

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

February 15, 1979

The twenty-seventh 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 members present. Witnesses giving testimony are listed on attached Register.

CONSIDERATION OF SENATE BILL 405: Senator Conover presented his bill which would permit raising of county road fund mill levies by 3 more mills. He mentioned the high price of snow removal, snow machinery, as examples, and said many counties are hiring outside help and need additional road fund moneys. He introduced Mr. Zinnecker to further explain the bill. Mr. Zinnecker the bill asks that local government officials have the authority to raise taxes in the counties where the need exists. The bill would not raise taxes statewide, but would permit those counties who had levied to the maximum for their road funds, to levy an increase.

There followed testimony by county commissioners from across the state, all of them expressing the need to raise their road fund levies. They testified that this year in particular, snow removal and road maintenance would be excessive and there is a very desperate need for additional funding. Those who gave testimony included Mr. Barber, Mr. Fasbender, Mr. Skor, who also presented written testimony, Exh. #1. Others giving testimony in favor of the bill included Mr. Jorgenson, Mr. Nesbo, Mr. Halvorson, Mr. Bilhous, Mr. Lakey, Mr. Coulter, Mr. Anderson.

The Chairman called for additional proponents or opponents and there being none, permitted the committee to ask questions of the witnesses. The members consulted the Property Tax Mill Levies book for the current year and noted that some counties now have very large mill levies and some are quite low. In answer to a question, Mr. Zinnecker replied that the membership had discussed the proposed statewide gas tax and although it would help them, the need for this increase in mill levy is greater and would bring in additional revenues. This concluded the hearing on SB405.

CONSIDERATION OF SENATE BILL 369: Senator Jergenson introduced this bill which is at the request of the Governor and said the bill is a cleanup of the Homestead Tax Relief Initiative. He said the bill would do a number of things, mentioning first that it would take administrative responsibility off the county treasurers and also makes it clear if the Legislature does not fund the program again, the counties will not be expected to fund this relief measure. He explained the other portions of the bill and introduced Mr. Groff of the Department of Revenue who stated the Department's support also. Mr. Zinnecker testified as one of the supporters as well, and said counties have had many administrative problems and they were in hopes this legislation would help to solve many of them.

Chairman Turnage called for further testimony from proponents and opponents and there being none, permitted questions from the committee. The hearing was then closed on SB369.

CONSIDERATION OF SENATE BILL 401: Senator Towe presented the bill and said in the alternative energy research portion of the Coal Tax revenue bill a portion of it limits the activities of the grant proposals and this bill is to expand that. It provided that utilities companies could not come in and get grants to help develop their power, but they had also found it restricted some experimental projects. Dr. Plunkett of the MHD development at Butte, gave additional and extensive testimony concerning alternative energy research in the state. He stated his support of this bill and said he felt the law was too restrictive in its present form. He mentioned a number of projects that have been initiated but need financial assistance. Mr. Doney also testified and said that Department has run into problems by the program being more restrictive in not allowing some promising projects. Mr. Pogue also stated his support of the concept of the bill, but proffered an amendment, see Exh. #2, attached, to set up an advisory committee to review such grants.

The Chairman called for additional proponents and opponents, however, there were no other witnesses and the committee thus were permitted to ask questions.

During the discussion that followed the members questioned Dr. Plunkett and Mr. Doney about the past grants of the Department, the future of the program in the state, and pertinent testimony. The subject was also brought up concerning an advisory board, and Mr. Doney said the fifteen-member board would be appointed following the legislative session ends and the Department knows how much revenue it will be receiving. Senator Severson asked about new policies of the Department in giving grants to projects that have already been designed. Senator Goodover also inquired about the use of a solar satellite system for heating and the fact that technology exists making such program possible. Dr. Plunkett then responded saying the cost for so many untried projects is at present prohibitive. He continued, saying there are many alternative energy methods that have been discovered or created, however, the actual application of many of them would involve a large investment.

Dr. Plunkett said further, that it was imperative that research grants continue to be made in order that progress in development of alternative energy sources not be impeded. Mention was made of projects initiated in the state utilizing wind and water, two constants readily available in Montana.

