

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
MONTANA STATE SENATE

April 6, 1977

The sixty-third meeting of the committee was called to order on the above date in Room 415 of the Capitol Building by Chairman Mathers.

ROLL CALL: Roll call found all members present

The following witnesses were present:

Jack Smith	Self
Mons Teigen	Mont. Stockgrowers & Woolgrowers
Martin Settle	Self
Phillip Chevalier	"
Edw. Nelson	Mont. Taxpayers Assoc.
Donald Burnham	M.S.A.
Craig Winterhern	Self
Tom Winsor	Mont. C of C
Gregg McCurdy	Mont. Assoc of Counties

CONSIDERATION OF HB 85: Rep. Dassinger, Dist. 50, said the bill takes cattle out of Class 3 and puts them into Class 2 which changes the rate of taxation from 33 1/3% to 20%. He said approximately 1/2 of the states do not have any taxation of livestock, but the main intent of this legislation is to attempt to obtain equalization with other farm-ranch related stock. Mr. Teigen also spoke as a proponent and said he thought this was a good time to make this change as the livestock industry is in bad shape. He also stated HB 9719 was passed by Congress which provides a payment in lieu of taxes for counties with public lands. He distributed Exh. #1, showing the distribution of these moneys, county by county. He said these appropriations might be available for the counties by about Sept. 1st and is money generated by the use of the public lands, and livestock provides a substantial amount of this fund. He said he believed livestock should be treated the same as other unprocessed agricultural products and should be in the 7% rate, although he realized that this was not possible at this time.

Mr. Smith spoke also as a proponent of the bill and stated his agreement with the testimony of Mr. Teigen. Rep. Ellison said he believed this bill would do something to provide equity for cattlemen. Mr. Settle said the cattle business is in tough shape financially and anything that could be done to help them would be welcome. Mr. Chevalier also gave his support of the bill, as did Mr. Burnham. Mr. Winterhern added his support and Mr. Nelson said he strongly supported the bill also, and that putting cattle in the 2% class would be a step ahead for cattlemen. He said the net effect would be dramatically less than what happened to cattle based on the price of cattle and the ensuing taxable value of cattle. He said this indicates the economic market place has a greater swing for taxing purposes than this bill would and said he recog-

nized that some of the burden would shift to land. Mr. Winsor stated that although his organization is primarily a main street business group, they believe it is significant that the board supported the reduction of the tax and asked the committee's support. Rep. Severtson said he had done what he could to help move the bill through the House and felt the bill was a step toward greater equity.

Chairman Mathers asked for other proponents or opponents of the bill and there being none, permitted Rep. Dassinger to close. Rep. Dassinger distributed copies of a chart showing the gains to the counties under Public Law 94-565, also the reduction of taxable evaluations and reduction of actual moneys, as computed on the counties' average mill levies. Mr. McCurdy said he was not speaking against the bill, but he believed there will be problems in the property tax system and felt the impact on counties and cities would be fairly significant. He said he felt the need for the bill is a very strong argument for a much-needed study of the property tax system as a whole as it affects those people who are dependent on it for their revenues. He said he urged the committee to take under consideration the need for an interim study committee to deal with property tax systems.

The committee then asked a number of questions of Rep. Dassinger and Mr. Teigen and noted that some counties will sustain a larger impace because of the amounts of public lands they have. Sen. Watt asked about public lands with the counties and was informed that under PL 94-565, these payments are in lieu of the tax on the government holdings within these counties.

The committee agreed the bill would need an amendment to make it conform to the tax schedules in the event HB70, amended and passed by the committee, is signed into law.

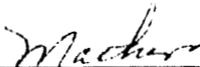
Sen. Turnage Moved the committee Adopt Amend #1, as on committee report. The motion was carried unanimously.

DISPOSITION: Sen. Turnage then Moved HB85 As Amended, Be Concurred In. The motion was carried unanimously.

Following disposition of this bill the committee discussed the amendments to HB156. Mr. Tippy explained that the amendments did the same as SB48 attempted to do, to take the state out of the private loan business. When that bill was in committee a number of the committee members expressed their dislike of the fact that some of the coal tax trust moneys could be loaned out to individuals on sprinkler systems, privately-run fish hatcheries, solid waste disposal systems, etc. The bill would still fund some of the grants, however.

