

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
MONTANA STATE SENATE

February 16, 1979

The twenty-ninth 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 presenting testimony are listed on attached Register.

CONSIDERATION OF SENATE BILL 413: Senator Thiessen presented his bill which he said had first been introduced some years ago. He said the bill did only one thing, and that was to exempt grain in storage from taxation. He said that if the call comes to a farmer for his stored grain, he then takes his money, pays both state and federal income tax on the proceeds. When he receives his call from the Commodity Credit Corporation he must sell under his agreement. Mr. Stephens, representing the Farmers Union, NFO and WIFE, agreed with Senator Thiessen, and stated that it was in a sense double taxation. He said the farmer can buy it back under the resale agreements, but felt the resale wheat, until it is sold and moved, should not be taxed.

The Chairman called for further proponents of the bill and following, for opponents. The committee then asked a number of questions. It was brought out that the Secretary of Agriculture has asked farmers to enter into 3-year agreements and most farmers do not want to pay taxes on the grain for 3 years. After several additional questions, the hearing on SB413 was closed.

CONSIDERATION OF SENATE BILL 415: Senator Brown introduced the bill and made a brief statement saying the bill would allow the Department of Revenue to exempt bond requirements for special fuel users in contracting business in the state. Mr. Huss gave supporting testimony as well, and said he felt the contractors were presently being forced to post double bond for contracts in the state. He said there would be no fiscal impact to the state, however, there would be impact on the insurance industries.

Chairman Turnage called for further testimony and Mr. Nichols was questioned regarding bonding procedures. He said the only problem would be if the performance bond did not cover the taxes due to the state. Following discussion of possible amendment to the bill, hearing on SB415 was closed.

CONSIDERATION OF SENATE BILL 416: Senator Lockrem introduced this bill which he said was necessary to clarify the term 'appurtenances' as used in the law. Mr. Huss also spoke on the bill and following his brief statements the Chairman called for other proponents or opponents. Mr. Nichols said he would like clarification of the law, as far as the term. The discussion that followed brought out a number of definitions and the committee heard and accepted an amendment to the bill.

Senator Towe Moved to Amend SB416, following "street" on

page 2, line 2, by inserting "and their necessary appurtenances used for drainage of the highway or street". The motion carried.

Senator Towe then Moved SB416 As Amended, Do Pass. His motion carried unanimously.

The members then discussed a number of bills previously heard, discussing Senate Bill 309, the Bingo bill. Some of the testimony presented when the bill was first heard was discussed and the members agreed to an amendment. See Exh. #1, attached.

Senator Towe Moved to Amend SB309, on page 2, line 6, by striking "\$500" and inserting "50". His motion carried.

Senator Brown Moved SB309, As Amended, Do Not Pass. A roll call vote was taken which resulted in a tie vote.

The members then discussed SJR4, heard previously by the committee. This bill, and SJR5, direct the State Board of Investments to invest money in Montana wherever possible. The resolutions do not mandate they do so. The Board's policies of short and long-term investments was discussed as well.

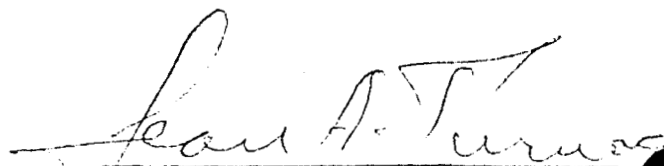
Senator Towe Moved Senate Joint Resolution 4 Do Pass. The motion carried. Note for the record "No" votes were cast by Senators Goodover and Manley.

Senator Towe then introduced his amendments which would include the Farmers Home Administration, with the Small Business Administration, the committee wished the Board of Investments to look at as possible future investments.

Senator Towe Moved the Amendments to Senate Joint Resolution 5. The amendments are on Exh. #1, attached. The motion carried.

Senator Towe then Moved Senate Joint Resolution 5 As Amended, Do Pass. Motion carried. Note for the record "No" votes were cast by Senators Goodover, Hager and Manley.

Following disposition of these bills the Chairman asked the committee to look at a report prepared by Researcher Terry Cohea on RID and SID's. Mrs. Cohea went through the report and pointed out information relative to the creation of the RID-SID's, method of financing, etc. The members were asked to look over the report preparatory to voting on the bills that are awaiting committee action. Mrs. Cohea was commended on her report by the Chairman and the committee members.

  
JEAN A. TURNAGE - CHAIRMAN

Date FEB. 16, 1979

ROLL CALL

SENATE TAXATION COMMITTEE

46th LEGISLATIVE SESSION - 1979

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NAME	PRESENT	ABSENT	EXCUSED
SEN. GOODOVER (Vice Chairman)	✓		
SEN. BROWN	✓		
SEN. HAGER	✓		
SEN. MANLEY	✓		
SEN. MANNING	✓		
SEN. MCCOLLUM	✓		
SEN. NORMAN	✓		
SEN. ROSKIE	✓		
SEN. SEVERSON	✓		
SEN. TOWE	✓		
SEN. WATT	✓		
CHAIRMAN TURNAGE	✓		

Each Day Attach to Minutes.



