

MINUTES

MONTANA SENATE
51st LEGISLATURE - SPECIAL SESSION

COMMITTEE ON TAXATION

Call to Order: By Senator Bob Brown, Chairman, on June 29,
1989, at 8:30 a.m.

ROLL CALL

Members Present: Senator Brown, Senator Hager, Senator
Norman, Senator Eck, Senator Bishop, Senator Halligan,
Senator Walker, Senator Harp, Senator Gage, Senator
Severson, Senator Mazurek, Senator Crippen

Members Excused: None

Members Absent: None

Staff Present: Jill Rohyans, Committee Secretary
Jeff Martin, Legislative Council

Announcements/Discussion: None

HEARING ON HOUSE BILL 23

Presentation and Opening Statement by Sponsor:

Representative Ream, District 54, sponsor, said the bill
provides an exemption of the one mill levy for economic
development from the property tax freeze if voter
authorization for the levy occurred prior to December
31st, 1990.

List of Testifying Proponents and What Group they Represent:

Chris Bruninga, Missoula Economic Development
Alec Hanson, Montana League of Cities and Towns
Evan Barrett, Butte Economic Development Corporation
Don Peoples, Chief Executive, Butte-Silverbow
Gordon Morris, Montana Association of Counties

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Chris Bruninga, Missoula Economic Development, presented testimony in support of the bill (Exhibit #1).

Alec Hanson, Montana League of Cities and Towns, said this is an important bill for cities and towns in Montana and enhances the economic development prospects for the state. Bozeman had wanted to do this very thing, but would have had to declare a financial emergency to do so. He urged the committee to pass the bill.

Evan Barrett, Butte Economic Development Corporation, expressed support for the bill. He said it is of particular benefit to smaller communities.

Don Peoples, Chief Executive, Butte-Silverbow, said this bill represents another tool communities need to help forge the relationship between communities and state government in the area of economic development.

Gordon Morris, Montana Association of Counties, said MACO supports the bill and urged the committee to give the taxpayers the chance to vote.

Questions From Committee Members:

None

Closing by Sponsor:

Representative Ream closed.

HEARING ON SENATE BILL 24

Presentation and Opening Statement by Sponsor:

Representative Cohen, District 3, said the bill provides an opportunity for school districts who have proven they can operate in a frugal manner to use averaging to determine a base year amount to levy under the provisions of 1105. At the end of 1985 certain districts, in an effort to reduce their mill levies, dipped into their reserves. Not anticipating the property tax freeze, they are in the position of having depleted their reserves, but are frozen at the lower mill levy amount with no ability to raise it to meet their operating expenses. Under the provisions of this bill, if the 1986 levy was less than either the 1984 or 1985 levy, the taxpayers can vote to approve

using the 1984, 1985, and 1985 levies as an average for the base year. Representative Cohen said this is not an effort to avoid the issue of I105, rather it is a means of not penalizing those districts who chose to be cautious and frugal and were caught in the freeze as a result.

List of Testifying Proponents and What Group they Represent:

None

List of Testifying Opponents and What Group They Represent:

None

Testimony:

None

Questions From Committee Members:

In response to a question from Senator Halligan, Representative Cohen said this bill includes community colleges as well as elementary and secondary schools.

Senator Gage said he understood SB 26 exempts school funding from I105.

Representative Cohen said that is true, however, it does not cover community colleges.

Closing by Sponsor:

Representative Cohen closed by saying the property tax freeze has created a funding crisis in several districts who were caught with very low mill levies as a result of spending down their reserves. This bill asks for a one time permission from the voters to use the three year average as a base amount. He urged the committee to give the bill favorable consideration.

HEARING ON HOUSE BILL 25

Presentation and Opening Statement by Sponsor:

Representative Cohen, District 3, sponsor, said this bill is similar to HB 24. It addresses a problem several counties face of having used their reserves to lower mill levies and then being frozen under the provisions of I105. He noted Flathead County in 1985 had reserves

in excess of \$200,000 and were able to drop their levy from 3.5 to 1.75 for the Health Department by using the reserve amount. The property tax freeze went into effect, the reserves were depleted, and a funding crisis was created with the levy frozen at 1.75. The normal operating base for the Health Department is 3.5. This bill once again allows for the voters to give permission to use the three year average of the levies as a base amount.

List of Testifying Proponents and What Group They Represent:

Darrell Fenner, Flathead City-County Health Board
 Dr. Val Yaholkovsky, Flathead City-County Health Board
 Bob Johnson, Director, Lewis and Clark County Health
 Department
 Senator Matt Himsel, District 3
 Gordon Morris, Montana Association of Counties

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Darrell Fenner, Flathead City-County Health Board, presented his testimony in support of the bill (Exhibit #2).

Dr. Val Yaholkovsky, Flathead City-County Health Board, said he is functioning as an interim Director on a volunteer basis. The freeze resulted in the elimination of the Director's position and several other staff positions as well as cuts in many of the programs offered by the Health Department such as monitoring of air and water quality and restaurant inspections, home health care, prenatal care, and immunizations. He presented a letter from Dr. Marise Johnson in support of the bill (Exhibit #3).

Bob Johnson, Director, Lewis and Clark County Health Department, said one month after the County Commissioners told him his Department was the best in the state, his funding was frozen under the 1105 provisions and it became necessary to go to an emergency levy to continue operation. If the levy had not passed, the Department would have, basically, been gutted.

Senator Matt Himsl, District 3, asked for support for the bill as the measles epidemic and high medicaid use as well as needs of senior citizens in Flathead County have created a crisis situation there. He said the Department can offer \$3 inoculations as opposed to \$12 in the private sector, which is the only way many young families can afford to protect their children. He urged the committee to support the bill and restore the operating capability to the counties for their health services.

Gordon Morris, Montana Association of Counties, expressed support for the bill.

Questions From Committee Members:

Senator Gage noted there seems to be a discrepancy in the bill in that the public hearing is held after the vote of the people. He asked Representative Cohen if he would object to new language which would have the hearing held before the vote.

Representative Cohen said that would make sense and approved of such an amendment.

Closing by Sponsor:

Representative Cohen closed.

HEARING ON SENATE BILL 28

Presentation and Opening Statement by Sponsor:

Senator Keating, District 44, sponsor, said the bill provides for repeal of all personal property taxes and a 20% reduction in real property taxes with the exception of centrally assessed property. The bill further provides for a 3% sales tax on all retail goods with the exception of drugs, prostheses, and used cars. Proceeds of the sales tax would go directly into the foundation program for the funding of schools. He presented the committee with material to document expenses and projected revenues under the provisions of the bill (Exhibits #4 and #5).

Senator Keating said the Exxon refinery in Billings pays \$900,000 in personal property taxes each year. If the personal property tax was eliminated, that savings would pass on to the consumer and result in lower gas prices because of the competition with two other refineries in the Billings area. He said that concept

would simply expand across the board to affect transportation, food, and other consumer areas. If there is no personal property tax, there will be more equipment, more jobs, and more industrial development in the state.

He pointed out it costs \$5 to \$10 million a year to administer the personal property tax, a figure considerably higher than that needed to administer a sales tax.

List of Testifying Proponents and What Group they Represent:

Tom Hopgood, Montana Association of Realtors
Ken Nordtvedt, Director, Department of Revenue
Charles Brooks, Montana Retail Association
Dennis Burr, Montana Taxpayers Association
James Tutweiler, Montana Chamber of Commerce
Jerry Jack, Montana Stockgrowers
John Asay, Montana Cattlefeeders Association

List of Testifying Opponents and What Group They Represent:

Jacqueline Terrill, American Insurance Association
Gordon Morris, Montana Association of Counties
John Lahr, Montana Power Company
Gene Phillips, Pacific Power and Light
Don Judge, Montana AFL-CIO

Testimony:

Due to a shortage of time, the Chairman asked those people testifying in support of the bill just to identify themselves and their organizations as supporters. Those people listed under "Testifying Proponents" expressed support for the bill.

Opponents:

The Chairman again asked those testifying in opposition to the bill to state their name and organization as there is no time remaining in the hearing for lengthy testimony.

Jacqueline Terrill, American Insurance Association, said she appeared not as an opponent or proponent, only to point out a technical problem in the bill as the provisions provide for a double tax on insurance premiums.

The remaining gentlemen listed under " Testifying Opponents" expressed opposition to the bill.

Questions From Committee Members:

Senator Crippen asked Mr. Tutweiler to look at the language in the bill on page 10, line 22. The language specifically defines a gross receipts tax and is the same language used in SB 469 of the regular session which Mr. Tutweiler supported. Senator Crippen pointed out it is the very same language used in the gross receipts tax bill he presented in this session which Mr. Tutweiler and Mr. Brooks vehemently opposed. He asked Mr. Tutweiler to clarify his stand on the issue.

Mr. Tutweiler said he is exactly in support of a sales tax.

Senator Crippen asked Mr. Tutweiler if he then supports this bill.

Mr. Tutweiler said he supports the concept of the bill but if the section on page 10, line 22, is concretely interpreted to mean that the tax cannot be added to the sale before the sale, then he would oppose that provision of the bill.