They then had a brief discussion of HB706 and Stn. Towe said that corporations that make application to the Federal government receive funds to build a housing unit. The units are rented to persons who are eligible, people over 62 years of age and with income limit requirements. He said the units themselves are taxed and this amount is a pretty substantial part of the rent charged. The argument is that if these people owned their own homes they would then be eligible for Class 8 treatment, so the aim would be to give the reduction to the housing unit and hope that the pass-through system would work. This could be amended into the law but it was pointed out that the controls are very stringent and well-regulated and it would be difficult to avoid the pass-through. Sen. Turnage stated he would be leary of pass-through capabilities under HB706. The bill had been voted to be tabled on April 5, but then revived in light of additional information.

The meeting was then adjourned.

  
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WILLIAM MATHERS CHAIRMAN





H.R. 9719 (Evans) - Payments-in-Lieu of Taxes

Here's a breakdown of what counties and other local governments will get from the payments-in-taxes bill passes.

Bureau of Lands Management of the United States Department of Interior made these estimates.

Payments under H.R. 9719 would be made directly to counties or other local governments containing federally owned natural resource lands. Entitlement lands will include national parks, national forests, wilderness areas, BLM lands, and Army Corps and Bureau of Reclamation lands.

Section 2 of the bill calls for annual payments based on the greater amount of either 75 cents per acre less current public lands payments, or 10 cents per acre in addition to current payments. Current public land payment formulas for minerals, timber and grazing leases would be unaffected. The additional payments under H.R. 9719 would be limited to \$50 per capita for counties under 5,000 population with a sliding scale to \$20 per capita at 50,000 population.

**Section 2 Payments**

County

**ALABAMA**

Bibb	\$26,755
Calhoun	6,775
Chilton	9,460
Clay	29,475
Deborne	35,800
Dowdington	7,225
Dallas	2,250
Escambia	3,900
Franklin	800
Hale	12,600
Lawrence	41,675
Macon	1,080
Mary	14,250
Talladega	20,325
Tuscaloosa	3,880
Winston	41,200
Corps of Engineer	151
Land*	2,108
Total	\$312,746

**ALASKA**

Anchorage	\$504,450
Fristol Bay	47,350
Airbanks	
N.S.	1,000,000
Haines	51,300
Juneau	461,417
Kenai pen	493,000
etchikan	
atway	324,300
odiak Island	308,000
North Slope	224,900
Matanuska	
uitna	350,000
ika	191,300
of Engineer	
Land*	44,550
Total	\$4,000,567

**ARIZONA**

Apache	\$427,115
Cochise	605,970
Coconino	510,864
Graham	723,650
Yavapai	506,500

Howard	300
Johnson	86,850
Lee	2,925
Logan	42,075
Madison	23,575
Marion	16,437
Montgomery	78,075
Newtown	111,862
Ouachita	100
Perry	24,950
Phillips	2,425
Pike	625
Polk	50,325
Pope	90,950
Saline	13,525
Scott	92,500
Search	18,766
Sebastian	8,035
Stone	30,000
Van Buren	8,910
Washington	11,450
Yell	61,150
Independence	13,641
Mississippi	3,046
Arkansas	289
Corps of Engineer	
Land*	384,879
Total	\$1,834,168

**CALIFORNIA**

Alpine	\$135,605
Amador	8,494
Butte	14,663
Calaveras	73,748
Colusa	68,281
Contra Costa	1,716
Del Norte	46,169
El Dorado	52,621
Fresno	465,500
Glenn	100,710
Humboldt	41,888
Imperial	908,583
Inyo	472,000
Kern	487,864
Kings	4,122
Lake	213,187
Lassen	164,842
Los Angeles	411,234
Madera	179,594
Mariposa	223,400
Mendocino	168,288
Merced	38,408
Modoc	168,058
Mono	151,700
Monterey	273,736
Napa	47,713
Nevada	17,954
Orange	34,876
Placer	33,686
Plumas	115,142
Riverside	945,900
Sacramento	3,631
San Benito	86,312
San Bernardino	896,300
San Diego	321,923
San Luis Obispo	228,280
Santa Barbara	477,355
Santa Clara	6,456
Shasta	101,089
Sierra	38,184
Siskiyou	248,984
Solano	2,863
Stanislaus	4,675
Stoniaslaus	8,625
Tehama	45,433
Trinity	146,870
Tulare	502,211
Tulolumne	492,600
Ventura	417,198
Yolo	21,293
Yuba	5,719
Alameda	417
San Joaquin	732
Sutter	59,338
San Francisco	1,495
Corps of Engineer	
Land*	91,074
Total	\$10,270,599

