

MINUTES OF THE HOUSE COMMITTEE ON ASSESSMENT & TAXATION

The meeting was called to order by Representative Jim Braden at  
Chairperson

9:00 a.m./~~p.m.~~ on February 16, 1984 in room 519S of the Capitol.

All members were present ~~except~~.

Committee staff present:

Tom Severn, Legislative Research Department  
Wayne Morris, Legislative Research Department  
Don Hayward, Revisor of Statutes' Office  
Nancy Wolff, Secretary to the Committee

Conferees appearing before the committee:

Representative Lloyd Polson  
Chris McKenzie, League of Kansas Municipalities  
Ralph Skoog, CATV  
Bill Edds, Department of Revenue

The minutes of the meetings held on February 10, 1984, February 13, 1984, and February 14, 1984, were approved as printed.

Hearings were held on House Bill 2973, which changes the situs for local option sales tax purposes on cable television services to the location of the subscriber rather than the location of the office doing business as a cable television service.

Representative Lloyd Polson, sponsor of the bill, testified in support of House Bill 2973. (Exhibit I)

Chris McKenzie, League of Kansas Municipalities, spoke in support of House Bill 2973. (Exhibit II)

Ralph Skoog, CATV, testified as neither a proponent nor an opponent of House Bill 2973 but stated that he found the concept of the bill to be fair. However, Mr. Skoog stated that he found the language used in the bill to be a little inconsistent. He suggested that the language should be changed to conform with language found in 79-3603k or to reference the sales tax language found under 79-3603k.

The committee then discussed House Bill 2818 which amends K.S.A. 79-201k by deleting aircraft carrying passengers or cargo for a fee from the property tax exemption for business aircraft.

Representative Jarchow made a motion that House Bill 2818 be reported favorable for passage and Representative Rolfs seconded the motion.

Following committee discussion on the bill, several members requested additional time to gather information on this bill before making a final decision. Representative Jarchow withdrew his motion and Representative Rolfs withdrew his second.

Bill Edds, Department of Revenue, presented a chart showing the sales of jet fuels since 1978. (Exhibit III) In reply to a question previously asked by a committeemember, Mr. Edds stated that jet fuel is taxable under the sales tax act unless utilized in interstate commercial movement, such as commercial airlines and cargo carriers.

The committee then turned their attention to Senate Bill 275, reappraisal.

Representative Frey made a motion that Senate Bill 275 be reported favorable for passage and Representative Lowther seconded the motion.

Representative Rolfs made a substitute motion to amend Senate Bill

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ASSESSMENT AND TAXATION,  
room 519S, Statehouse, at 9:00 a.m. ~~p.m.~~ on February 16, 19 84

275 as follows:

On page 5, in line 179, by striking all after "until"; in line 180, by striking all before the period and inserting "the later of January 1, 1988, or January 1 of the year next following the year in which a proposition to amend section 1 of article 11 of the Kansas constitution to provide for the classification of property for taxation purposes has been submitted to the qualified electors of the state for their approval or rejection";

The motion was seconded by Representative Miller. The motion carried 17-4.

Representative Lowther made a conceptual motion to amend Senate Bill 275 to update all dates to make the bill timely. Representative Aylward seconded the motion. The motion carried.

A possible amendment to SB 275 was distributed to the committee members. This amendment would possibly reassure the county governments that the State does not want to take over the duties now being performed at the County level.

Representative King made a motion to amend SB 275 as follows:

On page 5, after line 197, by inserting a new paragraph to read as follows: "The purpose and intent of this section is not to affect unreasonably the existing authority of any county property tax official or to promote state interference in the local administration of general property tax laws but to ensure that the general property tax laws are applied uniformly throughout the state and that compliance with the provisions of this act is accomplished".

Representative Ott seconded the motion.

A number of the committee members were concerned that at some future date this paragraph might be construed that the state could possibly be interfering with the authority of a county when, in fact, the state was only overseeing the administration of the property tax laws.

Representative Rolfs made a substitute motion that Senate Bill 275 be reported favorable for passage as amended and Representative Roe seconded the motion. Representative Leach opposed the motion to report Senate Bill 275 favorably. The motion carried 16-5.

Representative Rolfs distributed a Transmittal Memorandum from Julian Efird, Research Analyst of the Legislative Research Department, which gives information about Administrative Costs of Statewide Reappraisal. (Exhibit IV)

The meeting was adjourned.



