

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Chairman Harrington, on January 4, 1989,
at 9:00 a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Dave Bohyer, Legislative Council

Announcements/Discussion: All visitors please sign the
register.

HEARING ON HOUSE BILL 30

Presentation and Opening Statement by Sponsor: Rep. Kadas, District 55, states that Senate Bill 200, introduced in the last legislature by Senator Scott was the major force on taxation of vehicles. This bill has been working well with one exception, the evaluation guide for cars of particular interest. This has elicited many complaints. In most instances, evaluation has been too excessive and assessments have not been cost effective. HB 30 will correct this problem by deleting the use of the value guide to cars of particular interest in determining the property tax on certain older cars, clarifying the minimum taxable value, providing a refund for tax paid, amending Section 61-3-503 MCA and providing an immediate effective date and a retroactive applicability. Rep. Kadas referred to page 2, line 17-19, which states that a taxpayer may apply for a refund for the difference paid after January 1, 1989 (but before the effective date of this act) between the assessed tax by the old evaluation guide and the amount computed under this new act. Rep. Kadas noted that on line 24 and 25, there was a clerical change (pg. 2) with \$1,000.00 changed to \$500.00. Rep. Kadas also stated that the Department of Revenue is requesting to strike "previously registered" from page 4, line 7. Rep. Kadas requested that the bill become effective as soon as possible with the effective date

immediate upon passage of the bill and the applicable date to be January 1, 1990.

List of Testifying Proponents and What Group They Represent:

Gordon Morris, Montana Association of Counties
Alex Hanson, Montana Legal Association
Ken Morrison, Montana State Department of Revenue

List of Testifying Opponents and What Group They Represent:

None.

Testimony:

Gordon Morris indicated support of the bill by the counties and stated there would be no problem with the refund mechanisms of the bill.

Ken Morrison addressed page 4, line 7 and the exclusion of the "previously registered" statement. He urged support of the bill.

Questions From Committee Members: Rep. Driscoll asked Rep. Kadas about page 2, line 16 and 17 which cites a second bluebook. Rep. Driscoll expressed interest in the appraisal prices of this book as to fairness. Rep. Kadas responded that there were no "crazy" evaluations in the book.

Rep. Patterson asked Mr. Morrison about the appraisals for vehicles after the 1972 bluebook date. Mr. Morrison referred to page 4, line 7 of the bill, stating there is usually a 10% per year rate. However, page 3, line 11, subsection E is the reference guide on later years.

Closing by Sponsor: Rep. Kadas stated the bill did not have early notification. He thanked the committee and expressed hope the bill would be supported.

DISPOSITION OF HOUSE BILL 30

Motion: Chairman Harrington recommended holding HB 30 in committee for action at a later date.

Discussion: None

Amendments and Votes: None

Recommendation and Vote: The committee members concurred unanimously with Chairman Harrington's recommendation

to hold HB 30 in committee.

HEARING ON HOUSE BILL 15

Presentation and Opening Statement by Sponsor: Rep. Kadas, District 55, stated that this bill concerns licensing fees for motorboats with engines of 5 hp or less. Many people have been taxed excessively and canoes have been a special problem.

List of Testifying Proponents and What Group They Represent:

Larry Klausen, Missoula, concerned citizen
Stan Frazier, Helena, concerned citizen

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Larry Klausen stated that he has two canoes, a 17 foot and a 19 foot for fishing. The 19 foot has a 4 hp motor. His registration for the previous year was \$15.00. This year, it is \$78.00. He licensed this canoe primarily so that he could speak at this hearing. He did not license his 17 foot due to the \$51.00 fee. His costs for registering both canoes would have been \$131.00 which he considered very excessive.

Stan Frazier has several canoes of various sizes for types of fishing. He did not register them because of excessive fees. His total cost for all of his boats would have been \$500.00. He considers this very excessive.

Questions From Committee Members: Rep. Ream asked Mr. Ken Morrison of the Department of Revenue if the canoe designation is any craft which has a motor regardless of craft style or design. Mr. Morrison replied that it was.

Rep. Cohen asked Mr. Morrison if his 16 foot San Juan sailboat which has a 4 hp motor would be exempt under this legislation. Mr. Morrison's response was yes.

Closing by Sponsor: Rep. Kadas stated that he would be very glad to work closely with the committee on this bill.

DISPOSITION OF HOUSE BILL 15

Motion: Chairman Harrington recommended that HB 15 be held in committee for action at a later date.

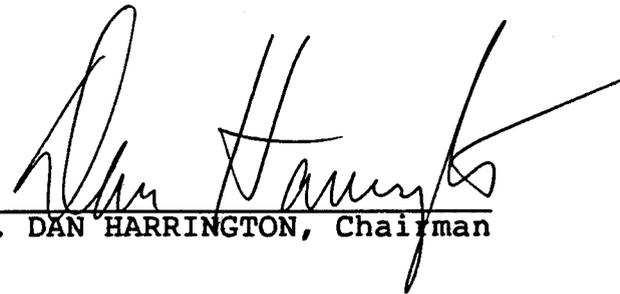
Discussion: None

Amendments and Votes: None

Recommendation and Vote: The committee concurred unanimously with Chairman Harrington's recommendation to hold HB 15 in committee.

ADJOURNMENT

Adjournment At: 9:30 a.m.



REP. DAN HARRINGTON, Chairman

DH/lj

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DAILY ROLL CALL

TAXATION

COMMITTEE

51st LEGISLATIVE SESSION -- 1989

Date January 4, 1989

NAME	PRESENT	ABSENT	EXCUSED
Harrington, Dan, Chairman	✓		
Ream, Bob, Vice Chairman	✓	NONE ³	NONE
Cohen, Ben	✓	x	
Driscoll, Jerry	✓		
Elliott, Jim	✓		
Koehnke, Francis	✓		
O'Keefe, Mark	✓		
Raney, Bob	✓		
Schye, Ted	✓		
Stang, Barry	✓		
Ellison, Orval	✓		
Giacometto, Leo	✓		
Gilbert, Bob	✓		
Good, Susan	✓		
Hanson, Marian	✓		
Hoffman, Robert	✓		
Patterson, John	✓		
Rehberg, Dennis	✓		

