

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
MONTANA STATE SENATE

February 18, 1981

The 30th meeting of the committee was called to order at 7:30 a.m. in Room 415 of the State Capitol Building, Chairman Pat Goodover presiding.

ROLL CALL: All members were present, except for Sen. Steve Brown.

CONSIDERATION OF SENATE BILL 383:

"AN ACT TO DECREASE FROM 50 PERCENT TO 40 PERCENT THE NUMBER OF OWNERS NECESSARY TO PROTEST THE CREATION OF A SPECIAL IMPROVEMENT DISTRICT OR A RURAL SPECIAL IMPROVEMENT DISTRICT; AMENDING SECTIONS 7-12-2112 AND 7-12-4113, MCA."

Sen. Norman said that many tax increases are related to SID's. City councils determine whether a district becomes a SID; the taxpayers have a recourse--if more than 50% of them protest within a short period then petitions can be gathered to stop the SID. However, 6 months later the process might have to be gone through again. This bill changes the 50% to 40%, the same as a rural SID requires, making it easier for people to protest the SID every 6 months.

There were no proponents.

OPPONENTS:

Tom Crowley, City Engineer, City of Missoula, said Missoula has 472 SID's most of which have been initiated by the people--probably only 6 improvement districts were council initiated. In general, he saw no problem with special improvement districts.

Bruce MacKenzie, general counsel and vice-president D. A. Davidson Co., felt that amendments proposed in the bill could inhibit formation of improvement districts in fully or semi-developed areas. His testimony is Attachment #1.

Senator Norman closed and questions were called for from the committee. Sen. Eck asked Mr. Crowley in how many cases have there been enough protests to stop a SID, and if he thought the 40% rate would make a difference. He said possibly 1 out of 25 districts had been stopped by protest; about the 40% rate--9 years ago when that rate was in effect about every other street in Missoula's south side was paved. Many of the people came in later to request paving as they felt their houses would sell better. Mr. Crowley said he thought the bill was lowering both the city and county to 40%. Sen. Norman said his intent was to direct this legislation to the city. This bill will be referred to the subcommittee on SID's for further action.

CONSIDERATION OF SENATE BILL 317:

"AN ACT TO DECREASE THE TAXABLE VALUATION OF NET PROCEEDS OF OIL AND GAS WELLS; TO INCREASE THE OIL AND GAS SEVERANCE TAX IN A COMPARABLE AMOUNT IN ORDER TO PROVIDE FOR AN OIL AND GAS IMPACT

February 18, 1981

FUND; TO CREATE AN OIL AND GAS IMPACT BOARD TO CONTROL EXPENDITURES FROM THE IMPACT FUND; AMENDING SECTIONS 15-6-131, 15-36-101, AND 15-36-112, MCA; AND PROVIDING AN EFFECTIVE DATE."

Sen. Towe said this bill, although it affects the net proceeds tax on oil, is designed to adjust taxes and not to affect the level of taxation. He took the committee through various changes in language and a percentage change in the bill. He passed out Attachments 2 and 3 to illustrate how the proposed bill would affect total tax to counties and the impact to counties. He said the bill would set up an Oil Impact Board to make grants to impacted counties in the oil area, sets up provisions for persons employed in oil and gas development elsewhere, considers impacts on roads in affected counties, and adds flexibility to care for impacted areas. Increasing the tax from 2.65 to 5% would mean income for the state, thereby aiding oil companies. Some counties might have a 400% increase as a result of decontrol and he felt the bill would aid cities, such as Sidney, which is impacted, although oil development has been elsewhere in the county.

#### OPPONENTS:

Sen. Ed Smith, District 1, felt the bill was an attempt to take money away from counties in oil production and give to other counties; Sen. Larry Tveit, District 27, felt the bill would be hard on the royalty owner; George Johnson, who felt the counties handled monies from oil quite well by themselves; Norman Nelson, Westby, president of a land and mineral owners association; Tom Harrison, representing Association of Oil, Gas, and Coal-producing counties; Don Allen, Executive Director of Montana Petroleum Association, who felt that most impacts counties have had from exploration has been good.. He said that coal differs from oil in that deposits are in one particular area leaving a long time to get ready to mine it thereby creating a long-term major impact in one area, while oil has a spread-use over 36 of the 56 counties with most impact in 14 counties. He didn't like language on page 1, lines 23 and 24, which he felt said the money could be used for any purpose; he didn't think the makeup of the Oil Impact Board would be impartial; and he didn't think the Dept. of Community Affairs as an administrative body would be able to address confidentiality requirements in the oil development situation. Rep. John Shontz, District 53, didn't feel the need for a state impact board and he said there were several measures which have passed the House this session that will provide more flexibility to local governments in the use of their tax dollars; Harold Fink, County Commissioner, Richland County; Mike Zimmerman, Montana Power Company; Ed McCaffree, Rosebud County Commissioner; Elvin Lagerquist, Sheridan County Commissioner; Al Mathison, Dawson County Commissioner; Charles Breen, Prairie County Commissioner, and Gary Lang, Fallon County Commissioner.

