Approved On:_____ _________

Minutes of the House Committee on Assessment and Taxation. The meeting was called to order by E. C. Rolfs, Chairman, at 9:00 a.m. on January 28, 1986 in room 519 South at the Capitol of the State of Kansas.

All members of the Committee were present.

Committee staff present:

Tom Severn, Legislative Research
Melinda Hanson, Legislative Research
Don Hayward, Reviser of Statutes
Millie Foose, Committee Secretary

Mr. Bill Edds, Kansas Department of Revenue, requested that the Committee consider the introduction of bills pertaining to five different subjects. (Attachment 1) He then discussed these subjects and answered questions by committee members. Representative Schmidt moved, second by Representative Adam, that the bills requested by the Department of Revenue be introduced. The motion passed.

Mr. Don Schnacke, Kansas Independent Oil & Gas Association, spoke as a proponent for HB-2643. (Attachment 2) He then answered questions from members of the committee.

Mr. Rick Kready, representing Kansas Power and Light, presented testimony in opposition to the adoption of the bill. He then responded to questions from committee members.

Mr. John Jorgeson, representing Peoples Natural Gas Company, spoke as an opponent of passage of HB-2643. He did not submit any written testimony. This concluded the public hearing on HB-2643.

Mr. Roger McCoy, president of McCoy Petroleum Company, presented written testimony focusing on how the severance tax and the ad valorem tax affect the dedication of new Kansas gas reserves for Kansas consumers through the Kansas intrastate market. (Attachment 3)

Mr. Spencer L. Depew, an attorney representing independent oil and gas operators in the state of Kansas, presented written testimony requesting that Kansas independent oil and gas producers be given the opportunity to have fair and equal treatment under the law. (Attachment 4)

Mr. Dale Dennis, Kansas State Department of Education, submitted an updated computer printout showing effects of reappraisal and classification under HCR-5018. (Attachment 5)

Mr. Leo Hafner, of the Post Audit Department, presented the report of the Post Auditor on the taxation of parsonages. He reported that 65 counties have reported on the number of parsonages exempt from property taxes and the uses associated therewith. He also gave a more detailed report on three counties, Johnson, Douglas, and Jefferson. He said that the majority of the parsonages are used as homes for the minister and only one had been used as a rental.

The minutes of January 21, 1986 were approved by the committee as presented.

There being no further business, the chairman adjourned the meeting.

Ed C. Rolfs, Chairman

KANSAS DEPARTMENT OF REVENUE
Office of the Secretary
State Office Building · Topeka, Kansas 66612-1588

To: House Assessment and Taxation Committee

Date: January 28, 1986

The Kansas Department of Revenue respectfully requests that the Committee consider introduction of bills pertaining to the following subjects.

1) BUSINESS AND JOB DEVELOPMENT CREDIT AND ENTERPRISE ZONE ACTS. Amend these acts to: (a) limit qualified revenue producing enterprises; (b) eliminate requirements for "new", "expanded" or "replacement" facilities and provide the benefits if the investment creates new employment; (c) convert the sales tax refund to an exemption along the lines of a project exemption certificate; and (d) make such other changes deemed necessary to clarity and administration.

2) MINERAL TAX. (a) Provide necessary amendments to allow for combined filing of mineral tax and conservation fees assessed by the Department of Health and Environment and the Kansas Corporation Commission. (b) Require a valid K.C.C. operator's license as a condition to receiving a lease exemption from the tax or refund of tax paid.

3) FINANCIAL INSTITUTIONS PRIVILEGE TAX. (a) Clarify the procedure for computation of the tax for a short taxable year; (b) repeal K.S.A. 79-1108a in regard to election of taxable year and; (c) modify definition of net income in regard to U.S. instrumentality and possession securities and obligations.

4) STATE ASSESSED UTILITIES. In 1981 state assessment was deleted for telephone company non-regulated activities, including phone stores. The language in the statute is no longer necessitated and should be eliminated.

5) SALES TAX. Consider H.B. 2545 amending K.S.A. 79-3603(q) to include cleaning and janitorial services as taxable services.

General Information (913) 296-3909
Office of the Secretary (913) 296-3041 · Legal Services Bureau (913) 296-2381
3081
077

1-28-86 Hs. A&T
Attachment 1

KIOGA
KANSAS INDEPENDENT OIL & GAS ASSOCIATION
500 BROADWAY PLAZA • WICHITA, KANSAS 67202 • (316) 263-7297

January 28, 1986

TO: House Committee on Assessment and Taxation

RE: HB 2643 - Production Taxes on Intra-state Natural Gas

We wish to thank the Committee for allowing us to appear on the subject of the treatment of production taxes on intra-state natural gas.

