

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

April 5, 1979

The sixty-eighth meeting of the Taxation Committee was called to order on the above date in Room 415 of the State Capitol Building with Chairman Turnage presiding; this was the 8 o'clock a.m. meeting.

ROLL CALL: Roll call found all the members present.

First up for the committee's consideration and discussion, was HB303 by Rep. Nordtvedt. This income tax indexing bill was again discussed by the committee and they agreed on adopting the Department of Revenue's recommendation to make the bill applicable also to those who use the fiscal year as well as the calendar years, in computing their taxes. This Amendment was Carried on motion by Senator Roskie.

They also discussed amending the bill to include setting time to compute the consumer price index. This amendment was moved by Sen. Towe and carried.

Senator Goodover then Moved HB303 As Amended, Be Concurred In. Motion carried. Senators Towe and Watt voted "No".

Next up for consideration was HB213 to revise property tax classification. Here the committee discussed again the vehicle fee system which had come up for considerable discussion. Mr. Burr of the Revenue Department was present to provide information as to the fiscal impact of the rate changes being considered by the committee. After the discussion, Senator Severson made the following motion:

Sen. Severson Moved the committee request a resolution be adopted relative to the Administrative Code Rule concerning the book value of motor vehicles as outlined. His motion carried, Sen. Roskie voting "No" and Researcher Terry Cohea was instructed to draw up such a resolution.

HB213 was again discussed and Senator Goodover moved the amendments previously made to HB213 be removed. The motion carried by roll call vote, 8-3. Note absence here of Sen. Brown.

Sen. Goodover then Moved HB213 Be Concurred In. Motion carried. Note here, "No" vote cast by Sen. Manley; Sens. Brown and Roskie gone.

HB643 was then up for discussion and Mr. Morrison of the Department of Revenue was present to answer questions of the committee. A number of amendments had been considered by the committee and these were discussed in detail. Senator Towe Moved the Adoption of the amendments from Mr. Gannon of Montana Power. This motion carried.

The bill, dealing with centrally assessed utilities, was discussed

thoroughly and one of the points made by Montana Power, in favor of their amendment to place it in lower rate classification was that they were presently paying a variety of taxes, whereas power, pipelines, similar entities, had but one operation, therefore it was agreed their tax should be in higher rate classification. Senator Towe Moved to adopt the Revenue Department's amendment specifying "original cost" in referring to assessments. This motion carried also. (These amendments appear on Committee Report filed with proceedings of the committee on April 6th.)

Representatives of a number of the utilities, power companies, were present to offer their amendments and further discuss the bill. They included Gene Phillips with PP& L, Mr. Gannon, Bob Quinn. He said they would like to see a single assessment. They would prefer not passing extra costs on to their customers; also they wanted to be assured that the allocation of revenue go back to the counties where installations of the central plants are located.

Senator Watt Moved HB643 As Amended Be Concurred In. The motion carried by a 7-5 vote, see roll call.

There was concern that this bill would create a problem should HB213 is passed. Sen. Goodover Moved that a property tax class be created that would accommodate both percentages needed for this bill, HB643. His motion carried.

Next up for the committee's consideration was HB427, the library funding bill. The bill was discussed and it was noted that some of the earmarked revenue funds in SB300 was for libraries and if this bill was killed there would be no other means of helping libraries should the committee choose to do so.

The committee discussed amending the bill for an effective date, this to be included also in the title. Sen. Watt Moved this amendment and it was carried.

Senator Watt then Moved HB427 As Amended, Be Concurred In. Motion carried 8-4, see roll call.

Senator Manley made a motion to amend the bill whereby moneys raised by the bill would be allocated to local governments by population. His motion failed on a roll call vote.

The committee next took up for consideration HB649 regarding insulation of homes and loans for such costs by serving utility companies. After some discussion the committee agreed to table the bill.

Senator Roskie Moved HB649 be Tabled. Motion carried.

HB547 was then discussed further and the bill, dealing with freedom to negotiate salaries over schedule for vo tech teachers, was seen to be amended extensively in the House. The committee felt the stricken language should be reinserted in order that the bill might go into a conference committee where it could be further studied.

