

MINUTES OF THE MEETING OF THE HOUSE TAXATION COMMITTEE
February 10, 1983

The meeting was called to order at 8:00 a.m. by Chairman Yardley. Roll call was taken and all committee members were present.

Testimony was heard on HB 520, HB 527, HB 570 and HB 658 during this meeting.

Executive action was taken on HB 16 during this meeting.

HOUSE BILL 520

REPRESENTATIVE GLENN ROUSH, District 13, sponsor of the bill, said HB 520 was requested by the Coal Tax Oversight Subcommittee. House Bill 520 is an act to clarify the designation process for certain coal board impact grants.

Proponents

MR. M. CAMPBELL, administrative officer for the Montana Coal Board, said HB 520 which deals with priority impact for grants will accomplish the following purposes for the board:

1. House Bill 520 will set up a process for removing units of local government from the designation list. This is necessary because severe impact is only temporary for many governmental units. Should local governments be removed from the list, they can be put back onto the list.
2. House Bill 520 will clarify the designation language that is currently in use under the present statute.
3. House Bill 520 will limit the designation of units of local government based on projected future impacts only to those reasonably certain coal development projects.
4. House Bill 520 provides that this process will be done on an annual basis so that more distant future projects can be considered when they are closer to being implemented.

DR. PHIL BROOKS, an economist with the Department of Administration, said the most important change is in adding Section 2 to the bill. That section reads:

"(2) For the purposes of subsection (1), the department

of commerce shall use five 3-year periods as follows:

- (a) one consecutive 3-year period ending 2 calendar years prior to the current calendar year;
- (b) one consecutive 3-year period ending 1 calendar year prior to the current calendar year;
- (c) one consecutive 3-year period ending with the current calendar year;
- (d) one consecutive 3-year period ending 1 calendar year after the current calendar year; and
- (e) one consecutive 3-year period ending 2 calendar years after the current calendar year."

DR. BROOKS passed out copies of EXHIBIT 1 to show the current year example for Section 2 of HB 520. (See EXHIBIT 1.)

DR. BROOKS went over some of the other changes that have been made with HB 520. The word "net" was added to line 15, page 1 of the bill. The present legislation does not have the word net; it was put into this bill to clarify the process. Line 13, page 1 of the bill, adds the term "incorporated cities" so that language will match the legal language on communities in Montana. The term "as a result of the impact of coal development" was changed from line 17 to line 15, page 1, just so the language in the bill flows a little bit better.

ED MCCAFFEN, a county commissioner, said it appears this bill will allow the Coal Board more flexibility and for that reason he supports HB 520.

There were no opponents testifying against HB 520.

REPRESENTATIVE ROUSH, in closing, said HB 520 does not change the designated percentage of coal tax money that goes to the board. This is a formula to help the Coal Board in setting grants.

Questions from the committee were heard at this time.

REPRESENTATIVE BERTELSEN said there is a feeling that the 50% award being specifically designated. He said there may be cases where the demand of the need might be greater outside the area instead of inside the area. Dr. Brooks said that may be a possible problem. He said there have been qualified applicants outside the area that have been given grants. The way the system works now is that the designated governments get priority and the Board has to meet that 50% criteria.

The hearing on HB 520 was closed.

HOUSE BILL 527

REPRESENTATIVE TED SCHYE, District 4, sponsor of the bill, said HB 527 was introduced at the request of the Glasgow Translator Board. Representative Schye submitted letters written from supporters of HB 527 and asked that they be included in the minutes of this meeting.

House Bill 527 is an act to limit the present exemption from taxation for television district services for subscribers to a community antenna system to subscribers to such a system that does not directly or indirectly use any signal repeated by the television district.

The cable company in Glasgow takes its signal off the translator board and offers it to their cable customers. By law, the cable company does not have to pay for that signal. That can be charged to the cable users.

There were no other proponents to HB 527.

Opponents

TOM HARRISON, representing the Montana Cable Television Association, said there are two problems with the bill:

1. The words "or indirectly" should be stricken from line 20, page 1. Translator signals are passed from translator to translator. If a cable company wants to pick up one signal, then they should pay for that signal. However, it is not fair to have the cable company pay for all the signals that are passed from translator to translator.

The second part of the problem is on lines 20 and 21, page 1 of the bill. After the words "use any signal" the MCTA would like to have the words "as a source which is" inserted.

2. Some signals are required by the FCC to be put on a cable system. That is a rule called a "must carry" rule. If a cable company is carrying a translator station, and the FCC has ordered them to do it, the cable company feels they should not be subjected to the tax. The following amendment is offered to take care of that problem. Following the word "district" on page 1, line 21, "or which system is required by the Federal Communications Commission to carry such signal" should be inserted.

WALTER HORTON, district manager for Sidney Cablevision and Glasgow Cablevision, said if the FCC wants to put up a new microwave, the cable companies would be happy to use their microwave because the quality of the television picture is much better than off a translator. However, he was told by the translator company that if he dropped the translator channel, the company would raise the channel to 100 watts and make it a "must carry" channel.

REPRESENTATIVE SCHYE said the translator in Glasgow is a 10 watt so if the second amendment was put in the bill, they would be back to where they were before.

CHAIRMAN YARDLEY said the tax is a user tax. You set up a television district the same way as you would set up a water district. The tax goes back to every subscriber.

REPRESENTATIVE HARP asked the sponsor of the bill if he would support the bill with the amendments put in. Representative Schye said he could support the first amendment but not the second amendment.

The hearing was closed on HB 527.

HOUSE BILL 658

REPRESENTATIVE KEN NORDTVEDT, District 77, sponsor of the bill, said HB 658 was introduced on behalf of the Revenue Oversight Committee. House Bill 658 is an act to insure that the final payment of state equilization aid will be withheld when an erroneous claim is received from a county superintendent of schools. Representative Nordtvedt said this bill is to help solve a very immediate problem from the changeover to the vehicle fee system. This bill deals with a companion problem in that the state is getting a shortfall in the state equilization account because the vehicle fees were not properly handled by county school superintendents with regards to the 40 mill levy statewide and in cases of those areas that have their full permissive levy - 15 mill levy also.

The difference between the taxes and fees is the state reimbursement that the county treasurer is obliged to credit to the mill levy around the county. This bill is to correct a situation of getting the state's money back before the legislature is out in April or the state will be short \$7 million in the state equilization program.

The Legislative Auditor's office audited the ten largest counties and found that all ten counties have neglected the share of the vehicle revenue and have sent in excessive claims to the state for school equilization money.

REPRESENTATIVE NORDTVEDT offered the following amendments to HB 658. On line 21, page 2, following "aid", insert "or an erroneous reimbursement of excess school equilization funds" On page 3, line 1, following "corrected.", insert "or take legal action to fully recover school equilization funds from counties with excess school equilization collections."

Proponents

MAYNARD OLSON, representing the Office of Public Instruction, said they support the bill. If there are problems, or perceived problems, the Office of Public Instruction will help to solve those problems as soon as possible. He said OPI does have some concerns. Who is going to determine if a claim is erroneous? At the present time, the OPI does adjust payments to reflect corrections. There should be some inclusion of disputes over adjustments and those decisions can be made by the Board of Public Education. It will no longer be correct, under this bill, to make adjustments based on corrected data submitted so must the OPI wait for action of the State Board of Education.

