Continuing the Public Dialogue on Idaho's Tax Policy: Can County Governments in Idaho "Grow Out" of Property Tax Reductions Resulting from the 1994 One-Percent Initiative?

by
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1. Executive Summary

If the Idaho One-percent Initiative (1994 version) had been in effect in 1993, county, school, city, highway, and other tax districts would have lost $204 million in property tax revenue according to the Idaho State Tax Commission. County government alone would have lost $68 million in property tax revenue, a third of the $204 million reduction. In 1992, supporters of the One-percent Initiative maintained that the Tax Commission estimates over-states the property tax reduction because proponents believed the tax base would grow faster than the local government expenditures. As a result, property tax rates would be lower, so the One-percent restrictions would be less revenue reducing in two years time, the earliest the initiative could take effect. Beyond this, the proponents of the One-percent Initiative argued, as long as the growth in the tax base is greater than the growth in expenditures, then local government would "grow out" of any reduction in property tax revenues given enough time. By opponents of the One-percent Initiative, the reverse argument was made.

Whether the Tax Commission's estimates of property tax loss from the One-percent Initiative for 1993 generalize to 1995 is the question addressed by this study. Using county government expenditure and tax base data from 1989 to 1993, it was found that the growth in expenditures is consistently equal to or greater than the growth in tax base. It is therefore concluded that the State Tax Commission's estimate of property tax reduction in 1993 is, in fact, generalizable to 1995 for county government and, by extension, to school, city, highway, and other local property tax districts as well. The evidence from this study supports the claim that the Tax Commission's estimates for 1993 are more likely to equal or to under-state the impact of the property tax reduction in 1995, if the future trends in expenditures and tax base are like the recent past.

On average across Idaho and in the most populated counties of Ada, Canyon, Kootenai, and Bonneville, the data reveal a consistent pattern of growth in county government expenditures equal to or greater than the growth in the property tax base.

Only Clearwater, Lewis, and Lemhi counties have a realistic chance of growing out of the effects of the One-percent Initiative over a 3 to 26 year time span. It is also likely that counties such as Blaine and Teton, which may initially be unaffected by the One-percent Initiative, will "grow into" property tax reductions from the One-percent Initiative.

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2. The Problem: $204 Million Revenue Loss in 1995?

The Idaho State Tax Commission calculated that counties, schools, cities, highways and other local government services would have lost $204 million in property tax revenue, if the One-percent Initiative had been implemented in 1993. County government alone would have lost about $68 million in property tax revenue under the One-percent Initiative in 1993. Supporters of the One-percent Initiative may maintain that the State Tax Commission's estimate of loss is "false" in that it over-states the impact of the One-percent Initiative in 1995, the year the Initiative could be implemented if passed in November. In this paper, we analyze the possible argument that questions the appropriateness of projecting the Commission's 1993 estimate of loss to 1995. Using historical data for county government since 1989 to measure the growth in property-tax expenditures, base, and rate, it is found that the Commission's estimate of loss in 1993 from the One-percent Initiative more likely under-states rather than over-states the actual loss in county property tax revenue that would occur in 1995 if the recent past is any indication of the future.

3. A Point of Agreement: A $204 Million Revenue Loss in 1993.

<u>What is the State Tax Commission's analysis of the One-percent Initiative on property tax revenues?</u> The State Tax Commission determined the amount that local property tax revenues would be reduced from lower tax rates if the One-percent Initiative had been implemented in 1993. By using 1993 as the period of time for the analysis, the State Tax Commission made use of the most recent complete set of revenue and expenditure data then available from the counties, schools, cities, and highways and other taxing districts. Therefore, the State Tax Commission's calculation of $204 million loss in property tax revenue from the One-percent Initiative is "true" for 1993, given the conservative assumptions they used regarding exempt and non-exempt expenditures. (The State Tax Commission assumed many local government expenditures would be exempt from the One-percent Initiative that are more likely to be

included in the category of non-exempt expenditures under the Initiative as written. This is another potential source of significant under-estimation of loss from the One-percent Initiative but it is not the focus of this paper.)

What the State Tax Commission analysis is not. The Commission's analysis of the One-percent Initiative is not an exercise in speculation about the growth in the property tax base, rate, and expenditures from 1993 to 1995. To do so would have only intermingled known 1993 property tax base, expenditure, and rate data with assumptions about the growth in the tax bases, expenditures, and rates to 1995, then two years in the future. Any assumption about growth would have undermined the credibility of the Commission's analysis of the One-percent Initiative. There was no need to speculate about the size of the property tax base, expenditures, and rates in 1993, they were known.

4. The Theory: Generalizing The Commission's Results to 1995

What, if anything, then can be said about the likely impact of the One-percent Initiative in 1995? Generalizing the State Tax Commission analysis from 1993 to 1995 requires additional information about the relative growth in the property tax base, expenditure, and rate of the local tax districts. There are three possible growth paths or scenarios and each has a significantly different implication about the future revenue loss from the One-percent Initiative. We will refer to these three growth paths as scenarios A, B, and C.

4.1 *Scenario A: $G_E < G_B$*

It can be shown that the growth in property tax expenditures (G_E) equals the growth in the tax base (G_B) plus the growth in the tax rate (G_R), i.e., ($G_E = G_B + G_R$). (For a proof of this statement, see equation (10) in the methodology appendix). Thus, if the growth in the tax rate is zero ($G_R = 0$), as most tax rates will be, at least initially, to satisfy the requirements of the One-percent Initiative, then the growth in property tax

expenditures cannot exceed the growth in the property tax base (G_E £ G_B) without local governments resorting to debt financing.

Scenario A was the position of the Idaho State Property Owners Association, the sponsors of 1994 version of the One-percent Initiative took in their 1992 campaign for the One-percent Initiative. They assume that the growth in expenditures is less than the growth in the base, $G_E < G_B$.

> These numbers [the $114 million loss estimated for 1991] are based on the total 1991 taxable value of all property in Idaho .... The Tax Commission has purposely refused to factor in two years of growth .... which is increasing the tax base by many times the rate of inflation .... The bottom line is, the increased tax base will reduce drastically, if not eliminate, any revenue loss as a result of the 1 Percent Initiative. ... New construction alone increases the tax base hundreds of millions of dollars per year, $572.6 million has been added the first six months of 1992. (R. Rankin and R. Gilbert, Secretary of State's 1992 Voter Pamphlet on the One-percent Initiative).

If scenario A holds then the Commission's analysis over-states the One-percent impact in 1995.

How does the growth path of scenario A work? If the growth in expenditures is less than the growth in the base, then the impact of the One-percent Initiative would be less in 1995 than in 1993, since over time the tax rates in all local tax districts would decrease. With across the board lower tax rates in 1995, a local government's revenue would be reduced less by the One-percent rate limitation requirements. (In fact, if this assumption is true, all tax rates would meet the One-percent requirements without the One-percent Initiative, given enough time.) However, if supporters of the One-percent Initiative are not willing to wait for the inevitable, given their assumption about growth, they could claim correctly that the difference in the level of public service expenditures before and after the One-percent Initiative would be eliminated completely given enough time.

