond Excess	36,583,000	37,399,000	39,549,000
Coal Trust Fund Interest	23,590,000	28,844,000	34,165,000
Insurance Premiums Tax	15,753,000	16,195,000	16,737,000
Public Institutions Reimb.	12,804,000	14,219,000	14,898,000
Liquor Profits	4,224,000	4,755,000	5,092,000
Liquor Excise Tax	5,990,000	6,316,000	6,394,000
Inheritance Tax	6,846,000	6,846,000	6,846,000
Metal Mines Tax	2,366,000	1,098,000	1,098,000
Electrical Energy Tax	2,239,000	2,230,000	2,311,000
Drivers' License Fees	835,000	835,000	835,000
Telephone License Tax	3,018,000	3,120,000	3,339,000
Beer License Tax	1,175,000	1,146,000	1,096,000
Natural Gas Severance Tax	2,929,000	2,414,000	2,297,000
Freight Line Tax	1,387,000	1,450,000	1,522,000
Wine Tax	923,000	941,000	960,000
Other Revenue Sources	13,852,000	14,326,000	15,413,000
 Total	 <u>\$356,768,000</u>	 <u>\$361,380,000</u>	 <u>\$382,360,000</u>

Two unsettled lawsuits may add to general fund revenue. First, the Department of Institutions is involved in a dispute over its right to spend money from patients' accounts. Approximately \$4 million of revenue may accrue to the state from a favorable settlement. Second, the Crow Tribe has challenged the state's authority to tax coal mined on tribal lands. As of March 1985, more than \$15 million of tax payments are held in an escrow account pending settlement.

An additional factor affecting coal tax revenues is the possible cancellation by the lower Colorado River Authority of a 2 million ton coal contract with Decker Coal Company. A 2 million ton reduction in Decker's coal production would reduce general fund revenue by approximately \$3 million over the biennium.

A COMPARISON OF LFA AND HJR 9 REVENUE PROJECTIONS April 3, 1985

	Fiscal 1985			Fiscal 1986			Fiscal 1987		
	LFA	HJR 9	Difference	LFA	HJR 9	Difference	LFA	HJR 9	Difference
Individual Income Tax	\$113,990,000	\$115,000,000	\$(1,010,000)	\$124,431,000	\$124,000,000	\$ 431,000	\$134,551,000	\$133,000,000	\$1,551,000
Corporation License Tax	33,178,000	35,017,000	(1,839,000)	28,790,000	29,957,000	(1,167,000)	31,860,000	32,304,000	(444,000)
Coal Severance Tax	17,346,000	17,385,000	(39,000)	19,040,000	19,152,000	(112,000)	18,035,000	17,877,024	157,976
Oil Severance Tax	32,696,000	31,680,000	1,016,000	23,941,000	23,516,000	425,000	23,442,000	22,923,333	518,667
Interest on Investments	25,044,000	25,505,417	(461,417)	23,044,000	22,635,417	408,583	21,920,000	22,083,333	(163,333)
Long Range Bond Excess	36,583,000	37,634,000	(1,051,000)	37,399,000	38,311,000	(912,000)	39,549,000	40,261,000	(712,000)
Coal Trust Fund Interest	23,590,000	24,155,000	(565,000)	28,844,000	28,807,000	37,000	34,165,000	33,736,000	429,000
Insurance Premiums Tax	15,753,000	15,700,000	53,000	16,195,000	16,195,000	-0-	16,737,000	16,737,000	-0-
Public Institutions Reimb.	12,804,000	12,893,000	(89,000)	14,219,000	14,800,000	(581,000)	14,898,000	15,300,000	(402,000)
Liquor Profits	4,224,000	4,850,000	(626,000)	4,755,000	5,250,000	(495,000)	5,092,000	5,200,000	(108,000)
Liquor Excise Tax	5,990,000	6,110,000	(120,000)	6,316,000	6,322,500	(6,500)	6,394,000	6,387,000	7,000
Inheritance Tax	6,846,000	6,624,000	222,000	6,846,000	6,600,000	246,000	6,846,000	6,800,000	46,000
Metal Mines Tax	2,366,000	1,660,000	706,000	1,098,000	1,000,000	98,000	1,098,000	1,000,000	98,000
Electrical Energy Tax	2,239,000	2,212,000	27,000	2,230,000	2,273,000	(43,000)	2,311,000	2,405,000	(94,000)
Drivers' License Fees	835,000	861,000	(26,000)	835,000	880,000	(45,000)	835,000	899,000	(64,000)
Telephone License Tax	3,018,000	3,010,000	8,000	3,120,000	3,160,000	(40,000)	3,339,000	3,319,000	20,000
Beer License Tax	1,175,000	1,175,000	-0-	1,146,000	1,146,000	-0-	1,096,000	1,096,000	-0-
Natural Gas Severance Tax	2,929,000	3,080,625	(151,625)	2,414,000	2,563,562	(149,562)	2,297,000	2,252,000	45,000
Freight Line Tax	1,387,000	1,402,000	(15,000)	1,450,000	1,465,000	(15,000)	1,522,000	1,556,000	(34,000)
Wine Tax	923,000	917,000	6,000	941,000	928,000	13,000	960,000	940,000	20,000
Other Revenue Sources	13,852,000	14,474,000	(622,000)	14,326,000	14,395,000	(69,000)	15,413,000	15,387,000	26,000
Subtotals	\$356,768,000	\$361,345,042	\$(4,577,042)	\$361,380,000	\$363,356,479	\$(1,976,479)	\$382,360,000	\$381,462,690	\$ 897,310
Cty Payments for Oil	-0-	-0-	-0-	1,040,000	984,000	56,000	1,040,000	910,000	130,000
Cty Payments for Nat Gas	-0-	-0-	-0-	213,000	209,000	4,000	209,000	186,000	23,000
Totals	\$356,768,000	\$361,345,042	\$(4,577,042)	\$362,633,000	\$364,549,479	\$(1,916,479)	\$383,609,000	\$382,558,690	\$1,050,310