KANSAS LEGISLATIVE RESEARCH DEPARTMENT

Room 545-N - Statehouse

Phone 296-3181

Date February 16, 1984

TO: REPRESENTATIVE LLOYD POLSON

Office No. 170-W

RE: SALES TAX STATUS OF CABLE TELEVISION SERVICES

This memorandum is in response to your request for information on the sales tax status of cable television services.

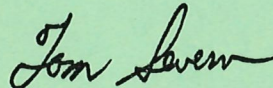
State sales tax at the rate of 3 percent is imposed on cable television services by K.S.A. 1983 Supp. 79-3603(k). K.S.A. 1983 Supp. 12-189 further provides that local sales taxes (except for new farm machinery and residential and agricultural utilities) are to be identical in application to the state sales tax. Thus, cable television services are subject to local sales taxes.

In 1983, the Legislature enacted H.B. 2154 which made the situs of taxable services the place of business of the retailer. Thus, services performed by a retailer located in a city or county imposing a local sales tax are subject to the tax even if they are performed in a county which has no tax. This is the rule that would apply to cable television services.

However, utility services such as the providing of water, gas, or electricity have a situs where performed; thus, utility services performed by a company headquartered in a city with a city sales tax are not subject to the tax if the customer is located outside the city. Certain repair services can acquire a situs other than the place of business of the provider under K.S.A. 1983 Supp. 12-191a, when the sale contract exceeds \$10,000.

H.B. 2973 amends K.S.A. 1983 Supp. 12-191 to treat the providing of cable television services as utility services. Thus, if H.B. 2973 were enacted such sales would have their situs at the residence of the subscriber rather than the main office of the provider.

I hope this information is helpful to you. Please contact me if I may be of further service to you.



Tom Severn  
Principal Analyst

TS/pb

EXHIBIT I

2/16/84



**League  
of Kansas  
Municipalities**

PUBLISHERS OF KANSAS GOVERNMENT JOURNAL/112 WEST SEVENTH ST., TOPEKA, KANSAS 66603/AREA 913-354-9565

TO: The House Committee on Assessment and Taxation  
FROM: The League of Kansas Municipalities  
DATE: February 16, 1984  
SUBJECT: HB 2973

By action of its State Legislative Committee, the League of Kansas Municipalities wishes to formally express its support for HB 2973. According to a July 1, 1983 report of the League, 230 Kansas cities have entered into cable television franchise agreements with a large number of companies, a number of which maintain a place of business outside the local taxing jurisdiction. Due to its similarity to another telecommunications medium, telephone service, the League believes it would be more equitable to tax cable television service at the situs of the subscriber rather than at the place of business of the cable television service retailer. As you know, K.S.A. 12-191 already provides for the taxing of telephone service at the situs of the subscriber.

Thank you.

Sincerely,

Chris McKenzie  
Attorney/Director of Research

CM:gs

EXHIBIT II

2/16/84

KANSAS DEPARTMENT OF REVENUE  
Planning and Research Bureau  
AVIATION AND JET FUEL SOLD IN KANSAS  
(in gallons)

2/15/84

	<u>Aviation Fuel</u>	<u>Jet Fuel</u>
1978	11,545, 000	32,630,000
1979	12,620,000	46,458,000
1980	10,187,000	65,512,000
1981	10,475,000	62,545,000
1982	8,062,000	41,857,000
<u>sales during</u>		
1/82 - 10/82	6,911,000	36,725,000
1/83 - 10/83	5,893,000	23,268,000

EXHIBIT III 2/16/84

February 15, 1984

TRANSMITTAL MEMORANDUM

TO: Representative Ed Rolfs  
FROM: Julian Efird, Research Analyst  
RE: Information about Administrative Costs of Statewide Reappraisal

You asked for information prepared at your request on November 17, 1983, to be made available to the House Assessment and Taxation Committee at the February 16, 1984 meeting. That material is attached.

It should be noted that subsequent to providing you with information, the Governor's budget recommendations for FY 1985 did not include funding for either positions or other operating costs requested by the Department of Revenue for statewide reappraisal.

