

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

January 16, 1981

The sixth meeting of the Senate Taxation Committee was called to order by Chairman Pat Goodover at 8:10 a.m. in the auditorium of the Old Highway Building.

ROLL CALL: All members present with the exception of Senator Healy.

CONSIDERATION OF SENATE BILL 47: Chairman Goodover called upon Senator Elmer Severson to present this bill. Senator Severson said this bill was an act to remove livestock, poultry, and the unprocessed products of both from tax Class 7 and place them in Class 6 for purposes of property taxation. This bill would place all inventories along with all businesses, including poultry, in the same class, thus eliminating inequities and tries to see that people are treated equally. Senator Severson commented that this is a popular bill in the Legislature as there are 37 co-sponsors in the Senate and 43 in the House. Senator Severson introduced Audrey Roth, Big Sandy, chief co-sponsor of the bill in the House. She testified that the livestock industry is asking only for a tax equalizing livestock inventories with business inventories, reclassification from Class 7 to 6 and placing livestock and poultry into a 4% rather than an 8% rate. She said there are 10 states (Colorado, Idaho, Iowa, Nebraska, Oregon, Utah, Wyoming, Nevada, Washington, and Texas) without inventory tax on livestock. She stated opposition to SB 47 has come from counties that depend heavily on livestock tax, but she felt there were alternative taxes where people could carry their fair share.

Chairman Goodover announced that Senator Severson had provided him with a list of organizations and individual proponents that would be testifying on this bill and he called upon them.

PROPONENTS:

George Rath, Montana Stockgrower's Association, attachment #1.

Mr. Jack Dunn, Park County Stockgrower's, attachment #2.

Senator Carroll Graham, Board of Directors of the Montana Cattlemen's Association, attachment #3.

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Mr. Jack Asey, Montana Cattlefeeder's Association, attachment #4.

George Schulz, President of Montana Dairyman's Association.

Bob Gilbert, Montana Woolgrower's Association, favors this bill and brings attention to the fact that we are also considering sheep.

Don Johannsen, National Farmer's Organization, attachment #5.

Pat Underwood, Director of Information and Public Affairs for the Montana Farm Bureau, attachment #6.

Bill Asher, Agricultural Preservation Association, Sweetgrass County Preservation Association, and Stillwater County Agricultural Legislative Association.

Yvonne P. Snider, Women Involved in Farm Economics, attachment # 7.

Joyce Grande, Montana Cowbells, attachment #8.

Senator Tom Hager.

Senator Elmer Severson, speaking on behalf of the Pork Grower's Association.

Kenneth A. Coulter, Garfield-McCone Legislative Association, urged support of SB47, but said people in these counties have trouble understanding the different rates of taxes on other items. Some properties are taxed at 16%, some 3%, farm machinery, 11%, and land at 30%. He asked the committee to consider discrepancies in differing tax rates. Mr. Coulter then spoke for the Montana Association of Counties as an opponent of SB47, also as a County Commissioner against. He said they see the tax base eroded continually, but they are not asked to perform less service. He went on record as having a blanket opposition to any reduction in taxable values in his county. He further stated that as we reduce income to the county we're looking at reducing services or asking the state to come in with more money, or putting the tax on land to provide the service, and he felt these things should be considered. He further pointed out that ranchers on the considerable public land in his county needs roads, schools, and law enforcement, and so far the payment in lieu of taxes is not sufficient, and tax on the land is not sufficient.

Avis Ann Tobin, Montana Hardware and Implement Association.

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Keith Anderson, President of Montana Taxpayer's Association, attachment #9.

Senator Severson read statement from the Montana Chamber of Commerce, attachment #10.

Gene Chapel, for himself, attachment #11.

Bud Pile, Sweetgrass Preservation Association, attachment #12.

John Stahl, Jr., for Hutterites across the state.

