

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
MONTANA STATE SENATE

March 16, 1977

The forty-fourth meeting of the Taxation Committee was called to order on the above date by Chairman Mathers in Room 415 of the State Capitol Building at 8:10 a.m.

ROLL CALL: Several of the members were unavoidably detained but all present by the latter part of the meeting.

The following witnesses were present:

Howard T. Vralsted	Dept. of Revenue
Ken Travis	Mont. Private Employment Agency
But Clem	"
John Bell	Private Employment Agency
Ernie Post	AFL-CIO Committee

CONSIDERATION OF HOUSE BILL 516: Rep. Underdal said this bill merely changes the method of crediting interest and other income from oil producers' license tax to the board of Oil and Gas Conservation. He said the Fiscal Note showed the effect would be about \$3,000 so the loss to the General Fund would be quite negligible. Mr. Allen also spoke as a proponent of the bill, saying he felt it was a clean-up bill and should be passed.

The Chairman called for other proponents or opponents and as there were none, the committee asked a number of questions, discussed the bill and agreed that it should not have an immediate effective date as this appeared to cause considerable problems.

Sen. Towe Moved to Delete the Effective Date in both the Title and Body of the bill. His motion carried unanimously.

DISPOSITION: Sen. Watt Moved HB516 As Amended, Be Concurred In. The motion carried unanimously.

CONSIDERATION OF HOUSE BILL 104: Rep. Bertelsen introduced this bill which was also a simple bill and increased the gross income limitations which establish liability for filing tax returns. There were no other witnesses to testify for or against the bill.

DISPOSITION: Sen. Brown Moved HB104 Be Concurred In. The motion carried.

CONSIDERATION OF HOUSE BILL 743: Rep. Ramirez of Dist. 64 presented this bill which would allow workers who use a private employment agency to obtain employment to deduct the agency's fee from their income tax. He said he felt this would be a greater incentive to the workers to look harder for employment. The bill would be limited to those workers who were being employed for the first time; to those going into a new trade; and to those who had a break in their employment. Mr. Bell spoke on the bill also as

a proponent and said he felt the Fiscal Note was in error and that it would not cost as much as stated therein. He thought that although this would cost the General Fund some money, it would be more than made up for by the reduction in welfare or unemployment costs. Mr. Clem said he felt this legislation could have a major effect on unemployment in the state.

Chairman Mathers called for other proponents and there being none, opponents were permitted to testify. Mr. Post stated he thought it was a bad bill as it lured the unemployed worker to the private employment agencies whereas they could go to the state employment offices and sign up for employment without a fee. He thought workers should be encouraged to use the free agencies that are available rather than go to the private agencies at great cost to the employee.

The Chairman asked for other proponents or opponents and following, for questions from the committee. It was brought out during the discussion that followed that the fees charged by the private agencies are set by statute and vary from 30 to 75% of the first month's wage. This Exh. #2, was introduced as evidence. Chairman Mathers attempted to direct the committee to consider the bill's intent, that of deducting such fee, rather than concern themselves with the amount of the fee, upon which the discussion was evolving at this point.

Considerable discussion followed with input from the committee, concerning the fact that the employment office of the state also receive Federal funding, part of everyone's tax dollar. Mr. Bell said if private agencies didn't serve a useful purpose they wouldn't be in business. He further said nonprofessional workers tended to use the facilities of the state offices, whereas professional people were more readily contacted through the private employment agencies. The point was made that anyone who wished could go to the state agencies and if the private agencies could compete with them, they were then performing a useful service. Following this discussion, the committee chose to move the bill.

DISPOSITION: Sen. Turnage Moved HB743 Be Not Concurred In. A roll call vote was taken which resulted in a 5-3 vote, thus the motion carried.

The committee then directed their attention to HB412 which had been heard at a previous meeting. Sen. Watt said he had received numerous calls concerning this bill, as had others of the committee. They discussed the testimony given when the bill was presented and felt the arguments of the opponents were sound as the tax would appear to be discriminatory to some companies.

DISPOSITION: Sen. Norman Moved HB412 Be Not Concurred In. A roll call vote was taken and the motion carried 9-0. Sen. Towe abstained from voting.

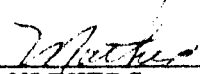
The committee then discussed SB211 which had been passed out of the committee on March 15, at the afternoon meeting. Sen. Towe said he now had amendments prepared for the committee's consideration and with their approval, would present them.

Sen. Towe then made a motion that the committee reconsider their actions of March 15, in regard to SB211. A roll call vote was taken on this and the 6-4 vote indicated motion carried.

He then presented the amendments he had prepared, explaining the changes. He Moved the Amendments to SB211, see attached duplicate of SB211, with the amendments in place. His motion carried by a 7-3 vote, roll call vote taken.

DISPOSITION: Sen. Towe then Moved SB211 As Amended, Do Pass. A roll call vote was again taken which resulted in the motion carrying by a 7-3 vote.

Following disposition of this last Senate bill, the meeting was adjourned.

  
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WILLIAM MATHERS

CHAIRMAN

ROLL CALL

SENATE TAXATION COMMITTEE

45th LEGISLATIVE SESSION - - 1977

Date 3/16/77

NAME	PRESENT	ABSENT	EXCUSED
SEN. WATT	✓		
SEN. BROWN	✓		
SEN. GOODOVER (late)	✓		
SEN. HEALY	✓		
SEN. MANNING	✓		
SEN. NORMAN	✓		
SEN. ROSKIE	✓		
SEN. TOWE	✓		
SEN. TURNAGE (late)	✓		
CHAIRMAN MATHERS	✓		

3/16/77

COMMITTEE ON

# TAXATION

# VISITORS' REGISTER

[illegible]

SENATE COMMITTEE TAXATION

Date 3/16/77 House Bill No. 743 Time 9:00 a.m.

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

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Nita Fjeseth  
Secretary

William L. Mathers  
Chairman

Motion: Be Not Done.

Carried  
Motion

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

SENATE COMMITTEE TAXATION

Date 3/16/77 7h Bill No. 412 Time 9:20

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

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Nita Fjeseth  
Secretary

William L. Mathers  
Chairman

Motion: Be Not Conc.

*Motion Carried*

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

SENATE COMMITTEE TAXATION

Date 3/16 Sen. Bill No. 211 Time 9:15

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

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Nita Fjeseth  
Secretary

William L. Mathers  
Chairman

Motion: To Reconsider Action  
of Committee on Mar. 15th

Motion Carried

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



SENATE COMMITTEE TAXATION

Date 3/16 Sen. Bill No. 211 Time 9:20

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

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Nita Fjeseth  
Secretary

William L. Mathers  
Chairman

Motion: Amends as on E & H

Motion Carried

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

SENATE COMMITTEE TAXATION

Date 3/16 Sen. Bill No. 211 Time 9:25

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

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Nita Fjeseth  
Secretary

William L. Mathers  
Chairman

Motion: As Am do Pass

Amend #1

Amend #2

Motion Carried

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