Attachments

EXHIBIT IV

2/16/84

STATE OF KANSAS

RICHARD W. RYAN  
DIRECTOR  
BEN F. BARRETT  
ASSOCIATE DIRECTOR  
MARLIN L. REIN  
CHIEF FISCAL ANALYST



STAFF --  
LEGISLATIVE COORDINATING COUNCIL  
INTERIM COMMITTEES  
STANDING COMMITTEES  
LEGISLATIVE INQUIRIES

THE LEGISLATIVE RESEARCH DEPARTMENT

ROOM 545-N, STATEHOUSE  
PHONE: (913) 296-3181  
TOPEKA, KANSAS 66612

November 17, 1983

TO: Representative Ed Rolfs  
FROM: Julian Efird, Research Analyst  
RE: Administrative Costs of Statewide Reappraisal

The Department of Revenue in its Plan for Data Processing Services indicates that a multiyear cost estimate for computer assisted reappraisal for data processing personnel and services is \$6,773,800 over either a four or five year period (Attachments I-A and I-B). First year costs are estimated at \$402,823 (Attachment I-B).

In addition to the data processing costs, the Department of Revenue has requested 21 new positions and other operating expenses to expand the local appraisal program in the Division of Property Valuation in FY 1985. The total FY 1985 request for this expansion is \$517,184 for a nine month period (Attachment II).

Other portions of the FY 1985 budget request reflect data processing costs discussed in the Plan for Data Processing: Two new positions at \$51,771 to work on reappraisal programming, \$250,000 to purchase reappraisal software, and other expenditures embedded in the budget detail for data processing services and equipment.

Local costs of administering reappraisal are not discussed in either the Plan for Data Processing or the FY 1985 budget request. However, in a fiscal note prepared by the Department on March 23, 1983 an annual cost of \$1,668,250 was estimated and a four year cost of \$6,337,600 was projected for the local units (Attachment III).

If you need additional information, please let me know.



PROPERTY VALUATION

COMPUTER ASSISTED PROPERTY REAPPRAISAL

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total</u>
Personnel (DP only)	\$ 53,761	\$ 53,389	\$ 57,600	\$ 60,500	\$ 63,500	\$ 288,750
Capitol Equip.	846	154				1,000
Computer Software Package	250,000	260,000	140,000	80,000	80,000	810,000
Data Entry Contract	10,000	300,000	340,000	150,000		800,000
Computer Terminal (Central)	2,494	8,251	8,251	8,252	8,252	35,500
Computer Terminal (County)	9,300	167,900	417,300	628,950	655,850	1,879,300
Terminal Installation Costs	1,000	11,500	10,000	3,750		26,250
Telecommunications	5,422	31,978	75,000	195,500	237,100	545,000
Computer Costs (DISC)	40,000	309,000	450,000	600,000	650,000	2,049,000
Forms & Supplies	10,000	70,000	70,000	70,000	60,000	280,000
System Testing	20,000	24,000	13,000	2,000		59,000
	<u>\$402,823</u>	<u>\$1,236,172</u>	<u>\$1,581,151</u>	<u>\$1,798,952</u>	<u>\$1,754,702</u>	<u>\$6,773,800</u>

Terminals

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>
3 Counties for 6 months	\$9,300	12/12 \$ 74,600	52/12 \$324,000	92/12 \$572,950
3 Counties for 12 months,		10/9 46,600	46,600	10/9 46,600
10 for 9 months, and		10/6 31,100	31,100	3/6 9,400
10 added each 3 months		10/3 15,600	15,600	
until all installed		10/0		
		<u>\$167,900</u>	<u>\$417,200</u>	<u>\$628,950</u>

I - B

Enactment of property reappraisal has been pending for some time. Should this legislation be enacted a significant increase in computer resources would be required. The project would require four years to build the initial systems with the first year devoted to selecting a software package, installing it and modify it to meet the needs of the State. Four video terminals and a printer would be installed within this Department to use in testing the package and the modifications and in programming and running various simulations. During the end of the first year data for a small number of counties that were ready would be converted and tested by the system with further tuning required. During the next two years the remaining counties would be brought into the system and the fourth year would be devoted to running numerous statistical reports and identifying and correcting errors.

