Current Law - Centrally Assessed Protested Taxes

70% Example

Local Government

100% of protested taxes associated with local mills put into bank account

Wait for resolution assume 5 years

Appeal Process
- Office of Dispute Resolution
- State Tax Appeal Board
- District Court
- Supreme Court

Judgment 70% of protested taxes ultimately released

70% released to local gov't for use

30% refunded to protesting corporation

Corporation pays taxes under protest

State Government

100% of protested taxes associated with state mills deposited into general fund

30% of state mills refunded to protesting corporation

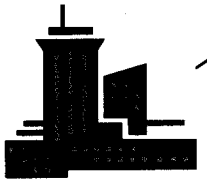
February 20, 2007

SENATE TAXATION
DATE 2-20-07
EXHIBIT NO. 3
SB-539

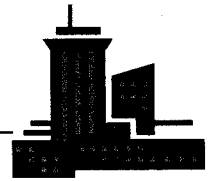
SB539 Proposal – Centrally Assessed Protested Taxes

70% Example

Local Government

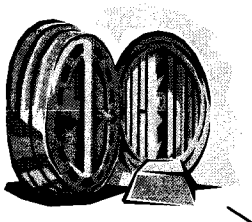


For immediate use
90% of protested taxes associated with local mills



30% to taxpayer plus interest

State Government

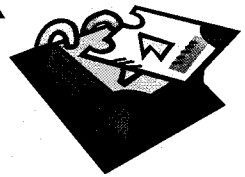


Appeal Process
- Office of Dispute Resolution
- State Tax Appeal Board
- District Court
- Supreme Court

For immediate use
- 50% of protested taxes attributable to the 6 mill to university system
- 50% of protested taxes for 96.5 mills to school equalization and vo-tech education

50% of protested taxes associated with state mills & 10% of local mills deposited into property tax protest risk management account

Wait for resolution



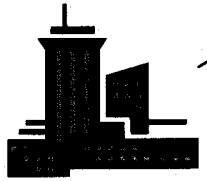
Judgment taxpayer to pay 70% of protested taxes

February 20, 2007

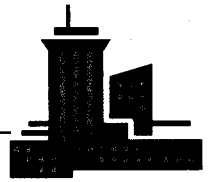
SB539 Proposal – Centrally Assessed Protested Taxes

95% Example

Local Government

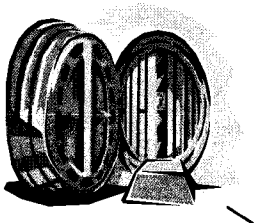


For immediate use
90% of protested taxes associated with local mills



5% to taxpayer plus interest

State Government

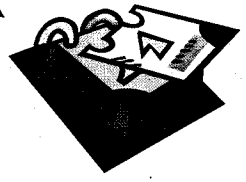


Appeal Process
- Office of Dispute Resolution
- State Tax Appeal Board
- District Court
- Supreme Court

For immediate use
- 50% of protested taxes attributable to the 6 mill to university system
- 50% of protested taxes for 96.5 mills to school equalization and vo-tech education

50% of protested taxes associated with state mills & 10% of local mills deposited into property tax protest risk management account

Wait for resolution



Judgment taxpayer to pay 95% of protested taxes

2.5% of the local protested taxes to the electing county

2.5% balance to university system and school equalization

February 20, 2007