We would call your attention to Interim Proposal No. 8, beginning on page 79, where this subject was discussed in detail and where a bill (HB 2643) was ordered to be introduced.

The bill reflects what the interim committee members believed - that intra-state and inter-state natural gas producers should be uniform in the treatment of the production taxes.

We also believe that HB 2643 is in the spirit of encouraging a basic industry in Kansas.

Natural gas production in Kansas has been in a serious decline since 1970. A sharp decline in 1979 continued until 1982. A slight increase in 1983 brought production to only 48.3% of the peak production of 1970 (See chart).

Before the Congress passed the NGPA in 1978, intra-state gas in Kansas was competing with inter-state gas production. There were good supplies, and the price was outside of controls. Producers were busy trying to find more intra-state gas.

When Congress passed the NGPA in 1978, intra-state gas purposely was made available to the inter-state markets. Ninety percent of the gas production in Kansas is classed as inter-state. The old Federal Power Commission, now FERC, since 1975 recognizes the Kansas ad valorem tax to be passed through as though it was a severance tax.

When Kansas passed the severance tax, it imposed a 7% tax on natural gas production. That brought the total production tax on natural gas to the highest level in the nation - 17% to 22% depending on the ad valorem tax involved. Inter-state producers can pass both taxes through as a public policy established by the FERC, but not so the the intra-state producers.

When an intra-state producer has a contract that permits the pass-through of the severence tax, it does pass through.

In effect, Kansas, by enacting its severance tax on natural gas moved away from what is federal public policy for inter-state gas. The result is that most intra-state gas producers in Kansas are not looking for natural gas today. The severance tax on the intra-state gas produced is estimated to be $3-4 million, out of $101 million collected and about $4 million of $123 million ad valorem taxes collected.

1/28/86 Hs. A&T
Attachment 2

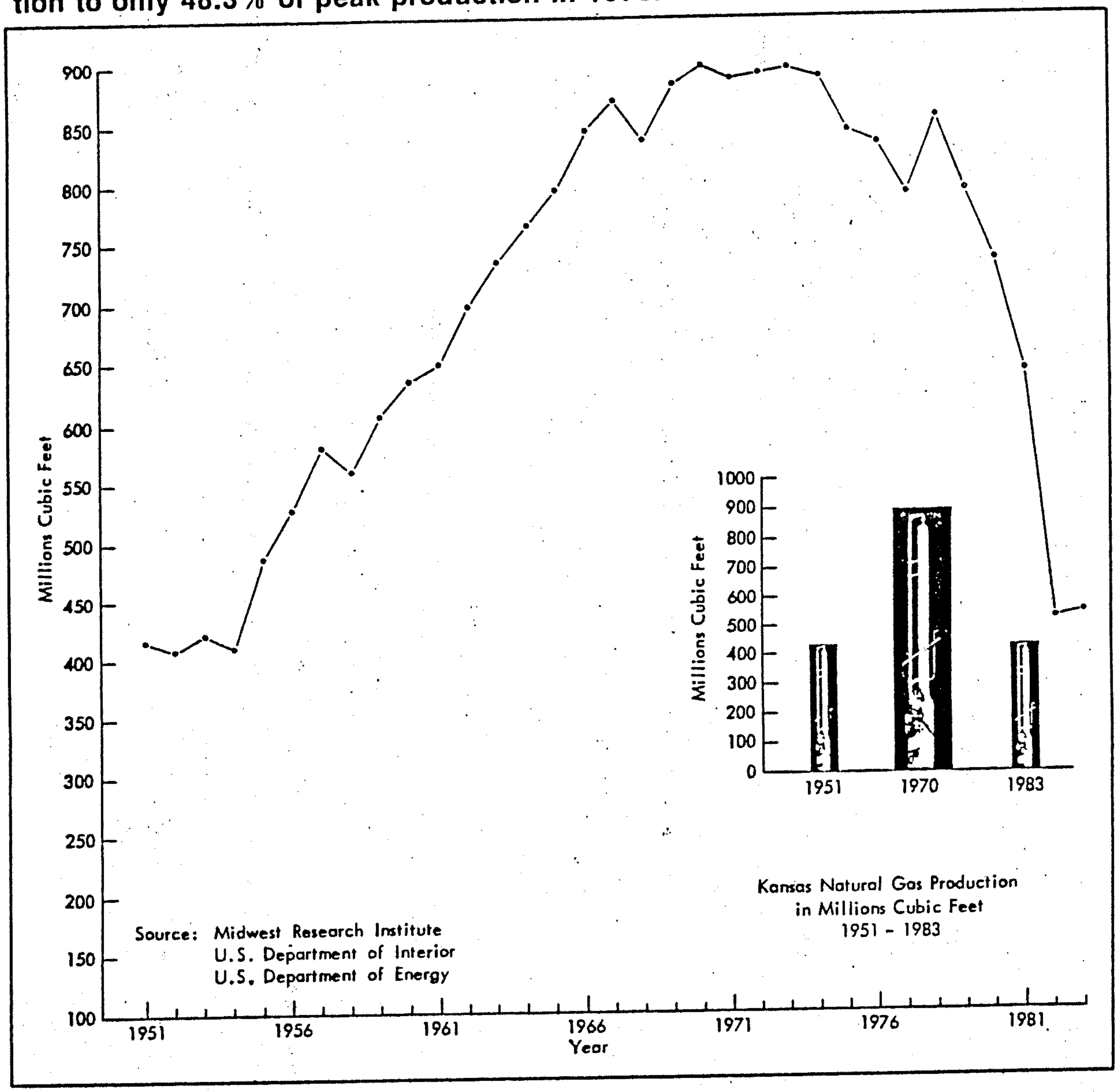
We think we have a long enough history of this discrimination against intra-state gas producers to merit bringing this problem to your attention. The present policy encourages producers to hook-up to inter-state pipelines. We would guess that is the reason why an inter-state pipeline would appear in opposition to this bill - the present policy encourages producers to seek to sell only to inter-state pipelines. We think there should be a solution to assure that intra-state produced gas is treated the same as inter-state gas in Kansas. We think this would stimulate competition and it would be good for the consumers and the industry, as well as the counties and the State of Kansas.

