

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
MONTANA STATE SENATE

Apr. 5, 1979

The sixty-ninth meeting of the Taxation Committee was called to order at 2 o'clock on the above date in Room 415 of the State Capitol by Chairman Turnage.

ROLL CALL: Roll call found all the members present.

Magnus Aasheim appeared before the committee and presented some data, Exh. #1, attached, to indicate the disparity in taxes on land as compared to those on machinery. He explained the charts he distributed and said he believed his own farmland, located in Sheridan County, seemed to be low when compared to the very high taxes on his tractor, as example. He said following the recent state-wide reappraisal the taxable valuation of land had gone up somewhat, but he felt machinery appraisal is unrealistic. The committee asked the witnesses several questions and discussed the Green Book which is used by the Department of Revenue to establish a market value on machines.

Next up for discussion was HB534. The committee agreed that the bill did not have a good definition of solar systems, passive as adverse to active systems. They thought the bill should be amended to set a maximum amount of credit. They also discussed amending the Statement of Intent, and agreed to amend the bill:

Senator Towe moved to amend the bill; this motion was carried. Senator Towe then Moved to amend the Statement of Intent and this motion was also carried.

The committee at this point discussed and voted on amendments to HB299, previously discussed and heard, by this committee. Amendments were moved and carried to HB299.

Next up for consideration was HB884. This bill too had been previously discussed and the possible conflicts with HB213.

Sen. McCallum Moved HB884 Be Tabled. Motion carried. Note for the record "No" votes cast by Sens. Roskie and Towe.

Sen. Goodover then Moved HB299 As Amended Be Concurred In. Motion carried, Sen. Roskie voting "No".

Sen. McCallum Moved HB534 As Amended Be Concurred In. Motion carried; Sen. Manley voted "No".

House Bill 297 was then brought up for further discussion and the charts distributed at the original hearing were again brought out and discussed. This bill would exempt outdoor recreation areas from property tax. The sponsor of the bill Rep. Pavlovich pointed out that many non-profit golfing organizations had excessive tax to pay under the reappraisal, and since they were non-profit, he felt they should be tax exempt. The bill included also trap shoot areas. J.D. Lynch was present to give explanatory testimony as well, and the members went

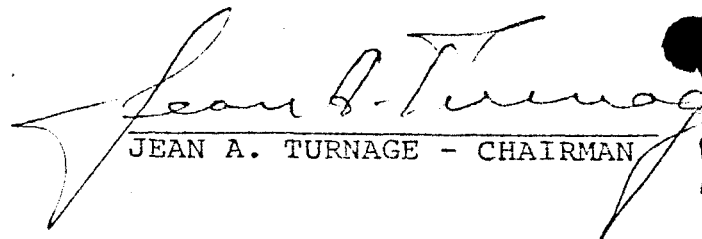
through the bill with the idea of amending it in order to limit those exemptions to only non-profit organizations already in existence. Researcher Terry Cohea was asked to draft language which would incorporate the committee's ideas: 1) to limit the operation to golf courses with a minimum of 9 holes; 3,000 yards in length and improvements actually and necessarily used for that purpose; and 2) applies only if they existed on Jan. 1, 1979; and 3) have sunset provision for 1983. The committee voted on the motion of that concept and that motion was carried.

Next up for consideration, HB266. Senator McCallum Moved this bill be Tabled. His motion carried.

A Fiscal Note for HB269 was then distributed and further discussion was held on the bill. The bill, dealing with inheritance tax, has a significant fiscal impact and the committee wished further information on such impact before any action would be considered.

Since HB830 is also an inheritance tax bill, it too was discussed, with its fiscal impact, and the two bills were explained. Senator Manley also introduced a bill, which was passed, SB508, which dealt with inheritance tax as well, and the three bills were compared, their merits and their impact.

Following this discussion, the meeting was adjourned.