DENNIS BURR, representing the Montana Taxpayers Association, said the association supports this bill. It is his opinion that the OPI has the authority to correct the problems without additional legislation but it doesn't hurt to reemphasize the obligation of the counties to pay back the school equilization funds.

Opponents

DICK TRERISE, Lewis and Clark County Superintendent, said HB 658 is unnecessary legislation. There is already a process in place where claims can be and are adjusted. If the final payment is withheld from the state superintendent until the proper claim is corrected and that payment does not get out to the schools until after June 30, what happens? Which year will that payment be shown as being received. If this bill does pass, it should be required that the claim be corrected in enough time so that the payment could be made before June 30.

WAYNE BUCHANAN, representing the Montana School Boards Association, said their problem with the bill and the proposed language is more in what it does not say than whay it does say.

MR. BUCHANAN said the bill does not speak to the following concerns:

1. Magnitute of error that is made. The bill simply says "an error". The bill is too broad.
2. Nature of error. When was the error discovered and was the error easily corrected?
3. Contested error. Who is to determine whether an error has been made?

MR. BUCHANAN asked if it is right for one side to say they will hold the last payment on the Foundation Program until they can see who is at fault. This bill is based on an isolated incident. He said he doesn't think Montana has ever lost a nickle because of an error made by the county superintendents. The State Superintendent already has the power to correct these errors. Do not put another law on the books, based on single isolated incidents, that doesn't need to be there. He asked this committee for a do not pass on HB 658.

REPRESENTATIVE NORDTVEDT, in closing, offered another amendment to HB 658. On page 2, line 24, after the word "withhold", add "or adjust". This amendment will help in situations where the county superintendent-Board of Education had decided on the corrections rather than withholding payment that could reduce the final payment by the amount owed.

REPRESENTATIVE NORDTVEDT said this is not a conjectured problem, it is a real problem. The Legislative Fiscal Analyst's and Governor's revenue estimates both include the reimbursement of the vehicle fees. If we do not recover this money, this committee or legislature had better know that there will be \$7 million less than what originally thought.

REPRESENTATIVE NORDTVEDT said it is now February and he doesn't see any initiative being taken by county superintendent or the present state government to correct the problem with present language. This bill is to "prod" the system into action. The existing law is probably sufficient to take care of the problem but we are getting late into the session and we need to recover that \$7 million.

REPRESENTATIVE HARP said section 3 of the bill gives the authorization to correct the problem. If this bill is defeated, what will the school systems in Montana do about the overpayments. Mr. Buchanan said we have recommended this money be repaid at the local level and the state level. Many counties have passed legislation to that effect. Mr. Buchanan said he thinks the problem is well on its way to being corrected. This is not the way to accomplish what Representative Nordtvedt wants to do.

REPRESENTATIVE KEENAN asked if this has been a problem in the past. Mr. Olson said any problems have always been resolved within the Office of Public Instruction.

REPRESENTATIVE HARRINGTON said if the counties had this money coming to them, why is there a shortfall? Representative Nordtvedt said the problem has arisen because of excessive erroneous claims made to the state. If we do not correct those claims, we should adjust the state's revenue amount down by \$7 million.

REPRESENTATIVE HARRINGTON said we did not actually spend the school equilization money, \$32 million, from last session. Representative Nordtvedt said the last day or two of the last session, we had \$32 million left over in the state general fund. We "stashed" that surplus into the state equilization program after the spending level for the foundation program had been established. That money is still sitting there.

REPRESENTATIVE VINGER said if this bill is passed, there will be a sunset date of two years from now. He asked Representative Nordtvedt how he felt about the sunset date. Representative Nordtvedt said he had no problems with the sunset date. Representative Vinger asked the same question of Mr. Buchanan. Mr. Buchanan said it would be better to have a sunset date than none at all but he felt it would be best to just give a direction to the county superintendents.

The hearing on HB 658 was closed.

CHAIRMAN YARDLEY asked Jim Oppedahl, legislative researcher for the Legislative Council, to draft the proposed amendments to HB 658.

HOUSE BILL 570

REPRESENTATIVE MEL WILLIAMS, District 70, sponsor of the bill, passed out copies of proposed amendments to HB 570. (See EXHIBIT 2.) He said the amendments further clarify what we are attempting to do with HB 570. House Bill 570 is an act establishing goods and equipment intended for rent or lease as class eight property for purposes of taxation and providing an exception.

REPRESENTATIVE WILLIAMS said HB 570 was introduced on behalf of the county assessors in the state of Montana. This bill is necessary to clarify the intent of the legislature regarding property held for rent or lease. Under the old statute, properties intended solely for sale or lease were included in class six property. Since January 1, 1983, this portion of the statute has been eliminated. Now people who lease occasionally are stating that the property they occasionally lease should be exempt also. Taxpayers who own properties historically taxed in other classes are also coming forth and stating that their properties are now exempt because if is for lease to anyone who wants to lease it. Clarification of legislative intent is necessary to correct this.

Under the current statute, or lack of statute, the situation has arisen where certain owners of property have established wholly owned leasing subsidiaries and lease to themselves to avoid property taxation. With the legislation being proposed, that property which was previously taxed under class six as inventory would remain tax exempt. Property which was not previously taxed

under class six as business inventory, and is now or in the future leased or rented, would be taxed under class eight unless it is in another class.

Proponents

CHARLES GRAVELEY, representing the county assessors, said the offered amendments clarify any problem as far as rental agencies are concerned. The amendments specifically exempt tool rental places. It plugs a loophole created by innovative attorneys and accountants. He asked for favorable consideration and a do pass on HB 570.

DON LARSON, Jefferson County Assessor, said the County Assessors Association supports this legislation.

TOM BECK, Powell County Commissioner, said he would like to go on record in support of HB 570.

REPRESENTATIVE UNDERDAL, District 12, also asked to go on record in support of HB 570.

Opponents

J.C. WEINGARTNER, representing the Montana Rental Association, said they did not support HB 570 as written but do support the bill with the offered amendments.

TED HOFF, owner of the Sun Rental Center, Great Falls, and also representing the Montana Rental Association, said they are opposed to the bill as originally written because the general rental stores fall in the same category as other retail merchants. He said 90% of his rentals are for less than a day. He would support the bill with the proposed amendments.

KEN PETERSON, owner of Taylor Rental, Helena, said his opposition to the bill is the same as other opponent's. He said if the taxes are increased, 15-20% of the rental stores in Montana will have to close. Those stores have not been budgeted for a tax increase of this size. He said he, too, opposes the bill in its present form but supports the bill with the amendments.

REPRESENTATIVE WILLIAMS, in closing, said he is glad the opponents agree with the amendments. It had never been his intention to apply a tax on the small rental stores.

