

TAXATION COMMITTEE  
45TH LEGISLATURE

Rep. Herb Huennekens called the committee to order at 8:00 a.m., January 24, 1977, in room #434, Capitol Building, Helena, Montana. All members were present. Bills to be heard were House Bills 205, 210, 218.

Rep. W. Jay Fabrega, District #44, Cascade County, sponsor of HB 210, explained this act would provide for charges against vacant lots which are benefitted indirectly by storm, sewage, or water systems.

There are 1338 empty city lots in Great Falls. It costs  
HOUSE BILL \$350 per lot to install water, \$325 for sewer, so an \$81  
per year tax for the average lot would amount to \$108,378  
210 in tax revenue. This bill would provide a subdivider  
three years time in which to sell the lots without paying  
taxes on vacant lots.

This bill is provided for the purpose of funding for the expansion of the water plant.

Dan Mizner, League of Cities and Towns, supports this legislation. The cost of delivery of service is coming back on the people who are using the services. There are blocks of just bare lots and then services extend into some others that are in service. Have to go right by the vacant lots when someone pays for the service past them, then the lots are saleable. Have to make some sort of charge for those vacant lots. The people creating the SID are the ones who have to pay for it, and the fellow who had the vacant lot doesn't pay. When he wants to put in service, a charge called an inspection fee is made to see to it that services are connected properly but this doesn't help the people who put the line in. If there were a standby charge on a vacant lot, the owner will have to pay whether he uses the service or not. This would encourage the sale of vacant lots in an orderly fashion. This would not be in line with the charge of the SID paying for installations past the vacant lot. Services would not be connected to lots with tax arrears.

Rep. Sivertsen indicated that municipal services in Montana are water, sewer and gas.

Cliff Christian, Realtors' Association, advises this act would exclude new developers for three years from taxes on vacant lots. The realtors have no objections.

Rep. Bardanouye, District #6, Blaine County, sponsor of HB 205, advised that this act would require all separate storage tanks maintained for gasoline used for highway and off-highway use to be located on the  
premises of the claimant of a gasoline license tax refund  
HOUSE BILL

205 Mr. Nichols, advised in 1973, legislation was passed re-  
garding gas refunds which set up different options whereby  
claimants could apply for refunds. If you have two tanks  
on your ranch, using one for highway and one for non-highway use,  
which is indicated on the bulk sales slip, this would satisfy the gas  
refund requirements. A problem has arisen in the last year or so  
where option #2 is used to show the off-highway tank as showing pur-  
chases at service stations. Is it the intent of this act that

retail slips can be accepted, and let them file for all bulk in the tanks on the farm? There are 3 options now: a percentage deal, option #2, just discussed; and option #3, use and keep a detailed report. When vehicles are used on their own property, farmers can file for a refund showing gallons used on their own property and off their property. Both tanks have to be on the claimant's premises in order to use option #2.

Rep. Bardanouye advised that when a farmer fills up several barrels at one time from a bulk station, he should get a bulk sales slip showing this transaction. Then he can claim a refund on this if used on the farm. This bill would not affect the percentage option.

Rep. Bob Marks, District #80, Jefferson County, sponsor of House Bill 218, advised this bill provides a \$12.00 use fee in lieu of ad valorem assessment and taxation of snowmobiles. It is felt this will make people more honest about registering their snowmobiles. It  
HOUSE BILL is estimated that there are about 100,000 snowmobilers in the state of Montana. Of this fee, \$9 would be returned to the  
218 taxing jurisdictions in which the snowmobile owner resides, \$2 to the Fish and Game Commission for use in enforcing the act and developing snowmobile facilities, and \$1 to the registrar of motor vehicles for administration. The tax-paid decal now issued to snowmobile owners would be replaced by a use-fee decal, indicating that the annual fee had been paid.

This would make less work for the county assessor, and it would be easier for the snowmobilers to go to the county assessor and pay the taxes and everyone would generally be happier with it.

#### OPPONENTS:

Gregg McCurdy, MACo, opposes this bill. He questioned enforcement of this act since there is no penalty. He is curious about the fiscal impact. The figures shown indicate many less registrations than number of snowmobilers that there are in the state. It is felt about 60% of the vehicles are registered at the present time.