4.2 *Scenario B: $G_E = G_B$*

Scenario B is associated with the assumption that the growth in expenditures equals the growth in the tax base, $G_E = G_B$. The Idahoans Against 1% assume scenario B in their 1992 campaign against the One-percent Initiative. Idahoans Against 1% was a coalition of public and private sector groups who are opposed to the One-percent Initiative. They stated,

> Fact: "Growth" in valuation at best keeps pace with "growth" in everything else depending on property taxes as a key funding source .... S. Ahrens, et al., Secretary of State's 1992 Voter Pamphlet on the One-percent Initiative).

Under scenario B, the State Tax Commission analysis of the impact of the One-percent Initiative is directly generalizable to 1995.

The growth path of scenario B is as follows. Under this assumption, the difference in the level of expenditures on public services before and after the One-percent Initiative would remain constant over time. There would be a one-time reduction in revenues to provide services, and this revenue short-fall would neither decrease nor increase over time. In scenario B, the growth in the tax rate is zero, i.e., $G_R = 0$. Thus, there is no additional source of revenue (short of raising tax rates, an option preclude by the One-percent Initiative) to make up the loss in revenue from the One-percent reductions. Also, since the tax rates would not change over time under scenario B, the State Tax Commission analysis of the impact of the One-percent Initiative would be same in real terms in 1995 as in 1993.

4.3 *Scenario C: $G_E > G_B$*

Scenario C relates to the possibility that growth in expenditure is greater than the growth in the tax base, $G_E > G_B$. No one has explicitly made this argument, though it was hinted at by the Idahoans Against 1% in their statement.

> Fact: "Growth" in valuation <u>at best</u> keeps pace with "growth" in everything else depending on property taxes as a key funding source .... S. Ahrens, et al., Secretary of State's 1992 Voter Pamphlet on the One-Percent Initiative, emphasis added).

Under scenario C, the Commission's analysis under-states the Initiative's impact in 1995.

Scenario C works as follows. The divergence in the level of expenditures for public services before and after the One-percent Initiative would increase over time relative to what it would have been if the tax rates could increase, i.e., $G_R > 0$. Since the difference between the growth in expenditures and the growth in the base is increasing, the need for additional revenue is increasing through time. There would be an initial reduction in revenues to provide services and then this revenue short-fall would increase over time. Both of these effects would be caused by the One-percent Initiative and implies that the State Tax Commission's estimates for 1993 under-state the situation in 1995.

In summary, scenarios A, B, and C exhaust the possibilities of growth responses of property tax bases and local government expenditures to the One-percent restrictions. In scenario A, it is assumed that growth in property tax expenditures is less than the growth in the base, $G_E < G_B$. In scenario B, it assumed that the growth in expenditures equals the growth in the tax base, $G_E = G_B$. Scenario C is associated with the assumption that growth in expenditures is greater than the growth in the base, $G_E > G_B$.

5. The Data and Results: The County Growth Scenarios Since 1989

In order to determine the most appropriate assumptions, we will examine the record of growth in county governments' tax bases and expenditures in the 44 counties of Idaho since 1989. See tables 1 and 2 for the county tax base and expenditure data used in this study. The biannual ratios of the county property tax base, expenditure, and the rate between 1989 and 1993 are presented in tables 3 through 5. These ratios are needed to calculate the annual growth rates in the property tax base, expenditures, and rates from 1991 to 1993. See tables 6 through 8 for these results.

Empirically, these three growth scenarios can be tested using the difference between the growth in expenditures and the base in the recent past. It can be shown that the difference equals the negative of the growth in the tax rate or $-G_R$. (For a proof, see equation (11) in the methodology appendix). This difference, when positive, can be use to make up the lost revenue from the One-percent Initiative. See tables 9 through 11 for the data on the impact of the One-percent Initiative and a categorization of likely growth scenarios for each county in the future based on trends from the recent past. The time needed in scenario-A counties to "grow out" of the One-percent reductions is given by the equation ($t = G_E^*/-G_R$). (For a proof, see equation (12) in the methodology appendix). See table 10 for these results.

There are two procedural points that need to be made. First, for purposes of categorization, scenario A will be defined as those instances in which the growth in the tax base is greater than growth in expenditures by two percentage points. The reason for the two percentage point criterion is because the growth rate differences below two percentage points tend to take over ten years to make up for reductions in revenue from the One-percent Initiative. This slow rate of recovery is more nearly like scenario B, in which the reduction in revenues remains constant. Scenario B is defined such that the growth in expenditures is plus or minus two percentage points the growth in the base. Very slow decreases and increases in revenue reduction are captured by the $\pm$ 2 percentage point criteria. Scenario C is defined as the growth in the expenditures is greater than the growth in the tax base by two percentage points.

The other procedural item relates to the time span used to determine the growth in expenditure, base, and rates. End points can make a big difference in the determination of growth rates because of the effect of the business cycle. For this reason, three times spans are used to offer a better understanding of the underlying growth rates and how they have changed. The three time spans used are (1) a two year - one period span, (1992-1993), (2) a three year - two period span, (1991-1993), and (3) a five year - four period span, (1989-93). The two period and four period growth rates

are determined by taking the average of the component one-period growth rates in order to reduce the affect of the end points. The 1989-93 time span also correspond to one complete property-assessment cycle, given that Idaho code requires that at least one-fifth of all property be reassessed for tax purposes each year.

The Idaho State Tax Commission estimated the reduction in expenditures in 43 of 44 county governments from the 1% initiative to be about $68 million. The most optimistic estimate for scenario A, associated with the 1992-93 time period, is that two counties could increase their property tax base enough to avoid the impact of the One-percent restriction by 1995 (Boundary and Teton). See table 10. Again under the most optimistic circumstances, an additional eighteen counties could grow out of the One-percent restrictions in one to thirty-five years - Bonner, Clearwater, Idaho, Latah, Lewis, Nez Perce, Gem, Payette, Valley, Gooding, Jerome, Lemhi, Minidoka, Bannock, Bear Lake, Franklin, Fremont. See table 10. The remaining 24 counties could not grow back to their 1993 level of expenditures. Between 1992 and 1993, across the 44 county governments, the growth in expenditures was 0.7% less than the growth in the property tax base, which is consistent with scenario B. The 1992-93 period was a period of high economic growth in Idaho and may be associated with the peak of a business cycle.

The most pessimistic estimate for scenario A, associated with the 1989-93 time period, is that no county could avoid the impact of the One-percent restrictions. Clearwater, Lewis, and Lemhi counties would grow out in fifteen years. Blaine would grow into revenue restrictions. The remaining 40 counties could not grow back to their 1993 level of expenditures. Between 1989 and 1993, across the 44 county governments, the growth in expenditures was 10.4% per year, the growth in the tax base was 7.1%, and the difference, i.e., the growth in the tax rate, was 3.2%. Again the state-wide average for counties is consistent with scenario C. The years 1989-93 represents a period of high growth in the Idaho economy.

