

# NORTH DAKOTA LEGISLATIVE COUNCIL

## Minutes of the

### FINANCE AND TAXATION COMMITTEE

Wednesday, December 21, 2005  
Roughrider Room, State Capitol  
Bismarck, North Dakota

Senator Herb Urlacher, Chairman, called the meeting to order at 10:00 a.m.

**Members present:** Senators Herb Urlacher, John M. Andrist, Dwight Cook, Michael A. Every, Harvey Tallackson, Ben Tollefson, Rich Wardner; Representatives Larry Bellew, Wesley R. Belter, Kari Conrad, David Drovdal, C. B. Haas, Lyle Hanson, Craig Headland, Gil Herbel, Ronald A. Iverson, Phillip Mueller, Kenton Onstad, Mark S. Owens, Arlo E. Schmidt, Dave Weiler, Clark Williams

**Members absent:** Representatives Pam Gulleeson, Dwight Wrangham

**Others present:** See Appendix A

**It was moved by Senator Tallackson, seconded by Representative Drovdal, and carried on a voice vote that the minutes of the November 15, 2005, committee meeting be approved as distributed.**

#### EDUCATION FUNDING AND PROPERTY TAX STUDY

##### Dr. David Smette

Chairman Urlacher called on Dr. David Smette, Superintendent, Jamestown Public Schools, for comments on the committee study. Dr. Smette distributed copies of a PowerPoint version and written version of his testimony. Copies of each are attached as Appendices B and C. Dr. Smette introduced Mr. Greg Allen, School Board President, Jamestown Public School District, who was also representing the school district.

Dr. Smette said his objective in the presentation was to review North Dakota's past efforts to achieve equity in school funding and to review the foundation of the need for adequacy in education funding. He said he would then offer thoughts on a formula that might achieve both adequacy and equity in North Dakota education funding.

Dr. Smette reviewed the provisions of the Constitution of North Dakota providing for establishment and maintenance of a uniform system of free public schools. He said these constitutional provisions serve several purposes and the primary purposes are to promote citizenship and economic development and to make a fundamental investment in the future of North Dakota.

Dr. Smette said a 1959 plan was approved for foundation aid for schools which established a goal of 60 percent of the cost of education from nonlocal sources. He said this plan recognized that property

values, demographics, and funding needs varied among school districts.

Dr. Smette said the equity concept of school funding is based on providing uniform or equal educational opportunities for children no matter where they live in North Dakota. He said equal educational opportunities should not be dependent on the wealth of the school district. He said the equity concept is founded on the principle that tax investment for educational opportunities should be consistently borne by all of the residents across the state. He said property wealth is not equally distributed among school districts. He said more reliance on property taxes to fund education creates more inequity among educational opportunities for children.

Dr. Smette said 1973 Senate Bill No. 2026 was a major legislative step toward state support for education equity and adequacy. He said the bill provided increased state support to the level of approximately 65 percent state funding for education. He said the bill introduced weighting factors in funding to address size differences of school districts and introduced a 20-mill deduct equalization factor. He said the bill provided increased transportation payments and reduced reliance on property taxes.

Dr. Smette reviewed the results of a 1979 survey of school superintendents. He said the survey found that more than 97 percent of superintendents believed increased state support for education was desirable, more than 95 percent believed it was desirable to seek equalization of school funding, and more than 87 percent believed the 20-mill deduct was not the appropriate way to equalize between rich and poor school districts.

Dr. Smette said since 1980 state funding support for education has dropped and as a result property taxes have risen substantially. He said the mill deduct equalization factor has taken a bigger bite from school district funding assistance. He said special education and No Child Left Behind Act mandates have caused school district costs to rise rapidly. He said these factors combine to increase reliance on property taxes which means greater inequity in education funding.

Dr. Smette said 1985 legislation established a school district general fund levy limitation of 185 mills. At that time, he said, the average school district general fund levy in North Dakota was well below 185 mills. He said since about 1994 the average school district general fund mill levy in North Dakota has been above 185 mills. He said the 185-mill

general fund levy limitation has had the effect in the last 10 years of requiring school districts to cut programs as costs have risen.

Dr. Smette said the single most important factor in student achievement is quality teachers. He reviewed study data on effects of student achievement with quality teachers and below-standard teachers.

Dr. Smette said demographic changes have hit North Dakota education funding hard. He said the school funding formula that worked 30 years ago no longer provides equity or adequacy in school funding.