REPRESENTATIVE ASAY said rental companies have many types of production equipment, i.e. backhoes and trenchers. He asked if those types of equipment can be taxed now. Mr. Hoff said his business does have some heavy equipment and occasionally construction companies do rent the equipment but 90% of the rentals, including the heavy equipment, is from the general public on a daily basis.

REPRESENTATIVE DOZIER asked if the rental store owners pay taxes on trailers. Mr. Hoff said they pay highway taxes on all rolling equipment.

REPRESENTATIVE JACOBSEN said the only problem he can foresee is that there is a business inventory bill floating around this legislature. Representative Williams said that would not affect this at all.

The hearing on HB 570 was closed.

CHAIRMAN YARDLEY called the meeting into Executive Session at this time.

EXECUTIVE SESSION

House Bill 16

CHAIRMAN YARDLEY told committee members that HB 16 is separate from the other highway bills.

REPRESENTATIVE WILLIAMS moved HB 16 DO PASS.

REPRESENTATIVE NORDTVEDT asked why the truckers get off "scot-free" at the state level because there is no change in the GVW. Representative Harp said the truckers have taken a 700% increase in the federal use tax - from \$280 to \$1,600 effective the end of next fiscal year and then \$1,900 four years from now because the federal legislation is a four-year act. In essence, the federal government got there before the state.

REPRESENTATIVE NORDTVEDT said most engineering studies tell you that roads are built to carry the truck loads and if they just had automobiles, they could be built for a fraction of the cost. Initial highway costs are determined by trucks. Other studies show the wear and tear, and therefore the maintenance cost, is caused by the truck loads. We need a proper mechanism to get truckers to bear the proper allocated costs for maintaining road systems. The GVW fee has not changed since 1967.

REPRESENTATIVE JACOBSEN said trucks are paying more, mile for mile.

REPRESENTATIVE NORDTVEDT said what we need is a cost analysis to show how much of the money going into the roads is because of the truck traffic and how much for the automobile traffic and see if that is split equitably.

REPRESENTATIVE HARP said truckers also pay severe property taxes and automobiles pay fees. Representative Nordtvedt said those property taxes do not go to highways. Chairman Yardley said property taxes do not apply to out-of-state trucks.

REPRESENTATIVE DEVLIN said we are not addressing the right group of truckers. We have to tax the interstate truckers who come across the state. Representative Harp said we would need between 30-40 new ports of entry to enforce a law like that. It is impossible to attack interstaters without affecting in-state truckers.

REPRESENTATIVE DOZIER said when you talk about the trucker who just travels across Montana, you are talking about a very limited number of trucks. There is a tremendous amount of trucking that originates in this state.

REPRESENTATIVE NORDTVEDT offered some amendments to HB 16. On page 2, line 7 of the bill, the amendment would add language to make the additional 2 cents contingent on the failure to pass a constitutional referendum or initiative which raises at least as much money from the coal constitutional trust. The amendment would mean that come 1985, if we have not passed a constitutional referendum or initiative tapping the coal constitutional trust for equivalent money, then the 2 cents would go on. If the constitutional referendum or initiative passes, then the additional 2 cents fuel tax would not go into effect. After the date of "1985" on page 2, line 8, add "if a constitutional referendum or initiative is not enacted by the same date which raises at least equivalent funds for the highway earmarked revenue fund from the coal tax constitutional trust fund." Representative Nordtvedt said either this legislature approves the referendum bill that has been introduced or by the initiative process, people could gather the required number of signatures, put the issue to the people and if they passed the initiative, then the fuel tax would not go into effect. The reason to make the contingency is the Department of Highways would like to see some guarantee that the money will come in over the years. This amendment, if the initiative is passed, does that. They will get money from one source or another but we will not be overfunding them.

REPRESENTATIVE BERTELSEN said the amendment is very clear. We will put a referendum to the people to say we will not have the 2 cent tax if they want to take the money from the coal tax trust fund and then that money will not be there in the future.

REPRESENTATIVE SWITZER asked how much money each cent will raise. Representative Harp said each cent will raise \$5 million, including gas and diesel.

REPRESENTATIVE NORDTVEDT said we are not talking about any of the coal money that has been already promised. He said his amendment is not taking money from the trust, it is a contingency to say if the people vote to take the money from the trust in 1985.

REPRESENTATIVE WILLIAMS said the Department of Highways will be left "high and dry" if we go to a referendum. They will not be able to plan ahead.

REPRESENTATIVE WILLIAMS said he didn't think a referendum would get through this legislature. He also said he doesn't want to see any money taken from the permanent trust fund. He said a 5 cent gas tax over a period of time is a reasonable approach to Montana's highway problems.

REPRESENTATIVE NORDTVEDT said roads are an investment. He believes the trust fund should not be held indefinitely but should be used for tangible investments.

REPRESENTATIVE BERTELSEN said several states who had tremendous amounts of natural resources, who did not put money away, are bankrupt because they lived off the resources until the resources were gone.

REPRESENTATIVE NORDTVEDT moved the proposed amendments.

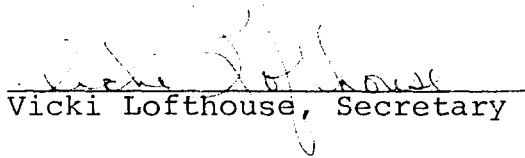
The motion was voted on and FAILED. A roll call vote was taken. All committee members voted no except Representatives Devlin, Nordtvedt, Switzer, Underdal and Vinger, who voted yes. Representative Abrams was excused during the vote.

The motion that HB 16 DO PASS was voted on and PASSED. All committee members voted yes except Representatives Jacobsen, Nilson, Nordtvedt and Underdal, who voted no. Representative Abrams left a proxy vote, voting yes.

The meeting was adjourned at 11:30 a.m.



DAN YARDLEY, Chairman



Vicki Lofthouse, Secretary

Current Year Example for Section 2 of House Bill 520

- (a) 1978 - 1981
- (b) 1979 - 1982
- (c) 1980 - 1983 (current year)
- (d) 1981 - 1984
- (e) 1982 - 1985

page 2, line 3

Strike: ": and"

Insert: ; goods and equipment previously included in Class 6
would continue to be exempt; and

page 2, line 5

Strike: ":",

Insert: ; machinery previously included in class 6 would
continue to be exempt

Subsection (3) would read

(3) Effective date. This act is effective upon passage and
approval.

LOCAL GOVERNMENT BLOCK GRANT (HB 600, HB 418)

MAJOR FEATURES OF ADMINISTRATION'S PROPOSAL:

- .builds on 1981 Legislature's precedent of replacing property taxes with oil severance taxes to support local governments (natural resources helping human services)
- .helps mitigate erosion of tax base available to local governments
- .provides alternative, long-range revenue source to alleviate heavy dependence on property taxpayers
- .injects modest amount of state dollars to allow flexibility to local governments to meet local priorities
- .includes equalization factor to assure fair distribution to all local government units while targeting those most in need of assistance
- .based on cooperative planning and compromise among Montana Association of Counties, League of Cities and Towns, Urban Coalition, and the Administration.

