

increase with growth.

Grants/Milan could raise about \$845,000 through bonds if the existing citizens are willing to pay higher taxes. This compared to the estimated capital outlay required in two years indicates a defecit of \$2,222,512 - \$7,030,519. If we assume the communities to be competitive for state and federal water, sewer, and recreation grants, capital outlay could be further reduced to \$746,605 - \$3,319,650.³ Other federal grant money might be available from the Economic Development Administration, Farmers Home Administration or the Four Corners Regional Commission. In any case, it appears unlikely that Grants/Milan will be able to entirely support the uranium impact either by bonding or by competition for grant funds. This leaves the state as the next potential source of funding available to the communities through taxation of the uranium industry.

These rates are about 15 mills over the state average (about 42.2 from 1970-1975) and about six mills over the median rate paid in Grants and Milan over the past six years.² It would probably take some salesmanship to carry a general obligation bond issue in Grants and Milan. The following consideration might help sell the bond issue to the voters: 1) the prospect of using increased revenues do not increase proportionally from the growth instead of property taxes to meet some of the obligation; 2) about half of the present obligation is expiring in 1978 and almost all of it will be paid off in 1980; 3) as growth brings in more property owners and higher valuation, tax rates would diminish or else bonds would be paid off more rapidly.

According to Grants Mayor E. M. Well, Grants has a \$500,000 water and sewer revenue bonding capacity as estimated in the fall of 1975. Issued \$500,000 Jr. lien to Farmers Home Administration, 1976.