An intra-state pipeline testified against this proposal this summer indicating that this was all a matter of free negotiation between the parties. The producers don't give much credence to that argument as it was the same intra-state pipeline that twice sought legislative restrictions in the name of price controls after free-negotiation had taken place between producers and pipelines.

We believe HB 2643 addresses this problem by establishing as public policy, that all gas under the jurisdiction of the State of Kansas be treated the same as inter-state produced natural gas, as recognized by FERC, by recognizing the right of producers to pass along the applicable Kansas production taxes on Kansas produced natural gas. This equal treatment for inter-state and intra-state natural gas would allow competition on an equal footing; would stimulate drilling and production; and will be healthy for the industry involved and stimulate increased tax revenues for the counties and the State of Kansas.

Donald P. Schnacke
For the Kansas Independent Oil
& Gas Association

Kansas natural gas production reached an all time high in 1970. A sharp decline in 1979 continued until 1982. A slight increase in 1983 brought production to only 48.3% of peak production in 1970.



SPECIAL INTERIM COMMITTEE ON ASSESSMENT AND TAXATION

Testimony of Roger McCoy
McCoy Petroleum Corporation
Wichita, Kansas

My name is Roger McCoy. I am president of McCoy Petroleum Corporation and am the immediate past president of The Kansas Independent Oil and Gas Association.

My remarks today will focus on how the severance tax and the ad valorem tax affect the dedication of new Kansas gas reserves for Kansas consumers through the Kansas intrastate market.

As a way of background, I am a Petroleum Geologist and have been active in the exploration for Kansas gas and oil since 1959. McCoy Petroleum has been actively engaged in exploration for natural gas and oil in Kansas since 1970. Approximately 50% of our gross revenue is from natural gas production. The proportion of our revenue attributable to natural gas production has fallen over the past few years as we have shifted our exploration effort from that of seeking gas to that of seeking oil due to conditions in the gas market. As a result we are depleting our gas reserves much faster than they are being replaced, a situation that is same for natural gas production in the state in general.

The state of Kansas and consumers of Kansas intrastate gas have, in the past, been blessed with adequate supplies of reasonable priced natural gas. This was the result of intrastate pipelines such as KP&L constructing pipelines into the producing areas of the state and offering the producer competive prices and gas "takes". State taxation and regulation prior to the 1970's did not penalize producers selling to the intrastate market. During this period most independent producers preferred to sell to the intrastate market so they did

1/28/86 Hs. A&T
Attachment 3

not have to deal with the "red tape" involved with the FPC. During this period of time the intrastate purchasers had the competative advantage over the interstate purchasers resulting in a favorable situation for Kansas consumers, Kansas producers and the economy of the State of Kansas.