Dr. Smette reviewed the results of a survey of superintendents of rural school districts. He said the survey identified factors that make it difficult for rural schools to attract and retain qualified teachers. He said the factors cited by most superintendents were low salaries, social and geographic isolation, and lack of adequate housing in rural school districts.

Dr. Smette said rural North Dakota education is most vulnerable. He said North Dakota is at the bottom among states for teacher salaries. He said competition for quality teachers will grow and states offering higher teacher salaries will absorb most of the new teachers in the future. He said California will have a shortage of 100,000 teachers within 10 years. He said students are opting for careers other than teaching. He said 70 million baby boomers will retire within the next 10 years, taking many from the ranks of North Dakota teachers.

Dr. Smette said students in the United States do not compare favorably in mathematics and science with students in other countries. He said ACT test results show only 23 percent of North Dakota high school students are ready for college. He said North Dakota's university success rate is low and only one of every three students graduates from North Dakota universities. He said college students are taking remedial classes when they should be taking college-level courses. He said getting a college degree may take five or six years, which results in substantially increased costs for parents and taxpayers. Dr. Smette said a change in the education system and in school funding is necessary. He said the current system is not adequate to meet the needs of students or the economic development needs of the state. He said the present system relies on high property taxes and inequitable funding among districts. He said state funding support for education has declined and teacher salaries are too low to attract qualified teachers.

Dr. Smette said a new school funding system for North Dakota is required. He said a revised funding method should provide adequate funding for student achievement, reduce property taxes by providing 70 percent state support for education costs, provide equity among wealthy and poor school districts, and recognize different needs of students. He said a new funding design should eliminate the mill deduct and establish an equalization method to allow school districts to add to funding necessary to provide an adequate education in that district. He said all school

districts should be part of a high school district to place them on an equal funding basis.

Dr. Smette said the first objective in his approach would be to set an adequate funding level for regular education students based on professional judgment. He said this amount would have to be studied and determined precisely but for purposes of illustration he would use an adequate state funding level of \$7,000 per student. He said 30 percent funding through property taxes should be maintained by schools for stability. He said an average state mill rate could be set for equalization purposes. He said this average would have to be determined through study but for purposes of his illustration he used 100 mills as the expected level of local effort. He said the state would make up the difference between the local funding effort and the adequate funding level, which is \$7,000 per student in his example. He said it would be necessary to provide additional money for specific needs of students, including addressing poverty, English as a second language, special education, kindergarten, and other programs.

Dr. Smette said consolidation should not always be associated with closing of schools. He said transportation time and cost must be considered in determining whether consolidation is appropriate. He said elementary students should not be on the bus for more than one hour to or from school. He said consideration should be given to funding classroom units rather than individual pupils for adequate coverage of small but necessary classrooms.

Dr. Smette said the revenue sources for elementary and secondary education should be based on the three primary tax sources in the state, commonly called the three-legged stool. He said he would suggest a mix of 30 percent local property taxes, 35 percent income taxes, and 35 percent sales taxes. He said that mixture should provide stability, equity, and adequate funding for educational investment in North Dakota.

Dr. Smette said oil and coal tax revenues received by school districts should not be included in the local tax effort to support education under his proposal. He said those revenues should be considered as a portion of state funding assistance to those school districts.

Senator Andrist said in his area of the state, school districts are considered property rich. He said these districts receive reduced state funding assistance through operation of the mill deduct equalization factor. He said what puzzles him is why property-poor school districts do not support use of the mill deduct equalization factor. Dr. Smette said districts receive funding on a per student basis and with declining enrollments still face the need for cutting programs. He said funding should move away from focusing on per student allocations.

Representative Onstad asked where the amount of \$7,000 was derived which Dr. Smette used as the target funding level for students. Dr. Smette said the number came from the factfinding book and the

correct amount per student would have to be the product of professional judgment after careful study.

Representative Onstad asked what Dr. Smette would suggest for use in determining a school district's ability to pay for education funding. Dr. Smette said he used income per capita and income per student data that is available on a county basis but not broken down by school districts.

Representative Conrad said the suggestion that all schools must be part of a high school district was not well-received in the last legislative session. Dr. Smette said that is true and the primary difficulty in consolidation or combining districts into high school districts is the difference in mill rates among districts. He said those problems would be resolved by placing all school districts on an expected local property tax funding level as he suggested in his presentation.

