

Legislative limelight . . .

Implementing of tax initiative difficult

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The main author implementing the 1 Percent Tax Initiative in 1979 would like to see the law fully placed in force this year, but he admits it faces formidable obstacles.

Rep. Morgan Munther, R-Ola, headed the special committee that wrote legislation for implementing the law, mainly that a tax freeze would prevail until this year and property tax values are limited to no more than 2 percent increase per year.

The bills also decreed counties and cities budgets in 1979 and 1980 can be no greater than those in 1978.

A check among key legislators shows a wide divergence of opinion. One of the most influential, Rep. Steve Antone, R-Rupert, chairman of the House Revenue and Taxation Committee, supports extending the present tax freeze a year.

Munger heads the Revenue Projection Committee which is said the revenue is anticipated at \$390 million, just \$800,000 over the revenue projection of Gov. John V. Evans. That does not include about \$20 million considered for tax relief.

Munger said one of the most bothersome problems in his mind is that any step the Legislature takes to implement the initiative would be taking of control from local units of government, meaning primarily cities and counties, and to a less extent, school districts.

Munger is one of many legislators who believes much of the tax initiative provisions are unconstitutional. He said he is willing to invoke the implementation and let the courts decide.

Idaho Attorney General

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The political pulse

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David Leroy said a provision that does not allow fair and equitable property tax valuations probably would be ruled unconstitutional.

The Legislature's Interim Tax Committee, which has looked at all the facts, has recommended implementation be delayed another year.

Munger said he views with favor a proposal for the 1 percent limitation, but adding an inflation and growth factor. Many veteran lawmakers have said they also endorse that concept.

Munger also said a proposal, advanced by Rep. Wayne E. Tibbitts, R-Lorenzo, for earmarking one-half percent of the sales tax amounting to about \$15 million for cities and counties, has merits.

Between 30 and 34 counties of the 44 in Idaho already are under 1 percent, said Munger.

If there is implementation there would of necessity be some changes, said Munger, or else many local units of government could not function.

Munger observed the bill provides for distribution by taxing district should be made according to law — but there is no such law.

Two recent actions have served to complicate rather than help solve the tax initiative dilemma.

One was filed by the Ada County Property Owners Association which would limit state and local governments to the same amount of spending year after year, with a yearly cost of living growth factor included.

Cal Williams, Boise, the state association president, said the proposed initiative will not be pursued if the Legislature fully implements the 1 percent property tax initiative, which indicates it is held for blackmail purposes. It would need at least 29,000 voters' signatures to place the proposal on the ballot.

Another proposal by House Majority Leader Walter Little, R-New Plymouth, to provide two mills, or about \$5 million, of property tax relief is ill timed and ill advised.

This comes at a time when the state is not certain of its revenue, or that it can afford to give any type of tax relief. If such a proposal is to be considered, it should be done after the revenue picture is more clearly defined.

Little's bill appears a politically motivated move, seeking to embarrass the governor at a time when unified action, rather than quibbling, should be followed.

Evans vetoed such a measure last year because he didn't think there was enough money. It now appears there could be a \$10 million surplus.