12-1970

0160 Committee on Fiscal Policy, Part III

Colorado Legislative Council

0160 Committee on Fiscal Policy, Part III

Report to the Colorado General Assembly:

COMMITTEE ON FISCAL POLICY PART III

STATE OF COLORADO
NIL SINE NUMINE
1876

COLORADO LEGISLATIVE COUNCIL

RESEARCH PUBLICATION NO. 160

December, 1970

LEGISLATIVE COUNCIL

OF THE

COLORADO GENERAL ASSEMBLY

Representatives

C. P. (Doc) Lamb,
Chairman
Joe Calabrese
John Fuhr
Carl Gustafson
Ben Klein
Clarence Quinlan
John Vanderhoof,
Speaker

Senators

Fay DeBerard,
Vice Chairman
John Bermingham
Frank Kemp
Vincent Massari
Ruth Stockton
Mark Hogan,
Lt. Governor

* * * * * * * *

The Legislative Council, which is composed of five Senators, six Representatives, and the presiding officers of the two houses, serves as a continuing research agency for the legislature through the maintenance of a trained staff. Between sessions, research activities are concentrated on the study of relatively broad problems formally proposed by legislators, and the publication and distribution of factual reports to aid in their solution.

During the sessions, the emphasis is on supplying legislators, on individual request, with personal memoranda, providing them with information needed to handle their own legislative problems. Reports and memoranda both give pertinent data in the form of facts, figures, arguments, and alternatives.

COLORADO GENERAL ASSEMBLY

LEGISLATIVE COUNCIL

ROOM 46 STATE CAPITOL
DENVER, COLORADO 80203
892-2285
AREA CODE 303

January 6, 1971

To Members of the Forty-eighth Colorado General Assembly:

In accordance with the provisions of House Joint Resolution No. 1034, 1969 Session, the Legislative Council submits the accompanying report and recommendations pertaining to matters of fiscal policy.

The report of the Committee appointed to carry out this study has not yet been reviewed by the Legislative Council because of extended Committee deliberations. The Council, however, at its meeting on December 18, 1970 agreed to accept the report for transmission with recommendation for favorable consideration by the first regular session of the Forty-eighth General Assembly.

Respectfully submitted,

/s/ Representative C. P. (Doc) Lamb
Chairman

CPL/mp

OFFICERS
REP. C. P. (DOC) LAMB
Chairman
SEN. FAY DeBERARD
Vice Chairman

STAFF
LYLE C. KYLE
Director
DAVID F. MORRISSEY
Principal Analyst
STANLEY ELOFSON
Principal Analyst
JANET WILSON
Senior Analyst
DAVID HITE
Research Associate
RICHARD LEVENGOOD
Research Associate

COLORADO GENERAL ASSEMBLY

MEMBERS
LT. GOV. MARK HOGAN
SEN. JOHN BERMINGHAM
SEN. FRANK KEMP
SEN. VINCENT MASSARI
SEN. RUTH STOCKTON
SPEAKER JOHN D. VANDERHOOF
REP. JOSEPH CALABRESE
REP. JOHN FUHR
REP. CARL GUSTAFSON
REP. BEN KLEIN
REP. CLARENCE QUINLAN

LEGISLATIVE COUNCIL

ROOM 46 STATE CAPITOL
DENVER, COLORADO 80203
892-2285
AREA CODE 303

January 6, 1971

Representative C. P. (Doc) Lamb
Chairman
Colorado Legislative Council
Room 46, State Capitol

Dear Mr. Chairman:

Pursuant to House Joint Resolution No. 1034, 1969 Session, the Committee on Fiscal Policy submits the following interim report for consideration by the Legislative Council.

The charges given to the Committee were quite extensive and, because of the time required to give each area the consideration it deserves, many questions remain unanswered. However, several areas of particular concern to the Committee were considered at length and appropriate recommendations and/or observations have been offered regarding them. Items which the Committee feels deserve further study have been noted together with a recommendation for the Committee's continuance.

Respectfully submitted,

/s/ Senator Leslie R. Fowler
Chairman
Committee on Fiscal Policy

LRF/mp

FOREWORD

The Fiscal Policy Committee, appointed originally in 1968, was reappointed in 1969 for a two-year period pursuant to the provisions of House Joint Resolution No. 1034. Those appointed to the Committee were:

Sen. Leslie R. Fowler
  Chairman
Rep. Thomas Neal
  Vice Chairman
Sen. Allen Dines
Sen. William S. Garnsey, III
Sen. Harry Locke
Sen. J. D. MacFarlane
Rep. Thomas Grimshaw
Rep. Kathryn Munson
Rep. Jerry Rose

Representative Neal resigned from the Committee in May, 1970, and Representative Donald Horst was appointed in his place.

During the 1970 interim, the Committee's attention has primarily centered on three areas of state fiscal policy - state finance, with special emphasis on future trends of revenues and expenditures; capital construction; and the Public School Foundation Act of 1969. In addition, a number of other areas were considered -- although to a lesser extent -- and some recommendations and/or observations are also offered relative to these matters.

The findings and recommendations contained in this report are based upon information supplied by a number of organizations and individuals interested in matters of fiscal policy and upon studies conducted by Legislative Council staff members assigned to the Committee. Among those providing such assistance were representatives of the following: Council on Educational Development (COED); State Department of Education; Commission on Higher Education; State Board for Community Colleges and Occupational Education; University of Colorado; Colorado Municipal League; Department of Local Affairs; State Planning Office; City and County Board of Health, El Paso County; Boulder City and County Health Department; Tri-County Health Department; Colorado Department of Health; Dawson, Nagel, Sherman and Howard; Willson and Lamm; Section on Taxation, Colorado Bar Association; Committee on State Taxation, Colorado Society of Certified Public Accountants; State Department of Revenue; Executive Budget Office; Office of Planning and Budget Services; Joint Budget Committee Staff; Legislative Drafting Office. The Committee wishes to express its appreciation for the contributions of all those who participated in the discussions.

David Hite, Senior Research Analyst and Dwight Heffner, Senior Research Assistant, Legislative Council Staff, had the principal staff responsibility for working with this Committee and for the preparation of the Committee Report.

January, 1971

Lyle C. Kyle
Director

TABLE OF CONTENTS

LIST OF TABLES

I. STATE FINANCE

Introduction

It has become apparent that fiscal problems will confront the General Assembly in the 1971 legislative session. The Committee on Fiscal Policy has devoted much time and effort to the task of developing suitable information relative to these problems. However, because of the nature of the current economic situation, and of the possible alternatives for dealing with it, no agreement has been reached regarding specific recommendations for resolving the problems. Therefore, in an effort to avoid further complicating the task which will confront the General Assembly in 1971, the Committee has agreed to submit no recommendations regarding: (1) the level of expenditures for existing programs; (2) the adoption of new programs which would necessitate increased expenditures; or (3) the method by which the General Assembly should attempt to resolve the pending fiscal problems.

Instead, it has been decided that the purpose of this report will be to set forth for the members of the General Assembly, the facts as they appear to the Committee, and to present the various alternatives which have been suggested in the most useful and objective manner possible.

The Current Situation

Through the activities of this Committee during the past several months, the following facts have been assembled or determined:

(1) The free surplus in the general fund as of June 30, 1970, was approximately $69 million;

(2) The revenue to the general fund (prior to the capital construction transfer) during the 1969-70 fiscal year was approximately $357.2 million, or about $7 million short of the original official revenue estimate;

(3) The official revenue estimate of the Governor's Revenue Estimating Advisory Committee for the current fiscal year was originally $397.3 million; however, this Committee has revised it downward as of December, 1970. Thus, the revenue (prior to the transfer to capital construction) to the general fund is now estimated to be approximately $389.3 million;

(4) The General Assembly appropriated $41 million more than the original official revenue estimate and, with the official revenue estimate now set at $389.3 million, the free surplus on June 30, 1971 will be reduced by $49 million thus leaving a surplus of approximately $20 million;

(5) The Governor wrote to the Committee last spring and requested that an attempt be made to find a solution to financing capital construction needs of the state during the 1970 decade;

(6) The Committee has determined that the capital construction needs of the state during the 1970's will approximate $450 million, that the present allocation from the general fund will not provide sufficient moneys to finance a program of this magnitude, and since a sizeable share of the needs will be required early in the decade, additional funds are needed for capital construction during the next three or four years;

(7) The Committee on Fiscal Policy, in its 1968 report, recommended a new School Foundation Act which the General Assembly adopted and which was intended to transfer a major part of the annual increase in costs of public education from the property tax to broader based state tax sources. To continue this philosophy will require adjusting the level of support from $460 per student to $508 per student at a total additional cost of approximately $18 million;

(8) Other interim legislative committees have recommended increased spending on the part of the state in the next fiscal year totalling approximately $15 million;

(9) The General Assembly, on recommendation of the Committee on Fiscal Policy, last session created a new vocational education program which will require an additional $2.5 million appropriation in the next fiscal year;

(10) Proposals have been made to this Committee calling for a broadly supported health services program and for the state to assume all local costs of welfare programs; and

(11) Based on information obtained from several sources it would appear that the minimum increase in the general fund level of appropriations that will be necessary to fulfill commitments already made by the General Assembly (without considerable alteration of policies) will be $49 million, i.e., over the $418 million level of the current fiscal year (exclusive of built-in increases in vocational education and the foundation act).

Outlook for Fiscal Year 1971-72

Because of the change made in the withholding of individual income tax payments, obtaining absolutely comparable figures indicating real growth in state revenues is next to impossible; however, the Council staff has made every effort to achieve comparability in the statistics utilized.

According to the Council staff studies, the real growth in state general fund revenues in fiscal year 1969-70 (over 1968-69) was approximately 11.2 percent. As mentioned above, this resulted in revenues to the state general fund (prior to the deduction for capital construction) of $357.2 million as opposed to the official estimate of $364.9 million.

As a result of an analysis of the revenues to the general fund in the first five months of the current fiscal year (1970-71) there is little evidence to indicate that 1970-71 will see any significant improvement (over 1969-70) in the growth pattern of general fund revenues. The Governor has indicated it now appears that revenues will fall short of the official estimate by approximately $8 million, i.e., a total of $389.3 instead of $397.3 (gross before transfer to capital construction). This growth, if realized, would represent an increase approximately the same as that shown above (11.2 percent) for 1969-70 over 1968-69.

Let us assume for the moment that the economy will be such during fiscal year 1971-72 that we will realize an increase of 11.2 percent in revenues over the 1970-71 fiscal year experience, which approximates the percentage growth in revenues realized in three out of the last four fiscal years, and apply that percentage growth to fiscal year 1971-72.1/

1/ This increase of 11.2 percent in general fund revenues before transfer to capital construction is consistent with the 10.028 percent increase in the revenues -- before old age pension payment, food sales tax credit, and transfer to capital construction -- from sources feeding in whole or in part into the general fund.

The arithmetic is as follows:

1970-71 revised revenue estimate	$389.3 million
	x 111.2%
1971-72 gross general fund receipts projected	432.9 million
Less 5% transfer to capital construction (5% of revenues before food sales tax refunds)	22.3 million
1971-72 net revenue to general fund	$410.6 million

Recognizing that the appropriation level from the general fund for fiscal year 1970-71 is $418 million, it is evident from the above that appropriations would have to be reduced, as compared to the present fiscal year, by approximately $7.4 million to live within the projected income at this level.

Adding the estimated free surplus as of June 30, 1971 ($20 million) to the above net general fund revenue figure of $410.6 million would make $430.6 million available for appropriation, an amount $12.6 million above the 1970-71 level of appropriations. Living within this fiscal framework would result in a three percent increase in the overall appropriation level for next year, as contrasted to the approximate 23 percent increase appropriated in the current fiscal year.

Alternatives

The following suggestions have been outlined as possible alternatives to the fiscal situation just described. They are listed only as possibilities -- not recommendations. In addition, they have been divided into two basic categories -- "hold-the-line" and "revenue raising" -- for the sake of convenience. It should not be implied from this that the items listed are mutually exclusive. It is quite possible that some combination of the suggested approaches may be found appropriate.

"Hold-the-Line"

In viewing the calculations above, an obvious step that might be considered is to repeal the five percent allocation to capital construction, thus providing an additional $22.3 million for operating expenses. This amount plus the surplus would provide $34.9 million above the 1970-71 appropriation level, or an increase of approximately eight percent over the current year level. However, it leaves unanswered the question as to how capital construction would be financed.

It must be noted that the surplus would be eliminated by June 30, 1972 and no money would be available for new capital construction authorizations. Also, it would not be possible to meet the minimum estimated increases thought to be already committed (approximately $59 million including vocational education and the foundation act) under either circumstance unless additional paring could be accomplished, or additional cash funds generated.

Eighty-six percent of the general fund appropriations in 1970-71 is devoted to four areas: public education; higher education; institutions; and social services. Any meaningful "belt tightening" would likely come in these areas.

One of the first means of cutting is in the prevailing wage philosophy, and it cuts across the 86 percent of the budget mentioned above as well as the remaining 14 percent. Holding the level of support under the foundation act is another step that could be taken. Restricting enrollments at institutions of higher learning and/or increasing tuition levels are other steps that could be taken. Reducing personnel at other institutions in line with declining patient loads is a step to be considered. Stopping spiraling welfare costs is another possibility.

Assuming all or some of these things could be accomplished, living within the state's income might be possible. However, what are the likely results? Without attempting to provide any of the answers, the following questions relative to this approach are suggested for consideration.

(1) Will abandoning the prevailing wage concept result in a loss of key state employees to other employers? Would only a one-year moratorium result in serious recruiting and retention problems? Would state employees feel it fair to single them out for a hold-the-line wage policy when employees in the private sector seem to be negotiating higher pay scales? Would such a policy encourage more militancy on the part of public employees? In a time when strikes seem to be in the offing in the public school arena, would a clamp down on teachers' salaries provoke strikes? Would there be an exodus of top flight teachers from the college and university faculties if faculty salaries were stabilized?

(2) Will holding the line on the $460 level of support to public schools result in lesser public school expenditures or will it result in higher property taxes? Will higher property taxes promote the ultimate adoption of an absolute constitutional limitation on property taxes? Would the adoption of such a property tax restriction help or hinder the revenue problem at the state level in the long run? How will the property taxpayer react if campaign pledges to increase state aid to schools and thus reduce the property tax burden are not carried out?

(3) What will be the reaction of prospective college and university students, and their parents, if enrollments are restricted at all levels of higher education? What effect will restricting opportunities for vocational training beyond the high school have on prospective employers and on the economy of the state? Will restricting enrollments to Colorado youngsters result in retaliation by other states against Colorado youngsters who go out of state for their higher education? Is it desirable to limit the mixing of resident and nonresident students at our colleges and universities?

(4) Will declining patient loads at our mental health institutions enable us to reduce staff or is the increased numbers of staff the reason why patient loads have been reduced? Have the patient loads actually been reduced or are they simply transferred to local jurisdictions with the result of higher local expenditure levels? With the present emphasis on rehabilitation of criminal offenders, can expenditure levels at correctional institutions be cut? Can the state ignore the growing drug problem and the resulting social problems which undoubtedly will result in more governmental expenditures?

(5) The two most rapidly growing programs in the social service field seem to be medical care expenses and the aid to dependent children program. Will we run afoul of federal regulations if restrictions are placed on these programs? Will the people of Colorado tolerate children going hungry, or without shelter, or without clothing even though their parent or parents appear to be undeserving? With increasing national attention being focused on universal health care can Colorado reduce expenditures in medical programs?

Abuses and inefficiencies of course should be eliminated wherever possible, but will the elimination of such (if possible) reduce expenditures sufficiently to enable us to live within the present tax structure, or will it take the elimination or paring down of major programs to accomplish this end?

<u>Revenue Raising</u>

<u>Alternative Number 1</u>. As <u>one</u> alternative to a hold-the-line approach the following has been suggested as a package approach to improving the general fiscal condition of both state and local governments. It should again be noted that these alternatives are presented only as possibilities -- <u>not</u> recommendations.

As noted in Chapter two, capital construction needs could be adequately met by continuing the present five percent allocation of general fund revenues to a pay-as-you-go capital construction fund together with the creation of a State Bond Board with authority to issue bonds in an amount to be determined by the General Assembly, the bonds to be retired from the proceeds of the capital construction fund appropriations, interest on investments and other receipts.

Several groups have suggested to the Committee that a state-wide, state-imposed, state-collected three cent sales and use tax be adopted with the revenues derived therefrom to be returned to the cities and counties at the point of collection. The proposal is designed to alleviate the fiscal dilemma of some municipalities, to reduce the burden of the property tax in both cities and counties, and to achieve uniformity of taxation thus minimizing compliance problems of consumers and business. However, such a tax would result in substantially larger sums of money being available for expenditure in many cities than is now being raised from the property tax. In a time of "belt tightening" it seems inconsistent to insist on "belt tightening" for some units of government and, at the same time, provide substantial increases in revenues for other units of government.

In lieu of the above, a three cent sales and use tax, -- for a total of six cents state-wide -- with all six cents extended to services, could be enacted, the proceeds of two cents to be returned to cities and counties at the point of collection, the proceeds of the third cent to be reserved for the public schools.

The proceeds of the one cent for schools would approximate $55 million. To increase the foundation act level of support to $508 would require approximately $18 million and to fully implement the vocational education act will require an additional $2.5 million, thus leaving approximately $35 million. It would seem feasible to hold this $35 million until after school district budgets had been adopted, then distribute the money to the school districts to be used to reduce the property tax levy of each district. The proportionate share to each district would be the same as its proportionate share of the basic foundation act.

In order to avoid the possibility of inflated budget requests in anticipation of the additional state funds, it would seem advisable to maintain the six percent limitation now in effect and extend it to all of the school district budget except that portion allocated to capital construction and debt retirement, <u>if the intent of the General Assembly is to achieve actual property tax reductions</u>.

After one more year of the six percent limit it could be repealed and in lieu thereof a 2.5 percent limit on increases in the property tax revenues of schools, cities and counties enacted. If a vote of the people were to be the only authority for an increase above this rate, a very effective lid on the property tax would be the result. However, this would place considerable pressure on the state to provide for the increased costs.

Rather than use the estimated $20 million surplus for operating expenditures, thus compounding the problem between income and outgo, it could be transferred as of June 30, 1971 to the capital construction fund.

Assuming a ten percent increase in general fund expenditures for 1971-72 over the current year for the general fund programs other than public education ($418 million less $150 million for public education leaves $268 million), would mean an additional $27 million. Adding the $27 million to the total current level of $418 would result in a spending level of $445 million (plus the increase in public education accounted for above).

Assuming an 11.2 percent growth in the general fund revenues in 1971-72, the amount remaining in the general fund after deducting the five percent for capital construction would be $410.6 million -- the deficiency between income and outgo would be $34.4 million.

In order to raise the necessary additional revenues to balance income and outgo the following sources might be considered as one possibility.

Extend sales tax to services as suggested above	$12.6 million
Raise cigarette tax 5¢ per pack	12.0 million
Raise liquor and beer taxes to average of all the states (except monopoly states)	3.4 million
Repeal the $5 per $1,000 credit on personal income tax	12.6 million
Total	$40.6 million

Alternative Number 2. Aside from the package described above, no other unified approach has yet been suggested for improving the general revenue situation in the next fiscal year. With respect to the revenue raising approach then, this second alternative consists of selecting among various tax sources to determine where increases would be appropriate and effective. For the convenience of those who would wish to approach the problem in this manner, the Department of Revenue has provided data relative to the revenue producing capability of various types of tax increases -- see Table XII, page 81. In addition, the data contained in the Fiscal Policy Committee's 1969 report which present comparisons of tax rates, features, etc., among the states has been updated. These data appear in the appendix, pages

A decision to follow the revenue raising approach involves a number of questions equally as difficult to answer as those mentioned above for holding-the-line. The most significant of these appear to be:

(1) Will the taxpayers of Colorado tolerate additional state taxes?

(2) Will salaries of state and local government employees continue to rise?

(3) Shall we continue the attempt to shift the burden of increased public school costs to state revenue sources?

(4) Shall we continue the policy of encouraging everyone who wants to seek an education beyond the high school?

(5) Shall we expand medical services to the indigent?

(6) Shall we continue the attempt to provide a level of welfare support that will enable the less economically fortunate to enjoy a reasonable standard of living?

(7) Shall we continue a policy of trying to restore the emotionally ill and the criminal offenders as useful members of society?

II. CAPITAL CONSTRUCTION

In a letter dated April 9, 1970, Governor Love expressed his hope that the Fiscal Policy Committee would be willing to undertake "the analysis of capital construction needs of agencies and institutions of the State, including higher education, and the development of specific plans and proposals for meeting these needs on a long-term basis." The Governor outlined the scope of the capital construction problem facing Colorado:

> With major construction requirements in the Capitol area added to those arising from the tremendous recent and prospective growth in higher education enrollments, it is obvious that we face funding demands of great size. In addition to determining our overall requirements on a realistic basis, it seems essential and urgent that all possible alternatives for meeting these needs be identified and recommendations formulated for enactment in the next legislative session.

The need for such an analysis was also noted by several members of the Committee during the 1969 interim. Accordingly, the Committee devoted a major portion of its time and effort to the study of capital construction needs and the possible alternatives for meeting them.

The Current Capital Construction Program

Presently, the largest source of funds for capital construction comes from a five percent transfer from the General Fund as provided in 3-3-11 and 3-3-16, C.R.S. 1963.1/ Beyond

---

1/ 3-3-11 Capital construction fund. There is hereby created the capital construction fund to which shall be allocated such revenues as the general assembly may from time to time determine. All unappropriated balances in said fund at the close of any fiscal year shall remain therein and not revert to the general fund. Anticipation warrants may be issued against the revenues of the fund as provided by law.

3-3-16 Transfer to fund. For the fiscal year beginning July 1, 1963, and for each fiscal year thereafter, five per cent of each dollar of money accruing to the general fund shall by the state treasurer be set aside and transferred to the capital construction fund established by section 3-3-11, C.R.S. 1963.

the five percent provision in several recent years additional general fund moneys have been appropriated to the fund. Other sources of revenue, and the effect they have can be summarized by reference to the Joint Budget Committee's 1970 Appropriations Report.

> The 1970-71 appropriation is funded with State and Federal moneys. State funds come from the General Fund, Game Cash, Parks Cash, Highway Users Tax Fund, Correctional Industries Fund and private grants. Federal funds come from a variety of sources including the Higher Education Facilities Act, Omnibus Crime Control and Safe Street Act, National Institute of Health, and Bureau of Health and Manpower.2/

Unappropriated Balance in Capital Construction Fund, February 28, 1970	$ 2,478,277
Estimated 5% General Fund Transfer 1970-71	20,567,000
1970-71 "Long Bill" General Fund Transfer	3,537,285
Estimated HEFA Allotment	2,233,125
Other Federal Funds	8,470,500
Other State Funds	6,099,724
Estimated Reversions	1,675,988
Total Available for Appropriation	$45,061,899
1969-70 Supplemental Appropriation	$ 1,405,905
1970-71 Long Bill Appropriation:	
Capital Construction Fund	24,909,445
Other Funds	16,803,349
Senate Bill 67 - Auraria Appropriation	1,943,200
Total Appropriated - 1970	$45,061,899

Examples of how the total capital construction appropriation is divided among the executive departments for fiscal year 1971 are shown as follows:3/

2/ *Appropriations Report, 1970-71*, Joint Budget Committee.
3/ *Ibid*.

Department	Total	Percent of Total
Office of the Governor	$ 250,000	0.6
Department of Administration	2,934,550	6.5
Department of Agriculture	16,000	-
Department of Higher Education	34,569,181	76.7
Department of Institutions	1,273,480	2.8
Department of Military Affairs	27,000	0.1
Department of Natural Resources	5,945,470	13.2
Department of Social Services	46,218	0.1
	$45,061,899	100.0%

Estimate of Capital Construction Needs

The following assessment of capital construction needs for the next decade is the best estimate that can be made to date. With few exceptions, departments within the executive branch are either initiating new examinations of capital construction needs or are in the process of revising existing projections, thus complicating the job of making definitive estimates.

Higher Education. Projected needs to 1980 for institutions of higher learning in Colorado as prepared by the Commission on Higher Education can be summarized as follows:4/

Classroom and Service	$ 30,116,250
Teaching Laboratories and Services	42,046,433
Physical Education Facilities and Services	13,687,007
Other Teaching Facilities and Services	3,322,696
Teaching Faculty Offices and Services	26,626,710
Other Instructional Space	15,449,040
Library Space	31,484,509
Administrative, General Office & Service Space	10,038,146
Physical Plant Service Space	8,272,984
Subtotal	$181,043,775

4/ Cost figures are based on current costs of facilities projected to 1975 on the basis of a 7% per year cost increase. Estimated costs in 1975 are used because that would be the mid-point of the 10-year period over which projections are being made. Because of the length of time required to plan and construct facilities, basing cost estimates on the year 1975 is valid only if massive construction for new institutions (Metropolitan State College, Arapahoe Junior College, Community College of Denver, El Paso Community College, and Ames College) is undertaken in early years of the decade.