Fiscal 1986 and 1987 HJR 9 projections for oil and natural gas severance taxes were adjusted downward by an estimate of payments to counties with increased production.

COMPARISON OF FISCAL 1985 GENERAL FUND BALANCE
Prepared by Office of the Legislative Fiscal Analyst
April 4, 1985

	<u>LFA</u>	<u>HJR 9</u>	<u>Difference</u>
Beginning Fund Balance-GAAP	\$ 35,097,000	\$ 35,097,000	\$ -0-
Estimated Receipts	<u>356,768,000</u>	<u>361,345,042</u>	<u>(4,577,042)</u>
Total Available	\$391,865,000	\$396,442,042	\$ (4,577,042)
<u>Expenditures</u>			
Budgeted Operating Expen.	\$378,784,993	\$378,784,993	\$ -0-
Pay Plan Carry Forward	1,800,000	1,800,000	-0-
Tax Anticipation Notes	2,304,714	2,304,714	-0-
Long Term Debt Service	10,004,699	10,004,699	-0-
Oil & Gas Payments to Counties	2,114,500	1,552,000	562,500
Supplemental Requests	7,635,613	7,635,613	-0-
Feed Bill	4,122,272	4,122,272	-0-
<u>Reversions</u>			
Public Schools	\$(15,440,000)	\$(16,850,000)	\$ 1,410,000
Other	<u>(6,000,000)</u>	<u>(6,000,000)</u>	<u>-0-</u>
Total Expenditures	\$385,326,791	\$383,354,291	\$ 1,972,500
<u>Adjustments</u>			
SRS-Prior Year Revenue	\$ 4,100,398	\$ 4,100,398	-0-
Other	<u>350,590</u>	<u>350,590</u>	<u>-0-</u>
Ending Fund Balance	<u>\$ 10,989,197</u>	<u>\$17,538,739</u>	<u>\$(6,549,542)</u>