Senator Brown Moved to Amend HB547 to its original form. Motion carried. Sen. McCallum then Moved HB547 As Amended, Be Concurred In.

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The amendments that were adopted and sent out with the bill were this committee's amendments, as well as reinsertion of the stricken language.

Senator Manley then Moved HB299 be Tabled. This resulted in a tie vote, thus the bill remains in committee.

There then followed discussion on the bill and a number of amendments were discussed, however there was no further action on the bill.

House Joint Resolution 42 was then up for further consideration and possible amending. Senator Brown moved to amend the bill. Sen. Watt also moved the Environmental Quality Council do the study. This motion was carried, Sens. McCallum and Manley voting "No".

Senator Watt then Moved HJR42 As Amended Be Concurred In. Motion carried, Sens. Manley and McCallum voting "No".

Senator McCallum Moved HB397 be Tabled. Motion carried. Senator Manley voted "No".

Senator Severson then Moved HB 639 Be Concurred In. The motion carried by a vote of 7-5, on a roll call vote.

Discussion on HB639 continued and the arguments of the opponents were discussed. One of the objections of counties to the average inventory method of assessing livestock was the lack of funds for the numerous refunds that had to be made. This point was discussed by the committee, who also were concerned about the problems of administering the present law, the a.i.m.

The committee then discussed HB910. They agreed to amend it also, see committee report attached.

Senator Brown Moved HB910 As Amended Be Concurred In. Motion carried. Senator Hager voted "No".

Senator McCallum then moved HB429 be Tabled. Motion carried. A note for the record, "No" vote cast by Sen. Towe.

Senator McCallum Moved to Table HB496. Motion carried, with "No" votes recorded for Sens. Goodover, Norman and Towe.

Senator Manley Moved to Table HB633. Motion carried with Sen. Norman voting "No".

Representative Ramirez was present at this point to further explain and get discussion from the committee on HB845. He said his bill does two things: 1) would allow industrial revenue bond proceeds to be loaned out; and 2) allows aeronautics board to buy and then lease out equipment to companies based in Montana. He said too the state could have security interest and Big Sky Airlines (mentioned specifically) could have title to the equipment and then pay tax on the planes. He reiterated the problems the state will have after deregulation and said he felt this was a solution to keep smaller, feeder airlines in the state. Following this discussion, the committee agreed to move the bill:

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Senator Towe first Moved to amend the bill. This motion carried by a 9-3 vote, "No" votes by Sens. Goodover, Norman, Manley.

Senator Roskie then Moved HB845 As Amended Be Concurred In. This motion also carried with "No" votes by Sen. Manley

This concluded the 8 o'clock meeting.


JEAN A. TURNAGE - CHAIRMAN

Date APR. 5, 1979

8 a.m.

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.

SENATE COMMITTEE TAXATION

①

Date 4-5-79 House Bill No. 213 Time 8:35

NAME	YES	NO
SEN. GOODOVER (Vice Chairman)	X	
SEN. BROWN <i>absent</i>		
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	
	8	3

Nita Fjeseth
Secretary

Jean A. Turnage
Chairman

Motion: All Amendments Stripped
from HB 213 (New Chapter 4.1)

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

2

SENATE COMMITTEE TAXATION

Date 4-5-79 House Bill No. 643 Time 9:20

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	

7-5.

Nita Fjeseth
Secretary

Jean A. Turnage
Chairman *Carried*

Motion: As Am Be Carried

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

5

SENATE COMMITTEE TAXATION

Date 4-5-79 House Bill No. 427 Time 9:50

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 <i>present</i>		
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: Sen Manley - by [signature] - [signature]
W

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

SENATE COMMITTEE TAXATION

(4)

Date 4-5-79 7:15 Bill No. 427 Time 10:00 AM

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	

8 - 4

Nita Fjeseth
Secretary

Jean A. Turnage
Chairman

Motion: As Am Be Conc. In. *Carried*

with Executive Note

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

(5)