Senator Crippen asked Mr. Brooks to respond to the same question.

Mr. Brooks replied his previous testimony was brief at the request of the Chairman. His position is that it should be mandated that the tax be shown as a separate item on the invoice, cash received at the point of sale, so that the customer will clearly understand the tax being paid.

There followed a brief discussion between Senator Brown and Don Judge, AFL-CIO, regarding the regressiveness of the bill and the general stand of the AFL-CIO in opposition to any sales tax proposal, regardless of the degree of regressivity.

Senator Hager asked if non-prescription drugs were included in the bill.

Senator Keating replied that only prescription drugs are exempted.

Closing by Sponsor:

Senator Keating said he hopes help solve two problems with this bill, first, improve economic development, and second, to fund school equalization. He acknowledged the bill is not perfect, but said it goes a long way towards solving the problems. He commended Jeff Martin, Legislative Council, for his extraordinary efforts in preparing the bill in the short amount of time he had.

ADJOURNMENT

Adjournment At: 10:15 a.m.



SENATOR BOB BROWN, Chairman

BB/jdr

MIN629.jdr

ROLL CALL

TAXATION

COMMITTEE

50~~54~~ LEGISLATIVE SESSION -- 1989Date 6/29/89

NAME	PRESENT	ABSENT	EXCUSED
SENATOR BROWN	X		
SENATOR BISHOP	X		
SENATOR CRIPPEN	X		
SENATOR ECK	X		
SENATOR GAGE	X		
SENATOR HAGER	X		
SENATOR HALLIGAN	X		
SENATOR HARP	X		
SENATOR MAZUREK	X		
SENATOR NORMAN	X		
SENATOR SEVERSON	X		
SENATOR WALKER	X		

Each day attach to minutes.

WITNESS STATEMENT

SENATE TAXATION

EXHIBIT NO. 1NAME: Chris BruningaDATE: 6/29/89 11023

BILL NO.

ADDRESS: 115 W. Front St, Missoula, MT 59802PHONE: 721-0623REPRESENTING WHOM? MISSOULA ECONOMIC DEVELOPMENTAPPEARING ON WHICH PROPOSAL: HB 23DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐COMMENTS: SEE STATEMENT PLEASE

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

1989 MONTANA STATE LEGISLATURE - SPECIAL SESSION

HB 23 - Senate Taxation Committee

HB 23 will allow the 1991 legislature to provide a local 1 mill levy option for economic development.

The original bill, HB 125, was passed in the House and Senate by a large margin, and was subsequently vetoed by the Governor. The original bill was vetoed due to a concern by the Governor and his staff that this bill was an avenue to circumvent I 105, which was not the intent, but certainly may have been the interpretation of the administration. We have spoken with Governor Stephens and staff members, and they understand the importance of this legislation to local communities and economic development organizations. They further understand that HB 23 is not a mandatory levy, but one that is will be allowed only on the vote of the people. HB 23 clearly illustrates that it is not meant to circumvent I 105.

The Missoula Economic Development Corporation, local governing bodies, and the community were aware very early that public support must be part of the community's economic future. HB 23 is a reaffirmation of this public support.

We ask your support of HB 23, in cooperation with a network of economic development organizations across the state, as well as the voice of the business community and local governing bodies. The purpose of HB 23 is not to undo I-105, it is to allow local communities the option of approving a 1 mill levy for economic development in an effort to control their own economic future.

WITNESS STATEMENT

SENATE TAXATION

EXHIBIT NO. 2NAME: Darrell Fenner DATE: 6-29-89
BILL NO. HB 25ADDRESS: 226 spruce Dr, Kalispell, mt. 59901PHONE: 752 0298REPRESENTING WHOM? Flathead City-County Health BoardAPPEARING ON WHICH PROPOSAL: HB 25DO YOU: SUPPORT? X AMEND? OPPOSE?

COMMENTS: As a citizen member of the FECHD, and
chair of their budget committee I'm finding it very
difficult to deal with the department financial problems
imposed by some quirks of I-105. In 1986 the FECHD
elected to be frugal and use dp reserves so only 1.47
mills were levied - Normally the department levies around
4.00 mills. Of course the passage of 105 capped the
levy at 1.47 and has really put the department in
a serious bind. HB25 with it's averaging provision
would solve some of our crises. The County Commissioners
are supportive, but are also trying to deal with a
multitude of other problems imposed by 105 and the
CFAE tax reductions.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

MAURICE E. K. JOHNSON, M.D., F.I.C.S.

MARISE K. JOHNSON, M.D., A.C.P.

SENATE TAXATION

KALISPELL MEDICAL OFFICES

1204 FIRST AVENUE EAST
KALISPELL, MONTANA 59901

EXHIBIT NO. 3 P.1

DATE 6/29/89

BILL NO. HB 25

Legislature, State of Montana
State Capitol
Helena, Montana 59604

RE: House Bill 25

Dear Legislators:

In this day and age, people frequently forget exactly why we need a public health department. There is no doubt in my mind that we have forgotten the summer epidemics that crippled children with polio or the episodes of encephalitis and meningitis as well as other viral fevers that killed thousands. Despite public impressions that we can cure almost anything, this is not true. There still remain serious consequences of environmental hazards and serious diseases in which we frequently stand helpless knowing a lot about that process but not enough on how to fix it. As a physician and citizen, I am deeply concerned over the state of the local public health department economic condition. I know how vital the functions of public health are to the well being of my county's citizens, my friends, and my neighbors. The need for protection of air quality, water quality and prevention of communicable diseases has never been greater, and yet it remains a public function. There is no way a private physician can usurp the legal functions of the public. More importantly, there is no way with our current allowed county mill levy of 1.47, that we, through our public health department, can provide these services in a minimally professional manner despite our legal and ethical responsibilities to do so. Our only recourse is to seek legislative relief at the state level and urge all legislators involved to support and pass House Bill 25.

In my practice, I treat a multitude of patients with end stage respiratory diseases common to our large retired population. They cannot tolerate serious air pollution when they are already dependent on multiple expensive drugs, doctor visits, and oxygen. A loss of air quality can mean a hospitalization and even being placed on a ventilator for respiratory failure. There is nothing their physician can do. Protecting air quality is a public function.

In treating patients from all walks of life for giardia, a gastroenteritis-causing organism brought about by ground water contamination, I have come to know that I must always ask a patient with diarrhea, "Where do you get your water? Do you have a well? What about a septic system?"

Yours or your neighbors?" Digging a well is costly to any citizen, and if you have to replace it, doubly so. If a septic system, theirs or someone else's, isn't engineered correctly the first time, then we, the county, are responsible for passing on it. If someone is significantly harmed due to the transmission of ground water contaminated by fecal material, then we are liable for that as well.

The public health department is responsible for restaurant inspections as well. To sit down safely to a meal, out on the town, is a privilege we all take for granted. It is not sufficient to threaten you with a mild case of gastroenteritis, i.e. salmonella, because that doesn't make the point. People assume salmonella is a mild illness, you go to the doctor and get an antibiotic and then you are fine. However, salmonella, as a specific example, can be lethal. It can require hospitalization. It can cause bone infections and heart disease. It can cause an incurable, lifelong arthritis called reactive arthritis. In the recent salmonella epidemic in Chicago, there were several thousand people, who after the salmonella infection, came down with this reactive arthritis. As I said, it is incurable and lifelong. Imagine being crippled with a preventable arthritis at the age of twelve. Then imagine the county legally liable for it.

In our recent measles epidemic, local businesses lost a great deal of hard cash during the Christmas holidays. People who wanted to clerk in stores and earn money, lost an opportunity to do so. People stayed away from our resorts, and the resorts lost money. However, what people may not appreciate is that four children had to be hospitalized at Kalispell Regional Hospital for serious complications. In a recent epidemic in Texas, four children died. None of our local businesses want our children to risk their health or their lives, and they would, as I do, prefer to support a public health department to perform aggressive education and vaccinate children in order to prevent epidemics. In the long run, it is certainly the least costly avenue.

As I have said before, there is no way private doctors can replace the functions of public health. I cannot seize the dog or recommend the family seize the dog in a question of possible rabies bite. That is a legal and public function. In addition, in my county, the public health department is the only place I send patients for rabies vaccinations because they have the only steady and ongoing experience administering the vaccine. If not prevented appropriately, rabies is an unavoidable and horrendous death that no one should suffer. The risk of such an event could never be worth the balancing of a budget.

The key to good public health is prevention. Prevention costs money up front, without a crisis to urge

you on. To operate as we do under our current 1.47 mill levy is as though you were to ask a fire department to operate by only going out to rent a truck when you have the report of a fire. And yet, to fulfill our obligations up front is cheaper in dollars and less in human costs as well. For example, a subdivision in my county had faulty plumbing which grossly contaminated the ground water. People living there had health care costs, significant loss of property value, and expenses making their homes safe. When they attempted legal recourse to recoup their losses, the contractor declared bankruptcy. No one in the Flathead Valley wants it to happen again. However, we cannot hire sufficient sanitarians to meet our obligations nor to repair our antiquated equipment, let alone to replace it.