6. Summary and Conclusions

There is some evidence of scenario B type growth ($G_E < G_B$) in the past three years (1991 through 1993) state-wide and in the counties of Ada, Canyon, and Kootenai. However, over a five-year span (1989 to 1993), only Kootenai county governments followed scenario B ($G_E > G_B$). The weight of the evidence from the recent past also shows that, on average, the growth in county expenditures state-wide were greater than the growth in their tax bases by 3.2% per year in each time period selected. Thus, scenario C ($G_E > G_B$) characterizes the growth path of Idaho's county governments. The conclusion of this study is: if the recent past is an indication of the future, then the State Tax Commission's assessment of the impact of the One-percent Initiative on county government is accurate for 1995 and, if anything, will under-estimate the reduction in county governments' revenues. Also, while the $68 million total reduction in county property tax revenues is approximately correct, this reduction is likely to be distributed over individual counties somewhat differently than described in the Commission's analysis. Most likely, the counties affected more than the amount estimated by the Commission will out-number those affected less.

Finally, to the extent that the above conditions for county government generally hold for city, school, highway, and other local tax districts as well, we can conclude that the Commission's $204 million estimate of property tax reduction from the One-percent Initiative will be less than or equal to the actual impact in 1995 to the extent that the recent past is an indication of the future.

6.1 ***Table 1. Idaho Counties' Property Tax Base: 1989-1993, (Million $).***

County	County Tax Base B:1989 ($)	B:1990 ($)	B:1991 ($)	B:1992 ($)	B:1993 ($)
Benewah	210.5	219.7	242.6	262.1	284.3
Bonner	1,088.8	1,129.4	1,176.7	1,261.1	1,456.3
Boundary	207.7	244.4	255.9	265.4	303.1
Clearwater	235.8	237.7	250.1	267.2	300.0
Idaho	385.9	398.7	413.4	429.6	458.3
Kootenai	2,014.5	2,082.2	2,337.8	2,643.9	3,149.7
Latah	622.7	623.4	647.3	678.1	750.5
Lewis	127.4	135.0	138.2	149.0	154.8
Nez Perce	1,167.8	1,171.0	1,296.4	1,449.4	1,561.0
Shoshone	347.0	343.8	377.4	370.4	383.3
District 1	6,408.1	6,585.3	7,135.8	7,776.2	8,801.3
Ada	5,225.3	5,693.8	6,333.0	6,877.1	7,660.3
Adams	123.4	136.1	136.8	139.4	145.3
Boise	188.7	188.5	194.5	211.3	215.5
Canyon	1,795.8	1,856.0	1,926.7	2,054.3	2,200.5
Elmore	415.9	420.9	437.0	440.9	467.8
Gem	223.5	224.0	232.4	239.7	273.1
Owyhee	244.4	249.5	241.1	247.2	260.6
Payette	293.2	308.0	322.8	336.6	362.7
Valley	523.3	550.5	656.0	668.9	764.8
Washington	257.7	268.0	267.8	273.8	289.5
District 2	9,291.2	9,895.3	10,748.1	11,489.2	12,640.1
Blaine	1,200.1	1,596.6	1,951.8	2,189.0	2,343.5
Butte	83.8	83.7	104.6	87.1	92.8
Camas	37.7	39.3	40.1	40.1	42.8
Cassia	508.2	528.6	545.4	583.9	614.1
Custer	204.2	203.8	226.6	222.0	202.6
Gooding	244.4	259.3	325.9	299.3	319.2
Jerome	338.0	353.3	352.7	378.2	435.6
Lemhi	193.4	196.5	207.9	214.1	242.8
Lincoln	107.6	104.0	106.6	112.7	119.3
Minidoka	371.9	374.5	398.1	404.4	429.2
Twin Falls	1,117.8	1,127.0	1,214.8	1,291.9	1,413.7
District 3	4,407.1	4,866.6	5,474.5	5,822.7	6,255.6
Bannock	1,168.1	1,160.8	1,177.1	1,188.6	1,275.4
Bear Lake	177.1	171.0	174.7	178.2	192.2
Bingham	700.8	740.4	779.6	799.9	845.6
Bonneville	1,475.7	1,509.4	1,618.2	1,695.0	1,782.7
Caribou	400.2	401.3	404.8	441.0	520.3
Clark	48.2	48.2	60.6	65.8	68.0
Franklin	203.0	204.5	209.8	208.0	218.9
Fremont	288.0	293.2	312.1	334.0	349.4
Jefferson	329.8	329.9	341.7	354.9	380.3
Madison	365.6	372.4	388.4	403.4	419.8
Oneida	101.4	102.5	103.4	101.7	102.8
Power	465.5	480.1	493.0	493.9	505.6
Teton	129.3	132.5	143.2	159.8	175.9
District 4	5,852.7	5,946.2	6,206.6	6,424.2	6,836.9
State Total	25,959.1	27,293.4	29,565.0	31,512.3	34,534.1

Source: Report of Market (Assessed) Value - Tax Year 1989-93, By Taxing District, TCA-2, for Market Value including prior yr. sub. roll., as reported by the County Clerks to the State Tax Commission.

6.2 ***Table 2. Idaho Counties' Property Tax Expenditures: 1989-1993.***

	County Expenditures				
County	E:1989	E:1990	E:1991	E:1992	E:1993
	($)	($)	($)	($)	($)
Benewah	1,009,412	1,077,962	1,129,729	1,417,323	1,519,713
Bonner	3,033,381	3,840,098	4,642,516	7,013,003	7,496,292
Boundary	1,123,146	1,727,489	1,932,779	2,193,418	2,185,729
Clearwater	952,569	860,514	980,905	985,680	1,055,964
Idaho	1,133,345	1,277,540	1,217,545	1,262,750	1,262,750
Kootenai	9,562,175	9,214,156	10,206,293	12,181,455	14,575,261
Latah	2,336,575	2,516,105	3,064,657	3,356,062	3,577,697
Lewis	523,218	721,273	633,587	712,362	536,607
Nez Perce	3,418,060	4,378,729	4,455,632	4,885,959	5,065,049
Shoshone	2,166,665	2,229,750	2,538,433	2,519,682	2,784,733
District 1	25,258,546	27,843,616	30,802,076	36,527,694	40,059,795
Ada	16,953,062	17,373,438	19,333,390	25,534,971	28,172,114
Adams	442,175	620,559	602,972	533,113	758,756
Boise	489,233	654,140	909,935	897,456	1,076,097
Canyon	7,804,844	8,455,017	9,363,333	10,020,492	10,904,584
Elmore	1,349,806	1,484,844	1,535,080	1,622,752	1,811,583
Gem	1,037,212	1,181,353	1,402,822	1,380,224	1,508,112
Owyhee	793,657	881,190	1,082,970	1,127,762	1,179,457
Payette	1,666,413	1,748,744	1,765,510	2,014,998	2,020,951
Valley	1,491,250	1,614,484	1,714,872	2,026,556	2,127,883
Washington	1,178,176	1,256,980	1,700,242	1,671,694	1,901,698
District 2	33,205,828	35,270,749	39,411,126	46,830,018	51,461,235
Blaine	1,762,259	2,916,443	3,673,106	3,791,860	3,684,652
Butte	361,543	361,375	435,338	391,083	425,446
Camas	201,848	217,673	230,779	274,324	288,039
Cassia	1,601,147	2,472,704	2,190,164	2,305,971	2,586,870
Custer	539,570	496,839	590,341	573,434	555,000
Gooding	1,135,722	1,211,841	1,432,214	1,589,385	1,538,447
Jerome	1,294,188	1,901,925	1,619,241	1,852,559	1,997,908
Lemhi	695,204	702,376	721,853	741,094	778,148
Lincoln	333,978	352,598	404,496	430,473	497,139
Minidoka	1,702,691	2,151,402	2,614,124	2,542,810	2,492,394
Twin Falls	4,018,562	4,449,794	4,778,374	5,248,360	6,309,220
District 3	13,646,712	17,234,970	18,690,030	19,741,353	21,153,263
Bannock	5,565,266	5,916,946	6,196,342	8,022,586	7,927,366
Bear Lake	832,775	923,318	894,624	1,024,764	896,395
Bingham	3,353,826	3,476,584	3,831,627	3,631,729	3,821,575
Bonneville	6,743,954	6,720,797	8,205,461	9,105,809	10,052,063
Caribou	1,322,305	1,531,773	1,712,124	1,860,510	2,274,343
Clark	228,327	302,266	291,537	306,951	362,502
Franklin	950,303	1,093,837	1,162,851	1,153,191	1,159,674
Fremont	1,060,996	1,236,006	1,085,549	1,390,697	1,424,601
Jefferson	1,297,513	1,438,349	1,392,156	900,957	1,575,102
Madison	1,594,362	1,465,032	2,044,241	1,932,206	2,004,204
Oneida	547,554	508,376	602,714	588,821	656,543
Power	1,119,618	1,158,934	1,248,940	1,451,786	1,595,316
Teton	362,241	427,777	470,574	467,427	491,189
District 4	24,979,040	26,199,995	29,138,740	31,837,434	34,240,873
State Totals	97,090,126	106,549,330	118,041,972	134,936,409	146,915,166

