

TAXATION COMMITTEE
45TH LEGISLATURE

The Taxation Committee was called to order February 15, 1977, at 8:00 a.m. in room #434 of the Capitol Building, Helena, MT, by Rep. Herb Huennekens, Chairman. All members were present with the exception of Rep. Edward Lien who was excused because of conflicting schedules. Bills to be considered are HB 616, 617, and 755.

Rep. Thomas R. Conroy, District #58, Big Horn County, sponsor of HB 755, said this bill rectifies a problem coming from a bill in the Senate last year. HB 755 revises the laws relating to cattle taxation by allowing livestock owners to file an estimated value of their livestock on the assessment day and a current statement of their value at the end of the tax year. The county assessor would then correct the assessment and refund the livestock owner part of the taxes paid, if necessary. The bill provides procedures for the adjustment of taxes and for disputes over the amount of taxes.

HOUSE BILL 755

Mons Teigen, Executive Director of the Montana Stockgrowers, Helena, supports HB 755. One problem was to correct double taxation experienced under the old setup between cattle in feed lots and cattle on the ranch. The other problem was created by changing the date from the first Monday in March to the first day of January. Because of income tax purposes, they would delay marketing until after the first of the year. Stockgrowers Association has supported this bill all along and worked closely with the department and others.

Howard Lord, a rancher at Phillipsburg, thinks this can be best described as an occupational bill which will make an existing law work better and will not shift the tax burden to anyone else. It aims to assess average property held by a rancher for the amount of year he has it, and assess it where the property is located, and for the number of months it is there. Two main sections have to do with solving the problem which came up because it is necessary for assessors and tax computers to have the information at a fairly early date in the year. It would be fine to use the former year's number of cattle, but it is necessary to use an assessment based upon the cattle the cattleman had in the former year. This made for problems with the man going out of business. Now it offers the man going out of business or reducing his cattle numbers a remedy which will solve this problem. The aim is to assess the number of cattle he had in the previous year. This would clean up the problem of migratory cattle taxation.

Zack Stevens, Montana Farm Bureau, says they support HB 755.

John C. Paugh, Jr., Montana Wool Growers, Bozeman, said some people are resisting the tax forms that are required under the new assessment rules. The migratory part of this bill certainly helps this situation. Montana Wool Growers has worked with the DOR on the regulations that are presently being used under the bill enacted two years ago.

There were no opponents.

Rep. Conroy asked the committee chairman to hold HB 755 until a bill from Rep. Day had been considered.

A man with no cattle on assessment day, but who had cattle during the previous year is not liable for taxes on the cattle as long as he is really out of the cattle business.

Mr. Burr, DOR, explained the intent of HB 755 is to clean up assessment of the stock belonging to a fellow who sells his cattle by January 1. There was a great deal of discussion on this bill.

Rep. W. Jay Fabrega, District #44, Cascade County, sponsor of House Bills 616 and 617, advised these bills address a problem wherein the assessor wanted to tax land outside cemetery fences. There is a need for clarification of laws pertaining to lands owned by cemeteries free of taxes. House HOUSE BILLS Bill 616 clarifies the tax-exempt status of nonprofit cemetery associations.

616

and

617

House Bill 617 specifically exempts from all property taxation the real and personal property owned by nonprofit cemetery associations.

Mr. Burr, DOR, advised that the law reads that anything owned by cemeteries that is not being used for burial is not taxable. The cemeteries are handled through a board of trustees.

The committee recessed to an executive session.

Rep. Fagg moved that HOUSE BILLS 616 and 617 DO PASS. This motion was unanimously approved.

HOUSE BILL 527 - Rep. Williams moved that the amendments be adopted as proposed. Rep. Sivertsen moved that in amendment #4, the "limited number" of years be changed to the "specified number". Rep. Fagg moved that "impose the fee" in amendment #5 be deleted. The amendments as amended were adopted unanimously. Rep. Williams moved that HB 527 AS AMENDED DO PASS. They were unanimously adopted. Amendments may be found in Standing Committee Reports in Book #1.

HOUSE BILL 699 - Rep. Fagg moved that HB 699 DO PASS. Rep. Bertelsen moved the proposed amendments be adopted. Adoption was unanimous. So HOUSE BILL 699 was recommended DO PASS AS AMENDED, and the vote was unanimously in favor.

HOUSE BILL 151 - Rep. John Vincent moved that HB 151 DO PASS. Rep. Vincent moved amendments 1, 3 and 4 of the proposed amendments be approved. All members were in favor. So HB 151 AS AMENDED DO PASS recommendation was adopted.

House Bill 728 - Rep. Fagg moved that HB 728 Do Pass. Rep. Vincent moved to amend by striking on page 1, section 1, line 13 "\$1,000", and inserting "twice the exemption for dependents". These amendments were adopted by all members. A motion that wherever "child" appears, the word "dependent" be inserted. This House Bill will be studied by Terry Cohea and amendments written in accordance with the committee's recommendations. Further consideration of HB 728 will be taken.

Meeting adjourned at 10:00 a.m.

Herb Huennekens
REP. HERB HUENNEKENS, CHAIRMAN

Josephine Letti, Secretary