

MAY 7 1981

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

OF MONTANA

February 11, 1981

The twenty-fourth meeting of the committee was called to order at 8:05 a.m. in Room 415 of the State Capitol Building, Chairman Pat Goodover presiding.

ROLL CALL: All members were present except Sen. Elliott.

The first order of business was the approval of a committee bill to address the 34% question on property tax appraisals. Sen. McCallum moved that a committee bill be drafted. The vote was unanimous in favor of the motion.

Sen. Goodover announced that members of the committee would get copies of the minutes so that they could be better prepared to handle bills in executive sessions. He said bills that must be considered before the transmittal date are: the committee liquor bill, Senate Bills 7, 12, 53, 134, 160, 163, 183, 207, 208, 231, 260, 279, and 284. He assigned three bills to a sub-committee comprised of Senators McCallum, Eck and Severson. Those bills are Senate bills 17, 107, and 210. SB 53 was also assigned. They were asked to see how these bills correlate.

CONSIDERATION OF HOUSE BILL 250:

"AN ACT TO GENERALLY REDUCE PERSONAL INCOME TAX LIABILITY AND TO ADJUST THE AMOUNT OF EXEMPTION DEDUCTION BECAUSE OF A STATE BUDGET EXCESS; AMENDING SECTIONS 1, 3, 4, AND 5 OF INITIATIVE NO. 86 AND SECTION 9, CHAPTER 698, LAWS OF 1979; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Rep. Nordtvedt said House Bill 250 does two things: 1) increases basic exemption from \$800 to \$1,000, and 2) liberalizes parameters of the standard deduction from 15% of adjusted gross to 20% of adjusted gross. He used a graph to show purchasing power concerned with the standard deduction, Attachment #1. He said homeowners get a tax break in their tax and interest payments, but single persons do not. Rep. Nordtvedt (referring to the fiscal note) says his figure is 23.8 million on impact--DOR says 28 million. He handed the committee a computation sheet, Attachment #2.

Ellen Feaver commented that the fiscal note was revised for this bill and the revised estimate is more like 25 million dollars for the biennium.

The hearing was closed on House Bill 250.

CONSIDERATION OF SENATE BILL 21:

"AN ACT TO CREATE THE MONTANA PRODUCT DEVELOPMENT CORPORATION, A PUBLIC CORPORATION TO PROVIDE FINANCIAL AID FOR PRODUCTS AND INVENTIONS."

Sen. Towe said this is the equity capital bill, originally approved by the coal tax oversight committee two years ago. It is introduced be-

cause the business community is experiencing a shortage of equity capital in loan money available at banks. This bill talks about high-risk money--money that doesn't have to be repaid. He explained the bill is in this committee because it contemplates an appropriation from the coal tax income. Two million dollars would be the investment, although it could be more.

PROPOSERS:

John Orth, Deputy Director of MHD Institute in Butte. He said a part of their activity in Butte is a Center for Innovation. Their problem is not in not having enough inventors, but in keeping aid up to inventors, such as marketing, engineering, and patenting.

Mark Meloy, Board of Directors, Montana Small Businessmen Association, testimony attached, Attachment #3. He gave a copy of a book "The All Montana Catalog" to the secretary for members of the committee to look at if they had questions about how programs are picked.

Dave Lewis, Office of Budget Planning, State of Montana.

Sen. Towe said in closing that new ventures are often too risky for our bankers to represent. The administration supports the development of new financing to help.

Senator Hager asked how appointed board members could be released if they didn't do a good job. Sen. Towe said one should appoint a really good executive director to begin with, but said SB 220 (a companion bill) had a proposal that, if accepted, would establish a permanent committee.

Senator Goodover's questions to Mr. Orth elicited that the Center for Innovation has invested about 1 million dollars in its 3-year existence, venture capital spent was about \$100,000, 1/5 of the staff work has been done in Montana, there are 7 staff members in the Center, and that the future of the center was not certain.