SENATE COMMITTEE TAXATION

Date 4-5-79 House Bill No. 299 Time 10:50

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 <i>absent</i>		
SEN. ROSKIE	X	
SEN. SEVERSON		X
SEN. TOWE <i>absent</i>		
SEN. WATT		X
CHAIRMAN TURNAGE	X	

Nita Fjeseth
Secretary

Jean A. Turnage
Chairman

5 - 5 Tie

Motion: To Table Motion Failed

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

6

SENATE COMMITTEE TAXATION

Date 4-5-79 House Bill No. 639 Time 11:05

NAME	YES	NO
SEN. GOODOVER (Vice Chairman) <i>P</i>		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

7-5

Nita Fjeseth
Secretary

Jean A. Turnage
Chairman

Motion: Be Conc. In *Carried*

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

7

SENATE COMMITTEE TAXATION

Date 4-5th Lance Bill No. 845 Time 11:50

NAME	YES	NO
SEN. GOODOVER (Vice Chairman)		X
SEN. BROWN	X	
SEN. HAGER	X	
SEN. MANLEY asked to be recorded.		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	

9 - 3

Nita Fjeseth
Secretary

Jean A. Turnage
Chairman

Motion: Be Comm. In Carried

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

STANDING COMMITTEE REPORT

April 5

19 79

MR. President

We, your committee on Taxation

having had under consideration House Joint Resolution Bill No. 42

Respectfully report as follows: That House Joint Resolution 42 Bill No. 42,
third reading bill, be amended as follows:

1. Title, line 6.
Following: "ASSIGN TO"
Strike: "AN INTERIM JOINT LEGISLATIVE SUBCOMMITTEE"
Insert: "THE ENVIRONMENTAL QUALITY COUNCIL"
2. Page 1, line 23.
Following: "purpose"
Strike: remainder of page 1
Insert: "."
3. Page 2, line 4.
Following: "assign"
Strike: "an appropriate committee, consisting of equal representation
of both houses and both parties,
Insert: "the environmental quality council"

J.A.
~~UNAPPROVED~~
~~DO PASS~~
And, as so amended,
BE CONCURRED IN

STANDING COMMITTEE REPORT

April 5

19 79

MR. President

We, your committee on Taxation

having had under consideration House Bill No. 213

Respectfully report as follows: That House Bill No. 213

BE CONCURRED IN

~~XXXXXXXXXX~~
~~DO NOT~~ *J.A.*

STANDING COMMITTEE REPORT

April 5

19 79

MR. President

We, your committee on Taxation

having had under consideration House

Bill No. 221

Respectfully report as follows: That House Bill No. 221,

third reading bill, be amended as follows:

1. Title, line 8.

Following: "RETURN"

Insert: "; PROVIDING AN APPLICABILITY DATE"

2. Page 2, line 3.

Following: line 2

Insert: "Section 2. There is a new MCA section that reads: Applicability date. This act applies to taxable years beginning after December 31, 1979."

And, as so amended, BE CONCURRED IN

DO PASS

STANDING COMMITTEE REPORT

April 5

19 79

MR. President

We, your committee on Taxation

having had under consideration House Bill No. 427

Respectfully report as follows: That House Bill No. 427,
third reading bill, be amended as follows:

1. Title, line 6.
Strike: "AND"

2. Title, line 7.
Following: "SERVICES"
Insert: "; AND PROVIDING AN EFFECTIVE DATE"

3. Page 3.
Following: line 22
Insert: "Section 3. Effective and applicability dates. This act is effective on passage and approval and applies to all coal severance tax collections after June 30, 1979."

And, as so amended
BE CONCURRED IN

~~BY PASS~~ *li.*

JERRY A. TURNAGE, Chairman

STANDING COMMITTEE REPORT

April 5 19 79

MR. President

We, your committee on Taxation

having had under consideration Statement of Intent on - House Bill No. 534

Respectfully report as follows: That Statement of Intent on - House Bill No. 534

"In adopting rules to determine the eligibility for tax credits of recognized nonfossil forms of energy generation that produce passive solar heat, the department shall rely on the standards adopted, if any, by the Internal Revenue Service pursuant to the National Energy Act and on those adopted by the states of California and New Mexico. The department of revenue shall adapt these standards to fit passive solar systems suited for Montana's climate.

