

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
MONTANA STATE SENATE

January 12, 1983

The second meeting of the Taxation Committee was called to order on January 12, 1983, at 9:05 a.m. by Chairman Pat M. Goodover in Room 415 of the Capitol Building.

ROLL CALL: All members were present except Senator Lynch.

CONSIDERATION OF SENATE BILL 21: Senator Halligan from District 48 sponsored the bill and said it would allow local governmental units to provide special transportation for handicapped individuals in three ways: (1) through an independent transportation system, (2) by augmenting or subsidizing public transportation providers, and (3) by contract with public or private transportation providers. He said handicapped persons in Missoula had brought this matter to his attention.

PROPOSERS

Judith Carlson, Deputy Director of the Social and Rehabilitation Services Office of Program and Planning, supported the bill. She favored considerations 2 and 3 in the bill before 1 and felt consideration 1 in the introduced bill should be third in case the other two options fail.

Charles Briggs, the Governor's Aging Coordinator, agrees with SRS. He thought this change would avoid duplication of services. He also suggested including senior citizens in the bill. Coordination for services for the elderly and the handicapped in the transportation area is needed. This is important for meeting the needs of small rural and urban transportation not otherwise provided. He stated that the intent of the bill was to complement existing tax revenue sources and said the governmental units do not need to levy up to a full mill.

Tom Ryan, Montana Senior Citizens Association, endorsed Mr. Briggs's testimony.

Wade Wilkison, from LISCA, a senior citizens' advocacy group, submitted proposed modifications to SB 21, a copy of which is attached to these minutes as Exhibit A. Senior citizens would be included in the bill, and he agreed that consideration 3 in the bill should be first and consideration 1, third.

Vivian Crabtree, representing herself, used to manage a transportation system for the elderly and handicapped and emphasized the need for funds to operate a specialized transportation system, as it is expensive. She said transporting persons in wheelchairs is also difficult during bad weather in

Montana. Transportation is an extremely important issue, especially for people confined to wheelchairs, and she asked that the committee support and pass this bill.

Rene Brereton, Montana Senior Citizens Association, mentioned the poor transportation services on the highline, such as Missouri Valley Trails, and delays encountered by the elderly and handicapped. Some have had cataract operations in Billings and then it takes them 24 hours to get from there to Glasgow.

Jennifer Harvey, Montana Coalition of Handicapped Individuals, supported the bill on the basis that it would provide transportation for handicapped individuals not living in currently established transportation districts, such as in Rosebud County. Due to a lack of funding, she said, vehicles and personnel to accommodate the needs of handicapped individuals are limited. She also recommended that the bill provide for a committee to oversee the award of contracts and disbursement of funds.

Jennifer Fenchak, Handicapped Student Union, University of Montana, Missoula, also supported the senior citizens revision and having an overseeing body to supervise the awarding of contracts. Handicapped persons have mobility problems which require special equipment which increases the cost of any equipment they get. She felt the bill needed provisions which would include special care. The handicapped have added expenses and fixed incomes and cannot afford the necessary specialized equipment. This bill would provide an alternative to these problems.

There were no opponents to the bill, and questions from the committee were called for.

Senator Towe asked Senator Halligan what his definition of "senior citizen" was, and Senator Halligan said "60 and over" was acceptable to him. Senator Towe objected to a special body being set up to oversee the award of contracts. He asked Senator Halligan if he saw these services being used as transportation around town (like to the doctor's office), from one city to another, or both. Senator Halligan responded that they would complement whatever the small rural or urban area could do.

Senator Towe asked how this was fitting in with other organizations already established, like group homes. Senator Halligan (directing his answer to Vivian Crabtree) said it worked well. Developmentally Disabled in SRS made a strong commitment. If a system is in existence but a vehicle is not available, arrangements can be made for use of the vehicle. They are working on cooperating with existing programs in rural counties. Vehicles which are "16B2 federally funded" are used to transport individuals and meals, too. Funding is also available through the Older Americans Act to shut ins.