SENATE COMMITTEE TAXATION

Date 2-16- Sen. Bill No. 309 Time 8:55 a.m.

NAME	YES	NO
SEN. GOODOVER (Vice Chairman)		X
SEN. BROWN	X	
SEN. HAGER	X	
SEN. MANLEY		X
SEN. MANNING	X	
SEN. McCOLLUM	X	
SEN. NORMAN		X
SEN. ROSKIE		X
SEN. SEVERSON	X	
SEN. TOWE		X
SEN. WATT		X
CHAIRMAN TURNAGE	X	

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Nita Fjeseth  
Secretary

Jean A. Turnage  
Chairman

Motion: All Not Pass As Amended

(include enough information on motion--put with yellow copy of committee report.)

PROPOSED AMENDMENTS TO SENATE JOINT RESOLUTION 5

E.H.H.

1. Title, line 7. ~~Following:~~ <sup>Following: "ADMINISTRATION"</sup>  
~~Following:~~ "AND FARMERS HOME ADMINISTRATION"  
INSERT:

2. Page 1, line 10.  
Following: "Administration"  
Insert: "and Farmers Home Administration"

3. Page 1, line 12.  
Following: "businesses"  
Insert: "and farms and ranches"

4. Page 1, line 19.  
Following: "Administration"  
Insert: "and Farmers Home Administration"

5. Page 1, line 25.  
Following: "Administration"  
Insert: "and the Farmers Home Administration"

6. Page 2, line 2.  
Following: "Administration"  
Insert: "and Farmers Home Administration"

7. Page 2, line 5.  
Following: "Administration"  
Insert: "and Farmers Home Administration"

8. Page 2, line 8.  
Following: "Administration"  
Insert: "and Farmers Home Administration"

9. Page 2, line 16.  
Following: "Administration"  
Insert: "and Farmers Home Administration"

10. Page 2, line 18.  
Following: "Administration"  
Insert: "and Farmers Home Administration"

11. Page 2, line 22.  
Following: "Administration"  
Insert: "and Farmers Home Administration"

12. Page 2, line 25.  
Following: "Administration"  
Insert: "and Farmers Home Administration"

13. Page 3, line 5.  
Following: "Administration"  
Insert: "and Farmers Home Administration"

EXH.#1

Senate Bill 309

Amended Feb. 16, 1979

1. Page 2, line 6.  
Following: "of"  
Strike: "\$500"  
Insert: "\$50"

And as so amended,

Do Not Pass

Tie Vote Cast 2/16th

## Page 2 Senate Joint Resolution 5 Taxation Committee

6. Page 2, line 2.

Following: "Administration"

Insert: "and Farmers Home Administration"

7. Page 2, line 5.

Following: "Administration"

Insert: "and Farmers Home Administration"

8. Page 2, line 8.

Following: "Administration"

Insert: "and Farmers Home Administration"

9. Page 2, line 16.

Following: "Administration"

Insert: "and Farmers Home Administration"

10. Page 2, line 18.

Following: "Administration"

Insert: "and Farmers Home Administration"

11. Page 2, line 22.

Following: "Administration"

Insert: "and Farmers Home Administration"

12. Page 2, line 25.

Following: "Administration"

Insert: "and Farmers Home Administration"

13. Page 3, line 5.

Following: "Administration"

Insert: "and Farmers Home Administration"

And, as so amended,

DO PASS

  
JEAN A. TUENAGE

Chairman.



# STANDING COMMITTEE REPORT

February 16 19 70

MR. President .....

We, your committee on ..... Taxation .....

having had under consideration ..... Senate Joint Resolution ..... Bill No. 5 .....

Respectfully report as follows: That ..... Senate Joint Resolution ..... Bill No. 5, .....  
introduced bill, be amended as follows:

1. Title, line 7.  
Following: "ADMINISTRATION"  
Insert: "AND FARMERS HOME ADMINISTRATION"
2. Page 1, line 10.  
Following: "Administration"  
Insert: "and Farmers Home Administration"
3. Page 1, line 12.  
Following: "businesses"  
Insert: "and farms and ranches"
4. Page 1, line 19.  
Following: "Administration"  
Insert: "and Farmers Home Administration"
5. Page 1, line 25.  
~~DO PASS~~ Following: "Administration"  
Insert: "and Farmers Home Administration"

CONTINUED

*gfe*

# STANDING COMMITTEE REPORT

February 16 19 79

MR. President

We, your committee on Taxation

having had under consideration Senate Joint Resolution Bill No. 4

Respectfully report as follows: That Senate Joint Resolution Bill No. 4

DO PASS

# STANDING COMMITTEE REPORT

Feb. 16 19 72

MR. President

We, your committee on Taxation

having had under consideration Senate Bill No. 416

Respectfully report as follows: That Senate Bill No. 416,

introduced bill, be amended as follows:

1. Page 2, line 2.

Following: "street"

Insert: "and their necessary appurtenances used for drainage of the highway or street"

And, as so amended,

DO PASS