LOCAL GOVERNMENT BLOCK GRANT ACCOUNT

=

\$21.7 million
per year*

HB418 earmarks
33 1/3% of oil
severance tax
(scheduled to
increase to 6%
on April 1 '83)

=

\$18.7 million
per year*

General Fund
appropriation
(line item in
Commerce's budget -
Community
Assistance Prg)
=
\$3 million/yr

\$15.4 million/yr for GENERAL PURPOSE GRANT

.continues motor vehicle reimbursement program
enacted by 1981 regular session

.recipients are:

- .counties
- .municipalities
- .school districts
- .other jurisdictions (cemetery,
hospital, fire districts, etc.)

.allocations from state based on existing law
(number of vehicles and average tax loss per
vehicle in 1981)

.distribution is to counties, who then disburse to
others (based on proportionate number of mills
levied by each jurisdiction within the county)

.payments March 1 of each year (must be made
before any other block grant funds are released)

\$6.3 million/yr for GENERAL SERVICES GRANTS

.total divided on basis of state's "unincorporated"
vs "incorporated" population; for example:

counties = "unincorporated" = approximately
44.4% of state's population =
\$2.8 million/yr

cities/towns/consolidated governments =
"incorporated" = 55.6% state
population = \$3.5 million/yr

.distribution formulas based on population and
relative value of local tax base

.payments June 30 of each year (exception:
special one-time, partial payment to initiate
program on October 1, 1983)

.estimated general services block grant alloca-
tions for each county, municipality (including
consolidated governments) appear on reverse side.

PROPOSED GENERAL SERVICES BLOCK GRANT
ESTIMATED DISTRIBUTION AMOUNTS

COUNTIES
REVISED: 2/4/83

MUNICIPALITIES. . .CONTINUED

COUNTY	BY POPULATION	BY VALUATION	TOTAL
BEAVERHEAD	15583.89	14530.03	30113.92
BIG HORN	21123.72	3305.65	24429.38
BLAINE	13324.16	4849.89	18174.06
BROADWATER	6219.46	4980.09	11199.56
CARSON	15413.26	7988.33	23406.60
CARTER	3424.80	1652.10	5076.90
CASCADE	153622.96	242143.59	395766.55
CHOUTEAU	11397.49	4305.12	15902.61
CUSTER	24955.92	31209.01	56164.93
DANIELS	5397.05	3328.20	8725.26
DAWSON	22473.46	15432.98	37906.45
FALLON	7163.71	398.18	7561.89
FERGUS	24893.10	25604.44	50497.55
FLATHEAD	98928.95	112173.61	211102.57
GALLATIN	81603.15	107361.30	188964.46
GARFIELD	3152.26	1399.25	4551.82
GLACIER	20232.78	8359.05	28591.84
GOLDEN VALLEY	1953.22	825.10	2778.32
GRANITE	5140.05	4569.68	9709.74
HILL	34238.48	24054.45	58292.94
JEFFERSON	13381.28	15113.60	28494.88
JUDITH BASIN	5037.25	2384.86	7422.12
LAKE	36277.37	45989.68	82267.06
LEWIS & CLARK	81934.40	112629.58	194563.98
LIBERTY	4433.77	838.66	5272.43
LINCOLN	33794.32	32169.69	65964.61
MCCONE	5143.86	2109.40	7253.26
MADISON	10371.49	6950.74	17322.23
MEAGHER	4100.62	2693.24	6793.86
MINERAL	6996.18	9678.45	16674.64
MISSOULA	144713.53	154609.74	299323.27
MUSSELSHELL	8429.69	2226.27	10655.96
PARK	24499.03	30910.17	55409.20
PETROLEUM	1246.93	495.31	1742.25
PHILLIPS	10217.29	2913.46	13130.75
PONDERA	12813.97	6361.17	19175.14
POWDER RIVER	4777.38	289.11	5066.50
POWELL	13246.11	14038.03	27284.14
PRAIRIE	3495.23	1800.88	5296.12
RAVALLI	42820.47	77216.20	120036.68
RICHLAND	23307.30	3447.46	26754.76
ROOSEVELT	19926.28	5399.02	25325.30
ROSEBUD	18844.97	1992.44	20837.41
SANDERS	16514.81	12935.73	29450.54
SHERIDAN	10306.76	1055.57	11362.33
STILLWATER	10657.05	7465.39	18122.44
SWEET GRASS	6122.37	4708.94	10831.32
TETON	12357.07	7837.90	20194.98
TOOLE	10582.80	2271.89	12854.69
TREASURE	1867.55	727.40	2594.96
VALLEY	19513.17	11894.68	31407.86
WHEATLAND	4490.88	3252.97	7743.86
WIBAUX	2809.89	250.26	3060.16
YELLOWSTONE	205668.89	198039.81	403708.71
TOTAL COUNTIES	1401167.99	1401168.00	2802336.00