Source: Dollar Certification of Budget Request to Board of County Commissioners, TCL-2, 1989-1993, for County property tax budgets (not inc. hwy. or other part. co. funds) as reported by the County Clerks to the State Tax Commission.

6.3 *Table 3. Property Tax Base Ratio: 1989-93.*

County	Base Ratio B:90/89	B:91/90	B:92/91	B:93/92
Benewah	1.0437	1.1042	1.0804	1.0847
Bonner	1.0373	1.0419	1.0717	1.1548
Boundary	1.1767	1.0471	1.0371	1.1420
Clearwater	1.0081	1.0522	1.0684	1.1228
Idaho	1.0332	1.0369	1.0392	1.0668
Kootenai	1.0336	1.1228	1.1309	1.1913
Latah	1.0011	1.0383	1.0476	1.1068
Lewis	1.0597	1.0237	1.0781	1.0389
Nez Perce	1.0027	1.1071	1.1180	1.0770
Shoshone	0.9908	1.0977	0.9815	1.0348
District 1	1.0277	1.0836	1.0897	1.1318
Ada	1.0897	1.1123	1.0859	1.1139
Adams	1.1029	1.0051	1.0190	1.0423
Boise	0.9989	1.0318	1.0864	1.0199
Canyon	1.0335	1.0381	1.0662	1.0712
Elmore	1.0120	1.0383	1.0089	1.0610
Gem	1.0022	1.0375	1.0314	1.1393
Owyhee	1.0209	0.9663	1.0253	1.0542
Payette	1.0505	1.0481	1.0428	1.0775
Valley	1.0520	1.1916	1.0197	1.1434
Washington	1.0400	0.9993	1.0224	1.0573
District 2	1.0650	1.0862	1.0690	1.1002
Blaine	1.3304	1.2225	1.1215	1.0706
Butte	0.9988	1.2497	0.8327	1.0654
Camas	1.0424	1.0204	1.0000	1.0673
Cassia	1.0401	1.0318	1.0706	1.0517
Custer	0.9980	1.1119	0.9797	0.9126
Gooding	1.0610	1.2568	0.9184	1.0665
Jerome	1.0453	0.9983	1.0723	1.1518
Lemhi	1.0160	1.0580	1.0298	1.1340
Lincoln	0.9665	1.0250	1.0572	1.0586
Minidoka	1.0070	1.0630	1.0158	1.0613
Twin Falls	1.0082	1.0779	1.0635	1.0943
District 3	1.1043	1.1249	1.0636	1.0743
Bannock	0.9938	1.0140	1.0098	1.0730
Bear Lake	0.9656	1.0216	1.0200	1.0786
Bingham	1.0565	1.0529	1.0260	1.0571
Bonneville	1.0228	1.0721	1.0475	1.0517
Caribou	1.0027	1.0087	1.0894	1.1798
Clark	1.0000	1.2573	1.0858	1.0334
Franklin	1.0074	1.0259	0.9914	1.0524
Fremont	1.0181	1.0645	1.0702	1.0461
Jefferson	1.0003	1.0358	1.0386	1.0716
Madison	1.0186	1.0430	1.0386	1.0407
Oneida	1.0108	1.0088	0.9836	1.0108
Power	1.0314	1.0269	1.0018	1.0237
Teton	1.0247	1.0808	1.1159	1.1008
District 4	1.0160	1.0438	1.0351	1.0642
State Ave.	1.0514	1.0832	1.0659	1.0959

6.4 *Table 4. Property Tax Expenditure Ratio: 1989-93.*

County	Expenditure Ratio E90/E89	E91/E90	E92/E91	E93/E92
Benewah	1.0679	1.0480	1.2546	1.0722
Bonner	1.2659	1.2090	1.5106	1.0689
Boundary	1.5381	1.1188	1.1349	0.9965
Clearwater	0.9034	1.1399	1.0049	1.0713
Idaho	1.1272	0.9530	1.0371	1.0000
Kootenai	0.9636	1.1077	1.1935	1.1965
Latah	1.0768	1.2180	1.0951	1.0660
Lewis	1.3785	0.8784	1.1243	0.7533
Nez Perce	1.2811	1.0176	1.0966	1.0367
Shoshone	1.0291	1.1384	0.9926	1.1052
District 1	1.1023	1.1063	1.1859	1.0967
Ada	1.0248	1.1128	1.3208	1.1033
Adams	1.4034	0.9717	0.8841	1.4233
Boise	1.3371	1.3910	0.9863	1.1991
Canyon	1.0833	1.1074	1.0702	1.0882
Elmore	1.1000	1.0338	1.0571	1.1164
Gem	1.1390	1.1875	0.9839	1.0927
Owyhee	1.1103	1.2290	1.0414	1.0458
Payette	1.0494	1.0096	1.1413	1.0030
Valley	1.0826	1.0622	1.1818	1.0500
Washington	1.0669	1.3526	0.9832	1.1376
District 2	1.0622	1.1174	1.1882	1.0989
Blaine	1.6549	1.2594	1.0323	0.9717
Butte	0.9995	1.2047	0.8983	1.0879
Camas	1.0784	1.0602	1.1887	1.0500
Cassia	1.5443	0.8857	1.0529	1.1218
Custer	0.9208	1.1882	0.9714	0.9679
Gooding	1.0670	1.1818	1.1097	0.9680
Jerome	1.4696	0.8514	1.1441	1.0785
Lemhi	1.0103	1.0277	1.0267	1.0500
Lincoln	1.0558	1.1472	1.0642	1.1549
Minidoka	1.2635	1.2151	0.9727	0.9802
Twin Falls	1.1073	1.0738	1.0984	1.2021
District 3	1.2629	1.0844	1.0563	1.0715
Bannock	1.0632	1.0472	1.2947	0.9881
Bear Lake	1.1087	0.9689	1.1455	0.8747
Bingham	1.0366	1.1021	0.9478	1.0523
Bonneville	0.9966	1.2209	1.1097	1.1039
Caribou	1.1584	1.1177	1.0867	1.2224
Clark	1.3238	0.9645	1.0529	1.1810
Franklin	1.1510	1.0631	0.9917	1.0056
Fremont	1.1649	0.8783	1.2811	1.0244
Jefferson	1.1085	0.9679	0.6472	1.7483
Madison	0.9189	1.3954	0.9452	1.0373
Oneida	0.9284	1.1856	0.9769	1.1150
Power	1.0351	1.0777	1.1624	1.0989
Teton	1.1809	1.1000	0.9933	1.0508
District 4	1.0489	1.1122	1.0926	1.0755
State Ave.	1.0974	1.1079	1.1431	1.0888