  
JEAN A. TURNAGE - CHAIRMAN

Date 4/5/79  
*R. p. m.*

ROLL CALL

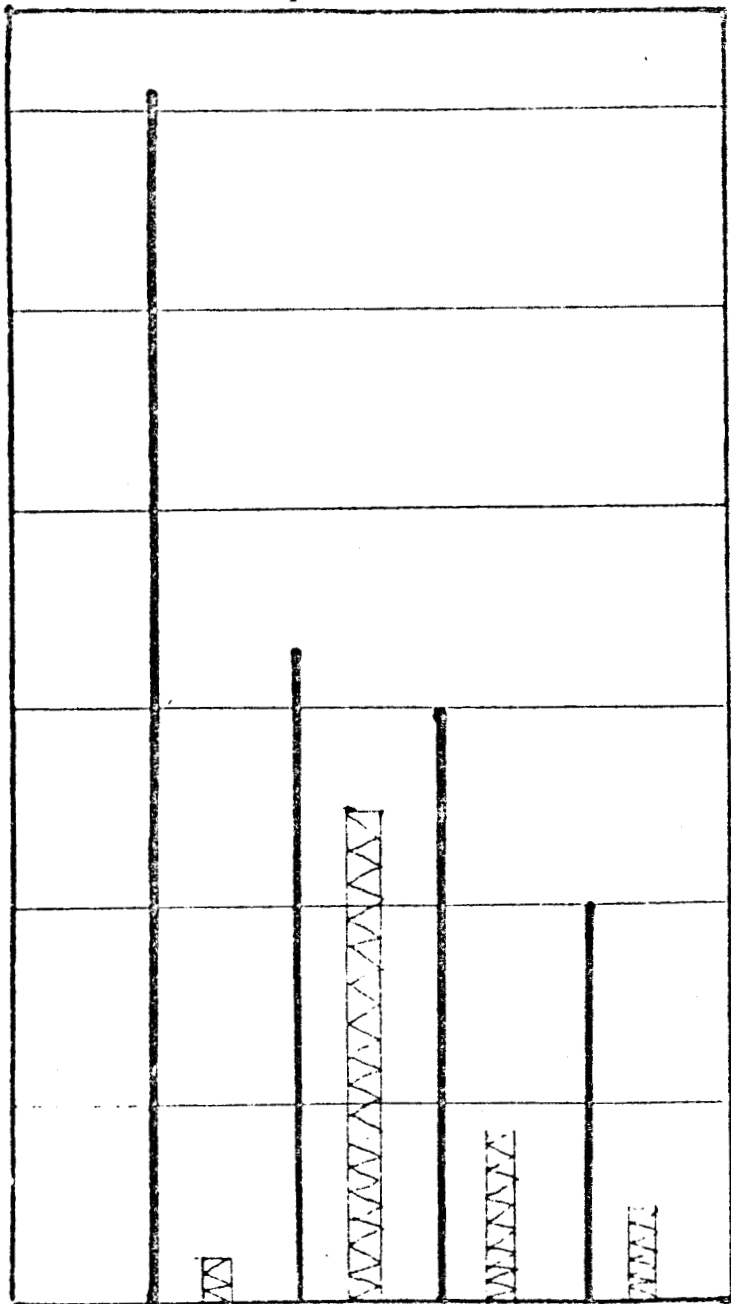
SENATE TAXATION COMMITTEE

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              | ✓       |        |         |
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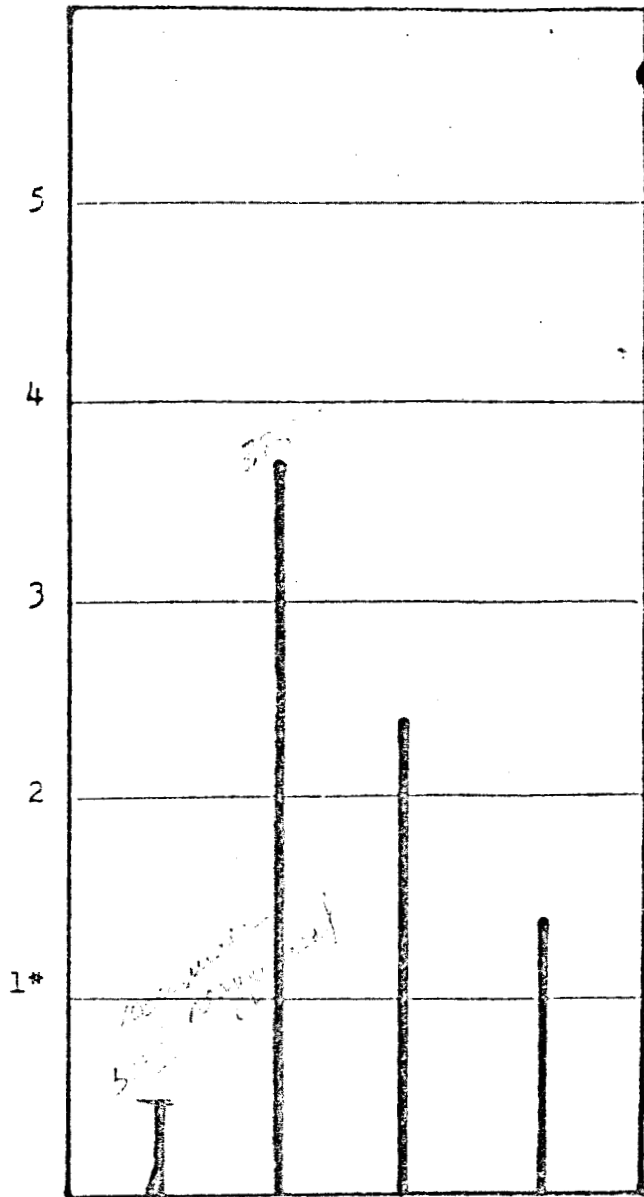
Each Day Attach to Minutes.