A passive solar system includes only those portions and components of a building that are expressly designed and required for the collection, storage, and distribution of solar energy and that are not standard components of a conventional building. Thus, the conventional amount of south-facing windows or a standard mass wall could not be included as part of a passive solar system, but additional south-facing windows or additional thickenings to a standard mass wall used for solar heat storage could be included."

DEBASS
Be Adopted

STANDING COMMITTEE REPORT

April 5

19 79

MR. President

We, your committee on Taxation

having had under consideration House Bill No. 534

Respectfully report as follows: That House Bill No. 534,
third reading bill, be amended as follows:

1. Page 2, line 2.

Following: "SITE."

Insert: "It includes only those portions and components of a building that are expressly designed and required for the collection, storage, and distribution of solar energy and that are not standard components of a conventional building. The department may adopt rules to define standard components of conventional buildings and to establish other necessary elements of this definition consistent with the intent of this section."

And, as so amended,

BE CONCURRED IN

DOYES

Statement of Intent adopted and attached

JENNIFER TORRAGE,

Chairman

STANDING COMMITTEE REPORT

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MR. President

We, your committee on Taxation

having had under consideration House Bill No. 547

Respectfully report as follows: That House Bill No. 547,
third reading bill, be amended as follows:

1. Title, line 12.

Following: "EMPLOYEES"

Strike: remainder of line 12 through line 14

Insert: "WHENEVER THE NEGOTIATED SALARY AND BENEFITS OF POSTSECONDARY
VOCATIONAL-TECHNICAL CENTER EMPLOYEES EXCEED THE SALARY AND BENEFIT
INCREASES AUTHORIZED FOR STATE EMPLOYEES"

2. Page 2, line 5.

Following: "employees"

Strike: remainder of line 5 through line 3

Insert: "whenever the district board approves a negotiated salary
and benefit contract with postsecondary vocational-technical teachers
and employees that provides increases in excess of the salary and
benefit increases approved by the legislature for state employees."

3. Page 2, line 14.

Following: "ievy."

Strike: remainder of line 14 through line 17

Insert: "the salary and benefit levels established for postsecondary
~~XXXXXX~~ vocational-technical center teachers and employees on or before

CONTINUED

3. (continued)

July 1, 1979, constitute a base, and only salary and benefits negotiated above that base may be submitted for an additional levy."

And, as so amended,
BE CONCURRED IN

P.O.

STANDING COMMITTEE REPORT

April 5 19 79

MR. **President**

We, your committee on **Taxation**

having had under consideration **House** Bill No. **639**

Respectfully report as follows: That **House** Bill No. **639**

BE CONCERNED IN

XXXXXX
DO PASS

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STANDING COMMITTEE REPORT

.....April 5..... 19 79.....

MR. President.....

We, your committee on Taxation.....

having had under consideration House Bill No. 845.....

Respectfully report as follows: That House Bill No. 845,
third reading bill, be amended as follows:

1. Title, line 8.
Strike: "AND TO MAKE TEMPORARY LOANS PRIOR TO THE ISSUE OF THE BONDS"

2. Page 11, line 19.
Strike: section 8 in its entirety
Renumber: subsequent section

And, as so amended,

WE CONCUR IN

~~EMPHASIS~~ *JA*

STANDING COMMITTEE REPORT

April 5

19 79

MR. President

We, your committee on Taxation

having had under consideration House Bill No. 910

Respectfully report as follows: That House Bill No. 910,
third reading bill, be amended as follows:

1. Page 1, line 21.

Following: "intent"

Strike: ".."

Insert: "and to clarify the existing law to reflect the original intent of the legislature. No change in the law is contemplated by this act."

90
~~DO PASS~~

And, as so amended,
BE CONCURRED IN