

TAXATION COMMITTEE  
SPECIAL SESSION  
JOINT CONFERENCE  
NOVEMBER 24, 1981

RE: MINUTES OF THE JOINT CONFERENCE COMMITTEE

The meeting of the Joint Conference Committee on HB 15 was called to order at 9:15 a.m. on Tuesday November 24, 1981. All members were present except Representative Nordtvedt.

The meeting was a result of the House refusing the amendments that the Senate put in HB 15.

Representative Fabrega, sponsor, said that HB 15 must survive one way or the other. We have to eliminate the two tier interest that we created last session. Representative Fabrega said that to change the 1% to 5/6 of one percent interest, you are creating a welfare for those people that do not pay their taxes in a reasonable amount of time without taking into consideration the individual needs of these people. If you believe you should do this then 5/6 of one percent is the way to go. I do not believe the interest rate should be higher than the county has to pay for their money.

Senator McCallum said that they were all in agreement that the two tier interest system did not work out. I feel that the 2% penalty more than offsets the difference of the 5/6 of one percent and 1% interest per month.

Representative Williams said that the penalty is justified because you just pay it once. However, I do not think that 1% interest is all that severe. It is not the people who owe small amounts that are the problem, it is the big developers who have several parcels of land, all taxed separately, that are the abusers. They do not pay their taxes because it is cheaper for them to use the county money than to borrow it from the bank.

Senator Pat Goodover took a poll on some of the issues being deliberated on by the Legislature. He read the poll to the committee. He said that the Legislature seemed to be doing what the people want in all cases except this issue. According to the poll, the majority of the public would like to see higher interest for delinquent taxes. A copy of the poll is attached.

Senator McCallum asked Representative Fabrega if he would go along with the idea of taking out the two tier interest and leave the interest at 5/6 of one percent.

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Representative Fabrega said that he would have to go along with that because the main reason he introduced the bill was to eliminate the two tier interest.

Representative Williams asked what the main reason was that the Senate wanted to stay with the 5/6 of one percent.

Senator McCallum said that so far no one has convinced him that the majority of delinquent taxes are not paid because people are playing the "money market".

There was further discussion on what segment of the taxpayers the problem lies.

Representative Fabrega asked if the Senate would be willing to compromise on this issue. He asked if they would consider a 1% interest per month with a 1% penalty. This would eliminate some of the burden on the small taxpayer which seemed to be one of the Senates' concerns. It would also, he stated, be easier to calculate the interest on the delinquent taxes.

Senator Norman said that he would consider this compromise.

Senator McCallum pointed out that this was not a Free Conference Committee therefore they would have to request one before taking action on the bill.

Senator Norman agreed that they should do this. He also asked Representative Fabrega if he would be willing to delay the interest for a period of 30 days or so.

Representative Fabrega said that the argument against this is that the county already allows 6 months to pay the second half of the taxes and in most counties they give 30 days after mailing date even though it is not required by law. If the notices are mailed late they always give extra time for the taxes to be paid.

Senator Norman said that in Missoula the taxes are due on the due date and they give no extra time

Representative Williams said that he thought the compromise suggested by Representative Fabrega was a fair one.

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It was agreed upon by all members of the committee that they would adjourn and ask for a Free Conference Committee in order to work out this compromise.

Meeting was adjourned at 9:55 a.m.

Respectfully Submitted:

Members of the Joint Conference Committee on HB 15

\_\_\_\_\_  
Senator George McCallum

  
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Rep. Jay Fabrega

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Senator Pat Goodover

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Rep. Ken Nordtvedt

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Senator Bill Norman

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Rep. Melvin Williams

  
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Cathy Martin/Secretary

NOTE: A Free Conference Committee on HB 15 was not appointed. This issue was resolved in the House by the House accepting the amendments of the Senate.