Estimated Space Required for Organized Activities, Research, Extension and Public Service, and General Activities for which no Institution - by - Institution Projections Have Been Made (Estimated at 20 percent of the total -- its ratio over the past several years)	$ 40,972,230
Total Additional Educational and General Space Required (Exclusive of Medical Center)	222,016,005
Estimated Cost of Architects' Fees, Movable Equipment, and Contingencies (25% of cost of structure and built-in equipment)	55,504,001
Estimated Cost of Site Work, Utilities, and Landscaping	10,000,000
Estimated Cost of Renovations and Alterations	10,000,000
Estimated Cost of Additional Land	8,600,000
Estimated Cost of Additional Medical Center Facilities (set forth in institutional master plan, adjusted for funding since adoption of plan)	35,456,000
TOTAL	$341,576,006

Institutions. Estimated capital construction needs for the next decade for institutional needs can be summarized as follows:

--Mental Health--

Regional Mental Health Facility - North East Colo.	$ 800,000
Forensic, Diagnostic and Receiption Center, Denver	2,500,000
State Hospital	12,566,460
Fort Logan Mental Health Center	5,620,000
Total	$ 21,486,460

--Youth Services--

Two Youth Camps	$ 650,000
Residential Home for Girls	105,000
Youth Camp -- Gymnasium	265,000
Reception and Diagnostic Center	320,000
Lookout Mountain School for Boys	1,355,000
Mount View Girls School	1,075,000
Colorado Youth Center	465,000
Total	$ 4,235,000

--Adult Corrections--

Penitentiary			$ 11,260,000
Reformatory			606,890
		Total	$ 13,216,125
School for the Deaf and Blind		Total	$ 1,794,900

--Mental Retardation--

Grand Junction			$ 2,868,657
Wheat Ridge			5,000,000
		Total	$ 7,868,657
Department of Institutions		Total	$ 48,601,000

Natural Resources - Proposed Development Program. The 1970-80 capital construction budget of the Game, Fish and Parks Division lists 14 high and 14 low priority areas. Basically, these areas are water impoundment sites. For the high priority areas, only Golden State Park could be placed in a different classification, i.e., a mountain recreation site. The fourteen high priority sites include:

Project	County	Development Cost Projection Five-Year	Development Cost Projection Ten-Year
Barbour State Recreation Area	Weld	$ 343,500	$ 343,500
Bonny Reservoir State Recreation Area	Yuma	877,000	1,678,900
Boyd Lake State Recreation Area	Larimer	839,000	1,188,800
Cherry Creek State Recreation Area	Arapahoe	1,447,000	2,048,000
Golden Gate State Park	Jeff & Gilpin	1,465,000	2,201,000
Green Mtn. Reservoir State Rec. Area	Summit	730,200	1,209,700
Highline Lake State Recreation Area	Mesa	720,200	799,400
Horsetooth Reservoir State Rec. Area	Larimer	1,069,500	1,546,500
Island Acres State Recreation Area	Mesa	326,180	400,380
Jackson Reservoir State Rec. Area	Morgan	823,100	1,159,100
Lathrop State Park	Las Animas	692,500	846,500

Miramonte State Recreation Area	San Miguel	265,440	880,240
Steamboat Lake State Recreation Area	Routt	1,339,000	1,972,000
Terryall Reservoir State Rec. Area	Park	173,800	652,300
TOTAL		$11,111,420	$16,925,820

In addition to the areas discussed above, the division lists five federal reservoir sites for cooperative federal-state development: Chatfield -- Denver Metro Area; John Martin -- Bent County; Pueblo -- Pueblo County; Trinidad -- Las Animas County; and Mount Carbon -- Denver Metro Area. To fully develop these areas for recreation, a total of $9,500,000 would have to be expended by the state, according to division estimates.

Potentially, the division is requesting over $11 million in development monies for high priority areas in the next five years and nearly $17 million for the ten-year period from 1970 to 1980. Coupled with the cooperative project development costs ($9.5 million) and low priority projects ($4.4 million), the total long range park development program of the division exceeds $30 million. These development estimates do not include funding of open space programs for urban growth areas or other types of park and recreation activities.

Capitol Complex. The issue of capital construction needs for the Capitol Building complex has been a topic of study and discussion for nearly a decade. In 1966, the state retained Space Utilization Analysis, Inc. (S.U.A.) to recommend a master plan for development of the Capitol Complex. Two master site plans were proposed by the consultant. The estimated total construction and demolition costs for both site plans would be the same but the two-phased land acquisition program for the two plans varied:

	Site Plan A	Site Plan B
Construction & Demolition	$44,156,172	$44,156,172
Land Acquisition	17,200,000	14,100,000
TOTAL	$61,356,172	$58,256,172

Site Plan C. Site Plan Alternative C was introduced by the Executive Branch in January, 1970. The plan depicts a proposed master plan for the next five to ten year period, a shorter term approach than S.U.A., Inc.'s 20-25 year approach. The total estimated cost of Plan C is $18.9 million:

Already Appropriated

Acquisition of 8 sites	$2,226,500
Acquisition of Farmer's Union Bldg.	3,000,000
Physical Planning - Office Bldg. "A"	235,980
TOTAL	$5,462,480

Remaining

Construct Office Bldg. "A" and Judicial Building	$9,900,000
Land Acquisition	3,500,000
TOTAL	$13,400,000

During the 1970 Session some members of the General Assembly, including members of the Joint Budget Committee, proposed that some specifics of the plan and some of the general site concepts should be altered. A second unresolved question appears to be in determining the extent to which executive agencies should be located in the Capitol Complex area. The S.U.A. study and Site Plan C assumes that those agencies presently housed in the Capitol Complex will remain so located. A $30,000 appropriation made in the 1970 Session for the development of a Denver Regional Site Plan indicates there is sentiment for dispersal of agencies at least in the Denver Metropolitan area. Also under consideration by the Executive Branch is the combining of certain field offices of state agencies at various regional locations.

Summary of State Government Needs. Needs of the four major areas of state government which draw upon capital construction funds can be summarized as follows:

Higher Education	$341,576,006
Institutions	48,601,000
Natural Resources	30,000,000
Capitol Complex	13,400,000
TOTAL	$433,577,006

Alternative Methods of Financing Capital Construction

During the course of its discussions, the Committee has reviewed a number of possible alternatives for financing capital construction needs. Among the possibilities considered are the following:

(1) amend section 3-3-16, C.R.S. 1963 to increase the present five percent transfer of General Fund money for capital construction to a greater amount. The most frequently suggested amount is six percent.

(2) establish a state-wide mill levy on real property to be used exclusively for capital construction.

(3) combine the present five percent construction fund with a small state-wide mill levy on real property. Short run differences between need and available revenue would be met by the issuance of anticipation warrants.

(4) amend the constitution to lift the restrictions in Article XI, Section 3. Short run financing of construction pending the passage of the amendment would be enhanced by a two or three mill state-wide levy on real property.

(5) Section 3-3-11, C.R.S. 1963, provides that anticipation warrants may be issued against the revenues of the Capital Construction Fund "as provided by law." The General Assembly could provide the necessary authority in the long appropriations bill to issue such warrants. The authority could be as specific as necessary, designating particular projects and specific (or total) dollar quantities of the warrants to be issued.

(6) establish a building authority. Such an authority would be empowered as a nonprofit public corporation to float bonds in its own name and to use the proceeds of the bond sale to construct buildings for use by state institutions. These institutions would pay annual rents to the Authority sufficient to service the debt incurred.

(7) execute lease-purchase agreements. This method normally involves a state contract with a non-state enterprise whereby the latter constructs a building, such as an office building, at no cost to the state,

and leases it to the state for a long term, at the end of which time the building becomes state property.

(8) initiate a state bond board - This suggestion calls for the pledging of a portion of income tax revenues as a special fund to support bonding (this method will be further detailed below).

Two additional alternatives have been proposed, both of which would be suitable only for funding capital construction needs of the state's larger colleges and universities:

(1) Student Building Fees - This plan calls for the levying of an annual building use fee on all students at Colorado institutions of higher education. Resident students would be assessed $100; non-residents, $200.

(2) The Colorado University Plan - The University has proposed a bonding mechanism based upon segregating certain tuition revenues and pledging them as the basis for both pay-as-you-go and bonding construction. It asks that the legislature agree to replace the depleted operating account by guaranteeing transfers of an equivalent amount of money each year from the capital construction fund of the state to the University's operating account.

Finally, the possibility of renting and/or using temporary facilities was also considered. The Committee has been informed that rental costs for higher education facilities during the current year will exceed $3,000,000. While the present cost of operating state-owned buildings is approximately $1.00 per square foot, the cost of rental properties is approximately $4.50 per square foot. Rental costs are expected to approach $6.00 per square foot in the near future. The Commission on Higher Education has estimated that if the facilities (for higher education) scheduled for construction by 1981 were to be rented instead, the cost -- at $4.00 per square foot -- would be approximately $32,000,000 per year in 1981.

Committee Comment

Although, as noted in chapter one, no recommendations are being offered relative to the adoption of programs affecting the level of expenditures or revenues, the Committee wishes to make the following observations.

The alternatives noted above were considered in terms of the ability of each to solve the problems of capital construction needs. The needs, in turn, are those outlined above which have been presented by the various agencies concerned. The Committee takes no position as to the propriety of the needs and neither endorses or denies them as such.

In reviewing the alternatives presented, however, the Committee feels the State Bond Board approach has much to recommend it. Following the suggestions of the State Securities Act, H.B. 1303 introduced in the 1969 Session of the General Assembly, the Bond Board would provide a means by which the State would issue revenue bonds, backed by a pledge of income tax revenues. It should be noted that the income tax, or a portion of it, would be pledged but not used to retire bonds.

Proceeds of the bonds together with annual appropriations of the Capital Construction Fund (at the current 5 percent level), appropriation of amounts now spent for rent, and income earned on the Board's funds, would permit the State to expend some $450,000,000 during the decade 1971-1981, of which $145,000,000 would be in borrowings. The bonds could be paid off as early as 1987. The bill provides that the present procedures of executive and legislative review and action on proposed construction would continue unchanged. Thus no borrowings would be authorized in the general act, but only in individual acts passed pursuant to the general act and specifying particular borrowings and particular construction projects.

The Committee has been informed that adoption of the approach could assure that all buildings proposed for construction, according to the needs cited above, could be available by 1981. The method has at least two advantages, one of which is that the bonds issued by the board would bear a high rating because of the good security behind them. The other advantage would be the limited fiscal impact occasioned by the method.

It is assumed that bonds issued by the board would be tax exempt and good for deposit by state banks. In addition, the responsibility for investing capital construction funds should remain with the state treasurer. Interest proceeds should be credited to a separate capital construction bond account -- no bond fund as such should be created.

The question has been raised as to whether such a method would be contrary to the provisions of Article XI, Section 3 of the State Constitution. The primary difficulty relates to whether bonds issued by the board would constitute a debt. Bond attorneys feel there is reason to believe the state Supreme Court will approve of the method as an appropriate application of the "special fund doctrine."

Because of the element of doubt involved, an interogatory opinion regarding the matter should be requested from the Supreme Court. It has been noted, however, that it is generally required that a measure pass second reading in the second house of the General Assembly before an opinion will be issued by the Court. Therefore, if such a method is to be adopted, appropriate legislation should be prepared and introduced early in the 1971 session. Then, if the Court were to render an adverse decision, an alternate method could be acted upon.

III. THE PUBLIC SCHOOL FOUNDATION ACT

During the interim immediately following the creation of the Fiscal Policy Committee in 1968, one of the major subjects of committee discussion was tax equity relative to the financing of public education, "the most expensive governmental service provided by state and local governments."1/ In the deliberations of the Committee at that time, it became apparent that the burden on the property taxpayer must be leveled off, at least. One of the major recommendations of the Committee, and one which was adopted by the General Assembly, was the new School Foundation Act. In its 1968 report, the Committee said:

> In general, the cost of public education appears to be increasing at a rate of roughly 10 percent annually. In contrast to this, the assessed valuation of property within the state, the chief source of local school funds through the mill levy, increases at approximately three percent annually. This disparity between growth of operating revenue needs and tax base to support them has meant an annual mill levy increase for school purposes for most Colorado school districts. The increased demands placed upon education have in turn also increased revenue needs. On a per-pupil basis in recent years education costs have been increasing at a rate of about six percent per year.
>
> Because income taxes and sales taxes increase at a rate reflecting growth in the economy -- eight or nine percent or better over the past few years -- and property taxes state-wide increase only about three percent annually, it becomes apparent that a larger proportion of state revenues, than has been the case in the past, must be made available if the annual property tax rate increases are to be avoided.
>
> In order to make possible a leveling off of the property tax burden, particularly as it concerns schools, the Committee recommends that the state assume a larger share of the annual increased cost of operating our public

1/ Report of the Committee on Fiscal Policy, January 1969, p. 5.

schools. The Committee recommends that the $460 per pupil standard be adjusted annually to reflect the cost experience of public schools in Colorado and its contiguous states, and that the state should allocate a portion of its annual revenue growth to this purpose. If the regional cost per pupil increased by five percent from one year to the next, the foundation level would be adjusted accordingly.

An increase in the property tax base would provide revenue to increase the local share. The state's percentage share could also be increased but the General Assembly would not be committed to allocating a greater percentage of the state's general fund revenue to schools than was allocated during the preceding year. The Committee believes this would materially aid schools in meeting school operating cost increases -- and yet allow the General Assembly the necessary flexibility in its use of general fund growth monies to meet other funding needs.2/

As the School Foundation Act was finally adopted, the cost experience feature of education in Colorado and surrounding states was dropped, and the level of support was decreased to $440 per pupil in calendar year 1970, and restored to the $460 level for calendar year 1971.

Further study of the Foundation Act was pursued by the Committee during the 1969 interim in an effort to determine its effectiveness and to examine the possibility that minor changes may be required. At this time several unexpected difficulties were brought to the Committee's attention. Among the indicated problems were the following:

(1) Language Difficulty - problems were noted relative to the preparation of school district budgets and the six percent limitation because of an inadequate definition of categorical programs. A related problem bears upon the wording of the "current expense" definition.

2/ Report of the Committee on Fiscal Policy, January 1969, pp. 11-12.

(2) Six percent Limitation - The General Assembly, in enacting the new School Foundation Act, placed a six percent limitation on the amount that school districts could increase their budgets per pupil in average daily attendance entitlement. (Exclusive of certain categorical funds and the limitation did not apply to districts below $620 expenditure per pupil). It has been suggested that some school districts have experienced difficulty in developing adequate budgets under this provision.

(3) Declining Districts - it was pointed out that enrollment decreases present an untenable budgeting situation for small districts because of the distribution of such decreases among several grades and the resulting inability to make adjustments in teacher and/or facility requirements.

Although experience with the act was regarded as insufficient to warrant proposing any changes at that time, the Committee, during the 1970 interim, determined that the problems noted deserved further attention. In addition to a more detailed examination of the areas noted above, the Committee wished to determine whether the various provisions of the Foundation Act were functioning as expected. More especially, is the Act working to relieve the burden on the property taxpayer?

Review of School District General Fund Budgets

Early in the course of its deliberations, the Committee's attention focused upon a comparison of school district General Fund budgets for 1969 and 1970. These comparisons of major categories of expenditures and revenues provided detailed information regarding budgeting changes in response to the Foundation Act. Some of these changes are summarized for Colorado as follows:3/

3/ For district-by-district comparisons see Table XIV, p. 93.

Budgeted Expenditures

Portions Subject to Six Percent Limitation - Total budgeted expenditures of Colorado school districts for 1970 may be divided as follows:

Restricted Items	$352,535,945	85.3%
Unrestricted	60,991,497	14.7%
Total Budgeted Expenditures	$413,527,442	100.0%

The proportion of restricted budgeted expenditures for a given budget varies widely among school districts. For example, the restricted portion of the budget in Hinsdale County amounts to 54.3 percent. In Logan Re 1 (Sterling), the restricted portion is 93.6 percent.

Budgeted Expenditure Increases - Net budgeted expenditures were increased in 1970 by $62,393,509 for all districts in the state. Although this figure represents a 17.77 percent increase over the budgeted expenditures of the preceding year, the increase does not reflect a failure to comply with the six percent limitation on general fund budget increases. Instead, at least two factors contributed to the increases: (1) a number of districts increased in excess of six percent but were not subject to the limitation (i.e., their budgets had not yet reached $620); and (2) several districts increased budgets in excess of six percent with voter approval. Also, forty-eight districts increased their budgets by the six percent allowed. A further analysis of the net increase shows the following:

Budgeted expenditures increased	$62,433,604	(173 districts)
Budgeted expenditures decreased	40,095	(8 districts)
Net increase	$62,393,509	

--Districts with 1969 ADAE cost below $620--

Reduced 1970 ADAE cost below 1969 cost	1
Increased less than 6%	19
Increased in excess of 6% but less than $657.20	39
Increased to minimum ($657.20)	4
	63

--Districts with 1969 ADAE Cost above $620--

Reduced 1970 ADAE cost below 1969 cost	16
Increased less than 6% allowed	39
Increased by 6% allowed	48
Increased in excess of 6% by vote	13
Increased in excess of 6% - Did not accept act	1
	117

For those districts with an ADAE cost in excess of $620, voter approval is needed in order to raise budgeted expenditures in excess of six percent. Fourteen districts sought such approval and thirteen were successful. The results of these elections are detailed below:

District	For	Against
Arapahoe 26J, Deer Trail	60	15
Baca RE-5, Vilas	84	26
El Paso 11, Colorado Springs	5,067	4,844
El Paso 12, Cheyenne Mountain	551	294
El Paso 23 Jt. Peyton	63	22
El Paso 60 Jt. Miami-Yoder	59	32
Fremont Re-3, Cotopaxi	122	24
Kiowa Re-1, Eads	170	45
Las Animas 88, Kim	87	15
Lincoln Re-13, Genoa	75	32
Lincoln Re 31, Arriba	80	40
Rio Blanco RE4, Rangely	109	11
Washington R-104, Woodlin	49	67
Weld Re-10(J), Briggsdale	79	40

Summary of Budgeted Expenditure Increase - The net increase in budgeted expenditures may be summarized according to function as follows:

Instructional expense increase net	$35,403,682
Administration expense increase net	2,146,930
Transportation expense increase net	1,986,709
Operation of plant expense increase net	2,882,132
Other operational expense increase net	8,905,198
Current operational expense increase net	51,324,651
Capital outlay increase net	3,875,449
Contingency reserve increase net	4,425,982
Debt service increase net	687,343

Community service and transfers to other school districts for service	$ 2,080,084
Budgeted expenditures increase net	62,393,509
Operational reserves and reserves for non-collection of taxes increase net	742,908
Total expenditures and reserves increase net	$63,136,417

Budgeted Revenues

Changes in Sources - Net increases in local district revenues are shown for each source below:

--Budgeted State Revenue--

Increase	$47,914,621	(131 districts)
Decrease	581,655	(50 districts)
Net Increase	$47,332,966	

--Budgeted County Revenue[4]--

Increase	$ 3,873,140	(109 districts)
Decrease	2,654,194	(72 districts)
Net Increase	$ 1,218,946	

--District Taxes--

Increase	$16,409,172	(147 districts)
Decrease	1,841,475	(34 districts)
Net Increase	$14,567,697	

--Federal Revenue--

Increase	$ 3,476,935	(88 districts)
Decrease	1,855,606	(68 districts)
Net Increase	$ 1,621,329	

No change in 25 districts.

4/ As a result of discontinuing county equalization program.

--Budgeted Revenue Summary--

State budgeted revenue increase net			$47,332,966
County budgeted revenue increase net			1,218,946
District budgeted tax revenue increase net			14,567,697
Federal budgeted revenue increase net			1,621,329
Local other than tax revenue, non-revenue transfers and adjustments			166,328
			$64,907,266
Beginning cash balance decrease	$7,684,125	(86 districts)	
Beginning cash balance increase	5,170,368	(78 districts)	
Beginning cash balance decrease net			2,513,757
			$62,393,509

In addition to the above analysis, the Department of Education reviewed in detail the budgets of selected school districts in order to determine the reasons for: (1) a relatively large overall increase in the total budget; (2) a relatively high percentage in the unrestricted section of the budget; or (3) other unusual items which require explanation. As a result of these reviews, department representatives have expressed the feeling that school districts have acted in good faith in developing their budgets pursuant to the foundation act. Irregularities in local budgets appear to have resulted from questions of procedure. The accounting procedure necessitated by the foundation act represents a major change from prior methods; in effect, the act causes districts to develop a PPB system. The new law appears to have produced positive benefits by introducing districts to new ways of allocating resources and evaluating programs. In addition, districts have not found the law as restrictive as it was first thought to be.

Committee Recommendations

In the light of these and other data reviewed during the interim and with the assistance of the Council on Educational Development (COED), the Committee has determined there are several areas in which the Public School Foundation Act of 1969 may be substantially improved. In addition, Section (9)(3) of the act, which established the level of support for 1970 and 1971, further provides that "the general assembly shall review the equalization level of support annually thereafter." Accordingly, the Committee on Fiscal Policy wishes to offer the following comments and/or recommendations in the areas noted.

Responsibility for Administration

The language of the statute now establishes that the State Board of Education shall have authority to adopt such guidelines as may be necessary for the administration of the Act. Some question exists, however, as to the authority and responsibility of the Department of Education in the administration of the statute.

The Committee therefore recommends that the control and responsibility for administration of the Public School Foundation Act be clearly vested in the State Board of Education.

Declining Enrollments

Some districts which have experienced sudden and unexpected decreases in school enrollment have confronted serious difficulties in attempting to finance continuing programs with budgets which fall within the limitations of the law. It is recognized that certain financial commitments for the ensuing year, including the employment of teachers, are made long before a district's budget limit is established. It is also recognized that projecting a loss in numbers of pupils, which may come about during the summer months, is most difficult.

The Committee therefore recommends that the law be changed to grant districts experiencing a decline in enrollment the authority to use the average daily attendance entitlement of the current year as the base for determining the budgetary entitlement of the district for the ensuing fiscal year.

Use of ADA or ADAE

It has been pointed out that minor charges are desirable in order to clarify priorities relating to the use of certain data for determining a district's budget limitation. Such a change would in no way conflict with the basic intent of the provisions in question and would not constitute a change in policy. Therefore, the committee recommends that the section of the statute which pertains to limiting expenditures be clarified so that the language clearly provides for the option of basing the limitation on either the average daily attendance entitlement or the average daily attendance of the entire year. This option is now being provided pursuant to state board rules interpreting present language.

Language Difficulty

As noted earlier one of the first problems to come to the Committee's attention during the 1969 interim related to certain language inconsistencies regarding the definition of "categorical programs", and "current expense" for budget purposes. These inconsistencies appear to have caused some measure of difficulty in the uniform determination of budgeted current expense for ADAE for a given fiscal year. As the statute is now worded, the budgeted current expense for ADAE is established at the time of budget adoption and reestablished when developing a budget for the ensuing year -- with conflicting results arising through the process of computation.

In order to overcome these difficulties, the Committee recommends the following:

(1) that "current expense" be defined so that there will be no doubt as to the meaning of the term by amending section 123-38-2 (9) as follows:

> (9) "Current expense" means the sum of all BUDGETED expenditures of the general fund of a school district, minus the aggregate of AMOUNTS BUDGETED FOR: Categorical ~~support funds-received-by-the-district,-excepting funds-received-from-the-state-for-transportation-purposes;-the-total-cost-of~~ PROGRAMS, INCLUDING AMOUNTS BUDGETED FOR THE transporting OF pupils to and from school; ~~expenditures for~~ capital outlay and debt service; ~~the~~ contingency reserve; and ~~the-estimated-expenditures-for~~ specifically identified programs for the culturally and educationally disadvantaged.

(2) that the State Board of Education be vested with the responsibility for designating categorical programs. Such programs should be generally defined as (a) those which are dependent upon the receipt of support funds from the state or federal government; or (b) those which are substantially supported with categorical support funds. In order to implement this recommendation, the Committee proposes that a new subsection (11) be added to 123-38-2 as follows:

> (11) "Categorical programs" means those programs of a school district which are so designated by the State Board. The Board shall so designate (a) those specifically identified programs of a school district for which categorical support funds are provided the district by the state or federal government; and (b) other specifically identified programs which are substantially financed with categorical support funds.

Secretary's Annual Report

The Secretary's annual report which supplies information to the Department of Education relative to all financial matters, enrollment, etc., is submitted after June 30 of each year and is based on a July 1 to June 30 reporting period. It has been noted, however, that the fiscal year of all districts is the calendar year and there is no reporting of actual calendar year accounting. Federal programs require accurate reporting for the July 1 to June 30 period. State interests indicate the need for accurate reporting of school district financial accounting for the calendar year. The Committee is therefore recommending that a semi-annual Secretary's report be submitted by each school district to the Department of Education. This would provide the information needed for developing data for both twelve months periods.

Specific Ownership Taxes on Mobile Homes - Distribution

Considerable attention has been given to the handling of specific ownership tax revenues collected on mobile homes and the Committee has concluded that an amendment to the Foundation Act relative to the allocation of school district revenues derived from this source would be appropriate.

Under provisions of the Act as it is now written all specific ownership tax receipts, including those derived from mobile homes, are considered to be a part of the available district resources. Specific ownership taxes collected plus the amount derived from the foundation levy are considered in computing the district's share of the foundation support program.

Several districts are experiencing financial difficulties as large numbers of mobile homes are established in the district. It has been reported that one third of all new dwellings are mobile homes and these units provide a significant number of children to be educated in the school district.

Also, any additional revenue which mobile homes produce for school districts is deducted from the state's share of foundation support. In contrast, the revenue from a typical residence in a district is allocated part to the foundation program and part to the costs of operation in excess of the foundation level of support. In a district which has a 17 mill foundation levy, and a total general levy of 51 mills, 17/51 of the property tax collections are applied to foundation program support and 34/51 of the revenue is applied to the excess cost of operation.

The Committee therefore recommends that mobile home school tax collections be similarly allocated. For the sake of simplicity and economy in administration, it is recommended that the

Foundation Act be amended to provide that one-third of all specific ownership taxes collected on mobile homes and distributed to schools be allocated to the district's share of the foundation support program.

Equalization Level of Support

The fundamental concepts which were generally accepted at the time S.B. 127 was formulated and adopted in 1969 were reviewed in the opening paragraphs of the chapter. They may be briefly summarized as follows: (1) that adequate financial resources should be available to Colorado Public Schools to provide the educational programs needed by our youth; and (2) that a continuing effort should be made to shift a larger portion of the burden for financing public schools to resources other than the property tax to the end that, insofar as possible, the rate of property taxation might be stabilized or reduced throughout the state.