6.5 ***Table 5. Property Tax Rate Ratio: 1989-1993.***

County	Rate Ratio R:90/89	R:91/90	R:92/91	R:93/92
Benewah	1.0232	0.9491	1.1612	0.9885
Bonner	1.2204	1.1604	1.4095	0.9256
Boundary	1.3071	1.0686	1.0942	0.8725
Clearwater	0.8961	1.0834	0.9406	0.9542
Idaho	1.0910	0.9191	0.9980	0.9374
Kootenai	0.9323	0.9866	1.0553	1.0044
Latah	1.0756	1.1730	1.0453	0.9632
Lewis	1.3009	0.8581	1.0428	0.7251
Nez Perce	1.2776	0.9191	0.9808	0.9625
Shoshone	1.0387	1.0371	1.0114	1.0680
District 1	1.0727	1.0209	1.0882	0.9690
Ada	0.9405	1.0005	1.2163	0.9905
Adams	1.2725	0.9667	0.8677	1.3655
Boise	1.3385	1.3481	0.9079	1.1757
Canyon	1.0482	1.0668	1.0037	1.0159
Elmore	1.0870	0.9957	1.0478	1.0522
Gem	1.1364	1.1446	0.9539	0.9590
Owyhee	1.0876	1.2718	1.0157	0.9921
Payette	0.9990	0.9633	1.0945	0.9308
Valley	1.0291	0.8914	1.1590	0.9183
Washington	1.0259	1.3537	0.9617	1.0759
District 2	0.9973	1.0287	1.1116	0.9988
Blaine	1.2440	1.0302	0.9205	0.9077
Butte	1.0007	0.9640	1.0788	1.0210
Camas	1.0345	1.0391	1.1887	0.9838
Cassia	1.4847	0.8585	0.9835	1.0666
Custer	0.9226	1.0686	0.9915	1.0605
Gooding	1.0057	0.9403	1.2084	0.9076
Jerome	1.4059	0.8528	1.0670	0.9363
Lemhi	0.9944	0.9714	0.9969	0.9259
Lincoln	1.0923	1.1192	1.0066	1.0910
Minidoka	1.2548	1.1430	0.9576	0.9235
Twin Falls	1.0983	0.9962	1.0328	1.0986
District 3	1.1437	0.9640	0.9931	0.9974
Bannock	1.0699	1.0327	1.2822	0.9209
Bear Lake	1.1483	0.9484	1.1230	0.8110
Bingham	0.9812	1.0467	0.9238	0.9954
Bonneville	0.9743	1.1388	1.0594	1.0496
Caribou	1.1552	1.1081	0.9975	1.0361
Clark	1.3238	0.7671	0.9697	1.1428
Franklin	1.1426	1.0362	1.0003	0.9555
Fremont	1.1443	0.8251	1.1971	0.9792
Jefferson	1.1082	0.9345	0.6231	1.6315
Madison	0.9021	1.3379	0.9100	0.9967
Oneida	0.9185	1.1752	0.9933	1.1031
Power	1.0036	1.0495	1.1603	1.0734
Teton	1.1524	1.0178	0.8901	0.9547
District 4	1.0324	1.0655	1.0556	1.0106
State Ave.	1.0438	1.0227	1.0725	0.9935

6.6 *Table 6. Idaho Counties' Tax Base Growth: 1989-93*

County	Base Growth G_B90/89 (%)	G_B91/90 (%)	G_B92/91 (%)	G_B93/92 (%)	1993/91 G_B (%)	1993/89 G_B (%)
Benewah	4.3	9.9	7.7	8.1	7.9	7.5
Bonner	3.7	4.1	6.9	14.4	10.7	7.3
Boundary	16.3	4.6	3.6	13.3	8.5	9.4
Clearwater	0.8	5.1	6.6	11.6	9.1	6.0
Idaho	3.3	3.6	3.8	6.5	5.2	4.3
Kootenai	3.3	11.6	12.3	17.5	14.9	11.2
Latah	0.1	3.8	4.6	10.1	7.4	4.7
Lewis	5.8	2.3	7.5	3.8	5.7	4.9
Nez Perce	0.3	10.2	11.2	7.4	9.3	7.3
Shoshone	-0.9	9.3	-1.9	3.4	0.8	2.5
District 1	2.7	8.0	8.6	12.4	10.5	7.9
Ada	8.6	10.6	8.2	10.8	9.5	9.6
Adams	9.8	0.5	1.9	4.1	3.0	4.1
Boise	-0.1	3.1	8.3	2.0	5.1	3.3
Canyon	3.3	3.7	6.4	6.9	6.6	5.1
Elmore	1.2	3.8	0.9	5.9	3.4	2.9
Gem	0.2	3.7	3.1	13.0	8.1	5.0
Owyhee	2.1	-3.4	2.5	5.3	3.9	1.6
Payette	4.9	4.7	4.2	7.5	5.8	5.3
Valley	5.1	17.5	1.9	13.4	7.7	9.5
Washington	3.9	-0.1	2.2	5.6	3.9	2.9
District 2	6.3	8.3	6.7	9.5	8.1	7.7
Blaine	28.5	20.1	11.5	6.8	9.1	16.7
Butte	-0.1	22.3	-18.3	6.3	-6.0	2.6
Camas	4.2	2.0	0.0	6.5	3.3	3.2
Cassia	3.9	3.1	6.8	5.0	5.9	4.7
Custer	-0.2	10.6	-2.1	-9.1	-5.6	-0.2
Gooding	5.9	22.9	-8.5	6.4	-1.0	6.7
Jerome	4.4	-0.2	7.0	14.1	10.6	6.3
Lemhi	1.6	5.6	2.9	12.6	7.8	5.7
Lincoln	-3.4	2.5	5.6	5.7	5.6	2.6
Minidoka	0.7	6.1	1.6	6.0	3.8	3.6
Twin Falls	0.8	7.5	6.2	9.0	7.6	5.9
District 3	9.9	11.8	6.2	7.2	6.7	8.8
Bannock	-0.6	1.4	1.0	7.0	4.0	2.2
Bear Lake	-3.5	2.1	2.0	7.6	4.8	2.0
Bingham	5.5	5.2	2.6	5.6	4.1	4.7
Bonneville	2.3	7.0	4.6	5.0	4.8	4.7
Caribou	0.3	0.9	8.6	16.5	12.6	6.6
Clark	0.0	22.9	8.2	3.3	5.8	8.6
Franklin	0.7	2.6	-0.9	5.1	2.1	1.9
Fremont	1.8	6.2	6.8	4.5	5.6	4.8
Jefferson	0.0	3.5	3.8	6.9	5.4	3.6
Madison	1.8	4.2	3.8	4.0	3.9	3.5
Oneida	1.1	0.9	-1.7	1.1	-0.3	0.3
Power	3.1	2.7	0.2	2.3	1.3	2.1
Teton	2.4	7.8	11.0	9.6	10.3	7.7
District 4	1.6	4.3	3.4	6.2	4.8	3.9
State Average	5.0%	8.0%	6.4%	9.2%	7.8%	7.1%