Arnold Indreland, rancher and member of Farm Bureau who said his tax had increased 4 times in the 16 years since he started ranching. He recommended that valuation on anything taxable be taken out of the hands of the Department of Revenue and placed in the hands of the Senate and the House and that the Legislature prescribe the values under which all properties will be taxed and the maximum mill levies permitted.

Ann Scott, Montana Farmer's Union, attachment #13.

Ray Beck, Montana Association of State Grazing District and Montana Association of Conservation Districts, attachment #14.

Kermit Anderson, Sweetgrass Preservation Association.

Francis Engellant, Director, Choteau County Livestock Protective Association, handed the committee secretary his statement for the record at the close of the meeting, attachment #15.

OPPONENTS:

Doris Shepherd, representing the Montana Association of Counties, said that although repetitious, she could still say that the counties are faced with the constant decrease in tax base and tax dollars. Counties rely heavily on tax monies because of demand for services. Many counties are at the mill levy limit and she wondered where the counties could go after that.

Senator Elliott asked the gathering for a show of hands as to whether the group would like to see an equal reduction in county spending and county service, and an overwhelming majority of hands were raised.

Greg Satz, President of Park County Stockgrower's, stated that in 1952 his father paid \$800.00 in taxes and that he paid \$6,000.00 for the same place, and his road still only

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gets graded once.

Senator Severson closed by saying that he has served on the Taxation Committee for 3 different terms and said he had just witnessed the best hearing he had ever seen. He gave his thanks and appreciation to those attending and said the committee would do its best to help.

Senator Goodover adjourned the meeting stating that the committee would meet in executive session and try to come up with answers.



Senator Pat Goodover, Chairman

ROLL CALL

TAXATION COMMITTEE

47th LEGISLATIVE SESSION - - 1981

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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.

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COMMITTEE ON

Taxation

VISITORS' REGISTER

NAME	REPRESENTING	SR BILL #	Check One	
			Support	Oppos
Ernest H. Conklin				
James J. Shannon	Hot Tama's Inc		✓	
	Hot Tama's Inc		✓	
Bud Puley	Sweetgrass Farmington		✓	
Al Hougherty	Mont. Dairymen's Assn		✓	
Kermit Anderson	Rancher		✓	
Carl Hansen	MT RETAIL ASSN		✓	
Berglund & Berglund	Mont Dairymen's Assn		✓	
Walter Kinnison	Rancher		✓	
Wm. Silberman	11		✓	
Harold Anderson	Rancher & Farm Bureau		✓	
Clifford Perry	AT&T		✓	
Wm. J. ...	Rancher & Farm Bureau		✓	
Wm. J. ...	Mont. Dairymen's Assn		✓	
Thomas R. ...	Rancher		✓	
Thomas R. ...	Rancher & Farm Bureau		✓	
Walter R. ...	Rancher & Farm Bureau		✓	
Wm. J. ...	M S C A		✓	
Frank Engellert	Charlie Charles Limited		✓	
Wm. J. ...	Mont. Dairymen's Assn		✓	
Wm. J. ...	MT S & L		✓	
Wm. J. ...	Wm. J. ...		✓	
Mrs. Ann Beebe	Modesty Co. Stock Ranch		✓	
Wm. J. ...	Mont. Dairymen's Assn		✓	
Wm. J. ...	Park Co. Stockgrowers		✓	
Donna Vincent	Park Co. Farm Bureau		✓	

