

The election eye . . .

Owners get 'benefit' of 1 percent initiative

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BY BEN J. PLASTINO
Post-Register political editor

It took two years, but the little property owners are now getting the "benefits" of the 1 percent tax initiative they voted into effect in 1978.

These "benefits" are in the form of sharp increases in property taxes for this year, reaching 30 percent or more in most cases. This is largely true over the entire state.

Idaho legislators, the Idaho Property Owners Association, which sponsored the initiative; assessors and local government officials are all blaming each other for this sad turn of events, but the fact is that the property owners themselves are largely at fault.

It was proper to bring about property tax reform, but they used a sledgehammer approach to kill a fly.

It is understandable they were protesting rising taxes but they took aim at the wrong target — local and state government — instead of the federal government.

Actually, figures compiled by the U.S. Department of Commerce and the Tax Foundation show the Idaho per capita property tax increased 81 percent from 1968 to 1978, the eighth lowest in the nation and that Idaho ranks 34th in the smallest tax, with most of the southern states in the bottom.

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Idaho Property Owners Association leaders are not average property owners as many believe; they are large property owners and benefit more from the 1 Percent Tax Initiative than the small homeowner.

This writer and newspaper editorial writers in The Post-Register, and for that matter, most of the larger Idaho newspapers, warned against the 1 Percent Initiative before the election. They succeeded in narrowing the gap but it still passed by 53 percent in 1978.

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As was forecast, the 1 Percent Tax Initiative merely shifted the tax load from the large corporations and public utilities to the small property owners.

Bonneville County Assessor John Wasden explains it about as well as anyone. His analogy pretty well applies to the entire state.

In 1976, he said, Bonneville County residents shelled out more than \$9 million for real and property taxes. Public utilities in the county were charged about \$765,000.

In the five years since, real and personal property tax bills will increase 55 percent in the county while public utilities will see a 21 percent decrease in their notices. That, taxpayers, tells the excruciating story.

Public utilities were taxed about one million dollars in 1979 but will drop by 40 percent this year. Real and personal property bills will jump by about 27 percent from last year.

Wasden explains property this year was appraised upward to arrive at what's considered to be the 1978 market value. Public utilities already were being appraised near that figure but residential property was far below market value and was handed a steep hike. A typical jump was 50 percent in market value in Bonneville County, for example.

A leading factor dates back 12 years ago after the utilities took the unequal tax suit to court and the court decided all classes of property should be taxed equally, or 20 percent, not the 40 percent for utilities. The equality is supposed to be attained in 1982 but assessors didn't do much about the shift until late in the span.

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Idaho legislators in all their wisdom implemented the tax initiative, but in effect they threw the burden to the local school district property owners.

In Bonneville, said Wasden, the county was given an additional tab for \$550,000 in the form of 3.85 percent holdback and exemptions for bonds, plant facilities, emergency and tort (mostly public liabilities), to make up.

As a result, he explained, the county tax bill is not 1 percent, but 1.37 percent because of the allowable school exemptions.

The legislators failed to appropriate enough money for government operations, forcing Gov. John V. Evans to order the holdback.

The only remedy appears for the state to hike appropriations, and that can only come from an increase in taxes — be it sales, income, severance, or any other. Whatever way, the little man foots the bill in the end.