The DP costs are estimated to be as follows:

<u>Item</u>	<u>Annual Cost</u>	<u>One Time</u>	<u>4 yr. Cost</u>
Personnel	\$ 52,200		\$ 225,000 <sup>1</sup>
Capital Equipment	1,000	1,000	\$ 1,000
Computer Program			
Contract		900,000	900,000

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Data Entry Contract		800,000	800,000
Computer Terminals <sup>2</sup>	628,850	28,000	1,914,800
Forms, Supplies	70,000		280,000
Systems Testing		59,000	59,000
Telecommunications <sup>3</sup>		80,000	545,000
Computer usage <sup>4</sup>		500,000	2,049,000
Totals	<u>\$752,050</u>	<u>\$2,368,000</u>	<u>\$6,773,800</u>

- (1) Compounded 5% per year for 2 new positions.
- (2) Included are two terminals and one printer for each county with annual cost of 605,850, one time installation cost of 26,250 and four years cost of 1,843.810.
- (3) Compounded at 10% per year anticipating increasing telephone charges.
- (4) Computer use increased 33% per year as more records are added to the master files after entry.

# NARRATIVE INFORMATION—DA 400R

DIVISION OF THE BUDGET

DEPARTMENT OF ADMINISTRATION, STATE OF KANSAS

AGENCY NAME Department of Revenue

AGENCY—SUBAGENCY CODES 565-00

PROGRAM TITLE AND CODE Proper

SUBPROGRAM TITLE AND CODE Local

## PERFORMANCE COMPARISON

Budget Level B - The level B budget, as submitted, will provide for the maintenance of programs at current levels. In addition, funds have been allocated to provide training to the professional appraisal staff. The appraisal of Personal Property and Real Estate is very sophisticated and technical profession. This Division has the statutory responsibility to provide guides to be used by local appraisers and to provide help and expertise to local appraisers with difficult appraisal problems. The Divisions's staff must be highly qualified in order to fulfill these requirements. Mistakes are costly in terms of public confidence, political ramifications as well as possible litigation.

Budget Level A - The level A budget would essentially allow the program to continue at FY'83 - FY'84 levels with no funds for education and training. The need for such training was emphasized above; however it must be pointed out that as trained, experience personnel leave the Division and are replaced with employees for which no training is available, the level of professional competence will decline.

Budget Level C - The level C budget represents a significant program expansion. This expansion would add 21\*<sup>FY1985</sup> appraisal positions to the Real Estate Section. These positions would allow the Division to begin the multifaceted organizational operation that is paramount in the successful completion of any reappraisal project. At the present time county property records range from good to non-existent. These positions would be utilized to help the county officials plan and organize their reappraisal operations. Once reappraisal officially began, these appraisers would provide assistance to county appraisers in the appraisal of special purpose property and provide advice and assistance when needed.

Many property tax officials from other states have indicated that the failures of their reappraisal program was due to the lack of time to plan and organize a project of this magnitude. To every extent possible, the Department of Revenue and this Division should be anticipating problems which have occurred elsewhere and those which we know exist in Kansas and take action which will eliminate or minimize those problems as or before they occur.

## EXPENDITURE JUSTIFICATION

Object Code 100: Salaries & Wages:

Budget Level B - Budget Level B is a continuation of current staffing pattern with no new positions requested. Salaries for all employees are increased by 5.0 percent in accordance with recommended salary policy.

\* 21 requested for 9 mo. @ \$403,140 (12 mo. \$553,910)  
005 requested for 9 mo. @ 114,040  
\$517,184

MEMORANDUM

TO: Lynn Muchmore, Director                      DATE: March 23, 1983  
Division of the Budget

FROM: Michael Lennen, Secretary                      SUBJECT: Senate Bill 275  
Kansas Department of Revenue                      as Amended by  
Senate Committee  
of the Whole

Brief of Bill

Senate Bill 275 is a comprehensive piece of legislation which would cause a plan of reappraisal to be implemented. Section 1 of the bill provides that the director of property valuation shall administer and supervise a state-wide program of reappraisal. Each county or district shall constitute a separate appraisal district with the appraiser responsible for reappraising the same on an annual basis. Following completion of the program, every parcel of real property is to be actually viewed and inspected once every four years. The director is required to submit a program of reappraisal to the legislature on the first day of the 1984 session. The legislature thereafter has 45 days to disapprove of the plan by way of concurrent resolution. If disapproved, the director has ten days to submit an amended program. Following approval of the director's plan the counties or districts have until July 15, 1984, to submit a plan of reappraisal for their jurisdictions. The section provides for remedies for disapproval of the plans submitted and the procedure for doing the same. The section further requires that data compilation for or updating of real estate inventories be completed not later than January 1, 1988, for entry on the state computer system. All such property is to be valued at fair market value and land devoted to agricultural use is to be also valued on the basis of its use value. Finally Section 1 provides that none of the new values may be utilized until such time as they are expressly authorized for use by legislative enactment.

