

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

March 30, 1981

The 60th meeting of the committee was called to order at 8:00 a.m. in Room 415 of the State Capitol Building, Chairman Pat Goodover presiding.

ROLL CALL: All members were present.

DISPOSITION OF HOUSE BILL 92:

Sen. Towe moved that HB 92 BE CONCURRED IN.

ECK: I would like to remind you that here we have a better than 5-million-dollar impact and most will fall on the counties with large rail yards.

TOWE: The response to that is if we lose the lawsuit it will happen anyway. This will allow us to get as much as we can under the 4-R Act. Let them set the rate so we get the maximum.

MCCALLUM: What's the interstate? Isn't that assessed at a certain rate?

TOWE: Mill levies are different in different states and so are percentage of valuations. You can't compare one against the other. What the 4-R Act says is that you can't assess railroad property at any higher rate than the composite rate is set. DOR is suggesting at 10.5% we can take the track up and sell it at salvage for more than that.

MCCALLUM: What's other commercial property assessed at?

TOWE: It's all up and down the schedule.

CRIPPEN: Didn't we pass a bill earlier pertaining to division of commercial and industrial?

TOWE: Yes. We ought to be able to get a figure pretty soon. That's why we need it to be flexible. SB 483 will come back because they are going to amend to include another bill.

B. BROWN: Maybe you could refresh our memories. What will happen with the case between the state and the railroads if this bill were not to pass?

TOWE: The lawsuit would be pursued. It would be decided in a court what the average commercial industrial property was worth. They settled the first year at 10.55%. If we pass this bill, we will allow

the DOR to pick out the value they think is appropriate and possibly they won't have to go through this lawsuit every year.

MCCALLUM: They have tried to use 18%, but if we pass this bill 18% will allow them to do it statutorily.

TOWE: What this bill does: it says centrally assessed railroad property would be at 15% under existing statute. They have agreed on one year to 10.5%. The DOR wants to go back and see if the value wasn't too low and the rate could be adjusted upward, maybe even to 15%. I had some experience with that once and checked on the salvage value of rails. It's much higher than what they are talking about. I think they will be hard pressed to prove the salvage value wasn't a floor.

A vote was taken on the motion. The motion to BE CONCURRED IN carried by an 11-3 vote. Sen. Towe will carry.

DISPOSITION OF HOUSE BILL 223:

Sen. S. Brown moved to amend the bill: Page 3, line 4, striking 4 and inserting $4 \frac{3}{4}$ and Page 4, line 9, striking 1 and inserting $\frac{1}{4}$ of 1%.

MANLEY: In all the laws we have been passing on water we have put the responsibility of reservations of water on these conservation districts. If they are going to do a decent job, they're going to need the funds.

S. BROWN: We are giving them what they requested and more by \$50,000. If we didn't make the amendment, they would get \$500,000 instead of the \$200,000 they requested.

ECK: We have also approved another bill for \$25,000 a year which is specified for work on their water reservations. In SB 409 there are a couple of places where they can get grants and, even though priorities are stated, I think knowing what the goals are for water they are going to get sufficient money to do the reservation work.

CRIPPEN: This is a compromise.

SEVERSON: Actually we are talking about \$500,000 a year. That's not a great deal of money. We are not cutting out the alternative energy program.

TOWE: I was going to make a motion that we give them $\frac{1}{4}$ from alternative energy and $\frac{1}{4}$ from the general fund.

MANLEY: I would be willing to compromise with Steve for $\frac{1}{2}$ %.

The motion on $\frac{1}{4}$ % was before the committee. Sen. Manley made a

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substitute motion for 1/2%. The substitute motion carried by an 8-6 margin. The bill was then passed as amended, except for Sen. Towe's dissention.

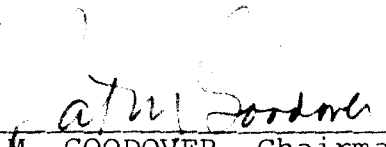
DISPOSITION OF HOUSE BILL 415:

Sen. Towe requested deferral of this bill until tomorrow after he had had a chance to talk with Jerry Foster.

DISPOSITION OF SENATE BILL 172:

Sen. Manley said there were a few things he had to clear up in proposed amendment language, and he would have things ready in the morning.

The meeting was adjourned at 9:00 a.m.



PAT M. GOODOVER, Chairman

ROLL CALL

TAXATION COMMITTEE

47th LEGISLATIVE SESSION - - 1981

Date 3/30/81

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.

STANDING COMMITTEE REPORT

March 30 81

19.....

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

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

having had under consideration **House** Bill No. **92**.....

Asay (Towe)

Respectfully report as follows: That **House** Bill No. **92**.....
third reading copy

BE CONCURRED IN

~~XXXXXX~~
~~DO PASS~~

STANDING COMMITTEE REPORT

March 30 19 81

PRESIDENT:
MR.