The situation has changed drastically over the past several years. A temporary surplus of deliverability has masked the true situation. Even with a drastic drop in wellhead gas sales in Kansas caused by conservation and fuel use restrictions, there has been a steady drop in Kansas Proved Natural Gas Reserves as reported by the U.S. government Energy Information Administration. (See attached report) Also attached is a page from this report showing the proportions of Kansas natural gas reserves dedicated to Intrastate Contracts and to Interstate Contracts.

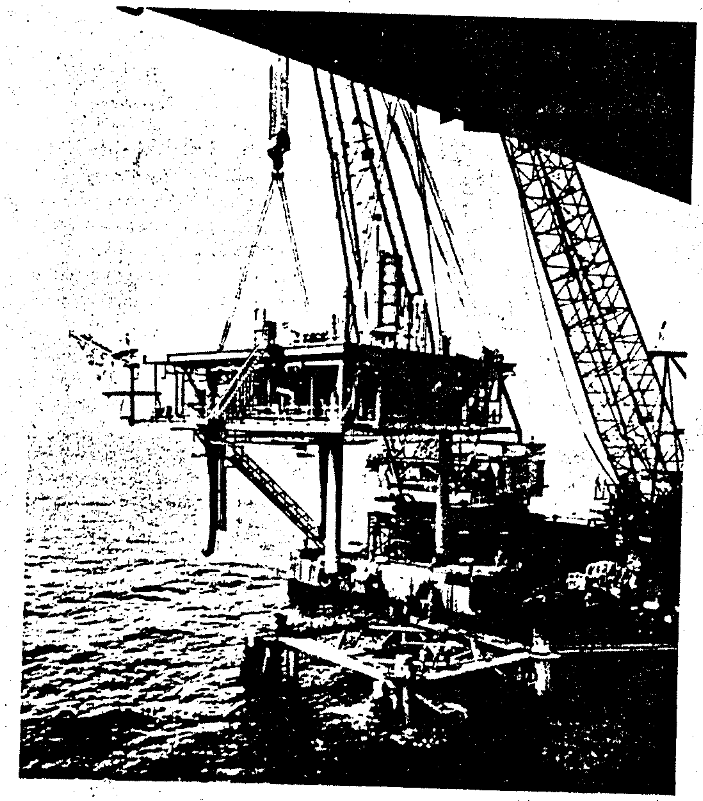
As the gas deliverability surplus is worked off and we again find ourselves in a competive situation for the dedication of new Kansas gas for the use of Kansas consumers through the intrastate system, the intrastate pipelines will find they can no longer effectively compete with the interstate market as the result of the following considerations:

CONSIDERATION	INTERSTATE MARKET	INTRASTATE MARKET
1. Ad Valorem Taxes	Full Pass-Through	No Pass-Through
2. Severance Tax	Full Pass-Through	Generally only partial or no pass-through
3. State Price Controls	Not Subject	Subject
4. Additional Level of State Regulation	Not Subject	Subject

These are money items. The same wellhead price for intrastate and interstate gas under these conditions will obviously result in the producer receiving a lower net price if he sells to the intrastate market. In addition producers will remember that the favorable pricing provisions in our intrastate contracts were not allowed to operate due to the state "Price Protection Act" and "Price Control Act". We will also remember that many of the favorable terms of our intrastate contracts were unilaterally abrogated by some of the intrastate purchasers. The combination of these considerations will make it very difficult for the intrastate purchaser to effectively compete with the interstate purchaser. Unless some changes are made the end result will be that most of the new Kansas reserves will be dedicated to out of state consumers in the interstate market and Kansas consumers will be forced to buy gas from the deeper and more expensive out of state wells.

What is the solution? The obvious first step is to allow Kansas intrastate gas purchasers to compete on the same basis as interstate purchasers by allowing the full pass through of both the ad valorem tax and the severance tax.

I urge the Legislature to take appropriate action to assure that natural gas produced in Kansas and sold to Kansas consumers through the intrastate pipelines receive no less favorable tax treatment than that produced in Kansas and sold into the interstate pipeline system.