Sen. Crippen felt that if ventures like this are not capable of obtaining capital from the free market place, there is a reason for it--because they have a high risk. He questioned the use of public money to fund the ventures.

The hearing was closed on Senate Bill 21.

CONSIDERATION OF SENATE BILL 291:

"AN ACT TO AUTHORIZE LOANS FROM THE RURAL SPECIAL IMPROVEMENT DISTRICT REVOLVING FUND TO FUND EMERGENCY REPAIRS IN A RURAL SPECIAL IMPROVEMENT DISTRICT; AMENDING SECTION 7-12-2183, MCA."

Sen. Hager used the following presentation of the bill. Currently there is no provision for giving the Board of County Commissioners authority to make loans from the revolving fund for emergency repairs

or water main breaks or sewer line breaks on rural special improvement districts adjacent to the City of Billings. In the past, the City of Billings made the repairs and submitted a bill and the following year the County would levy a maintenance charge against the District to reimburse the City of Billings.

As of August 25, 1980, the City of Billings no longer is going to perform this service. Therefore, the governing body must hire private contractors to perform this service and when there are no funds in the district, must find funds to pay the contractor. The best source would be the revolving fund until such time as we can levy against the district for such repairs and the monies repaid to the revolving fund.

It is not equitable to levy an annual maintenance charge against all rural SID's as repair to a district could be once a year or once in 10 years. Levying an annual maintenance charge against all districts is unfair as above stated."

Sen. Hager introduced Merrill H. Klundt, Clerk and Recorder of Yellowstone County, testimony is Attachment #4.

OPPONENTS:

Bruce MacKenzie, D. A. Davidson, says the security of the revolving fund is behind bond purchases and when loans could go to other purposes that concerns DAD. Secondly, the loan calls for repayment in 3 years, but there isn't a penalty if it isn't repaid in that time.

The hearing was closed on SB 291.

CONSIDERATION OF SENATE BILL 326:

"AN ACT TO PROVIDE A MECHANISM FOR THE REGISTRATION OF ALCOHOL STILLS THROUGH A PERMIT SYSTEM; TO REQUIRE FILING OF AN ANNUAL REPORT; AND TO PROVIDE FOR PENALTIES FOR NONCOMPLIANCE."

Sen. Turnage said this bill provides the DOR with means of identifying alcohol stills in the state. Stills that are capable of producing gasohol are also capable of producing 190-proof spirits. This bill wants to identify who has them, require a minimal amount of reporting, and charge an issuance fee of \$5.00. The bill does not include beer or wine as no distilling equipment is used for their production.

Senator Goodover asked Jo Brunner if the W.I.F.E. organization was subject to this law. She responded that when the federal government gives a permit the licensee is open to investigation of how the still is operated. If any indication is given that the still is used to produce alcohol for human consumption, the permit is disallowed. Sen. Turnage said he would have no problem with amendment language that would permit demonstrations using the equipment.

The hearing was closed on Senate Bill 326.

Cort said the draft of the committee liquor bill would be available tomorrow.

DISPOSITION OF SENATE BILL 255:

Sen. Towe proposed amendments to SB 255. A motion was made by Senator McCallum to approve amendments. The motion carried unanimously. Sen. Towe then made the motion to give a DO PASS to SB 255, as amended. The vote was unanimously in favor of the motion.

DISPOSITION OF SENATE BILL 85:

Cort presented amendments that he had drafted to cover the cash prize part of the raffle bill. Sen. Towe moved that the amendments be adopted. The vote carried the motion, except for Senator Manley's dissenting vote.

Sen. Towe than moved that the bill be given a DO PASS, as amended. The motion carried with all voting yes, except Senator Manley.

The meeting was adjourned at 9:58 a.m.


PAT M. GOODOVER, CHAIRMAN

ROLL CALL

TAXATION COMMITTEE

47th LEGISLATIVE SESSION - - 1981

Date 2/11/81

| 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.