Senator Cook said Dr. Smette made good points and he hopes Dr. Smette will also make his presentation to the interim Education Committee. Senator Cook asked whether any of Dr. Smette's study of these issues has focused on tax policy. Dr. Smette said one area he has examined with regard to equity funding issues is that property assessment uniformity has a substantial effect on the current funding system.

Mr. Greg Allen, President, Jamestown School Board, said he would like to offer the perspective of a school board member to school funding decisions. He said the school board must examine every program operated by the school district in an attempt to focus available spending on programs that provide the most benefit for students. He said worthy programs may suffer from the shifting of funds to keep certain programs fully funded. He said with regard to property tax exemption issues, there is a balance that must be struck between economic development benefits and costs. He said economic development has a price in providing property tax exemptions but also provides a benefit in ultimate growth and employment and the future tax base of the school district.

Representative Herbel said the committee needs recommendations on how to replace a portion of property tax as a funding source for schools. He asked whether Mr. Allen could suggest the appropriate other tax sources. Mr. Allen said he can address that question only from his experience with the Jamestown School Board. He said Jamestown residents supported imposition of city sales taxes for school construction costs.

Chairman Urlacher said there are several issues of overlapping consideration between the Finance and Taxation Committee and the Education Committee and their respective study areas. He said it will be necessary to maintain communication with the Education Committee and it is fortunate that four members of the Finance and Taxation Committee also serve on the Education Committee.

In response to a question from Senator Cook regarding whether the state is prohibited from levying

property taxes, committee counsel said the constitution does not allow the state to levy a property tax except for a one-mill property tax for support of the State Medical Center. Committee counsel said the state could set a number of mills as an expected contribution through local property tax levies for school funding and base school funding assistance on that amount. He said that approach would not appear to be subject to the constitutional limitation on state levy of property taxes.

Representative Belter said a recent Attorney General's opinion concluded that school districts could receive city home rule sales tax revenues through a joint powers agreement. He said he intends to request a bill draft that would prohibit city sales taxes from being transferred to schools to replace property taxes. He said one area of concern in preparing such a bill draft is to avoid interfering with any school funding or bonding agreements already in existence. He asked Dr. Smette what arrangement exists in Jamestown for use of sales tax revenue for school construction funding. Dr. Smette said the Jamestown School District has a 20-year obligation funded by a one percentage point city sales tax for school construction.

### **Department of Public Instruction**

Chairman Urlacher called on Mr. Jerry Coleman, Department of Public Instruction, for testimony on school funding issues. Mr. Coleman said he was requested to provide information on the annual rate of growth in total revenue for elementary and secondary education funding, excluding federal source revenues. He said he was requested to calculate 2007-09 biennium education expenditures and the amount of increase in state source revenues that would be needed to raise the state share of expenditures to 70 percent. He distributed copies of data and computations on these questions, a copy of which is attached as Appendix D.

Mr. Coleman said it appears the average annual growth rate is approximately 3 percent for local, county, and state revenue to elementary and secondary education. He said state-defined educational expenditures represent approximately 84 percent of total school district general fund expenditures. He said to achieve the goal of 70 percent funding for elementary and secondary education from state sources, state revenues would need to be increased by approximately \$300 million for the 2007-09 biennium which would allow a decrease of approximately \$300 million in local revenues.

Senator Krauter said if property taxes are reduced by a substantial amount, property owners will have more money to spend which in turn should increase sales tax collections. He asked whether Mr. Coleman would be able to analyze that impact. Mr. Coleman said that issue is within the area of expertise of the Tax Department. Senator Urlacher said it will be

necessary to evaluate all effects of any proposed changes to the educational funding mix.

### Tax Department

Chairman Urlacher called on Tax Commissioner Cory Fong who introduced Tax Department staff members Ms. Marcy Dickerson, Ms. Sara Hewson, Ms. Kathy Strombeck, and Mr. Gary Anderson. Mr. Fong said these Tax Department staff members would present information on several questions directed to his office by the committee.

Ms. Dickerson said she would address several of the questions addressed to the Tax Department. A copy of her prepared testimony is attached as Appendix E.