Setting a Deck of an Offshore Production Platform, Offshore Texas

Louisiana—Total

Year	Crude Oil Proved Reserves	Crude Oil Indicated Additional Reserves	Dry Natural Gas Proved Reserves	Natural Gas Liquids Proved Reserves
1977	3,600	139	57,010	NA
1978	3,448	143	55,725	NA
1979	2,780	76	50,042	1,424
1980	2,751	62	47,325	1,346
1981	2,985	50	47,377	1,327
1982	2,728	49	44,916 [a]	1,295
1983	2,707	45	42,561 [a]	1,332
1984	2,661	55	41,399 [a]	1,188

[a] Includes State and Federal offshore Alabama.

Louisiana—North

Year	Crude Oil Proved Reserves	Crude Oil Indicated Additional Reserves	Dry Natural Gas Proved Reserves	Natural Gas Liquids Proved Reserves
1977	244	78	3,135	NA
1978	255	78	3,203	NA
1979	216	NA	2,798	96
1980	248	NA	3,076	95
1981	317*	NA	3,270	99
1982	240*	NA	2,912	85
1983	223	NA	2,939	74
1984	165	9	2,494	57

Kansas

Year	Crude Oil Proved Reserves	Crude Oil Indicated Additional Reserves	Dry Natural Gas Proved Reserves	Natural Gas Liquids Proved Reserves
1977	349*	3	11,457	NA
1978	303	3	10,992	NA
1979	377*	3	10,243	402
1980	310	2	9,508	389
1981	371	2	9,860	409
1982	378	13	9,724	302
1983	344	13	9,553	443
1984	377	2	9,387	424

Louisiana—South Onshore

Year	Crude Oil Proved Reserves	Crude Oil Indicated Additional Reserves	Dry Natural Gas Proved Reserves	Natural Gas Liquids Proved Reserves
1977	1,382	46	18,580	NA
1978	1,242	38	17,755	NA
1979	682	NA	13,994	676
1980	682	NA	13,026	540
1981	642	NA	12,645	544
1982	611	NA	11,801	501
1983	569	NA	11,142	527
1984	585	20	10,331	454

Kentucky

Year	Crude Oil Proved Reserves	Crude Oil Indicated Additional Reserves	Dry Natural Gas Proved Reserves	Natural Gas Liquids Proved Reserves
1977	30	0	451	NA
1978	40*	0	545	NA
1979	25	0	468	26
1980	35*	12	508	25
1981	29	13	530	25
1982	36*	13	551	35
1983	35	12	554	31
1984	41*	0	613	24

Louisiana—South Offshore

Year	Crude Oil Proved Reserves	Crude Oil Indicated Additional Reserves	Dry Natural Gas Proved Reserves	Natural Gas Liquids Proved Reserves
1977	1,974	15	35,295	NA
1978	1,951	27	34,767	NA
1979	1,882	14	33,250	652
1980	1,821	13	31,223	711
1981	2,026	16	31,462	684
1982	1,877	21	30,203 [a]	709
1983	1,915	15	28,480 [a]	731
1984	1,911	27	28,574 [a]	677

[a] Includes State and Federal offshore Alabama.

Table 13. Reported Commitment Status of Natural Gas Proved Reserves, Wet after Lease Separation, Gross Working Interest Basis, as of December 31, 1984 [1]
(Million Cubic Feet at 14.73 psia and 60° Fahrenheit)

