

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
MONTANA STATE SENATE

March 26, 1977

The fifty-fifth meeting of the Taxation Committee was called to order on the above date at 8:10 a.m. by Chairman Mathers.

ROLL CALL: Roll call found Sens. Towe, Brown and Roskie absent, excused.

The following witnesses were present:

Carter Picotte  
Walter G. Taylor  
George Nig McGrath  
Gregg L. McCurdy  
Bob Gannon

M.D.U.  
Missoula Sr. Citizen  
Silver Bow County  
Mont. Assoc. of Counties  
Montana Power

CONSIDERATION OF HOUSE BILL 215: Rep. Palmer said this was an act to revise eligibility for Class 8 property. He said the bill gives the inflationary rate to the requirement and provides some relief to those most in need of such tax breaks. Mr. Taylor spoke also as a proponent of the bill, as amended. He said he felt this modest increase in the income of those meeting requirements was in line with the inflationary times. Mr. Field, city manager of Helena, said he was also strongly supportive of the bill as he felt senior citizens in particular needed a tax break. Mr. McGrath too was in support of the bill and said many people are just getting by and he knew that other county assessors throughout the state are supporting this measure as well, as they know many people who do need this kind of a break.

Mr. McCurdy said he must oppose the legislation only because it is another way of chinking away at property taxes for local government units.

The Chairman called for other proponents or opponents and permitted Rep. Palmer to close his testimony. Rep. Palmer said he realized this bill will take some money out of local governments, but he did feel this was a modest request. He said he hated to cause erosion of the tax base of the local governments, but did feel this was a segment of the population that needed help. Many older people have had to sell their homes because of taxes, homes in which they had lived for many years, and he did feel there was justification in his bill if it would help these individuals save their homes.

Chairman Mathers opened the meeting for questions and the Fiscal Note was referred to, a revised F.N., in an effort to determine the cost of such legislation. Following this discussion, the hearing on HB215 was closed.

CONSIDERATION OF HOUSE BILL 198: Rep. Quilici, Dist. 84, said his bill will change the method of taxing non-ferrous metals. Over a period of the last 20 years he said there have been no net proceeds tax on these metals and this bill would tax the metals instead

with an ad valorem tax on the gross proceeds in order that the county government may know what amount of tax they will receive and can plan their budgets accordingly. Mr. McGrath stated he had helped work on this bill for 3 or 4 years and thought it imperative this legislation be adopted. He said they had lost as much as 30% of taxes in a year, and thus could not set school budgets or county budgets ahead, because of the fluctuating tax. Mr. Lynch said he had no objection to raising the exemption to 20,000 tons. There is at present an exclusion for small miners, and he felt it important that these small miners be kept in mind when the committee considered this bill, and since a gross proceeds might be 'disastrous to the small miners,' he asked that the exemptions be raised.

Chairman Mathers asked for other proponents or opponents and as there were none, Rep Quilici closed stating he felt this kind of legislation would benefit the mining industry in the state. The committee then asked several questions and it was brought out that as the price of copper raises, valuation will raise and as production raises, the taxable values will also raise. This concluded the hearing on HB198.

The committee then discussed HB70 and the amendments prepared by Mr. Tippy. They were presented with Exh. #2, which contained some of the amendments they had considered at a previous meeting. They went through these amendments, making several minor changes, and discussed them further. Sen. Turnage proposed an amendment that would limit local governments to the amount of budget increase they could enact and this was written into the amendments as well. They felt that some local government units would need no increase at all, considering normal development and natural growth. They also moved to adopt the amendment introduced by MDU and Montana Power companies. Judge Bennett had ruled their transformers, etc., were not to be centrally assessed, according to Mr. Gannon, and in view of this they introduced Exh. #3, which the committee also adopted. Rep Fabrega also had an amendment to change the mill levy on page 110, line 5, from 1 mill to 3 mills.

Sen. Goodover Moved the Adoption of amendments in Exh. #2, including Sen. Turnage's limits on local governments' mill levy restriction of 105% of previous year's budget. His motion carried unanimously.

Sen. Turnage Moved Adoption of Montana Power, MDU amendment, page 22, lines 19 through 21. This motion carried unanimously.

Sen. Watt Moved Adoption of amendment of Rep. Fabrega, see above. The motion also carried unanimously.

Mr. Tippy then pointed out that new language would have to follow the last section before the repealer in the bill also, and he was instructed to draw up such an amendment.

