

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
54th LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT & TRANSPORTATION

Call to Order: By CHAIRMAN ED GRADY, on January 12, 1995, at
8:00 A.M.

ROLL CALL

Members Present:

Rep. Edward J. "Ed" Grady, Chairman (R)
Sen. Thomas A. "Tom" Beck, Vice Chairman (R)
Rep. Gary Feland (R)
Sen. Eve Franklin (D)
Rep. Joe Quilici (D)

Members Excused: None

Members Absent: None

Staff Present: Terri Perrigo, Legislative Fiscal Analyst
Dan Gengler, Office of Budget & Program Planning
Rosa Fields, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: Department of Revenue
Executive Action: None

HEARING ON DEPARTMENT OF REVENUE

Informational Testimony:

Tape No. 1:A

Brenda Haseman, Administrator, Operations Division, gave a review of her division's duties. She informed the subcommittee there are two bureaus in her division: accounting and data processing.

Questions, Responses, and Discussion:

Tape 1:A:220

REP. QUILICI wanted more information on the \$150,000 general fund to be added in FY 1996 for an automated mail and cashiering system. REP. QUILICI said if the legislature approves this proposal, it is possible that the 1999 biennium contracted services could be substantially reduced, and he wanted more information. Mr. Robinson said moving into automation and better use of technology will improve the handling of growth and flow of paper i.e., estimated taxes. He said studies have shown that

17,000 to 18,000 new jobs have been created in Montana, and there will be an increase in the number of tax returns and W-2s flowing from employers that have to be handled by the department.

REP. QUILICI asked **Mr. Robinson** to expound on the 5% vacancy savings. **Mr. Robinson** said there are natural vacancy savings of approximately 2.5%. He said to generate a 5% vacancy savings the department would have to force it by leaving positions open longer than planned.

Tape 1:A:580

Mary Whittinghill, Administrator, Property Assessment Division, said the duties of her division include evaluations and assessments of all real and personal property in the state of Montana. She informed the committee that property taxes generated for FY94 total over \$704 million. The bulk of the property taxes are spent locally, and the state is responsible for the evaluation functions to promote equalization values. She distributed a handout showing the functions of property taxation, the state's responsibilities, and the county responsibilities.

EXHIBIT 1

Tape 1:B

The subcommittee members then discussed the implementation and effects of HB 50 (passed during the November '93 special session) including vacancy savings, combination of appraisal and assessor functions, and restructuring.

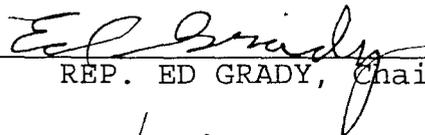
Mr. Robinson gave an overview of the above previous discussions. He addressed rent, supplementals, taxes, vacancy savings, and the department moving toward decreasing its operations and costs. He feels the department's present law base budget is under the FY94 budget.

CHAIRMAN GRADY asked **Mr. Robinson** to read a letter he received (dated January 6, 1995), addressed to Dave Lewis, OBPP, regarding appropriations procedures. The letter was written by **REP. ZOOK** and **SEN. AKLESTAD**. The letter stated that the appropriations subcommittees are using 1994 base as a starting point in their deliberations, and requested that each agency come to the budget hearings prepared to discuss the impact on programs if 1997 biennium budgets are held at the fiscal 1994 base budget level.

REP. QUILICI asked **Mr. Robinson** if the subcommittee did not accept any of the present law adjustments, how it would affect the department's ability to function. **Mr. Robinson** said if the base budget is not increased by the amount of present law adjustments, they would have to cut FTE. He said when FTE are cut the department is placed at risk in accomplishing the goals the legislature has asked them to meet.

ADJOURNMENT

Adjournment: 8:45 a.m.



REP. ED GRADY, Chairman



ROSA FIELDS, Secretary

EG/rf

GENERAL GOVERNMENT

Joint Appropriations Subcommittee

ROLL CALL

DATE 1-12-95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Ed Grady, Chairman	✓		
Rep. Gary Feland	✓		
Rep. Joe Quilici	✓		
Sen. Tom Beck	✓		
Sen. Eve Franklin	✓		
	✓		

Functions of Property Taxation

The various functions required to accomplish property taxation are identified below. The valuation and taxation functions are currently the responsibility of the state. The tax billing, collection, and reconciliation functions are county responsibility.

