

## HOUSE TAXATION COMMITTEE

## 46th Legislature

Representative Herb Huennekens, Chairman of the House Taxation Committee, called the meeting to order at 8:00 a.m., January 10, 1979, in Room 434, Capitol Building, Helena, Montana. All members and the researcher were present.

Representative Robert Dozier, District #61, Yellowstone County, sponsored HB 20 at the request of the Department of Public Service Regulation. Several court cases are pending and some have been lost by the Public Service Commission because of legalities in Montana law regarding the necessity of holding hearings and advertising when applying for issuance of securities and creation of liens, which utilities claimed (and won) as being burdensome on interstate commerce when they had utility lines that fringed into Montana and were minute portions of their total operations. HB 20 would exempt such public utilities from regulation by the Public Service Commission when deriving less than \$5 million or less than 5% of their gross total revenue from within Montana in connection with the issuance of securities and creation of liens.

William J. Opitz, Public Service Commission representative, said the bill was requested by the commission because several court cases had been lost by them in district court decisions under Judge Meloy because the present law is in conflict with interstate commerce, and was considered unconstitutional impairment to interstate commerce. When a utility has sales of \$25 million in Montana and \$750 million in other states, they still will have to go to the Public Service Commission and have hearings if they want to go to the stock market or bond market and take a legal ad or sell stock. They thought that was an unconstitutional cost. The court only addressed the problem with Northern National. By amending to \$5 million or 5% of gross sales as being not liable for requirements, the law would not be considered unconstitutionally burdensome. There is the potential of three other utilities filing suits against the PSC if HB 20 is not passed.

There were no opponents to HB 20.

Potential companies that might file suits are Black Hills Power and Light who operate in southeastern Montana; Washington Water Power, Pacific Power and Light, maybe; Colorado Interstate Gas if they begin operations in the state.

Representative Bertelsen questioned how much revenue would be lost. Mr. Opitz advised the filing fee is \$2.00. The expense of filing legal notices and hearing expenses for each company would be saved.

The Committee adjourned to executive session.

Representative Reichert made a motion that House Bill 72 Do Pass. The motion was unanimously adopted.

4.

January 10, 1979

Page 2

The chairman advised there would be a 24-hour period in which any member could reconsider his or her vote.

Discussion about placing bills on the "consent calendar" was had. Revenue bills cannot go on consent calendar. A bill has to be passed unanimously to be considered for the consent calendar. And after a unanimous vote, a motion to be placed on the consent calendar has to be adopted unanimously. One dissenting vote in committee, voids calendar consent possibilities.

Representative Bertelsen moved that a fiscal note be requested for House Bill 72. Motion carried unanimously.

Representative Sivertsen left the meeting.

Representative Fabrega made a motion that House Bill 73 Do Pass. Representative Fabrega then moved that proposed amendments Do Pass. Randy McDonald, researcher, explained the proposed amendments. Representative Fabrega changed his motion to House Bill 73 AS AMENDED DO PASS, which motion was adopted unanimously.

A fiscal note for House Bill 73 was requested.

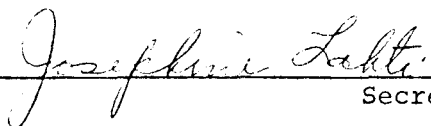
Representative Dassinger moved that since the bills appeared to be relatively simple, they be moved onto the floor. It was decided that when fiscal notes were available, the bills would go to the House floor.

Mr. Laurie Lewis, Acting Director of the Department of Revenue until the end of the 46th Legislature, introduced Mary Craig, Billings, whose name has been submitted to the Senate for Confirmation as Director of the Department of Revenue.

Bill Groff explained proposed bills requested by the Department of Revenue which had been prefiled unsponsored to committee members, some of which members of the committee agreed to sponsor.

Meeting adjourned at 9:30 a.m.

  
\_\_\_\_\_  
REPRESENTATIVE HERB HUENNEKENS, Chairman

  
\_\_\_\_\_  
Secretary