Section 2 of the bill provides that the secretary of revenue shall provide for the development of a comprehensive computer program for the administration, updating, etc., of the appraisals and for equalization. It establishes an advisory committee of 18 members to assist in the development of the system. Composition of the committee is as follows: 3 members to be appointed by the Kansas Association of Counties, 3 members by the Kansas Association of County Commissioners, 3 members by the Kansas County Appraisers Association and 9 members by the secretary of revenue.

Section 3 provides that the state shall assume a portion of the cost incurred by counties complying with the provisions of the act. The payment schedule is to be devised by the secretary of revenue on a per parcel basis. The section further directs the property valuation division to assist in the reappraisal of commercial and industrial property upon the request of any county; the counties so requesting are obligated to reimburse the state for costs incurred by the state. The counties are authorized, subject to the director's approval, to contract with private appraisal firms to assist in reappraising special characterized property within the county.

Section 4, as originally introduced, required county or district appraisers each year on or before January 5 to submit to the director a progress report to indicate action taken under the reappraisal program. The Senate Committee on Assessment and Taxation amended the bill to require this on or before January 15. The section authorizes the director to find insufficient progress (or seek relief, if no report is submitted) by going to the state board of tax appeals for a determination and implementation of the plan. Subsection (b) requires annual review of compliance with reappraisal after the initial reappraisal is completed and implemented.

Section 5 requires the county clerk to maintain multiple copies of the assessed valuations of each parcel of real property located within the county.

Section 6 limits the power of county boards of equalization by restricting their power to order blanket orders of equalization as to all property within a particular class. All such orders must be reviewed by the state board of tax appeals.

Section 7 authorizes the boards of county commissioners to levy a tax upon all taxable tangible property in the county necessary to pay all the costs incurred in the reappraisal.

Section 8 amends K.S.A. 79-1412a relating to duties of the county and district appraisers.

Section 9 amends K.S.A. 1982 Supp. 79-1460 relating to the requirement of appraisers to notify taxpayers for changes in the classification or valuations of their property.

Section 10 amends K.S.A. 79-1602 to require county boards of equalization to hold evening and Saturday meetings if requested by taxpayers.

Sections 11 through 26 establishes a tax lid for all taxing subdivisions of the state in the year in which the reappraisal values are used for the levy of taxes and thereafter and provides a procedure for the taxing subdivisions to exempt themselves from the limitation.

Section 27 suspends existing statutory debt limitations computed on the basis of a percentage of assessed valuation in the year of implementation of new values, and restricts such limitations to a percentage determined by dividing the amount of indebtedness authorized for the taxing district in the year before implementation of such valuations by the assessed valuation in the year of implementation.

Section 28, as originally introduced, conferred authority on the secretary of revenue to adopt rules and regulations to provide for the administration of the act subject to review and approval of the reappraisal review board. The Senate Committee deleted this wording pertaining to the board's review and approval.

Section 29 is the severability clause, section 30 is the repealer and section 31 sets out the effective date of the act (July 1, 1983).

Amendments by the Senate Committee of the Whole were for clarification purposes and were nonsubstantive in nature.

### Fiscal Impact

Enactment of Senate Bill 275 would have no fiscal impact in and of itself. New Section 1(c) provides that "The valuations established for tangible property under the program of statewide reappraisal shall not be applied by any county as a basis for the levy of taxes until expressly authorized to do so by legislative enactment." If further legislative enactment were withheld until reappraisal was complete, no fiscal impact could possibly result before tax year 1988. If an amendment to the Kansas Constitution allowing for variable assessment of property contingent upon the classification of such property had not been approved by the voters by the time the legislature placed the new values on the tax rolls a substantial shift in the tax burden would occur. Sections 11 to 25 provide a "tax lid" on subdivisions other than school districts and we must assume that the budget limit would continue to apply to school districts. Therefore, the total tax dollars collected would not increase as a result of using the new values; however, the proportion of the total tax burden assessed to the various classes of taxpayers would shift among those classes.

