

Freeze likely to extend on 1 Percent Initiative

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The 1980 Idaho Legislature keeps wrestling with the 1 Percent Tax Initiative, but those who know best predict the Legislature will end up extending the freeze allowing for growth and inflation factors.

There are a dozen bills dealing with the 1 percent and even Sen. Dane Watkins, R-Idaho Falls, enthusiastically announced early in the week that a bill has been introduced that would crack the deadlock.

This bill, he said, would repeal the freeze enacted in the 1979 legislative session. It would not allow any taxation district to receive more ad valorem (property) revenue than it received in 1979 in order to finance the ad valorem portion of its operating budget, except to reflect a cost-of-living factor.

Further, said Watkins, school districts would be allowed to increase their ad valorem tax revenue by a percentage equal to any increase in student enrollment. Any exceptions would have to be approved by a two-thirds majority of the taxation district's patrons.

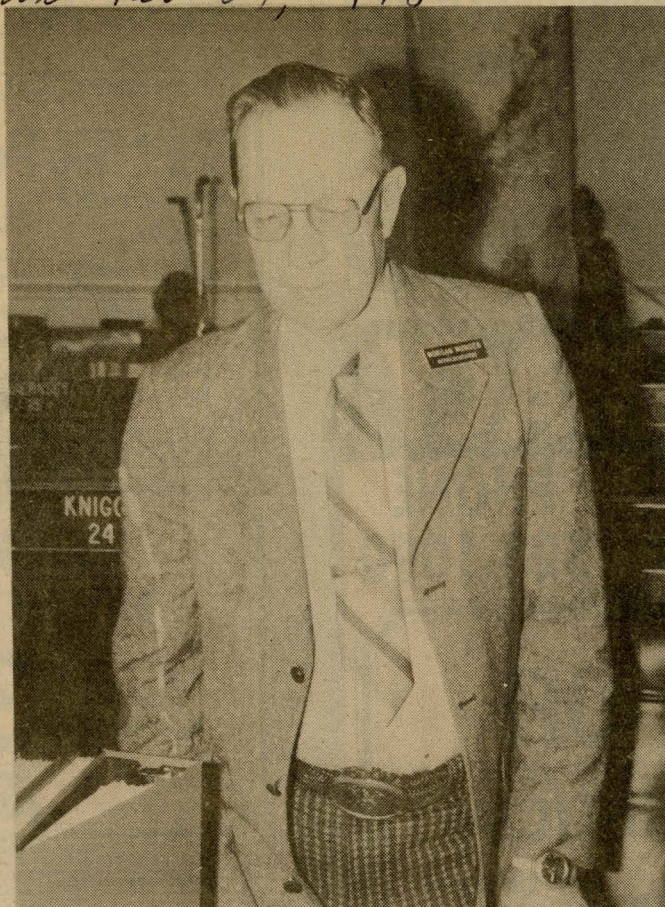
The bill was proposed by the Idaho Property Owners Association which sponsored the original 1 Percent Initiative and which presently is giving the Legislature fits.

The lawmaker who looks forward the most to cracking the 1 percent knot is Rep. Morgan Munger, R-Ola, chairman of a special committee working on this legislation. This committee enacted the implementation last year which called primarily for a freeze on budgets and taxes.

Now Munger has a new idea which could bear some looking at.

He asked the House Revenue and Taxation Committee to introduce a new bill calling for a local option election on the 1 percent.

This is something that could create a maelstrom, in effect, pitting counties against coun-



Post-Register photo

Tackles 1 percenter

BOISE — Rep. Morgan Munger, R-Ola., gets up on the House floor to discuss the complex 1 Percent Tax Initiative. Munger heads a special committee to implement the legislation.

ties.

Many may not know it, but 15 of Idaho's 44 counties voted against the 1 percent. The 1 Percent Initiative carried by 58.2 percent, a decisive but far from overwhelming margin, as some limitation proponents would have people believe. In fact, a skimpy turnover of 5 percent could reverse the results.

Many of the concerned lawmakers are coming around to the attitude that California's Proposition 13 is unworkable in Idaho.

Munger explained his bill

would put the 1 percent concept back on the ballot in every county next fall. A simple majority of voters in each county would decide whether to keep it or throw it out in that county. If a county opposed it, the backers of the 1 percent proposal could retrieve the measure for yet another vote, the following year, with a petition signed by at least 10 percent of the registered voters.

In East Idaho, three small counties voted against the initiative, Butte, Custer and Clark, but it was close in a number of others. Bonneville voted for it 11,390 to 8,889, or about 56 percent in favor.

Rep. Darwin L. Young, R-Blackfoot, a committee member, said sentiment for continuation of the freeze seems to gather more support every day. He noted the committee is recommending that certain emergency-type levies be excluded from the 1 percent limits.

These levies involve payments of monies mandated by court judgments that cannot be foreseen by elected officials. It also includes payments of large insurance premiums required to protect taxing entities, mostly cities and counties, from lawsuits involving large sums of money.

He contended any move to apply user fees ought to be left to local officers. He added county commissioners will look to the fee structure to support levies.

Rep. Mike Gwartney, R-Boise, has proposed lifting school districts out of the 1 percent law, saying that would ease the revenue crunch for schools and make more money available to cities and counties.

Other suggestions generally receiving committee endorsement are continuing the freeze on the amount a governmental unit can spend, with a cost of living factor; allowing single-purpose taxing districts to levy service charges, rather than property tax levies, when feasible; and removing from the 1 percent limit the charter school district levies above the statutory limit for other districts.

But more legislators are leaning toward the idea that after a dozen alternatives are considered, the Legislature will choose to continue the freeze policy adopted last year, placing some allowance for inflation and growth, perhaps about 8 percent.