

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

March 31, 1979

The sixty-third meeting of the Taxation 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 the members present except Senator Hager, who was excused. Witnesses providing testimony are listed on the attached Register.

CONSIDERATION OF HOUSE BILL 429: Representative Sivertson presented this bill which dealt with alien ownership of land in Montana and required they file a report with the Department of Agriculture when they acquired land in the state. The bill also would prohibit foreign businesses or qualified corporations from deducting certain farm-related items.

Following his presentation the Chairman called for other proponents of the bill, and there being none, permitted testimony from the opponents.

Mr. Gannon, representing Montana Power, was first to testify and said he had an amendment to propose which would exempt public utilities operations and wholly-owned subsidiaries owned by the public utilities. He indicated such entities were not those entities the bill addressed, but the bill would affect them. He proposed an amendment which would exempt such utilities. Mr. Mockler of the Coal Council had an amendment also which would accomplish the same purpose as that of Mr. Gannon, and would exempt land held for exploration for mining or timber, mineral exploration. He said such land is leased back if it is not being used for exploration and he did not feel the companies should be forced into buying something they did not need or want to begin with. Tom Harrison also spoke as an opponent, supporting the amendments, as did Pete Jackson.

The Chairman called for other witnesses and following, Representative Sivertson closed his presentation. He said there was a portion written into the bill that should take care of the objections of Gannon, Mockler and Harrison.

Questions by the committee included the comment by Sen. McCallum that Sen. Jergenson had also presented a similar bill, requiring such land acquisitions be reported to the state so a record could be maintained. Rep. Sivertson said if (the Legislature) is really serious about addressing this problem, he felt this would protect individuals who want to get into the agriculture business. The question was then raised on how much land had been purchased by alien owners and Sen. Manley said he felt such legislation would reduce the price of land. Sen. Roskie asked if such deductions were not permissible, wouldn't such action preclude anyone from using the land for agriculture? On this discussion the hearing was closed on HB429.

CONSIDERATION OF HOUSE BILL 269: Representative Yardley was sponsor of this bill and said it would allow a surviving joint tenant, issue of the decedent, to receive the same tax benefit that a surviving spouse of the decedent receives for inheritance tax purposes. He referred to the Fiscal Note briefly and following his testimony, Mr. Murphy, representing the NFO, FU, WIFE and Farm Bureau, also spoke in support.

The Chairman called for other proponents or opponents, and there being none, the hearing on HB269 was closed.

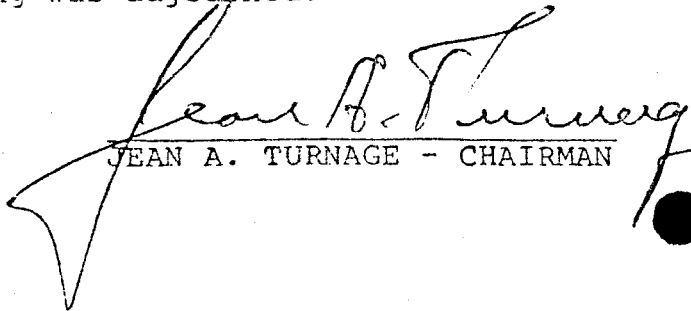
CONSIDERATION OF HOUSE BILL 496: Representative Moore said this bill provides for 20% surtax on all property owned by an alien person. His presentation was brief, and following, the Chairman permitted opponents to present their testimony. Mr. Mockler, Mr. Allen and Mr. Harrison all opposed the bill, stressing that surtax would force disposition of assets of presently-established companies. Other opponents included Rosemary Strobe of the Montana Ch. of Comm., who felt there would be substantial repercussions from such legislation.

Rep. Moore was given an opportunity to close his presentation and he said this bill would provide some additional revenue for local governments, and also, he felt those who own Montana lands should pay more for the privilege of using such lands, and owning property here. The question was raised by the committee about companies already in existence and if they would then be affected. The hearing then was closed on HB496.

CONSIDERATION OF HOUSE BILL 830: Representative Burnett was sponsor of the bill which would exempt all property transferred to a surviving spouse from the inheritance tax. The bill also provided a 15-year deferral of that tax on transfer of a family farm or small business to a child, providing also for a credit against the deferred tax according to the number of years the child owns the property or business. Mr. Nelson of the MonTax Assoc., was also a proponent of the bill as was Mr. Murphy who said this legislation was most significant for farmers and ranchers so they could keep the family farm in tact. Gene Spilde was a proponent of the bill as well.

Chairman Turnage called for other proponents or opponents and as there were none, opened the hearing to questions by the committee. Sen. Manley said the two bills and his bill, being similar, should be compared and the committee agreed. Sen. Manley's bill, SB508, had been passed by this committee and the Senate, and was at this time, in the House.

Following this discussion, meeting was adjourned.


JEAN A. TURNAGE - CHAIRMAN

Date MAR. 31, 1979

ROLL CALL

SENATE TAXATION COMMITTEE

46th LEGISLATIVE SESSION - 1979

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.