To my knowledge, no public health department functions in the state of Montana for less than 3.5 mills. Through a freak happenstance, Flathead County was frozen at 1.47 mills at a time when we expected that level to be a one-time low using up reserves which are now long gone.

I regret that I could not attend the legislative hearing on House Bill 25. I emphatically support it, and I know that the people of Flathead County support it. I have enclosed a copy of an article from the Daily Inter Lake which describes the spontaneous applause given to me after presenting this information to our county commissioners at a meeting in Flathead County on May 30, 1989.

As a taxpayer, I do not mind paying my taxes for the common good, but I would be very upset at having to pay taxes for legal fees, defending this county, for the consequences of not meeting our public health obligations responsibly in the first place. However, we ultimately require financial support in order to effect the appropriate changes and to protect the public health. That obligation, at this current time, falls to the legislature of the state of Montana.

I would be delighted to discuss this issue with any legislator who would like to call me. If I can be of any further assistance to you, please let me know.

Sincerely yours,

Marise K. Johnson
Marise K. Johnson, M.D.

MKJ/cn

Speakers plead to retain health department

By RICK HULL

The Daily Inter

The county cannot afford to let Flathead City-County Health Department fade away, speaker after speaker told the county commissioners Tuesday.

More than 35 people crowded into commissioners' office to support a plea for \$36,000 to \$96,000 in additional funds for the health department. Even that boost would mean a bare-bones budget, said V.A. Yaholkovsky, interim director of the department.

The department, which can assess as much as 5 mills under the law, was frozen at 1.47 mills in 1985 by Initiative 105. No health department in the state gets by for less than 3 1/4 mills, said Yaholkovsky.

Applause greeted the remarks of Dr. Marise Johnson of Kalispell, who said, "In this day and age, we don't remember why we have public health."

A measles epidemic in Texas killed three children recently, hepatitis outbreaks are constantly being nipped in the bud nationwide, and food poisoning can cause a lifetime arthritis, she said. Without nurses to give shots or sanitarians to inspect restaurants, these problems could happen here.

The county could be held legally liable if a preventable epidemic kills or disables someone, Johnson said.

In addition, the health department can legally do things that private doctors cannot, such as seize a dog for a rabies check after a

child is bitten, she said.

Susan Sandwell, a community health nurse in the health department, said she is quitting to take a job in Washington state. "I've been working for the lowest salary I've been paid in 20 years of nursing," she said.

A representative of the Montana Food and Consumer Safety Bureau said the state does not have the personnel to take over local food inspections, which are now done by the county department. Without a local inspector, new restaurants might not be able to get a license to open.

Bill Leonard of the Whitefish Water and Sewer District said the department needs more sanitarians, not fewer. The thousands of septic systems installed before Flathead

County started requiring permits and inspections pose a major water quality problem, he said.

Several speakers noted that many young families in the valley don't have health insurance and depend on the health department for immunizations, prenatal care and other medical help.

Darrell Fenner, a health board member, chalked a proposed budget on the blackboard. Sanitation needs an extra \$28,000, community health another \$25,000, and administration \$3,000, he said. That would allow a pay raise, but not enough money to replace any of the department's ailing vehicles.

The amount required comes to \$56,000, he said. The figure will be closer to \$96,000 if Medicare rejects

a plan to charge half its administration costs to the home health program, Fenner noted.

The department could try to make up the shortfall by raising septic fees from the present \$95-\$115 to \$300 and charging \$12-\$15 for immunization shots instead of \$6, said Yaholkovsky. But \$300 septic fees would prompt more people to install unauthorized systems, and fewer people would pay the higher immunization fees, which are voluntary by law.

"We're actually going to get less: it's a rule of diminishing returns," he predicted.

The commissioners made only a few comments. Mary Adkins, who represents the commissioners on the health board, said, "Realistical-

Community

Whitefish Rotary

The Daily Inter Lake, Kalispell, Montana, Wednesday, May 31, 1989

PAGE

STATE TAXATION
 DEBIT NO. 3 P. 4
 DATE 6/29/89
 BILL NO. HD 29

ly, I don't think we can give \$96,000 from the general fund, but I'd like to give something."

Commissioner Allen Jacobson asked if Kalispell was going to pay its share of the increase. Yaholkovsky said city taxpayers actually have been paying more than county taxpayers.

Adkins said she didn't want to see the health department die because of an argument over the city's share.

Commissioner Howard Gipe noted that the I-105 tax freeze punished the departments that had been careful with their budgets. The freeze caught the health department when it had a particularly low tax levy because the department was burning up accumulated reserves.

STATE TAXATION
 EMD NO. 4
 DATE 6/29/89
 BILL NO. 9028

REVENUE ADJUSTMENTS

	STATE 51 MILLS	SCHOOL DISTS.	COUNTY	CITY	TOTAL
REPEAL PERSONAL PROPERTY	(18.7)	(45.5)	(25.2)	(7.9)	(97.3)
20% REDUCTION REAL PROPERTY EXCEPT CENTRAL- LY ASSESSED	(8.2)	(22.9)	(12.7)	(6.7)	(50.5)
RESCIND STATE LEVY ON REAL PROPERTY EXCEPT CA	(32.8)				
REDUCE DISTRICT LEVY & INCREASE COUNTY/CITY		(19.7)	(37.9)†	(14.6)†	_____
CENTRALLY ASSESSED REAL PROPERTY SCHOOL REVENUE TO FOUNDA- TION PROGRAM	(18.4)	(33.7)			(52.1)
	<u>(78.1)</u>	<u>(121.8)</u>			(199.9)
3% RETAIL SALES TAX (GOODS ONLY EXCEPT DRUGS)					(210)