In order to carry out the philosophy noted above, it appears the foundation level of support for 1972 would need to be established at approximately $508/ADAE.

However, in accordance with the Committee's desire not to complicate the task of resolving the difficult fiscal problems which will confront the forthcoming session of the legislature, no recommendation is being offered in this regard. To assist the General Assembly in making a final determination relative to the foundation level for 1972 tabular data are presented in Table XV, page 99, which show the estimated General Fund appropriation amounts necessary for various levels ranging from $460/ADAE to $508/ADAE.

IV. OTHER ITEMS CONSIDERED

In the course of the Committee's deliberations, a number of additional matters have been discussed upon which the Committee feels it is appropriate to comment, and, in some cases, offer recommendations. These items are listed below.

Confidentiality of Tax Returns

It has been noted that local governments in Colorado are currently prohibited from sharing information relative to tax return audits with the state. This situation, apparently the result of statutory and local ordinance provisions, seems inconsistent with effective and efficient administration of state and local tax policy. Also, it does not appear that the cooperative use of such information by the proper authorities would be contrary to the principle of confidentiality. This type of information is presently exchanged between authorities of the state and federal governments.

Recommendation

Therefore, the Committee recommends that suitable legislation be enacted to provide for the use of such information by the proper authorities of political subdivisions of this state.

Elector Qualifications

In its most recent report to the Forty-seventh General Assembly, the Committee on Fiscal Policy called attention to a possible trend toward the elimination of all taxpaying qualifications for electors regardless of the issue to be decided. At that time it was noted that two decisions of the United States Supreme Court cast considerable doubt upon the legality of school, special district and other municipal bonds approved only by property taxpaying electors in Colorado. Thus, in the cases of Kramer v. Union Free School District No. 15 et al. (New York) and Cipriano v. City of Houma et al. (Louisiana), the court held that statutory provisions which limited the franchise in local bond elections to property taxpayers were in violation of the Equal Protection Clause of the Fourteenth Amendment and, therefore, unconstitutional.

On November 17, 1969, the United States District Court in Arizona rendered its decision in the case of Kolodziejski v. City of Phoenix et al. This decision concerned revenue and general obligation bonds. The Court held that the rule in Cipriano does apply to general obligation bond elections, saying that "we find no evidence which would justify a distinction between Revenue Bonds and General Obligation Bonds."

In response to these events, the Fiscal Policy Committee, on the advise of bond counsel, recommended that appropriate steps be taken to assure the continued saleability of local bonds in Colorado. The General Assembly, during the 1970 session, agreed with the recommendation and legislation was enacted to provide for: (1) the removal of taxpayer qualifications for participation in local elections wherever possible, except in the case of the School Foundation Act; and (2) alternate balloting procedures to overcome constitutional difficulties pertaining to voter qualifications in local bond elections.

On June 23, 1970, the United States Supreme Court affirmed the judgment of the District Court in the Kolodziejski case (see Appendix, page 101). Bond counsel were then asked to assess the effect of this decision and to offer their recommendations regarding elector qualifications in Colorado. Accordingly, the Committee has been informed that the Court's decision leaves little doubt that taxpaying qualifications for electors are improper.

Bond counsel feel there are two alternatives which may be pursued. One of these would be to deal with the problem by means of definitions and "whereas" clauses. That is, every qualified elector may be defined as one who pays some kind of a tax -- sales tax, property tax, income tax, etc. Because Amendment No. 3, approved at the polls November 3, 1970, does not take effect until January 1, 1972, the definition approach would require one definition of electors for 1971 and another thereafter.

Instead of attempting to define qualified electors in terms of their payment of some form of taxes, the other alternative would be to simply remove all reference to "taxpaying" qualifications for electors in accordance with the decisions of the United States Supreme Court. Such an approach would essentially constitute a housekeeping measure. Bond counsel agree this would be the best approach to the problem.

Recommendations

After July 1, 1971 -- the termination date enacted during the 1970 session -- no bond elections may be held unless the General Assembly amends the present law. Therefore, it is the recommendation of the Committee that Colorado's provisions regarding elector qualifications be revised so that they will be in agreement with the decisions of the United States Supreme Court, preferably by the method last noted -- i.e., by deleting all statutory references to taxpaying electors.

Motor Vehicle Sales and Use Taxes

The Committee's attention has been directed to a situation wherein, in some instances, municipal sales and use taxes are not being paid on motor vehicles purchased in Colorado. It has been suggested that minor statutory changes would correct the problem and assure the proper payment of such taxes.

Recommendation

Therefore, the Committee recommends that the General Assembly enact appropriate legislation implementing a requirement that county clerks receive, before registering a motor vehicle, evidence that municipal sales and use taxes have been paid on the vehicle.

Public Health Services

During the 1970 interim, information was presented to the Committee indicating that over half of the counties in Colorado presently have no public health protection whatever. Many others have limited sanitation services and no inspections of food establishments. Briefly stated, it appears that a serious situation presently exists with regard to public health in Colorado. It has been pointed out that such services rarely receive the attention they deserve until states are confronted with problems such as the diptheria epidemic in Texas or the 1965 flood in Colorado.

These and other disturbing facts were brought to light in a report of a study entitled Health Services for All the People in Colorado: A Study of Public Health State-Local Administrative and Fiscal Relationships in Colorado. The study was conducted by the American Public Health Association at the request of the State Health Department, the state office of Comprehensive Health Planning, and the state office of Regional Medical Programs.

In addition to a thorough assessment of public health services and needs in Colorado, the report contains a proposal for alleviating the situation which was outlined to the Committee as follows:

I. Regionalization of Local Health Services for entire state subject to change of region boundaries.

II. Increased state funding for Local Health Departments according to the American

Public Health Association's Colorado Health Study formula.

III. The three health and environmental organizations should have representation at public meetings of the Colorado Board of Health, State Water Pollution Control Commission, State Air Pollution Control Commission, Colorado Environmental Commission and the State Air Pollution Variance Board.

IV. Implementation of the American Public Health Association's Colorado Health Study be coordinated with the 5x5 Plan of the Colorado Comprehensive Health Planning Council.

V. Approving the following objectives of the American Public Health Association Colorado Health Study: (1) Delivery of local community health service state-wide in a more effective and efficient manner, at a lower cost; (2) Coordinating local community health services state-wide; (3) Developing local comparable health services state-wide; (4) Eliminating duplication of health services; (5) Full utilization of health manpower; (6) Uniform enforcement of health laws, standards, rules and regulations state-wide.

The recommendations relating to state financial assistance for local health services provide that:

a) The state allot $3.00 per capita.

b) Counties contribute a minimum of $1.50 per capita for their local health services and such additional amounts as a county or combination of counties may determine necessary to meet their local health needs.

c) The level of state assistance and county contributions be set in terms of the consumer price index value of the 1969 dollar with provisions for annual adjustments to provide for any change that may occur.

d) Federal and state funded special projects and demonstrations be in addition to the above allotments.

It was emphasized that counties should have a voice in the administration of the program and, by the same token, should contribute a portion of the necessary funds from their own sources.

While it was generally agreed that this is an area clearly deserving attention, the Committee refrains from submitting a recommendation regarding it at this time.

State Collected, Locally Shared Taxes

In accordance with the findings of a study conducted during the 1968 interim, the Committee recommended that "the legislature submit a proposed constitutional amendment to the voters to permit the state to levy and collect taxes on a state-wide basis, for distribution to localities according to formulas as yet to be determined." Subsequently, S.C.R. No. 6, 1969 Session, submitted as Amendment No. 3, was approved at the polls in November, 1970.

In the light of this approval, it was suggested that the Committee examine the possibility of establishing a state-collected, locally-shared sales and/or cigarette tax. Although sufficient time was not available to fully consider the question, a few observations are in order regarding such a tax.

The Colorado Municipal League has indicated support of the concept of a state-collected, locally-shared sales and use tax with three qualifications: (1) the cities' share of the tax must be distributed on the basis of the "point-of-origin" concept; (2) that such a tax would not prevent a municipality from levying an additional uniform tax; and (3) that the proceeds of such a tax being distributed to the cities return a comparable amount of revenue to that currently being received. Regarding the last point, it should be noted that at least three municipalities -- Denver, Englewood, and Littleton -- currently levy a three percent sales and use tax.

The Department of Revenue has indicated that such a tax would not add appreciably to administrative costs -- approximately $35,000 for the first year. Department estimates for calendar year 1970 indicate the following amounts would be available for distribution to cities and counties:

3% sales tax	$151,470,000
3% use tax	11,600,000
TOTAL	$163,070,000
2¢/pack cigarette tax	5,269,000
GRAND TOTAL	$168,339,000

Some concern has been expressed with the possible impact of the increased revenue on communities which do not now levy a sales tax, or which levy a tax of less than the three cents which would be necessary for Denver, Englewood, and Littleton. In most cases, municipal property taxes could be eliminated entirely with the entity concerned still realizing a substantial net increase in available revenues. Comparative data in this regard are shown in Table XIII, page 83.

Finally, although Amendment No. 3, adopted in November, 1970, specifically provides for the adoption of such a tax, it has been suggested an interogatory opinion may be advisable before a "one-bill" approach is adopted because of potential problems created by the constitutional provisions relating to the Old Age Pension Fund. In particular, Article XXIV, Section 2, provides for an allocation of 85 percent of sales tax revenues to the Old Age Pension Fund. The question is: would this also apply to the revenues derived from a sales tax levied pursuant to Amendment No. 3?

Income Tax Reform Act of 1969

The section of Taxation of the Colorado Bar Association and the Committee on State Taxation of the Colorado Society of Certified Public Accountants have recently joined in a combined effort to determine the effects of the 1969 federal Income Tax Reform Act on Colorado revenue. As a result of these efforts, it was determined that the following areas of the Act may result in a significant change in Colorado revenue: 1/

(1) $25 increase in personal exemption for 1970 and scheduled increases in later years.

1/ The Department of Revenue has estimated that, as a result of the 1969 Tax Reform Act, Colorado will realize approximately the following net revenue gains:

Fiscal Year:	1971	1972	1973	1974
	$730,000	$2,044,000	$3,042,000	$4,075,000

(2) Decrease in surcharge from 10% in 1969 to 2-1/2% in 1970.

(3) Changes in the single individual and head of household rate schedules.

(4) Repeal of the investment credit.

(5) Limitations on individual capital loss deductions.

(6) Restrictions on accelerated depreciation.

(7) The conversion from capital gain to ordinary income for certain breeding herd, land, unharvested crop and orchard sales by investor farmers.

(8) Conversion from capital gain to ordinary income of certain portions of building sale profits.

(9) Creation of the excess deduction account.

(10) Changes in the hobby loss rules.

(11) Liberalization of moving expense rules.

(12) Capital loss carryback for corporations.

Each of the Committees submitted broad outlines of recommended actions regarding the twelve areas mentioned above. The Committee on Taxation of the Colorado Bar Association presented the following:

(1) No change in the Colorado statutes should be made regardless of the projected revenue gain or loss insofar as any of these areas affect the definition of Colorado taxable income. To the extent revenue would have to be modified, from a tax practitioner's standpoint, such modification should be in the rate schedules. By making no change in the present wording of "Colorado taxable income," havoc in understanding and implementing the Colorado income tax would be avoided. If the Legislature would change the definition of Colorado taxable income, the taxpayers would once again be faced with not only the existing complex set of federal rules but also new special Colorado modifications.

(2) Appropriate steps should be taken immediately by the Legislature to change Colorado law so that the Colorado standard deduction is the same as the federal standard deduction. Taxpayers will necessarily have to acquaint themselves with all of

Total estimated number of students to be enrolled..................	36,592
Total estimated full-time equivalent students........................	7,392
Total estimated costs................	$9,861,943
Total estimated amount of state support........................	$5,007,007
Estimated percent of State support..................................	50.7%
Estimated average cost per F.T.E...........	1,334
Total number of school districts requesting funds.............................	135

It was pointed out that in 1970 the General Assembly provided $4 million for the vocational education program. This appropriation was made available for distribution after October 1, 1970 and resulted in a funding level approximately 2/3 of that which would be necessary for a full year program. Adequate funding of the program in accordance with the provisions of S.B. 78, 1970 Session, would require a full year expenditure of approximately $6.5 million.

Otherwise, the vocational education program appears to be working well, and the Vocational Division has indicated encouragement with its progress.

Extension of Fiscal Policy Committee

The state constitution very definitely places the responsibility for executing the laws, promulgated by the General Assembly, in the hands of the Governor. It also directs the Governor to submit recommendations to the General Assembly in terms of fiscal policy and otherwise; however, the taxing and appropriating powers are lodged with the General Assembly. The Governor can propose but the General Assembly must dispose.

Much has been said and written in the last few years concerning the strengthening of state legislatures in an effort to protect the integrity of the legislature as a separate and equal branch of state government. A number of changes have been effected in Colorado to achieve this end. However, there is one area in which the full membership of the General Assembly is still lacking in adequate information. That area is in the fiscal field.

The Joint Budget Committee is the recognized budgetary and fiscal review agency for the General Assembly. However, the functions of reviewing budgetary requests, and the preparation of the necessary appropriation measures to carry out its recommendations consume a large amount of time and leave little available for examination of long-term fiscal policy for the state, or for long-range revenue problems.

The Joint Budget Committee has recognized the lack of adequate revenue information and has been participating in an effort to develop an econometric model which hopefully will provide more accurate and up-to-date information for revenue estimating purposes.

In addition, it seems to the Committee on Fiscal Policy that additional input is desirable and necessary. The General Assembly needs a vehicle, operating independently of but in co-operation with the executive branch which is constantly looking at the fiscal policies of both state and local governments. For to a very great extent, the General Assembly sets the fiscal policies of local government, sometimes by direct action, other times by inaction.

Looking back at trends that have developed, and looking forward to trends to be set is something that the General Assembly has not been able to do with any systematic effort. It is this lack that prompted the creation of the Committee on Fiscal Policy during the 1968 legislative session. Filling the voids described above is what the members of the Committee on Fiscal Policy have been striving to do, and the members of the Committee feel very strongly that a legislative determination of a fiscal policy for state and local governments should be accomplished.

During the past three years problems have been presented to the Committee on Fiscal Policy which the Committee feels need further study and attention. It is for these reasons the Committee recommends that it be extended another biennium or that another such Committee be created.

APPENDIX

Table I

GENERAL SALES TAX

(Rate on Tangible Personal Property at Retail)

State	State Levy	Highest Existing Local Levy	Highest Total Levy in the State
(1) Alabama	4 %	2 %	6 %
(2) New York	3	3	6
(3) Pennsylvania	6	--	6
(4) COLORADO	3	3	6
(5) Arizona	3	2	5
(6) California	4	1	5
(7) Connecticut	5	--	5
(8) Illinois	4	1	5
(9) Kentucky	5	--	5
(10) Louisiana	3	2	5
(11) Maine	5	--	5
(12) Mississippi	5	--	5
(13) New Jersey	5	--	5
(14) Rhode Island	5	--	5
(15) South Dakota	4	1	5
(16) Washington	4.5	0.5	5
(17) Ohio	4	0.5	4.5
(18) Tennessee	3	1.5	4.5
(19) Utah	4	0.5	4.5
(20) Wisconsin	4	0.5	4.5
(21) Texas	3.25	1	4.25
(22) Arkansas	3	1	4
(23) District of Columbia	4	--	4
(24) Florida	4	--	4
(25) Hawaii	4	--	4
(26) Maryland	4	--	4
(27) Michigan	4	--	4
(28) Missouri	3	1	4
(29) New Mexico	4	--	4
(30) North Carolina	3	1	4
(31) North Dakota	4	--	4
(32) South Carolina	4	--	4
(33) Virginia	3	1	4
(34) Nebraska	2.5	1	3.5
(35) Nevada	3	0.5	3.5

Table I
(Continued)

State	State Levy	Highest Existing Local Levy	Highest Total Levy in the State
(36) Georgia	3	--	3
(37) Idaho	3	--	3
(38) Iowa	3	--	3
(39) Kansas	3	--	3
(40) Massachusetts	3	--	3
(41) Minnesota	3	--	3
(42) Oklahoma	2	1	3
(43) Vermont	3	--	3
(44) West Virginia	3	--	3
(45) Wyoming	3	--	3
(46) Alaska	1/	3	3
(47) Indiana	2	--	2
(48) Delaware	2/	--	--
(49) Montana	--	--	--
(50) New Hampshire	--	--	--
(51) Oregon	--	--	--
Average	3.6%	1.3%	4.2%
Median	4.0%	1.0%	4.0%
Colorado	3.0%	3.0%	6.0%

SOURCE: _Topical Law Reports_, Commerce Clearing House, Inc. p. 6021 (7/23/70) and pp. 6051-6146.

1/ Alaska imposes a business license (gross receipts) tax.
2/ Delaware imposes a merchants' and manufacturers' license tax and a use tax on leases.

Compiled by Legislative Council Staff
November 16, 1970.

Table II

LOCAL SALES TAXES

The following data show local sales taxes in Colorado as of December 18, 1970. Seventy-one entities levy a sales tax. The tax ranges from one to three cents as follows:

1 ¢	47
2 ¢	21
3 ¢	3
Total	71

Locality	Rate	Distribution of Proceeds
Archuleta County	1%	50% County; 50% Pagosa Springs
Alamosa	1%	
Arvada	1%	
Aspen	1%*	
Aurora	2%	
Basalt	2%*	
Bayfield	1%*	
Bent County	1%**	100% County
Berthoud	2%*	
Black Hawk	2%	
Boulder	2%	
Brighton	1%	
Central City	2%	
Cherry Hills Village	2%	
Colorado Springs	1%	
Commerce City	2%	
Cortez	1%	
Costilla County	1%	75% County; 20% San Luis; 5% Blanca
Delta County	1%	65% County; 21.35% Delta; 6.3% Paonia; 3.325% Hotchkiss; 3.15% Cedaredge; .875% Crawford
Denver	3%	
Dolores	1%	
Dove Creek	1%	
Durango	1%	
Eagle	2%*	
Edgewater	1%	
Englewood	3%	
Ft. Collins	1%	
Ft. Lupton	1%*	
Fruita	1%	
Georgetown	2%	

Table II
(Continued)

Locality	Rate	Distribution of Proceeds
Glendale	1%	
Glenwood Springs	1%	
Granby	1%*	
Grand Junction	1%	
Grand Lake	2%	
Greeley	1%	
Gunnison	1%	
Huerfano County	1%	Walsenburg and La Veta
Idaho Springs	2%*	
Ignacio	1%*	
Johnstown	2%*	
Lafayette	1%	
Lakewood	1%	
Lamar	1%	
Littleton	3%	
Longmont	2%	
Loveland	1%	
Lyons	2%	
Mancos	1%	
Manitou Springs	1%	
Mineral County	1%*	66 2/3% County; 33 1/3% Town of Creede
Montrose	1%	
Nederland	2%	
Northglenn	1%	
Ouray	2%	
Palisade	1%	
Pitkin County	2%	47% County; 53% Aspen
Pueblo	2%	
Rifle	1%	
Rio Grande County	1%	50% County; 35% Monte Vista; 15% Del Norte
Silt	1%	
Silverton	1%	
Steamboat Springs	1%	
Telluride	2%	
Thornton	1%	
Trinidad	1%	
Vail	2%	
Westminster	1%	
Wheat Ridge	1%	
Windsor	1%*	
Woodland Park	1%*	

* Effective 1/1/71.
** Effective 7/1/71.
SOURCE: Colorado Department of Revenue, December 18, 1970.

Table III

CIGARETTE TAXES IN THE 50 STATES

According to State Tax Review, a Commerce Clearing House publication, in 1970, legislatures of seven states increased cigarette taxes. In Pennsylvania, the rate was increased from 13¢ to 18¢ a package, and is currently the highest rate in the country. West Virginia's rate was raised from 7¢ to 12¢ a package; three states raised rates to 11¢ a package -- Kansas, from 8¢ to 11¢; Louisiana, from 8¢ to 11¢; and Michigan, from 7¢ to 11¢. Kentucky's rate made a small jump, from 2.5¢ to 3¢ a pack, and New Hampshire increased the tobacco products tax from 30% to 34% of the usual selling price.

Rate Increases During Last 10 Years

Cigarette tax rates have increased rapidly during the past 10 years, as indicated by the following table. The rates are given per package.

State	Current Rate	Rate on July 1, 1965	Rate on July 4, 1960
Alabama	12¢	6¢	6¢
Alaska	8¢	8¢	5¢
Arizona	10¢	6.5¢	2¢
Arkansas	12.75¢	8¢	6¢
California	10¢	3¢	3¢
Colorado	5¢	5¢	No tax
Connecticut	16¢	8¢	3¢
Delaware	11¢	5¢	3¢
Florida	15¢	8¢	5¢
Georgia	8¢	8¢	5¢
Hawaii 1/	40%	40%	20%
Idaho	7¢	7¢	5¢
Illinois	12¢	4¢	3¢
Indiana	6¢	6¢	3¢
Iowa	10¢	8¢	4¢
Kansas	11¢	8¢	4¢
Kentucky	3¢	2.5¢	2.5¢
Louisiana	11¢	8¢	8¢
Maine	12¢	8¢	5¢
Maryland	6¢	6¢	3¢

1/ The Hawaii rate is a percentage of wholesale price.

Table III
(Continued)

State	Current Rate	Rate on July 1, 1965	Rate on July 4, 1960
Massachusetts	12¢	8¢	6¢
Michigan	11¢	7¢	6¢
Minnesota2/	12¢	8¢	5.5¢
Mississippi	9¢	9¢	6¢
Missouri	9¢	4¢	2¢
Montana	8¢	8¢	8¢
Nebraska	8¢	8¢	4¢
Nevada	10¢	7¢	3¢
New Hampshire3/	34%	21%	15%
New Jersey	14¢	8¢	5¢
New Mexico	12¢	8¢	5¢
New York	12¢	10¢	5¢
North Carolina	2¢	No tax	No Tax
North Dakota	11¢	8¢	6¢
Ohio	10¢	5¢	5¢
Oklahoma	13¢	8¢	5¢
Oregon	4¢	No tax	No tax
Pennsylvania	18¢	8¢	6¢
Rhode Island	13¢	8¢	6¢
South Carolina	6¢	5¢	5¢
South Dakota	12¢	8¢	5¢
Tennessee	13¢	7¢	5¢
Texas	15.5¢	11¢	8¢
Utah	8¢	8¢	4¢
Vermont	12¢	8¢	7¢
Virginia	2.5¢	3¢	No tax
Washington	11¢	11¢	6¢
West Virginia	12¢	6¢	5¢
Wisconsin	14¢	8¢	5¢
Wyoming	8¢	4¢	4¢

2/ Minnesota has a cigarette use tax of 13¢.
3/ The New Hampshire rate is based on value sold at retail measured by usual selling price.

SOURCE: October 6, 1970 State Tax Review.

Table IV

RANKING OF STATE CIGARETTE TAXES

	State	State Levy	Highest Known Local Levy	Cents Per Pack
1.	Pennsylvania	18¢	--¢	18¢
2.	Alabama	12	6	18
3.	Virginia	2.5	15	17.5
4.	Connecticut	16	--	16
5.	New Jersey	14	2	16
6.	New York	12	4	16
7.	Texas	15.5	--	15.5
8.	Florida	15	--	15
9.	Arizona	10	5	15
10.	Wisconsin	14	--	14
11.	Missouri	9	5	14
12.	Oklahoma	13	--	13
13.	New Mexico	12	1	13
14.	Rhode Island	13	--	13
15.	Tennessee	13	--	13
16.	Arkansas	12.75	--	12.75
17.	West Virginia	12	--	12
18.	Vermont	12	--	12
19.	South Dakota	12	--	12
20.	Minnesota 1/	12	--	12
21.	Massachusetts	12	--	12
22.	Maine	12	--	12
23.	Illinois	12	--	12
24.	Delaware	11	--	11
25.	Kansas	11	--	11
26.	Louisiana	11	--	11
27.	Michigan	11	--	11
28.	North Dakota	11	--	11
29.	Washington	11	--	11
30.	California	10	--	10
31.	Iowa	10	--	10
32.	Nevada	10	--	10
33.	Ohio	10	--	10
34.	COLORADO	5	5	10

Table IV
(Continued)

	State	State Levy	Highest Known Local Levy	Cents Per Pack
35.	Mississippi	9¢	--¢	9¢
36.	Alaska	8	--	8
37.	Georgia	8	--	8
38.	Montana	8	--	8
39.	Nebraska	8	--	8
40.	Utah	8	--	8
41.	Wyoming	8	--	8
42.	Idaho	7	--	7
43.	Indiana	6	--	6
44.	Maryland	6	--	6
45.	South Carolina	6	--	6
46.	Oregon	4	--	4
47.	Kentucky	3	--	3
48.	North Carolina	2	--	2
			Average	11.06¢
			Median	11¢

Hawaii	40% 2/
New Hampshire	34% 3/

1/ Minnesota has a cigarette use tax of 13¢.

2/ Hawaii rate is a percentage of wholesale price.

3/ New Hampshire rate is based on value sold at retail measured by usual selling price.

Source: State Tax Review, Commerce Clearing House, October 6, 1970. Ranked by Legislative Council Staff.

