

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
MONTANA STATE SENATE

February 23, 1977

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

ROLL CALL: Roll call found all of the members present.

The following witnesses were present:

H. J. Anderson	Dept. of Highways
James Beck	"
John Prebil	"
Phil Hauck	Dept. of Admin.
H. S. Hanson	Mont. Tech. Council
Peter C. Pauly	Mont-Dakota Util.

CONSIDERATION OF SENATE BILL 435: Sen. Towe said his bill relates to energy conservation and was a result of studies of the Montana Energy Advisory Council. He mentioned five House bills that dealt with the same problem: HB754, 426, 701, 430 and 204, and said he believed the aims of all such legislation should be concentrated in one department, suggesting the Dept. of Natural Resources. He thought also some of the proposals in the legislation should be scaled down somewhat and stated that if the program was not placed with the DNR it could be concentrated in another particular department in order to better coordinate efforts.

The Chairman asked for other proponents or opponents of the bill and first to speak as an opponent was Mr. Hauk. He said he felt this was a duplication of effort as some of the projects are now being handled by the Department of Administration. He also said the Department is now in the process of trying to consolidate all agencies in the state that deal with some of the problems aimed at in SB435. He asked the committee that if they were to consider the bill they omit the first 3 paragraphs of section 1, as he felt this was definite duplication of effort. Mr. Hanson also spoke in opposition to the bill, saying he felt the thrust of the bill is divided. Mr. Pauly also opposed the bill as he felt the DNR and PSC are already doing the studies recommended in the bill.

Chairman Mathers called for other witnesses and there being none, permitted Sen. Towe to close. Sen. Towe said the purpose of his bill was to do what the opponents said it would not - to consolidate all efforts within the state towards energy conservation and research. The Chairman then permitted questions by the committee. Following brief discussion, Chairman Mathers pointed out that section 4 of the bill makes it an appropria-

tion measure and this cannot be introduced in the Senate, but must originate in the House. There followed discussion on this point and it was determined that SB435 then, with section 4, could not be passed out. Mr. Tippy also contributed to the discussion in regard to the state becoming 'too dependent' on the coal tax funds in relation to funding programs of the state.

Sen. Watt then moved that the committee hold SB435 with the idea of amending it in one of the House bills that will be coming over. His motion was carried.

The Chairman stated that Sen. Fasbender was to have presented SB424 at this meeting, but had found a great number of problems in it and asked that it be held and left to die in committee.

Chairman Mathers then introduced Mr. Anderson, Director of the Highway Department, and asked him for further information in regard to SB193 which the committee had amended and passed out February 22. Mr. Anderson distributed a copy of the Department's budgeting, see Exh. #1, attached, in order that the committee might form an opinion as to whether or not the Department should continue to receive the new car sales tax as is specified in SB193. In their discussion of February 22, several of the committee members contemplated amending the bill to give the counties this tax but agreed additional information was needed before making such an amendment; the amendment was to have been made from the floor. The Highway Department was represented by Mr. Anderson, Mr. Beck and Mr. Prebil, all of whom presented testimony concerning the need of the Department for the new car sales tax. They presented figures which showed their budget, the road-building funds accumulated, and gave evidence to show their need for the continuance of the tax moneys to the Department.

The committee also had requested Mr. Burr of the Department of Revenue to be present at this meeting in order to question him regarding the distribution formula used in returning the revenues collected by the fee schedule to the counties.

Following discussion of this schedule and formula, the Chairman asked the committee to again consider SB74 which had been heard previously by the committee. HB630 is coming over and Mr. Tippy explained to the committee what this bill attempts to do. The committee then decided to move SB74 out.

DISPOSITION: Sen. Turnage Moved SB74 Do Pass. A roll call vote was taken which resulted in a 5-5 tie vote, see attached roll call, thus the bill comes out of the committee with a WITHOUT RECOMMENDATION decision.

Following this disposition, the committee adjourned.

*Mathers*



SEN. 424, 435  
BILL

DATE 2/23

(check one)

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

SENATE COMMITTEE TAXATION

Date 2/23 Sen. Bill No. 74 Time 9:15

NAME	YES	NO
SEN. WATT		✓
SEN. BROWN	✓	
SEN. GOODOVER		✓
SEN. HEALY		✓
SEN. MANNING	✓	
SEN. NORMAN	✓	
SEN. ROSKIE		✓
SEN. TOWE		✓
SEN. TURNAGE	✓	
CHAIRMAN MATHERS	✓	
	5	5

Nita Fjeseth  
Secretary

William L. Mathers  
Chairman

Motion: do Pass

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

SENATE COMMITTEE TAXATION

Date 2/23 Sen Bill No. 408 Time 9:30

NAME	YES	NO
SEN. WATT	✓	
SEN. BROWN	✓	
SEN. GOODOVER	✓	
SEN. HEALY		✓
SEN. MANNING	✓	
SEN. NORMAN	✓	
SEN. ROSKIE	✓	
SEN. TOWE	<i>abstain</i>	
SEN. TURNAGE	✓	
CHAIRMAN MATHERS	✓	
	8	1

Nita Fjeseth  
Secretary

William L. Mathers  
Chairman

Motion: do Not Pass

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

Elected Officials Subcommittee

Department of Highways - Decisions

	<u>Fiscal 1978</u>	<u>Fiscal 1979</u>
<u>General Operations</u>		
Personal Services	\$ 3,468,086	\$ 3,524,413
Ops & Capital	<u>2,546,470</u>	<u>2,706,638</u>
Total	6,014,556	6,231,051
ERA	4,469,360	4,603,828
Federal	1,545,196	1,627,223
<u>Travel Promotion</u>		
Personal Services	123,120	125,088
Ops & Capital	<u>511,311</u>	<u>511,943</u>
ERA Total	634,431	637,031
<u>Motor Pool</u>		
Total RF	628,677	655,573
<u>Equipment Bureau</u>		
Personal Services	2,151,541	2,198,405
Ops & Capital	<u>4,398,592</u>	<u>4,712,642</u>
Total	6,550,133	6,911,047
RF	5,550,133	5,911,047
ERA	1,000,000	1,000,000
<u>Construction</u>		
Personal Services	11,688,131	11,715,420
Ops & Capital	75,181,353	70,223,668
Non-Ops	<u>180,000</u>	<u>180,000</u>
Total	87,049,484	82,119,088
ERA	20,688,401	19,001,785
Coal ERA	3,839,144	5,653,355
Federal	62,521,939	57,463,948

# STANDING COMMITTEE REPORT

.....February 23..... 19 77.

MR. ....PRESIDENT.....

We, your committee on .....TAXATION.....

having had under consideration .....SENATE..... Bill No. 74.....

Respectfully report as follows: That.....SENATE..... Bill No. 74.....

WITHOUT RECOMMENDATION  
~~DO PASS~~



# STANDING COMMITTEE REPORT

February 23 19 77

MR. PRESIDENT

We, your committee on TAXATION

having had under consideration SENATE Bill No. 408

Respectfully report as follows: That SENATE Bill No. 408

DO NOT PASS

~~DO PASS~~