DISTRIBUTION

UNIVERSITY	10
FOUNDATION PROGRAM:	
SALES TAX	200
CENTRALLY ASD	<u>52.1</u>
	252.1

Calculation of Average with a base of 1985
By Property Type

Property Type	1988 Tax Rate	1988 Total Market Value	1988 Taxable Value	Market Value Within Cities/Towns	Taxable Value Within Cities/Towns	1988 State Tax	1988 County Tax	1988 Schools Tax	Cities/ Towns	Total 1988 Taxes Levied
1. Gross Proceeds of Coal Strip Mines	45.000%	272,466,769	122,610,046	0	0	6,253,112	3,456,141	3,789,648	0	13,498,902
2. Gross Proceeds of Metal Mines	100.000%	279,816,735	279,816,735	35,472	35,472	14,270,653	11,386,354	18,812,508	3,854	44,472,369
3. Gross Proceeds of Underground Coal	33.300%	262,926,500	7,887,795	3,017,300	90,519	402,278	538,755	1,201,253	8,818	2,151,104
Subtotal		815,210,004	410,314,576	3,052,772	125,991	20,926,043	15,381,250	23,803,410	12,672	60,123,375
4. Gasohol Related Property	3.000%	18,333	550	0	0	28	45	64	0	137
5. Trucks & 1 1/2 Tons	13.000%	29,053,762	3,776,989	7,120,708	925,692	192,636	273,674	492,232	90,355	1,048,887
6. Cabs and Mobile Phones	1.419,546	184,541	263,638	263,638	34,273	9,412	13,071	22,762	3,589	48,824
7. Repair Tools	8.000%	54,674,313	184,541	23,327,675	1,865,814	2,233,071	3,391,116	608,254	182,438	1,352,879
8. Cattle	4.000%	506,395,825	20,255,833	182,500	7,300	1,033,047	1,375,255	2,253,824	563	4,662,707
9. Radio and TV Broadcasting Equip.	16.000%	7,247,606	1,159,617	3,397,606	529,217	59,140	84,877	185,452	52,926	392,396
10. Horses	4.000%	23,825,850	953,034	326,475	9,059	48,605	68,398	115,454	854	333,311
11. Tack Equipment	11.000%	2,775,827	305,319	33,782	23,305	15,571	22,131	37,949	367	76,018
12. Locally Assessed Co-op Vehicles	3.000%	1,585,867	47,579	776,833	1,282,259	80,975	127,855	224,486	2,523	19,186
13. Rental Equipment	11.000%	14,534,064	1,587,747	11,656,800	1,282,259	164,466	140,305	248,483	119,628	553,043
14. Coal and Ore Haulers	16.000%	20,155,156	3,224,825	4,733,019	75,683	5,710	9,872	18,755	72,619	121,894
15. Theatre and Sound Equipment	16.000%	689,781	4,529,825	6,801,364	748,150	231,021	331,056	585,045	1,546	1,218,741
16. Locally Assessed Co-op Para. Prop.	3.000%	18,613,000	558,390	478,133	14,344	28,478	37,295	54,575	17,037	121,994
17. Watercraft, ATV Back Taxes	11.000%	8,561,782	941,796	1,737,373	191,111	48,032	79,344	158,358	302,770	304,683
18. Mining Machinery	11.000%	12,065,727	1,327,230	221,064	24,317	67,689	83,667	185,072	2,256	45,574
19. Buses	13.000%	1,322,554	171,932	204,831	26,628	8,769	12,626	20,669	2,543	45,574
20. All Other Property	16.000%	1,050,794	168,127	590,931	94,549	8,574	12,604	17,328	7,067	19,745
21. Off Road Vehicles	16.000%	1,425,600	57,024	13,950	558	2,908	4,216	6,550	70	13,745
22. Other Livestock	0.000%	0	0	0	0	0	0	0	0	0
23. Motorcycles	11.000%	227,269,509	24,999,646	18,138,727	1,995,260	1,274,982	1,427,333	2,605,198	186,015	5,495,527
24. Machin. other than Farm, Min., Manuf.	0.000%	0	0	0	0	0	0	0	0	0
25. Autos, Trucks & 1 Ton	8.000%	841,138	67,291	0	0	3,432	5,684	13,468	0	22,584
26. Rural Telephone Property	11.000%	69,221,982	7,614,418	11,722,455	1,289,470	388,335	548,992	960,672	127,262	2,025,261
27. Trucks over 1 1/2 Tons	3.000%	501,767	15,053	0	0	768	1,139	1,555	0	3,462
28. R & D Personal Property	4.000%	15,666,975	626,679	1,100	44	31,961	45,461	60,182	6	137,609
29. Sheep	4.000%	459,994,167	200,346	3,642,125	145,685	10,218	16,017	29,410	14,247	69,891
30. Rental Equipment	3.000%	50,320,083	14,089,825	22,286,600	668,598	719,091	427,338	967,391	53,929	2,167,748
31. Air and H2O Pollution Control	12.000%	179,978,891	6,038,410	6,493,725	779,247	307,959	515,449	1,018,083	60,677	1,902,168
32. Oil Field Equipment	11.000%	28,576,791	19,197,678	1,074,982	118,248	1,009,682	795,387	1,323,767	10,544	3,139,380
33. Railroad Per Prop	10.970%	3,554,373	3,134,874	3,801,559	417,031	159,819	241,577	444,586	45,142	891,194
34. Ski Lifts	11.000%	216,700,300	390,981	0	0	18,940	32,701	56,701	109,343	109,343
35. Telecomm. Co. Per Prop	12.000%	502,316,136	26,004,036	152,861,225	18,355,347	1,326,206	2,051,307	3,872,924	1,757,138	9,007,574
36. Ag Implements	11.000%	66,837,750	55,254,775	1,228,327	135,116	2,817,984	3,748,302	6,080,347	10,684	12,657,327
37. Electric Companies Per Prop	12.000%	76,310,567	8,020,530	3,820,617	458,474	409,047	431,045	685,209	50,770	1,576,071
38. Rural Co-op Companies Per Prop	3.000%	187,590,650	23,710,878	16,781,700	503,751	116,755	152,014	262,534	48,506	579,890
39. Cable TV Systems	12.000%	10,686,738	1,709,878	70,026,675	8,403,225	1,209,255	1,837,813	3,517,713	807,218	7,371,999
40. Cable Lines Per Prop	16.000%	48,929,708	1,709,878	7,728,925	1,148,700	87,204	136,496	255,156	110,774	591,681
41. Manufacturing Machinery	12.000%	653,172,864	72,949,015	2,558,108	1,342,961	299,450	326,758	570,758	37,773	1,234,681
42. Natural Gas Companies Per Prop.	12.000%	241,358	28,963	64,517,291	7,096,902	3,720,400	5,356,290	9,824,708	630,664	19,572,052
43. Swine	4.000%	2,725,200	109,008	47,733	5,728	1,477	1,066	1,583	425	4,451
44. Independent Tele. Co. Per Prop	8.000%	2,091,563	167,325	60,413	4,833	5,559	7,426	11,685	13	24,686
45. Supplies and Materials	11.000%	61,433,836	6,757,722	9,031,164	4,833	8,534	12,216	20,033	421	1,671,547
46. Furniture and Fixtures	3.000%	74,912,067	2,247,362	275,100	8,253	344,644	423,874	818,385	91,645	1,671,547
47. Industry - Other Property	13.000%	317,541,254	41,280,363	252,871,154	32,886,250	114,615	206,254	439,901	703	761,474
48. Class 20 Out of Production	3.860%	0	0	0	0	2,105,289	3,371,277	6,370,845	3,230,732	15,078,153
Subtotal		4,038,929,829	367,122,206	706,354,261	81,613,933	18,723,293	25,158,855	45,453,174	7,881,449	97,216,711