Sen. Towe closed by saying the bill is designed to address the question of what will happen to oil revenues to local governments as a result of decontrol. The hearing was closed on Senate Bill 317.

#### CONSIDERATION OF SENATE BILL 345:

"AN ACT TO ALLOW RURAL AND CITY SPECIAL IMPROVEMENT DISTRICTS TO

EXTEND WITHIN OR OUTSIDE CITY BOUNDARIES, RESPECTIVELY, UNDER CERTAIN CIRCUMSTANCES; AMENDING SECTIONS 7-12-2102 AND 7-12-4102, MCA."

Sen. Halligan said this bill would allow city or rural SID's to extend outside city boundaries curing a duplication problem and providing a practical approach to providing services with a minimum of costs.

PROPOSERS:

Tom Crowley, Missoula County Engineer, said a problem is created that whenever there is an improvement district the rural SID cannot extend into the city even though the city is inside the county. There were no further proponents and no opponents, so questions were called for from the committee.

Sen. Elliott had a question concerning the majority situation. He said he knew it was true that in creating a SID you are bound by the number creating it, but in paragraph 2 of the bill the city commissioners may include "inside or outside". He wondered if that shouldn't be changed to 60% so that people outside the creating district would have 60% approval. Sen. Halligan said if the subcommittee wanted to set an actual percentage when considering the bill, it was all right with him. This bill will go to the subcommittee for further consideration.

CONSIDERATION OF SENATE BILL 358:

"AN ACT DEFINING THE AUTHORITY OF THE BOARD OF COUNTY COMMISSIONERS TO CREATE RURAL SPECIAL IMPROVEMENT DISTRICTS THAT FUND IMPROVEMENTS ON UNDERDEVELOPED AND UNOCCUPIED PARCELS OF LAND THAT ARE BEING SUBDIVIDED; AMENDING SECTION 7-12-2102, MCA."

Sen. Turnage said the bill, sponsored by Sen. Norman and himself, is an attempt to place some constraints upon the use of SID financing. Up until about 6 years ago there wasn't too much concern about SID financing because enough money was available. The intent of this bill is to prevent a one-ownership or limited-owner development of raw land into a subdivision for residential or other purposes from developing where bonds would be a general obligation against the entire city or county. SB 358 is an effort to see that raw-land subdivision is not going to necessarily be developed. New language saying "thickly populated locality" in section 1 refers to the proposed SID at the time of petition and does not refer to the general area where SID would be located. He felt the effort should be made to have a developer put his own money on the line rather than using general obligation bonds from the town. Because Senate Bill 382 is a furtherance of this bill, Senator Turnage presented it next.

CONSIDERATION OF SENATE BILL 382:

"AN ACT TO CLARIFY AND REVISE THE ISSUANCE AND PAYMENT OF SPECIAL IMPROVEMENT DISTRICT AND RURAL SPECIAL IMPROVEMENT DISTRICT BONDS; CLARIFYING THAT THE BONDS ARE NOT GENERAL OBLIGATION BONDS; CLAR-

IFYING THAT THE REVOLVING FUND MAY NOT EXCEED 5 PERCENT OF THE OUTSTANDING BONDS; AND REQUIRING THAT THE VOTERS APPROVE ANY AGREEMENT CONCERNING THE REVOLVING FUND MADE IN CONNECTION WITH A BOND ISSUE; AMENDING SECTIONS 7-12-2170, 7-12-2182, 7-12-2185, 7-12-4202, 7-12-4222, AND 7-12-4225, MCA."