**GEORGIA**

Dawson	\$3,750
Banks	425
Catoosa	2,948
Chattooga	8,550
Fannin	61,112
Floyd	3,675
Gilmer	30,431
Gordon	4,575
Groespe	2,410
Habersham	22,500
Jasper	2,610
Jones	1,680
Lumpkin	32,839
Murray	28,400
Oglethorpe	380
Putnam	3,340
Rabun	83,468
Stephens	12,625
Towns	32,412
Union	54,782
Walker	12,053
White	24,250
Whitfield	7,075
Bibb	513
Chatham	4,024
Cobb	2,182
Deds	496
Glynn	168
Macon	319
Corps of Engineer	
Land*	255,681
Total	\$699,613

**HAWAII**

Hawaii	\$162,043
Maui	20,407
Total	\$183,350

**IDAHO**

Ada	\$228,639
Adams	186,300
Bannock	160,810
Bear Lake	26,076
Benewah	188,258
Bingham	255,172
Boise	91,128
Blaine	255,000

Park	227,025
Pitkin	224,030
Pueblo	34,030
Rio Blanco	152,921
Rio Grande	238,682
Routt	66,921
Saguache	188,680
San Juan	154,361
San Miguel	162,819
Summit	191,944
Teller	120,399
Weld	99,728
Yuma	787
Corps of Engineer	
Land*	27,232
Total	\$6,002,470

**CONNECTICUT**

Corps of Engineer	
Land*	\$5,402

**DISTRICT OF COLUMBIA**

Washington, D.C.	\$4,393
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**DELAWARE**

Corps of Engineers	
Land*	\$9,598

**FLORIDA**

Baker	\$7,930
Columbia	7,790
Escambia	17,244
Franklin	6,560
Lake	7,900
Leon	31,350
Liberty	80,100
Marion	26,400
Ocala	347
Putnam	2,390
Santa Rosa	270
Suwannee	150
Wakulla	50,175
Bradward	22,088
Collier	29,455
Dade	\$82,994
Monroe	739,151
St. Johns	239
Valusia	8,663
Corps of Engineers	
Land*	\$19,719
Total	\$1,440,935

**INDIANA**

Brown	\$9,950
Crawford	9,875
Dubois	225
Jackson	12,925
Lawrence	8,875
Martin	5,800
Monroe	10,450
Orange	15,950
Perry	33,125
Porter	2,976
Spencer	117
Corps of Engineer	
Land*	\$4,059
Total	\$193,928

**IOWA**

Allamakee	\$105
Corps of Engineer	
Land*	\$31,743
Total	\$31,848

**KANSAS**

Morton	\$42,702
Stevens	375
Kingman	995
Pens	11,070
Sedgwick	646
Jewell	5,290
Osborne	2,512
Phillips	5,589
Trego	11,344
Rooks	5,395
Norton	5,890
Butler	181
Mitchell	18,240
Pawnee	504
Corps of Engineer	
Land*	234,106
Total	\$347,844

**KENTUCKY**

Bath	\$10,825
Bell	7,652
Clay	36,950
Estill	2,800
Harlan	1,588
Jackson	33,100
Laurel	33,300
Lee	4,225
Leslie	29,925
Letcher	600
McCreary	91,125
Menifee	32,657
Morgan	5,625
Owsley	8,500
Perry	575
Powell	7,450
Pulaski	15,600
Rockcastle	7,375
Rowan	36,325
Wayne	350
Whitley	24,875
Wolfe	8,725
Adair	100
Barren	991
Edmonson	33,275
Hart	4,100

Lincoln	250,000
Madison	37,992
Minidoka	136,033
Nez Perce	16,373
Oneida	243,500
Owyhee	282,000
Payette	49,536
Power	212,203
Shoshone	250,000
Teton	56,545
Twin Falls	490,137
Valley	250,000
Washington	230,216
Corps of Engineer	
Land*	38,279
Total	\$9,274,182