Calculation of Average Mill Levies
By Property Type

SENATE TAXATION									
EXHIBIT NO. 9 P2									
DATE 6/28/89									
OFFICE NO. 5828									
Property Type	1988 Tax Rate	1988 Total Market Value	1988 Total Taxable Value	Market Value Within Cities/Towns	Taxable Value Within Cities/Towns	State	County	Schools	Cities/ Towns
1. Single Homes - Retired and Disabled	2.276%	12,310,198	274,025	4,656,020	103,643	13,975	22,395	41,147	9,932
2. Single Homes - Qualified Golf Courses	1.930%	22,866,985	441,140	3,064,041	59,136	22,498	36,662	70,428	5,807
3. Single Homes - Low Income	1.367%	9,223,343	126,085	68,544	9,937	6,430	9,415	15,923	83
4. Single Homes - Low Income	2.282%	59,049,343	1,344,506	36,693,953	837,356	68,723	110,844	199,981	82,404
5. Single Homes - Timber Land	3.088%	1,650,421,567	31,279,818	2,681,574	82,807	2,614,965	3,664,187	6,071,370	6,406
6. Single Homes - Timber Land	3.088%	124,931,185	3,857,875	2,990,317	8,965	196,752	288,278	509,954	7,740
7. Single Homes - Timber Land	3.000%	2,186,733	65,602	1,992,533	59,776	3,346	4,371	7,922	7,346
8. Single Homes - Timber Land	3.600%	21,021,917	811,446	15,371,969	593,358	41,384	55,022	103,212	62,011
9. Single Homes - Timber Land	3.000%	29,200	876	0	0	45	66	90	0
10. Single Homes - Timber Land	3.000%	0	0	0	0	0	0	0	0
11. Single Homes - Timber Land	3.860%	223,524,870	8,628,060	23,366,554	901,948	440,031	717,676	1,304,176	97,328
12. Single Homes - Timber Land	3.000%	4,309,000	86,180	318,700	6,374	4,395	6,921	11,410	530
13. Single Homes - Timber Land	30.000%	277,980,817	83,394,245	31,217	9,385	4,253,106	5,729,775	9,253,527	705
14. Single Homes - Timber Land	30.000%	29,350	8,805	68,233	20,470	449	744	886	2,561
15. Single Homes - Timber Land	3.860%	0	0	16,081,736	620,755	2,875,611	4,706,712	8,252,519	61,018
16. Single Homes - Timber Land	2.288%	1,460,739,041	58,384,527	100,168,556	2,261,806	190,781	314,429	574,182	216,307
17. Single Homes - Timber Land	3.860%	165,668,689	3,740,799	1,266,819,870	48,899,247	2,778,551	4,454,354	8,303,982	4,757,757
18. Single Homes - Timber Land	3.860%	1,411,434,948	54,481,389	3,937,593,446	151,991,107	8,704,682	13,962,132	26,312,391	14,475,081
19. Single Homes - Timber Land	3.860%	4,421,762,772	170,680,043	1,732,746	33,442	10,190	16,605	30,948	3,088
20. Single Homes - Timber Land	1.930%	10,352,591	199,805	1,05,773	3,170	702,491	864,532	1,599,895	2,599
21. Single Homes - Timber Land	30.000%	45,914,463	13,774,339	105,667	3,170	2,228	336	724	318
22. Single Homes - Timber Land	3.000%	189,000	35,613,470	888,968,860	34,314,198	1,816,272	2,925,694	5,386,148	3,346,750
23. Single Homes - Timber Land	3.860%	922,621,140	2,828,515	18,988,938	732,973	144,254	227,007	452,191	67,911
24. Single Homes - Timber Land	3.000%	73,217,591	5,536,827	9,113	2,734	282,378	394,293	665,014	233
25. Single Homes - Timber Land	0.000%	18,456,090	0	0	0	0	0	0	0
26. Single Homes - Timber Land	1.902%	0	32,401	6,782	129	1,652	2,468	4,132	12
27. Single Homes - Timber Land	3.860%	1,703,523	0	0	0	0	0	0	0
28. Single Homes - Timber Land	3.860%	394,244,249	15,217,628	106,507,202	4,111,178	776,109	1,178,403	2,164,600	392,778
29. Single Homes - Timber Land	30.000%	127,914,957	38,374,487	43,543	13,063	1,957,099	2,557,623	4,168,429	1,196
30. Single Homes - Timber Land	3.860%	602,681,062	23,302,089	76,233,660	2,942,627	1,188,407	1,924,713	3,554,563	300,587
31. Single Homes - Timber Land	3.860%	590,115,311	22,772,451	125,249,767	4,834,641	1,161,701	1,740,664	3,084,966	467,658
32. Single Homes - Timber Land	2.140%	3,271,215	70,004	3,197,697	68,435	3,570	5,884	11,777	6,374
33. Single Homes - Timber Land	3.840%	168,974,583	6,488,624	48,854	1,876	330,920	518,105	974,234	149
34. Single Homes - Timber Land	3.000%	338,000	10,140	67,333	2,020	517	116,125	239,251	176
35. Single Homes - Timber Land	3.000%	35,632,567	1,068,977	163,300	4,899	39,017	46,586	80,632	444
36. Single Homes - Timber Land	3.860%	19,819,715	765,041	2,920,803	112,743	5,109,087	8,198,811	15,501,204	7,396
37. Single Homes - Timber Land	3.860%	2,599,289,767	100,178,185	2,432,987,150	93,913,304	1,036	1,537	2,098	0
38. Single Homes - Timber Land	3.000%	677,000	20,310	0	0	0	0	0	0
39. Single Homes - Timber Land	0.000%	0	0	28,620,674	1,104,758	5,280,224	8,461,180	15,562,474	103,401
40. Single Homes - Timber Land	3.860%	2,682,222,772	103,533,799	0	0	0	0	0	0
41. Single Homes - Timber Land	18,172,135,703	805,399,889	9,095,225,528	348,664,973	41,075,394	63,375,742	114,518,033	33,677,094	252,646,263
42. Single Homes - Timber Land	2.276%	12,310,198	274,025	4,656,020	103,643	13,975	22,395	41,147	9,932
43. Single Homes - Timber Land	1.930%	22,866,985	441,140	3,064,041	59,136	22,498	36,662	70,428	5,807
44. Single Homes - Timber Land	1.367%	9,223,343	126,085	68,544	9,937	6,430	9,415	15,923	83
45. Single Homes - Timber Land	2.282%	59,049,343	1,344,506	36,693,953	837,356	68,723	110,844	199,981	82,404
46. Single Homes - Timber Land	3.088%	1,650,421,567	31,279,818	2,681,574	82,807	2,614,965	3,664,187	6,071,370	6,406
47. Single Homes - Timber Land	3.088%	124,931,185	3,857,875	2,990,317	8,965	196,752	288,278	509,954	7,740
48. Single Homes - Timber Land	3.000%	2,186,733	65,602	1,992,533	59,776	3,346	4,371	7,922	7,346
49. Single Homes - Timber Land	3.600%	21,021,917	811,446	15,371,969	593,358	41,384	55,022	103,212	62,011
50. Single Homes - Timber Land	3.000%	29,200	876	0	0	45	66	90	0
51. Single Homes - Timber Land	3.000%	0	0	0	0	0	0	0	0
52. Single Homes - Timber Land	3.860%	223,524,870	8,628,060	23,366,554	901,948	440,031	717,676	1,304,176	97,328
53. Single Homes - Timber Land	3.000%	4,309,000	86,180	318,700	6,374	4,395	6,921	11,410	530
54. Single Homes - Timber Land	30.000%	277,980,817	83,394,245	31,217	9,385	4,253,106	5,729,775	9,253,527	705
55. Single Homes - Timber Land	30.000%	29,350	8,805	68,233	20,470	449	744	886	2,561
56. Single Homes - Timber Land	3.860%	0	0	16,081,736	620,755	2,875,611	4,706,712	8,252,519	61,018
57. Single Homes - Timber Land	2.288%	1,460,739,041	58,384,527	100,168,556	2,261,806	190,781	314,429	574,182	216,307
58. Single Homes - Timber Land	3.860%	165,668,689	3,740,799	1,266,819,870	48,899,247	2,778,551	4,454,354	8,303,982	4,757,757
59. Single Homes - Timber Land	3.860%	1,411,434,948	54,481,389	3,937,593,446	151,991,107	8,704,682	13,962,132	26,312,391	14,475,081
60. Single Homes - Timber Land	3.860%	4,421,762,772	170,680,043	1,732,746	33,442	10,190	16,605	30,948	3,088
61. Single Homes - Timber Land	1.930%	10,352,591	199,805	1,05,773	3,170	702,491	864,532	1,599,895	2,599
62. Single Homes - Timber Land	30.000%	45,914,463	13,774,339	105,667	3,170	2,228	336	724	318
63. Single Homes - Timber Land	3.000%	189,000	35,613,470	888,968,860	34,314,198	1,816,272	2,925,694	5,386,148	3,346,750
64. Single Homes - Timber Land	3.860%	922,621,140	2,828,515	18,988,938	732,973	144,254	227,007	452,191	67,911
65. Single Homes - Timber Land	3.000%	73,217,591	5,536,827	9,113	2,734	282,378	394,293	665,014	233
66. Single Homes - Timber Land	0.000%	18,456,090	0	0	0	0	0	0	0
67. Single Homes - Timber Land	1.902%	0	32,401	6,782	129	1,652	2,468	4,132	12
68. Single Homes - Timber Land	3.860%	1,703,523	0	0	0	0	0	0	0
69. Single Homes - Timber Land	3.860%	394,244,249	15,217,628	106,507,202	4,111,178	776,109	1,178,403	2,164,600	392,778
70. Single Homes - Timber Land	30.000%	127,914,957	38,374,487	43,543	13,063	1,957,099	2,557,623	4,168,429	1,196
71. Single Homes - Timber Land	3.860%	602,681,062	23,302,089	76,233,660	2,942,627	1,188,407	1,924,713	3,554,563	300,587
72. Single Homes - Timber Land	3.860%	590,115,311	22,772,451	125,249,767	4,834,641	1,161,701	1,740,664	3,084,966	467,658
73. Single Homes - Timber Land	2.140%	3,271,215	70,004	3,197,697	68,435	3,570	5,884	11,777	6,374
74. Single Homes - Timber Land	3.840%	168,974,583	6,488,624	48,854	1,876	330,920	518,105	974,234	149
75. Single Homes - Timber Land	3.000%	338,000	10,140	67,333	2,020	517	116,125	239,251	176
76. Single Homes - Timber Land	3.000%	35,632,567	1,068,977	163,300	4,899	39,017	46,586	80,632	444
77. Single Homes - Timber Land	3.860%	19,819,715	765,041	2,920,803	112,743	5,109,087	8,198,811	15,501,204	7,396
78. Single Homes - Timber Land	3.860%	2,599,289,767	100,178,185	2,432,987,150	93,913,304	1,036	1,537	2,098	0
79. Single Homes - Timber Land	3.000%	677,000	20,310	0	0	0	0	0	0
80. Single Homes - Timber Land	0.000%	0	0	28,620,674	1,104,758	5,280,224	8,461,180	15,562,474	103,401
81. Single Homes - Timber Land	3.860%	2,682,222,772	103,533,799	0	0	0	0	0	0
82. Single Homes - Timber Land	18,172,135,703	805,399,889	9,095,225,528	348,664,973	41,075,394	63,375,742	114,518,033	33,677,094	252,646,263
83. Single Homes - Timber Land	2.276%	12,310,198	274,025	4,656,020	103,643	13,975	22,395	41,147	9,932
84. Single Homes - Timber Land	1.930%	22,866,985	441,140	3,064,041	59,136	22,498	36,662	70,428	5,807
85. Single Homes - Timber Land	1.367%	9,223,343	126,085	68,544	9,937	6,430	9,415	15,923	83
86. Single Homes - Timber Land	2.282%	59,049,343	1,344,506	36,693,953	837,356	68,723	110,844	199,981	82,404
87. Single Homes - Timber Land	3.088%	1,650,421,567	31,279,818	2,681,574	82,807	2,614,965	3,664,187	6,071,370	6,406
88. Single Homes - Timber Land	3.088%	124,931,185	3,857,875	2,990,317	8,965	196,752	288,278	509,954	7,740
89. Single Homes - Timber Land	3.000%	2,186,733	65,602	1,992,533	59,776	3,346	4,371	7,922	7,346
90. Single Homes - Timber Land	3.600%	21,021,917	811,446	15,371,969	593,358	41,384	55,022	103,212	62,011
91. Single Homes - Timber Land	3.000%	29,200	876	0	0	45	66	90	0
92. Single Homes - Timber Land	3.000%	0	0	0	0	0	0	0	0
93. Single Homes - Timber Land	3.860%	223,524,870	8,628,060	23,366,554	901,948	440,031	717,676	1,304,176	97,328
94. Single Homes - Timber Land	3.000%	4,309,000	86,180	318,700	6,374	4,395	6,921	11,410	530
95. Single Homes - Timber Land	30.000%	277,980,817	83,394,245	31,217	9,385	4,253,106	5,729,775	9,253,527	705
96. Single Homes - Timber Land	30.000%	29,350	8,805	68,233	20,470	449	744	886	2,561