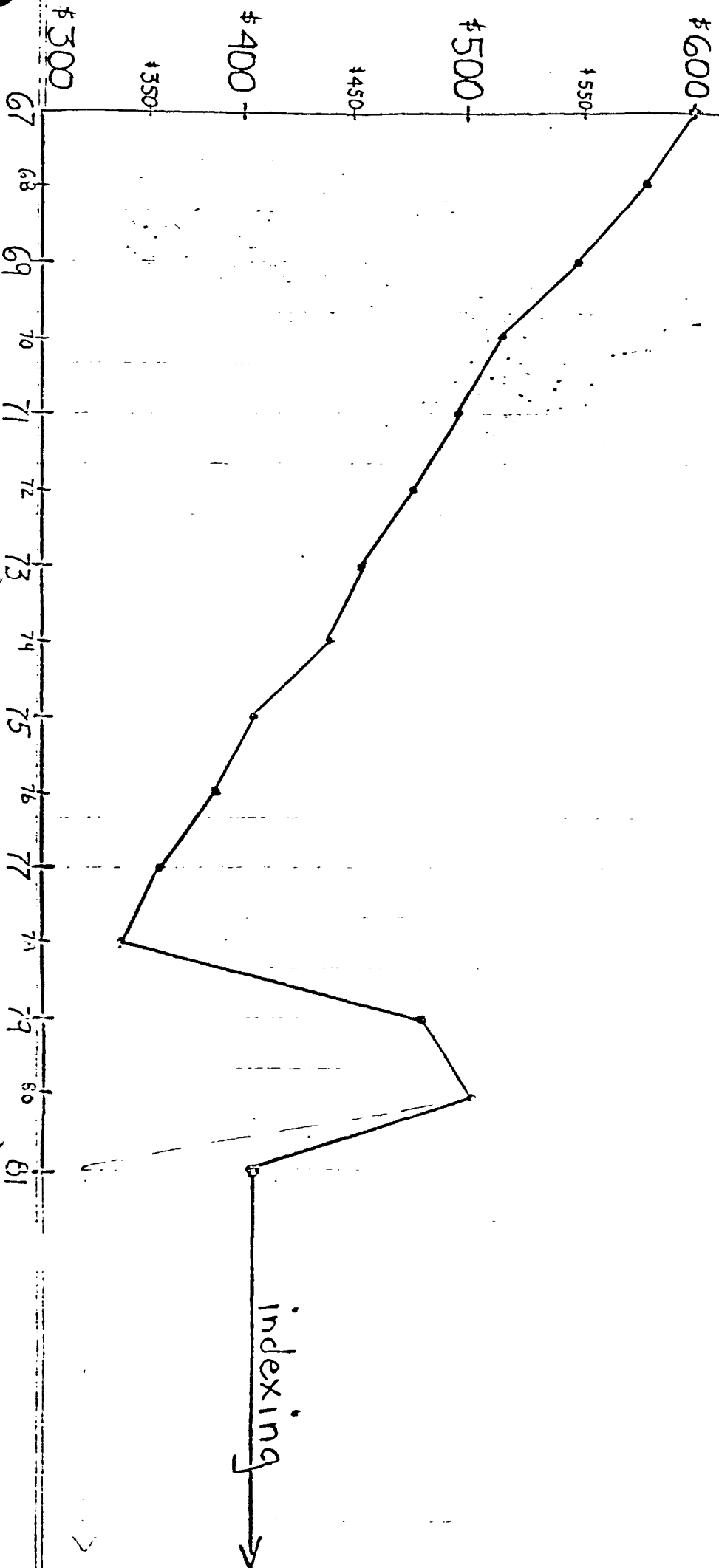
DATE Feb. 11, 1981

COMMITTEE ON TAXATION

VISITORS' REGISTER

| NAME | REPRESENTING | Senate BILLS# | Check One | |
|------------|---------------------|------------------|------------|------------|
| | | | Support | Oppose |
| | | | 291 326 21 | 291 326 21 |
| JOHN ORTH | MERDI | 21 | | X |
| MARK MELOY | Mt. Small Bus. Ass. | 21 | | X |
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Personal Exemption in 1967 Dollars



indexing →

Fiscal Impact of HB 250

After getting the 1979 Montana income tax return data, I have been able to update the calculation of HB250 fiscal impact. The total impact estimated below is \$23.8 million.