6.7 ***Table 7. Idaho Counties' Tax Expenditure Growth: 1989-1993.***

County	Expenditure Growth G_E90/89 (%)	G_E91/90 (%)	G_E92/91 (%)	G_E93/92 (%)	1993/91 G_E (%)	1993/89 G_E (%)
Benewah	6.6	4.7	22.7	7.0	14.8	10.2
Bonner	23.6	19.0	41.3	6.7	24.0	22.6
Boundary	43.1	11.2	12.7	-0.4	6.1	16.6
Clearwater	-10.2	13.1	0.5	6.9	3.7	2.6
Idaho	12.0	-4.8	3.6	0.0	1.8	2.7
Kootenai	-3.7	10.2	17.7	17.9	17.8	10.5
Latah	7.4	19.7	9.1	6.4	7.7	10.7
Lewis	32.1	-13.0	11.7	-28.3	-8.3	0.6
Nez Perce	24.8	1.7	9.2	3.6	6.4	9.8
Shoshone	2.9	13.0	-0.7	10.0	4.6	6.3
District 1	9.7	10.1	17.0	9.2	13.1	11.5
Ada	2.4	10.7	27.8	9.8	18.8	12.7
Adams	33.9	-2.9	-12.3	35.3	11.5	13.5
Boise	29.0	33.0	-1.4	18.2	8.4	19.7
Canyon	8.0	10.2	6.8	8.5	7.6	8.4
Elmore	9.5	3.3	5.6	11.0	8.3	7.4
Gem	13.0	17.2	-1.6	8.9	3.6	9.4
Owyhee	10.5	20.6	4.1	4.5	4.3	9.9
Payette	4.8	1.0	13.2	0.3	6.8	4.8
Valley	7.9	6.0	16.7	4.9	10.8	8.9
Washington	6.5	30.2	-1.7	12.9	5.6	12.0
District 2	6.0	11.1	17.2	9.4	13.3	11.0
Blaine	50.4	23.1	3.2	-2.9	0.2	18.4
Butte	-0.0	18.6	-10.7	8.4	-1.1	4.1
Camas	7.5	5.8	17.3	4.9	11.1	8.9
Cassia	43.5	-12.1	5.2	11.5	8.3	12.0
Custer	-8.3	17.2	-2.9	-3.3	-3.1	0.7
Gooding	6.5	16.7	10.4	-3.3	3.6	7.6
Jerome	38.5	-16.1	13.5	7.6	10.5	10.9
Lemhi	1.0	2.7	2.6	4.9	3.8	2.8
Lincoln	5.4	13.7	6.2	14.4	10.3	9.9
Minidoka	23.4	19.5	-2.8	-2.0	-2.4	9.5
Twin Falls	10.2	7.1	9.4	18.4	13.9	11.3
District 3	23.3	8.1	5.5	6.9	6.2	11.0
Bannock	6.1	4.6	25.8	-1.2	12.3	8.8
Bear Lake	10.3	-3.2	13.6	-13.4	0.1	1.8
Bingham	3.6	9.7	-5.4	5.1	-0.1	3.3
Bonneville	-0.3	20.0	10.4	9.9	10.1	10.0
Caribou	14.7	11.1	8.3	20.1	14.2	13.6
Clark	28.1	-3.6	5.2	16.6	10.9	11.6
Franklin	14.1	6.1	-0.8	0.6	-0.1	5.0
Fremont	15.3	-13.0	24.8	2.4	13.6	7.4
Jefferson	10.3	-3.3	-43.5	55.9	6.2	4.8
Madison	-8.5	33.3	-5.6	3.7	-1.0	5.7
Oneida	-7.4	17.0	-2.3	10.9	4.3	4.5
Power	3.5	7.5	15.0	9.4	12.2	8.9
Teton	16.6	9.5	-0.7	5.0	2.1	7.6
District 4	4.8	10.6	8.9	7.3	8.1	7.9
State Average	9.3%	10.2%	13.4%	8.5%	10.9%	10.4%