Table V

MUNICIPAL CIGARETTE TAXES IN COLORADO

According to the most current survey compiled by the Colorado Department of Revenue, seventy-eight Colorado municipalities levy a cigarette tax. The tax ranges from one to five cents per pack:

1 ¢	2
2 ¢	56
3 ¢	15
4 ¢	4
5 ¢	1
Total	78

City	County	Rate Per Pack
Akron	Washington	2¢
Alamosa	Alamosa	3
Antonito	Conejos	2
Artesia	Moffat	2
Arvada	Jefferson	2
Aspen	Pitkin	4
Aurora	Adams & Arapahoe	4
Bayfield	La Plata	1
Boulder	Boulder	2
Broomfield	Boulder	5
Brush	Morgan	2
Buena Vista	Chaffee	2
Canon City	Fremont	2
Castle Rock	Douglas	2
Cedaredge	Delta	2
Center	Saguache	2
Central City	Clear Creek	2
Colorado Springs	El Paso	2
Cortez	Montezuma	3
Delta	Delta	2
Denver	Denver	2
Durango	La Plata	3
Eagle	Eagle	2
Englewood	Arapahoe	2
Estes Park	Larimer	2

Table V
(Continued)

City	County	Rate Per Pack
Florence	Fremont	2¢
Fort Collins	Larimer	3
Glenwood Springs	Garfield	2
Grand Junction	Mesa	2
Grand Valley	Mesa	2
Greeley	Weld	2
Gunnison	Gunnison	2
Holly	Prowers	2
Holyoke	Phillips	2
Hotchkiss	Delta	2
Hugo	Lincoln	2
Idaho Springs	Clear Creek	2
Ignacio	La Plata	3
Julesburg	Sedgwick	2
Kremmling	Grand	2
Lafayette	Boulder	2
Lakewood	Jefferson	2
La Jara	Conejos	3
La Junta	Otero	2
Loveland	Larimer	3
Las Animas	Bent	2
Limon	Lincoln	2
Littleton	Arapahoe	2
Louisville	Boulder	2
Mancos	Montezuma	2
Manassa	Conejos	3
Meeker	Rio Blanco	2
Monte Vista	Rio Grande	2
Montrose	Montrose	4
Naturita	Montrose	2
Newcastle	Garfield	2
Norwood	San Miguel	3
Nucla	Montrose	3
Otis	Delta	2
Pagosa Springs	Archuleta	3
Paonia	Delta	2
Pueblo	Pueblo	1
Rangely	Rio Blanco	2
Rico	Dolores	2
Rifle	Garfield	2

Table V
(Continued)

City	County	Rate Per Pack
Rocky Ford	Otero	2¢
Saguache	Saguache	2
Sanford	Conejos	3
San Luis	Costilla	3
Silt	Garfield	2
Silverton	San Juan	3
Steamboat Springs	Routt	2
Telluride	San Miguel	3
Trinidad	Las Animas	2
Walden	Jackson	2
Walsenburg	Huerfano	4
Wheatridge	Jefferson	2
Yuma	Yuma	2

Longmont and Sterling will be effective 1/1/71. Proposed two cents tax.

SOURCE: Colorado Department of Revenue, October 19, 1970.

Table VI

ALCOHOLIC BEVERAGES*
(Rate Per Gallon in Dollars)

	Spirituous Liquors State	Rate	Light Wine State	Rate	Fortified Wine State	Rate	Malt Beverages State	Rate
(1)	Vermont	$5.60	Georgia	$1.50	Georgia	$2.50	S. Carolina	$0.77
(2)	Florida	5.22	Florida	1.15	Arizona	2.00	Mississippi	.43
(3)	Tennessee	4.00	Tennessee	1.10	Florida	1.60	Florida	.32
(4)	Alaska	4.00	S. Carolina	1.08	Vermont	1.40	Georgia	.32
(5)	Georgia	3.75	Delaware	.80	Tennessee	1.10	Louisiana	.32
(6)	Minnesota	3.25	Massachusetts	.80	S. Carolina	1.08	Oklahoma	.32
(7)	Massachusetts	2.95	Arkansas	.75	Delaware	.80	South Dakota	.26
(8)	S. Carolina	2.72	Alaska	.60	Massachusetts	.80	Alaska	.25
(9)	Arkansas	2.50	Kentucky	.50	Arkansas	.75	Vermont	.25
(10)	Louisiana	2.50	North Dakota	.50	Minnesota	.70	Arkansas	.20
(11)	North Dakota	2.50	Mississippi	.43	Alaska	.60	Texas	.14
(12)	Mississippi	2.50	Arizona	.42	Illinois	.60	Kansas	.12
(13)	Rhode Island	2.50	Indiana	.40	North Dakota	.60	Tennessee	.11
(14)	Oklahoma	2.40	New Mexico	.40	Nebraska	.55	Minnesota	.10
(15)	New Jersey	2.30	Rhode Island	.40	Connecticut	.50	Indiana	.09
(16)	New York	2.25	Oklahoma	.36	Kansas	.50	Arizona	.08
(17)	Wisconsin	2.25	Nevada	.30	Kentucky	.50	Kentucky	.08
(18)	Indiana	2.08	South Dakota	.25	Nevada	.50	Massachusetts	.08
(19)	Arizona	2.00	Vermont	.25	Oklahoma	.50	Nebraska	.08
(20)	California	2.00	Minnesota	.24	South Dakota	.50	New Mexico	.08
(21)	Connecticut	2.00	Illinois	.23	Indiana	.40	North Dakota	.08
(22)	Delaware	2.00	COLORADO	.20	New Mexico	.40	Connecticut	.07
(23)	Illinois	2.00	Connecticut	.20	Rhode Island	.40	Illinois	.07
(24)	Kentucky	1.92	Kansas	.20	Mississippi	.35	Rhode Island	.07
(25)	Nevada	1.90	Maryland	.20	Wisconsin	.34	Wisconsin	.07
(26)	COLORADO	1.80	Nebraska	.20	COLORADO	.30	COLORADO	.06
(27)	Texas	1.68	Wisconsin	.17	Texas	.26	Delaware	.06
(28)	Nebraska	1.60	Missouri	.15	Louisiana	.21	Nevada	.06
(29)	Kansas	1.50	Texas	.13	Maryland	.20	California	.04
(30)	Maryland	1.50	Louisiana	.11	Missouri	.15	New York	.04
(31)	New Mexico	1.50	New Jersey	.10	New Jersey	.10	Maryland	.03
(32)	South Dakota	1.25	New York	.10	New York	.10	Missouri	.03
(33)	Missouri	1.20	California	.01	California	.02	New Jersey	.03
AVERAGE		$2.44		$0.43		$0.65		$0.15
MEDIAN		2.25		0.30		0.50		0.08
COLORADO		1.80		.20		.30		.06

Colorado Revenue:	Spirituous Liquors	Light Wine	Fortified Wine	Malt Beverages	Total Columns
Fiscal 1970	$8,235,570	$370,934	$282,585	$2,334,922	$11,224,011
Projected 1971	8,986,000	408,000	280,000	2,557,000	12,231,000
1971 at median rates	11,232,500	612,000	466,667	3,409,333	15,720,500
Increase over current rates 1971	2,246,500	204,000	186,667	852,333	3,489,500

* This table lists only the 33 states which use a license system for distribution of distilled spirits. The 17 remaining states have been excluded from the tabulation for reasons of uniform comparison and ranking.

Compiled by the Legislative Council staff, November 25, 1970, from *State Tax Guide*, Commerce Clearing House.

Table VII

GASOLINE TAXES

	State	Cents Per Gallon 1/
(1)	Hawaii 2/	11.¢
(2)	North Carolina	9
(3)	Washington	9
(4)	Nebraska	8.5
(5)	West Virginia	8.5
(6)	Alaska	8.
(7)	Connecticut	8.
(8)	Indiana	8.
(9)	Louisiana	8.
(10)	Maine	8.
(11)	Mississippi	8.
(12)	Pennsylvania	8.
(13)	Rhode Island	8.
(14)	Vermont	8.
(15)	Arkansas	7.5
(16)	Illinois	7.5
(17)	Alabama	7
(18)	Arizona	7
(19)	California	7
(20)	Colorado	7
(21)	Delaware	7
(22)	Florida	7
(23)	Iowa	7
(24)	Kansas	7
(25)	Kentucky	7
(26)	Maryland	7
(27)	Michigan	7
(28)	Minnesota	7
(29)	New Hampshire	7
(30)	New Jersey	7
(31)	New Mexico	7
(32)	New York	7
(33)	North Dakota	7
(34)	Ohio	7
(35)	Oregon	7
(36)	South Carolina	7
(37)	South Dakota	7
(38)	Tennessee	7

Table VII
(Continued)

	State	Cents Per Gallon 1/
(39)	Utah	7¢
(40)	Virginia	7
(41)	Wisconsin	7
(42)	Wyoming	7
(43)	Oklahoma	6.58
(44)	Georgia	6.5
(45)	Massachusetts	6.5
(46)	Montana	6.5
(47)	Idaho	6.
(48)	Nevada	6.
(49)	Missouri	5.
(50)	Texas	5.
	National Average	7.26¢
	National Median	7¢
	Colorado	7¢

Source: Topical Law Reports, Commerce Clearing House, Inc., p. 4015 (10/13/70).

1/ The rates are of general application, exclusive of municipal taxes, license and inspection fees.

2/ Rates are combined state and county rates. The rate which is used in the table is for Hawaii County; other county rates are, Honolulu County 8.5¢, Kauai County 9¢, Maui County 10¢.

Table VIII

CORPORATE INCOME TAXES
(December, 1970)*

State	Federal Income Tax Deductible (1)	Federal Income Used As State Tax Base (2)	Allow Federal Accelerated Depreciation (3)	Allow Federal Bonus (20%) Depreciation (4)	Corporate Rates on Net Income (5)	Cities Over 150,000 Pop. Levying Corporate Income Taxes (6)
Alabama	yes	no	yes	no	5%	None
Alaska	no	yes	yes	yes	18% of total income tax payable at the federal rates in effect on December 31, 1963.	None
Arizona	yes	no	yes	yes	1st $1,000 - 2% 2nd 1,000 - 3% 3rd 1,000 - 4% 4th 1,000 - 5% 5th 1,000 - 6% 6th 1,000 - 7% Over 6,000 - 8%	None
Arkansas	no	no	yes	yes	1st $3,000 - 1% 2nd 3,000 - 2% Next 5,000 - 3% Next 14,000 - 5% Over 25,000 - 6%	None
California	no	no	yes b/	yes b/	7% -- minimum $100	None
COLORADO	no	yes	yes	yes	5%	None
Connecticut	no	yes	yes	yes	5¼% a/	None
Delaware	no	yes	yes	yes	6%	None
Georgia	no	yes	yes	yes	6%	None
Hawaii	no	yes	yes	yes	First $25,000 - 5.85% Over 25,000 - 6.435% Capital gains - 3.08%	None
Idaho	no	yes	yes	yes	6% + additional $10	None
Illinois	no	yes	yes	yes	4%	None
Indiana	no	yes	yes	yes	2%	None
Iowa	yes but limited	yes	yes	yes	First $25,000 - 4% 25,000-100,000 - 6% Over 100,000 - 8%	None
Kansas	yes	yes	yes	yes	4.5%	None

Table VIII
(Continued)

State	Federal Income Tax Deductible (1)	Federal Income Used As State Tax Base (2)	Allow Federal Accelerated Depreciation (3)	Allow Federal Bonus (20%) Depreciation (4)	Corporate Rates on Net Income (5)	Cities Over 150,000 Pop. Levying Corporate Income Taxes (6)
Kentucky d/	yes but limited	yes	yes	yes	First $25,000 - 5% Over 25,000 - 7%	Louisville - 1.75%
Louisiana	no	no	yes	yes	4%	None
Maine	no	yes	yes	yes	4%	None
Maryland d/	no	yes	yes	yes	7%	Baltimore - 1%
Massachusetts	no	yes	yes	yes	7.5% of net income + $7 per $1,000 of tangible property not taxed locally, or of net worth or $100 whichever is greater + 14% surtax e/	None
Michigan d/	no	yes	yes	yes	5.6%	Detroit - 2% Flint - 1% Grand Rapids - 1%
Minnesota	yes	no	yes b/	yes b/	11.33% -- minimum $10	None
Mississippi	no	no	yes	yes	First $5,000 - 3% Over 5,000 - 4%	None
Missouri d/	yes	no	yes	yes	2%	Kansas City - ½ of 1% St. Louis - 1% on earnings
Montana	no	yes	yes	yes	5.5% -- minimum $50	None
Nebraska	no	yes	yes	yes	2.6% - 1970 2.0% - 1971	None
New Hampshire	no	yes	yes	yes	6%	None
New Jersey	no	yes	yes	yes	4¼% of allocated net income plus a mill levy on allocated net worth.	None
New Mexico	no	yes	yes	yes	5% (6% on banks & financial institutions -- minimum tax $100)	None
New York c/	no	yes	yes	yes	7% a/	New York City - 5.5% a/

Table VIII
(Continued)

State	Federal Income Tax Deductible (1)	Federal Income Used As State Tax Base (2)	Allow Federal Accelerated Depreciation (3)	Allow Federal Bonus (20%) Depreciation (4)	Corporate Rates on Net Income (5)	Cities Over 150,000 Pop. Levying Corporate Income Taxes (6)
North Carolina	no	yes	yes	yes	6%	None
North Dakota	yes	yes	yes	yes	First $3,000 - 3% Next 5,000 - 4% Next 7,000 - 5% Over 15,000 - 6%	None
Oklahoma	yes	no	yes with exceptions	no	4%	None
Oregon	no	no	yes[b]	no	6% -- minimum $10	None
Pennsylvania[d]	no	yes	yes	yes	12%	Philadelphia - 3%
Rhode Island	no	yes	yes	yes	8%[a]	None
South Carolina	no	no	yes	yes	6%	None
Tennessee	no	no	yes	yes	6%	None
Utah	yes	no	yes	yes	6% -- minimum $25	None
Vermont	no	yes	yes	yes	6% -- minimum $25	None
Virginia	no	no	yes	no	5%	None
West Virginia	no	yes	yes	yes	6%	None
Wisconsin	yes but limited	no	yes[b]	yes[b]	1st $1,000 - 2% 2nd 1,000 - 2.5% 3rd 1,000 - 3% 4th 1,000 - 4% 5th 1,000 - 5% 6th 1,000 - 6% Over 6,000 - 7%	None
Totals	11 yes	28 yes	43 yes	39 yes	Modal rate for highest bracket - 6% Median rate for highest bracket - 6% Average rate for highest bracket - 5.86%	
	32 no	15 no	0 no	4 no		

Table VIII
(Continued)

• Sources: Commerce Clearing House, Inc., Topical Law Reports, State Tax Guide; Advisory Commission on Intergovernmental Relations, State and Local Finances, Significant features, 1967-1970.

a/ Alternate methods of computation are used if the tax yield is greater.
b/ In Oregon on qualifying assets after 1956; in California and Minnesota on qualifying assets after 1958; Wisconsin, on qualifying new property after 1964.
c/ Apparently, in New York State, corporations may pay as high as 12½% if they are responsible for both the state (7%) rate and the New York City (5½%) rate.
d/ State and local rates combined, in addition to New York -- see footnote c/ above -- may reach the following maximums: Kentucky, 8 3/4%; Maryland, 8%; Michigan, 7.6%; and, Missouri, 3%; Pennsylvania, 15%.
e/ Corporations engaged in interstate commerce, 4%.

Table IX
(Continued)

1969 Personal Income Taxes*
Family of Four

(States Ranked from Highest to Lowest for Each Income Bracket)

Rank	$20,000 adj. Gross Income		$10,000 adj. Gross Income		$6,000 adj. Gross Income		$3,000 adj. Gross Income	
1	Wisconsin	$1,054.00	Wisconsin	$287.50	Wisconsin	$159.10	Wisconsin	$39.70
2	Minnesota	915.64	Minnesota	258.70	Minnesota	149.60	Alaska	26.46
3	Hawaii	914.09	Vermont	243.97	Vermont	129.38	Idaho	10.00
4	Delaware	862.66	Oregon	240.86	Oregon	121.00	Minnesota	7.65
5	Oregon	839.23	Hawaii	228.20	Alaska	116.00	Montana	6.60
6	New York	791.06	Massachusetts	223.00	Iowa	84.06	Utah	6.00
7	Vermont	789.15	Alaska	199.32	Hawaii	80.00	Delaware	5.00
8	N. Carolina	775.59	N. Carolina	188.90	Montana	78.40	Virginia	5.00
9	Idaho	674.31	Utah	173.32	Utah	72.65	W. Virginia	3.60
10	Montana	665.34	Iowa	172.34	N. Carolina	72.00	New Mexico	2.00
11	Iowa	642.87	Maryland	168.72	Massachusetts	71.00	Oregon	1.00
12	S. Carolina	636.34	Montana	164.65	Virginia	63.00	Alabama	-0-
13	Maryland	625.59	Delaware	164.00	Maryland	60.00	Arizona	-0-
14	Utah	625.38	New York	153.72	Indiana	58.00	Arkansas	-0-
15	Massachusetts	609.00	N. Carolina	146.45	Idaho	55.90	California	-0-
16	Virginia	592.77	Virginia	136.31	New York	55.00	COLORADO	-0-
17	Alaska	581.14	Kentucky	134.42	Kentucky	53.75	Georgia	-0-
18	Kentucky	561.07	Indiana	118.00	Delaware	51.00	Hawaii	-0-
19	COLORADO	523.39	S. Carolina	109.61	Kansas	50.36	Kansas	-0-
20	Georgia	518.82	COLORADO	95.64	COLORADO	46.10	Kentucky	-0-
21	North Dakota	515.61	New Mexico	90.08	S. Carolina	46.00	Indiana	-0-
22	Arkansas	414.89	Arkansas	83.30	Arizona	37.85	Iowa	-0-
23	Alabama	414.87	Nebraska	82.32	W. Virginia	36.00	Louisiana	-0-
24	New Mexico	407.28	Michigan	80.26	Nebraska	30.50	Maryland	-0-
25	Mississippi	405.53	Alabama	73.10	Missouri	27.00	Massachusetts	-0-
26	California	403.20	Georgia	70.99	Alabama	25.87	Michigan	-0-
27	Arizona	350.28	Mississippi	69.90	New Mexico	25.00	Mississippi	-0-
28	Michigan	340.04	Kansas	69.27	North Dakota	22.32	Missouri	-0-
29	Kansas	333.99	W. Virginia	65.87	Oklahoma	19.32	N. Carolina	-0-
30	Nebraska	328.83	Arizona	63.24	Georgia	14.00	North Dakota	-0-
31	Indiana	318.00	Missouri	58.59	Arkansas	-0-	Nebraska	-0-
32	Missouri	284.83	California	51.51	California	-0-	New York	-0-
33	Oklahoma	210.23	Louisiana	47.96	Louisiana	-0-	Oklahoma	-0-
34	W. Virginia	209.21	North Dakota	40.63	Michigan	-0-	S. Carolina	-0-
35	Louisiana	113.94	Oklahoma	36.53	Mississippi	-0-	Vermont	-0-

Table IX
(Continued)

1969 Personal Income Taxes*
Family of Six

(States Ranked from Highest to Lowest for Each Income Bracket)

Rank	$20,000 adj. Gross Income		$10,000 adj. Gross Income		$6,000 adj. Gross Income		$3,000 adj. Gross Income	
1	Wisconsin	$1,032.57	Wisconsin	$267.50	Wisconsin	$139.10	Alaska	$20.00
2	Minnesota	910.23	Minnesota	241.60	Minnesota	129.30	Wisconsin	19.70
3	Hawaii	811.26	Vermont	179.47	Alaska	77.60	Idaho	10.00
4	Delaware	766.66	Oregon	177.30	Iowa	64.06	Alabama	-0-
5	Oregon	744.87	Massachusetts	177.00	Oregon	59.00	Arizona	-0-
6	Vermont	697.22	Alaska	156.44	Virginia	50.00	Arkansas	-0-
7	N. Carolina	691.59	Hawaii	151.46	Vermont	42.13	California	-0-
8	New York	675.95	Iowa	150.86	Montana	40.33	COLORADO	-0-
9	Iowa	618.72	N. Carolina	131.12	Utah	37.39	Delaware	-0-
10	Montana	586.77	Montana	119.18	N. Carolina	33.00	Georgia	-0-
11	Idaho	569.39	Utah	118.52	Kansas	31.40	Hawaii	-0-
12	Utah	565.93	Virginia	110.89	Delaware	26.00	Iowa	-0-
13	Massachusetts	563.00	Kentucky	104.25	Massachusetts	25.00	Indiana	-0-
14	Virginia	561.78	Delaware	103.00	Kentucky	23.75	Kansas	-0-
15	Maryland	541.64	New York	100.65	W. Virginia	21.60	Kentucky	-0-
16	Kentucky	532.98	Maryland	87.65	Arizona	20.75	Louisiana	-0-
17	Alaska	521.96	Indiana	82.00	New York	19.00	Maryland	-0-
18	S. Carolina	520.56	Idaho	72.75	New Mexico	19.00	Massachusetts	-0-
19	Georgia	443.76	Arkansas	70.17	Hawaii	18.50	Michigan	-0-
20	North Dakota	418.43	Mississippi	69.90	Missouri	17.50	Minnesota	-0-
21	COLORADO	411.66	Alabama	64.57	Alabama	15.11	Mississippi	-0-
22	Mississippi	405.53	New Mexico	60.56	Maryland	13.00	Missouri	-0-
23	Arkansas	413.00	S. Carolina	58.34	S. Carolina	12.00	Montana	-0-
24	Alabama	390.73	W. Virginia	49.84	Oklahoma	11.55	Nebraska	-0-
25	California	385.17	Kansas	49.56	North Dakota	10.55	New Mexico	-0-
26	New Mexico	352.43	Missouri	44.35	Idaho	10.00	New York	-0-
27	Arizona	296.12	Georgia	39.50	COLORADO	9.50	N. Carolina	-0-
28	Kansas	291.44	Nebraska	39.15	Indiana	2.00	North Dakota	-0-
29	Indiana	282.00	Arizona	37.16	Arkansas	-0-	Oklahoma	-0-
30	Michigan	277.64	California	36.22	California	-0-	Oregon	-0-
31	Nebraska	273.27	COLORADO	32.43	Georgia	-0-	S. Carolina	-0-
32	Missouri	262.36	Louisiana	31.51	Louisiana	-0-	Utah	-0-
33	W. Virginia	186.19	Oklahoma	26.19	Michigan	-0-	Vermont	-0-
34	Oklahoma	183.13	North Dakota	25.63	Mississippi	-0-	Virginia	-0-
35	Louisiana	105.48	Michigan	17.86	Nebraska	-0-	W. Virginia	-0-

Table IX

FOOTNOTES

* Forty-one of the fifty states tax personal income. Four of these, Massachusetts, New Hampshire, Rhode Island, and Tennessee, tax income from interest and dividends only. New Jersey taxes only the income of commuters.

Tables 1-3 show approximate dollar amounts that taxpayers in four selected income brackets and three family sizes (single, family of four and family of six) would pay in thirty-five of the thirty-seven states that tax entire net incomes. In obtaining these data, a request was mailed to all thirty-seven states for oopies of their 1969 tax forms, regulations and instructions. The thirty-five states reported in the tables returned adequate materials. States not included in the tables are Illinois and Maine.

The $20,000 and $10,000 income levels were calculated using itemized deductions. These deductions are based upon arbitrary assumptions designed to account for differences among families in size, economic level, etc. Federal and state tables were used for determining sales tax and gasoline tax deductions. Taxes for the $6,000 and $3,000 incomes were calculated using either the allowable standard deductions or, if available, a state's tax table.

Although the possibility of minor errors exists in such an approach, it is believed that these tables provide a substantially accurate comparison of individual income tax rates in the listed states.

Compiled by the
Legislative Council Staff
December 1, 1970.

