

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
55th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON TAXATION

Call to Order: By Chairman Chase Hibbard, on April 16, 1997, at 8:00 a.m., in Room 437.

ROLL CALL

Members Present:

Rep. Chase Hibbard, Chairman (R)
Rep. Robert R. Story, Jr., Vice Chairman (Majority) (R)
Rep. Robert R. "Bob" Ream, Vice Chairman (Minority) (D)
Rep. Peggy Arnott (R)
Rep. Paul Bankhead (R)
Rep. John C. Bohlinger (R)
Rep. Bill Carey (D)
Rep. Alvin A. Ellis, Jr. (R)
Rep. Marian W. Hanson (R)
Rep. Hal Harper (D)
Rep. Rick Jore (R)
Rep. Scott J. Orr (R)
Rep. Bob Raney (D)
Rep. John "Sam" Rose (R)
Rep. William M. "Bill" Ryan (D)
Rep. Emily Swanson (D)
Rep. Lila V. Taylor (R)
Rep. Jack Wells (R)

Members Excused:

Rep. Dan W. Harrington (D)
Rep. Richard D. Simpkins (R)

Members Absent: None.

Staff Present: Lee Heiman, Legislative Services Division
Donna Grace, Committee Secretary

Committee Business Summary:

Hearing(s) & Date(s) Posted: None.
Executive Action: None.

Chairman Hibbard announced to the Committee that there had been other tax bills which had not been heard before the Committee. Committee Members had expressed an interest in receiving information on these bills. *{Tape: 1; Side: A; Approx. Time Count: 1.0.}*

LC 0882:

Sen. Glaser made some remarks on taxes in general and said changes are made in moments of crises or when facing deadlines. If the Legislature does nothing in this session, the reappraisal will go into effect. In response to that crises, he had met with a group of interested legislators and other persons and in those meetings a tax plan evolved. The bill, LC0882, is outlined in **EXHIBIT 1**. The bill was never introduced because of lack of support from leadership. The only new source of revenue in the bill is a gross receipts tax of 4%. Sen. Glaser commented that there will not be a solution to the tax problem until state-wide levies are abolished. *{Tape: 1; Side: A; Approx. Time Count: 3.8.}*

Questions from Committee Members:

Sen. Glaser responded to questions from Committee Members. *{Tape: 1; Side: A; Approx. Time Count: 17.9; Comments: Questions continued on Tape 2 B.}*

SB 209:

Gordon Morris, Montana Association of Counties, reported on the status of SB 209 which provides for a ban on using property tax for state-wide mills. *{Tape: 1; Side: B; Approx. Time Count: 3.3.}*

Discussion:

Discussion continued on LC 0882. *{Tape: 1; Side: B; Approx. Time Count: 5.6.}*

SB 258:

Gordon Morris, Director, Montana Association of Counties, said the County Commissioners had been working on a tax reform plan since 1988. SB 258 was the result of their deliberations. The bill is outlined in **EXHIBIT 2**. *{Tape: 1; Side: B; Approx. Time Count: 12.6.}*

Vern Peterson, County Commissioner, Fergus County, reported the result of a sales tax survey conducted in the state that indicates a slight majority of the voters would now vote for a sales tax. *{Tape: 1; Side: B; Approx. Time Count: 23.3.}*

Sen. Del Gage said the problem is with the mandatory mills and suggested ways to deal with the situation. **EXHIBIT 3.** {Tape: 2; Side: A; Approx. Time Count: 0.1.}

Discussion:

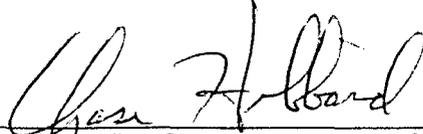
Mr. Morris responded to questions from Committee Members. {Tape: 2; Side: A; Approx. Time Count: 8.4; Comments: The discussion continued on Tape 2 B.}

There were further comments on the impact of a reduction in property tax on income tax, questions on the political aspects of a sales tax, and the possibility of an initiative appearing on the ballot. {Tape:2; Side: B; Approx. Time Count: 7.0.}

{Tape: 2; Side: B; Approx. Time Count: 11.0; Comments: Adjourn.}

ADJOURNMENT

Adjournment: 9:50 a.m.



REP. CHASE HIBBARD, Chairman



DONNA GRACE, Secretary

CH/DG