

pie chart of property taxes, real and personal. I thought for those of you haven't been through the court case, I thought I'd try to summarize for you where we stand legally and what the issues are and why this constitutional amendment is necessary. The whole pie chart represents all property taxes. I've divided them in the middle here to separate on the left-hand side real estate which now has a \$1.2 billion of taxes, part of our public financing system. To the right are various kinds of personal property and then there is a section down there marked "cars". Now the real estate gets us 1.2 billion in taxes; the cars gets us \$100 million in taxes; business equipment about \$90 million of taxes that's now foregone; inventory, farm equipment and that section marked "other". As a matter of fact, that section marked "other" is what we've been talking about today because that's the section that is not now exempt that will become exempt because of 829. It's about \$90 million of value and that represents personal property taxes which we are now collecting which we will forego once 829 passes. Now if you have property in that "other" section, what we've just learned in the Supreme Court is that because of all the rest of the pieces of pie that have been taken out on the right-hand side of the chart, there is no logic left in our personal property tax situation. If there is no logic left, there is no rational reasons as to why that "other" should exist, and if you're a taxpayer in that bracket and you go to court now, the court will say, under our new ruling, well, since there is no logic we're going to equalize you to other personal property taxpayers who are paying nothing. We will equalize you down to zero which is why the personal property tax base is in jeopardy and that's why we've been fighting this one-year base and trying to come up with the replacement revenue when we repeal this last section of personal property which is, for all intents and purposes, gone anyway. What is also at question, what the administration argues is that not only is the right-hand part of the pie in trouble, but it's possible that the left-hand part of the pie is in trouble. And the instrument to prove that to us is the court case filed by four of our colleagues. And those colleagues say, look, if you look at the whole pie, there is no logic to the whole system, the whole system is flawed. It's supposed to be governed by that provision in the Constitution that requires that property, doesn't say real or personal, just property will be valued uniformly and proportionately and take a look at the pie. It's not uniform or proportionate, therefore, it's certainly not uniform and proportionate on the left-hand side, the real estate. Now, that court case is scheduled for this coming