Table X

SELECTED FEATURES OF INDIVIDUAL INCOME TAXES, BY STATE

State	Rates*: Taxable Income (1)	Rates*: Rate (Per-cent) (2)	Federal Tax Deduct-ible (3)	Personal Exemption: Single (4)	Personal Exemption: Married (Joint Return) (5)	Personal Exemption: Depend-ents (6)	Personal Exemption: Age (7)	Personal Exemption: Blind-ness (8)	Allow-able Tax Credits (9)	Standard Deduction: Per-cent (10)	Standard Deduction: Single (11)	Standard Deduction: Married (Sep. Return) (12)	Standard Deduction: Married (Joint Return) (13)	Option-al Tax Table (14)	Use Fed-eral Tax Base (15)
Alabama	First $1,000	1.5	yes	$1,500	$3,000	$300	---	---	no	10**	$1,000	$1,000	$1,000	yes	no
	$1,001-3,000	3													
	3,001-5,000	4.5													
	over $5,000	5													
Alaska	16% of the total federal income tax that would be payable for the same taxable year at the federal rates in effect on December 31, 1963.		no	---	---	---	---	---	no	--	---	---	---	--	yes
Arizona	First $1,000	2	yes	1,000	2,000	600	1,000	500	no	10**	500	500	1,000	yes	no
	$1,001-2,000	3													
	2,001-3,000	4													
	3,001-4,000	5													
	4,001-5,000	6													
	5,001-6,000	7													
	over $6,000	8													
Arkansas 1/	First $3,000	1	no	17.50 (1,750)	35 (3,250)	6 (333)	---	17.50	$50 credit for care of each mentally retarded child	10	1,000	500	1,000	no	no
	$3,001-6,000	2													
	6,001-11,000	3													
	11,001-25,000	4													
	over $25,000	5													
California 1/	First $2,000	1	no	25 (2,250)	50 (4,500)	8 (400)	---	8 (400)	no	--	1,000	1,000	2,000	yes	no
	$2,001-3,500	2													
	3,501-5,000	3													
	5,001-6,500	4													
	6,501-8,000	5													
	8,001-9,500	6													
	9,501-11,000	7													
	11,001-12,500	8													
	12,501-14,000	9													
	over $14,000	10													
Colorado	First $1,000	2.5	yes	750	1,500	750	750	750	Food tax credit of $7	10**	1,000	500	1,000	yes	yes
	$1,001-2,000	3													
	2,001-3,000	3.5													
	3,001-4,000	4													
	4,001-5,000	4.5													
	5,001-6,000	5													
	6,001-7,000	5.5													

Table X
(Continued)

State	Rates: Taxable Income (1)	Rates: Rate (Percent) (2)	Federal Tax Deductible (3)	Personal Exemption: Single (4)	Personal Exemption: Married (Joint Return) (5)	Personal Exemption: Dependents (6)	Personal Exemption: Age (7)	Personal Exemption: Blindness (8)	Allowable Tax Credits (9)	Standard Deduction: Percent (10)	Standard Deduction: Single (11)	Standard Deduction: Married (Sep. Return) (12)	Standard Deduction: Married (Joint Return) (13)	Optional Tax Table (14)	Use Federal Tax Base (15)
Colorado (Cont.)	7,001-8,000	6													
	8,001-9,000	6.5													
	9,001-10,000	7.5													
	over $10,000	8													
Delaware	First $1,000	1.5	yes	$ 600	$1,200	$600	$600	$600	no	10**	$ 500	$ 500	$1,000	no	yes
	1,001-2,000	2													
	2,001-3,000	3													
	3,001-4,000	4													
	4,001-5,000	5													
	5,001-6,000	6													
	6,001-8,000	7													
	8,001-30,000	8													
	30,001-50,000	9													
	50,001-100,000	10													
	over $100,000	11													
Georgia	First $1,000	1	no	1,500	3,000	600	600	600	no	10	1,000	500	1,000	no	no
	1,001-3,000	2													
	3,001-5,000	3													
	5,001-7,000	4													
	7,001-10,000	5													
	over $10,000	6													
Hawaii	First $500	2.25	no	625 11/	1,250	625	---	5,000	For taxes paid another jurisdiction; children attending school; medical expenses; & portion of rent attributable to property taxes	--	---	---	---	yes	yes
	501-1,000	3.25													
	1,001-1,500	4.50													
	1,501-2,000	5.00													
	2,001-3,000	6.50													
	3,001-5,000	7.50													
	5,001-10,000	8.50													
	10,001-14,000	9.50													
	14,001-20,000	10.00													
	20,001-30,000	10.50													
	over $30,000	11.00													
Idaho	First $1,000	2.5+$10	yes	600	1,200	600	600	600	$10 Gen. tax credit per exemption	10**	1,000	500	1,000	no	yes
	1,001-2,000	5.0+$10													
	2,001-3,000	6.0+$10													
	3,001-4,000	7.0+$10													
	4,001-5,000	8.0+$10													
	over $5,000	9.0+$10													
Illinois 17/	Net income	2.5	no	1,000	2,000	1,000	1,000	1,000	no	---	---	---	---	no	yes
Indiana	Adjusted Gross income	2	no	1,000	2,000	500	500	500	Food tax credit of $8	---	---	---	---	no	yes

Table X
(Continued)

State	Rates: Taxable Income (1)	Rates: Rate (Percent) (2)	Federal Tax Deductible (3)	Personal Exemption: Single (4)	Personal Exemption: Married (Joint Return) (5)	Personal Exemption: Dependents (6)	Personal Exemption: Age (7)	Personal Exemption: Blindness (8)	Allowable Tax Credits (9)	Standard Deduction: Percent (10)	Standard Deduction: Single (11)	Standard Deduction: Married (Sep. Return) (12)	Standard Deduction: Married (Joint Return) (13)	Optional Tax Table (14)	Use Federal Tax Base (15)
Iowa 1/	First $1,000 1,001-2,000 2,001-3,000 3,001-4,000 4,001-7,000 7,001-9,000 over $9,000	0.75 1.50 2.25 3.00 3.75 4.50 5.25	yes	$ 15 (1,500)	$ 30 (2,333)	$10 (467)	$15	$ 15	no	5*	$ 250	$ 250	$ 250	no	yes
Kansas	First $2,000[12] 2,001-3,000 3,001-5,000 5,001-7,000 over $7,000	2.0 3.5 4.0 5.0 6.5	yes	600	1,200	600	600	600	Property tax relief credits for persons 65 or over	10**	1,000	500	1,000	yes	yes
Kentucky 1/	First $3,000 3,001-4,000 4,001-5,000 5,001-8,000 over $8,000	2 3 4 5 6	yes	20 (1,000)	40 (2,000)	20 (1,111)	20 (1,000)	20 (1,000)	no	**	500	500	500	yes	yes
Louisiana	First $10,000 10,001-50,000 Over $50,000	2 4 6	no	2,500	5,000	400	---	1,000	no	10	1,000	500	1,000	no	no
Maine	First $2,000 2,001-5,000 5,001-10,000 10,001-25,000 25,001-50,000 over 50,000	1[12] 2 3 4 5 6	no	1,000	2,000	1,000	1,000	1,000	no	10	1,000	500	1,000	no	yes
Maryland	First $1,000 1,001-2,000 2,001-3,000 over $3,000	2 3 4 5	no	800	1,600	800	800	800	no	10	500	500	1,000	yes	yes
Massachusetts 3/	Earned income and business income Interest and dividends, cap. gains on intangibles Annuities	4 8 2	no	2,000	2,600	600	600	2,000	Low income credit	---	---	---	---	yes	no
Michigan	All taxable income	2.6	no	1,200	2,400	1,200	1,200	1,200	Allows some credit for city income taxes and property taxes	---	---	---	---	no	yes

Table X
(Continued)

State	Rates		Federal Tax Deductible	Personal Exemptions					Allowable Tax Credits	Standard Deduction				Optional Tax Table	Use Federal Tax Base
	Taxable Income (1)	Rate (Percent) (2)	(3)	Single (4)	Married (Joint Return) (5)	Dependents (6)	Age (7)	Blindness (8)	(9)	Percent (10)	Single (11)	Married (Sep. Return) (12)	Married (Joint Return) (13)	(14)	(15)
Minnesota 1/	First $500 501-1,000 1,001-2,000 2,001-3,000 3,001-4,000 4,001-5,000 5,001-7,000 7,001-9,000 9,001-12,500 12,501-20,000 over $20,000	1.5 2 3 5 6 7 8 9 10 11 12	yes	$ 19 (1,050)	$ 38 (1,683)	$ 19 (541)	Added tax credit of $20	Added tax credit of $20 unmarried; $25 married for each spouse	Property tax credit for senior citizen homestead relief	10**	$1,000	$ 1,000	$ 1,000	yes	yes
Mississippi	First $5,000 over $5,000	3 4	no	4,000	6,000	---	---	---	no	10	500	500	1,000	no	no
Missouri	First $1,000 4/ 1,001-2,000 2,001-3,000 3,001-5,000 5,001-7,000 7,001-9,000 over $9,000	1.0 1.5 2.0 2.5 3.0 3.5 4.0	yes	1,200	2,400	400	---	---	 $ 5 15 30 55 90 135	5**	500	500	500	yes	no
Montana	First $1,000 1,001-2,000 2,001-4,000 4,001-6,000 6,001-8,000 8,001-10,000 10,001-14,000 14,001-20,000 20,001-35,000 over 35,000 (Plus 10% total tax liability as surtax)	2 3 4 5 6 7 8 9 10 11	yes	600	1,200	600	600	600	no	10	500	500	1,000	no	yes
Nebraska 3/	The tax is imposed on the taxpayers federal income tax liability before credits, with limited adjustments -- 1970 rate is 13% which is set by state board of equalization. The rate for 1971 has been set at 10%.		no	---	---	---	---	---	Food tax credit of $7	--	---	---	---	no	yes
New Hampshire	Interests and dividends (excluding savings deposits)	4.25	no	600	600 5/	---	---	---	no	---	---	---	---	no	no

Table X
(Continued)

State	Rates: Taxable Income (1)	Rates: Rate (Per-cent) (2)	Federal Tax Deduct-ible (3)	Personal Exemptions: Single (4)	Personal Exemptions: Married (Joint Return) (5)	Personal Exemptions: Depend-ents (6)	Personal Exemptions: Age (7)	Personal Exemptions: Blind-ness (8)	Allow-able Tax Credits (9)	Standard Deduction: Per-cent (10)	Standard Deduction: Single (11)	Standard Deduction: Married (Sep. Return) (12)	Standard Deduction: Married (Joint Return) (13)	Option-al Tax Table (14)	Use Fed-eral Tax Base (15)
New Jersey 6/	Rates identical to New York		no	$ 600	$ 1,200	$ 600	$600	$ 600	$10 single $25 married	10	$1,000	$ 1,000	$ 1,000	no	yes
New Mexico	First $ 500	1 12/	no	600	1,200	600	600	600	no	10**	1,000	500	1,000	no	yes
	501- 1,000	1.5													
	1,001- 1,500	1.5													
	1,501- 2,000	2.0													
	2,001- 3,000	2.5													
	3,001- 4,000	3.0													
	4,001- 5,000	3.5													
	5,001- 6,000	4.0													
	6,001- 7,000	4.5													
	7,001- 8,000	5.0													
	8,001-10,000	6.0													
	10,001-12,000	7.0													
	12,001-20,000	7.5													
	20,001-50,000	8.0													
	50,001-100,000	8.5													
	Over 100,000	9.0													
New York	First $1,000	2	no	600 15/	1,200	600	600	600	12.50 single; 25.00-married	10 16/	1,000	7/	1,000	no	yes
	1,001-3,000	3													
	3,001-5,000	4													
	5,001-7,000	5													
	7,001-9,000	6													
	9,001-11,000	7													
	11,001-13,000	8													
	13,001-15,000	9													
	15,001-17,000	10													
	17,001-19,000	11													
	19,001-21,000	12													
	21,001-23,000	13													
	over $23,000	14													
North Carolina	First $2,000	3	no	1,000	2,000 8/	600	1,000	1,000	no	10	500	500	8/	no	no
	2,001-4,000	4													
	4,001-6,000	5													
	6,001-10,000	6													
	over $10,000	7													
North Dakota	First $3,000	1	yes	13/	---	---	---	---	no	--	---	---	300	no	yes
	3,001-4,000	2													
	4,001-5,000	3													
	5,001-6,000	5													
	6,001-8,000	7.5													
	8,001-15,000	10													
	over $15,000	11													
Oklahoma	First $1,500 12/	1	yes	1,000	2,000	500	---	---	no	10**	1,000	500	1,000	yes	no
	1,501-3,000	2													
	3,001-4,500	3													
	4,501-6,000	4													
	6,001-7,500	5													
	over $7,500	6													

Table X
(Continued)

State	Rates: Taxable Income (1)	Rates: Rate (Percent) (2)	Federal Tax Deductible (3)	Personal Exemptions: Single (4)	Personal Exemptions: Married (Joint Return) (5)	Personal Exemptions: Dependents (6)	Personal Exemptions: Age (7)	Personal Exemptions: Blindness (8)	Allowable Tax Credits (9)	Standard Deduction: Percent (10)	Standard Deduction: Single (11)	Standard Deduction: Married (Sep. Return) (12)	Standard Deduction: Married (Joint Return) (13)	Optional Tax Table (14)	Use Federal Tax Base (15)
West Virginia (Cont.)	12,001-14,000	3.6													
	14,001-16,000	3.9													
	16,001-18,000	4.1													
	18,001-20,000	4.3													
	20,001-22,000	4.7													
	22,001-26,000	4.8													
	26,001-32,000	5.1													
	32,001-38,000	5.4													
	38,001-44,000	5.6													
	44,001-50,000	5.9													
	50,001-60,000	6.2													
	60,001-70,000	6.5													
	70,001-80,000	6.7													
	80,001-90,000	6.9													
	90,001-100,000	7.2													
	100,001-150,000	7.3													
	150,001-200,000	7.4													
	over $200,000	7.6													
Wisconsin 1/	First $1,000	2.7	no	$ 10	$ 20	$ 10	$ 15	---	Property tax credit for senior citizen homestead relief -- cash refund if property tax credit exceeds income tax due	10	$1,000	$ 500	$1,000	yes	yes
	1,001-2,000	2.95		(370)	(740)	(402)									
	2,001-3,000	3.2													
	3,001-4,000	4.2													
	4,001-5,000	4.7													
	5,001-6,000	5.2													
	6,001-7,000	5.7													
	7,001-8,000	6.7													
	8,001-9,000	7.2													
	9,001-10,000	7.7													
	10,001-11,000	8.2													
	11,001-12,000	8.7													
	12,001-13,000	9.2													
	13,001-14,000	9.7													
	over $14,000	10.0													

Table X
(Continued)

Footnotes

* Except in instances where no graduated rate is shown, or unless otherwise noted, all rates are "bracket" schedules wherein succeeding portions of income are taxed at different rates.

** Standard deduction is allowed in addition to the deduction of the federal tax.

1/ Personal exemptions are allowed in the form of tax credits. The sum in paranthesis is approximately the exemption equivalent, assuming the exemption is deducted from the lowest bracket.

2/ Limited to $300 for single persons and $600 for married filing joint return.

3/ Allows deduction of state income tax itself in computing state tax liability.

4/ Rates apply to total income, not merely to the portion of income falling within a given bracket. However, tax credits result in making the schedule, in effect, a bracket rate schedule. -- (See allowable credits in Col. (9) starting with the $1,001-2,000 bracket for Missouri.)

5/ An additional $600 allowed a married women with separate income. Joint returns not allowed.

6/ Tax applies only to commuters -- New York, New Jersey areas.

7/ The $1,000 deduction may be taken by either spouse or divided between them in any proportion they elect.

8/ Joint returns are not permitted. Therefore an additional deduction is allowed the spouse with separate income.

9/ An exemption of up to $2,000 may be allowed.

10/ $500 maximum per taxpayer.

11/ Exemptions are increased $25 each year beginning January 1, 1970 until the rate for individuals reaches $750 for taxable years beginning on or after January 1, 1973.

12/ The income classes are for individuals and heads of household. For joint returns the tax is twice the tax that would be imposed (using the schedule shown) on taxable incomes half as large.

13/ Federal taxable income is adjusted without further exemptions.

14/ Rates apply to taxable year beginning January 1, 1970. New rates are prescribed for taxable year beginning January 1, 1971 which range from 2.1 percent to 9.6 percent for the income brackets shown in this table.

15/ $625 for taxable years beginning after December 31, 1969 and before January 1, 1971, and $650 thereafter (times 2 for married filing joint returns).

16/ For taxable years beginning 1971 standard deduction is the lesser of 13 percent of adjusted gross income, or $1,500.
For taxable years beginning 1972 standard deduction is the lesser of 14 percent of adjusted gross income, or $2,000.
For taxable years beginning 1973 standard deduction is the lesser of 15 percent of adjusted gross income, or $2,000.

17/ Effective for taxable years ending after July 31, 1969.

Prepared by the
Legislative Council staff
December 3, 1970

Table XI

SPECIFIC TAX RATES IN ELEVEN WESTERN STATES*

	Sales				Alcohol						
	State	Local	Total	Cigarette a/	Liquor	Lt. Wine	Fortified Wine	Malt Bev.	Gasoline	$10,000 Income Family of 4	$6,000 Income Family of 4
Arizona	3%	2%	5%	15¢	$2.00	$0.42	$2.00	$0.08	7¢	$ 63.24	$37.85
COLORADO	3	3	6	9	1.80	0.20	0.30	0.06	7	95.64	46.10
Idaho	3	--	3	7	--	--	--	--	6	146.45	55.90
Kansas	3	--	3	11	1.50	0.20	0.50	0.12	7	69.27	50.36
Nebraska	2.5	1	3.5	8	1.60	0.20	0.55	0.08	8.5	82.32	30.50
New Mexico	4	--	4	13	1.50	0.40	0.40	0.08	7	90.08	25.00
Oklahoma	2	1	3	13	2.40	0.36	0.50	0.32	6.58	36.53	19.32
South Dakota	4	1	5	12	1.25	0.25	0.50	0.26	7	N.A.	N.A.
Texas	3.25	1	4.25	15.5	1.68	0.13	0.26	0.14	5	N.A.	N.A.
Utah	4	.5	4.5	8	--	--	--	--	7	173.32	72.65
Wyoming	3	--	3	8	--	--	--	--	7	N.A.	N.A.
Median	3%	--	4.0%	11¢	$1.64	$0.225	$0.50	$0.10	7¢	$ 86.20	$41.98
Colorado	3%	--	6 %	9¢	$1.80	$0.20	$0.30	$0.06	7¢	$ 95.64	$46.10
Colorado compared with median	Same	--	+1.75%	- 2¢	$+0.16	$-0.025	$-0.20	$-0.04	Same	$ +9.44	$+4.12

*As of November, 1970. The rates listed, except for income taxes, were taken from Commerce Clearing House, State Tax Guide; and Commerce Clearing House, State Tax Review. Income taxes were computed from the 1969 income tax forms of the various states.

a/ Includes highest known local levy.

Table XII

REVENUE RAISING MEASURES

The Department of Revenue has estimated that tax increases of the type noted below would produce the indicated amounts of revenue for fiscal year 1971-72:

(1)	Extend sales tax to services exluding medical and dental care	$12.6 million
(2)	Increase liquor and beer taxes to the median of the 33 states without any liquor monopoly	3.4 million
(3)	Restore individual income tax rates to pre-1963 levels	15.1 million
(4)	Eliminate the $5/$1,000 credit on income taxes	12.6 million
(5)	Disallow deduction of federal income taxes paid for individuals	40.1 million
(6)	Increase corporate income tax rate from five percent to seven and one-half percent	16.5 million
(7)	Raise cigarette tax from 5 ¢ per pack to 10 ¢ per pack	12.0 million

Table XIII

LOCAL SALES AND PROPERTY TAX COLLECTIONS, AND ESTIMATED STATE DISTRIBUTED SALES TAX, CITIES AND COUNTIES, COLORADO, 1969*

Unit	1969 Local Sales Tax	Estimated 1969 Share of 3¢ State Tax	1969 Property Tax Levy
ADAMS	--	$ 2,336,000	$ 5,025,000
Bennett	--	17,000	4,310
Brighton	--	617,000	164,500
Commerce City	--	1,536,000	300,800
Federal Heights	--	--	14,870
Northglenn	--	999,000	183,800
Thornton	--	650,000	217,100
Westminster	$ 389,500	1,101,000	249,400
ALAMOSA	--	23,000	353,400
Alamosa	146,200	665,000	136,900
Hooper	--	--	240
ARAPAHOE	--	243,000	2,932,500
Aurora	1,272,200	2,987,000	1,404,900
Bow Mar	--	--	19,490
Cherry Hills Village	13,340	--	136,000
Columbine Valley	--	--	9,790
Deertrail	--	12,000	6,570
Englewood	1,781,500	4,132,000	325,200
Glendale	279,190	1,019,000	80,100
Greenwood Village	--	--	82,500
Littleton	712,400	2,699,000	481,700
Sheridan	--	20,000	60,800
ARCHULETA	16,700	5,000	93,200
Pagosa Springs	16,700	113,000	14,090
BACA	--	31,000	374,300
Campo	--	--	2,530
Pritchett	--	--	2,910
Springfield	--	151,000	37,810
Two Buttes	--	--	980
Vilas	--	--	1,910
Walsh	--	60,000	25,590
BENT	--	8,000	276,200
Las Animas	--	185,000	58,600

Table XIII
(Continued)

Unit	1969 Local Sales Tax	Estimated 1969 Share of 3¢ State Tax	1969 Property Tax Levy
BOULDER	--	$ 147,000	$ 3,211,400
Boulder	$ 3,087,200	4,725,000	937,200
Broomfield	--	347,000	155,300
Jamestown	--	--	3,250
Lafayette	31,430	92,000	35,050
Longmont	787,700	1,592,000	354,500
Louisville	--	85,000	31,250
Lyons	10,110	62,000	10,760
Nederland	--	--	12,070
Superior	--	--	1,400
Ward	--	--	1,020
CHAFFEE	--	22,000	316,600
Buena Vista	--	127,000	37,550
Poncha Springs	--	--	5,500
Salida	--	293,000	144,200
CHEYENNE	--	2,000	203,800
Cheyenne Wells	--	72,000	29,720
Kit Carson	--	16,000	5,800
CLEAR CREEK	--	53,000	310,700
Empire	--	--	4,230
Georgetown	--	42,000	16,340
Idaho Springs	--	136,000	45,210
Silver Plume	--	--	2,880
CONEJOS	--	15,000	211,000
Antonito	--	48,000	7,880
La Jara	--	72,000	12,210
Manassa	--	9,000	3,730
Romeo	--	--	1,180
Sanford	--	5,000	1,680
COSTILLA	4,950[a/]	23,000	126,400
Blanca	500[a/]	--	--
San Luis	4,460[a/]	25,000	1,310
CROWLEY	--	8,000	145,300
Crowley	--	--	2,410
Olney Springs	--	--	1,300
Ordway	--	57,000	23,140
Sugar City	--	1,000	4,080
CUSTER	--	3,000	70,020
Silvercliff	--	--	870
Westcliffe	--	18,000	4,260

Table XIII
(Continued)

Unit	1969 Local Sales Tax	Estimated 1969 Share of 3¢ State Tax	1969 Property Tax Levy
DELTA	--	$ 39,000	$ 334,000
Cedaredge	--	42,000	9,190
Crawford	--	--	1,190
Delta	--	443,000	76,200
Hotchkiss	--	58,000	8,340
Paonia	--	67,000	17,780
Orchard City	--	--	--
DENVER	$34,732,000[b/]	44,713,000	31,871,000
DOLORES	--	5,000	81,500
Dove Creek	--	39,000	15,940
Rico	--	--	3,530
DOUGLAS	--	159,000	441,800
Castle Rock	--	156,000	35,300
EAGLE	--	119,000	315,100
Basalt	--	--	10,370
Eagle	--	59,000	14,760
Gypsum	--	10,000	4,750
Minturn	--	57,000	11,740
Red Cliff	--	2,000	6,110
Vail	247,870	295,000	36,430
ELBERT	--	11,000	262,900
Elizabeth	--	10,000	4,470
Kiowa	--	11,000	3,390
Simla	--	24,000	6,280
EL PASO	--	244,000	6,105,900
Calhan	--	--	7,020
Colorado Springs	2,570,000	11,010,000	4,231,000
Fountain	--	104,000	46,350
Green Mtn. Falls	--	--	16,550
Manitou Springs	25,200	138,000	131,940
Monument	--	--	7,740
Palmer Lake	--	7,000	18,070
Ramah	--	--	1,050
FREMONT	--	27,000	505,600
Canon City	--	646,000	208,500
Coal Creek	--	--	880
East Canon	--	15,000	13,690
Florence	--	128,000	57,600
Rockvale	--	--	1,210
Williamsburg	--	--	560
Prospect Heights	--	--	--

Table XIII
(Continued)

Unit	1969 Local Sales Tax	Estimated 1969 Share of 3¢ State Tax	1969 Property Tax Levy
GARFIELD	--	37,000	732,400
Carbondale	--	43,000	10,930
Glenwood Springs	174,500	788,000	68,900
Grand Valley	--	--	4,550
New Castle	--	6,000	3,150
Rifle	45,340c/	192,000	54,300
Silt	--	--	8,280
GILPIN	$ --	$ 25,000	$ 146,800
Blackhawk	7,350	--	9,690
Central City	26,360	44,000	22,980
GRAND	--	65,000	194,300
Fraser	--	10,000	3,980
Granby	--	148,000	17,670
Grand Lake	18,400	53,000	27,010
Hot Sulphur Springs	--	7,000	6,460
Kremmling	--	58,000	12,020
GUNNISON	--	19,000	246,900
Crested Butte	--	23,000	16,870
Gunnison	101,000	350,000	70,300
Pitkin	--	--	830
HINSDALE	--	--	41,920
Lake City	--	19,000	4,400
HUERFANO	20,670	3,000	297,700
La Veta	6,460	15,000	7,950
Walsenburg	44,200	203,000	66,700
JACKSON	--	6,000	128,900
Walden	--	74,000	17,600
JEFFERSON	--	1,787,000	5,838,700
Arvada	481,700	1,745,000	653,400
Edgewater	43,500a/	366,000	44,900
Golden	--	909,000	285,400
Lakeside	--	231,000	--
Morrison	--	31,000	8,350
Mountain View	--	--	10,680
Lakewood	--	5,610,000	623,700
Wheat Ridge	--	1,822,000	303,200
KIOWA	--	15,000	295,200
Eads	--	46,000	29,000
Haswell	--	--	1,530
Sheridan Lake	--	--	1,910

Table XIII
(Continued)

Unit	1969 Local Sales Tax	Estimated 1969 Share of 3¢ State Tax	1969 Property Tax Levy
KIT CARSON	--	13,000	429,500
Bethune	--	--	520
Burlington	--	396,000	55,400
Flagler	--	62,000	19,010
Seibert	--	--	6,110
Stratton	--	40,000	14,020
Vona	--	--	1,080
LAKE	$ --	$ 47,000	$ 517,600
Leadville	--	308,000	153,500
LA PLATA	--	48,000	697,900
Bayfield	--	--	4,400
Durango	265,700	1,016,000	200,800
Ignacio	--	29,000	9,740
LARIMER	--	101,000	2,103,400
Berthoud	--	49,000	35,200
Estes Park	--	434,000	58,500
Fort Collins	785,900	2,981,000	602,300
Loveland	--	1,101,000	324,900
Timnath	--	--	1,350
Wellington	--	9,000	10,390
LAS ANIMAS	--	37,000	728,000
Aguilar	--	11,000	5,960
Branson	--	--	680
Cokedale	--	--	840
Starkville	--	--	--
Trinidad	141,800	504,000	188,700
LINCOLN	--	15,000	263,700
Arriba	--	--	7,020
Genoa	--	--	5,950
Hugo	--	47,000	20,660
Limon	--	229,000	77,000
LOGAN	--	46,000	583,000
Crook	--	--	3,000
Fleming	--	--	4,300
Iliff	--	--	2,690
Merino	--	--	3,390
Peetz	--	--	4,030
Sterling	--	1,038,000	330,000
MESA	--	107,000	1,476,700
Collbran	--	13,000	6,470
De Beque	--	4,000	5,060
Fruita	21,610	93,000	40,010
Grand Junction	584,600	2,950,000	615,400
Palisade	--	61,000	28,640