SENATE TAXATION

EXHIBIT NO. 4 P. 2

DATE 6/29/69

Property 5030

Calculation of Average Mill Levies By Property Type

Property	1968 Tax Rate	1968 Total Market Value	1968 Total Taxable Value	Market Value Within Cities/Towns	Taxable Value Within Cities/Towns	State	County	Schools	Cities/ Towns	Total 1968 Taxes Levied
u Rural Co-op companies Real Prop	3.000X	222,273,467	6,668,204	8,086,833	242,605	340,078	452,117	774,480	22,842	1,589,517
u Railroads Real Prop	10.970X	348,011,440	38,176,855	26,912,361	2,952,286	1,947,020	2,659,017	4,634,521	315,167	8,755,744
u Electric Companies Real Prop	12.000X	1,132,821,600	135,950,592	4,041,533	484,984	6,933,480	3,933,813	8,089,131	48,852	19,005,276
u Natural Gas Companies Real Prop	12.000X	7,814,792	848,775	56,075	6,729	48,439	63,837	88,379	477	201,132
u Telecomm. Companies Real Prop	12.000X	301,108,500	36,133,020	153,204,400	18,384,528	1,842,784	2,913,832	5,555,411	1,778,812	12,090,839
u Gas and Electric Companies Real Prop	12.000X	870,409,192	104,449,103	21,578,475	2,569,417	5,326,904	5,454,274	10,539,714	257,017	21,577,910
u Pipelines Real Prop	12.000X	310,684,575	37,282,149	744,567	89,348	1,901,390	2,016,889	3,745,940	9,116	7,673,334
u Airlines Real Prop	12.000X	371,858	44,623	214,683	25,762	2,276	3,731	7,019	2,102	15,127
u Indep. Telephone Companies Real Prop	8.000X	5,735,050	458,804	228,113	18,249	23,399	37,124	61,063	1,448	123,034
Subtotal		3,199,430,474	360,113,125	215,067,040	24,793,908	18,365,769	17,534,634	33,695,657	2,435,852	72,031,913
Statewide Total		26,225,706,009	1,942,949,796	10,019,699,600	455,218,805	99,090,440	121,450,481	217,470,274	44,007,067	482,018,261

SENATE TAXATION

EXHIBIT NO. 4 P. 4DATE 6/29/89BILL NO. SB 28Estimated Personal Property Taxes
Tax Year 1988

Property Type	1988 Tax rate =====	1988 Taxable Value =====	1988 Taxes Levied by State, County and Schools =====	1988 Taxes Levied by Cities and Towns =====	Total 1988 Taxes Levied =====	AVG Mill Levy =====
Motor Vehicles						
Trucks 1 to 1 1/2 Tons	13.000%	3,776,989	958,532	90,355	1,048,887	277.70
Trucks over 1 1/2 Tons	11.000%	7,614,418	1,897,999	127,262	2,025,261	265.98
Autos, Trucks lt 1 Ton	0.000%	0	0	0	0	0.00
Motorcycles	0.000%	0	0	0	0	0.00
Off Road Vehicles	16.000%	0	0	0	0	0.00
Buses	13.000%	171,932	41,063	2,543	43,606	253.62
Watercraft, ATV Back Taxes	11.000%	941,796	285,734	17,037	302,770	321.48
Trailers	11.000%	4,529,825	1,147,122	72,619	1,219,741	269.29
Coal and Ore Haulers	16.000%	3,224,825	553,235	119	553,354	171.59
Locally Assessed Co-op Vehicles	3.000%	47,579	10,662	2,523	13,186	277.13
Subtotal		20,307,864	4,894,347	312,459	5,206,806	256.40

General Personal Property						
All Gasohol Related Property	3.000%	550	137	0	137	249.09
New Industry - Other Property	3.000%	2,247,362	760,770	703	761,474	338.83
R & D Personal Property	3.000%	15,053	3,462	0	3,462	229.99
Rental Equipment	4.000%	200,346	55,644	14,247	69,891	248.85
Other Livestock	4.000%	57,024	13,675	70	13,745	241.04
Horses	4.000%	953,034	232,457	854	233,311	244.81
Sheep	4.000%	626,679	137,603	6	137,609	219.58
Swine	4.000%	109,008	24,683	13	24,696	226.55
Cattle	4.000%	20,255,833	4,662,144	563	4,662,707	230.19
Repair Tools	8.000%	4,373,945	1,170,441	182,438	1,352,879	309.30
Manufacturing Machinery	11.000%	72,949,015	18,901,398	670,664	19,572,062	268.30
Ag Implements	11.000%	55,254,775	12,646,643	10,684	12,657,327	229.07
Oil Field Equipment	11.000%	19,797,678	3,128,836	10,544	3,139,380	158.57
Mining Machinery	11.000%	1,327,230	346,428	2,256	348,683	262.71
Ski Lifts	11.000%	390,981	109,343	0	109,343	279.66
Tack Equipment	11.000%	305,319	75,650	367	76,018	248.98
Rental Equipment	11.000%	1,587,747	433,415	119,628	553,043	348.32
Machin. other than Farm, Min., Manuf.	11.000%	24,999,646	5,307,513	188,015	5,495,527	219.82
Supplies and Materials	11.000%	6,757,722	1,586,903	91,645	1,678,547	248.39
Furniture and Fixtures	13.000%	41,280,363	11,847,420	3,230,732	15,078,153	365.26
CB's and Mobile Phones	13.000%	184,541	45,245	3,589	48,834	264.63
Radio and TV Broadcasting Equip.	16.000%	1,159,617	339,470	52,926	392,396	338.38
Cable TV Systems	16.000%	1,709,878	480,855	110,774	591,629	346.01
Theatre and Sound Equipment	16.000%	111,965	34,338	7,560	41,898	374.20
All Other Property	16.000%	168,127	38,507	7,067	45,574	271.07
Mobile Homes	3.860%	15,217,828	4,119,112	392,778	4,511,890	296.49
Mobile Homes - Retired and Disabled	2.226%	274,025	77,518	9,932	87,449	319.13
Subtotal		272,315,291	66,579,609	5,108,056	71,687,665	263.25

SENATE TAXATION

EXHIBIT NO. 4 P. 5

DATE 6/29/89

BILL NO. SB 28

Estimated Personal Property Taxes
Tax Year 1988

Property Type	1988 Tax Rate =====	1988 Taxable Value =====	1988 Taxes Levied by State, County and Schools =====	1988 Taxes Levied by Cities and Towns =====	Total 1988 Taxes Levied =====	Avg Mill Levy =====
Utility Personal Property						
Rural Co-op Companies Per Prop	3.000%	2,289,317	531,303	48,506	579,809	253.27
Locally Assessed Co-op Per Prop	3.000%	558,390	120,349	1,646	121,995	218.48
Independent Tele. Co. Per Prop	8.000%	167,325	40,785	421	41,207	246.27
Natural Gas Companies Per Prop	12.000%	28,963	4,126	425	4,551	157.13
Pipe Lines Per Prop	12.000%	5,871,565	1,196,908	37,773	1,234,681	210.28
Gas and Elec. Per Prop	12.000%	23,710,878	6,564,781	807,218	7,371,999	310.91
Electric Companies Per Prop	12.000%	8,020,530	1,525,301	50,770	1,576,071	196.50
Telecomm. Co. Per Prop	12.000%	26,004,036	7,250,436	1,757,138	9,007,574	346.39
Railroads	10.970%	3,134,874	846,052	45,142	891,194	284.28
Airlines (includes flight prop)	12.000%	6,038,410	1,841,491	60,677	1,902,168	315.01
Subtotal		75,824,288	19,921,532	2,809,716	22,731,248	299.79
Statewide Total		368,446,943	91,395,488	8,230,231	99,625,718	270.39

