

MINUTES OF THE MEETING OF THE HOUSE AGRICULTURE,
LIVESTOCK AND IRRIGATION SUBCOMMITTEE, FEBRUARY 16, 1983

The meeting was called to order by Chairman Roush, on Wednesday, February 16, 1983 at 8:30pm in Room 129, State Capitol. All subcommittee members were present.

REP. SPAETH said he wondered what the percentage ratio was between Subchapter S corporations and profit agricultural holdings of land in Montana.

REP. ROUSH read the rough draft of the proposed joint resolution (exhibit), adding Montana citizens are concerned with non-profit corporations and profit religious organizations and their land holdings in the State. He requested input from subcommittee members and told them the situation in Montana is serious.

MR. JOHN CARTER, Legislative Council Attorney, told the Subcommittee Rep. Spaeth was concerned with language on page 2, paragraph 1, which would expand the study to include other corporations, specifically Subchapter S.

MR. TERRY MURPHY, Montana Farmers Union said the language could be contrued to mean a list of such corporations would be required by the study.

MR. CARTER commented Rep. Spaeth did not want family-held Subchapter S corporations included in the study.

REP. ERNST asked if this information were presently on file.

REP. HOLLIDAY commented she was concerned with (7).

REP. LYBECK asked if there were religious entities within the state which are enjoying tax breaks.

MR. GEORGE RATH, roundup, Montana, told the Subcommittee he thought it would be wise to delve into federal taxation practices in this matter and said some Subchapter S corporations are now converting to regular corporate status.

REP. ROUSH suggested the Subcommittee eliminate "energy" on page 2, line 21 of the draft.

MR. HOWARD LORD, Phillipsburg, Montana, asked who would complete the interim study. Rep. Roush replied appointments would be made from the House and Senate who would work with the Legislative Council.

Agriculture Committee Minutes
February 16, 1983
Page 2

REP. ERNST said there might be a problem with priorities in obtaining tax information. Mr. Murphy asked if gross figures obtained from the Department of Revenue.

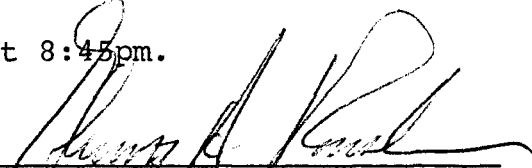
MR. COREY JOHNSON, Busby, Montana, suggested lines 15-17, page 1 of the draft be stricken as they appear to violate constitutional rights.

MR. PAT UNDERWOOD, Montana Farm Bureau, told the Subcommittee language may be needed with regard to individual rights to privacy.

MR. CARTER advised language in the draft would be finalized and presented to subcommittee members on Thursday, February 17, 1983.

MR. JOHNSON commented he thought language on page 1, line 18 was excellent in summing up the purpose of the resolution.

The meeting was adjourned at 8:45pm.



REP. GLENN ROUSH, CHAIRMAN

Joann T. Gibson, Secretary

VISITOR'S REGISTER

HOUSE Agriculture Sub-COMMITTEE~~BILL~~ study of foreignDATE 2-16-83~~SPONSOR~~ ownership of land
in Montana

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Shuler Paul	Montana	WIFF		
Howard Paul	Philadelphia	Self		
TERRY L. DAVIS	Busby	Self		
June L. Wilson	TRON-CREEK	SELF		
George P. 1950	Bozeman	Self		
Wm. George	Helena	Self		
John	Helena	Self		
Robert	Helena	Self		
Paul H. D. D.	Bozeman	MT. Farm Bureau		
Harry Mungley	ST. LOUIS	MT. Farm Bureau		

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

2-16-83
Subcom.
Intg.

JOINT RESOLUTION NO. _____

INTRODUCED BY _____

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF OWNERSHIP OF MONTANA FARMLAND AND RANCLAND, TAXES PAID BY THE OWNERS, USE OF THE LAND, AND STATE LAWS BENEFITING THE OWNERS; REQUIRING A WRITTEN REPORT OF THE STUDY TO THE 49TH LEGISLATURE.

WHEREAS, agriculture is a major industry in Montana; and

WHEREAS, corporate and nonresident ownership of Montana farmland and ranchland is widespread and increasing; and

WHEREAS, it is in the interests of the people of Montana to regulate agriculture and corporations engaged in agriculture; and

WHEREAS, it is in the interests of the people of Montana to ensure that each person and each taxable entity pays its just share of income and property taxes.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That an appropriate interim committee be assigned to study and determine:

1 (1) the amount of Montana farmland and ranchland owned
2 by profit and nonprofit corporations, both domestic and
3 foreign; by individual persons, both resident and
4 nonresident; and by foreign nationals;

5 (2) the percentage of each type of farmland and
6 ranchland owned by each class of persons and entities
7 referred to in (1);

8 (3) the increase, over the past years, of ownership of
9 farmland and ranchland by each class of persons and entities
10 referred to in (1);

11 (4) the location of farmlands and ranchlands owned by
12 each class of persons and entities referred to in (1);

13 (5) the uses of farmlands and ranchlands owned by each
14 class of persons and entities referred to in (1);

15 (6) property taxes paid by each class of persons and
16 entities referred to in (1);

17 (7) the income of, and state income taxes paid by,
18 each class of persons and entities referred to in (1) and
19 the various state income tax breaks granted such persons and
20 entities;

21 (8) the types and amounts of state energy assistance
22 and other assistance granted to each class of persons and
23 entities referred to in (1);

24 (9) loan programs, both state and private, benefiting
25 each class of persons and entities referred to in (1);

1 (10) any other appropriate matters relating to the
 2 resolution of problems detected in studying and determining
 3 the matters set forth in (1) through (9); and
 4 That the interim committee provide an outline and time
 5 frame for its study, schedule meetings of the committee, and
 6 provide the 49th Legislature with a written report of its
 7 study, findings, and conclusions, and with drafts of
 8 legislation that may be necessary to implement the
 9 committee's findings.

-End-

13 WHEREAS, corporate and nonresident ownership of Montana
 14 has increased in recent years, and it is the policy of the
 15 State to regulate agriculture and corporations engaged in
 16 business within the State, and
 17 and WHEREAS, it is in the interests of the people of
 18 Montana to ensure that each person and each taxable entity
 19 pays its fair share of income and property taxes.

22 NOW, THEREFORE, BE IT ENACTED BY THE SENATE AND THE HOUSE
 23 OF REPRESENTATIVES OF THE STATE OF MONTANA
 24 That the interim committee be and it is the duty of the
 25 committee to study and determine