Sen. Turnage said the first part of the bill amends rural aspect and the second the city. The amendment on page 4 amending 7-12-2182 says the balance in the revolving fund may not exceed 5% of the then outstanding rural district bonds and warrants, keeping the revolving fund lean. He felt general obligation bonds were being passed without a vote of the people by calling them rural or SID bonds. He said he would accept an amendment that would state a 9% bond limitation on counties and cities.

#### OPPONENTS:

John Nesbo, Toole County Commissioner.

Sen. Crippen, District 33, spoke in opposition to both bills as he feels the only vehicle available today to developers, in light of high interest rates, is a SID. He thought many things were required of a developer before he can come in and that that price would triple if a developer had to go to a bank and borrow at 18%. He felt the SID system of financing would be effectively destroyed when financing is critical and would cause a no-growth situation.

Bruce MacKenzie, D. A. Davidson, felt the amendments in sections 3 and 6 would impair the ability of counties and cities to use revolving funds as security for improvement district bonds and would effectively remove the use of revolving funds altogether. He felt Senate Bill 96 provides that the revolving fund for cities could be capitalized directly from bond proceeds, rather than resorting to the general ad valorem tax. Senate Bills 280 and 42 would impose penalties on those delinquent in their assessment payments at a rate which would encourage payment or borrowing from a source other than the revolving fund. He thought the above bills would enhance the improvement district bonds, rather than effectively eliminate the method of financing, Attachment #4.

Tom Crowley, Missoula, said they request developers to put up money for escrow and, if they become delinquent, they pay for it. Sen. Crippen said there is a bill proposed that would require 5% up front of the total amount of the district. Sen. Turnage agreed that that approach is what the bill is tending toward and that the bill wasn't intended to stop SID financing, but only to make it more difficult. The hearing was closed on Senate Bills 358 and 382 and they were referred to the subcommittee.

#### DISPOSITION OF SENATE BILL 279:

Sen. Towe moved that SB 279 be given a DO PASS. The vote was unanimously in favor of the motion.


DISPOSITION OF SENATE BILL 231: Sen. Elliott moved amendment language for the bill and it passed unanimously. He then made a motion that the bill

February 18, 1981

be given a DO PASS, as amended. The vote was unanimously in favor.

The chairman announced a committee meeting for 7:30 a.m. tomorrow. He announced that Friday's meeting would be at 7:00 a.m.

The meeting was adjourned at 10:00 a.m.

  
PAT M. GOODOVER, CHAIRMAN

ROLL CALL

TAXATION COMMITTEE

47th LEGISLATIVE SESSION - - 1981

Date 2/18/81

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. 18, 1981COMMITTEE ON TaxationBILL NO. SB. 317

## VISITOR'S REGISTER

NAME	REPRESENTING	Check One	
		Support	Oppose
<u>Arthur A. Nelson</u>	<u>Northeast Montana Food and Medical Center</u>		X
<u>Harry Treit Senator</u>	<u>Self - <sup>Representative</sup> by <sup>commission</sup></u>		X
<u>Ed Smith</u>	<u>SENATOR</u>		X
<u>Jim R. Sullivan</u>	<u>Self</u>		X
<u>John R. Dwyer</u>	<u>Self - Dawson Co Commissioner</u>		
<u>Paul Fink</u>	<u>Richland Co Co Commissioner</u>		X
<u>Frank J. ...</u>	<u>Dawson Co Co Commissioner</u>		X
<u>Chas. C. ...</u>	<u>Blaine Co Co Commissioner</u>		X
<u>Robert ...</u>	<u>Dawson Co Co Commissioner</u>		X
<u>Wm. Mathews</u>	<u>Dawson Co Co Commissioner</u>		X
<u>Charles ...</u>	<u>Blaine Co Co Commissioner</u>		X
<u>John ...</u>	<u>Blaine Co Co Commissioner</u>		X
<u>Harry ...</u>	<u>Blaine Co Co Commissioner</u>		X
<u>Y. B. ...</u>	<u>Tool Co - oil &amp; gas center man</u>		X
<u>Tom ...</u>	<u>Mont. Assoc. of Oil Gas &amp; Coal Co's.</u>		X
<u>Don J. Allen</u>	<u>Montana Petroleum Assoc.</u>		X
<u>Tom ...</u>	<u>Roosevelt Co Commissioner</u>		X
<u>Paul ...</u>	<u>Tool Co Co Commissioner</u>		X
<u>Ed ...</u>	<u>Blaine Co Co Commissioner</u>		X
<u>Nice Zimmerman</u>	<u>MPC CB317</u>		X

(Please leave prepared statement with Secretary)

DATE Feb 18, 1981

COMMITTEE ON Taxation BILL NO. SB 345

## VISITOR'S REGISTER

[illegible]

(Please leave prepared statement with Secretary)





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Pacific Stock  
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Securities Investor  
Protection Corp.

