

HOUSE TAXATION COMMITTEE

46TH LEGISLATURE

The House Taxation Committee was called to order by Chairman Herb Huennekens on April 17, 1979, at 9:15 a.m., in room 434, Capitol Building. All members were present as was the staff attorney, Randy McDonald.

Rep. Williams said he would like to have the committee's comments on an amendment he planned to offer on the floor to SB 523. Due to the passage of HB 213 all new industrial property will come under Class 5 and pay 3% tax for three years. The amendment he plans to add on the floor would put gasohol under this same classification for three years. He said it doesn't foul up HB 213 and the properties would be the same. He felt this would be good since our emphasis has been to keep classifications down and like properties and percentages together.

Chairman Huennekens commented that this seems like a good approach as the classifications could proliferate again and this seems like a good incentive for a gasohol plant.

Rep. Hirsch said while he could sympathize with Rep. Williams, he had agreed to carry Senator Dover's SB 523 and he knew how the sponsor felt about the 2%.

Rep. Fabrega said the purpose of the gasohol bill was to take all property that had to do with the plant, including the grain, and have it all under the same classification. He felt this would work well for gasohol.

Rep. Williams said SB 523 would still be there. He said if we separate new industries in Montana we could have a constitutional problem as we would be discriminating against other new industries.

Rep. Fabrega felt the constitutionality thing was the thing to be concerned about as it could cause the gasohol classification to be thrown out, and then gasohol would be worse off than if put in a classification with other new industries at 3%.

Rep. Dassinger reminded the committee that one reason Senator Dover wanted the special gasohol classification was to draw attention to the gasohol process.

Rep. Hirsch said he would support Rep. Williams' amendment and then the bill would go to a conference committee and would be worked over there.

Chairman Huennekens informed the committee that Rep. Dussault had told him the Super Summit working on the tax relief impasse have approached toward an agreement on the same basis as the two committee bills before the committee today. He proposed suspending action on their bills until they see what the final Summit Committee works out.

Rep. Dassinger moved to table the two bills. He said this way we won't complicate things and if we need them we can get them off. He agreed that while the committee is ahead of the Summit Committee, there are times when there is a need to slow down and let the leadership catch up.

Rep. Fabrega commented that until there is a two-third vote taken the bills are still just an idea so no action need be taken.

Chairman Huennekens said the Summit Committee has to determine the cash available. They have agreed on an approximate 50/50 split between property tax and income tax relief.

Rep. Fagg said if they are seriously going to do something for the good of the people he felt we should wait on the bills--but if not they could be a gentle nudge to them. If the Summit doesn't come up with something we should have another meeting of our committee and pass our bills.

Rep. Nordtvedt felt they should get the bills started and not wait.

Rep. Hirsch said the Summit last night reached the very conclusion we reached two weeks ago so these bills will do nothing more than the Summit did last night. He said if we pass them out we wouldn't have done anything the Summit hasn't done.

Rep. Lien felt it was the committee's idea and the impetus should come from this committee. He said if they want to reject our bills it is their privilege but he felt they should run them out like any bill.

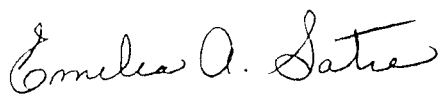
Chairman Huennekens said the committee could still put them out if the leadership doesn't solve the problem. He felt they would just confuse the caucuses now.

Rep. Fabrega said his understanding is if nothing takes place in the Super Summit we should move for a recess and then act on these bills. He said he didn't want them to be referred and become a bone of contention.

Rep. Dassinger said some of the committee is anxious to get these bills rolling. Since we have to have 2/3 of the Senate to get these bills through, and if we step on toes by going too fast we may end up with nothing. He urged the committee to speed slowly. As long as they are rolling we don't want to push too fast.

Question on the motion to defer action at the present time was called. The motion carried with Rep. Nordtvedt voting no.

Meeting adjourned at 10 a.m.

  
Emelia A. Satre, Asst. Sec.

  
HERB HUENNEKENS, CHAIRMAN