

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

January 19, 1977

The eighth meeting of the Taxation Committee was called to order on the above date in Room 415 of the State Capitol Building by Chairman Mathers at 8:05 a.m.

ROLL CALL: Roll call found all members present.

The following witnesses were present:

Cliff Christian	Mont. Assoc. of Realtors
John LaFaver	Legis. Fiscal Analyst
Norris Nichols	Dept. of Revenue
William Groff	"
Dennis Burr	"
Bob Corcoran	"
Larry Hess	Mont. Auto Dealers Assoc.
Stephen Turkiewicz	Mont. Assoc. of Counties

Chairman Mathers called the attention of the committee to the two bills being heard today, SB79 and 59 and presented Sen. Regan.

CONSIDERATION OF SENATE BILL 79: Sen. Regan presented her bill which she said was a simple bill and would make it unnecessary for car owners whose cars use diesel fuel, to file an application or pay the fee for a dealers' license, which is the present requirement for those using such fuel. She then introduced Mr. Nichols who said at present an individual having a car which burns such fuel must apply for the license and also must file monthly returns. He mentioned that the Department's cost in processing such returns was more than the small amount of moneys that were returned to them in such fuel tax. Mr. Corcoran said that this legislation was the result of studying similar regulations from California, but this was greatly simplified. He said there were possibilities that complications might arise from this law but that the laws could be amended quite simply, should they occur. He mentioned in particular if pickup trucks were to be manufactured that also burned diesel fuel, it could cause problems. Mr. Hess agreed with previous testimony and urged passage of the bill.

Chairman Mathers then asked for other witnesses and there being none, permitted questions by the committee. Sen. Turnage asked if there would be problems in an individual using the fuel for other than his car usage, and ensuing enforcement problems by the Department, but it was thought such situations would not be a serious problem at this time.

DISPOSITION: Senator Turnage made the Motion that Senate Bill 79 Do Pass. The motion was seconded by Sen. Goodover; mo-

tion carried.

CONSIDERATION OF SENATE BILL 59: Sen. Goodover then presented his bill which was to repeal the realty transfer act, citing as most important, a number of inequities he felt the present act contains. He referred specifically to the fact that home owners must make the reports of transfer and not those selling agricultural land. He stated also that the Department of Revenue uses reports of such transfers as bases for their appraisal program and felt that in some impact areas a true picture of the property is not possible, since industry moves in, purchases homes at over-market-value and then perhaps several years later the homes are again on the market. Then however, they are at much lower values as the industry may have moved to another location.

Concurring with Sen. Goodover's testimony was Mr. Christian, citing inflated values in certain areas of the state. He was also concerned that information could be taken from the certificate of transfer, information that should be considered as confidential. Mr. Turkiewicz stated he would like to go on record as being in favor of the act as well.

Chairman Mathers then asked for additional proponents of the bill and there being none, permitted opponents to be heard, the first of which was Mr. Burr. He related to the committee the method by which the Department arrives at the appraisal value of homes, using construction costs, age of home, condition, location of lot and a number of other factors, as well as the market value, or sale price, before determining appraised value. He said the county assessors sight-value property first; the property is not appraised solely by market value. He further stated that contrary to Sen. Goodover's question, agricultural land is not assessed or appraised at sale or market value, but rather by its productivity. He continued, saying by having all the information mentioned, the Department can come up with the proper adjustment across the state, taking into consideration inflationary prices from impact areas.

The Chairman then called for other witnesses and there being none, Sen. Goodover made his closing remarks. Considerable discussion followed this, with Sen. Turnage consulting the codes in order to determine the intent of the act in original legislation. Mr. Burr, Mr. Groff, Roger Tippy and members of the committee discussed the bill at some length with some input also from Mr. LaFaver.

Following this discussion the Chairman announced the next meetings of the Taxation Committee and due to other scheduled meetings, stated no executive action would be taken on this bill.

ADJOURNMENT: Sen. Towe moved the meeting adjourn, seconded by Sen. Norman. The motion carried.

Mathers

SEN.
BILL 59, 79

SENATE TAXATION COMMITTEE

VISITORS' REGISTER

DATE 4/19/77

NAME	REPRESENTING	BILL #	(check one)	
			SUPPORT	OPPOSE
Cliff Christian	MT ASSN OF REALTORS	59	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tom LaFaver				
Monie Nichols	Dept of Revenue	79	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bob Curran	Dept of Revenue	79	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sam [unclear]	Mont. Auto Dealers Assn	79	<input checked="" type="checkbox"/>	<input type="checkbox"/>
[unclear]	Mont. Assn of Counties	59	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WM. GROFF	Dept - REU.			
DENNIS BURB	" "			

STANDING COMMITTEE REPORT

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MR. ~~PRESIDENT~~

We, your committee on **TAXATION**

having had under consideration **SENATE BILL** Bill No. **79**

Respectfully report as follows: That **SENATE** Bill No. **79**



DO PASS