Ms. Dickerson said the first question from the committee requested information on what level of local government has received the greatest share of the rapid increase in property tax collections over the past 20 years. She said school districts levied 50.9 percent of property taxes in 1985 and 55.52 percent in 2004. She said counties levied 25.59 percent of property taxes in 1985 and 23.79 percent in 2004. She said cities levied 14.83 percent of property taxes in 1985 and 12.46 percent in 2004. She said from 1985 to 2004 total taxes levied in dollars by school districts increased 152.8 percent while county levies increased 115.44 percent and city levies increased by 94.68 percent.

Ms. Dickerson said the committee asked whether it is possible to identify reasons for substantial residential property tax increases since 1993. She said examination of available data shows that approximately 3 percent of each year's residential value is attributable to new property. She said approximately 45 percent of the annual increase in each year's residential value is due to new property and 55 percent is due to increased valuation of preexisting residential property.

Ms. Dickerson said she was requested to provide information on actual property tax increases and assessments on selected agricultural, residential, and commercial property parcels that have existed without changes or improvements since 1993. She said the Tax Department requested all counties to provide true and full value and taxes levied for one agricultural property, one residential property, and one commercial property that did not materially change from 1993 to 2004. She said the same information was requested from cities for residential and commercial property. She said 32 counties and 10 cities responded. She said Exhibit C attached to her testimony compiles the information provided. She said there is considerable variation among properties in each class but both agricultural and residential valuations and taxes have increased substantially while commercial valuations and taxes have generally experienced smaller increases or decreases. She said it appears there are not enough sales of

commercial property outside major cities to provide assessors updated values of commercial property.

Ms. Dickerson said she was requested to provide available statistics on the increase in the number of commercial and residential property parcels in the state. She said no statistics are available on the increase in the number of commercial and residential property parcels.

Ms. Dickerson said she was requested to provide more detailed information on a survey on which she reported to the committee at the previous meeting. She said the survey was received from 29 counties during the 2005 legislative session. She said the information in that survey which she reported to the committee was that 7.22 percent of property taxes in those 29 counties was levied on property owned by nonresidents. She said nonresident ownership of property is identified by the mailing address for property tax statements. She said further information was provided by 9 of the 29 counties surveyed and 89.74 percent of taxes on nonresident property owners in those counties was levied on agricultural land and 10.26 percent was levied on residential property.

Ms. Dickerson said she was also requested to obtain information on the percentage of agricultural land in the state owned by nonresidents. She said the Tax Department conducted a survey of counties and received responses from 30 counties. For those counties, she said, nonresident ownership of agricultural land accounted for 12.81 percent of total acres of agricultural land, 14.74 percent of the taxable value of all agricultural land, and 14.82 percent of all taxes levied on agricultural land. She said agricultural land owned by nonresidents was subject to 3.48 percent of all property taxes levied in 2004 for all property types.

Ms. Dickerson said she was requested to determine the effects of a limitation providing that each property taxpayer's annual property tax bill could not exceed 1.5 percent of the true and full value of the property. She said in some districts consolidated taxes are less than 1.5 percent of true and full value and there would be no change. She said based on 2004 taxes, such a limitation would result in substantial tax decreases in a majority of consolidated taxing districts. She said a limitation of taxes to not more than 1.5 percent of true and full value would result in a 21.65 percent reduction in taxes on agricultural property, 33.94 percent reduction for residential property, 42.49 percent reduction for commercial property, and 36.53 percent reduction for centrally assessed property. She said the statewide tax reduction from such a limitation would total more than \$139 million, or approximately 22.55 percent of total property taxes levied. She said the benefits to individual taxpayers of such a limitation would vary greatly, depending upon the mill rate at which each property is currently taxed and the classification of the property.

Ms. Dickerson said she was requested to provide available information on additional property tax revenue for each property tax exemption which would be available at current mill rates if the exemption were eliminated. She said it is not possible to estimate additional property tax revenue from elimination of exemptions. She said assessors are not required to value most property that is exempt from property taxes. She said political subdivisions are allowed to levy as many dollars as they levied in the highest of the previous three years. She said if property tax exemptions were removed, political subdivisions could still levy the same amount but there would be a shift in property taxes from other taxable property to property that has lost its exempt status. She said property taxes would be reduced for currently taxable property if exemptions were eliminated but the reduction cannot be estimated.

Representative Herbel asked whether he is correct in reading the information provided indicating that for Adams County agricultural valuation and taxes have increased faster than residential values and taxes. Ms. Dickerson said that is correct for the Adams County sample properties selected.