In 1978 at \$650 exemption the marginal tax rate on average exemption was 5.74%.

In 1979 at \$1050 exemption the marginal tax rate on average exemption was 5.16%.

So for 82,83 at \$800 exemption, I interpolate and use 5.52% as marginal tax rate on exemptions.

I will assume an average of 816,000 exemptions for 82,83.

I assume 10% inflation for 82,83.

The difference between an \$800 and \$1000 exemption base is then \$220 for 81 taxable year and \$240 for 82 taxable year. Fiscal impact is then

$$(220 + 240) \times 816,000 \times 5.52\% = \$20.7 \text{ million}$$

Using 1979 tax return data the second order correction to exemption change is $\$3$ million. This correction is from the following effect. Suppose a taxpayer has $\$8200$ taxable income and 4 exemptions. Changing the exemption base from $\$800$ to $\$1000$ reduces his taxable income down to $\$7240$. Being in a 10% lower tax bracket, part his exemption increase is taxed 10% less than his marginal income.

Finally we calculated the 1979 marginal tax rate on standard deductions and got 4.83%

In 1978 with a $\$500$, $\$1000$ deduction, total standard deductions were $\$30$ million.

In 1979 with $\$1000$, $\$2000$ deduction, total standard deductions were $\$67$ million.

In 1982, 83 with $\$1500$, $\$3000$ deduction, total standard deduction is estimated to be $\$102$ million.

Fiscal impact of standard deduction changes:

$$\$35 \text{ million} \times 4.83\% \times 2 = \$3.4 \text{ million}$$

$$\text{Impact (H9250)} = 20.7 - .3 + 3.4 = \$23.8 \text{ million}$$

1979

Average Mayumi Tax Rate or Exemption

| | | | |
|------|--------------|---|---------------|
| 0 x | 156,929 | = | 0 |
| 2 x | 57,766 | = | 115,532 |
| 3 x | 54,660 | = | 163,980 |
| 4 x | 98,780 | | 395,120 |
| 5 x | 93,332 | | 466,660 |
| 6 x | 86,366 | | 518,196 |
| 7 x | 74,406 | | 520,842 |
| 8 x | 99,465 | | 795,720 |
| 9 x | 53,889 | | 485,001 |
| 10 x | 23,700 | | 237,000 |
| 11 x | <u>8,165</u> | | <u>89,815</u> |
| | 807,458 | | 3,787,866 |

$$X = \frac{3,787,866 \times 1.1}{807,458} = 5.16\%$$

Marginal Exemption Tax Rate (METR 197

| | | # Exempt. | |
|----|---|--------------|---------------|
| 0 | x | 87,382 | 0 |
| 2 | x | 57,534 | 115,068 |
| 3 | x | 56,727 | 170,181 |
| 4 | x | 102,213 | 408,852 |
| 5 | x | 94,884 | 474,420 |
| 6 | x | 89,850 | 539,100 |
| 7 | x | 80,544 | 563,808 |
| 8 | x | 109,993 | 879,944 |
| 9 | x | 57,870 | 520,830 |
| 10 | x | 25,445 | 254,450 |
| 11 | x | <u>8,438</u> | <u>92,818</u> |
| | | 770,880 | 4019471 |