Table XIII
(Continued)

Unit	1969 Local Sales Tax	Estimated 1969 Share of 3¢ State Tax	1969 Property Tax Levy
MINERAL	--	2,000	53,700
Creede	--	26,000	7,800
MOFFAT	--	17,000	383,000
Craig	--	443,000	128,300
Dinosaur	--	--	2,760
MONTEZUMA	$ --	$ 31,000	$ 433,400
Cortez	156,100	614,000	59,900
Dolores	10,640	44,000	16,500
Mancos	7,610	20,000	12,400
MONTROSE	--	12,000	608,100
Montrose	151,900	647,000	96,500
Naturita	--	49,000	6,720
Nucla	--	64,000	14,360
Olathe	--	21,000	13,520
MORGAN	--	67,000	869,400
Brush	--	243,000	101,800
Fort Morgan	--	821,000	88,200
Hillrose	--	--	1,740
Log Lane Village	--	--	6,510
OTERO	--	8,000	744,900
Cheraw	--	--	6,560
Fowler	--	64,000	20,400
La Junta	--	671,000	156,200
Manzanola	--	15,000	9,370
Rocky Ford	--	349,000	139,800
Swink	--	9,000	6,890
OURAY	--	8,000	85,100
Ouray	14,790[a/]	42,000	34,170
Ridgway	--	--	6,220
PARK	--	36,000	261,900
Alma	--	--	2,450
Fairplay	--	18,000	11,540
PHILLIPS	--	7,000	219,100
Haxtun	--	61,000	26,430
Holyoke	--	160,000	34,630
Paolia	--	--	1,500
PITKIN	58,120[a/]	45,000	429,100
Aspen	317,500	889,000	42,590

Table XIII
(Continued)

Unit	1969 Local Sales Tax	Estimated 1969 Share of 3¢ State Tax	1969 Property Tax Levy
PROWERS	--	26,000	698,200
Granada	--	15,000	7,180
Hartman	--	--	2,380
Holly	--	82,000	20,360
Lamar	170,800	676,000	98,000
Wiley	--	--	4,050
PUEBLO	$ --	$ 73,000	$ 3,580,200
Boone	--	9,000	6,780
Pueblo	2,018,000[c]	5,674,000	2,458,200
Rye	--	--	4,010
RIO BLANCO	--	2,000	709,900
Meeker	--	92,000	47,720
Rangely	--	104,000	73,700
RIO GRANDE	45,670[a]	29,000	298,400
Del Norte	13,700[a]	105,000	27,550
Monte Vista	31,970[a]	434,000	60,800
ROUTT	--	22,000	298,100
Hayden	--	25,000	29,890
Oak Creek	--	21,000	10,770
Steamboat Springs	26,560[a]	289,000	66,000
Yampa	--	--	6,030
SAGUACHE	--	9,000	167,700
Bonanza	--	--	50
Center	--	83,000	25,600
Crestone	--	--	480
Moffat	--	--	340
Saguache	--	16,000	9,340
SAN JUAN	--	--	81,100
Silverton	10,270	34,000	23,720
SAN MIGUEL	--	8,000	103,600
Norwood	--	37,000	8,050
Ophir	--	--	--
Saw Pit	--	--	--
Telluride	9,490	18,000	28,010
SEDGWICK	--	8,000	234,900
Julesburg	--	192,000	30,580
Ovid	--	12,000	5,390
Sedgwick	--	--	4,310
SUMMIT	--	31,000	180,600
Blue River	--	--	--
Breckenridge	--	45,000	37,750
Dillon	--	47,000	24,910
Frisco	--	48,000	16,030
Silverthorne	--	--	7,720

Table XIII
(Continued)

Unit	1969 Local Sales Tax	Estimated 1969 Share of 3¢ State Tax	1969 Property Tax Levy
TELLER	$ --	$ 20,000	$ 218,200
Cripple Creek	--	28,000	26,020
Victor	--	--	11,940
Woodland Park	--	80,000	28,700
WASHINGTON	--	17,000	293,700
Akron	--	134,000	56,200
Otis	--	16,000	8,110
WELD	--	287,000	2,983,000
Ault	--	58,000	26,600
Dacona	--	--	1,600
Eaton	--	138,000	46,150
Erie	--	17,000	17,180
Evans	--	67,000	48,690
Firestone	--	--	3,360
Fort Lupton	--	226,000	40,780
Frederick	--	6,000	7,110
Garden City	--	--	--
Gilcrest	--	--	5,740
Greeley	693,100	2,976,000	814,600
Grover	--	--	1,640
Hudson	--	--	10,890
Johnstown	--	46,000	24,420
Keenesburg	--	--	10,180
Keota	--	--	130
Kersey	--	--	10,240
La Salle	--	131,000	32,510
Mead	--	--	4,570
Milliken	--	13,000	12,290
Nunn	--	--	3,750
Pierce	--	--	3,360
Platteville	--	19,000	13,690
Raymer	--	--	1,180
Rosedale	--	--	170
Severance	--	--	400
Windsor	--	63,000	46,510
YUMA	--	32,000	400,900
Eckley	--	--	1,940
Wray	--	173,000	7,870
Yuma	--	285,000	29,140
TOTALS	$52,634,460	$131,463,000	$104,347,820

Table XIII
(Continued)

Footnotes

* Column 1 contains the most recent collections available for locally imposed sales taxes, either under the home-rule powers or the local option statute.

Column 2 contains the 1969 property tax levies for all purposes in both municipalities and counties, <u>excluding public schools and special districts</u>.

Column 3 contains the estimated amount of sales tax at three cents collected in each municipality of the state and in the unincorporated areas of each county, as reported by the Department of Revenue.

a/ Collections for one-half year 1969.

b/ Estimated collections for 1970 (as of December 1, 1970).

c/ 1968 collections.

SOURCE: Division of Local Government, Department of Local Affairs.

Table XIV

COMPARISON OF SCHOOL DISTRICT GENERAL FUND BUDGETS FOR 1969 AND 1970

County and School District		A.D.A. 1969	Entitlement 1970	Current Expense per A.D.A. 1969	Current Expense per Entitlement 1970	Increased Revenue and a Benefits: State	Increased Revenue and a Benefits: County	Increased Revenue and a Benefits: Total	District Tax Increase	Mill Levy 1969: Mills	Mill Levy 1969: Change	Federal Revenue Increase	1970 Budgeted Expenditures	1970 Restricted Budgeted Expenditures	1970 Per-Cent Restricted	Budgeted Expenditure Increase	Increase for Additional Pupils	Increase for Instructional Salaries	Increase for Capital Outlay	Increase for Contingency Reserve	Increase for Operating Reserve and Other	Increase for Debt Service
ADAMS																						
1	Mapleton	6,411.8	6,640.0	$ 600.23	$ 630.99	$ 587,937	$146,544	$ 734,481	$44,057	48.98	-2.00	$-2,783	$4,961,313	$4,189,896	84.5	$ 641,677	$145,881	$584,691	$-94,908	$ 88,470	$ --	$ --
12	Eastlake	11,798.0	12,662.8	515.45	566.25	1,918,214	-62,943	1,855,271	299,067	58.00	-1.04	-11,689	7,767,189	7,170,337	92.3	1,638,794	430,169	945,142	-77,203	219,060	--	8,000
14	Adams City	8,297.7	8,422.5	572.13	633.05	1,074,756	-22,649	1,052,107	1,181	61.40	-.25	-14,660	6,075,900	5,331,930	87.8	936,765	73,200	477,475	67,304	10,000	-23,000	2,500
27J	Brighton	3,391.1	3,476.9	555.23	594.19	375,282	69,904	445,186	54,541	48.57	.00	19,734	2,670,978	2,065,935	77.3	528,876	52,212	252,477	117,874	10,000	16,705	--
29J	Bennett	237.0	278.4	671.47	711.75[a]	10,127	45,713	55,840	5,061	35.00	.45	3,000	251,350	198,150	78.8	59,861	31,702	22,100	6,000	9,000	16,415	--
31J	Strasburg	172.5	200.5	930.14	858.10	-829	39,396	38,567	-3,729	39.10	-.35	--	213,945	172,050	80.4	35,645	27,367	8,500	16,545	3,000	210	--
50	Westminster	15,334.0	15,069.5	486.82	599.67	2,326,113	-243,769	2,082,344	-65,227	61.20	-2.10	-153,448	10,114,116	9,036,860	89.3	1,895,535	-137,420	1,098,993	42,150	50,818	34,760	34,353
ALAMOSA																						
RE 11J	Alamosa	2,285.0	2,357.2	520.90	549.41	276,299	-10,156	266,143	1,592	40.52	.00	-26,938	1,531,235	1,295,043	84.6	192,809	41,092	68,088	20,000	40,445	-79,537	--
Re 22J	Sangre de Cristo	228.9	241.3	704.35	747.30[a]	15,097	7,574	22,671	2,914	41.90	.60	2,000	207,852	180,323	86.8	27,193	9,541	13,352	2,922	-500	-1,000	550
ARAPAHOE																						
1	Englewood	5,932.1	5,907.3	720.09	763.30[a]	385,849	98,851	484,700	170,323	57.55	-.89	-15.500	5,207,425	4,509,040	86.6	627,545	-18,179	231,660	166,500	25,000	--	--
2	Sheridan	2,089.0	2,036.6	536.39	577.55	331,676	-68,595	263,081	-48,227	57.65	-6.47	393,603	1,980,922	1,176,246	59.4	629,457	-32,731	195,441	24,920	285,889	127,755	10,000
5	Cherry Creek	6,167.5	6,773.7	748.49	793.40[a]	535,672	208,503	744,175	542,864	65.47	2.47	136,500	6,633,438	5,374,253	81.0	1,520,433	484,353	698,806	118,100	-56,107	18,107	179,000
6	Littleton	14,943.0	15,535.3	648.48	687.13[a]	1,983,675	-97,827	1,885,848	187,657	57.63	.00	-105,272	11,878,726	10,674,760	89.9	1,692,575	402,278	927,180	206,660	194,264	37,156	11,000
26J	Deer Trail	134.6	137.8	930.00	1,098.40[b]	-10,590	37,907	27,317	7,415	35.63	2.76	--	173,350	150,600	86.9	28,450	3,348	16,450	1,250	3,500	-307	--
28J	Aurora	16,802.0	17,561.9	612.86	657.20[a]	2,608,877	-222,457	2,386,420	635,729	51.86	4.83	177,000	13,710,407	11,541,680	84.2	2,262,834	502,590	1,079,777	200,161	319,520	1,022	9,740
32J	Byers	191.8	211.6	1,138.00	1,115.68	-14,900	67,113	52,213	-2,763	34.44	.27	3,724	289,061	236,077	81.7	38,556	24,518	10,665	--	1,900	--	--
ARCHULETA																						
50 Jt	Pagosa Spgs.	768.0	736.7	559.11	626.00	37,722	-9,622	28,100	-10,574	28.41	-1.83	-5,795	525,947	461,175	87.7	31,646	-19,320	17,209	-2,236	--	--	--
BACA																						
RE-1	Walsh	520.0	516.0	596.00	644.62	14,690	1,668	16,358	27,487	33.00	3.34	-25	476,925	332,625	69.7	96,425	-2,865	14,675	64,000	--	3,250	--
RE-3	Pritchett	120.0	109.0	1,150.00	1,196.24	-20,240	9,062	-11,178	39,053	40.27	11.93	-2,501	182,550	130,390	71.4	6,300	-14,781	4,000	--	--	--	--
RE-4	Springfield	606.0	591.8	660.68	700.18[a]	-1,262	-11,642	-12,904	46,679	42.06	5.80	200	469,667	414,367	88.2	24,894	-10,113	9,544	2,000	4,000	-3,094	--
RE-5	Vilas	99.8	77.3	1,139.00	1,537.28[b]	-19,521	6,438	-13,083	44,695	47.30	19.39	-647	129,542	118,832	91.7	6,917	-24,736	-400	-9,200	-2,000	-15,750	--
RE-6	Campo	160.0	160.0	889.06	907.19	3,908	620	-3,288	6,823	44.76	2.64	-996	165,500	145,150	87.7	2,000	0	2,250	--	1,000	25,500	--
BENT																						
Re-1	Las Animas	1,238.5	1,182.5	637.43	640.03	101,900	-31,098	70,802	60,134	41.84	6.06	-23,400	978,905	792,681	81.0	95,059	-38,707	37,200	10,800	15,000	--	--
Re-2	McClave	208.7	216.9	895.00	885.70	-9,312	27,641	18,329	-1,742	27.83	-1.00	200	257,821	192,109	74.5	19,406	8,500	9,378	160	--	-500	--
BOULDER																						
Re-1J	St. Vrain Valley	8,525.0	9,240.3	587.20	653.35	1,120,629	-53,005	1,067,624	292,745	47.74	1.69	-5,050	6,971,549	6,037,136	86.6	1,432,370	454,909	855,061	64,000	140,000	-15,000	--
Re-2	Boulder Valley	19,299.6	20,958.2	741.30	785.21[a]	1,680,990	83,202	1,764,191	448,357	52.79	-2.48	-55,515	18,442,886	16,456,589	89.2	2,728,593	714,755	1,330,393	48,074	510,000	--	20,000
CHAFFEE																						
R-31	Buena Vista	1,046.0	1,037.9	404.49	469.57	101,856	-8,762	93,094	-4,524	24.60	-.70	-7,000	547,070	487,370	89.1	77,970	-3,528	44,950	3,700	5,000	5,000	--
R-32J	Salida	1,387.0	1,399.1	438.00	539.65	62,969	8,843	71,812	48,976	28.50	3.11	--	856,183	755,026	88.2	161,625	5,855	87,832	37,430	3,097	11,255	--
CHEYENNE																						
R-1	Kit Carson	160.0	167.0	1,306.00	1,274.55	3,468	10,292	13,760	14,804	28.87	2.74	-900	264,400	212,850	80.5	14,620	10,490	6,720	--	--	272	--
R-2	Cheyenne Wells	293.0	302.3	801.00	849.00[a]	23,639	16,263	7,376	84,569	43.60	14.11	700	327,152	256,652	78.5	55,952	8,290	17,000	19,500	5,500	3,500	--
R-3	Arapahoe	78.9	90.9	1,334.60	1,172.16	-898	6,829	5,931	7,630	28.96	2.90	--	123,400	106,550	86.3	4,600	17,992	-2,800	-150	1,500	--	--
CLEAR CREEK																						
RE-1	Idaho Springs	1,038.0	1,127.0	678.83	719.56[a]	386	1,715	2,101	155,677	26.96	-1.73	8,562	1,061,035	810,944	76.4	184,968	63,605	61,499	33,074	13,179	--	--

Table XIV
(Continued)

County and School District	A.D.A. 1969	Entitlement 1970	Current Expense per A.D.A. 1969	Current Expense per Entitlement 1970	Increased Revenue and Benefits: State	Increased Revenue and Benefits: County	Increased Revenue and Benefits: Total	District Tax Increase	Mill Levy 1969: Mills	Mill Levy 1969: Change	Federal Revenue Increase	1970 Budgeted Expenditures	1970 Restricted Budgeted Expenditures	1970 Percent Restricted	Budgeted Expenditure Increase	Increase for Additional Pupils	Increase for Instructional Salaries	Increase for Capital Outlay	Increase for Contingency Reserve	Increase for Operating Reserve and Other	Increase for Debt Service
CONEJOS																					
Re 1J North Conejos	1,294.0	1,313.3	$ 427.00	$ 522.92	$ 152,940	$19,702	$ 172,642	$30,218	37.52	10.32	$16,962	$ 755,750	$ 686,750	90.9	$ 142,444	$ 8,936	$ 110,630	$ 900	$ 6,800	$21,633	$ -1,13
6J Sanford	357.1	354.7	412.00	506.52	31,061	-856	30,205	-139	31.80	-.02	-30	193,651	179,661	92.8	32,076	-1,074	16,191	--	280	3,787	--
Re 10 South Conejos	875.4	871.4	373.50	475.78	103,849	142	103,991	3,639	21.30	.40	-1,620	446,381	414,599	92.9	79,802	-1,610	68,490	-11,000	-1,000	--	--
COSTILLA																					
R-1 Centennial	691.0	683.0	479.00	599.14	80,302	-10,709	69,593	24,643	44.00	7.96	52,240	514,603	409,213	79.5	152,179	-4,156	85,928	15,200	2,000	-4,894	50
R-30 Sierra Grande	273.0	290.0	640.23	620.50	1,006	10,711	11,717	-1,407	28.8	-.33	--	200,216	179,946	89.9	5,672	12,114	7,632	--	--	-2,771	--
CROWLEY																					
Re 1J Crowley Co.	754.0	705.7	652.68	663.46	21,233	-929	20,304	9,947	36.72	3.52	-1,500	557,560	468,210	84.0	11,702	-34,184	9,532	--	9,779	5,000	26,60
CUSTER																					
C-1 Custer Co.	216.0	219.8	736.11	764.88	-16,462	8,514	-7,948	45,792	30.96	6.96	-1,600	197,502	168,122	85.1	8,002	3,114	-560	-5,000	--	-1,700	2,01
DELTA																					
50J Delta Co.	3,425.0	3,539.0	534.00	618.80	386,446	19,352	405,798	-30,189	41.5	-2.04	24,015	2,396,556	2,189,919	91.4	354,055	66,249	167,420	1,927	--	35,000	--
DENVER																					
No. 1 Denver	90,194.8	90,133.9	762.18	807.91[a]	6,216,575	564,074	6,780,649	2,784,567	44.56	.76	1,344,294	92,457,335[d]	72,819,010	78.8	9,961,810	-48,118	5,318,930	73,210	--	76,192	--
DOLORES																					
Re 1J Dolores Co.	486.0	463.5	686.00	721.68	2,888	1,384	4,272	435	37.97	-1.08	-2,625	384,550	334,500	87.0	9,550	-16,147	-5,600	-500	--	--	--
DOUGLAS																					
Re 1 Douglas Co.	2,076.6	2,325.5	701.40	742.85[a]	219,103	-740	218,363	132,810	49.23	2.70	-12,328	1,953,000	1,727,500	88.5	229,500	200,531	222,000	-3,750	--	200,853	--
EAGLE																					
Re 50J Eagle Co.	1,449.3	1,456.6	724.20	766.62[a]	10,973	28,698	39,671	178,190	42.67	4.96	-13,149	1,424,336	1,116,659	78.4	225,230	5,878	105,302	6,000	41,638	-2,114	--
ELBERT																					
C-1 Elizabeth	298.0	342.7	480.75	592.46	65,073	-16,408	48,665	29,517	53.67	14.87	2,970	242,450	203,035	83.7	72,935	22,870	47,870	--	--	6,000	600
2 Kiowa	125.0	140.3	882.76	899.12	22,157	2,236	24,393	2,264	35.94	2.1	2,961	147,547	126,147	85.5	18,302	15,575	13,155	1,000	--	8,333	--
100-J Big Sandy	331.6	309.2	654.25	693.51[a]	2,077	-3,047	-970	55,927	35.83	12.98	-250	282,950	214,435	75.8	17,670	-16,964	3,450	3,000	2,500	1,535	25
200 Elbert	105.2	125.3	909.22	729.13	10,938	-4,630	6,308	5,810	37.91	5.77	192	113,260	91,360	80.7	8,110	19,813	3,300	100	2,000	-980	--
300 Agate	67.0	68.4	1,250.00	1,271.21	-11,327	20,271	8,944	-3,772	21.92	.40	--	108,550	85,950	79.2	975	1,990	800	-3,000	--	--	--
EL PASO																					
R Jt 1 Calhan	252.0	239.9	552.00	648.06	12,417	10,276	22,693	-1,083	47.47	-.92	1,850	197,500	155,470	78.7	33,919	-7,778	5,629	1,000	1,000	--	15,00
2 Harrison	4,445.4	4,956.0	506.29	568.27	917,064	-128,067	788,997	178,769	43.24	2.07	161,200	3,515,640	2,816,359	80.1	1,177,764	263,562	476,212	215,581	258,550	149,979	--
3 Security	6,400.0	7,050.4	504.00	556.14	1,497,692	-274,679	1,223,013	61,503	50.00	-2.03	-8,950	4,574,000	3,921,000	85.7	1,305,625	319,457	538,290	42,000	-20,878	572,359	330,00
8 Fountain	2,713.7	2,588.0	525.29	642.98	501,304	171,349	672,653	913	23.91	-2.96	-61,915	2,033,074	1,664,030	81.8	335,452	-72,086	135,883	11,105	39,073	-73,761	--
11 Colorado Spgs.	28,150.6	29,421.1	681.67	811.59[b]	2,664,643	495,949	3,160,592	2,292,480	31.09	-3.45	-190,449	24,246,671	23,877,871	98.5	4,581,170	861,450	3,511,814	-82,587	130,000	-89,615	--
12 Cheyenne Mtn.	2,037.8	2,037.8	823.00	998.23[b]	-66,381	152,929	86,548	268,125	54.90	5.21	-12,444	2,066,860	2,034,200	98.4	356,831	--	254,000	6,971	--	--	--
14 Manitou Spgs.	1,071.5	1,101.5	690.38	731.80[a]	36,294	32,727	69,021	104,129	48.00	3.31	7,500	1,013,371	806,077	79.5	182,817	21,657	61,200	12,000	55,000	--	--
20 Air Academy	3,804.0	3,897.7	543.09	621.04	787,636	-167,903	619,733	-44,739	23.97	-8.79	-79,394	2,851,017	2,420,630	84.9	610,702	53,986	274,655	3,000	181,147	--	--
22 Ellicott	188.0	225.0	522.82	583.44	39,984	-4,990	34,994	15,430	46.82	8.27	250	167,100	131,275	78.6	49,780	22,613	18,000	7,300	5,280	-222	--
Jt 23 Peyton	107.3	99.4	732.81	1,077.97[b]	2,442	-5,108	-2,666	18,209	68.37	14.51	3,400	113,150	102,900	90.5	23,900	-6,571	4,800	2,000	--	--	--
28 Hanover	36.7	38.3	1,232.00	1,253.39	-2,710	19,978	17,268	7,303	30.21	.61	--	71,020	48,005	67.6	14,270	2,160	1,000	100	865	-213	4,200
38 Lewis-Palmer	536.7	641.3	536.34	639.09	90,942	8,593	99,535	54,628	48.00	3.01	-3,427	505,745	409,850	81.0	159,945	67,068	56,100	32,000	29,245	--	--
49 Falcon	179.6	211.0	590.20	657.20[a]	22,886	7,397	30,283	37,680	54.80	7.09	--	203,527	138,689	68.1	68,427	22,061	12,900	8,000	25,939	--	--
54J Edison	60.1	58.0	956.57	1,013.96[a]	-10,021	17,389	7,368	-7,106	32.00	-.65	--	79,800	58,800	73.7	3,310	-2,585	-40	1,000	3,500	-1,716	--
60J Miami-Yoder	138.0	124.7	674.99	796.88[b]	772	20,457	21,229	9,703	28.47	4.32	--	130,535	99,372	76.4	10,690	-11,020	1,350	3,500	4,000	711	--

Table XIV
(Continued)