JUDY RIPPINGALE
LEGISLATIVE FISCAL ANALYST

STATE OF MONTANA
Office of the Legislative Fiscal Analyst

STATE CAPITOL
HELENA, MONTANA 59620
406/449-2986

HJR 9 AMENDED BUDGET SUMMARY
1987 Biennium
April 4, 1985

Beginning Fund Balance	\$ 17,538,739
Estimated Receipts - HJR 9	747,108,164
12 Mill Levy - Assumed Counties	12,495,600
Transfers from:	
a. Junk Vehicle Acct.	500,000
b. Crime Victims Acct.	<u>500,000</u>
Total Funds Available	\$778,142,503

Expenditures

HB 500 - Agency Budgets ¹	\$713,412,475
School Foundation Program ²	
(4%-4% schedule increases)	53,983,000
1987 Legislature Feed Bill	4,200,000
Pay Plan	16,500,000
Long-term Debt Service ³	20,200,558
TANS Interest ⁴	6,245,342
Oil and Gas Payments to Counties ⁵	2,288,000
Reversions	<u>(13,833,000)</u>
Total Expenditures	<u>\$802,996,375</u>
Ending Fund Balance	<u><u>\$(24,853,872)</u></u>

Ending Fund Balance	\$24,853,872
Reasonable Fund Balance	<u>15,000,000</u>
Potential Budget Problem Before Cat & Dogs Bills or Funding and Tax Policy Changes	<u><u>\$39,853,872</u></u>

-
- ¹House floor version of HB 500 excluding debt service costs
²Adjusted to reflect HJR 9 non-general fund revenues
³Adjusted to reflect GAAP.
⁴Adjusted to reflect HJR 9 interest rates
⁵Adjusted to reflect HJR 9 oil and gas price assumptions
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OFFICE OF BUDGET & PROGRAM PLANNING
GENERAL FUND REVENUE REPORT
FOR MAR FY 85