State and Subdivision	Total Interstate Contracts	Total Intrastate Contracts	Total Other Contracts	Total Committed	Total Uncommitted	Total Committed and Uncommitted
Alabama Onshore	302,361	268,936	49,931	621,228	132,558	753,786
Alaska	9,114,581	1,463,118	4,252,607	14,830,306	18,549,792	33,380,098
Arkansas	535,849	1,015,284	24,630	1,575,763	103,269	1,679,032
California	547,341	2,025,379	764,269	3,336,989	993,368	4,330,357
Onshore	91,117	1,742,674	664,401	2,498,192	494,131	2,992,323
State and Federal Offshore	456,224	282,705	99,868	838,797	499,237	1,338,034
Colorado	1,741,430	354,407	13,121	2,108,958	152,439	2,261,397
Florida	51,175	15,243	1,427	67,845	118	67,963
Kansas	7,545,682	1,082,515	5,917	8,634,114	369,506	9,003,620
Kentucky	488,731	34,262	7,767	530,760	1,901	532,661
Louisiana [2]	27,066,045	3,444,873	1,184,254	31,695,172	3,556,853	35,252,025
Onshore	6,450,810	2,808,996	586,850	9,846,656	364,461	10,211,117
Offshore [2]	20,615,235	635,877	597,404	21,848,516	3,192,392	25,040,908
Michigan	21,516	851,157	41,824	914,497	16,117	930,614
Mississippi	604,846	461,671	61,263	1,127,780	140,177	1,267,957
Montana	304,589	193,000	15,579	513,168	4,817	517,985
New Mexico	8,869,896	1,092,531	148,033	10,110,460	317,872	10,428,332
East	2,345,973	462,361	69,293	2,877,627	52,211	2,929,838
West	6,523,923	630,170	78,740	7,232,833	265,661	7,498,494
North Dakota	376,702	64,006	10,907	451,615	9,867	461,482
Ohio	74,658	149,411	111	224,180	14,904	239,084
Oklahoma	6,921,535	4,281,273	157,593	11,360,401	608,065	11,968,466
Pennsylvania	350,188	106,784	191,496	648,468	66,126	714,594
Texas	19,243,896	16,894,392	1,792,941	37,931,229	3,935,214	41,866,443
RRC District 1	215,986	302,830	21,068	539,884	21,171	561,055
RRC District 2 Onshore	403,791	1,204,991	77,095	1,685,877	56,142	1,742,019
RRC District 3 Onshore	566,560	2,449,515	349,200	3,365,275	74,342	3,439,617
RRC District 4 Onshore	2,761,355	3,839,989	393,902	6,995,246	265,125	7,260,371
RRC District 5	77,168	1,249,946	17,220	1,344,334	102,288	1,446,622
RRC District 6	1,524,589	1,792,039	194,417	3,511,045	121,419	3,632,464
RRC District 7B	22,999	163,971	3,571	190,541	8,339	198,880
RRC District 7C	1,132,630	700,762	60,593	1,893,985	127,435	2,021,420
RRC District 8	3,727,798	3,435,701	309,438	7,472,937	187,151	7,660,088
RRC District 8A	640,873	329,898	82,065	1,052,836	11,023	1,063,859
RRC District 9	315,338	215,796	30,068	561,202	33,458	594,660
RRC District 10	3,146,827	795,979	169,404	4,112,210	555,909	4,668,119
State and Federal Offshore	4,707,982	412,975	84,900	5,205,857	2,371,412	7,577,269
Utah	892,048	99,575	28,181	1,019,804	792,383	1,812,187
West Virginia	780,954	188,013	237,964	1,206,931	35,352	1,242,283
Wyoming	6,508,556	312,200	309,971	7,130,727	1,396,929	8,527,656
Miscellaneous [3]	250,854	157,355	6,869	415,078	7,712	422,790
U.S. Total	**92,593,433**	**34,555,385**	**9,306,655**	**136,455,473**	**31,205,339**	**167,660,812**

[1] Includes only those operators who produced more than 400,000 barrels of crude oil or 2 billion cubic feet of dry natural gas, or both during the report year (*Category I* and *Category II* operators).
[2] Includes State and Federal offshore Alabama.
[3] Includes Arizona, Illinois, Indiana, Maryland, Missouri, Nebraska, New York, Oregon, South Dakota, Tennessee, and Virginia.
Source: Energy Information Administration, Office of Oil and Gas.

SPECIAL INTERIM COMMITTEE ON ASSESSMENT AND TAXATION
OCTOBER 18, 1985
TESTIMONY OF SPENCER L. DEPEW
WICHITA, KANSAS

My name is Spencer L. Depew. I am a practicing Attorney at Law residing in Wichita. A large part of my law practice consists of representing independent oil and gas operators in the State of Kansas in various legal matters.

I am a member of the Board of Directors of Kansas Independent Oil & Gas Association, and I am serving as the Chairman of the Natural Gas Committee of KIOGA.

From Mr. Schnacke and Mr. McCoy you have heard testimony concerning the plight of the independent oil and gas operator in the State of Kansas who is selling natural gas into the Kansas intrastate gas market.

The Kansas independent oil and gas operator has long prided himself upon his ability to survive the most adverse circumstances, markets, taxes and regulations. Many such producers are still surviving--these gas producers in Kansas have lived through the enactment of the Natural Gas Policy Act adopted by Congress in 1977, which for the very first time found the Federal Government regulating the price of Kansas natural gas sold to intrastate pipelines for consumption in the State of Kansas, the enactment of the Kansas Natural Gas Price Protection Act, which further regulated the price of certain Kansas intrastate gas, the adverse decision of the Kansas Supreme Court and the United States Supreme Court which upheld the validity of

1/28/86 Hs. A&T
Attachment 4

the Kansas Natural Gas Price Protection Act, the enactment of the Kansas Natural Gas Price Control Act, which further regulated the price of certain Kansas intrastate gas, the adoption of the Kansas Severance Tax, plummeting natural gas prices and finally the drying up and disappearance of a large part of the Kansas intrastate gas market. There is very little that the purchasers of the Kansas gas bound for the intrastate market can do to help the producers. The surviving Kansas independent gas producers now find that they must turn to the Legislature for help; they have nowhere else to turn.