County and School District		A.D.A. 1969	Entitlement 1970	Current Expense per A.D.A. 1969	Current Expense per Entitlement 1970	Increased Revenue and Benefits State	Increased Revenue and Benefits County	Increased Revenue and Benefits Total	District Tax Increase	Mill Levy 1969 Mills	Mill Levy 1969 Change	Federal Revenue Increase	1970 Budgeted Expenditures	1970 Restricted Budgeted Expenditures	1970 Percent Restricted	Budgeted Expenditure Increase	Increase for Additional Pupils	Increase for Instructional Salaries	Increase for Capital Outlay	Increase for Contingency Reserve	Increase for Operating Reserve and Other	Increase for Debt Service
FREMONT																						
Re-1	Canon City	2,861.5	2,873.6	$566.53	$ 622.77	$248,523	$-6,470	$242,053	$11,997	43.04	.01	$ 6,078	$1,976,194	$1,789,584	90.6	$ 222,389	$ 7,246	$ 30,195	$ 10,000	$ --	$ --	$ --
Re-2J	Florence	1,364.1	1,438.5	513.89	517.07[b]	158,517	-12,424	146,093	2,479	36.90	.00	-11,521	901,717	743,801	82.5	130,114	42,084	55,347	--	24,152	10,736	1,000
Re-3	Cotopaxi	131.6	120.6	819.80	979.07[b]	-7,876	13,472	5,596	33,377	34.78	-.87	-1,326	148,554	118,076	79.5	23,169	-9,853	4,815	1,000	2,000	141	1,200
GARFIELD																						
Re 1J	Roaring Fork	2,651.5	2,751.9	546.65	607.41	192,806	-117,356	75,450	409,389	31.62	3.83	-25,680	1,880,685	1,671,537	88.9	262,700	57,483	214,500	--	--	33	--
Re 2	Rifle	1,295.0	1,256.0	755.96	800.74[a]	4,832	-6,110	-1,278	23,825	51.40	-.01	-2,240	1,143,940	1,005,736	87.9	68,952	-31,258	49,452	--	6,000	--	--
16	Grand Valley	146.7	138.0	1,147.00	1,216.00[a]	-14,003	17,905	3,902	38,211	35.48	-16.12	-701	211,334	167,808	79.4	21,081	-10,809	3,927	2,100	19,234	--	--
GILPIN																						
Re 1	Gilpin Co.	51.7	47.2	1,054.00	1,271.29[c]	-3,596	521	-3,075	6,450	48.60	4.20	-600	110,505	60,005	54.3	17,255	-5,679	400	-1,500	--	7,780	--
GRAND																						
1 Jt.	West Grand	370.1	396.6	781.98	825.29[a]	4,706	-9,814	-5,108	15,934	35.19	-2.00	16,500	414,160	327,311	79.0	73,849	23,271	31,150	7,587	24,000	-12,500	--
Re 2	East Grand	651.0	677.0	734.00	773.55	678	5,991	6,669	23,073	34.71	.00	18,900	636,159	523,700	82.3	105,066	20,623	53,050	9,300	31,559	29,200	-5,000
GUNNISON																						
Re 1J	Gunnison Watershed	1,379.4	1,366.0	668.60	702.96	55,049	-14,209	40,840	31,265	40.02	1.50	-11,200	1,127,990	960,247	85.1	90,692	-9,902	33,043	6,019	14,000	-21,736	--
HINSDALE																						
Re 1	Lake City	15.4	13.4	1,750.98	1,856.04[a]	-3,950	-766	-4,716	-6,003	17.15	-3.12	6,859	52,140	24,945	47.8	4,390	-5,121	-300	--	345	3,500	--
HUERFANO																						
Re 1	Walsenburg	1,088.4	1,118.1	509.25	558.31	49,451	-5,235	44,216	30,693	32.00	-1.49	-8,981	711,630	624,245	87.7	72,515	16,684	40,475	4,800	6,375	-574	--
Re 2	La Veta	186.0	187.7	775.51	822.04[a]	-3,383	8,481	5,098	15,750	37.84	.68	1,748	173,066	154,297	89.2	17,589	1,412	2,645	250	2,661	600	--
JACKSON																						
R-1	North Park	368.4	424.1	861.05	811.35	11,471	73	11,544	-5,041	26.01	-1.84	6,709	402,681	344,093	85.5	47,438	51,611	27,742	-155	2,500	-1,271	--
JEFFERSON																						
R-1	Jefferson Co.	55,859.0	59,340.3	584.70	656.91[a]	6,334,144	240,000	6,574,144	2,685,935	54.26	3.00	-605,326	44,608,439	38,981,378	87.4	9,290,884	2,104,550	4,488,128	1,375,446	200,000	-57,180	--
KIOWA																						
Re 1	Eads	391.7	361.7	780.29	926.80[b]	17,675	-14,672	3,003	8,854	32.20	-.17	--	419,500	335,325	79.9	49,850	-26,911	10,050	3,350	--	-1,800	--
Re 2	Plainview	154.4	158.8	1,145.40	1,143.15	-4,958	14,292	9,334	10,352	25.01	.69	100	228,433	181,533	79.5	23,715	5,615	3,825	1,000	3,000	477	--
KIT CARSON																						
R-1	Flagler	268.6	269.2	693.30	727.26	12,062	-2,461	9,601	19,666	42.97	6.49	1,000	245,970	195,770	79.6	20,820	485	6,670	300	5,000	29,897	--
R-2	Seibert	130.0	140.8	965.00	998.50	-1,680	3,601	1,921	11,668	44.62	5.94	173,140	173,140	140,590	81.2	24,507	11,998	12,100	11,325	467	--	--
R-3	Vona	88.0	86.7	1,313.00	1,279.49	-12,681	4,066	-8,615	25,495	41.00	12.52	700	125,235	110,932	88.5	-6,190	-1,875	3,500	-200	--	--	--
R-4	Stratton	306.8	311.7	667.34	705.74[a]	9,812	-1,607	8,205	26,824	44.90	7.18	--	257,980	219,980	85.3	8,601	3,796	10,099	-3,645	2,852	4,142	--
R-5	Bethune	103.0	103.0	1,198.54	1,225.41	-6,236	5,751	-485	32,570	40.66	12.88	--	153,142	126,180	82.4	18,317	0	2,232	2,000	3,000	--	--
Re 6J	Burlington	997.0	1,014.0	599.00	639.11	36,365	-6,987	29,378	53,587	37.37	3.89	1,100	772,646	648,061	83.9	97,849	11,280	67,916	--	22,656	--	--
LAKE																						
R-1	Leadville	2,171.0	2,230.0	767.00	813.00[a]	65,582	--	65,582	62,683	32.7	.31	24,095	1,939,930	1,812,990	93.5	163,782	46,339	96,362	2,000	--	6,241	--

Table XIV
(Continued)

County and School District	A.D.A. 1969	Entitlement 1970	Current Expense per A.D.A. 1969	Current Expense per Entitlement 1970	Increased Revenue and Benefits: State	Increased Revenue and Benefits: County	Increased Revenue and Benefits: Total	District Tax Increase	Mill Levy 1969: Mills	Mill Levy 1969: Change	Federal Revenue Increase	1970 Budgeted Expenditures	1970 Restricted Budgeted Expenditures	1970 Percent Restricted	Budgeted Expenditure Increase	Increase for Additional Pupils	Increase for Instructional Salaries	Increase for Capital Outlay	Increase for Contingency Reserve	Increase for Operating Reserve and Other	Increase for Debt Service
LA PLATA																					
9-R Durango	3,550.3	3,568.6	$ 578.62	$ 634.38	$ 252,045	$16,718	$ 268,763	$-40,472	41.27	-1.47	$18,740	$2,714,977	$2,263,860	83.4	$ 340,223	$11,921	$ 133,247	$26,200	$49,287	$ 6,553	$ --
10 Jt Bayfield	386.0	386.0	444.00	504.04	42,889	1,975	44,864	13,437	26.00	2.10	-11,421	228,442	194,560	85.2	32,754	18,754	17,922	1,000	13,000	13,906	--
11 Jt Ignacio	912.9	920.0	685.02	724.02[a]	91,511	-11,874	79,637	7,964	21.00	.31	1,750	895,100	666,100	74.4	50,533	5,246	28,450	-10,000	15,000	-1,500	--
LARIMER																					
R-1 Poudre	10,554.7	11,182.4	738.28	731.82	1,057,956	-64,446	993,510	527,023	55.13	2.45	33,110	9,960,447	8,183,545	82.2	1,427,421	476,092	904,546	-80,135	129,294	--	--
R2-J Thompson	5,437.2	5,799.7	550.27	575.54	644,083	-39,162	604,921	-12,393	41.78	-1.57	--	4,304,119	3,337,949	77.6	1,030,724	212,204	293,657	232,500	311,000	--	--
R-3 Estes Park	648.5	791.6	759.50	805.00[a]	8,974	86,629	95,603	235,985	41.18	9.28	14,192	870,830	637,230	73.2	337,334	111,985	102,734	138,600	32,000	7,401	--
LAS ANIMAS																					
1 Trinidad	2,301.1	2,227.3	410.00	487.25	372,353	-90,046	282,307	5,983	37.15	.00	152,334	1,518,832	1,085,250	71.5	429,832	-32,890	228,989	93,000	-329	-101,087	--
R-2 Primero	265.0	262.8	799.00	846.84[a]	-20,504	26,524	6,020	3,266	34.05	-.65	3,873	308,926	222,550	72.0	62,736	-1,996	11,500	876	47,000	-26,852	--
Re 3 Hoehne	340.8	312.3	579.81	657.20[a]	-1,950	28,871	26,921	17,979	28.80	2.49	6,000	280,760	205,060	73.0	24,560	-20,672	14,260	3,000	9,000	-4,750	--
RE-6 Aguilar	247.6	233.5	657.00	688.78	9,750	-924	8,826	16,376	31.80	-.80	10,000	192,030	160,830	83.8	5,102	-10,592	9,000	-4,000	1,568	10,000	--
R-82 Branson	78.0	73.0	1,214.46	1,287.28[a]	-13,154	12,126	-1,028	1,842	30.33	-6.57	--	105,570	93,975	89.0	-358	-6,694	-913	500	--	52	--
R-88 Kim	133.1	140.7	846.69	1,039.95[b]	-14,091	25,585	11,494	40,211	33.24	1.91	-2,800	196,848	146,020	74.2	49,194	8,430	11,555	12,928	--	--	1,100
LINCOLN																					
Re 1 Hugo	257.9	259.6	741.37	790.45[a]	595	7,877	8,472	10,225	29.65	3.50	--	233,700	205,200	87.8	10,050	7,224	8,400	--	-4,650	46	--
Re 4J Limon	593.3	576.7	559.84	627.55	51,957	-22,882	29,075	-10,302	31.20	-1.21	--	418,395	361,909	86.5	38,529	-10,145	14,014	74	10,000	15,000	--
Re 13 Genoa	129.6	116.8	870.00	1,080.05[b]	-4,417	1,709	-2,708	32,999	47.64	18.26	2,200	144,650	126,150	87.2	100	-13,555	9,600	-1,300	--	10,000	--
Re 23 Karval	113.0	104.3	900.00	954.00[a]	-1,272	10,821	9,549	-14,514	22.29	-1.82	--	130,700	99,500	76.1	-1,160	-9,905	-900	--	1,000	564	--
Re 31 Arriba	135.4	124.3	1,014.00	1,181.00[b]	100	4,264	4,364	10,454	36.78	5.08	--	165,916	146,766	88.5	9,844	-11,974	6,504	--	--	--	--
LOGAN																					
Re 1 Valley	3,842.0	3,887.0	757.31	792.86	217,711	-62,781	154,930	-116,454	44.75	.00	--	3,291,545	3,081,841	93.6	227,928	35,080	85,665	8,000	38,504	1,624	--
Re 3 Frenchman	291.0	291.0	679.00	718.59[a]	3,183	13,802	16,985	-23,862	29.38	-4.69	35	222,720	209,140	93.9	-4,255	--	12,000	11,700	750	-1,049	--
RE 4 Buffalo	314.0	315.2	671.17	692.95	22,924	9,717	32,641	-545	34.19	2.05	-100	272,290	218,419	80.2	26,260	900	18,160	-2,500	-2,000	4,000	--
RE 5 Plateau	165.0	166.5	1,163.48	1,233.15[a]	-13,678	40,388	26,710	14,960	27.42	2.53	505	239,505	205,319	85.7	26,616	1,868	26,099	--	-5,500	--	--
MESA																					
49 Jt DeBeque	121.0	115.9	1,043.68	1,097.36	-11,159	23,868	12,709	14,159	21.71	-16.98	--	161,650	127,185	78.7	25,962	-5,618	6,300	398	19,000	3,000	--
50 Plateau Valley	270.0	278.7	695.37	736.45[a]	-6,400	36,297	29,897	24,474	29.70	3.72	-535	246,250	205,250	83.4	20,500	6,935	12,200	3,000	--	1,414	--
51 Mesa Valley	11,910.5	12,287.2	633.07	671.05[a]	1,095,103	-75,894	1,019,209	192,554	45.09	-.02	3,577	9,372,172	8,245,326	88.0	1,426,083	248,068	706,317	144,977	67,210	-354,916	--
MINERAL																					
1 Creede	135.0	172.0	887.00	916.35	12,253	1,333	13,586	45,970	40.80	11.11	5,997	185,629	157,613	84.9	47,973	33,520	25,671	3,000	4,000	-1,400	--
MOFFAT																					
Re 1 Moffat Co.	1,774.0	1,752.0	715.00	752.71	12,930	28,800	41,730	18,540	32.51	.09	45,000	1,485,313	1,318,755	88.8	46,093	-16,345	16,556	-2,928	--	15,000	2,500
MONTEZUMA																					
Re 1 Cortez	2,765.2	2,734.7	560.80	632.31	222,160	4,416	226,576	-45,801	41.85	-2.54	39,800	2,062,500	1,729,172	83.8	168,000	-20,146	116,925	14,500	400	--	--
Re 4A Dolores	568.1	571.2	493.34	523.00	64,478	-1,868	62,610	7,162	34.80	.22	-8,250	376,625	298,739	79.3	49,755	1,719	27,375	7,000	7,141	5,383	600
Re 6 Mancos	379.0	402.2	597.82	610.10	42,877	-2,285	40,592	7,240	37.20	1.64	1,500	284,205	245,384	87.6	29,703	15,028	2,538	1,000	11,246	24,620	--
MONTROSE																					
Re 1J Montrose	3,913.0	3,908.2	553.00	587.87	389,452	-19,594	369,858	11,331	46.28	-1.00	6,400	2,715,300	2,297,523	84.6	337,700	-3,017	150,560	21,640	15,000	-5,741	--
Re 2 West End	1,137.1	1,071.5	599.87	652.82	89,401	28,909	118,310	28,491	45.39	-.02	-56,373	888,225	699,505	78.8	89,595	-43,959	33,047	18,082	4,358	2,052	--

Table XIV
(Continued)

County and School District		A.D.A. Entitlement 1969	A.D.A. Entitlement 1970	Current Expense per A.D.A. Entitlement 1969	Current Expense per A.D.A. Entitlement 1970	Increased Revenue and Benefits State	Increased Revenue and Benefits County	Increased Revenue and Benefits Total	District Tax Increase	Mill Levy 1969 Mills	Mill Levy 1969 Change	Federal Revenue Increase	1970 Budgeted Expenditures	1970 Restricted Budgeted Expenditures	1970 Percent Restricted	Budgeted Expenditure Increase	Increase for Additional Pupils	Increase for Instructional Salaries	Increase for Capital Outlay	Increase for Contingency Reserve	Increase for Operating Reserve and Other	Increase for Debt Service
MORGAN																						
Re 2J	Brush	1,429.6	1,468.2	$ 611.06	$ 637.75	$ 91,630	$-4,389	$ 87,241	$ 6,098	40.40	-.75	$ 5,200	$1,094,709	$ 956,549	87.4	$ 135,646	$25,484	$ 61,029	$37,700	$ 5,000	$17,222	$-1,000
Re 3	Ft. Morgan	3,136.4	3,167.5	681.78	720.16[a]	184,445	-12,131	172,314	116,841	50.12	4.34	--	2,580,283	2,288,309	88.7	284,233	22,343	159,878	21,730	4,000	--	--
Re 20	Weldon Valley	196.6	188.1	835.81	885.75[a]	-6,046	12,305	6,259	27,180	48.37	10.58	2,029	219,532	166,610	75.9	29,432	-7,960	3,380	6,100	252	1,016	--
Re 50	Wiggins	540.0	523.8	749.74	757.79	-11,589	14,412	2,823	16,970	42.65	.00	-13,200	480,950	396,780	82.5	9,482	-12,995	6,750	1,932	4,000	-20,000	--
OTERO																						
R-1	La Junta	2,561.3	2,535.2	565.11	646.50	275,584	-13,713	261,871	-35,107	48.53	-1.52	-22,590	1,740,071	1,639,008	94.2	228,497	-14,943	71,549	4,513	--	--	--
R-2	Rocky Ford	2,126.7	2,054.9	489.28	529.72	175,271	13,785	189,056	-7,678	34.86	.10	-24,500	1,231,841	1,088,522	88.4	112,470	-36,659	75,810	12,850	--	5,172	--
3J	Manzanola	345.1	345.1	575.25	574.01	16,116	-5,988	10,128	346	44.00	-.21	5,720	235,864	198,092	84.0	32,023	--	11,927	1,500	9,022	--	--
R 4J	Fowler	750.9	685.7	536.89	601.49	44,963	14,269	59,232	-2,100	39.50	-.51	-550	518,971	412,441	79.5	41,896	-40,260	34,160	-2,800	--	21,911	--
31	Cheraw	253.5	252.4	566.15	638.27	15,811	3,730	19,541	-984	42.13	1.71	2,355	179,100	161,100	89.9	22,869	-669	20,709	-500	5,000	--	--
33	Swink	361.0	365.4	537.8	585.18	41,238	3,786	45,024	1,385	44.72	.96	8,240	260,085	213,826	82.2	55,650	2,455	22,300	3,975	22,500	--	--
OURAY																						
R-1	Ouray	203.2	201.1	800.00	838.14	15,545	-7,049	8,496	542	39.50	.61	--	186,950	168,550	90.2	10,650	-1,755	5,700	500	2,000	400	--
R-2	Ridgway	128.8	156.0	811.59	723.40	8,980	-568	8,412	1,867	29.00	-.29	509	122,100	112,850	92.4	12,200	23,312	5,025	2,240	2,000	-967	--
PARK																						
1	Platte Canyon	179.5	247.8	799.08	731.45	37,480	-8,726	28,754	32,262	43.50	8.54	2,655	221,109	181,253	82.0	63,221	56,384	27,789	11,350	3,547	--	1,000
Re-2	Park County	204.0	198.0	1,135.61	1,203.75[a]	2,198	8,740	10,938	61,793	37.27	8.59	5,147	337,638	238,342	70.6	67,613	-7,661	9,833	14,000	31,796	-838	--
PHILLIPS																						
Re 1J	Holyoke	665.0	669.5	775.12	812.78	-5,480	6,805	1,325	45,822	35.24	1.81	35,350	636,536	544,157	85.5	80,084	3,602	43,332	-1,350	5,000	21,050	-350
Re 2J	Haxtun	397.4	414.0	934.49	958.09	5,489	7,892	13,381	17,338	40.94	2.29	-925	444,250	396,650	89.3	26,280	16,928	10,100	-2,500	-4,000	-3,250	--
PITKIN																						
1 RE	Aspen	907.2	1,055.0	761.25	798.38	-14,582	8,634	-5,948	276,674	22.57	-7.43	4,950	1,009,207	842,287	83.5	270,516	117,276	107,570	15,000	--	1,000	--
PROWERS																						
Re 1	Granada	451.0	451.0	425.00	622.62	14,970	9,444	24,414	33,505	37.00	5.95	5,400	338,629	280,800	82.9	61,204	16,879	24,125	7,000	16,802	--	500
Re 2	Lamar	2,220.0	2,225.4	503.43	566.25	188,109	-28,107	160,002	34,553	37.60	1.85	2,000	1,388,550	1,260,136	90.8	151,350	2,875	56,250	4,050	--	2,000	--
Re 3	Holly	529.9	544.6	675.83	694.47	9,998	14,474	24,472	1,053	41.50	9.95	10,550	450,636	378,210	83.9	33,492	11,248	-619	1,200	--	-3,662	--
Re13Jt	Wiley Cons.	278.0	290.7	653.00	613.47	15,890	5,681	21,571	5,941	38.94	.99	4,048	220,095	178,337	81.0	25,004	8,039	12,454	1,100	-1,000	--	--
PUEBLO																						
60	City	24,200.3	24,152.2	593.47	631.84	2,718,125	-16,720	2,701,405	-1,108,217	37.46	-7.46	182,661	16,875,954	15,260,349	90.4	1,797,678	-29,135	949,212	43,545	250,000	-185,796	--
70	Rural	3,815.3	3,853.8	551.21	652.88	430,133	-4,903	425,230	117,640	48.00	3.41	46,500	2,815,955	2,516,059	89.4	559,534	22,412	362,644	1,500	49,063	--	--
RIO BLANCO																						
Re 1	Meeker	641.5	606.7	904.29	943.58	14,573	-70,325	-55,752	19,038	28.27	1.46	16,000	677,397	572,472	84.5	23,699	-34,512	34,731	-2,584	3,500	14,209	--
Re 4	Rangely	745.3	643.2	982.02	1,109.96[b]	-8,625	70,720	62,095	-122,588	13.98	-1.78	-500	803,725	713,928	88.8	18,582	-102,438	-2,460	-560	25,000	-1,000	--
RIO GRANDE																						
C-7	Del Norte	784.0	792.7	526.00	600.70	55,849	-11,196	44,653	44,467	38.56	13.90	-3,950	513,408	476,177	92.7	61,977	4,822	36,976	-1,700	--	2,231	--
8	Monte Vista	1,649.9	1,630.3	572.50	579.32	161,569	-26,894	134,675	50,987	37.97	4.52	23,455	1,019,068	944,460	92.7	185,068	-9,357	100,179	-8,000	15,361	2,514	--
Re 33J	Sargent	397.8	417.6	768.28	779.44	-15,639	31,026	15,387	18,493	39.98	3.04	700	375,220	325,495	86.7	26,370	16,840	14,915	-100	--	10,625	--
ROUTT																						
Re 1	Hayden	307.6	317.6	905.00	952.55	-12,039	43,366	31,327	17,331	25.75	2.11	2,831	353,680	302,530	85.5	49,495	9,682	6,850	6,300	7,000	8,000	--
Re 2	Steamboat Spgs.	846.0	947.0	720.00	734.78	90,816	-47,802	43,014	19,563	41.93	-.98	-18,200	920,425	692,900	75.3	-13,669	71,486	65,985	755	10,000	-13,669	-20,00
Re 3J	South Routt	363.7	366.8	813.08	861.86[a]	30,612	-2,991	27,621	24,413	41.78	5.38	31,200	439,598	316,130	71.9	111,077	2,702	48,700	24,500	--	49	--

Table XIV
(Continued)

County and School District	A.D.A. Entitlement 1969	A.D.A. Entitlement 1970	Current Expense per A.D.A. Entitlement 1969	Current Expense per A.D.A. Entitlement 1970	Increased Revenue and Benefits State	Increased Revenue and Benefits County	Increased Revenue and Benefits Total	District Tax Increase	Mill Levy 1969 Mills	Mill Levy 1969 Change	Federal Revenue Increase	1970 Budgeted Expenditures	1970 Restricted Budgeted Expenditures	1970 Percent Restricted	Budgeted Expenditure Increase	Increase for Additional Pupils	Increase for Instructional Salaries	Increase for Capital Outlay	Increase for Contingency Reserve	Increase for Operating Reserve and Other	Increase for Debt Servic
SAGUACHE																					
Re 1 Mountain Valley	269.1	267.2	$ 801.00	$ 849.00[a]	$ 8,911	$ 2,308	$ 11,219	$22,761	40.80	7.18	$ 4,210	$ 257,000	$ 226,760	88.2	$ 15,115	$-1,683	$ 6,900	$ 550	$ 170	$-3,420	$ --
2 Moffat	60.8	65.7	1,181.41	1,113.70	-17,749	10,297	-7,452	16,379	36.46	8.96	--	80,800	73,170	90.6	4,590	6,049	1,790	-250	--	3,700	1,10
26 Jt. Center Cons.	812.7	807.2	575.00	631.47	60,195	5,348	65,543	-31,683	40.27	-2.35	45,047	557,184	509,723	91.5	42,223	-3,392	35,456	--	--	30,261	-6,80
SAN JUAN																					
1 San Juan County	183.0	213.2	1,011.00	959.52	17,515	14	17,529	-1,926	45.64	-1.59	-1,310	222,019	204,569	92.1	25,705	30,828	3,480	3,500	950	7,645	--
SAN MIGUEL																					
R-1 Telluride	203.5	204.9	865.00	898.37	-8,242	8,872	630	19,825	29.46	5.12	-1,922	196,855	184,077	93.5	6,560	1,286	2,440	500	--	-1,539	--
R-2Jt Norwood	321.1	324.9	777.45	805.16	22,061	11,548	33,609	27,502	43.70	5.80	8,425	315,265	261,598	83.0	35,321	3,192	12,280	9,504	35	2,900	--
18 Egnar	77.0	74.0	729.81	701.49	-10,521	1,811	-8,710	6,878	37.00	6.02	-3,150	64,098	51,910	81.0	-11,352	-2,501	-8,475	-1,750	-212	--	--
SEDGWICK																					
Re 1 Julesburg	538.7	518.6	750.81	795.90[a]	689	-6,895	-6,206	89,803	47.93	12.85	-1,550	490,959	412,757	84.1	41,709	-16,264	28,892	--	--	16,000	--
Re 3 Platte Valley	380.2	374.1	846.46	897.25[a]	-6,819	8,593	1,774	22,203	38.16	2.85	-150	396,560	335,660	84.6	30,560	-5,560	8,544	300	5,000	6,917	--
SUMMIT																					
Re 1 Summit County	507.8	571.0	836.48	886.67[a]	6,187	3,976	10,163	114,247	35.67	7.61	3,607	612,266	506,242	82.7	124,316	58,924	41,516	500	25,000	-1,273	--
TELLER																					
Re 1 Cripple Creek-Victor	160.8	166.6	1,117.43	1,178.56	-5,733	12,655	6,922	5,027	58.37	1.26	200	211,623	196,348	92.8	19,658	6,780	6,780	450	500	2,202	2,77
Re 2 Woodland Park	778.0	764.5	574.88	609.46	83,922	-14,024	69,898	12,759	48.23	-3.53	-5,839	548,053	465,935	85.0	76,956	-8,054	31,287	8,190	28,900	500	--
WASHINGTON																					
R-1 Akron	628.9	628.4	707.49	736.65	45,575	-44,800	775	33,471	36.92	1.94	3,900	551,093	462,913	84.0	55,388	-386	25,030	2,500	10,800	12,246	--
R-2 Arickaree	257.0	251.6	879.00	932.00[a]	9,386	-4,594	4,792	13,158	26.77	.25	7,520	310,088	234,450	75.6	15,088	-5,723	14,150	-5,000	-2,000	2,946	--
R-3 Otis	245.0	237.3	890.00	943.00[a]	14,510	-18,527	-4,017	26,941	37.99	5.78	-1,173	258,480	223,752	86.6	-99	-7,685	6,664	-2,300	--	--	--
101 Lone Star	57.0	53.3	1,786.00	1,844.28	--21,515	9,845	-11,670	13,629	30.22	6.11	-900	110,588	98,300	88.9	-3,012	-7,081	-1,350	-1,000	-1,188	-300	--
R-104 Woodlin	187.5	165.8	1,323.46	1,402.87[b]	-6,800	62,255	55,455	2,406	18.38	1.36	3,000	302,650	232,152	76.7	1,350	-34,477	6,073	1,500	5,027		--
WELD																					
Re 1 Valley-Gilcrest	1,379.0	1,420.0	597.77	604.44	103,601	-17,026	86,575	31,127	38.50	-1.46	19,000	998,000	858,300	86.0	100,000	25,549	49,970	--	8,925	3,755	--
Re 2 Eaton	1,189.0	1,191.8	576.21	647.72	-40,628	75,066	34,438	-3,118	26.31	-3.98	5,500	895,450	771,950	86.2	114,200	1,740	84,650	--	--	30,620	--
Re 3J Keenesburg	1,132.6	1,317.2	565.00	574.12	100,103	34,206	134,309	4,351	32.00	-2.58	1,525	875,548	756,237	86.4	139,758	117,525	82,611	8,500	4,500	--	--
Re 4 Windsor	895.6	896.0	583.70	648.15	27,200	13,640	40,840	56,165	39.01	3.05	-1,000	686,850	580,740	84.6	118,150	240	58,800	20,000	8,000	240	--
Re 5J Johnstown	812.9	846.7	683.71	715.50	10,921	24,526	35,447	51,526	45.80	4.91	-9,325	692,555	605,815	87.5	77,270	24,952	32,990	--	5,000	--	30
6 Greeley	9,047.8	9,290.0	600.56	657.20[a]	1,070,228	-156,978	913,250	-27,416	50.76	-2.50	-167,592	7,197,589	6,105,388	84.8	818,078	150,491	854,272	121,140	30,000	--	--
Re 7 Platte Valley	860.0	830.2	608.31	657.04[a]	42,745	-2,312	40,433	4,071	45.20	6.06	2,151	647,241	545,476	84.3	34,891	-19,958	20,106	735	-2,500	67,000	64
Re 8 Fort Lupton	1,552.0	1,554.6	459.11	590.50	217,602	-51,280	166,322	8,428	39.68	-1.00	-2,311	951,910	917,987	96.4	180,289	1,260	85,579	7,000	7,423	--	--
Re 9 Highland	886.9	927.6	786.39	833.57[a]	16,291	37,536	53,827	122,705	52.69	6.07	4,326	931,060	773,220	83.0	149,427	34,748	--	--	--	500	--
Re10J Briggsdale	103.4	86.5	987.20	1,226.89[b]	-13,173	10,418	-2,755	40,635	51.30	16.45	-995	146,809	106,126	72.3	33,840	-18,231	14,117	6,700	100	1,000	8,70
Re11J Prairie	173.0	170.2	1,014.45	1,075.32[a]	-22,110	26,390	4,280	50,385	32.13	-.40	3,128	260,000	183,019	70.4	56,550	-3,208	19,848	15,851	3,000	-1,108	--
Re12 Pawnee	165.5	165.5	1,018.00	1,079.00[a]	-21,016	21,712	696	8,126	25.78	-9.18	2,897	226,275	178,575	78.9	226,275	--	8,116	1,000	--	-3,222	--
YUMA																					
R-J-1 West Yuma	1,045.8	1,087.6	782.00	829.00[a]	20,345	-9,535	10,810	134,824	47.40	6.99	-2,000	1,051,751	901,620	85.7	99,451	36,804	64,349	-30,500	--	--	46,13
R-J-2 East Yuma	933.8	952.0	797.78	830.83	6,362	8,330	14,692	26,358	40.75	.69	-3,120	907,000	790,948	87.2	32,000	16,915	5,300	2,000	--	--	--
TOTAL ADA	487,266.4	501,507.7	Increase		47,914,621	3,873,140	48,736,256	16,409,172			3,476,935	413,527,442	352,535,945	85.3	62,433,604	10,207,379	32,942,041	4,332,240	4,528,658	1,891,482	721,62
			Decrease		581,655	2,654,194	184,344	1,841,475			1,855,606				40,095	1,266,136	24,417	456,791	102,676	1,148,574	34,28
			NET INCREASE		47,332,966	1,218,946	48,551,912	14,567,697			1,621,329	413,527,442	352,535,945	85.3	62,393,509	8,941,243	32,917,624	3,875,449	4,425,982	742,908	687,34

a Increased to 6 percent limit for fifty-two districts.
b Increase in excess of 6 percent approved by vote of fourteen districts
c Exceeds limit -- did not accept act.
d Includes Denver clearing accounts of $10,339,667. Such items are not included in other school district budgets.

