

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

February 10, 1977

The twenty-first 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 8:10 a.m.

ROLL CALL: Roll call found all of the members present with the exception of Sen. Healy who arrived later in the meeting.

The following witnesses were present:

Edward W. Nelson
Bob Gannan
Steve Turkiewicz
Tom Winsor

Mont. Taxpayers Assoc.
Montana Power
Mont. Assoc. of Counties
Montana Chamber

CONSIDERATION OF SENATE BILL 350: Sen. Stevens, Dist. 4, said the proposal is embodied in Class 9 of the Montana codes, and present law is part of MELDA. He said since there is some concern about the future of MELDA, it is hoped that this legislation will hold that class. He introduced Mr. Nelson who said although it is a short bill it would have significant impact. It was hoped through this bill there could be protection for some of the best features of MELDA, and too, if you are trying to encourage economic growth and you look at Class 7, the businessman in Montana does not have opportunity to do what a business coming from out of state will receive. One criticism is that it does not cover homeowners property, farmers and ranchers and main street business.

Chairman Mathers asked for testimony from other proponents or opponents and following, permitted questions from the committee. The question was asked if there was any reason why residential property could not be included in the bill and discussed also if the legislation would cover remodeled residences as well as new.

CONSIDERATION OF SENATE BILL 348: Sen Murray, Dist. 50, presented his bill and said it would permit corporations to deduct from their license tax cost of solar energy research and development. He said there has been considerable research in this field and in order to encourage development of such systems, he felt it necessary to grant some exemption to firms involved in the project. Mr. Gannan said his company supports the legislation and rather than have rate payers pay the costs of such research, he felt that tax incentives such as the proposal would encourage further, the research. Mr. Winsor also testified in favor of the bill.

Chairman Mathers asked for other proponents of the bill, or opponents and there were none. Sen. Murray said he had nothing further to add to his presentation.

The committee asked a number of questions of both Sen. Murray and Mr. Gannan. There followed a general discussion on encouraging homeowners to install such equipment, and tax incentives being granted to them. They looked again at SB167 which is a similar bill, also to give incentives to residence owners who install such equipment in their homes, to encourage energy conservation, research. They also discussed wind generating systems and thought they too should be included in the legislation.

After discussion on the bill, the Chairman asked if they wished to take action on the bill and the committee agreed.

DISPOSITION: Sen. Norman Moved SB348 Do Not Pass. The motion was seconded by Sen. Turnage and motion carried by a 6-2 vote, see attached roll call vote.

The committee agreed, after some additional discussion, the the Standing Committee Report on SB348 be held until the committee had a chance to work out SB167.

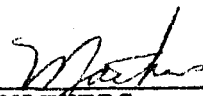
Sen. Turnage made a motion to this effect and the motion carried.

The Chairman then directed the committee's attention to SB212, previously heard and discussed the bill again. Sen. Manning contributed information to the committee concerning the mine in question, Knife River Mine near Savage. He said he had seen the kind of coal being mined there and notice it to be of a very inferior quality, apparently with much soil mixed in the coal. For this reason he said MDU had greater problems with ash, refuse from the burned coal, thus increased costs in their pollution efforts.

DISPOSITION: Sen. Turnage Moved SB212 Do Not Pass. The motion was seconded, and carried by a 7-3 vote, see attached roll call vote.

Following a brief discussion the Chairman asked for a motion to adjourn.

ADJOURN: Sen. Turnage moved the meeting adjourn. The motion was seconded and carried unanimously.


WILLIAM MATHERS

CHAIRMAN

SENATE TAXATION COMMITTEE

SENATE TAXATION COMMITTEE

BILL 348, 350

VISITORS' REGISTER

DATE 2/10/77

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

SENATE COMMITTEE TAXATION

Date 2/10 Sen. Bill No. 348 Time 9:00

| NAME | YES | NO |
|------------------|-----------------------|----|
| SEN. WATT | ✓ | |
| SEN. BROWN | ✓ | |
| SEN. GOODOVER | <i>change vote</i> ✕✕ | ✓ |
| SEN. HEALY | | |
| SEN. MANNING | | |
| SEN. NORMAN | ✓ | |
| SEN. ROSKIE | ✓ | |
| SEN. TOWE | | ✓ |
| SEN. TURNAGE | ✓ | |
| CHAIRMAN MATHERS | | ✓ |
| | 6 | 2 |

Nita Fjeseth
Secretary

William L. Mathers
Chairman

Motion: Motion - do Not Pass

(include enough information on motion--put with yellow copy of committee report.)

1608

SENATE COMMITTEE TAXATION

Date 2/10/77 Sen. Bill No. 212 Time _____

| NAME | YES | NO |
|------------------|-----|----|
| SEN. WATT | ✓ | |
| SEN. BROWN | | ✓ |
| SEN. GOODOVER | ✓ | |
| SEN. HEALY | ✓ | |
| SEN. MANNING | ✓ | |
| SEN. NORMAN | | ✓ |
| SEN. ROSKIE | ✓ | |
| SEN. TOWE | | ✓ |
| SEN. TURNAGE | ✓ | |
| CHAIRMAN MATHERS | ✓ | |
| | | |
| | 7 | 3 |

Nita Fjeseth
Secretary

William L. Mathers
Chairman

Motion: do Not Pass

(include enough information on motion--put with yellow copy of committee report.)

STANDING COMMITTEE REPORT

February 10 19 77

MR. PRESIDENT

We, your committee on TAXATION

having had under consideration SENATE Bill No. 212

Respectfully report as follows: That SENATE Bill No. 212

DO NOT PASS
~~DO PASS~~

GR