SBAS CODE	SOURCE DESCRIPTION	AGCY	EST. NO.	FY 1984 RECEIPTS	BUD. EST.	FY 1985 REV. EST.	ACTUAL RECEIPTS FY 1984	THRU MAR FY 1985	% RECEIVED FY 84 FY 85
0215	OPER/CHAUFFER DRIVING LIC	4110	1Y010	799,615.56	832,000	817,000	555,865.58	592,015.73	69.52
0260	INSURANCE LIC & PER	3401	1Y014	13,621,331.81	15,112,000	16,109,000	317,005.15	319,593.07	2.33
0700	BEER TAX	5801	1Y044	1,204,236.10	1,267,000	1,180,000	906,630.12	861,676.33	75.29
0715	COAL PRODUCTION TAX	5801	1Y030	15,736,467.97	23,103,000	17,444,000	11,269,587.51	12,528,511.87	71.61
0720	CORPORATION TAX	5801	1Y031	20,553,776.09	27,724,000	35,017,000	8,237,704.44	18,317,523.90	40.08
0725	ELECTRICAL ENERGY TAX	5801	1Y032	2,413,172.37	1,860,000	1,986,000	1,852,048.62	1,714,868.29	76.75
0730	FREIGHT LINE CO TAX	5801	1Y033	1,333,899.34	1,815,000	1,402,000	1,332,354.58	1,372,788.91	99.88
0740	INDIVIDUAL INCOME TAX	5801	1Y034	108,639,449.00	111,451,000	116,582,000	72,857,918.81	77,587,094.26	66.55
0745	INHERITANCE TAX	5801	1Y035	5,936,454.13	7,182,000	6,289,000	4,095,334.62	5,135,875.41	68.99
0750	LIQUOR EXCISE TAX	5801	1Y045	2,497,381.87	1,704,000	1,711,000	575,982.43	2,368,024.72	23.06
0770	METAL MINES TAX	5801	1Y036	2,893,388.65	3,442,000	3,481,000	1,955,473.85	2,174,420.18	67.58
0780	NAT GAS DISTRI OR PROD TAX	5801	1Y037	32,651,206.26	29,316,000	31,911,000	24,571,933.75	25,293,048.03	75.26
0795	OIL PRODUCTION TAX	5801	1Y038	2,521,344.15	2,767,000	2,814,000	2,000,982.41	2,227,188.92	79.36
0830	TELEPHONE LICENSE TAX	5801	1Y039	827,390.78	942,000	838,000	628,612.79	646,204.57	75.98
0890	WINE TAX	5801	1Y093	10,671,170.88	24,267,000	12,982,000	7,602,774.09	9,014,785.70	71.25
0890	WINE TAX	5801	1Y152	18,947,636.19	25,296,000	24,378,000	11,468,553.23	14,514,368.51	60.53
1300	INTEREST EARNINGS-GENL	6101	1Y048	12,856,343.44	16,320,000	13,500,000	6,382,740.14	6,689,941.72	49.65
1325	MISCELLANEOUS INTEREST	6101	1Y078	4,947,245.34	6,713,000	7,267,000	3,288,275.07	5,177,197.94	66.47
1370	STIP DISTRIBUTED EARNINGS	6402	1Y125	1,307,156.79	1,846,000	1,480,000	901,161.80	919,634.50	68.94
1730	BLDER RIVER SCH & HOSP REIMB	6404	1Y124	1,057,853.23	1,113,000	1,287,000	705,934.92	886,397.33	66.73
1735	CENTER FOR THE AGED REIMB	6405	1Y123	1,340,681.43	1,588,000	1,482,000	1,008,642.33	925,945.83	75.23
1745	EASTMT FAC FOR RETRD REIMB	6412	1Y126	526,983.66	680,000	697,000	393,293.60	486,443.81	74.63
1750	GALEN STATE HOSPITAL REIMB	6412	1Y127	6,415,783.90	6,063,000	6,191,000	4,471,843.32	4,136,633.13	69.70
1760	WARM SPRINGS ST HOSP REIMB	5801	1Y047	5,782,000.00		4,466,000			66.82
2080	LIQUOR PROFITS	5801	1Y045	77,514.09		78,000	54,694.66	42,889.39	70.56
3200	OTHER FINANCING SOURCES	5801	1Y047	41,682,642.63	28,445,000	38,437,000	26,755,800.00	24,698,808.19	64.19
3200	OTHER FINANCING SOURCES	5801	1Y093	1,000,005.57	2,595,042	1,868,573	1,481,025.28	432,409.11	148.10
3215	LONG-RANGE BOND EXCESS	6101	1Y049	12,063,366.52	10,511,961	11,606,427	9,024,111.66	10,113,509.50	74.81
	TOTAL NON-BUDGETED ACTIVITY			866,898.10-			3,175,027.62	4,678,827.97	366.25-
	TOTAL OTHER BUDGETED ACTIVITY								
	TOTAL PRIOR YEAR ADJUSTMENTS								
	TOTALS			329,438,599.65	361,537,003	363,301,000	207,871,312.38	233,856,626.82	63.10
									64.37

Exhibit 3 -- HJR 9
April 4, 1985

Amendment to House Bill 696

1. Page 2, Line 4 through 7
Following "valuation."

Strike: 4 through 7 in their entirety.

Insert: "For taxable periods beginning after December 31, 1985, the cost indicator for railroads, airlines, motor carriers and other federally protected taxpayers shall be determined in a manner consistent with property taxed in classes IV, V, VIII, IX and X."

Exhibit 4 -- HB 696
April 4, 1985

STANDING COMMITTEE REPORT

April 4, 1935

MR. PRESIDENT

We, your committee on Taxation
having had under consideration House Bill No. 344
third reading copy (blue)
color
(Senator Hager)

**EXEMPTING CERTAIN IDLED FARM EQUIPMENT NORMALLY USED TO FARM
SUGAR BEETS.**

Respectfully report as follows: That House Bill No. 344
be amended as follows:

1. Page 2, line 10.
Following: "THE"
Strike: "SURROUNDING"
Insert: "sugar beet grower's marketing"

AND AS AMENDED
HE CONCURRED IN

~~XXXXXX~~

~~XXXXXX~~

Senator Thomas E. Tows,

Chairman.