In many ways this appearance before your Committee represents a new experience for the Kansas independent oil and gas operator. Until now he has always felt that he could compete with anyone in the market place, but now that he finds he is the most heavily taxed segment of a national energy industry, which industry is in shambles, the Kansas operator has no alternative other than to ask for your help.

The Kansas Supreme Court and the United States Supreme Court both found that the contractual price to be paid to the intrastate gas producer is subject to regulation under the "police power" of the state and that it is reasonable and appropriate for his gas contract to be rewritten by the Legislature if the Legislature finds that the same is in the best interest of the citizens.

What is the solution for the Kansas independent oil and gas operator? I feel that the answer is to allow the Kansas independent gas producer, who sells his gas into the Kansas intrastate market, to receive a price comparable to the price that he would receive if he sold the gas into the interstate market. Such an incentive will allow and encourage the Kansas producer to explore Kansas for new gas reserves in areas of the state where the only existing markets are pipelines tied into the intrastate markets. At the present time the exploration for such new gas reserves in the State of Kansas seems to be almost non-existent. As you have heard from other testimony today, those Kansas producers who do find new reserves of natural gas immediately seek out the interstate gas markets.

The interstate gas market, under the control of the Federal Energy Regulatory Commission, has long recognized and continues to recognize today the concept of reselling natural gas at a "just and reasonable" rate, and in defining the "just and reasonable" rate the Federal Energy Regulatory Commission recognizes, pursuant to Congressional mandate, that production taxes, such as the Kansas ad valorem tax and the Kansas severance tax, are necessary costs of production, to be included in the price to be paid for interstate natural gas, and accordingly the Federal Energy Regulatory Commission allows such taxes to be passed through to the ratepayers by the purchaser of the gas from the producer.

I propose today that the Kansas legislature take the lead and establish a new policy of encouraging the search for new Kansas gas reserves for the intrastate gas market by enacting innovative legislation that will find that the producers of Kansas natural gas that is sold for consumption within the State of Kansas, and the purchasers of such gas from the producers, be entitled to receive a "just and reasonable" rate for such gas. Such legislation will allow Kansas gas sold for consumption by Kansans to be competitive with Kansas gas sold by Kansas producers into the interstate market, and the result will be the potential discovery of new gas reserves which hopefully will be available to serve future Kansas generations for many years to come. In essence, such legislation would amend existing contracts and would incorporate into the contracts a provision which would find that the producers of such gas are entitled to receive from the purchasers of such gas reimbursement of the ad valorem tax and the severance tax paid upon the gas production, and which would then allow the purchasers of the gas to flow the Kansas taxes through to the ratepayers; if in the future there is no more intrastate gas available to the Kansas consumers, the distributors of natural gas will be required to go into the interstate natural gas market to purchase gas and the price to be paid by the ratepayers for such gas will include these very same taxes, even if the gas originated in the State of Kansas.

I am not asking for any advantage for the Kansas gas producer in the market place today; all I am asking for is a recognition and acknowledgment of the handicaps under which the Kansas independent oil and gas producers have been operating and that such producers be given the opportunity to have a fair and equal treatment under the law and be given the opportunity to receive a "just and reasonable" rate for Kansas natural gas sold to Kansas ratepayers.

Kan as State Departm nt of Educat

Kansas State Education Building

120 East 10th Street Topeka, Kansas 66612

January 23, 1986

TO: Representative Ed Rolfs, House Assessment and Taxation Committee
Senator Fred Kerr, Senate Assessment and Taxation Committee

FROM: Division of Financial and Support Services and Legislative Research Department

SUBJECT: Updated Computer Printout Showing Effects of Reappraisal and Classification Under HCR 5018 (County Order)

Attached is a computer printout using the 1985 sales assessment ratio study and the 1985 assessed valuations. In those cases where there was not an appropriate sales ratio available within a subclassification, we used the ratio for the classification.

The ratios used under HCR 5018 are attached for your review. This is particularly significant as it relates to use value assessment of agricultural land.

