

STATE TAX COLLECTIONS GAIN 3.39 PER CENT OVER LAST YEAR (CONT.)

The drop in investment earnings, the treasurer said, was the result of increased levels of spending in the current budget, leaving less money to invest. During November, she said the state had an average daily balance of about \$940 million, compared to an average balance of slightly more than \$1 billion in the same month last year, a decrease of \$60.9 million, or 6.08 per cent.

Moreover, expenditures in November again exceeded receipts by approximately \$44.4 million. The state began November with a general fund balance of \$300 million, took in \$251.8 million, spent \$296.2 million, reduced the gap between receipts and expenditures by an \$18 million transfer to the general fund, and closed the month with a balance of about \$273.5 million.

GOVERNOR PROPOSES FREEZING REAL PROPERTY VALUES AT 1975 LEVEL

In an attempt to put an immediate freeze on increases in real property values, Governor Rhodes Tuesday asked the Board of Tax Appeals to consider requiring auditors in counties undergoing reappraisal to use January 1, 1975 property values and to ignore any inflationary increases that have occurred or may occur.

The governor last week asked Charles Lopeman, BTA chairman, for suggestions on how to halt the increases in property taxes that are resulting from an Ohio Supreme Court order for statewide equalization of real property values for tax purposes.

Mr. Lopeman recommended a constitutional amendment that would define the permissible areas of increase and authorize the Legislature to pass laws to implement the amendment. He said the permissible areas of increase would appear to be new construction, improvements to existing structures, and a general relative increase in values in a geographical area.

In his new request, the governor said his staff will begin researching the constitutional amendment approach but noted that it will be 18 months or longer before this could have any effect. "We need the earliest possible relief for our taxpayers," the governor told Mr. Lopeman.

"Would it not be possible for the board to provide immediate relief by requiring auditors in counties undergoing reappraisal during 1976 and 1977 to reappraise on the basis of January 1, 1975 values and further provide that the board equalize all other counties for the same years on the same basis?" he asked.

He pointed out that such action by the BTA would provide temporary savings to taxpayers and allow time to work out a permanent solution.

A uniform assessment of 35 per cent on all real property is being phased in across the state as counties complete their sexennial reappraisals. The current round of reappraisals will be completed in 1977.

Although he regarded the constitutional amendment as the best method of preventing further unvoted increases in property taxes, Mr. Lopeman said the amendment should be drafted so as to recognize that the state is still in the process of completing equalization.

GOVERNOR PROPOSES FREEZING REAL PROPERTY VALUES AT 1975 LEVEL (CONT.)

"An amendment which attempted to freeze assessed values prior to the completion of this process would raise serious questions of its constitutionality under the United States Constitution," he said.

Mr. Lopeman also considered the alternatives of a freeze imposed by the Legislature or by a modification of existing BTA rules. He said both of these methods have two disadvantages which disqualify them.

The most important disadvantage, Mr. Lopeman said, is that changes by these methods would lack "stability." He explained that any changes made would always be subject to further changes and pointed out that a large part of the current problem is a lack of stability in the system.

A second disadvantage, he said, is that extensive changes would have to be made in the statutes or the board's rules to accomplish a freeze, including changes in rules or statutes which are unrelated to the problem at hand.

"In addition to the dangers of imperfection in the amending process, there are the inherent dangers that what has been attempted would be negated by subsequent judicial interpretation," Mr. Lopeman added.

He said that on the other hand an amendment to the constitution could be "very simple and could leave very little room for deviant interpretation."

INDUSTRIAL RELATIONS AGENCY TO RETEST BOILER OPERATORS

Industrial Relations Director Helen W. Evans said Tuesday that the department would begin retesting many persons who received their licenses as boiler operators during 1973 and 1974 because of recently discovered irregularities in the testing program.

Mrs. Evans pointed out that a former division chief was recently convicted in Franklin County Common Pleas Court on four felony charges for issuing fraudulent licenses. The department subsequently found additional irregularities in the licensing procedure during the two-year period following an internal investigation. Mrs. Evans did not say how many boiler operators licensed during the two-year span will be retested.

FRANK MAYFIELD TO GIVE UP HIS HOUSE SEAT

Frank Mayfield (R-Cincinnati) announced he is resigning from the Ohio House to devote more time to his marine insurance business. Mr. Mayfield has been a House member since 1967.

The Hamilton County Republican Party has recommended that Robert Taft II, the son of U.S. Senator Robert Taft of Ohio, be named to replace Mr. Mayfield. Mr. Taft, 33, is a law student at the University of Cincinnati.