CITIES/TOWNS	BY POPULATION	BY VALUATION	TOTAL
BELGRADE	8833.62	8979.43	17813.06
BOZEMAN	81921.87	83926.48	165848.36
MANHATTAN	3726.78	4959.33	8686.18
THREE FORKS	4709.97	6147.75	10857.73
W. YELLOWSTONE	2773.02	1408.66	4181.68
JORDAN	1834.32	2376.71	4211.04
BROWNING	4636.77	14041.44	18678.22
CUT BANK	13954.10	15200.38	29154.49
LAVINA	616.46	924.27	1540.74
RYEGATE	1026.26	1393.59	2420.56
DRUMMOND	1555.16	2112.63	3667.80
PHILLIPSBURG	4299.47	8920.59	13220.07
HAVRP	41217.35	46159.45	87377.31
MINCHAM	689.66	689.62	1379.28
BOULDER	5444.13	11591.53	17035.67
WHITEHALL	3888.26	5076.36	8964.62
HOUSON	983.18	1599.54	2582.73
STANFORD	2244.82	2758.48	5003.31
POLSON	10579.68	10754.80	21334.48
ROMAN	5781.43	5971.93	11753.37
ST. IGNATIUS	3316.28	8304.88	11621.17
EAST HELENA	6221.36	4210.92	10432.28
HELENA	90608.38	76619.79	167228.17
CHESTER	3643.53	3330.42	6973.96
EUREKA	4226.27	5913.09	10139.37
LIBBY	10388.78	7483.22	17872.01
REXFORD	484.41	205.23	689.65
TROY	4108.58	6236.01	10344.60
CIRCLE	3521.53	4254.70	7776.24
ENNIS	2494.57	2538.18	5032.75
SHERIDAN	2435.72	2890.52	5326.25
TWIN BRIDGES	1643.43	1584.47	3227.91
VIRGINIA CITY	719.09	807.30	1526.40
WHITE SULPHUR S	4915.94	8216.61	13132.56
ALBERTON	3379.33	2890.52	6269.86
SUPERIOR	3976.53	5267.24	9243.77
MISSOULA	126382.10	88577.30	214959.41
MELSTONE	894.31	1349.82	2244.73
ROUNDUP	8011.31	10681.60	18693.31
CLYDE PARK	1071.46	1863.62	2935.09
LIVINGSTON	26470.74	26043.45	52514.19
WINNETT	777.93	1525.63	2303.57
DODSON	587.34	836.01	1423.35
MALTA	8950.60	8421.65	17372.46
SAGO	953.76	1217.79	2171.54
CONRAD	11621.00	11767.34	23388.35
VALIER	2421.57	2787.90	5209.28
BROADUS	2685.46	2963.72	5649.19
DEER LODGE	15216.46	21113.48	36329.94
TERRY	3507.18	5062.01	8569.19
DARBY	2186.69	3550.72	5737.42
HAMILTON	10065.84	8671.58	18737.42
STEVENSVILLE	4563.57	6177.17	10740.75
FAIRVIEW	5164.97	9698.48	14863.45
SIDNEY	21672.49	19939.47	41611.96
BAINVILLE	924.34	3022.56	3946.90
BROCKTON	1408.75	11781.69	13190.45
CULBERTSON	3345.71	6470.67	9816.38
FROID	1217.86	2230.32	3448.19
POPLAR	3756.21	7365.53	11121.74
WOLF POINT	11621.00	17709.86	29330.86
FORSYTH	9655.34	12207.24	21862.58
HOT SPRINGS	2274.25	4167.15	6441.40
PLAINS	4211.20	5076.36	9287.56
THOMPSON FALLS	5590.54	7702.81	13293.35
MEDICINE LAKE	1540.80	2551.91	4092.62
OUTLOOK	454.99	601.35	1056.35
PLENTYWOOD	9361.82	8847.39	18209.22
WESTBY	1100.16	2303.52	3403.69
COLUMBUS	5444.13	5428.70	10872.84
BIG TIMBER	6382.83	7570.77	13953.60
CHOTEAU	6794.05	8685.93	15479.98
DUTTON	1349.91	1951.17	3301.08
FAIRFIELD	2450.79	2626.44	5077.24
KEVIN	777.93	1496.93	2274.87
SHELBY	11885.81	15127.19	27013.01
SUNBURST	1789.83	3168.95	4958.79
HYSIAM	1687.20	2435.56	4122.77
GLASGOW	16859.89	17371.87	34231.76
NASHUA	1863.75	3066.34	4930.09
OPHEI	792.29	1115.16	1907.45
HARLOWTON	4460.95	7351.18	11812.13
JUDITH GAP	792.29	2171.48	2963.77
WIBAUX	2949.56	3946.84	6896.41
BILLINGS	253013.95	158726.42	411740.37
BROADVIEW	439.92	337.27	777.19
LAUREL	20733.80	21759.32	42493.13
WALKERVILLE	3345.71	8847.39	12193.10
TOTAL CITIES/TOWNS	1466340.00	1466339.99	2932680.00

CONSOLIDATED GOVERNMENTS

BUTTE-SILVER BOW	215488.00	202125.00	417613.00
ANACONDA-DEER LODGE	72503.00	85866.00	158369.00
TOTAL CONSOLIDATED	287991.00	287991.00	575982.00

REVIEW OF MOTOR VEHICLE FEES AT SELECTED COUNTIES

Actual - Fiscal Year Ending June 30, 1982
Projection - Fiscal Year Ending June 30, 1983

BACKGROUND

The Office of the Legislative Auditor was requested to review county handling of motor vehicle flat fee collections and the Department of Revenue vehicle fee replacement distribution. The following provides background and the results of our review at the ten largest counties.

The 1981 Legislature changed the method for vehicle licensing. Effective January 1, 1982, cars and light trucks were no longer assessed and taxed as personal property. The new method requires a flat fee, which varies with vehicle age, be paid upon licensing. Removal of vehicles from the tax base resulted in significant decreases in the amount of funds local mill levies would raise. To replace these funds, counties estimated their potential losses by comparing 1981 actual property tax collections from vehicles with estimated 1982 flat fee collections from vehicles. The Legislature appropriated money to the Department of Revenue to be distributed to the counties to cover the estimated decreases in collections caused by the flat fee system. State law requires both the flat fee collections and the Department of Revenue payment be distributed by the counties to county funds in the same manner as personal property taxes. This is to ensure all county funds get their share of these moneys.

In the past counties budgeted school equalization revenue utilizing the tax base plus "other revenues" available to the county. The counties determined "other revenues" available by using actual collections over the past year or estimating collections for the next year. When the vehicles were removed from the tax base, county

calculations of funds available through mill levies decreased. Flat fees and distributions by the Department of Revenue to replace the decrease became "other revenue."

The inclusion of the "other revenue" is critical to the school foundation program and setting voted levies in each county. County school funding is based on a statewide 40 mill tax, 25 mills for elementary schools and 15 mills for high schools, and "other revenues" the county collects. The state guarantees the counties a base amount to operate schools depending on the number of students. When the 40 mills and "other revenues" are not sufficient to provide 80 percent of the school districts "maximum general fund budget without a vote," the state makes up the difference through the school equalization program.

When vehicles were taken from the tax base, revenue from the 40 mills decreased. The motor vehicle flat fees and the Department of Revenue distribution were intended to offset the decrease. However, due to the lack of clarity in the law and lack of central guidance, counties appeared inconsistent in handling these "other revenues." This inconsistency resulted in the potential for counties receiving a "windfall" by collecting shortages in the school equalization program that were already being collected through flat fees and Department of Revenue distributions.

The state also guarantees school districts a base for collecting permissive levies. Permissive levies total 15 mills, 9 elementary and 6 high school. When taxable valuation is not sufficient to reach the guaranteed base in a school district the state makes up the difference. The law does not require districts include "other

revenues" in the calculation of permissive levy requirements. Since this is not required, districts received a "windfall" in the permissive area through the flat fee system.

Review Results

We went to the ten counties having the largest school budgets to determine:

1. Were vehicle fee collections included in setting the school equalization program requirements in fiscal years 1981-82 and 1982-83?
2. If vehicle fees were not included, did the county receive a "windfall" through collecting both the equalization program and vehicle fees and, if so, how much?
3. Was there an effect on the permissive levy?
4. What inconsistencies exist between the counties in handling vehicle fees and the equalization program?

In fiscal year 1981-82, motor vehicles were still in the taxable valuation amounts which all counties used as the base for budgeting. As a result, all ten counties reviewed overestimated the value of a mill and overestimated the amount of revenue mill levies would produce. In addition, all ten counties failed to budget for motor vehicle flat fees and the Department of Revenue distributions. These two errors offset each other and left the counties with no significant overcollection of revenue in fiscal year 1981-82.

Each of the ten counties removed motor vehicles from taxable value prior to the budgeting process in fiscal year 1982-83. In addition, none of the ten counties anticipated motor vehicle flat fees or Department of Revenue distributions when setting the equalization program requirements. Silver Bow County did include the flat fee and Department of Revenue distribution in setting

voted levies. The effect of not anticipating collections for the equalization program and permissive levy are estimated in Table 1 below.

