

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. Bernham. 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.

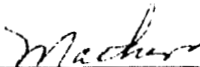
Sen. Turnage Moved the committee Adopt Amend #1, as on committee report. The motion was carried unanimously.

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.



WILLIAM MATHERS CHAIRMAN

ROLL CALL

SENATE TAXATION COMMITTEE

45th LEGISLATIVE SESSION - - 1977

Date 4/6/77

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

Each day attach to minutes.

Inflation

COMMITTEE

BILLS

85

VISITORS' REGISTER

DATE _____

4/5/17

NAME	REPRESENTING	BILL #	(check one)	
			SUPPORT	OPPOSE
Paul Smith	Self	85	✓	
David Ellison	HD 73	85	✓	
Wm. Tegen	Mr. Stockgrowers & Weidgrowers	85	✓	
Mark Seltle	Self	85	✓	
Philip M. Mearns	Self	85	✓	
Edward W. Nelson	Mont. Taxpayers Assoc	85	x	
Donald Burnham	MSA.	85	✓	
Greg Wintidman	Self	85	✓	
Al Wilson	Mont. Co. / C	85	✓	
Gregg M. Curdy	Mt. Assoc. of Counties			

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

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-lieu 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
Dowington	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
Jordan	151
Colbert	2,108
Clauderdale	1,067
Tallapoosa	1,530
Corps of Engineer	
Lands*	50,448
Total	\$312,746

ALASKA

Anchorage	\$504,450
ristol 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	
Lands*	44,550
Total	\$4,000,567

ARIZONA

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

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	2,452
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	
Lands*	384,879
Total	\$1,334,163

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	487,364
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	17,984
Orange	34,876
Placer	33,666
Plumas	115,142
Riverside	945,900
Sacramento	3,631
San Benito	86,312
San Bernardino	896,300
San Diego	321,923
San Joaquin	228,280
Santa Barbara	477,365
Santa Clara	6,456
Shasta	101,089
Sierra	38,184
Siskiyou	248,984
Solano	2,863
Sonoma	4,675
Stanislaus	8,625
Tehama	45,433
Trinity	146,870
Tulare	502,211
Tuolumne	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	
Lands*	91,074
Total	\$10,270,599

COLORADO

Alamosa	\$56,437
Archuleta	246,955
Baca	121,913
Bent	158
Boulder	121,741
Chaffee	339,974
Clear Creek	118,318
Conejos	305,057
Crowley	515
Custer	131,150
Delta	249,153
Dolores	139,451
Douglas	103,073
Eagle	238,020
El Paso	76,817
Fremont	336,723
Garfield	

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	
Lands*	27,232
Total	\$6,002,470

CONNECTICUT

Corps of Engineer	
Lands*	\$5,402

DISTRICT OF COLUMBIA

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

Corps of Engineers	
Lands*	\$9,598

FLORIDA

Baker	\$7,930
Columbia	7,790
Escambia	17,244
Franklin	6,550
Lake	7,900
Leon	31,350
Liberty	80,100
Marion	26,400
Okaloosa	347
Putnam	2,390
Santa Rosa	270
Suwannee	150
Wakulla	50,175
Bravard	22,088
Collier	29,455
Dade	382,994
Monroe	739,151
St. Johns	8,663
Valusia	
Corps of Engineers	
Lands*	\$19,719
Total	\$1,440,935

GEORGIA

Dawson	\$3,750
Banks	425
Catoosa	2,948
Chattooga	8,550
Fannin	61,112
Floyd	3,675
Gilmer	30,431
Gordon	4,575
Greepe	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
Cobb	496
Glynn	158
Macon	319
Corps of Engineer	
Lands*	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
Delta	25,076
Bear Lake	185,258
Benewah	255,172
Bingham	91,128
Boise	255,000
Blaine	

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

ILLINOIS

Alexander	\$17,575
Gallatin	7,025
Hardin	15,275
Jackson	27,000
Johnson	11,875
Massac	1,950
Pope	54,775
Saline	8,400
Union	22,950
Williamson	225
Corps of Engineer	
Lands*	142,993
Total	\$305,543

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	2,975
Spencer	117
Corps of Engineer	
Lands*	84,059
Total	\$193,928