Listed below is the column explanation for the attached printout.

COLUMN EXPLANATION

Column 1 - 1985 Assessed valuation

2 - Percent of total of Column 1

3 - Estimated market values after reappraisal

4 - Percent of total of Column 3

5 - Estimated assessed valuation after reappraisal (30%)

6 - Percent of total of Column 5

7 - Estimated assessed valuation using the assessment ratios as listed under HCR 5018

8 - Percent of total of Column 7

1/28/86 Hs. A&T
Attachment 5

A- Equal Employ... Opportunity Agency

1985 PROPERTY VALUES
STATE TOTALS

		(1) 1985 ASSESSED VALUATION	(2) % OF TOTAL OF COL 1	(3) ESTIMATED MARKET VALUE OF EACH PROPERTY CLASS	(4) % OF TOTAL OF COL 3	(5) ESTIMATED ASSESSED VALUATION AFTER REAPPRAISAL	(6) % OF TOTAL OF COL 5	(7) PROPOSED ASSD VAL- HCR-5018AA	(8) % OF TOTAL OF COL 7
	URBAN REAL ESTATE								
1.	COMMERCIAL & INDUSTRIAL	959,224,062	8.4	10,080,444,300	10.4	3,024,133,312	10.4	3,024,133,312	19.6
2.	VACANT LOTS	47,470,290	.4	3,534,838,038	3.7	1,060,451,421	3.7	424,180,557	2.8
3.	ALL OTHER URBAN REAL ESTATE	2,326,964,183	20.3	29,163,532,156	30.2	8,749,059,660	30.2	3,499,623,863	22.7
4.	TOTAL URBAN REAL ESTATE	3,333,658,535	29.1	42,778,814,494	44.3	12,833,644,393	44.3	6,947,937,732	45.1
	RURAL REAL ESTATE								
5.	AGRICUL LAND(INCL MIN RES)	1,365,353,670	11.9	21,800,066,459	22.6	6,540,019,974	22.6	1,744,005,321	11.3
6.	AGRICUL IMPROVEMENT	307,514,617	2.7	4,475,603,782	4.6	1,342,681,165	4.6	537,072,462	3.5
7.	HOMESITES & PLANNED SUBDIV	297,941,723	2.6	4,833,595,918	5.0	1,450,078,804	5.0	580,031,505	3.8
8.	SPOT INDUSTR,COMM, & RECR	151,583,299	1.3	2,765,527,079	2.9	829,658,144	2.9	829,658,144	5.4
9.	TOTAL RURAL REAL ESTATE	2,122,393,309	18.6	33,874,793,238	35.1	10,162,438,087	35.1	3,690,767,432	24.0
10.	TOTAL REAL ESTATE	5,456,051,844	47.7	76,653,607,732	79.4	22,996,082,480	79.4	10,638,705,164	69.1
	TANGIBLE PERS PROPERTY								
11.	GAS & OIL(LEASE-HOLD & ROY)	1,775,036,034	15.5	5,916,786,783	6.1	1,775,036,034	6.1	1,775,036,034	11.5
12.	MERCHANTS INVENTORY	372,088,719	3.3	1,240,295,729	1.3	372,088,719	1.3	0	.0
13.	MANUFACTURERS INVENTORY	326,799,872	2.9	1,089,332,904	1.1	326,799,872	1.1	0	.0
14.	LIVESTOCK	127,331,093	1.1	424,436,977	.4	127,331,093	.4	0	.0
15.	BUSINESS MACHINERY & EQUIP	796,474,204	7.0	2,654,914,018	2.7	796,474,204	2.7	398,237,144	2.6
16.	ALL OTHER TANG PERS PRPTY	337,471,885	3.0	1,124,906,278	1.2	337,471,885	1.2	337,471,885	2.2
17.	TOTAL TANGIBLE PERS PRPTY	3,735,201,807	32.7	12,450,672,689	12.9	3,735,201,807	12.9	2,510,745,063	16.3
	STATE ASSESSED								
18.	PUBLIC SERVICE CORPORATION	2,247,237,891	19.6	7,490,792,971	7.8	2,247,237,681	7.8	2,247,237,891	14.6
19.	TOTAL STATE ASSESSED	2,247,237,891	19.6	7,490,792,971	7.8	2,247,237,681	7.8	2,247,237,891	14.6
20.	GRAND TOTAL	11,438,491,542	100.0	96,595,073,392	100.0	28,978,521,968	100.0	15,396,688,118	100.0