February 17, 1981

Senate Taxation Committee  
Capitol Building  
Helena, Montana 59601

Re: Senate Bill No. 383

Mr. Chairman and Members of the Committee:

D.A. Davidson & Co. opposes Senate Bill No. 383. The amendments proposed by the bill could have the effect of inhibiting the formation of improvement districts in fully or semi-developed areas of a City or County. These are areas where improvements previously installed have become obsolete or inadequate to service the residents. The amendments would allow the minority to dictate to the majority of residents within the area the improvements which could be made.

We respectfully request a do not pass recommendation.

Sincerely,

Bruce A. MacKenzie  
Vice President & General Counsel

BAM:als

TABLE A - SB 317

Current Tax Law

	<u>Production(Bbb)</u>	<u>Price</u>	<u>Valuation</u>	<u>Total Tax To Counties</u>
1979	29,957,000	\$ 9.23	\$143,907,400	\$ 19,283,538
1980	29,068,000	16.90	255,449,480	34,230,230
1981	29,103,000	25.36	383,787,040	51,427,463
1982	28,954,000	33.41	503,023,560	67,405,151
1983	28,518,000	37.50	556,101,000	74,517,534

SB 31785% in 1981; 65% in 1982; 45% in 1983

<u>Collection Yr.</u>	<u>Valuation</u>	<u>Tax Year</u>	<u>Total Tax To Counties</u>
1979	\$143,907,400	1980	\$ 19,283,538
1980	255,449,480	1981	34,230,230
1981	326,218,880	1982	43,713,330
1982	326,965,310	1983	43,813,352

State Taxes

<u>Current 2.61%</u>	<u>1981: 4.96%</u>	<u>1982: 4.96%</u>	<u>1983: 4.96%</u>
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1979	\$ 7,223,044	\$13,726,552	\$13,726,552	\$13,726,552
1980	12,821,599	24,365,950	24,365,950	24,365,950
1981	19,263,157	36,607,379	36,607,379	36,607,379
1982	23,390,000	47,980,709	47,980,709	48,980,709
1983	25,836,000	53,043,480	53,043,480	53,043,480

198119821983

Current County Revenue	\$51,427,463	\$ 67,405,157	\$ 74,517,534
Under SB 317	<u>34,230,230</u>	<u>43,713,330</u>	<u>43,813,352</u>
+	17,197,233	23,691,827	30,704,182
Current State Revenue	<u>19,263,197</u>	<u>23,390,000</u>	<u>25,836,000</u>
	36,460,430	47,081,827	56,540,182
Under SB 317	<u>36,607,379</u>	<u>47,980,709</u>	<u>53,043,480</u>
Increase (Decrease) in tax	\$ (146,949)	\$ (898,882)	\$ (3,496,702)

Figures from Department of Revenue and Fiscal Analyst

TABLE B: SB 317  
COUNTY TAXES

(ASSUMING NO CHANGE IN PRODUCTION)