Marginal exemption tax rate including 10% surtax is then

$$\text{METR} = \frac{4019471}{770880} \times 1.1 = 5.74\%$$

1979 Average Marginal Tax Rate on Stan. Deal

| | | | |
|------|------------|---|---------------|
| 0 x | 465,881.7 | = | 0 |
| 2 x | 6,440,882 | | 12,881,764 |
| 3 x | 8,716,996 | | 26,150,988 |
| 4 x | 17,481,906 | | 69,927,624 |
| 5 x | 13,060,015 | | 65,300,075 |
| 6 x | 6,924,221 | | 41,545,326 |
| 7 x | 3,920,377 | | 27,442,639 |
| 8 x | 3,335,669 | | 26,685,352 |
| 9 x | 1,506,000 | | 13,554,000 |
| 10 x | 814,000 | | 8,140,000 |
| 11 x | 302,000 | | 3,322,000 |
| | <hr/> | | <hr/> |
| | 67,158,883 | | 2,949,497,680 |

$$X = \frac{294949768 \cdot 1.1}{67,158,883} = 4.83\%$$

Exemption Trends

- In 1978 at \$650 exemption marginal tax rate on exemption averaged 5.74%

In 1979 at \$1050 exemption marginal tax rate on exemptions was average 5.16%

In 1981 at \$800 exemption, marginal tax rate on exemptions is estimated at

| | |
|-----------|------|
| 5.52% est | 1981 |
|-----------|------|

The first order business cost of going from 800 \rightarrow 1050 is then

Impact = $368 \times 5.52\% = \$20.3$ million

Changing exemption number up by 2% to 816,000 average over biennium gives

\$20.7 million. Subtracting \$1.8 million for second order correct & adding \$3.4 for standard deduction.

HB250 Impact = \$23.8

Standard Deduction Trends

| | | Stan. Ded. | # Stan. Ret |
|------|------------------|--------------------|-------------|
| 1978 | (10% 500, 1000) | \$ 30 million | 93,000 |
| 1979 | (15% 1000, 2000) | \$ 67 million | 106,000 |
| 1980 | (20% 1500, 2000) | 102 million (est.) | |

Assuming average marginal tax rate on stan deductions is 4.83%, fiscal impact for biennium is:

$$\$ 35 \text{ million} \times .0483 \times 2 = \$ 3.4 \text{ million}$$

1979

Second Order Corrections

| | p | n^2 | pn^2 |
|------|-----|-------|--------|
| 200 | 43 | 1.82 | 78 |
| 300 | 39 | 1.99 | 78 |
| 400 | 33 | 2.30 | 76 |
| 500 | 27 | 3.03 | 82 |
| 600 | 23 | 3.64 | 84 |
| 700 | 18 | 4.69 | 84 |
| 800 | 14 | 4.90 | 69 |
| 900 | 6 | 6.25 | 38 |
| 1000 | 1.5 | 6.42 | 10 |
| 1100 | 2 | 8.26 | 2 |
| | | | <hr/> |
| | | | 601 |

$$\Delta(82) = 220 \quad \Delta^2 = 48400$$

$$\Delta(83) = 240 \quad \Delta^2 = 57600 > 1.06 \cdot 10^5$$

$$\frac{1.1}{200} \left(\Delta(82)^2 + \Delta(83)^2 \right) \sum p_i n_i^2 = 350,383$$



STATE OF MONTANA

Office of the Legislative Fiscal Analyst

Room 109

STATE CAPITOL

HELENA, MONTANA 59601

406/449-2986

JOHN D. LaFAVER

LEGISLATIVE FISCAL ANALYST

January 19, 1981

TO: Representative Ken Nordtvedt -7/
FROM: Dick Dodge *[Signature]*
Senior Analyst
RE: Effects of Using 1980 1000 Base Exemption Value

If we use \$1,000 as the 1980 base exemption value, we estimate that revenues for the 1982-83 beinnium from income taxes would be about \$19,937,000 less than when we used the \$800 exemption level.

