

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

January 15, 1981

The fifth meeting of the Senate Taxation Committee was called to order by Chairman Pat Goodover, at 8 a.m., Room 415, State Capitol Building.

ROLL CALL: All members were present, with the exception of Senator Hager, who was excused.

CONSIDERATION OF SENATE BILL 41: The Chairman called upon sponsoring Senator Bill Hafferman, District 11, Lincoln County, to present the bill. Senator Hafferman said SB41 is an act amending section 15-6-209, MCA, to classify senior citizen centers that are community service organizations established prior to July 1, 1981, as tax exempt. The bill changes the date of Jan. 1, 1976, to July 1, 1981. While the Senator was at a senior's meeting in Troy, he was asked why Troy is taxed, not Libby or Eureka. This bill exempts senior citizens in Troy. Sen. Hafferman introduced Rep. Glenn Mueller from House District 21, Libby, who stated that the purpose of the bill was to correct inequity where one town is paying taxes and another isn't. He urged a do pass on this bill.

Chairman Goodover recognized Ellen Feaver who said that she thought a fiscal note to this bill would be quite minimal. Jim Jensen, representing low-income senior citizen's advocacy committee, added his support for passage of this bill.

Questions from Committee: Sen. Crippen suggested an amendment so that this action wouldn't have to be taken every two years. Ellen Feaver suggested phrasing as of the assessment date, "It is, as of the assessment date, an active community organization." In answer to Sen. Goodover's query as to whether the community service part might not open this up to, not just seniors, but everybody, Sen. Towe replied that exemptions already under a), b), c), and d delineate against that. Sen. Towe suggested we could say "owned and used by" on line 12. Sen. McCallum thought it should be clarified because some centers are owned by the town to take care of tax problems. Sen. Towe asked if anyone who was here during the 1977 session remembered why 15 months or 18 months of on-going activity was required before the exemption would qualify. Sen. Goodover said he would check some notes that he had and get that information back to the committee. Sen. Norman asked Ellen Feaver if she saw any substantial impact in cost if they amended for the assessment date, and she said no.

Chairman Goodover said action would be delayed until more information was available. Senator Hafferman was excused.

CONSIDERATION OF SENATE BILL 34: Sponsor, Sen. Steve Brown, introduced this bill saying that it was one of 4 or 5 bills passed from the Legacy Legislature designed to help senior citizens. It applies to certain tax status that citizens pay for RV's they own. RV's are taxed at 3%. This bill would provide that once they file an application for the Class V classification they wouldn't have to come in every year and file a new affidavit. He asked Ellen Feaver to comment on housekeeping problems and urged the committee to give a do pass. Jim Jensen said his group supports this bill. He saw it as just another form of paperwork for seniors to go through and thought it unnecessary.

There were no opponents. Questions from the Committee: Sen. Towe wondered if there were problems with the wording, as the bill seems to suggest that applicants should come and report changes in eligibility. Ellen Feaver didn't think there were problems now, and even if they came in annually it would not be cost beneficial to check their records. Sen. Towe thought the bill implied that if there were a change in eligibility they are supposed to voluntarily come in and notify of that change. Sen. Elliott wondered if problem wasn't in notification system, rather than law. Sen. Steve Brown thought that when they notified assessor they were in Class V this change would be noted.

After further discussion Sen. McCallum asked Cort to look up Rep. Quilici's bill from last session. Sen. Goodover commented that the Great Falls assessor had had lots of complaints under Quilici's bill. Sen. Severson said most complaints would be about the bottom rate. Sen. Eck thought it would be a good idea to check and see if a sliding scale is into the Legislative Council and also thought Rep. Quilici's bill should be looked at. Sen. Elliott said he hears complaints about the inconvenience of going to the courthouse for application. Sen. Towe said he had put in a bill 2 years ago making it legal for them not to go if they sign the affidavit and mail application and statement to their Dept. of Revenue. Further, Sen. Towe didn't think this a good bill because he didn't think that people would voluntarily come in and say they're making more money, and suggested maybe we want to make an exception to help. Mr. Jensen thought maybe an amendment would be in order so that a senior applies by sending a card back that the status has not changed. Cort Harrington said he had drafted the bill for the Legacy Legislature, and that their concern was that they might forget to file and lose benefits. The Chairman asked Ellen Feaver if DOR would have to fix the cards. She said it would be hard to dispute that the card method would be better and added that it would be up to the committee as to whether it's worth the cost. Sen. Towe offered amendment language: "The Department of Revenue may ask for an update at any time they wish." Sen. Steve Brown said they could do that now. Sen. Towe agreed. Sen. Manley made a motion that the bill be passed as written. The vote was unanimous for a do pass.

The meeting was adjourned.


PAT M. GOODOVER, Chairman

ROLL CALL

TAXATION COMMITTEE

47th LEGISLATIVE SESSION - - 1981

Date 1/15/81

NAME	PRESENT	ABSENT	EXCUSED
Goodover, Pat M., Chairman	✓		
McCallum, George, Vice	✓		
Brown, Bob	✓		
Brown, Steve	✓		
Crippen, Bruce D.	✓		
Eck, Dorothy	✓		
Elliott, Roger H.	✓		
Hager, Tom			✓
Healy, John E. "Jack"	✓		
Manley, John E.	✓		
Norman, Bill	✓		
Ochsner, J. Donald	✓		
Severson, Elmer D.	✓		
Towe, Thomas E.	✓		

Each day attach to minutes.

DATE Jan. 15, 1981

BILL NO 5 34 x 41

VISITOR'S REGISTER

[illegible]

STANDING COMMITTEE REPORT

January 15 19 31

MR. President

We, your committee on Taxation

having had under consideration Senate Bill No. 54

Respectfully report as follows: That Senate Bill No. 54

introduced (white), be amended as follows:

1. TITLE, page 1, line 7

Following: "REVENUE"

Insert: "AND TO ELIMINATE THE REQUIREMENT OF SERVICE ON THE STATE
TAX APPEAL BOARD"

2. TITLE, page 1, line 8

Following: "BOARD"

Insert: "; TO REQUIRE THE DEPARTMENT OF REVENUE TO NOTIFY THE STATE
TAX APPEAL BOARD OF APPEALS; TO ELIMINATE THE REQUIREMENT
THAT THE STATE TAX APPEAL BOARD BE SERVED WITH ALL PLEADINGS
AND DOCUMENTS; AND TO REQUIRE THAT THE DEPARTMENT OF REVENUE
FURNISH THE STATE TAX APPEAL BOARD WITH COPIES OF PLEADINGS
AND DOCUMENTS UPON REQUEST OF THE BOARD"

3. Page 1, line 21

Following: "petition on the"

Strike: "state tax appeal board and the"

MEYERS:

Senator Pat H. Goodover

Chairman.

4. Page 1, line 22

Following: "department of revenue"

Insert: "or taxpayer"

5. Page 1, line 25 and page 2, lines 1 and 2

Following: "thereon."

Strike: remainder of line 25 and lines 1 and 2 on page 2 in their entirety.

Insert: "The department of revenue shall promptly notify the state tax appeals board, in writing, of any judicial review but failure to do so shall have no effect on the judicial review. The department of revenue shall, on request, submit to the state tax appeals board a copy of all pleadings and documents."

And, as so amended,

DO PASS

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