TABLE 1
PROJECTION OF
UNDERESTIMATED REVENUE FOR
COUNTY EQUALIZATION ACCOUNTS

Fiscal Year 1982-83

<u>County</u>	<u>Statewide</u> <u>40 Mill Levy</u>	<u>Permissive Levy</u>
Yellowstone	\$ 552,203	\$ 201,590
Cascade	414,384	154,431
Missoula	533,443	200,041
Flathead	365,873	137,083
Lewis and Clark	325,634	117,990
Silver Bow	220,302	82,613
Gallatin	313,321	107,510
Ravalli	108,375	40,640
Rosebud	-0- *	17,895
Hill	134,534	48,222
Total	<u>\$2,968,069</u>	<u>\$1,108,015</u>

*This county collects more than the equalization program requirements so all vehicle fee collections plus the surplus should be returned to the state June 1, 1983.

Source: Estimates compiled by the Office of the Legislative Auditor

Due to variances in the amount of data available in county records, the estimates above were made using the following assumptions:

- a. Actual motor vehicle flat fee receipts were not known in total for fiscal year 1982-83. Total vehicle flat fee receipts were estimated assuming vehicle fee receipts remain constant between years and districts.
- b. Some counties did not separate flat fee collections from total license collections. We compared the percentages between counties separating flat fees and found insignificant differences. We, therefore, applied the percentages calculated for counties which did separate flat fees to the counties which did not separate flat fees.

Effect on Voted School Levies

In our county work, we found that only Silver Bow County had included an estimate of motor vehicle flat fees and Department of Revenue distributions when setting voted levies. In each of the other counties, fiscal year 1982-83 mill levies were too high and schools received a "windfall" in the amount of flat fees and Department of Revenue distributions which were allocated to school funds. Because every district potentially has a different voted levy, we did not estimate the amount of the voted levy "windfall."

University 6 Mill Levy

All counties visited were properly distributing all vehicle fee collections based on the district millages. This results in the university 6 mill levy receiving its proportionate share of the fees.

"Other Revenue" in Budgeting

Nine of the ten counties reviewed used actual collections during the past year in determining equalization program requirements. One county estimated federal forest funds in calculating its budgets. The actual collections accumulate in county cash reappropriated which reduces requirements in the following year. Counties have been instructed by the Office of Public Instruction to not spend current year "other revenue" collections when using past collections for budgeting. Through this procedure the "other revenue" is forced into county cash reappropriated reducing the next years equalization program requirements.

Based on a review of the reported balance of cash reappropriated, it appears some counties are utilizing collections to replace current county school fund revenue shortages at the expense of

the next years state equalization program. Our computations of the amounts used to replace revenue shortages are listed in Table 2.

TABLE 2

<u>County</u>	<u>"Other Revenue" Not Carried Forward to Cash Reappropriated</u>
Yellowstone	\$ -0-
Cascade	2,941
Missoula	116,607
Flathead	155,863
Lewis and Clark	84,376
Silver Bow	30,858
Gallatin	-0-
Ravalli	32,096
Rosebud	621
Hill	13,255

Source: Treasurer's Annual Report, Part II - County Supplement sent to Office of Public Instruction for the year ended June 30, 1982

Allocation of the Department of Revenue Distribution

Seven of the ten counties allocated the Department of Revenue distribution based on the ratio of vehicle license collections by school district in 1981. Gallatin County made the distribution based on number of vehicles. We determined either method was reasonable.

Flathead County distributed the money based on mill levies. This was not reasonable since the amount of the mill levy in a district has no relationship to the number of vehicles in the district. This process results in districts with few vehicles receiving the same allocation as districts with many vehicles when both have the same levy, even though the district with the lower number of vehicles did not lose as much revenue when the new system was adopted.

Rosebud County did not receive a distribution. Due to their low mill levies, flat fees collected more revenue than the property tax system.

County Flat Fee Collections

All ten counties were distributing flat fee collections to the county funds in compliance with the law.

County Refund Plans

At the time of our review, six counties - Yellowstone, Cascade, Lewis and Clark, Ravalli, Rosebud, and Hill did not plan to refund overcollections to taxpayers. Silver Bow County did not need to refund since it included the vehicle fees in setting voted levies. Missoula, Flathead, and Gallatin Counties plan to make refunds to taxpayers. In all ten counties, counties should refund to the state proportionate shares for the 40 mill equalization program and 15 mill permissive levy.

Miscellaneous County Information

We noted the following problems in handling and reporting school funding at various counties.

Over Distributions to School Districts

The Office of Public Instruction limits equalization program distributions to school districts. When the excess above this limit is not distributed, the county carries the balance as county cash reappropriated, reducing school equalization program requirements. When counties distribute money over the limit to districts, the excess is carried as district cash reappropriated or cash reserves and reduces the voted levies. In this situation the state equalization program subsidizes voted levies. This problem is not related

to motor vehicle fees. The following table shows the over distributions noted in the counties reviewed.

TABLE 3

COUNTY OVER DISTRIBUTIONS OF EQUALIZATION PROGRAM MONEY

<u>County</u>	<u>Fiscal Year 1980-81</u>	<u>Fiscal Year 1981-82</u>
Missoula	\$100,125	\$ 36,385
Flathead	386,921	16,436
Lewis and Clark	-	41,350
Silver Bow	7,278	135,143

Other Inconsistencies

Ravalli County was the only county visited where all of the state equalization aid was deposited in the elementary school fund. When high schools required money the county distributed it from the elementary school fund. We reviewed the distribution to the high schools from the elementary school fund and determined it was proper. However, the handling is inconsistent with other counties and makes tracking the high school distributions more difficult.

Overall County Concerns

The law was not specific how the new vehicle fee system should be handled. As a result, each county interpreted the law on its own which resulted in inconsistent and time consuming procedures at the county level.



cablevision

February 3, 1983

Representative Ted Schye
Capitol Station
Helena, Montana 59601

Dear Ted,

After our recent phone conversation, I felt it was necessary for me to put into writing my objections to your proposed house bill regarding Translator District Taxes. If you check back on the history of State Statute #7-13-2529, you'll probably find that the reason for the exemption was to encourage the growth of cable television in Montana. As you well know, the distances and population pockets in Montana are prohibitive to good communications. Cable companies have helped to close that gap. Another valuable point to remember is that the transmission methods used by cable companies is far superior than over-the-air translators.

To no longer exempt cable subscribers from the translator tax is going to force city residents to choose a substandard method of communications. Who can continue to pay both; county taxes and private subscription rates, especially in the future as taxes and cost of doing business continue to grow? My concern is that they'll be forced to loose the high diversity of programming and services available on cable. As our technology becomes even more advanced, we'll be able to offer in-home shopping, banking and security systems. Must our subscribers do without such valuable assets because they are forced to support through tax dollars a local TV system they don't wish to use? And that situation could very easily arise with the FCC "Must Carry" rules.

The "Over-the-Air" method of providing signals also causes a great deal of interference in the cable homes of those people who live within a certain "pocket" under the translators. Many people in Glasgow have virtually lost four of their channels, and now the translator board wishes to add another channel without considering the consequences to it's actions. To me that is a blatant disregard for the same people, who through their tax dollars, enabled them to add the service. Mr. Knierim believes those who are not cablevision subscribers shouldn't have to carry the burden so that Cablevision subscribers can enjoy the "benefits" of the translators. I inturn believe that Cablevision subscribers should not carry the tax burden so that the translator board can add services, especially since they don't have any intention of upgrading their existing equipment.