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Sen. Turnage asked about the duration of the amendments and it was felt necessary to amend these amendments to be sure the '79 Legislature would act so language was deleted from Exh. #2, see attached with deletion.

Sen. Turnage Moved Adoption of this Amendment. His motion carried unanimously.

DISPOSITION: Sen. Turnage then Moved HB70 as Amended, Be Concurred In. His motion was seconded by Sen. Watt and the motion carried unanimously. Note for the record the absence of Sens. Towe, Brown and Roskie.

The meeting then adjourned until Monday, March 28th.

*W. Mathers*  
\_\_\_\_\_  
WILLIAM MATHERS

CHAIRMAN



DATE 3/26/71

| NAME               | REPRESENTING             | BILL # | (check one)                         |                          |
|--------------------|--------------------------|--------|-------------------------------------|--------------------------|
|                    |                          |        | SUPPORT                             | OPPOSE                   |
| Carter Picotte     | MDU                      | HB 70  | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Walter J. Taylor   | Missoula Senior Citizens | HB 215 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| George Nig McSheth | Selma Bow County         | NB 198 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Gregg L. McCurdy   | MT ASSN. OF COUNTIES     | HB 215 | <input type="checkbox"/>            | <input type="checkbox"/> |
| Bob Gannon         | Montana Power            | HB 70  | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Exhibit #2 70

①

Class 11 Amend page 20, section 12, line 17.  
Following: "value"  
Insert: ", or so much of 12% as is determined under  
84-309, whichever is less"

②

Class 15 Amend page 24, section 16, line 25.  
Following: "value"  
Insert: ", or in the case of property classified under  
(1) (b) of this section, so much of 6% as is determined  
under 84-309, whichever is less"

page 25 lines 1-3  
delete this  
"Mobile  
machines"

③

Class 18 Amend page 30, section 19, line 11.  
Following: "value"  
Insert: ", or in the case of property classified under  
(1) (a) of this section, so much of 2.8% as is determined  
under 84-309, whichever is less"

④

Amend page 123, line 17.  
Following: line 17  
Insert: "Section 71. There is a new R.C.M. section  
numbered 84-309 that reads as follows:  
"84-309. Reappraised real property -- limitation on  
increased appraisals -- table of taxable percentages.

(1) The director of revenue shall certify to the governor,  
before June 30, 1978, the percentage by which the market value  
of all property in the state classified under sections  
84-301.12, 84-301.16 (1) (b), and 84-301.19 (1) (a) as of  
January 1, 1977 has increased due to the revaluation conducted  
under 84-429.14. This figure is the "certified statewide  
percentage increase."

(2) The taxable value of property in these three classes [for  
calendar years 1978 and 1979] is determined as a function of  
the certified statewide percentage increase in accordance  
with the following table:

| Certified statewide<br>percentage increase | 84-301.12 | 84-301.16 | 84-301.19 |
|--|-----------|-----------|-----------|
|  |           | (1) (b)   | (1) (a)   |

delete

Amend  
#5

Adapted

1st column

|    |       |
|----|-------|
| 0  |       |
| 1% | 11.89 |
| 2% | 11.79 |
| 3% | 11.69 |
| 4% | 11.58 |
| 5  | 11.49 |
| 6  | 11.39 |
| 7  | 11.29 |
| 8  | 11.20 |
| 9  | 11.11 |
| 10 | 11.02 |
| 11 | 10.93 |
| 12 | 10.84 |
| 13 | 10.76 |
| 14 | 10.67 |
| 15 | 10.59 |
| 16 | 10.51 |
| 17 | 10.43 |
| 18 | 10.35 |
| 19 | 10.28 |
| 20 | 10.20 |
| 21 | 10.13 |
| 22 | 10.05 |

HOUDE BILL 70, third reading

1. Amend page 18, line 18.

Following: "tools"

Strike: "and implements included in Class 14;"

Insert: ", implements and machinery included in Class 14;"

Eph. #2

2. Amend page 22, line 19 through 21.

Following: line 18

Strike: line 19 through 21 in their entirety

Insert: "(c) electric transformers and meters, electric light and power substation machinery, and natural gas measuring and regulating station equipment, meters, and compressor station machinery owned by centrally assessed public utilities, and tools used in the repair and maintenance of the property included in this subsection."

Adapted

Amend page 110, line 5

Strike 1 mill

Insert: 3 mills

Adapted

~~Amend page 123 - L 18, 19, 20~~