Representative Schmidt said from the information provided it appears that discrepancies in commercial properties' valuation appears greater than for other properties. Ms. Dickerson said commercial property valuation is variable by areas of the state and dependent upon the mix of property types in the taxing district.

Representative Mueller said it appears the trend for commercial property is less growth in value and less growth in taxes paid. He asked why this would occur. Ms. Dickerson said in rural areas old commercial businesses may be run down or closed and the values have declined.

Ms. Hewson said the committee raised a question at its previous meeting regarding the variation between agricultural land sales price and true and full valuation for property tax purposes. A copy of her prepared testimony is attached as Appendix F.

Ms. Hewson said the North Dakota assessment sales ratio study for 2005 contains a table of median ratios, which are determined by dividing the true and full valuation of the property by the sales price of the property. She said the table shows that for 1,390 sales of agricultural land, the median ratio of true and full value to sale price is 57.5 percent. She said within the past decade there has been an increase in purchases of agricultural land for recreational purposes at prices considerably higher than the agricultural value.

Representative Herbel asked what other states do with assessment of agricultural property if it sells for recreational purposes at a price much higher than its agricultural value. Ms. Hewson said Minnesota has a green acres law that changes property from agricultural assessment if it is not actively and exclusively devoted to agricultural use.

Representative Mueller asked whether it would be feasible to change valuation for agricultural property sold at a certain percentage above the sales ratio valuation for agricultural property. Committee counsel said the Constitution of North Dakota requires property taxes to be uniform upon the same class of property. He said there probably would be a constitutional problem if some agricultural land is assessed differently from other agricultural land. He said the problem described by Representative Mueller might best be addressed by creating a separate classification for such property if factors can be identified that would make separate classification appropriate. He said some states, such as Minnesota, have many more classes of property than exist under North Dakota law.

Ms. Strombeck said she was requested to provide information on several questions from the committee. A copy of her prepared testimony is attached as Appendix G.

Ms. Strombeck said a table attached to her testimony shows historical collections of property, individual income, and sales taxes for the years 1975 through 2004. She said this information was updated after the previous committee meeting to include the 2004 data.

Ms. Strombeck said graphs are attached to the chart showing inflation-adjusted collections for the three primary tax types. She said inflation during the 30 years was 243 percent and individual income tax collections grew at a rate less than the rate of inflation while sales and property tax growth exceeded the rate of inflation.

Ms. Strombeck said the committee requested information on the share of income and sales taxes paid by nonresidents. She said nonresidents filed 10.3 percent of the total number of 2004 income tax returns and paid 6.5 percent of the total 2004 individual income tax liabilities. She said determining sales taxes paid by nonresidents is more difficult than the determination for individual income taxes. She described assumptions that must be made to estimate nonresident sales tax payments and she said that based on these assumptions, 7.8 percent of total state sales taxes are paid by nonresidents. She said if the committee would like more accurate estimates of the share of sales taxes paid by nonresidents, the Tax Department could conduct a survey of sales tax permitholders to obtain better information.

Ms. Strombeck said the committee requested an estimate of sales tax revenue North Dakota could receive if the North Dakota sales tax base were broadened to match the South Dakota sales tax base. She said that based on certain assumptions, she estimates that such a change would increase North Dakota sales tax revenue by approximately \$86,369,000 per year.

Ms. Strombeck reviewed the sales tax exemption revenue loss estimates attached to her testimony.

In response to a question from Representative Herbel, Ms. Strombeck said the move of people from

rural to urban areas is a factor that contributes to the more rapid growth of residential property taxes compared to agricultural property taxes.

In response to a question from Senator Tollefson, Ms. Strombeck said another factor in the more rapid increase in residential property taxes as compared to agricultural property taxes is that the market value of residential property has grown faster than the assessed valuation of agricultural property.

### **North Dakota Farm Bureau**

Chairman Urlacher called on Ms. Sandy Clark, North Dakota Farm Bureau, who said she wanted to make a comment regarding information she provided at the previous committee meeting. She said that at the previous meeting she stated that one factor in rapid residential property tax growth is new homes and she said 42 percent of residential property tax growth is attributable to new homes. She said that percentage is for Burleigh and Cass Counties and is not representative of property statewide.