RED:jn:d

2154

Testimony before the Senate Taxation Committee
concerning SB 21, presented by Mark Meloy of the
Montana Small Business Association - 2/12/81

Mr. chairman and members of the committee. I am Mark Meloy of the board of directors of the Montana Small Business Association. I appear today to speak in favor of Senate Bill 21 at the request of other members of our board.

In the January 31 edition of the Independent Record appears an article on economic growth. The article quotes a nation-wide study concluding that most large businesses are not interested in out-of-state expansion or relocation. Only 1% of all firms build new plants per year and most choose to stay near their home office when locating that plant. Accepting this statistic it is unlikely that Montana will have much success in attracting large manufacturers to the state.

Our economic alternative is to aid in the development of existing and potential manufacturing resources including: foods, crafts, trades, arts, recreation, film making, communications - a thousand fledgling and established small businesses throughout the state. We don't have to attract out-of-state corporations since we have our own supply and the potential for expansion is unlimited. The Montana Small Business Association has published a directory of small businesses in the state, the All Montana Catalog, of which a complementary copy will soon be available to each legislator in the assembly.

Most small businesses die within the first two years of existence. They die for want of capital, especially in a state like Montana where the availability of capital is not sufficient. If the business can make it through the first few years, its chance of continued operation is all but assured. If the state can give these small manufacturers the initial boost they need to get through the tough years -- the businesses will survive and grow.

A prosperous small business sector means a healthy economic climate for Montana. Small business now accounts for two thirds of all private wages in the state, according to department of labor statistics. That figure jumps to 75% when agricultural and self employed workers are included. The average business in Montana employs fewer than five individuals. Since 1970 over 60% of all new jobs in Montana's private sector were created by businesses employing fewer than ten individuals (Catalog page 266).

Montanan's face an urgent need to meet the challenge of economic development. Small Businesses with the aid of bills like Senate Bill 21 will insure that we build a Montana which is strong, independent and self-sustaining.

The Montana Small Business Association urges passage of this important bill.

Submitted by, Mark Meloy
312 Pine
Helena, Montana 59601
443-4095

County of Yellowstone



MERRILL H. KLUNDT
Clerk & Recorder

BILLINGS, MONTANA
59101

February 11, 1981

Senator Tom Hager
Senate District No. 30
State Capitol Building
Helena, MT 59601

Dear Senator Hager and Committee Members:

The proposed Senate Bill No. 291 is an amendment to Section 7-12-2183 MCA, making a new Section 2, which would authorize the Board of County Commissioners by order, or resolution, to loan money from the Revolving Fund to a district maintenance fund for emergency repairs only when there are insufficient funds currently in the district maintenance fund.

Such loan shall be repaid in one, two, or no more than three years, at the option of the Board of County Commissioners.

As of August 25, 1980, the City of Billings refuses to repair any water or sewer main breaks and therefore Yellowstone County must hire a private contractor to do the repairs and he must be paid when work is complete or within 30 days. When there are insufficient funds, what is the County's option?

County Attorney, Harold Hanser, and the Board of County Commissioners and myself are of the opinion that this is what the Revolving Fund is for and should be used for in these emergency cases.

Here in Yellowstone County, since the inception of Rural Special Improvement Districts, we now number 621.

As far as the Revolving Fund being in jeopardy for its original intended use, the answer is no. On September 4, 1980, the Board of County Commissioners have adopted a resolution that when Rural Special Improvement Districts are created, the district is charged 2% of the total district costs and 25% of these funds are placed in the Revolving Fund and 75% in the General Fund for administrative and county engineering costs.

When the governing body deems it necessary they may change this formula and place a greater percentage in the Revolving Fund if found necessary.

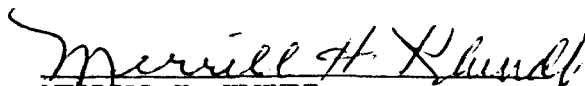
County Attorney, Harold Hanser, has ruled that to borrow funds for emergency

Senator Tom Hager
February 3, 1981
Page 2

repairs from the Revolving Fund is illegal under the current statutes.