Division of Taxation of General and Utility Personal Property by County

3

EXHIBIT 10
DATE 6/29/89
PAGE 28

	General Personal Property				Utility Personal Property			
	1988 Taxes Levied by State, County and Schools	1988 Taxes Levied by Cities/Towns Within County	Total 1988 Taxes Levied	1988 Taxable Value	1988 Taxes Levied by State, County and Schools	1988 Taxes Levied by Cities/Towns Within County	Total 1988 Taxes Levied	1988 Taxable Value
Beaverhead	1,184,412	39,540	1,203,951	510,584	136,832	22,950	159,782	4,344,963
Big Horn	1,805,383	38,490	1,843,873	1,056,126	128,389	20,366	148,755	14,851,088
Blaine	556,386	32,579	588,965	690,012	125,729	27,850	153,579	3,053,501
Broadwater	472,870	14,935	487,805	284,140	56,008	9,083	65,091	2,398,958
Cardon	547,620	39,994	587,615	736,641	150,291	37,284	187,574	2,684,130
Carter	328,460	5,861	334,321	167,721	35,518	1,473	36,991	1,551,035
Cascade	3,626,038	559,600	4,185,638	4,667,168	1,536,226	214,655	1,750,881	11,016,172
Chouteau	1,388,126	38,909	1,427,035	436,390	108,396	17,496	125,892	5,589,126
Custer	1,063,489	115,873	1,179,362	1,009,582	404,562	69,844	474,406	2,653,928
Danields	657,859	17,266	675,125	138,642	47,519	9,547	57,066	1,919,380
Dawson	1,027,349	81,127	1,108,476	2,539,061	744,204	137,960	882,164	3,505,087
Deer Lodge	358,914	4,207	363,121	555,773	222,602	3,786	226,389	896,103
Fallon	537,401	26,866	564,267	1,408,304	147,624	12,917	160,540	5,126,717
Fergus	1,446,928	85,817	1,532,745	675,186	204,592	52,675	257,267	4,775,099
Flathead	4,032,227	427,868	4,460,095	3,192,320	1,004,920	187,601	1,192,521	12,809,133
Gallatin	3,241,489	451,538	3,693,027	3,932,071	1,076,187	188,015	1,264,202	11,843,444
Garfield	293,300	4,089	297,389	33,363	5,931	267	6,199	1,649,795
Glacier	851,898	45,302	897,199	833,128	187,186	10,349	197,535	3,791,632
Golden Valley	141,029	1,854	142,883	79,246	16,641	3,094	19,735	671,608
Granite	372,247	9,813	382,060	355,994	102,915	10,162	113,077	1,287,645
Hill	1,606,107	115,643	1,721,750	1,500,523	398,989	75,878	474,866	6,040,272
Jefferson	1,608,638	15,394	1,624,031	992,835	245,513	14,140	259,653	6,505,193
Judith Basin	416,807	2,247	419,053	252,987	63,155	197	63,352	1,669,640
Lake	855,693	68,598	924,290	362,260	84,577	14,419	98,995	3,665,111
Lewis & Clark	2,611,836	408,786	3,020,622	5,213,523	1,751,563	306,524	2,058,087	7,774,123
Liberty	403,102	7,308	410,410	114,968	21,273	2,673	23,947	2,178,510
Lincoln	9,379,883	45,401	9,425,284	584,531	147,710	27,479	175,189	9,379,883
Madison	1,005,153	16,484	1,021,636	431,426	96,774	13,966	110,741	4,481,035
McConne	654,480	15,219	669,698	262,683	67,416	4,570	71,986	2,550,135
Meagher	270,738	10,583	281,321	192,626	35,480	6,134	41,614	1,469,866
Mineral	430,622	10,975	441,598	258,438	82,166	7,267	89,433	1,354,442
Missoula	8,826,806	801,137	9,627,944	4,884,625	1,570,366	294,017	1,864,383	27,455,792
Musselshell	288,779	14,034	302,813	398,129	59,498	14,955	74,453	1,932,354
Park	690,467	75,219	765,686	802,092	191,421	50,502	241,923	2,893,191
Petroleum	103,783	640	104,423	9,422	1,732	464	2,196	564,497
Phillips	704,132	27,961	732,093	631,220	100,241	25,267	125,508	4,433,933
Pondera	874,286	44,345	918,630	441,857	109,620	18,612	128,232	3,524,067
Powder River	393,636	8,171	401,807	113,584	15,756	5,784	21,540	2,837,753
Powell	599,722	21,800	621,522	447,303	135,844	14,683	150,527	1,974,750
Prairie	253,408	9,594	263,002	71,773	16,946	5,581	22,528	1,073,260
Ravalli	958,909	73,280	1,032,189	1,335,678	307,178	45,537	352,715	4,169,550
Richland	1,340,126	58,216	1,398,342	3,275,829	465,742	47,286	513,028	4,169,550
Roosevelt	815,655	43,191	858,846	687,170	121,347	34,369	155,716	9,425,875
Rosebud	1,027,821	27,738	1,055,559	2,830,853	227,306	22,420	32,496	4,618,940
Sanders	423,849	40,764	464,614	6,171,098	1,272,672	32,496	1,305,167	2,055,217
Sheridan	886,415	33,077	919,491	285,566	42,165	21,862	64,026	6,003,391
Silver Bow	2,766,138	1,400	2,767,538	4,113,532	1,712,138	416	1,712,554	6,645,842
Stillwater	795,241	35,484	830,725	575,089	135,880	11,378	147,258	3,365,723
Sweet Grass	359,904	13,637	373,542	281,049	76,486	6,656	83,142	1,322,468
Teton	3,607,621	25,465	3,633,086	387,352	98,623	17,838	116,460	3,607,621
Treasure	815,209	43,299	858,508	304,809	48,743	19,400	68,143	5,097,825
Valley	174,710	5,239	179,949	72,457	17,248	1,759	19,008	733,924
Wheatland	1,011,976	67,204	1,079,180	1,449,082	351,989	49,970	401,959	4,166,138
Wibaux	221,216	8,210	229,426	220,095	51,324	11,451	62,775	945,667
Yellowstone	9,855,668	1,177,657	11,033,325	84,834	10,542	6,617	17,159	1,780,121
Total	71,473,956	5,420,515	76,894,470	75,813,350	19,918,768	2,809,703	22,728,471	292,622,655

S B _____

PROPERTY CLASSES

<u>CLASS</u>	<u>CODE</u>	<u>PROPERTY TYPE</u>	<u>STATUS</u>
1	131	NET PROCEEDS	NC
2	132	GROSS PROCEEDS	NC
3	133	AG LAND RATE "P"	NC
4	134	ALL LAND (REAL PROPERTY)	NC
5	135	ELEC. COOP - AIR POLLUTION NEW INDUSTRY	AMEND
6	136	LIVESTOCK	REPEAL
7	137	RURAL TELE. & ELEC.	AMEND
8	138	EQUIP-IMPLEMENTS-MACHINERY	REPEAL
9	139	BUSES-FURNITURE-FIXTURES	REPEAL
10	140	RADIO-TV-THEATRES-ORE TRUCKS	REPEAL
11	141	CENTRALLY ASSESSED	AMEND
12	142	MOBILE HOMES (MOVE TO CLASS 4)	REPEAL
13	143	TIMBERLAND	NC
14	144	AG LAND IMPROVEMENTS	NC
15	145	RAILROAD	AMEND
16	146	TACK-NON COMMERCIAL	REPEAL
17	147	AIRLINES	AMEND
18	148	MINING CLAIMS	NC
19	149	NON-PROD REAL PROPERTY	NC
20	150	SPECIAL PROCESSING PROP.	NC

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DATE 6/29/89
SIC 5828

TABLE 3
Estimated Revenue from a 1 Percent Sales Tax
Retail Trade (Narrow-based)
1990 and 1991
In Thousands of Dollars

Industry	SIC	1990				1991			
		Gross sales	Adjst. factor	Taxable sales	Revenue from 1% tax	Gross sales	Adjst. factor	Taxable sales	Revenue from 1% tax
Retail Trade	52-59	5,425,098	***	5,051,663	50,517	5,711,711	***	5,318,230	53,182
Building materials/hardware	52	366,741	***	350,597	3,506	386,855	***	369,911	3,699
Lumber/building materials	521-522	222,087	0.973	216,091	2,161	235,399	0.973	229,043	2,290
Paint, glass, wallpaper	523	15,572	0.913	14,217	142	16,098	0.913	14,698	147
Hardware stores	525	84,060	0.956	80,361	804	88,640	0.956	84,740	847
Nurseries/garden supplies	526	6,431	0.940	6,045	60	6,655	0.940	6,256	63
Mobile home dealers	527	38,591	0.878	33,882	339	40,062	0.878	35,175	352
General merchandise	53	448,492	0.967	433,691	4,337	474,151	0.967	458,504	4,585
Food stores	54	1,206,497	***	1,095,613	10,956	1,248,009	***	1,133,298	11,333
Grocery stores	541	1,157,621	0.909	1,052,277	10,523	1,196,098	0.909	1,087,253	10,873
Fruit/vegetable/meat	542-543	19,413	0.944	18,326	183	20,471	0.944	19,325	193
Candy/nut/confectionary	544	4,155	0.938	3,897	39	4,481	0.938	4,203	42
Dairy products	545	9,821	0.938	6,266	63	10,356	0.938	6,607	66
Bakeries	546	7,964	0.979	7,797	78	8,420	0.979	8,243	82
Other food stores	546	7,523	0.937	7,049	70	8,183	0.937	7,667	77
Auto dealers (new-used)	55	1,093,350	***	1,000,591	10,006	1,156,424	***	1,057,959	10,580
Auto dealers (new-used)	551-552	875,296	0.926	810,524	8,105	922,989	0.926	854,668	8,547
Accessory dealers	553	126,165	0.910	114,810	1,148	132,833	0.910	120,878	1,209
Marine/aircraft, etc.	554	91,889	0.819	75,257	753	100,601	0.819	82,392	824
Service stations	554	418,383	0.967	404,576	4,046	441,180	0.967	426,621	4,266
Apparel/accessories	56	308,752	***	300,870	3,009	329,630	***	321,203	3,212
Clothing stores	561-565	259,813	0.974	253,058	2,531	278,075	0.974	270,945	2,708
Shoe stores	566	39,660	0.984	39,025	390	41,496	0.984	40,832	408
Other accessories	566	9,279	0.947	8,788	88	10,058	0.947	9,525	95
Furniture/furnishings/equip.	57	325,581	***	306,662	3,067	352,572	***	332,093	3,321
Furniture stores	571	138,747	0.933	129,451	1,295	148,500	0.933	138,550	1,386
Appliance stores	572	46,557	0.956	44,508	445	49,043	0.956	46,885	469
Radio/TV/music stores	573	140,278	0.946	132,703	1,327	155,029	0.946	146,658	1,467
Eating/drinking places	58	573,580	0.959	550,063	5,501	595,458	0.959	571,044	5,710
Drug stores	591	187,212	0.950	177,851	1,779	195,882	0.950	186,088	1,861
Miscellaneous retail stores	59	496,510	***	431,148	4,311	531,552	***	461,509	4,615
Miscellaneous goods	594	253,673	0.919	233,125	2,331	270,812	0.919	248,877	2,489
Nonstore retailers	596	46,878	0.822	38,616	386	49,538	0.822	40,720	407
Fuel/ice	598	24,440	0.785	19,186	192	25,772	0.785	20,231	202
Other retail stores	598	171,419	0.818	140,221	1,402	185,429	0.818	151,681	1,517

Source: Montana Legislative Council

Notes: Detail may not add due to rounding. Adjustment factors for drug stores (SIC 591) and fuel/ice stores were derived from New Mexico; the factor for service stations (SIC 554) was taken from S.M. Chazanfar (PUBLIC FINANCE QUARTERLY, April 1975). see discussion under the services sector.