1-12-95
Mary Whittleugh
1

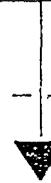
EXHIBIT
DATE 1/12/95
Revenue

Valuation



Taxation

State Responsibility



County Responsibility

Billing



Collection



Reconciliation

Property Assessment Division

ADMINISTRATOR

- Centralized Assessment Bureau**
- utilities
 - railroads
 - private airlines
 - telecommunications
 - large industrial property

*Appraisals
in Illinois*

- Appraisal/Assessment Bureau**
- procedures
 - exemptions/appeals
 - income/market modeling
 - appraisal/assessment manual development
 - valuation of all residential, commercial agricultural and forest land property
 - assessment of personal property

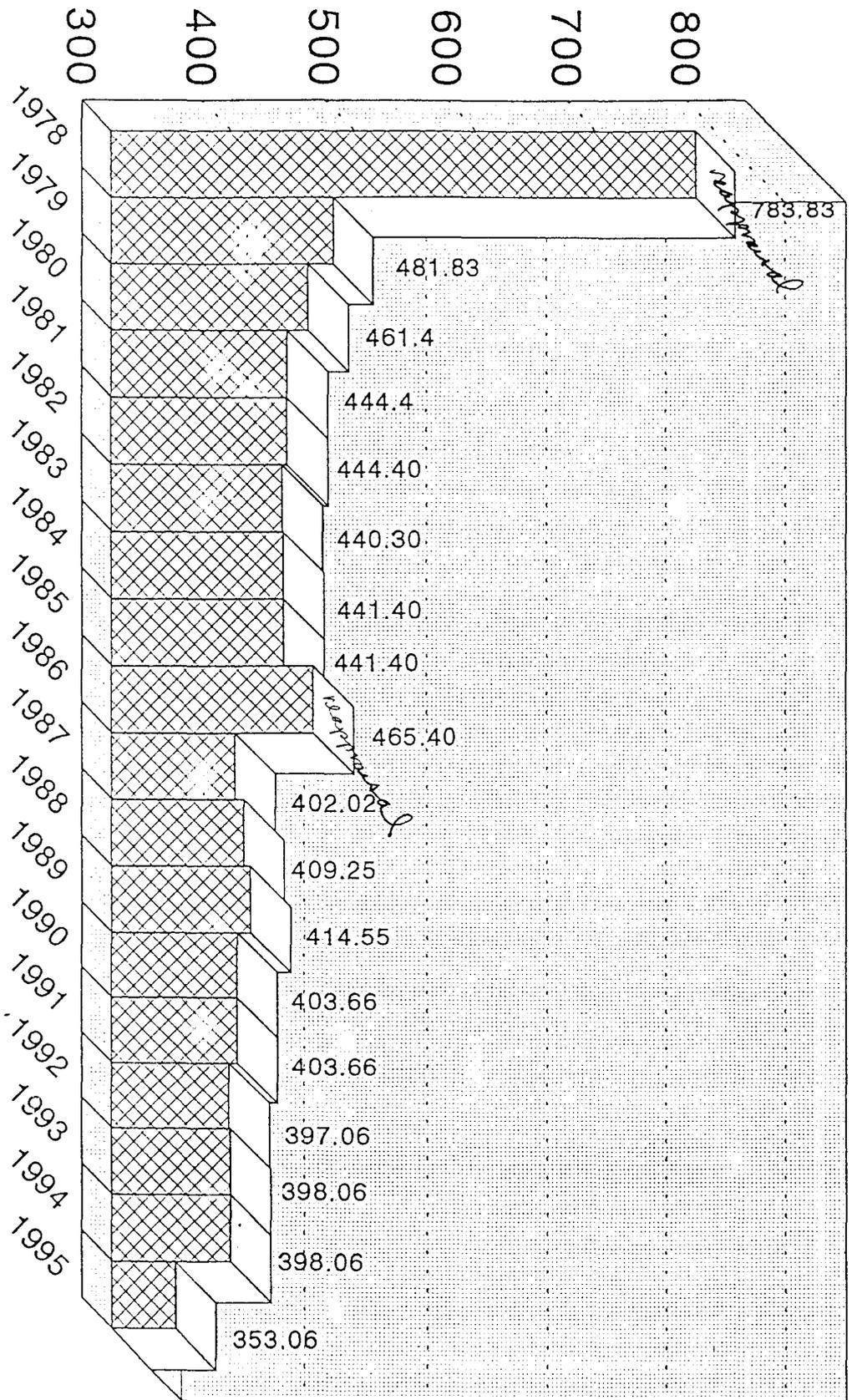
*value
all res. comm. ag. forest & personal property
in state*