6.8 ***Table 8. Idaho Counties' Tax Rate Growth: 1989-1993.***

County	Rate Growth G_R90/89 (%)	G_R91/90 (%)	G_R92/91 (%)	G_R93/92 (%)	1993/91 G_R (%)	1993/89 G_R (%)
Benewah	2.3	-5.2	14.9	-1.2	6.9	2.7
Bonner	19.9	14.9	34.3	-7.7	13.3	15.3
Boundary	26.8	6.6	9.0	-13.6	-2.3	7.2
Clearwater	-11.0	8.0	-6.1	-4.7	-5.4	-3.4
Idaho	8.7	-8.4	-0.2	-6.5	-3.3	-1.6
Kootenai	-7.0	-1.4	5.4	0.4	2.9	-0.6
Latah	7.3	16.0	4.4	-3.7	0.3	6.0
Lewis	26.3	-15.3	4.2	-32.2	-14.0	-4.2
Nez Perce	24.5	-8.4	-1.9	-3.8	-2.9	2.6
Shoshone	3.8	3.6	1.1	6.6	3.9	3.8
District 1	7.0	2.1	8.5	-3.2	2.7	3.6
Ada	-6.1	0.0	19.6	-1.0	9.3	3.1
Adams	24.1	-3.4	-14.2	31.1	8.5	9.4
Boise	29.2	29.9	-9.7	16.2	3.3	16.4
Canyon	4.7	6.5	0.4	1.6	1.0	3.3
Elmore	8.3	-0.4	4.7	5.1	4.9	4.4
Gem	12.8	13.5	-4.7	-4.2	-4.5	4.3
Owyhee	8.4	24.0	1.6	-0.8	0.4	8.3
Payette	-0.1	-3.7	9.0	-7.2	0.9	-0.5
Valley	2.9	-11.5	14.8	-8.5	3.1	-0.6
Washington	2.6	30.3	-3.9	7.3	1.7	9.1
District 2	-0.3	2.8	10.6	-0.1	5.2	3.3
Blaine	21.8	3.0	-8.3	-9.7	-9.0	1.7
Butte	0.1	-3.7	7.6	2.1	4.8	1.5
Camas	3.4	3.8	17.3	-1.6	7.8	5.7
Cassia	39.5	-15.3	-1.7	6.5	2.4	7.3
Custer	-8.1	6.6	-0.9	5.9	2.5	0.9
Gooding	0.6	-6.2	18.9	-9.7	4.6	0.9
Jerome	34.1	-15.9	6.5	-6.6	-0.0	4.5
Lemhi	-0.6	-2.9	-0.3	-7.7	-4.0	-2.9
Lincoln	8.8	11.3	0.7	8.7	4.7	7.4
Minidoka	22.7	13.4	-4.3	-8.0	-6.1	5.9
Twin Falls	9.4	-0.4	3.2	9.4	6.3	5.4
District 3	13.4	-3.7	-0.7	-0.3	-0.5	2.2
Bannock	6.8	3.2	24.9	-8.2	8.3	6.6
Bear Lake	13.8	-5.3	11.6	-20.9	-4.7	-0.2
Bingham	-1.9	4.6	-7.9	-0.5	-4.2	-1.4
Bonneville	-2.6	13.0	5.8	4.8	5.3	5.3
Caribou	14.4	10.3	-0.3	3.5	1.6	7.0
Clark	28.1	-26.5	-3.1	13.3	5.1	3.0
Franklin	13.3	3.6	0.0	-4.5	-2.3	3.1
Fremont	13.5	-19.2	18.0	-2.1	7.9	2.5
Jefferson	10.3	-6.8	-47.3	48.9	0.8	1.3
Madison	-10.3	29.1	-9.4	-0.3	-4.9	2.3
Oneida	-8.5	16.1	-0.7	9.8	4.6	4.2
Power	0.4	4.8	14.9	7.1	11.0	6.8
Teton	14.2	1.8	-11.6	-4.6	-8.1	-0.1
District 4	3.2	6.3	5.4	1.1	3.2	4.0
State Average	4.3	2.2%	7.0%	-0.7%	3.2%	3.2%

6.9 ***Table 9. The One-percent Initiative County Impacts: 1993.***

County	E93	1% Impact	$E93^*$	$G_E{}^*93$
	($)	($)	($)	(%)
Benewah	1,519,713	(611,154)	908,559	51.4
Bonner	7,496,292	(3,199,970)	4,296,322	55.7
Boundary	2,185,729	(508,543)	1,677,186	26.5
Clearwater	1,055,964	(618,224)	437,740	88.1
Idaho	1,262,750	(399,837)	862,913	38.1
Kootenai	14,575,261	(7,155,320)	7,419,941	67.5
Latah	3,577,697	(1,706,491)	1,871,206	64.8
Lewis	536,607	(296,686)	239,921	80.5
Nez Perce	5,065,049	(3,124,958)	1,940,091	96.0
Shoshone	2,784,733	(1,751,355)	1,033,378	99.1
District 1	40,059,795	(19,372,538)	20,687,257	66.1
Ada	28,172,114	(12,515,882)	15,656,232	58.7
Adams	758,756	(342,040)	416,716	59.9
Boise	1,076,097	(411,668)	664,429	48.2
Canyon	10,904,584	(5,633,250)	5,271,334	72.7
Elmore	1,811,583	(1,041,517)	770,066	85.5
Gem	1,508,112	(530,791)	977,321	43.4
Owyhee	1,179,457	(456,821)	722,636	49.0
Payette	2,020,951	(1,124,231)	896,720	81.3
Valley	2,127,883	(834,923)	1,292,960	49.8
Washington	1,901,698	(982,542)	919,156	72.7
District 2	51,461,235	(23,873,665)	27,587,570	62.3
Blaine	3,684,652	0	3,684,652	0.0
Butte	425,446	(193,127)	232,319	60.5
Camas	288,039	(140,156)	147,883	66.7
Cassia	2,586,870	(681,177)	1,905,693	30.6
Custer	555,000	(194,232)	360,768	43.1
Gooding	1,538,447	(867,244)	671,203	82.9
Jerome	1,997,908	(1,120,081)	877,827	82.2
Lemhi	778,148	(254,601)	523,547	39.6
Lincoln	497,139	(288,985)	208,154	87.1
Minidoka	2,492,394	(1,406,523)	1,085,871	83.1
Twin Falls	6,309,220	(3,362,951)	2,946,269	76.1
District 3	21,153,263	(8,509,077)	12,644,186	51.5
Bannock	7,927,366	(4,066,604)	3,860,762	71.9
Bear Lake	896,395	(398,029)	498,366	58.7
Bingham	3,821,575	(2,038,576)	1,782,999	76.2
Bonneville	10,052,063	(4,977,840)	5,074,223	68.4
Caribou	2,274,343	(1,039,963)	1,234,380	61.1
Clark	362,502	(72,139)	290,363	22.2
Franklin	1,159,674	(462,924)	696,750	50.9
Fremont	1,424,601	(774,001)	650,600	78.4
Jefferson	1,575,102	(748,865)	826,237	64.5
Madison	2,004,204	(567,455)	1,436,749	33.3
Oneida	656,543	(342,166)	314,377	73.6
Power	1,595,316	(903,748)	691,568	83.6
Teton	491,189	(2,490)	488,699	0.5
District 4	34,240,873	(16,394,800)	17,846,073	65.2
State Total	146,915,166	(68,150,080)	78,765,086	62.3%

Source: Alan Dornfest, "1% Initiative Impact Analysis, Tax Year 1993, Taxing district Category: County," Idaho State Tax Commission, Boise, ID, November 1993.

6.10 *Table 10. Projected County Growth Responses to the One-percent Initiative Impacts.*

