

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

February 1, 1979

The sixteenth meeting of the committee was called to order on the above date in Room 415 of the State Capitol Building by Chairman Turnage.

ROLL CALL: Roll call found all of the members present.

Witnesses who testified included Bill Groff and Dennis Burr of the Department of Revenue, also Keith Anderson of the Montana Taxpayers Association.

CONSIDERATION OF SENATE BILL 198: Sen. Fasbender said the bill establishes in the statutes the tax rates that were adjusted in the "floating formula" in HB70 of last session. He said there appeared to be some question as to whether or not the rates dealing with commercial property would revert back to the old rates. The bill repeals the section and holds the rate at 8.55% rather than going back to the 12% rate. Mr. Anderson testified as well, and said he agreed this rate should be frozen into the bill and suggested also that an amendment should be made in the title of the bill. Sen. Fasbender's amendments, see Exh. #1, were distributed to the committee.

The Chairman called for other proponents or opponents and as there were no other witnesses, permitted questions by the committee. Sen. Watt asked for, and received confirmation that this bill would freeze the percentage until the Legislature might change it in the future. Under questions Mr. Burr and Mr. Groff stated the total value of the state went up about 7% and further, that the Department of Revenue would have no intention of putting it back to 12% with this bill. It was pointed out that if this bill were passed it would conflict with the bill of Rep. Fabrega, SB142, which amended the law to go to 5% of market value. Following discussion, hearing on SB198 was closed.

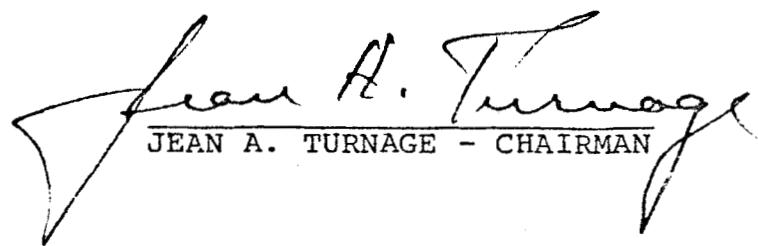
CONSIDERATION OF SENATE BILLS 241 and 242: Sen. Towe introduced the two bills and asked the committee to first consider his amendments, on page 2, to strike lines 5 through 10 and lines 23 through 25, also on page 3, lines 1 through 4. The title also is to be amended, on line 6, "AND TO PROVIDE FOR ITS ADMINISTRATION" and further amend, line 21 on page 2, strike "shall" and insert "may". He continued, saying this bill would put a limit on property taxes of 1 1/2%. He went on to explain how this is to work, illustrating his points. He took appraised value of a house, times percentage of appraised value, times percentage of taxable value, times millage for that county or town, for the total tax. If that amount exceeded the 1 1/2% limitation of the bill, the taxpayer would have the appeals recourse. Formula attached

Mr. Anderson spoke in regard to the bill as well, saying he would like to see the percentages, 56 or 59%, appraised values, frozen into the bill.

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There followed additional discussion between the committee members and the Department representatives, Groff and Burr. Sen. Towe compared points of his bill with that of Rep. Fabrega and noted too, that the 56% is taken from actual real estate sales in over 1,100 examples. He said his 1 1/2% is a limitation to the amount an individual can be taxed whereas the 5% taxable valuation does not limit what local government can do by way of mill levies.

Following this discussion, Chairman Turnage told the committee there were other people who wished to testify on SB254 who had not had the opportunity when it was first heard. They would be permitted to do so at Friday morning's meeting and Senator Lowe was to be so informed; he is the bill's sponsor.



JEAN A. TURNAGE - CHAIRMAN

Date Feb. 1, 1979

ROLL CALL.

SENATE TAXATION COMMITTEE

46th LEGISLATIVE SESSION - 1979

Each Day Attach to Minutes.

SEN. SENATE TAXATION COMMITTEE

VISITORS' REGISTER

COMMITTEE

BILL 198, 241-242

DATE 2/1/79

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

EFL. #1

AMENDMENTS TO SB 198

SENATOR LARRY FASBENDER

1. Amend page 1, line 6
Following: "REPEALING"
Strike: "SECTION"
Insert: "SECTIONS"
2. Amend page 1, line 7
Following: "15-7-121"
Insert: "AND 15-7-122"
3. Page 7, line 17
Following: "at"
Strike: ".65%"
Insert: "1.995%"
4. Amend page 7, line 23
Following: "Repealer."
Strike: "Section"
Insert: "Sections"
Following: "15-7-121"
Insert: "and 15-7-122"

EXH. # 2

\$ 100,000 HOUSE
X 56% APPRAISAL %
\$ 56,000 APPRAISED VALUE
X .0855 TAXABLE VALUE
\$ 4,788.00

\$ X .250 MILLAGE
\$ 1,197.00 - TAX

\$ 100,000 Cannot
@ 1 1/2 % Exceed
\$ 1,500.00 this
Amt.

1,197.00
—
1,500.00

313.2832 MILLS
TOP

\$ 100,000 HOUSE

.59%

59,000
.0855
5044.50

250 MILLS

\$ 1261.13 - TAX

1,261.13
—
1,500.00

297.383 MILLS
TOP

ILLUSTRATION
BY SEN. TOWE
RE: S.B. 241-242

FEB. 1st - 1979