Graph A



graph B

*Graph B*



\* in 1,000 dollars

\* in 100 dollars

— estimated mkt. value

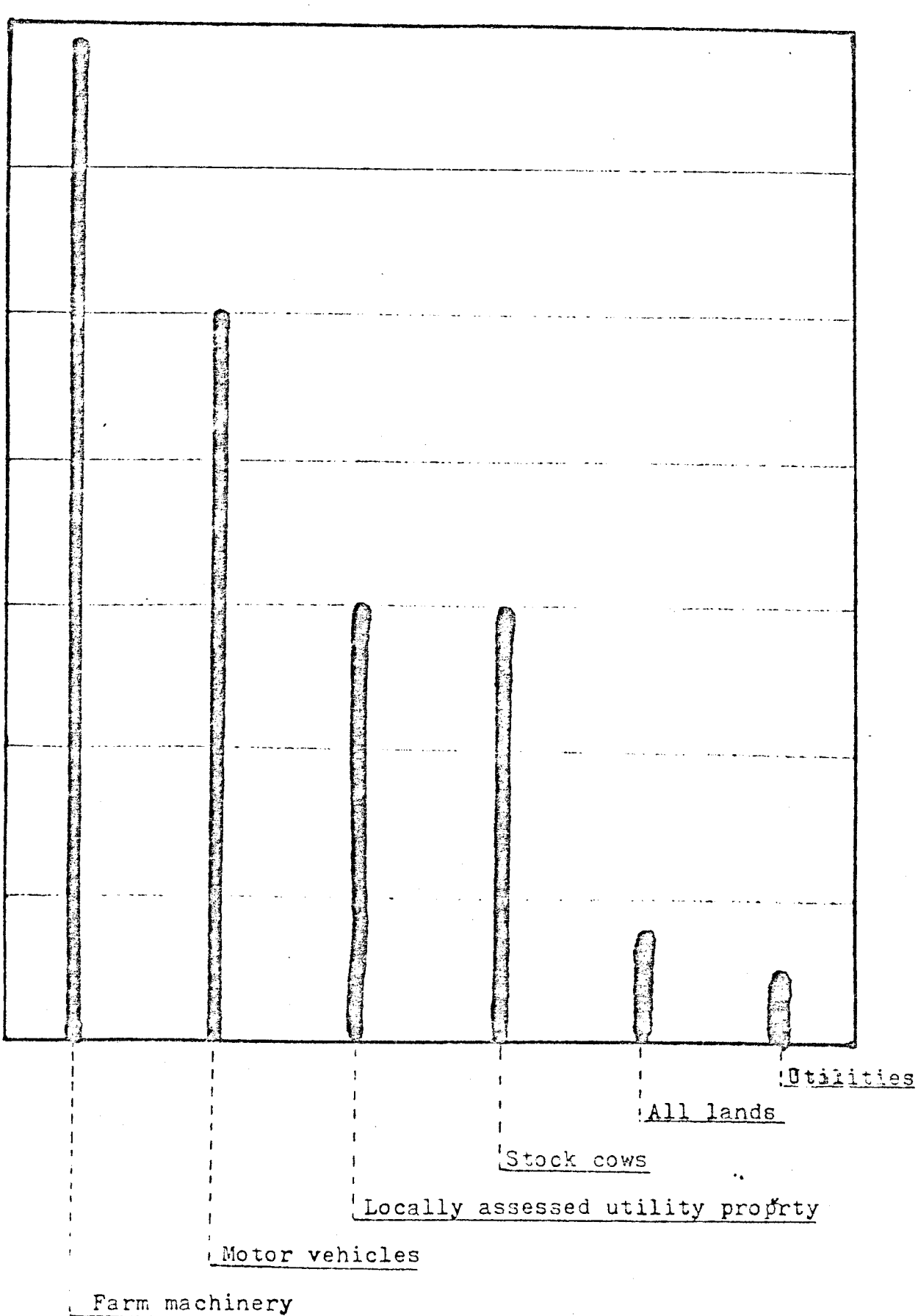
— taxes paid in '75 based on 150.29 mills

▨ assessed value '75

The above information relates to property in sch. dist. 19 Antelope, Mt.  
 Land - ¼ sec., 99 cultivated, 55 grazing, (cultivated at \$250 and grazing \$100)  
 Tractor - two-wheel drive IHC 1466 1973  
 Cows - 50 stock cows at \$300 each  
 Steel bldg. - 40' by 80' with concrete floor and wired

Per cent of increase in taxable valuations of various properties in Sheridan County from 1961 to 1975.

Graph C



In the above stock cows and land are constant; the taxable valuation of one cow was taken in each of the two years.