You and I both know that Mr. Knierim's request for the change in the wording of the State Statute came about because of our local controversy. However, should you continue to support this bill, you will find the entire cable industry involved. Mr. Knierim would have you believe that it should not involve the industry, but is only a matter concerning individual taxpayers. I'm afraid he's wrong, and that we are very much concerned and involved. Cablevision as an industry has always strived to bring the highest quality entertainment, the best possible methods of communications available as well as future technology at the lowest possible price. We will continue to strive for these goals in the interest of our subscribers.

Ted, I hope that before you make a firm commitment to this bill, that you speak with other people in our industry, and that if you have any questions you contact me at any time.

Sincerely,



Bonnie Hansen
System Manager
Glasgow Cablevision

cc: Mr. John Saeman, Chairman of N.C.T.A.
% Daniels & Assoc., Denver, Colorado

Marie Vainio, President M.C.T.A.
Butte, Montana

Mr. Ben Hooks, VP of Operations
Daniels & Assoc., Denver, Colorado

Senator M. Etchart
Capitol Station, Helena, Mt.

Mr. Robert Hurly, Cablevision Attny
Glasgow, Montana

GALLAGHER, ARCHAMBEAULT & KNIERIM

PROFESSIONAL CORPORATION - ATTORNEYS AT LAW

FRANCIS GALLAGHER
G. T. ARCHAMBEAULT
MATTHEW W. KNIERIM

605 3RD AVENUE SOUTH - BOX 512
GLASGOW, MONTANA 59230-0512
(406) 228-9331

Feb. 4, 1983

Representative Dan Yardley, Chairman
House Taxation Committee
Capitol Station
Helena, MT 59620

Dear Rep. Yardley:

I am the unpaid advocate and part time lawyer for the Valley County Television District. This letter is in reference to HB 527 which I understand is set for hearing on February 10 at 8:00 o'clock A.M. I would ask that this letter be made part of the record.

We ask your committee and the legislature to adopt the proposed HB 527. So that your committee may understand the proposed amendment, I would like to give you some of the background information.

As Section 7-13-2529 now reads there is a flat exemption from television tax for any person who is a subscriber in good standing on a cable television system. In our area, approximately 70% of the town of Glasgow are subscribers on the local cable system. However, the Glasgow cable system takes the signals imported into the Glasgow area by Valley County television district translators and utilizes them in their cable system. In particular, they have been utilizing KXMD-TV and KUMV-TV which originate in Williston, North Dakota.

We do not feel that it is fair for the cable subscribers to be exempted from the television district tax as this section implies when in fact they benefit from the signals imported into the community by the television district. In our case, this amounts to a subsidy of the urban cable subscriber by the rural taxpayer.

We understand that the cable industry wishes to propose an amendment that would exempt the cable subscriber if the cable system is obligated to carry the translator signal under applicable FCC regulations. If this amendment is adopted by the committee, it would have the effect of exempting all cable subscribers, since nearly all of the stations repeated by translator districts are required to be carried by cable systems under present FCC regulations.

In Glasgow, we are advised that the two Williston stations are "must carry" since they are "significantly viewed" under


Rep. Dan Yardley
Page 2
Feb. 4, 1983

FCC regulations and the two Great Falls stations could be made so if they petitioned the FCC. The FCC regulations are reasonable because they wish to insure that cable systems, which have access to sophisticated satellite technology and distant signals from Atlanta, Chicago, and the like, continue to carry local programming and news.

The proposed legislation will eliminate this exemption for cable users if the cable system chooses to use the local translator services. We should point out that cable systems have the option of obtaining television services through their own systems without utilizing tax supported translators. For instance, the Glasgow cable system utilizes both Great Falls stations through its own microwave link up independent of the television district translators. However, if the cable system utilizes the television district translator signal, we feel the cable subscribers should pay their fair share. This is what the legislation seeks to do.

We ask for your support for this legislation. If there are any questions, please feel free to contact me.

Sincerely,


MATTHEW W. KNIERIM

MWK/cb

cc: Ted Schye
Everett Breigenzer
George Kolstad

Hon. Judge Nat Allen
Janet Ackley
Duane Compton

Glasgow, Montana
Feb. 7, 1983

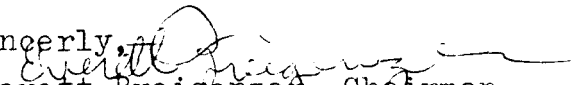
Representative Dan Yardley, Chairman
House Taxation Committee
Capitol Station
Helena, Mt. 59620

Dear Rep. Yardley:

I'm chairman of the Valley County TV tax district and would like your committee ~~giving~~ to give serious consideration for a do pass to HB 527 which I understand will be heard by your committee on Feb. 10th. I would like my letter be made part of the record.

This bill is to clear the language in the present bill as it is a little bit in the gray area. At the present time the cable company is using two of our signals which we feel we should have the right to tax those customers as they are benefiting from the signal. We have quite a sizable investment in Glasgow and this was paid for by the translator or over the air TV customers. Also a lot of cable people have portable sets with rabbit ears which they receive our signal. We feel that they should be taxed if they are receiving the benefits our signal. I don't think that the original intent of the law meant to exclude anyone who was benefitting from the translator signal. In the same vein, do you think the cable company would let us use one of their signals without paying for it?

If we don't get enough revenue in Glasgow we would have to petition the Fcc so we could discontinue in Glasgow and only broadcast in the rural areas. But we have a lot of older people on social security who can't afford cable so it wouldn't be fair to them either. We ask that your committee vote for the people on this issue and if you have any question feel free to write or call me.

Sincerely, 
Everett Breigenzen, Chairman
Valley County TV tax district #1
North Star Route
Glasgow, Montana 59230

GALLAGHER, ARCHAMBEAULT & KNIERIM

PROFESSIONAL CORPORATION - ATTORNEYS AT LAW

FRANCIS GALLAGHER
G. T. ARCHAMBEAULT
MATTHEW W. KNIERIM

605 3RD AVENUE SOUTH - BOX 512
GLASGOW, MONTANA 59230-0512
(406) 228-9331

Feb. 4, 1983

Representative Dan Yardley, Chairman
House Taxation Committee
Capitol Station
Helena, MT 59620

Dear Rep. Yardley:

I am the unpaid advocate and part time lawyer for the Valley County Television District. This letter is in reference to HB 527 which I understand is set for hearing on February 10 at 8:00 o'clock A.M. I would ask that this letter be made part of the record.

We ask your committee and the legislature to adopt the proposed HB 527. So that your committee may understand the proposed amendment, I would like to give you some of the background information.

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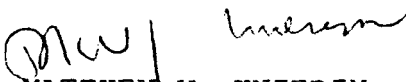
Rep. Dan Yardley
Page 2
Feb. 4, 1983

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The proposed legislation will eliminate this exemption for cable users if the cable system chooses to use the local translator services. We should point out that cable systems have the option of obtaining television services through their own systems without utilizing tax supported translators. For instance, the Glasgow cable system utilizes both Great Falls stations through its own microwave link up independent of the television district translators. However, if the cable system utilizes the television district translator signal, we feel the cable subscribers should pay their fair share. This is what the legislation seeks to do.