	Tax Year	Current Tax	SB 317 Tax Rate	Tax under SB 317
Bighorn County	1980	\$ 55,307	100%	\$ 55,307
	1981	87,654	85%	74,505
	1982	113,533	65%	85,496
	1983	173,286	45%	77,979
	1984	194,499	45%	87,524
Blaine County	1980	\$ 123,068	100%	\$ 123,068
	1981	222,991	85%	189,542
	1982	334,620	65%	217,503
	1983	440,837	45%	198,376
	1984	494,805	45%	222,662
Carbon County	1980	\$ 831,694	100%	\$ 831,694
	1981	1,517,133	85%	1,289,563
	1982	2,276,597	65%	1,479,788
	1983	2,999,255	45%	1,349,665
	1984	3,366,420	45%	1,514,889
Carter County	1980	\$2,112,725	100%	\$ 2,112,725
	1981	3,868,627	85%	3,288,333
	1982	5,805,230	65%	3,773,399
	1983	7,647,979	45%	3,441,591
	1984	9,584,233	45%	4,312,905
Dawson County	1980	\$ 298,599	100%	\$ 298,549
	1981	581,377	85%	494,170
	1982	872,409	65%	567,066
	1983	1,166,239	45%	524,807
	1984	1,290,038	45%	580,517
Daniels County	1980	- -	100%	\$ - -
	1981	1,584	85%	1,346
	1982	2,377	65%	1,545
	1983	3,131	45%	1,409
	1984	3,514	45%	1,581
Fallon County	1980	\$3,068,679	100%	\$ 3,068,679
	1981	5,727,966	85%	4,868,771
	1982	8,595,337	65%	5,586,969
	1983	11,323,748	45%	5,095,687
	1984	12,709,983	45%	5,719,492
Garfield County	1980	\$ 12,880	100%	\$ 12,880
	1981	23,297	85%	19,802
	1982	34,960	65%	22,724
	1983	46,057	45%	20,725
	1984	51,695	45%	23,263
Glacier County	1980	\$ 1,335,533	100%	\$ 1,335,533
	1981	2,417,408	85%	2,054,797
	1982	3,627,542	65%	2,357,902
	1983	4,779,029	45%	2,150,563
	1984	5,364,070	45%	2,413,831
Hill County	1980	\$ 1,191	100%	\$ 1,191
	1981	4,462	85%	3,793
	1982	6,696	65%	4,352
	1983	8,822	45%	3,670
	1984	9,902	45%	4,456
Liberty County	1980	\$ 265,442	100%	\$ 265,442
	1981	254,112	85%	215,995
	1982	377,671	65%	245,486
	1983	502,360	45%	226,062
	1984	563,858	45%	253,736

	<u>Tax Year</u>	<u>Current Tax</u>	<u>SB317 Tax Rate</u>	<u>Tax Under SB317</u>
McCone Co.	1980	\$ 131,253	100%	\$ 131,253
	1981	261,100	85%	227,935
	1982	391,804	65%	254,673
	1983	516,174	45%	232,278
	1984	579,364	45%	260,714
Mussellshell Co.	1980	424,988	100%	424,988
	1981	856,461	85%	727,992
	1982	1,244,960	65%	809,224
	1983	1,693,159	45%	761,921
	1984	1,900,432	45%	855,194
Petroleum Co.	1980	38,420	100%	38,420
	1981	77,808	85%	66,137
	1982	116,758	65%	75,893
	1983	153,821	45%	69,219
	1984	172,651	45%	77,693
Pondera Co.	1980	192,633	100%	192,633
	1981	361,153	85%	306,980
	1982	541,944	65%	352,264
	1983	713,973	45%	321,288
	1984	801,376	45%	360,619
Powder River Co.	1980	1,278,488	100%	1,278,488
	1981	1,996,689	85%	1,697,186
	1982	2,996,216	65%	1,947,540
	1983	3,947,301	45%	1,776,285
	1984	4,430,524	45%	1,993,736
Prairie Co.	1980	424,973	100%	424,973
	1981	808,156	85%	686,933
	1982	1,212,713	65%	788,263
	1983	1,597,663	45%	718,948
	1984	1,793,246	45%	806,961
Richland Co.	1980	2,823,869	100%	2,823,869
	1981	6,187,271	85%	5,259,180
	1982	9,284,568	65%	6,034,969
	1983	12,231,759	45%	5,504,291
	1984	13,729,151	45%	6,178,118
Roosevelt Co.	1980	1,027,988	100%	1,027,988
	1981	2,034,650	85%	1,729,452
	1982	3,053,179	65%	1,984,566
	1983	4,022,347	45%	1,810,056
	1984	4,514,756	45%	2,031,640
Rosebud Co.	1980	1,005,432	100%	1,005,432
	1981	1,711,198	85%	1,455,028
	1982	2,567,809	65%	1,669,076
	1983	3,382,906	45%	1,522,308
	1984	3,797,036	45%	1,708,666
Sheridan Co.	1980	1,804,736	100%	1,804,736
	1981	4,337,761	85%	3,687,097
	1982	6,509,208	65%	4,230,985
	1983	8,575,420	45%	3,858,939
	1984	9,625,210	45%	4,331,344
Stillwater Co.	1980	3,419	100%	3,419
	1981	5,652	85%	4,804
	1982	8,481	65%	5,513
	1983	11,173	45%	5,028
	1984	12,541	45%	5,643
Teton Co.	1980	52,760	100%	52,760
	1981	120,213	85%	102,181
	1982	180,391	65%	117,254
	1983	237,652	45%	106,943
	1984	266,745	45%	120,035