Representative Weiler asked how the information was obtained to determine that 42 percent of increased residential property value is attributable to new homes. Ms. Clark said the data was obtained from the United States census data for 1980 and 2000.

### **Tax Department**

Mr. Anderson said he was requested to provide information on the increase in retailer registrations under the Streamlined Sales and Use Tax Agreement. He said 257 retailers not previously registered have voluntarily registered and another 19 retailers are currently registered in North Dakota. He said streamlined sales tax revenue enhancements for the 2005-07 biennium is estimated at \$1 million additional revenue.

### **Farm Size Data**

Chairman Urlacher called on committee counsel to review data on farm sizes in North Dakota. Committee counsel said information in the *2002 Census of Agriculture* prepared by the National Agricultural Statistics Service shows that for the years 1997 to 2002 only farms of 2,000 acres or more have increased in number in North Dakota and the number of all farms of less than 2,000 acres has declined. He said the data shows that approximately 400,000 acres of land that was in farms in 1997 was no longer in farms in 2002. In 2002, he said, 21 percent of farms have 2,000 acres or more of farmland and those 21 percent of farms contain 71 percent of all farmland in North Dakota and 88.6 percent of harvested cropland is contained in farms of 1,000 acres or more.

## **COMMITTEE DISCUSSION**

Chairman Urlacher said the committee has gathered information on many topics. He asked for suggestions of how the committee should proceed

with the study of education funding and property taxes.

Senator Andrist said it appears that rewriting the education allocation laws is too daunting. He said he would like to see the committee work with the existing education funding allocation.

Senator Cook said the committee should be sensitive to appropriate treatment of tax issues versus education issues. He said the interim Education Committee would be the appropriate source of recommendations for education issues. He said the answers provided by Ms. Dickerson to the question regarding property tax exemptions and revenues would be a good basis for more detailed discussion. He said the committee needs to address how to generate \$300 million additional state revenue and deliver property tax relief.

Representative Drovdal said the committee should obtain information on how much sales tax revenue would be generated by an increase of one percentage point in the sales tax rate and how much income tax revenue would be generated by an income tax rate increase.

Representative Belter said if the committee recommends legislation to increase state taxes to provide property tax relief, the Legislative Assembly needs to be able to send a message to taxpayers that the result will be permanent property tax relief.

Representative Belter said he intends to have a bill draft prepared for committee consideration which would prevent city sales tax revenues from being transferred to school districts.

Representative Conrad said it is estimated that \$300 million additional revenue per biennium would address the problem of education equity and she believes the committee should also look at raising a more substantial amount to also address the issue of education adequacy.

Senator Tollefson said if the state is to fund 70 percent of education expenses, state influence over school spending decisions must be increased.

Representative Schmidt said the most common complaint of citizens which he hears relates to rising property taxes. He said he believes the committee needs to solve the problem of rising property taxes by providing state funding assistance.

Senator Tallackson said property tax exemptions should be examined by the committee. He said there are many unfair situations that exist when similar properties are treated differently.

Representative Headland said if the state takes on a greater share of education funding, the issue of consolidation should be addressed. He said additional state funding should serve to encourage consolidation.

Representative Mueller said the committee needs to address the issue of allowing property tax exemptions at the local level. He said this is a difficult issue because encouraging economic development will promote growth of the tax base but that growth comes at a cost to other taxpayers.

Senator Cook said 2005 Senate Concurrent Resolution No. 4039, which was not prioritized, goes to the point of the committee's study issues and the committee should review that study resolution.

Representative Conrad said she would like the representatives of the school boards in the education funding lawsuit against the state to suggest to the committee how the Legislative Assembly should fix the education funding system and how those changes should be funded.

Representative Weiler said information should be obtained to illustrate the effect on a \$100,000 home if state funding for education were increased to 70 percent and property taxes were reduced accordingly.

Committee counsel said the committee has an additional study with regard to property tax levies in mills. Representative Owens said he has a concept on how to address that issue and he will work with the Legislative Council staff to prepare a bill draft.

Senator Wardner said the city administrator in Dickinson started the discussion of the study of levies in mills and the committee should hear from him on how he would recommend the study should proceed.

Representative Mueller said the interim Education Committee wants to be informed of the Finance and Taxation Committee's activities. Chairman Urlacher said he intends to inform the Education Committee of developments.

The meeting was adjourned at 2:40 p.m.

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John Walstad  
Code Revisor

[ATTACH:7](#)