

has acted, but for a long time to come. Not just a short term solution for me and others to offer next year and the year after and the year after that, when we are probably going to increase in numbers due to redistricting, but allows us to do what is right on this issue. It gives those people in the halls that have been lobbying long and hard for their bill an opportunity to pass their bill, but with a constitutional formula. It will immediately increase the fund by six million dollars, a ten percent increase in the corporate income tax. Since the corporations in this state were the prime beneficiaries, not all of them, but many if not most of them are the prime beneficiaries of the personal property tax exemptions, a ten percent increase is a modest price to pay for the 70 million dollars worth of relief that they received and even more because it continues to increase if it would have still been on the books it would continue to increase. It is a modest increase, about six million dollars to make sure that hardly any county in this state will lose substantially. The other part of this formula is that we phase it in over five years. We start off with valuation which benefits rural areas, and ten percent a year we increase the population factor after the first year, until we get to the fifty-fifty formula that has been used in other proposals and in other areas before. I am speaking specifically of the governmental subdivision fund. We allow a growth factor. This growth factor is a reasonable growth factor. It is not one that rewards local governments for spending more money. I don't know how the sponsors of 882 ever came up with that crazy proposal. Local subdivisions have enough incentives to increase their taxes, the way it is.

SPEAKER MARVEL: You have thirty seconds left.

SENATOR NEWELL: Mr. Speaker, do I have ten minutes to close?

SPEAKER MARVEL: No, five. You have ten to open.

SENATOR NEWELL: Excuse me, I'll try to hurry this up then. The pay back or the increase formula, the formula that would allow for an increase under this proposal, is one that is based on the valuation increases across the counties. Thereby we have an incentive to local assessors to continue to keep their valuations high. It is not an incentive to local government as 882 is, to spend more money, instead it is an incentive to keep the valuations where they ought to be. So, this amendment, satisfies everyone I believe. It satisfies the sponsors desire to have their names on a bill, it satisfies the lobby and those special interest groups that have fought so hard to get personal property taxes off the books by giving