#### PROPONENTS:

Ken Hoovestol, Montana Snowmobile Association, Billings, Montana, advised 29 states charge a use-fee in lieu of taxes. Most states charge an average of around \$5 or less. There would be an apparent reduction in taxes paid to the counties, but the intentions are to provide counties with the same amount of money as they had before. See his testimony attached.

Kenneth Clark, Miles City, Montana, is in support of HB 218. People take their snowmobiles out without registering them and pay no taxes. Thinks this should be corrected.

Rep. Marks closed, advising the present law isn't enforced. He believes this bill will provide the counties with as much money as they have been getting.

Questions from the committee brought out whether it would be proposed to tax snowmobiles only on the time used. Rep. Williams recommended putting in a penalty. The Fish and Game checks snowmobiles and

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catches some without decals. This is very poorly enforced.

EXECUTIVE ACTION

HOUSE BILL 205 - Rep. H. Fagg moved to recommend DO PASS. Unanimous approval.

HOUSE BILL 210 - Rep. H. Fagg moved that HB 210 BE TABLED. Unanimous approval.

HOUSE BILL 218 - Rep. E.N. Dassinger moved that HB 218 DO NOT PASS. Rep. Fabrega moved a substitute motion that HB 218 BE TABLED. Vote on this was a roll call vote with an 11 to 4 vote Not to Table. The first motion of DO NOT PASS was approved 9 to 6. Rep. Fabrega made a motion that HB 218 be recommended for consideration by an interim committee. This was unanimously approved.

HOUSE BILL 85 - Rep. Dassinger moved to recommend that action be deferred on HB 85 (livestock assessment lowered by changing from class 3 to class 2). Motion approved.

HOUSE BILL 89 - Rep. Fabrega moved that on page 3, section 1, line 19, strike: "90 days after the due date of the first payment", and insert: "no later than September 30 of the year in which the property is assessed". Amendment was approved unanimously.

Rep. Fabrega moved that an amendment in the title, page 1, line 7, be made by striking "within 120 days of the date of notice of taxes due". Approved by all members present.

Rep. Fabrega moved that the Cannon amendment No.3 be accepted. Rep. Dassinger made a substitute motion to insert into the paragraph following "requests" the words "at the discretion of the county treasurer".

Rep. Huennekens rescinded motions of Rep. Fabrega. The amendment was to strike on page 4, section 1, subsection 4, lines 5 through 10; insert: "(b) The treasurer shall issue the mobile home movement declaration provided for in section 84-6606 to a person required by that section to execute it in such quantities as he requests to a maximum of 100. The treasurer shall issue such additional quantities of the declaration to a maximum of 100 as the person requests at the discretion of the county treasurer, upon receipt from the person of the previously issued declarations properly executed. In any event executed declarations must be delivered to the treasurer within 30 days from their issue."

Rep. Fabrega moved to recommend to the whole House that HOUSE BILL 89, AS SO AMENDED, DO PASS. Unanimously approved.

HOUSE BILL 88 - will be considered in connection with another livestock bill.

HOUSE BILL 141 - After discussion, HB 141 will be deferred until Rep. Fabrega's similar bill is heard.

HOUSE BILL 180 Rep. Verner Bertelsen moved to recommend DO NOT PASS.

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Rep. Steve Waldron made a substitute motion to recommend that HB 180 DO PASS. Rep. Fabrega made a motion to replace all motions pending, recommending HB 180 BE TABLED and recommended that an interim committee study this. 8-6 approval to table.

A subcommittee on HOUSE BILLS 19 and 25 was appointed: Reps. Uhde, Underdal, O'Keefe are to meet with Dennis Burr or Bill Groff and Gorham Swanberg.

HOUSE BILL 194 - Rep. Fabrega moved that HB 194 DO PASS. Rep. Waldron made a substitute motion that HOUSE BILL 194 DO NOT PASS. This motion failed with an 8 to 8 roll call vote. The original motion of DO PASS failed with an 8 to 8 motion also. The bill will be reheard. Rep. Hirsch was absent.

HOUSE BILL 51 - Rep. Fabrega moved that HB 51 DO PASS. Rep. Waldron made a substitute motion that HB 51 DO NOT PASS. Rep. Dassinger moved that on page 1, line 14 material should be added that the tickets will be sold only at liquor stores. This motion failed. The substitute motion of DO NOT PASS was approved by a 12 to 4 roll call vote. O'Keefe passed.

Meeting adjourned at 11:45 a.m.

  
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REP. HERB HUENNEKENS, CHAIRMAN