**ILLINOIS**

Alexander	\$17,575
Gallatin	7,025
Hardin	15,275
Jackson	27,000
Johnson	11,375
Massac	1,950
Pope	54,775
Saline	8,400
Union	22,950
Williamson	225
Corps of Engineer	
Land*	142,993
Total	\$309,543

**MISSOURI**

Barry	\$34,350
Bolinger	160
Boone	1,500
butler	4,850
Callaway	5,625
Carter	26,817
Christian	32,893
Crawford	4,910
Dont	6,971
Douglas	26,200
Howell	31,325
Iron	9,720
Laclede	2,820
Madison	4,670
Oregon	62,400
Ozark	24,775
Phelps	6,050
Pulaski	4,400
Reynolds	8,970
Ripley	60,625
Sta. Genevieve	990
Shannon	3,835
Stone	10,425
Taney	40,825
Texas	4,789
Washington	8,120
Wayne	8,480
Wright	710
Greene	878
Newton	158
Corps of Engineer	
Land*	351,921
Total	\$791,162

**MASSACHUSETTS**

Barnstable	\$19,140
Middlesex	483
Corps of Engineer	
Land*	12,682
Total	\$32,305

**MICHIGAN**

Akron	\$73,200
Alger	100,194
Baraga	27,661
Chippewa	160,150
Crawford	28,175
Delta	164,775
Cogerick	180,475
Houghton	89,783
Isaco	68,950
Iron	106,610
Keweenaw	404,879
Lake	71,750
Mackinac	99,450
Manistee	41,500
Marquette	11,575
Mason	37,400
Mecosta	1,650
Montcalm	1,000
Muskegon	8,825
Newaygo	69,150
Ocean	31,050
Ogemaw	10,575
Ontonagon	157,525
Osoda	92,550
Roscommon	310
Schoolcraft	81,650
Wexford	61,200
Bonzie	2,861
Lanlanai	5,750
Corps of Engineer	
Land*	1,844
Total	\$1,688,688

**MINNESOTA**

Beltrami	\$38,536
Carlton	151
Carr	177,335
Cook	361,143
Hubbard	1,170
Itasca	188,239
Kusiching	32,207
Lake-Woods	4,362
Pine	1,548
Russau	887
St. Louis	524,431
Lake	409,200
Corps of Engineer	
Land*	103,468
Total	\$1,650,474

**MISSISSIPPI**

Adams	\$1,429
Anite	3,540
Henton	5,170
Chickasaw	19,063
Choctaw	6,437
Copiah	730
Forrest	5,040
Franklin	9,510
George	880
Greene	3,310
Harrison	8,186
Jackson	26,886
Jasper	1,710
Jefferson	1,152
Jones	3,310
Lafayette	3,730
Lincoln	780
Marshall	2,020
Newton	310
Pearl River	530
Perry	16,074
Pontotoc	275
Scott	8,660
Sharkey	35,800
Smith	7,030

Washong	2,347
Washington	165
Total	\$56,411

**NEBRASKA**

Blaine	\$2,769
Brown	116
Cherry	72,033
Darver	40,280
Franklin	1,026
Hitchcock	6,439
Red Willow	819
Scotts Bluff	6,327

**NEBRASKA**

Blaine	\$2,769
Brown	116
Cherry	72,033
Darver	40,280
Franklin	1,026
Hitchcock	6,439
Red Willow	819
Scotts Bluff	6,327

Landes	
Lincoln	
Lyon	
Mineral	
Nye	
Pershing	
Storey	
Washoe	
White Pine	
Corps of En.	
Lands*	
Total</	