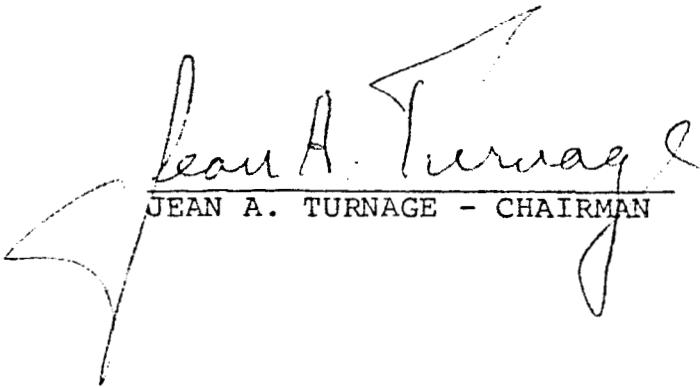
Following this discussion the Chairman closed the hearing on SB401.

Chairman Turnage then mentioned the bills that are still in the committee and said most of the bills are revenue bills with the exception of one bill, SB309. The committee wished to go on record as saying they would resist any attempt to use the Taxation Committee as a 'dumping ground' for other bills. Senator Watt so moved, and the committee voted unanimously on the motion.

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Senator Norman then moved the following: 'If any bills assigned to this committee subsequent to the last legislative day, the committee will have the right to make a determination by majority vote, as to whether or not they are revenue bills. Any dispute involving such a bill can go to the Rules Committee.' His motion was carried unanimously.

The Chairman then distributed copies of a summary of all bills heard and still in the committee, as compiled by Researcher Terry Cohea. He asked the members to read this report. Following this, meeting was adjourned.



jean A. Turnage

JEAN A. TURNAGE - CHAIRMAN

Date 22.5.1979

ROLL CALL

SENATE TAXATION COMMITTEE

46th LEGISLATIVE SESSION - 1979

Each Day Attach to Minutes.

SEN.
BILL.

COMMITTEE ON TAXATION

DATE FEB 15, 1979

369, 401, 405

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One		
			Support	Oppose	Abstain
Robert Ferguson	County Comm Musselshell Co	405	✓		
Dean Ruineke	mt. Assn of Counties	405	✓		
John L. Nelson	Toole Co Commissioner	405	✓		
Tom Haleson	Roosevelt County	405	✓		
Morris Billikus	Danville Comm.	405	✓		
Robert Barker	Fergus Co Comm	405	✓		
Troy Lakey	Liberty Co. Comm	405	✓		
Mike Olyan	MT Assn of Counties	405	✓		
Ted J. Dorey	Dept. Natural Resources	401	✓		
Donald "Duck" MacIntyre	" " " "	401	✓		
Gerhard Knudsen	" " " "	401	✓		
Kenneth A. Butler	Helena City Comm	SB 405	x		
Alvin L. Skadivie	Christians Co Comm	405	✓		
Larry D. Anderson	Liberty Co Comm	405	✓		
Greg Osgood	Senate Dist 3	369	✓		
* Bill Johnson	Dist of Rose	369	✓		
Albert L. Odaie	Broadview, Mont	405			
- Jerry D. Plunkett	MERDI	401	✓		
* Ronald Pogue	AERO	401	✓	†	abstain

Cascade County

State of Montana

TELEPHONE: (406) 761-6700

W. J. Fasbender
Great Falls, Montana 59401

February 13, 1979

Mr. Chairman and Members of the Senate Taxation Committee.

On behalf of the Board of County Commissioners of Cascade County, I would like to appear on behalf of the legislation that would allow the counties to increase the road levy from 12 to 15 mills.

As you are aware, this winter has been very severe and as a result, the rural people have been snowed in a good deal of the time. The County is at the point now, where much of the road funding has been exhausted as a result of the overtime paid in order to assist the rural residents.

With more and more people moving into the rural areas, the counties are faced with additional demands for more roads, more plowing and more maintenance of roads. We are unable to meet the demands of the rural residents at the present level of funding.

We urge your support of this legislation.

BOARD OF COUNTY COMMISSIONERS
OF CASCADE COUNTY

L. W. Fasbender
L. W. FASBENDER, CHAIRMAN

Franklin H. Steyaert
FRANKLIN H. STEYAERT, VICE-CHMAN.

J. T. Whitaker
JACK T. WHITAKER, MEMBER

Proposed amendment

from Ronald Fogar of the Alternative Energy Resources
Organization.

Amendment: SB 401. - Add the following
section to SB 401

Section 2. Add the following subsection to the
existing 6 subsections of section 90-4-106 MCA:
"(7) No grant shall be awarded by the department
without the concurrence of the alternative
energy advisory committee which is enabled in
sub section (5) of section 90-4-104, MCA."

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LW
LW