We are asking for your support to pass this worthwhile and needed legislation.

Respectfully submitted,



MERRILL H. KLUNDT
Clerk and Recorder
Yellowstone County

County of Yellowstone

BILLINGS, MONTANA 59101



COUNTY ATTORNEY'S OFFICE, YELLOWSTONE COUNTY COURTHOUSE, ROOM 508

Criminal Division - 252-5181, ext. 230
Deferred Prosecution - 252-5181, ext. 230
Victim/Witness Assistance - 252-5181, ext. 230
Civil Division - 252-5181, ext. 352
Criminal Investigation Division - 245-6625

Child Support Enforcement Division - 259-2239
1537 Avenue D, Suite 135
Billings, Montana 59102

April 25, 1980

Merrill H. Klundt
Clerk and Recorder
Yellowstone County
Courthouse
Billings, Montana

Re: R.S.I.D. #593
Yellowstone Club Estates


Dear Merrill:

This letter will confirm our discussion of April 23, 1980, regarding your letter raising various questions about R.S.I.D. #593. Your recalculation appears in order.

The revolving fund cannot be used as a loan vehicle to reimburse the county road fund. This can be done only by distributing each year from the assessments against the district.

The county has apparently developed some improper procedures in the use of the revolving fund. I am furnishing a copy of this letter to the Board of County Commissioners, the Treasurer, and the Auditor for their information. The only purpose for which the revolving fund can be used is to insure the payment of bonds or warrants and interest thereon. The Commissioners cannot authorize any loan to a district against the revolving fund for any purpose except for the payment of the bonds or interest. It is my understanding that in the past, some districts have not anticipated their maintenance requirements and funds have been advanced to them from the revolving fund. This is clearly improper. Because some districts may rely on this past procedure it would seem advisable that the Board of County Commissioners put out a directive to all districts that this procedure will no longer be approved.

Very truly yours,


HAROLD F. HANSER
County Attorney

HFH/mb

cc: Board of County Commissioners
Treasurer, Yellowstone County
Auditor, Yellowstone County

CITY OF BILLINGS PUBLIC UTILITIES DEPARTMENT



GERALD D. UNDERWOOD, P.E.
Public Utilities Director
CARL H. CHRISTENSEN
Asst. Public Utilities Director

P.O. BOX 30958

2251 BELKNAP AVE.
BILLINGS, MONTANA
59111

YELLOWSTONE COUNTY
COMMISSIONER
RECEIVED
PHONE 248-9191

JUL 28 1980
S

July 24, 1980

Mr. James Straw, Chairman
Board of Yellowstone County
Commissioners
Yellowstone County Courthouse
Billings, Montana

re: MAINTENANCE OF RURAL SPECIAL
IMPROVEMENT DISTRICT WATER
AND SANITARY SEWER LINES

Dear Mr. Straw:

Please be advised that the Public Utilities Department can no longer continue to perform for you the maintenance work on Rural Special Improvement District water and/or sanitary sewer lines. Unfortunately, our limited resources prevent our continuing this type of service for the County.

Beginning August 25, 1980 we will no longer be able to offer our services to you in this regard. Hopefully, this will give you ample time to make other arrangements to satisfactorily provide for the maintenance of your Rural Special Improvement District facilities.

If you so desire, after August 25, 1980 I can have our employees respond to Rural Special Improvement District water main break calls for the purpose of isolating and shutting off the water mains when such breaks occur. However, if you desire for us to provide this service, I will have to bill you for our costs of providing same. Also, I will need a designated county official's name to call in case such water main breaks occur. Said official could, upon notice of the water main break, arrange for the necessary repairs to be affected in your behalf.