The Big Sky Country

4/6

Cap. #2

MONTANA STATE HOUSE OF REPRESENTATIVES

COMMITTEES:  
LABOR & EMPLOYMENT RELATIONS  
TAXATION  
ENERGY DEVELOPMENT & PLANT  
SITING TASK FORCE

Under P.L. 94-565

W/h  
M/S

P. E. N. DABBINGER  
D. X. 767  
1420 OAK  
BOZEMAN, MONTANA 83247

COUNTY	reduction of taxable evaluation	reduction of actual monies
Beaverhead	<del>1,493,444</del> 3,591,494 165,065.	<del>14,508.52</del> 16,508.52 + 225,200
Big Horn	1,053,399	72,874 48,661
Blaine	827,728	96,277 205,911
Broadwater	248,602	28,589 116,800
Carbon	532,633	59,654 270,200
Carter	729,748	86,810 88,200
Cascade <i>Correct this</i>	<del>5,415,124</del> 4,028,899 <del>567</del>	<del>720,319</del> 149,039
Chouteau	524,729	54,592 116,221
Custer	728,383	75,780 253,197
Daniels	223,195	30,004 190
Dawson	425,887	51,051 57,557
Deer Lodge	85,869	10,645 104,406
Fallon	432,812	38,303 70,309
Fergus	1,096,866	97,072 325,769
Flathead	315,416	41,083 278,450
Gallatin	588,328	67,075 487,177
Garfield	781,504	92,225 82,650
Glacier	324,945	36,267 296,660
Golden Valley	222,254	24,190 23,431
Granite	267,523	33,863 70,570
Hill	261,511	31,878 4,865
Jefferson	221,329	28,106 223,140
Judith Basin	561,789	60,878 127,270
Lake	678,174	83,669 76,150
Lewis & Clark	429,384	58,001 702,790
Liberty	119,585	13,029 24,581
Lincoln	78,923	9,021 176,340

9, 2, 001 9/2 @ 1/3 100%

*The Big Sky Country*

**MONTANA STATE HOUSE OF REPRESENTATIVES**



P. E. N. DABBINGER  
 BOX 783  
 1490 OAK  
 FORTYTH, MONTANA 59527

COMMITTEES:  
 LABOR & EMPLOYMENT RELATIONS  
 TAXATION  
 ENERGY DEVELOPMENT & PLANT  
 SITING TASK FORCE

Madison	862,150	82,516	212,660
McCone	441,535	55,015	141,650
Meagher	432,399	50,417	95,420
Mineral	16,111	2,299	64,690
Missoula	156,954	21,890	732,410
Musselshell	342,972	24,417	185,540
Park	520,783	60,244	348,020
Petroleum	332,895	28,628	33,750
Philip	824,136	99,382	244,100
Pondera	289,288	35,226	78,766
Powder River	746,517	56,541	122,100
Powell	377,411	56,541	158,300
Prairie	369,352	45,666	83,600
Ravalli	588,632	77,140	360,910
Richlans	504,908	45,310	34,179
Roosevelt	319,156	36,444	2,688
Rosebud	848,452	62,825	233,808
Sanders	230,183	25,155	91,230
Sheridan	266,516	25,252	195
Silver Bow	47,192	6,599	167,361
Stillwater	507,783	58,450	133,412
Sweet Grass	484,980	62,960	137,750
Teton	513,433	68,533	207,922
Toole	201,704	24,712	31,409
Treasure	295,250	30,298	0,69
Valley	767,802	103,484	374,000
Wheatland	363,061	48,051	44,421
Wibeau	246,783	25,788	16,259
Yellowstone	49,356	54,508	64,289
Montana State	7,446,129		

Total amount of reduction: 25,483,950

415  
**STANDING COMMITTEE REPORT**

April 6

19 77

MR. **PRESIDENT** .....

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

having had under consideration ..... **HOUSE** Bill No. **85** .....

Respectfully report as follows: That ..... **HOUSE** Bill No. **85,**  
third reading bill be amended as follows: .....

1. Amend title, line 7.  
Following: "1947"  
Insert: "; and providing for replacement revenues"

2. Amend page 10, line 8.  
Following: line 8  
Insert: "Section 2. Distribution of federal "payments-in-lieu of taxes."  
Monies received by units of local government under the provisions of  
Public Law 94-565, October 20, 1976, or any subsequent amendments, shall,  
for the fiscal year in which the funds are received, be used first to  
reduce the loss in revenue to the county equalization funds for elementary  
and high schools resulting from the reduction in the classification of  
livestock from class 3 to class 2 as provided in this act.

Section 3. Coordination with other legislation. If House Bill 70 is  
enacted into law, then in lieu of section 1 of this act, House Bill 70 shall  
be revised by moving livestock and unprocessed livestock products from  
class nine, taxed at 13.3% of market value, to class fourteen, taxed at  
8% of market value."

~~DO NOT~~  
AND AS SO AMENDED,  
BE CONCURRED IN

*William Mathers* *RM*

.....  
**WILLIAM MATHERS**

Chairman.