We ask for your support for this legislation. If there are any questions, please feel free to contact me.

Sincerely,


MATTHEW W. KNIERIM

MWK/cb

cc: Ted Schye
Everett Breigenzer
George Kolstad

Hon. Judge Nat Allen
Janet Ackley
Duane Compton

WITNESS STATEMENT

Name M. Campbell Committee On Taxation
Address Helena, Mt. Date 2/10/83
Representing Montana Coal Board Support ✓
Bill No. HB 520 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1.

2.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name Edm. Lauer Committee On 570
Address Burlington Date _____
Representing Insurance Co. Support X
Bill No. _____ Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1.

2.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

VISITOR'S REGISTER

HOUSE

Taxator

COMMITTEE

BILL

570

DATE _____

2/10/43

SPONSOR

William S

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE

Taxation

COMMITTEE

BILL

527

DATE _____

2/10/82

SPONSOR

Schwe

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE

Taxation

COMMITTEE

BILL

527

DATE _____

2/10/83

SPONSOR

Rep Schuy

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE

558 Taxation

COMMITTEE

BILL

658

DATE 2-10-83

SPONSOR

Walter

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

STATE OF MONTANA

REQUEST NO. 273-83

FISCAL NOTE

Form BD-15

In compliance with a written request received January 31, 19 83, there is hereby submitted a Fiscal Note for House Bill 527 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

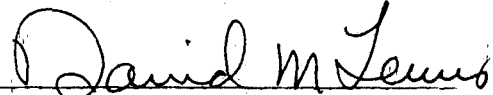
DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 527 limits the present exemption from taxation for television district services for subscribers to a community antenna system to subscribers to such a system that does not directly or indirectly use any signal repeated by the television district.

FISCAL IMPACT:

The proposed legislation should have no fiscal impact at the state level. Local television district revenues may be decreased slightly.

FISCAL NOTE 10:J/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-2-83

STATE OF MONTANA

REQUEST NO. 302-83

FISCAL NOTE

Form BD-15

In compliance with a written request received February 2, 19 83, there is hereby submitted a Fiscal Note for House Bill 570 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

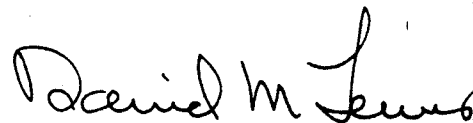
DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 570 establishes goods and equipment intended for rent or lease as class eight property for purposes of taxation and provides an exception.

FISCAL IMPACT:

The fiscal impact of the proposed legislation cannot be estimated because there is insufficient data on all goods and equipment intended for rent or lease. The revenue increase should not be significant at the state or local level.

FISCAL NOTE 10:DD/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-8-83

STANDING COMMITTEE REPORT

February 11, 1983

MR. **SPEAKER:**

We, your committee on **TAXATION**

having had under consideration **HOUSE** Bill No. **520**

First reading copy (**White**)
color

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE DESIGNATION
PROCESS FOR CERTAIN COAL BOARD IMPACT GRANTS; AMENDING SECTION
90-6-207, MCA."

Respectfully report as follows: That **HOUSE** Bill No. **520**

DO PASS

DAN YARDLEY, Chairman.

STANDING COMMITTEE REPORT

February 14, 1953

MR. **SPEAKER:**

We, your committee on **TAXATION**

having had under consideration **HOUSE** Bill No. **527**

First reading copy (**White**)
color

A BILL FOR AN ACT ENTITLED: "AN ACT TO LIMIT THE PRESENT
EXEMPTION FROM TAXATION FOR TELEVISION DISTRICT SERVICES FOR
SUBSCRIBERS TO A COMMUNITY ANTENNA SYSTEM TO SUBSCRIBERS TO
SUCH A SYSTEM THAT DOES NOT DIRECTLY OR INDIRECTLY USE ANY
SIGNAL REPEATED BY THE TELEVISION DISTRICT; AMENDING SECTION
7-13-2529, MCA."

Respectfully report as follows: That **HOUSE** Bill No. **527**

DO PASS

STANDING COMMITTEE REPORT

February 14,

19 83

MR. **SPEAKER:**

We, your committee on **TAXATION**

having had under consideration **HOUSE** Bill No. **570**

First reading copy (White)
..... Color

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING GOODS AND EQUIPMENT
INTENDED FOR RENT OR LEASE AS CLASS EIGHT PROPERTY FOR PURPOSES
OF TAXATION; PROVIDING AN EXCEPTION; AMENDING SECTION 15-6-138, MCA."

Respectfully report as follows: That **HOUSE** Bill No. **570**
be amended as follows:

1. Title, line 7.

Following: "MCA"

Insert: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

2. Page 1, line 12.

Following: "(1)"

Strike: "Class"

Insert: "Except as provided in (2), class"

3. Page 2, line 6.

Following: line 5

Insert: "(2) Goods, equipment, and machinery included in class
six property prior to January 1, 1983 is exempt from property
taxation."

Renumber: subsequent subsection

~~XXXXXX~~
DO PASS

AND AS AMENDED
DO PASS

STANDING COMMITTEE REPORT

Page 1 of 2

February 15, 1933

MR. SPEAKER:

We, your committee on TAXATION

having had under consideration HOUSE Bill No. 658

First reading copy (White)
Color

A BILL FOR AN ACT ENTITLED: "AN ACT TO INSURE THAT THE FINAL
PAYMENT OF STATE EQUALIZATION AID WILL BE WITHHELD WHEN AN
ERRONEOUS CLAIM IS RECEIVED FROM A COUNTY SUPERINTENDENT OF
SCHOOLS; AMENDING SECTION 20-9-344, MCA."

Respectfully report as follows: That HOUSE Bill No. 658

be amended as follows:

(SEE ATTACHED SHEET)

~~DORRIS~~

February 15,

19 83

1. Title, line 7.

Following: "MCA"

Insert: ";PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A
TERMINATION DATE"

2. Page 2, line 21.

Following: "aid"

Insert: "or an erroneous reimbursement of excess school
equalization funds"

3. Page 2, line 22.

Following: "superintendent"

Insert: "through failure to include vehicle fee revenue or
state reimbursement revenue credited to the elementary and
high school equalization levies or permissive levies"

4. Page 2, line 24.

Following: "instruction to"

Strike: "withhold"

Insert: "adjust"

Following: "year's"

Strike: "final"

5. Page 2, line 25.

Following: "aid"

Strike: "payment"

Insert: "payments"

6. Page 3, line 1.

Following: "corrected"

Insert: " or shall take legal action to fully recover
school equalization aid funds from a county with excess
school equalization aid collections"

NEW SECTION. Section 2. Effective date. This act is
effective on passage and approval.

NEW SECTION. Section 3. Termination date. Section 4 of
this act terminates on January 1, 1985.

AND AS AMENDED
DO PASS