- Management Service Bureau**
- computer systems support
 - quality performance & development
 - personnel/training support
 - budget preparation & analysis support
 - word processing/secretarial support

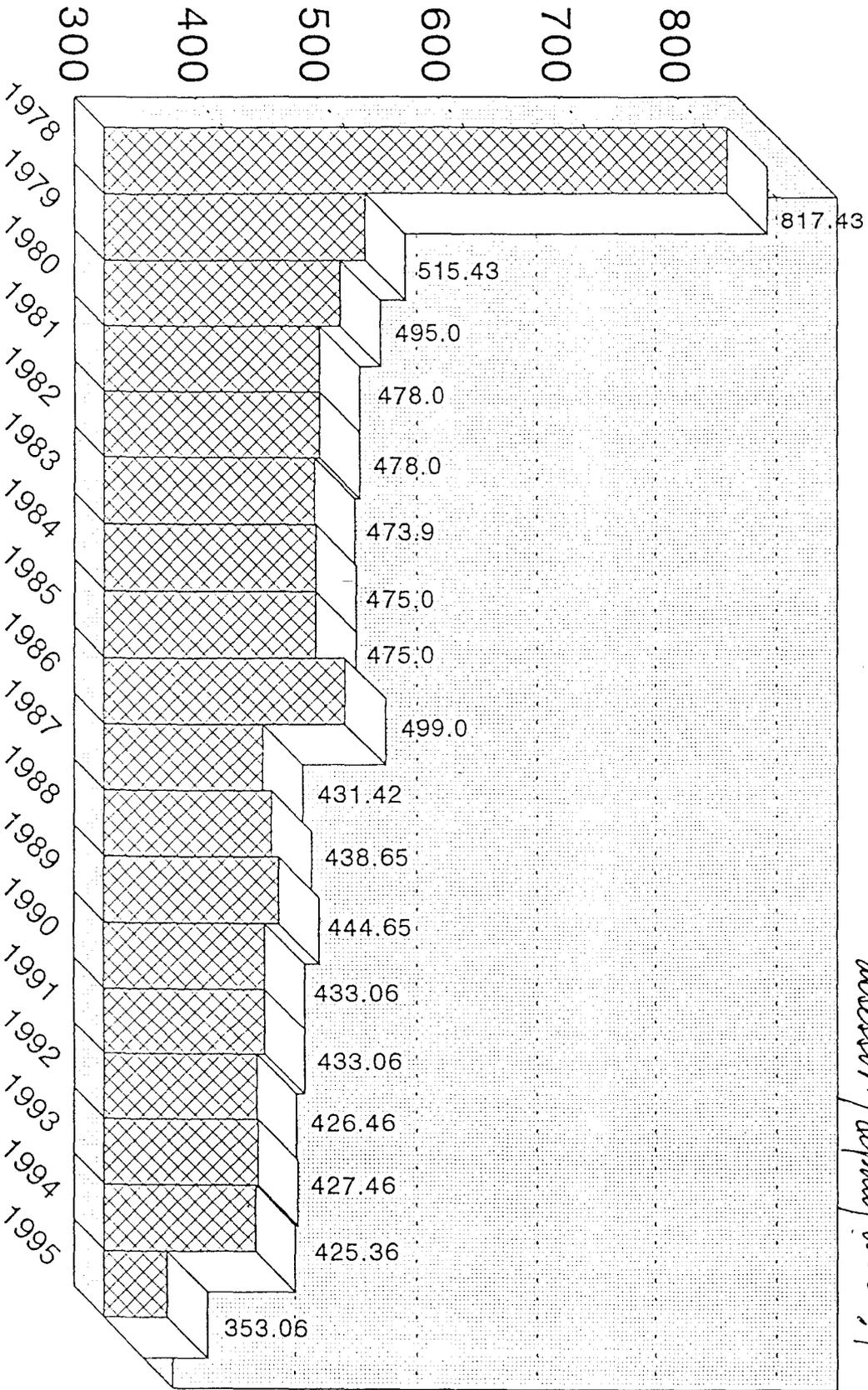
*new reports from DIRM SA
BVL's values pers. prop*

Property Assessment Division

HB2 FTE



Property Assessment Division Number of Employees



HOUSE OF REPRESENTATIVES
VISITORS REGISTER

General Government

SUB-COMMITTEE

DATE 1-12-95

BILL NO. _____

SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	Support	Oppose
Gury Blewett	DOR		
Mary Whittinghill	DOR		
Russ Hyatt	DOR		
Lynn Chenoweth	DOR		

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HR:1993

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