Table XV

PUBLIC SCHOOL FOUNDATION ACT OF 1969
Estimates for 1972 and General Fund Appropriation Requirements for 1971-72

	Foundation Support @ $460/ADAE	Foundation Support @ $470/ADAE	Foundation Support @ $480/ADAE	Foundation Support @ $490/ADAE	Foundation Support @ $500/ADAE	Foundation Support @ $508/ADAE
Total Foundation Support, Calendar 1972	$241,468,260	$246,717,570	$251,966,880	$257,216,190	$262,465,500	$266,664,948
From Required District Levy	86,416,647	86,461,749	86,503,648	86,542,105	86,579,482	86,607,481
From Other District Revenue	15,706,341	15,706,341	15,706,341	15,706,341	15,706,341	15,706,341
Total District Share	102,122,988	102,168,090	102,209,989	102,248,446	102,285,823	102,313,822
State Share (estimated) for 1972	139,345,272	144,549,480	149,756,891	154,967,744	160,179,677	164,351,126
State Share for 1971	136,935,824	136,935,824	136,935,824	136,935,824	136,535,824	136,935,824
Total State Share Calendar years 1971, 1972	276,281,096	281,485,304	286,692,715	291,903,568	297,115,501	301,286,950
One Half for 1971-72 Fiscal Year	138,140,548	140,742,652	143,346,357	145,951,784	148,557,750	150,643,475
Less Public School Income Fund and Federal Mineral Lease	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
Net General Fund Required 1971-72	131,640,548	134,242,652	136,846,357	139,451,784	142,057,750	144,143,475
Net General Fund Appropriation 1970-71	125,484,935	125,484,935	125,484,935	125,484,935	125,484,935	125,484,935
General Fund Required Increase	$ 6,155,613	$ 8,757,717	$ 11,361,422	$ 13,966,849	$ 16,572,815	$ 18,658,540

Estimated ADAE, October 1971: 524,931

Estimated Assessed Valuation 1971:	$5,424,616,000
Less Gilpin County	1,928,000
	$5,422,688,000

THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ARIZONA

CITY OF PHOENIX, ARIZONA, ET. AL., Appellants, vs. EMILY KOLODZIEJSKI.	On Appeal From the United States District Court for the District of Arizona.

/June 23, 1970/

Mr. Justice White delivered the opinion of the Court.

In Kramer v. Union Free School District, 395 U.S. 621 (1969), this Court held that a State could not restrict the vote in school district elections to owners and lessees of real property and parents of school children because the exclusion of other wise qualified voters was not shown to be necessary to promote a compelling state interest. This ruling, by its terms applicable to elections of public officials was extended to elections for the approval of revenue bonds to finance local improvements in Cipriano v. City of Houma, 395 U.S. 701 (1969). Our decision in Cipriano did not, however, reach the question now presented for decision: Does the Federal Constitution permit a State to restrict to real property taxpayers the vote in elections to approve the issuance of general obligation bonds?

This question arises in the following factual setting: On June 10, 1969, the City of Phoenix, Arizona, held an election to authorize the issuance of $60,450,000 in general obligation bonds as well as certain revenue bonds. Under Arizona law, property taxes were to be levied to service this indebtedness, although the city was legally privileged to use other revenues for this purpose.1/ The General obligation bonds were to be issued to finance various municipal improvements, with the largest amounts to go for the city sewer system, parks and playgrounds, police and public safety buildings, and libraries. Pursuant to Arizona

---

1/ The relevant Arizona statute provides as follows:

"A. After the bonds are issued, the governing body or board shall enter upon its minutes a record of the bonds sold, their numbers and dates, and shall annually levy and cause to be collected a tax, at the same time and in the same manner as other taxes are levied and collected upon all taxable property in such political subdivision, sufficient to pay the interest on the bonds when due, and shall likewise annually levy a tax sufficient to redeem the bonds when they mature.

"B. Monies derived from the levy of the tax when collected shall constitute a fund for payment of interest and the bonds. The fund shall be kept separately and shall be known as the 'Interest Fund' and 'Redemption Fund.'" Ariz. Rev. Stat. Ann. § 35-458 (1956).

In Allison v. City of Phoenix, 44 Ariz. 66, 33 P. 2d 927 (1934), the Arizona Supreme Court ruled that the predecessor of this section permitted an issuing municipality to use other funds for debt service if such funds were available. In this case the parties have stipulated that the the 1969-1970 fiscal year $3,244,773 of the city's total general obligation debt service requirement of $5,594,937 was met from sources other than ad valorem property taxes and that this apportionment of debt service burden is typical of recent years.

constitutional and statutory provisions,2/ only otherwise qualified voters who were also real property taxpayers were permitted to vote on these bond issues. All of the bond issues submitted to the voters were approved by a majority of those voting.

On June 16, 1969, six days after the election in Phoenix, this Court held in Cipriano v. City of Houma, supra, that restricting the franchise to property taxpayers in elections on revenue bonds violated the Equal Protection Clause of the Fourteenth Amendment. That ruling was applied to the case before the Court in which under local law the authorization of the revenue bonds was not yet final when the challenge to the election was raised in the District Court. On August 1, 1969, appellee Kolodziejski, a Phoenix resident who was otherwise qualified to vote but who owned no real property, filed her complaint in the United States District Court for the District of Arizona challenging the constitutionality of the restriction on the franchise in Arizona bond elections and attacking the validity of the June 1969 election approving the Phoenix bond issues. A District Court of three judges was convened. In the District Court, appellants conceded that, under this Court's decisions in Cipriano and Kramer, supra, the bond election was invalid with regard to the revenue bonds which had been approved. The District Court perceived no significant difference between revenue bonds and general obligation bonds and therefore held that

---

2/ Arizona Constitution, Article 7, § 13, Article 9, § 8; Arizona Revised Statutes Annotated §§ 9-523, 35-452 (1956), § 35-455 (Supp. 1969).

the exclusion of nonproperty-owning voters from the election on the general obligation bonds was unconstitutional under Cipriano and Kramer. Because the authorization of the Phoenix general obligation bonds was not final on the date of the Cipriano decision, the court held the Cipriano rule applicable and declared the June 10, 1969, bond election invalid. The appellants were enjoined from taking further action to issue the bonds approved in that election. The City of Phoenix and the City Council appealed from the judgment of the District Court with respect to the general obligation bonds. We noted probable jurisdiction, 397 U.S. 903 (1970). We affirm the judgment of the District Court but do not agree that the ruling in this case should be retroactive to the date of the Cipriano decision.

I

In Cipriano v. City of Houma, supra, the denial of the franchise to nonproperty owners in elections on revenue bonds was held to be a denial of the Fourteenth Amendment rights of the nonproperty owners since they, as well as property owners, are substantially affected by the issuance of revenue bonds to finance municipal utilities. It is now argued that the rationale of Cipriano does not render unconstitutional the exclusion of nonproperty owners from voting in elections on general obligation bonds.

The argument proceeds on two related fronts. First, it is said that the Arizona statutes require that property taxes be levied in an amount sufficient to service the general obligation bonds,3/ the law thus expressly placing a special burden on property owners for the benefit of the entire community. Second, and more generally, whereas revenue bonds are secured by the revenues from the operation of particular facilities and these revenues may be earned from both property owners and non-property owners, general obligation bonds are secured by the general taxing power of the issuing municipality. Since most municipalities rely to a substantial extent on property tax revenue which will be used to make debt service payments if other revenue sources prove insufficient,4/ general obligation bonds are in effect a lien on the real property subject to taxation by the issuing municipality. Whatever revenues are actually used to service the bonds, an unavoidable potential tax burden is imposed only on those who own realty since that property cannot be moved beyond the reach of the municipality's taxing power. Hence, according to appellants, the State is justified in recognizing the unique interests of real property owners by allowing only property taxpayers to participate in elections to approve the issuance of general obligation bonds.

3/ See n. 1, supra.

4/ In 1967-1968, property taxes yielded $26.835 billion (approximately 86%) of the $31.171 billion raised in taxes by local governments. U. S. Dept. of Commerce, Bureau of the Census, Governmental Finances in 1967-1968, at 20 (1969).

Concededly, the case of elections to approve general obligation bonds was not decided in Cipriano v. City of Houma, supra. But we have concluded that the principles of that case, and of Kramer v. Union Free School District, supra, dictate a like result where a State excludes nonproperty taxpayers from voting in elections for the approval of general obligation bonds. The differences between the interests of property owners and the interests of nonproperty owners are not sufficiently substantial to justify excluding the latter from the franchise. This is so for several reasons.

First, it is unquestioned that all residents of Phoenix, property owners and nonproperty owners alike, have a substantial interest in the public facilities and the services available in the city and will be substantially affected by the ultimate outcome of the bond election at issue in this case. Presumptively, when all citizens are affected in important ways by a governmental decision subject to a referendum, the Constitution does not permit weighted voting or the exclusion of otherwise qualified citizens from the franchise. Arizona nevertheless excludes nonproperty owners from participating in bond elections and vests in the majority of individual property owners voting in the election the power to approve or disapprove facilities which the municipal government has determined should be financed by issuing general obligation bonds. Placing such power in property owners alone can be justified only by some overriding interest of those owners which the State is entitled to recognize.

Second, although Arizona law ostensibly calls for the levy of real property taxes to service general obligation bonds, other revenues are legally available for this purpose. According to the parties' stipulation in this case, it is anticipated with respect to the instant bonds, as has been true in the past, that more than half of the debt service requirements will be satisfied not from real property taxes but from revenues from other local taxes paid by nonproperty owners as well as those who own real property.5/ Not only do those persons excluded from the franchise have a great interest in approving or disapproving municipal improvements, but they will also contribute, as directly as property owners, to the servicing of the bonds by the payment of taxes to be used for this purpose.

Third, the justification for restricting the franchise to the property owners would seem to be strongest in the case of a municipality which, unlike Phoenix, looks only to property tax revenues for servicing general obligation bonds. But even in such a case the justification would be insufficient. Property taxes may be paid initially by property owners, but a significant part of the ultimate burden of each year's tax on rental property will very likely be borne by the tenant rather

---

5/ For the 1969-1970 fiscal year, the City of Phoenix utilized revenues other than revenues from property taxes to meet over 55% of its general obligation debt service requirements. See n. 1, *supra*.

While in theory the expected future income from real property, and hence property values in a municipality, may depend in part on the predicted future levels of property taxes,8/ the actual impact of an increase in property taxes is problematical.9/ Moreover, to the extent that property values are directly affected by the additional potential tax burden entailed in the bond issue, any adverse effect would normally be offset at least in substantial part by the favorable effects on property values of the improvements to be financed by the bond issue.10/

8/ In theory, the value of property is the present value of the expected income to be earned from the property in the future; in the case of owner-occupied residences, this "income" is the satisfaction which the homeowners derive from the enjoyment of their residences. Property taxes on rental property will reduce the expected future earnings from the property to the extent that it is expected that the taxes cannot be passed on to tenants in the form of higher rent. See n. 6, *supra*. For owner-occupiers the property tax will reduce the expected "income" net of costs and will thus reduce the value of their property. For a further discussion of this "capitalization" of unshiftable future property taxes, see H. Newman, An Introduction to Public Finance 262 (1968); C. Shoup, Public Finance 442-443 (1969); D. Netzer, Economics of the Property Tax 34-36 (1966); J. Jensen, Property Taxation in the United States 63-75 (1931).

9/ The empirical evidence on capitalization of unshifted property taxes has been described as "most unsatisfactory." See D. Netzer, Economics of the Property Tax 34-35 (1966); see also C. Shoup, Public Finance 443 (1969).

10/ See D. Netzer, Economics of the Property Tax 34 (1966).

It is true that a general obligation bond may be loosely described as a "lien" on the property within the jurisdiction of the municipality in the sense that the issuer undertakes to levy sufficient taxes to service the bonds. In theory, if the economy of the issuing city were to collapse, the levy of sufficiently high property taxes on property producing little or no income might result in some cases in defaults, foreclosures and tax sales. Nothing before us, however, indicates that the possibility of future foreclosures to meet bond obligations significantly affects current real estate values or the ability of the concerned property owner to liquidate his holdings to avoid the risk of those future difficulties; the price of real estate appears to be more a function of the health of the local economy than a reflection of the level of property taxes imposed to finance municipal improvements. In any event, we are not convinced that the risk of future economic collapse which might result in bond obligations becoming an unshiftable, unsharable burden on property owners is sufficiently real or substantial to justify denying the vote in a current bond election to all those nonproperty owners who have a significant interest in the facilities to be financed, who are now indirectly sharing the property tax burden, and who will be paying other taxes used by the municipality to service its general obligation bonds.

We thus conclude that, although owners of real property have interests somewhat different from the interests of nonproperty owners in the issuance of general obligation bonds, there is no basis for concluding that nonproperty owners are substantially less interested in the issuance of these securities than are property owners. That there is no adequate reason to restrict the franchise on the issuance of general obligation bonds to property owners is further evidenced by the fact that only 14 States now restrict the franchise in this way;11/ most States find it possible to protect property owners from excessive property tax burdens by means other than restricting the franchise to property owners. The States now allowing all qualified voters to vote in general obligation bond elections do not appear to have been significantly less successful in protecting property values and in soundly financing their municipal improvements. Nor have we been shown that the 14 States now restricting the franchise have unique problems that make it necessary to limit the vote to property owners. We must there-

---

11/ It appears from the briefs filed in this case that 13 States besides Arizona restrict the franchise to property owners or property taxpayers in some or all general obligation bond elections:

Alaska (Alaska Stat. § 07.30.010 (b) (Supp. 1969)); Colorado (Colo. Const., Art. XI, §§ 6, 7, and 8); Florida (Fla. Const., Art. 7, § 12); Idaho (Idaho Code Ann. § 31 1905 (1963)), § 33-404 (Supp. 1969), § 50-1026 (1967)); Louisiana (La. Const., Art. 14, § 14 (a)); Michigan (Mich. Const., Art. II. § 6); Montana (Mont. Const., Art. IX, § 2, Art. XIII, § 5; Mont. Rev. Codes Ann. § 11:2310 (1968), § 75:3912 (1962)); New Mexico (N. M. Const., Art. IX, §§ 10, 11, and 12); New York (N.Y. Town Law § 84 (McKinney 1965); N.Y. Village Law § 4-402 (McKinney 1966)); Oklahoma (Okla. Const., Art. X, § 27); Rhode Island (R.I. Const. amend. 29, § 2); Texas (Tex. Const., Art. 6, § 3a); Utah (Utah Const., Art. XIV, § 3).

fore affirm the District Court's declaratory judgment that the challenged provisions of the Arizona Constitution and statutes, as applied to exclude nonproperty owners from elections for the approval of the issuance of general obligation bonds, violate the Equal Protection Clause of the United States Constitution.

II

In view of the fact that over the years many general obligation bonds have been issued on the good faith assumption that restriction of the franchise in bond elections was not prohibited by the Federal Constitution, it would be unjustifiably disruptive to give our decision in this case full retroactive effect. We therefore adopt a rule similar to that employed with respect to the applicability of the _Cipriano_ decision: our decision in this case will apply only to authorizations for general obligation bonds which are not final as of June 23, 1970, the date of this decision. In the case of States authorizing challenges to bond elections within a definite period, all elections held prior to the date of this decision will not be affected by this decision unless a challenge on the grounds sustained by this decision has been or is brought within the period specified by state law. In the case of States, including apparently, Arizona, 12/ that do not have a well-defined period for bringing challenges to bond elections, all elections held prior to the date of this decision that have not yet been challenged on the grounds sustained in this decision prior to the date of this decision will not be open to challenge on the basis of our ruling in this case. In addition, in States with no definite challenge period, the validity of general obligation bonds that have been issued before this decision and prior to the commencement of an action challenging the issuance on the grounds sustained by this decision will not be affected by the decision in this case. Since appellee in this case brought her constitutional challenge to the Phoenix election prior to the date of our decision in this case and no bonds have been issued pursuant to that election, our decision applies to the election involved in this case. The District Court was therefore correct in holding that the June 10, 1969, bond election in Phoenix was constitutionally invalid and in enjoining

12/Ariz. Rev. Stat. Ann. § 16-1202 (Supp. 1969) and § 16-1204 (1956) provide that election contest suits generally must be brought by "electors" within five days after completion of the canvass and declaration of the result of an election. Under the Arizona Supreme Court's decision in Morgan v. Board of Supervisors, 67 Ariz. 133, 192 P. 2d 236 (1948), it is unclear whether suits brought after the expiration of the five-day period to challenge a bond election on constitutional ground would in all cases be barred. The District Court found there was no bar to suit in this case.

the issuance of bonds pursuant to the approval obtained in that election.

Affirmed.

Mr. Justice Black concurs in the judgment and in Part I of the opinion of the Court.

Mr. Justice Blackmun took no part in the considera-tion or decision of this case.

- - - -

Mr. Justice Stewart, whom THE CHIEF JUSTICE and Mr. Justice Harlan join, dissenting.

If this case really involved an "election," that is, a choice by popular vote of candidates for public office under a system of representative democracy, then our frame of reference would necessarily have to be Reynolds v. Sims, 377 U.S. 533, and its progeny. For, rightly or wrongly, the Court has said that in cases where public officials with legislative or other governmental power are to be elected by the people, the Constitution requires that the electoral franchise must generally reflect a regime of political suffrage based upon "one man, one vote." Recent examples of that constitutional doctrine are the Court's decisions in Kramer v. Union Free School District, 395 U.S. 621, involving the franchise to vote for the members of a school board; and Hadley v. Junior College District, 397 U.S. 50, involving the apportionment of voting districts for the election of the trustees of a state junior college.

Whether or not one accepts the constitutional doctrine embodied in those decisions, they are of little relevance here. For in this case nobody has claimed that the members of the City Council of Phoenix, Arizona -- the appellants here -- were elected in any way other than on a one man, one vote basis, or that they do not fully and fairly represent the entire electorate of the municipality. And it was these councilmen who initiated the program for borrowing money so that the city might have a sewer system, parks and playgrounds, police and public safety buildings, a new library, and other municipal improvements. Having made that initial decision, the councilmen submitted the borrowing and construction program for final approval by those upon whom the burden of the minicipal bonded indebtedness would legally fall -- the property owners of the city. These property owners approved the entire program by a majority vote. Yet the Court today says the Equal Protection Clause prevents the city of Phoenix from borrowing the money to build the public improvements that the council and the property owners of the city have both approved. I cannot believe that the United States Constitution lays such a heavy hand upon the initiative and independence of Phoenix, Arizona, or any other city in our Nation.

In Cipriano v. City of Houma, 395 U.S. 701, the Court held unconstitutional a Louisiana law that permitted only property owners to vote on the question of approving bonds that were to be financed exclusively from the revenues of municipally operated public utilities. I agreed with that decision, because the State had created a wholly irrelevant voting classification. Id., at 707 (concurring opinion of Black and Stewart, JJ.). As the Court there noted:

> The revenue bonds are to be paid only from the operations of the utilities; they are not financed in any way by property tax revenue. Property owners, like nonproperty owners, use the utilities and pay the rates; however, the impact of the revenue bond issue on them is unconnected to their status as property taxpayers. Indeed, the benefits and burdens of the bond issue fall indiscriminately on property owner and nonproperty owner alike. Id., at 705.

The case before us bears only a superficial resemblance to Cipriano, for we deal here not with income-producing utilities that can pay for themselves, but with municipal improvements that must be paid for by the taxpayers. Under Arizona law a city's general bonded indebtedness effectively operates as a lien on all taxable real estate located within the city's borders. During the entire life of the bonds the privately owned real property in the city is burdened by the city's pledge -- and statutory obligation -- to use its real estate taxing power for the purpose of repaying both interest and principal under the bond obligation.1/ Whether under these circumstances Arizona could constitutionally confer upon its municipal governing bodies exclusive and absolute power to incur general bonded indebtedness without limit at the expense of real property owners is a question that is not before us. For the State has chosen a different policy, reflected in both its constitutional and statutory law.2/ It has told the governing bodies of its cities that while they are free to plan and propose capital improvements, general obligation bonds cannot be validly issued to finance them without the approval of a majority of those upon whom the weight of repaying those bonds will legally fall.

1/ Ariz. Rev. Stat. § 35-458 provides that "after the bonds are issued, the governing body or board...shall annually levy and cause to be collected a tax...upon all taxable property in such political subdivision, sufficient to pay the interest on the bonds when due, and...to redeem the bonds when they mature."

In Allison v. City of Phoenix, 44 Ariz. 66, 33 P. 2d 927 (1934), the Arizona Supreme Court held that if a city has money available from another source "it may from time to time be transferred to the interest and redemption funds created by the statute..." 44 Ariz., at 77. The court made clear, however, that the predecessor of Ariz. Rev. Stat. § 35-458 "is mandatory and binding upon all parties mentioned therein, and that they must levy and cause to be collected a tax for the payment of bonds issued under such article, in the manner provided by such section." Id., at 74. The use of excise taxes to repay general obligation bonds is thus optional, but the imposition of *ad valorem* taxes for these purposes is mandatory.

Taxes imposed on real property in Arizona become a lien on that property. Ariz. Rev. Stat. § 42-312.

2/ The constitutional and statutory provision applicable to all bond authorization elections of incorporated cities and towns in the State of Arizona limit the right to vote in such elections to persons who are qualified electors and who are also real property taxpayers. Ariz. Const., Art. 7, § 13; Art. 9, § 8. Ariz. Rev. Stats., § 9-523 and § 35-455. These constitutional and statutory provisions apply to all political subdivisions within the State of Arizona, and not just to cities and towns.

This is not the invidious discrimination that the Equal Protection Clause condemns, but an entirely rational public policy. I would reverse the judgment, because I cannot hold that the Constitution denies the City of Phoenix the public improvements that its Council and its taxpayers have endorsed.3/

3/ Since the Court's contrary view today prevails, I add that upon that premise THE CHIEF JUSTICE and I agree with Part II of the Court's opinion, and that Mr. Justice Harland also joins in Part II of the Court's opinion, subject, however, to the views expressed in his concurring opinion in United States v. Estate of Donnelly, 397 U.S. 286, 295 (1970).