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DATE 6/29/89
BILL NO. SB 28

SALES TAX

3% Retail Goods Sales Tax - \$200 million

1. Exempt prescription drugs, prosthesis, wheelchairs
2. Easily collected and administered
3. Less costly to administer
4. Applies to everyone
5. Avoids arguments about services to be exempt
6. Affects 35% of spendable income
7. Tourists would contribute
8. As consumption increases, revenues increase

4 p. 10
DATE 6/29/89
BILL NO. SB 28

EXAMPLE TAX REFORM FOR INDIVIDUAL

\$20,000 INCOME:

Home \$50,000 Market Value X 3.86% =
\$ 1,930 Tax value X 300 mills=
Residential tax= \$579

(\$20% reduction)= \$115.80

Sales tax \$20,000, spend 35% on taxable items
\$7,000 X .03= \$210 in sales tax

Personal Property - Reduction on Cost of Business

1. Reduction on goods
2. Reduction in utilities
3. Reduction in services

4 P11
DATE 6/29/59
BILL NO. SB 20

PROPERTY TAX REFORM

Repeal Personal Property -- \$100 Million

1. Stimulate industry - create jobs
2. Increase manufacturing - create new wealth
3. Reduce cost of production - lower prices
4. Eliminates cost of Administration - reduces government
5. Taxes were passed through - hidden sales tax
6. Equalize statewide tax base.
7. Make Montana goods competitive - increase exports
8. Convert raw material to finished goods, add value
9. Increase per capita income - raises income tax revenue
10. Agriculture, implement, property tax greater than sales tax
11. Reduction in cost of services not subject to sales tax

Reduce Real Property 20% - \$80 Million

1. Reduce burden on low income
2. Reduce burden on retired
3. Reduce tax pass through on goods.
4. Increase home sales.
5. Stimulate Business investment.
6. Increase available income to pay sales tax

TON
EXHIBIT NO. 4 R 12
DATE 6/29/89
BILL NO. SB 38

DISTRIBUTION

Total Revenues to Foundation Program

1. Equitably Distributed -- Formula approved
2. Taxpayers paying for education -- everyone shares
3. Reduces school mill levy in county
4. Increase state's share of education cost
5. Reduces district property tax burden
6. Stabilizes education revenue

TAX BURDEN BY INCOME CLASS

ations in the tax burden distribution become evident when each type of tax is examined separately. For example, the individual income tax burden of the \$90,000 or more income group is nine times greater than that of a family in the lowest income class. Conversely, the gasoline tax burden is almost ten times greater for the lowest income group than for the highest income families. Given the great disparity in the distribution of the tax burden resulting from different types of taxes, the extent to which a certain tax is used can severely affect the tax burden for families within a particular income group.

The Progressive Elements

Individual Income Taxes

The Federal individual income tax represents the major progressive portion of the tax structure, ranging from 2.32% of income for the lowest income group to 25.18% for families in the highest income class. Combined with state and local collections, total individual income taxes represent approximately one third of all government revenues and are thus responsible for the most progressive element within the entire tax structure (Exhibit 8). Compared to the average income tax burden of 11.37% for all classes, the highest income families' burden is almost two and one half times greater, while the lowest income groups' burden is almost four times lower than the average burden.

The Generally Proportional Elements

Corporate Income Tax

The corporate income tax burden appears, on the basis of allocation used here, to be lowest on families in the income range from \$30,000 to \$60,000.(14) At the highest income levels, the concentration of dividends income makes the burden progressive on the assumption that half of the tax falls on shareholders (Exhibit 9). Bureau of Labor Statistics and Internal Revenue Service data indicate that dividend income is a significant source of income in the higher income brackets.(15)

The assumption that half of the corpo-

rate tax burden is shifted forward in the form of higher consumer prices results in a regressive tail on the corporate tax burden distribution (Exhibit 9). Consumption expenditures represent a greater portion of income for lower income families, thus forcing them to absorb a larger portion of the corporate tax burden shifted to consumption goods.

Property Taxes

Property taxes are employed by state and local governments and represent approximately 23% of their total revenues (Exhibit 2). Although there exists a wide variation in rates and in the definition of taxable property, generally the tax is levied on the assessed value of real property, including land, homes, buildings, and equipment owned by businesses. The property tax burden ranges from 5.58% of income for the lowest income families to 3.76% for the highest income group. The property tax burden appears, on the basis of the allocation used here, to be lowest on families in the income range from \$20,000 to \$60,000 (Exhibit 10). Both the lowest income bracket, at 5.58%, and the highest bracket, at 3.76%, absorb a somewhat larger property tax burden than the average tax burden of 3.08% (Exhibit 7). This distributional result is explained by the greater proportion of income spent on housing in the lowest income class and the larger concentration of property income in the highest income class.(16) Except for the lowest income class, the property tax appears to be the most generally proportional tax of the major taxes in this study.

The Regressive Elements

Sales and Excise Taxes

Sales and excise taxes represent the third largest source of revenue for all governments and remain the most regressive element within the entire tax system. Sales taxes examined in this study are primarily state and local general sales taxes levied on a broad list of goods and services. They are assessed as a percentage of the price paid by the consumer for a good or service. Excise taxes are levied on specific products by all levels of government. Although excise taxes affect hundreds of prod-

EXHIBIT

DATE

BILL NO.

1988

Total

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6/29/89
Educational
5338

Fiscal 1988 Expenditures - Revenue
Office of Public Instruction
Source: Trustees' Financial Summary Fiscal 1988
as of 2/09/89

BUDGETED FUNDS	Elementary	High School	Combined EXPENDITURES	Fiscal 19 Office of Pub REVENUES
✓ 01 General	279,000,540	167,887,168	\$446,887,728	\$446,674,266
✓ 10 Transportation	17,051,155	11,508,023	\$28,559,178	28,855,140
11 Bus Depreciation	916,255	943,347	\$1,859,602	3,716,233
13 Tuition	577,362	132,574	\$1,109,938	1,202,183
✓ 14 Retirement	33,433,410	18,911,552	\$52,344,962	52,659,019
✓ 16 Compren Insur	4,545,873	4,102,365	\$10,648,238	12,172,092
17 Adult Education	197,874	1,525,513	\$2,223,474	2,348,861
19 Non-Operating	29,454		\$29,454	48,829
50 Debt Service	11,200,739	13,227,752	\$24,428,491	23,458,323
61 Building Res	1,305,117	330,354	\$2,635,401	3,548,299

Budgeted Total	352,159,762	219,069,145	571,228,947	575,043,305
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01 General Fund includes
Spec Ed Payments

Table 1
Public School Revenue available under Current Law
Fiscal 1991
(Millions)

	Fiscal 1991
Beginning Fund Balance	\$0.000
State Equalization	
Individual Income Tax	\$90.851
Corporation License Tax	11.659
Coal Severance Tax	1.781
U.S. Mineral Royalties	17.404
Common School I & I	34.770
Education Trust Interest	1.831
Education Trust Transfer	0.000

Total State Equalization	\$158.296
County Equalization	
45 Mill Levy	\$84.699
Forest Funds	1.465
Taylor Grazing	0.102
Miscellaneous	7.265
Elem Transportation	(3.717)
High School Tuition	(0.838)

Total County Equalization	\$88.976
District Share of Permissive	\$18.394

Total Non-General Fund	\$265.666
Maximum General Fund w/o a Vote	\$276.880

General Fund Required	\$11.214
	=====

EDUCATION REVENUES IN MILLIONS

Sales Tax	200
Centrally Assessed Adjustments	52
State Equalization	160
Non-Levy Revenue Adjustments	100
State Share County Severance Tax	<u>20</u>
Total Foundation Program	532

Real Property Tax Levies	
Remaining in Districts	74
School Districts Share	
of County Severance Tax	24

6/29/89

DATE _____
Taxation

[illegible]

(Please leave prepared statement with Secretary)