IOWA

Allamakee	\$105
Corps of Engineer	
Lands*	131,743
Total	\$131,848

KANSAS

Morton	\$42,702
Stevens	375
Kingman	995
Pens	11,070
Sedgwick	846
Jewell	5,290
Osborne	2,512
Phillips	8,569
Trego	11,344
Rooks	5,395
Norton	5,880
Butler	181
Mitchell	18,240
Pawnee	504
Corps of Engineer	
Lands*	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
Corps of Engineer	

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

MARYLAND

Allegheny	\$1,725
Anne Arundel	280
Charles	727
Frederick	5,338
Montgomery	3,132
Prince Georges	4,442
Washington	7,859
Worcester	4,510
Corps of Engineer	
Lands*	5,637
Total	\$33,650

MASSACHUSETTS

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

MICHIGAN

Alcona	\$73,200
Alger	100,194
Baraga	27,661
Chippewa	150,150
Crawford	26,175
Delta	164,775
Cogieric	180,475
Houghton	89,783
Iscoco	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	92,850
Roscommon	310
Schoolcraft	81,650
Wexford	51,200
Bonzie	2,861
Lanlanai	5,750
Corps of Engineer	
Lands*	1,844
Total	\$1,888,688

MINNESOTA

Beltrami	\$38,536
Carlton	151
Carr	177,335
Cook	361,143
Hubbard	170
Itasca	188,239
Kushchiching	32,207
Lake-Woods	4,352
Pine	148
Russau	887
St. Louis	524,431
Lake	409,200
Corps of Engineer	
Lands*	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

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

NEW H.

Carroll	
Cous	
Grafton	
Corps of E.	
Lands*	
Total	

NEW

Bernalillo	
Chaves	
Colfax	
De Bass	
Dona Ana	
Eddy	
Grant	
Guadalupe	
Harding	
Hidalgo	
Lea	
Lincoln	
Los Alamos	
Luna	
McKinley	
Mora	
Otero	
Quay	
Rio Arriba	
Roosevelt	
Sandoval	
San Juan	
San Miguel	
Santa Fe	
Serra	
Sicarro	
Taos	
Torrance	
Union	
Valencia	
Corps of E.	
Lands*	
Total	

NEV

Schuyler	
Seneca	
Dutchess	
Kings	
Queens	
Richmond	
Suffolk	
Corps of E.	
Lands*	
Total	

NORTH

Ashe	
Avery	
Buncombe	
Burke	
Caldwell	
Carteret	
Cherokee	
Clay	
Craven	
Davidson	
Graham	
Haywood	
Henderson	
Jackson	
Jones	
McDowell	
Macon	
Madison	
Montgomery	</



The Big Sky Country

4/6 Cpl #2

MONTANA STATE HOUSE OF REPRESENTATIVES

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

Under P.L. 94-565

P. E. N. DABBINGER
D. K. 769
1490 OAK
FOURTH, MONTANA 59347

COUNTY

reduction of taxable
evaluation

reduction of actual monies

Beaverhead

OK- ~~1,493,444~~ 3,591,494 165,085

~~14,508.52~~ + 215,210

Big Horn

1,053,399

72,874 46,661

Blaine

827,728

96,277 205,911

Broadwater

248,602

28,589 116,800

Carbon

532,633

59,654 270,211

Carter

729,748

86,810 88,200

Cascade *Cascade Creek*

~~5,415,124~~ 4,028,849 567,275

~~720,319~~ 149,039

Chouteau

524,729

54,592 116,221

Custer

728,383

75,780 253,147

Daniels

223,195

30,004 140

Dawson

425,887

51,051 51,557

Deer Lodge

85,869

10,645 1,490,406

Fallon

432,812

38,303 90,309

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 70,547

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, 0 @ 1/3 10, 000



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

The Big Sky Country

MONTANA STATE HOUSE OF REPRESENTATIVES

COMMITTEES:
LABOR & EMPLOYMENT RELATIONS
TAXATION
ENERGY DEVELOPMENT & PLANT
BITING 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	360,900
Richlans	504,908	45,310	34,179
Roosevelt	319,156	36,444	3,688
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	8,649
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

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