	<u>Tax Year</u>	<u>Current Tax</u>	<u>SB317 Tax Rate</u>	<u>Tax Under SB317</u>
Toole Co.	1980	\$ 690,374	100%	\$ 690,374
	1981	1,266,765	85%	1,676,750
	1982	1,900,898	65%	1,235,584
	1983	2,504,299	45%	1,126,935
	1984	2,810,871	45%	1,264,892
Wibaux Co.	1980	975,379	100%	975,379
	1981	1,585,433	85%	1,347,618
	1982	2,379,088	65%	1,546,407
	1983	3,134,280	45%	1,410,426
	1984	3,517,973	45%	1,583,088
Yellowstone Co.	1980	28,531	100%	28,531
	1981	40,627	85%	34,533
	1982	60,964	65%	39,627
	1983	80,316	45%	36,742
	1984	90,147	45%	40,566

Figures from Department of Revenue, Fiscal Analyst.



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February 17, 1981

Senate Taxation Committee  
Capitol Building  
Helena, Montana 59601

Re: Senate Bill No. 382

Mr. Chairman and Members of the Committee:

D.A. Davidson & Co. opposes the amendments proposed by Senate Bill No. 382 on the grounds that such amendments are unnecessary, would severely impair the marketability of special improvement district bonds and would inhibit development of commercial and residential property within the State.

The amendments contained in Sections 1 and 4 of the bill are unnecessary since the Supreme Court has recognized since 1941 in the case of City of Havre vs. Henssen that special improvement district bonds for which a revolving fund is pledged do not constitute a debt of the issuing entity and therefore does not constitute a general obligation of that entity's taxing powers.

The amendments contained in Sections 3 and 6 of the bill would so impair and burden the ability of counties and cities to use revolving funds as security for improvement district bonds as to effectively remove the use of revolving funds altogether. D.A. Davidson & Co. underwrites approximately 90% of all improvement district bonds issued within the State. Without the revolving fund Montana Improvement District Bonds would not be purchased by D.A. Davidson & Co. due to the fact that if a property owner were to fail to pay an assessment, the bonds would default. The rationale for our refusal to purchase is based on the fact that there is no other source of funds to cure such a delinquency and there can be no resort to the property of the delinquent taxpayer for more than three years.

Without tax-exempt financing of the development of property, conventional higher cost financing must be used. As a result the property will either remain undeveloped, only partially developed or the higher cost will be passed on to the purchaser. This impairs development and growth in the State which, in our opinion, is contrary to the State's best interest.

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Senate Taxation Committee  
February 17, 1981  
Page Two

Finally, it is our opinion that there has been introduced legislation which would strengthen Improvement District Financing, provide funds to the revolving fund without resort to the general taxpayer and penalize abuses of the revolving fund concept. Senate Bill No. 96 provides that the revolving fund for cities could be capitalized directly from bond proceeds rather than resorting to the general ad valorem tax. Senate Bills No. 280 and 42 would impose penalties on those who are delinquent in their assessment payments at a rate which would encourage payment or borrowing from a source other than the revolving fund. These Bills would enhance the improvement district bonds rather than effectively eliminate the method of financing.

We respectfully request a do not pass recommendation on Senate Bill No. 382.

Sincerely,

Bruce A. MacKenzie  
Vice President & General Counsel

BAM:als

# STANDING COMMITTEE REPORT

February 13 19 81

PRESIDENT  
MR. ....

## TAXATION

We, your committee on .....

having had under consideration ..... Senate Bill No. 231

Respectfully report as follows: That ..... Senate Bill No. 231

be amended, as follows:

1. Amend page 5, line 24  
Following: ";"  
Strike: "and"

2. Amend page 6, line 1  
Following: "Montana"  
Strike: "."  
Insert: "; and"

3. Amend page 6, line 2  
Following: line 1  
Insert: "(iv) in the case of a corporation not listed on a national stock exchange, each owner of stock meets the requirements of subsection (2)(a)(i)"

And, as so amended,

DO PASS

*y/c*



# STANDING COMMITTEE REPORT

February 18

19 81

MR. **PRESIDENT:** .....

We, your committee on **TAXATION** .....

having had under consideration ..... **Senate** Bill No. **279** .....

Respectfully report as follows: That ..... **Senate** Bill No. **279** .....

*4/10*  
DO PASS