### Administrative Costs

It is impossible to provide an absolutely definitive statement of the administrative costs associated with this bill for a number of reasons. Among those reasons are: first, each vendor offers a different package with a number of optional enhancements; second, the advisory committee, working with the Director of Property Valuation, will recommend the type of system and enhancements that they believe will be the most effective; and third, it is assumed that contracts for both the computer program and the computer will have to be put out for bid.

In addition, it is a policy matter yet to be resolved as to what portion of the cost will be borne by the state and what portion by the counties. Also new Section 3 requires the state to assume a portion of the cost incurred by the county. The amount of that payment is left to the appropriation process.

Given the above caveats, we have prepared the following estimate of costs using the following assumptions:

1. A centralized computer system will be used which will provide each county with on-line update and inquiry capability.
2. County personnel, after being trained by the program contractor, and with assistance from state personnel when necessary, will convert all property record cards to the new format. Current information will be used when adequate, new appraisals will be made when necessary.
3. An independent contractor will do all of the initial data entry. After that time county personnel will be trained to handle all data

entry, corrections, additions, deletions, etc.

4. Each county will be equipped with at least two video terminals and one printer within the county. (The six largest counties will have additional equipment commensurate with their size.)
5. The first year of the project will be devoted to system development.
6. The counties will be phased into the system over the remaining three years of the project as their records are completed.

State and local appraisal personnel requirements were estimated using the following analysis:


State - To properly supervise an appraisal program it is estimated that the Division of Property Valuation would require 21 well-qualified appraisers in addition to the present staff. This estimate is based on the premise that one appraiser could adequately supervise the appraisal of 75,000 parcels of real property. The distribution of these personnel would depend on the number of parcels located in a given area.

Local - It is estimated that approximately 20 percent of the estimated 1.6 million parcels of property would require an interior and exterior inspection. Therefore, 1,280,000 parcels would require a review and update and 320,000 parcels would require a complete new appraisal due to the lack of an existing good inventory in some counties.

Based on the premise that competent personnel could review and update, on the average, 20 parcels of real property in one day and could complete a new appraisal of real property at the rate of eight (8) parcels per day, it is estimated that 51 persons, in addition to present personnel and the appointed county appraiser, would be required to complete a review and update program over a four-year period.

See Attachment 1 for a breakdown of costs.

Approved by:

  
Michael Lennen, Secretary  
Kansas Department of Revenue

ML:WLE:mks/C186/7

ATTACHMENT 1

	LOCAL			PVD			DATA PROCESSING		
	Annual Cost	One Time Cost	4 yr Cost	Annual Cost	One Time Cost	4 yr Cost	Annual Cost	One Time Cost	4 yr Cost
Personnel (1)	\$ 841,500		\$3,600,000	\$556,800		\$2,400,000	\$ 52,200		\$ 225,000
Travel and Subsistence	\$ 210,400		\$ 841,600	\$105,000		\$ 420,000			
Capital Equipment		\$ 10,200	\$ 10,200		\$ 4,200	\$ 4,200		\$ 1,000	\$ 1,000
Computer Program Contract					\$ 900,000	\$ 900,000			
Data Entry Contract					\$ 800,000	\$ 800,000			
Computer Terminals (2)*	\$ 605,850	\$ 26,250	\$1,843,800	\$ 11,500	\$ 1,000	\$ 35,500	\$ 11,500	\$ 1,000	\$ 35,500
Forms, Supplies	\$ 10,500		\$ 42,000	\$ 5,000		\$ 20,000	\$ 70,000		\$ 280,000
System Testing								\$59,000	\$ 59,000
Telecommunications (3)*							\$ 80,000		\$ 545,000
Computer Lease (4)*							\$500,000		\$2,049,000
	\$1,668,250	\$ 36,450	\$6,337,600	\$678,300	\$1,705,200	\$4,579,700	\$713,700	\$61,000	\$3,194,500

- (1) Compounded 5% per year; 51 Local; 21 PVD; 2 Data Processing  
 (2) 2 Terminals and one printer, lease cost per county \$5,770; average installation and freight \$250  
 (3) Compounded 10% per year to account for increasing telephone costs  
 (4) Computer use increased 33% per year as more records are ready for entry

\*No Cost included for first year of system development