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COMMITTEE ON

Legislation

VISITORS' REGISTER

NAME	REPRESENTING	Senate BILL #47	Check One	
			Support	Oppose
Ken Arthur	Park County, Sheldons		✓	
Donald A. Robinson	Park Co. Sheldons		✓	
Arthur M. Nelson	Rancher		✓	
Kenneth D. Rose	"		✓	
W. J. Miller, Jr.	Bozeman, Mont		✓	
Tom Breen	" Bozeman, Mont			
Bill Cheney	"		✓	
Bob Leffeldt	"		✓	
BILL ASHER	APA - SCPA - SCALA		✓	
Jack Dunn	Park County Sheldons		✓	
Thomson	DEPARTMENT OF			
Mr. Chair	Phon. Box			
Robert L. Smith	Rancher			
John L. Smith	Mr. Assn. Co.			✓
Kenneth A. Coulter	MONT ASSN OF CO. BARRE MCONE LEG. ASSOC.			✓
Wm. S. Wallman	Park Co. Legislature		✓	
Gregg Wamum	MS 29 - Wooten		✓	
Edgar Parker	Rancher		✓	
Ed Wanduck	Rancher		✓	
Don L. Lavin	Rancher		✓	
Karen Leiker	Rancher		✓	
Virginia Gray	Rancher		✓	
Paul Peterson	Rancher		✓	
Wm. L. Wilson	Rancher		✓	
Keith Estep	Rancher		✓	

(Please leave prepared statement with Secretary)

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COMMITTEE ON

Investigation

VISITORS' REGISTER

NAME	REPRESENTING	SB BILL #	Check One	
			Support	Oppose
John Van Hous	Van Hous Ranch	47		
Edwin W. Jank	Jank Ranch			
Joe Phillips	Phillips Ranch		✓	
Yary Hickey	Brickell's Angus Ranch		✓	
Wm. H. H. H.	Wm. H. H. H.		✓	
Robert J. P. P.	Petrone Ranch		✓	
Frank J. H.	Reyston Ranch		✓	
John A. S.	North Cattle Feeders Assoc.		✓	
Rae Beck	St. Blaine Dist / MHD		✓	
John H. H.	Myrtle Ranch		✓	
Robert H. H.	Lebanon Mt		✓	
Frank H. H.	Lewistown Mont		✓	
Emma H. H.	Lewistown, Mont		✓	
John H. H.	Lewistown, Mont		✓	
Thomas J. Smith	Smith Ranch Lewistown		✓	
Thomas D. Snyder	Horner, involved in Farm Bureau		✓	
Bruce M. H.	Lewistown, Mont		✓	
Gene H. H.	Lewistown, Mont		✓	
Clay H. H.	Lewistown, Mont		✓	
John H. H.	Power	WIFE	✓	
Robert D. Coughlin	Helmville		✓	
John H. H.	Lewistown, Mont		✓	
John H. H.	Lewistown	H7	✓	
John H. H.	Ray		✓	
John H. H.	Ray		✓	
John H. H.	Ray	47	✓	

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COMMITTEE ON TAXATION

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppos
JH Bales	Montana Chamber	SB47	X	
Brian Roth	Big Sandy	"	X	
Egon Lewis	Lewis Mt.	"	X	
S. Keith Anderson	Montax	SB47	X	
Mary Tignor	MTL Stockgrowers Assn	SB47	X	
Mary Bowman	SPA SCFA SCHLA		X	
Ann Scott	Montana Farmers Union	SB47	X	
Hank Olson	Cross Range, MT	SB47	X	
Rita & Richard	Townsend MT	SB47	X	
Sam & Ruth Hyman	AG Producers Assoc.	SB47	X	
Bob Dwyer	Winnipeg MT	SB47	X	
John Dwyer	Winnipeg MT	SB47	X	
Nancy L. McLaughlin	Wolf Creek Mt.	SB47	X	
Dan W. Hilgert	Grey Creek Mt.	SB47	✓	
Richard Johnson	Richmond	"	X	
Kirk Smith	RESERVE	✓	✓	
James G. Hays	Chippewa	-217	✓	
Tony Little	"	09	X	
Gordon Jones	"	SB 47	X	
Norman Hart	Montpelier	SB 47	X	
Don S. Stuber	Nelson	SB 47	X	
David M. DeGroot	White Sulphur Springs	SB 47	X	
Wab Hillert	Montana Wool Growers	SB47	✓	

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