Please advise me at your earliest convenience if you have any questions or require additional information concerning this matter. And if per chance you would like to meet with me concerning this matter, please so advise and I will be happy to do so.

Very truly yours,

Gerald D. Underwood
Gerald D. Underwood, P. E.
Public Utilities Director

cc: Mr. A. Thelen
Mr. C. Christensen
Mr. M. Thomas

REMEMBER

File
WATER IS PRECIOUS!

PLEASE DON'T WASTE IT!

Commissioner M. E. McClintock introduced the following and moved for its adoption; Commissioner Christensen seconded the motion and it was unanimously passed:

R E S O L U T I O N

WHEREAS, Yellowstone County incurs certain administrative expense in regard to Rural Special Improvement Districts; and

WHEREAS, Yellowstone County finds it necessary that said Rural Special Improvement Districts bear a portion of the administrative expense incurred thereby.

NOW, THEREFORE, IT IS HEREBY RESOLVED:

1. Pursuant to Section 7-12-2153, Montana Codes Annotated, all Rural Special Improvement Districts shall be assessed for Yellowstone County's administrative expenses as follows:

2% of total district cost on all RSIDs.

2. Said assessments shall be paid out of revenue from sale of bonds.

2. Twenty-Five Percent (25%) of the assessment shall be deposited in the Yellowstone County revolving fund and Seventy-Five Percent (75%) of the assessment shall be deposited in the Yellowstone County general fund.

4. This Resolution becomes effective immediately.

DONE this 4th day of September, 1989.

BOARD OF COUNTY COMMISSIONERS
YELLOWSTONE COUNTY, MONTANA

Jim Straw
James A. Straw, Chairman

M. E. McClintock
M. E. McClintock, Member

STANDING COMMITTEE REPORT

February 11 19 81

MR. **PRESIDENT:**

We, your committee on **TAXATION**

having had under consideration **Senate** Bill No. **255**

Senate 255

Respectfully report as follows: That..... Bill No.
be amended, as follows:

TITLE, line 7

1. Following: "MCA"

Insert: "; PROVIDING APPLICABILITY; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

2. Page 4, line 7.

Insert: "Section 3, Applicability. [This act] applies to estates of decedents dying after [the effective date of this act]. Section 4. Effective date. This act is effective upon passage and approval."

DO PASS

P.A.

STANDING COMMITTEE REPORT

February 11

1981

MR. **President**

We, your committee on **Taxation**

having had under consideration **Senate** Bill No. **85**

Respectfully report as follows: That **Senate** Bill No. **85**

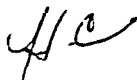
be amended, as follows:

1. Page 1, line 11.
Following: "raffles."
Insert: "(1)"

2. Page 1, line 12.
Following: "to"
Strike: "raffles"
Insert: "a raffle"

DO PASS

(continued)



3. Page 1, line 14.

Following: "organizations"

Strike: "if the"

Insert: "when the corporation or organization is licensed by the board of county commissioners to conduct the raffle.

(2) The organization or corporation seeking the license under subsection (1) must apply to the board of county commissioners for the license and must provide the following information:

(a) the cost and number of raffle tickets to be sold;

(b) the charitable purposes the proceeds of the raffle are intended to benefit;

(c) the proposed prizes and their value.

(3) The"

4. Page 1, line 15.

Following: "are"

Insert: "to be"

5. Page 1, line 16.

Following: "prizes."

Insert: "The raffle prize must be in tangible personal property only and not in money, cash, stock, bonds, evidence of indebtedness, or other intangible personal property."

6. Page 1, line 18.

Following: line 17

Insert: "(4) The corporation or organization conducting the raffle must submit an accounting to the board of county commissioners within 30 days following the completion of the raffle. The person or persons submitting the application to the board of county commissioners along with the corporation or organization conducting the raffle shall be responsible for submitting the accounting to the board of county commissioners."

And, as so amended,

DO PASS



PAT M. GOODOVER,

Chairman.