TAXATION
We, your committee on

STATEMENT OF INTENT HOUSE
having had under consideration Bill No. 92

STATEMENT OF INTENT HOUSE
Respectfully report as follows: That Bill No. 92

BE CONCURRED IN

~~DOOR~~

SENATE COMMITTEE

TAXATION

Date Mar. 30, 1981 House Bill No. 92 Time 8:25 a.m.

NAME	YES	NO
SEN. McCALLUM (Vice-Chairman)		✓
SEN. BOB BROWN	✓	
SEN. STEVE BROWN	✓	
SEN. CRIPPEN		✓
SEN. ECK	✓	
SEN. ELLIOTT	✓	
SEN. HAGER	✓	
SEN. HEALY	✓	
SEN. MANLEY	✓	
SEN. NORMAN	✓	
SEN. OCHSNER	✓	
SEN. SEVERSON	✓	
SEN. TOWE	✓	
SEN. GOODOVER (CHAIRMAN)		✓

11-3

Betty Dean

Secretary

Pat M. Goodover

Chairman

Motion:

Do Be Conc. in

(include enough information on motion--put with yellow copy of committee report.)

STANDING COMMITTEE REPORT

March 30

81

19

PRESIDENT:

MR.

TAXATION

We, your committee on

House

223

having had under consideration Bill No.

Schultz (Severson)

House

223

Respectfully report as follows: That Bill No.

third reading copy, be amended as follows:

1. TITLE, line 7.

Following: "RESEARCH"

Insert: "FROM 5 PERCENT TO 4 1/2 PERCENT"

2. TITLE, line 8.

Following: "PERCENT"

Strike: "A PORTION"

Insert: "1/2 OF 1%"

3. Page 3, line 4

Following: "3%"

Strike: "4%"

Insert: "4 1/2%"

JRG

XXXXX
DO PASS

(CONTINUED)

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4. Page 4, line 9.
Following: "(J)"
Strike: "1%"
Insert: "1/2 OF 1%"

5. Page 5, line 7.
Following: "MILL"
Strike: "LEVELS"
Insert: "LEVIES"

And, as so amended,

BE CONCURRED IN

JRT

SENATE COMMITTEE

TAXATION

Date _____ House Bill No. 223 Time 8:37 a.m.

NAME	YES	NO
SEN. McCALLUM (Vice-Chairman)		✓
SEN. BOB BROWN	✓	
SEN. STEVE BROWN	✓	
SEN. CRIPPEN		✓
SEN. ECK	✓	
SEN. ELLIOTT		✓
SEN. HAGER		✓
SEN. HEALY	✓	
SEN. MANLEY		✓
SEN. NORMAN		✓
SEN. OCHSNER		✓
SEN. SEVERSON		✓
SEN. TOWE	✓	
SEN. GOODOVER (CHAIRMAN)		✓

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Betty Dean

Secretary

Motion:

Pat M. Goodover

Chairman

To give 14 percent -- Amend 4 1/2 to 4 1/4

(include enough information on motion--put with yellow copy of committee report.)

SENATE COMMITTEE TAXATION

Date Mar 30, 1981 House Bill No. 223 Time 8:40

NAME	YES	NO
SEN. McCALLUM (Vice-Chairman)	✓	
SEN. BOB BROWN		✓
SEN. STEVE BROWN		✓
SEN. CRIPPEN	✓	
SEN. ECK		✓
SEN. ELLIOTT	✓	
SEN. HAGER		✓
SEN. HEALY	✓	
SEN. MANLEY	✓	
SEN. NORMAN		✓
SEN. OCHSNER	✓	
SEN. SEVERSON	✓	
SEN. TOWE		✓
SEN. GOODOVER (CHAIRMAN)	✓	

8-6

Betty Dean
Secretary
Motion:

Pat M. Goodover
Chairman

To give 12% of 1% for conservation
earmarked funds.

(include enough information on motion--put with yellow copy of committee report.)

SENATE COMMITTEE TAXATION

Date Mar. 30, 1981 House Bill No. 223 Time 8:45 a.m.

NAME	YES	NO
SEN. McCALLUM (Vice-Chairman)	✓	
SEN. BOB BROWN	✓	
SEN. STEVE BROWN	✓	
SEN. CRIPPEN	✓	
SEN. ECK	✓	
SEN. ELLIOTT	✓	
SEN. HAGER	✓	
SEN. HEALY	✓	
SEN. MANLEY	✓	
SEN. NORMAN	✓	
SEN. OCHSNER	✓	
SEN. SEVERSON	✓	
SEN. TOWE		✓
SEN. GOODOVER (CHAIRMAN)	✓	

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Betty Dean

Secretary

Pat M. Goodover

Chairman

Motion: To be concurred in as amended.

(include enough information on motion--put with yellow copy of committee report.)