County	1992-93 $-G_R$ (%)	1992-93 Scenario* (Years)	1991-93 $-G_R$ (%)	1991-93 Scenario (Years)	1989-93 $-G_R$ (%)	1989-93 Scenario (Years)
Benewah	1.2	B	-6.9	C	-2.7	C
Bonner	7.7	7	-13.3	C	-15.3	C
Boundary	13.6	2	2.3	11	-7.2	C
Clearwater	4.7	19	5.4	16	3.4	26
Idaho	6.5	6	3.3	11	1.6	B
Kootenai	-0.4	B	-2.9	C	0.6	B
Latah	3.7	17	-0.3	B	-6.0	C
Lewis	32.2	3	14.0	6	4.2	19
Nez Perce	3.8	25	2.9	33	-2.6	C
Shoshone	-6.6	C	-3.9	C	-3.8	C
District 1	3.2	21	-2.7	C	-3.6	C
Ada	1.0	B	-9.3	C	-3.1	C
Adams	-31.1	C	-8.5	C	-9.4	C
Boise	-16.2	C	-3.3	C	-16.4	C
Canyon	-1.6	B	-1.0	B	-3.3	C
Elmore	-5.1	C	-4.9	C	-4.4	C
Gem	4.2	10	4.5	10	-4.3	C
Owyhee	0.8	B	-0.4	B	-8.3	C
Payette	7.2	11	-0.9	B	0.5	B
Valley	8.5	6	-3.1	C	0.6	B
Washington	-7.3	C	-1.7	B	-9.1	C
District 2	0.1	B	-5.2	C	-3.3	C
Blaine	9.7	0	9.0	0	-1.7	B
Butte	-2.1	C	-4.8	C	-1.5	B
Camas	1.6	B	-7.8	C	-5.7	C
Cassia	-6.5	C	-2.4	C	-7.3	C
Custer	-5.9	C	-2.5	C	-0.9	B
Gooding	9.7	9	-4.6	C	-0.9	B
Jerome	6.6	13	0.0	B	-4.5	C
Lemhi	7.7	5	4.0	10	2.9	14
Lincoln	-8.7	C	-4.7	C	-7.4	C
Minidoka	8.0	10	6.1	14	-5.9	C
Twin Falls	-9.4	C	-6.3	C	-5.4	C
District 3	0.3	B	0.5	B	-2.2	C
Bannock	8.2	9	-8.3	C	-6.6	C
Bear Lake	20.9	3	4.7	13	0.2	B
Bingham	0.5	B	4.2	18	1.4	B
Bonneville	-4.8	C	-5.3	C	-5.3	C
Caribou	-3.5	C	-1.6	B	-7.0	C
Clark	-13.3	C	-5.1	C	-3.0	C
Franklin	4.5	11	2.3	23	-3.1	C
Fremont	2.1	37	-7.9	C	-2.5	C
Jefferson	-48.9	C	-0.8	B	-1.3	B
Madison	0.3	B	4.9	7	-2.3	C
Oneida	-9.8	C	-4.6	C	-4.2	C
Power	-7.1	C	-11.0	C	-6.8	C
Teton	4.6	0	8.1	0	0.1	B
District 4	-1.1	B	-3.2	C	-4.0	C
Totals	0.7%	B	-3.2%	C	-3.2%	C

[1] A. 2% < (G_B - G_E = -G_R)); B. 2% > (G_B - G_E) > -2%; C.(G_B - G_E) < -2%.

6.11 *Table 11. Summary of Projected County Growth Response to the One-Percent Impacts.*

Unit	1993/1992	1993/1991	1993/1989
Counties by Scenario	----- (Number of Counties) ---		
A ($G_E < G_B$)	20	14	3
B ($G_E \gg G_B$)	8	7	12
C ($G_E > G_B$)	16	23	29
Most Pop. Counties	------- (Scenario) ---------		
Ada	B	C	C
Canyon	C	B	C
Kootenai	B	C	C
Bonneville	C	C	C
Bannock	A	C	C
District Average			
1 Panhandle	A	C	C
2 Southwest	B	C	C
3 Magic Valley	B	B	C
4 Southeast	C	C	C
State Average	B	C	C

A. $2\% < (G_B - G_E)$; Grow out of property tax reduction.

B. $2\% > (G_B - G_E) > -2\%$; One time reduction in tax revenues.

C. $(G_B - G_E) < -2\%$; One time reduction plus additional reductions in property tax revenues from One-percent Initiative.

7. Appendix. The Methodology: A Model of the Growth in Expenditures, Base, and Rates.

Variables

County Expenditures, 1993 (E_{93})

County Expenditures, 1992 (E_{92})

County Net Taxable Base, 1993 (B_{93})

County Net Taxable Base, 1992 (B_{92})

Growth in County Expenditures:

(1) $E_{93} = E_{92}e^{rE}$; $e^{rE} = E_{93}/E_{92}$; $r_E = \ln(E_{93}/E_{92})$.

Growth in County Tax Base:

(2) $B_{93} = B_{92}e^{rB}$; $e^{rB} = B_{93}/B_{92}$; $r_B = \ln(B_{93}/B_{92})$.

Tax Rate in 1993:

(3) $R_{93} = E_{93}/B_{93}$.

Tax Rate in 1992:

(4) $R_{92} = E_{92}/B_{92}$.

Growth in County Tax Rates:

(5) $R_{93} = R_{92}e^{rR}$;

$e^{rR} = R_{93}/R_{92}$; $r_R = \ln R_{93} - \ln R_{92}$.

$e^{rR} = E_{93}/B_{93} / E_{92}/B_{92}$; $r_R = \ln(E_{93}/B_{93}) - \ln(E_{92}/B_{92})$.

$e^{rR} = E_{93}/E_{92} / B_{93}/B_{92}$; $r_R = \ln(E_{93}/E_{92}) - \ln(B_{93}/B_{92})$;

(6) $R_{93}/R_{92} = E_{93}/E_{92} \cdot B_{93}/B_{92}$

$r_R = r_E - r_B$;

or $G_R = G_E - G_B$.

If $G_E > G_B$, then $G_R > 0$.

If $G_E = G_B$, then $G_R = 0$.

If $G_E < G_B$, then $G_R < 0$.

Expenditure Growth in 1993.

Solving equation (6) for E_{93}.

(7) $E_{93} = E_{92} (B_{93}/B_{92} * R_{93}/R_{92})$;

$E_{93}/E_{92} = (B_{93}/B_{92} * R_{93}/R_{92})$;

$G_E = G_B + G_R$.

Let ($G_R = 0$), i.e., $R_{93}/R_{92} = 1$, there is no change in the tax rate then,

(8) $E_{93}' = E_{92} (B_{93}/B_{92})$;

$E_{93}'/E_{92} = B_{93}/B_{92}$;

$G_E' = G_B$.

Let ($G_B = 0$), i.e., $B_{93}/B_{92} = 1$, there is no change in the tax base then,

(9) $E_{93}'' = E_{92} (R_{93}/R_{92})$;

$E_{93}''/E_{92} = R_{93}/R_{92}$;

$G_E'' = G_R$.

By combining equations (7) through (9),

(10) $G_E = G_B + G_R = G_E' + G_E''$.

The 1993 budget impact if the growth in expenditures is constrained by the growth the tax base.

(11) $E_{93}'/E_{93} = E_{92} (B_{93}/B_{92}) \cdot E_{92} (B_{93}/B_{92} * R_{93}/R_{92})$

$= 1 / (R_{93}/R_{92})$

$G_E' - G_E = -G_E''$

$G_B - G_E = -G_R$.

The time required for tax districts to return to real 1993 levels of expenditures after the One-percent Inititative is,

(12) $E_{93} = E_{93}^{*} e^{rt}$;

$E_{93}/E_{93}^{*} = e^{rt}$;

$rt = \ln(E_{93}/E_{93}^{*})$;

$t = \ln(E_{93}/E_{93}^{*}) / r$;

$t = r_E^{*} / -r_R$;

or $t = G_E^{*} / -G_R$.

Where:

E_{93} is the actual property tax expenditure in 1993.

E_{93}^{*} is the 1993 expenditure minus the 1% Initative reduction.

e = 2.71828..., the natural base of the exponential function.

r is the rate of growth available to make up the expenditure reduction. It was shown in eq. (11) that this rate equals $-r_R$.

t is the number of years required to get back to the 1993 expenditure level in nominal terms.

r_E^{*} is the percentage reduction in expenditures from the 1993 level.