Senator Severson told Ms. Crabtree that they have a senior citizens bus in Ravalli County. Ms. Crabtree said the vehicle was purchased with a combination of funds. The senior citizens center has its own money, and the city and county where the center is established can contribute toward the operation of vehicles or operation of other programs.

Senator Eck stated she sat in on some Aging and Budget hearings last year and said a transportation program is critical to many of the other programs. The senior citizens rely on transportation for meals, to get to a doctor, or to get to the senior citizen's center. Then, they asked for one mill and didn't get all of it. This bill would make a bigger difference. Without additional assistance, transportation won't work.

Chairman Goodover remarked that in Great Falls, they have senior citizens' buses and have expanded their use to include transportation of some handicapped persons. Money is a problem and they could provide a more widespread service if they had additional funding.

Senator Gage asked how encompassing the local governments were and whether, if they decided to, they could raise up to 3 mills.

Mr. Briggs, the Governor's Aging Coordinator, said that what needs to occur, where there are transit systems authorized to levy taxes for transportation, is communication with the local governmental units because without that, you cannot coordinate the system.

Senator Towe thought about 3 or 4 counties levy full mills for senior citizens. He said the city of Billings had a special mill levy raised for transportation (not necessarily for handicapped persons).

Senator Gage asked if we could allow levying of only one mill, or three mills. Senator Eck stated counties can only do what the Legislature tells them they can do. They need legislative authority in order to expand. Counties do get extra money which they can appropriate.

Senator Towe said the Legislature could not levy three mills just for senior citizens. There is discretionary money in the counties' funds for other purposes.

Senator Turnage said we have to consider small counties that have low tax bases which would render them incapable of participating at all. One mill might not do it, and we would have to increase mill authority. Perhaps transportation could be regionalized, with some counties working together. We should not overlook the suggestion that was made that we should have an oversight committee for transportation statewide generally. The bill needs improvement.

Pat Saindon from the Passenger Transportation Bureau of the Department of Commerce supported the bill. Their office provides the oversight mentioned for senior citizens, public transportation districts, handicapped persons, etc. The Department of Commerce has been working with Social and Rehabilitation Services in coordinating all specialized transportation in the state. All of the counties have some sort of special transportation, such as group home buses. When talking about levying up to a mill in a local government, there already is some form of transportation that would tie into this one mill and provide transportation. There are also several locally specialized money programs. SRS provides a limited amount of funds for transportation from homes to schools, etc., for handicapped persons. But who pays for the others, and for senior citizens? Regional systems are not necessary. She said most counties have services to provide transportation in that area.

Senator Turnage asked what happens if the counties are too small to operate. Ms. Saindon said Scobey has a vehicle at a nursing home to provide transportation services in Daniels County, and that would cover those services. Even in extremely sparsely populated counties, it doesn't cost much to operate.

Senator Turnage wondered why two counties couldn't get together on providing specialized transportation. Ms. Saindon said that in eastern Montana, it is because of the distance.

Senator Elliott asked about Montana school district vehicles. Why couldn't vehicles already acquired be used, or is this in addition to present vehicles used for the disabled, he asked. He said Columbia Falls has a bus that handles wheelchairs, and it is used only two hours a day.

Ms. Saindon stated they have tried to get the school districts to loosen up vehicles for special transportation, and they won't do it because of insurance problems. There is also a state law that says you can't do it. Senator Elliott was in favor of incorporating school buses and special transportation services.

Chairman Goodover appointed a subcommittee (Senator Halligan and Cort Harrington) to work on revisions of SB 21.

The hearing was closed on SB 21.

CONSIDERATION OF SENATE BILL 68: Senator Gage, the sponsor of SB 68, said it came about from the Revenue Oversight Committee. Deductions are now limited to a business. A person can take a portion of his deductions on his federal and state returns. He does not get the total amount as a deduction. The Internal Revenue Code does limit the deductions one can take from income. He said we want to encourage people in later years to gift property to the state, and this bill would allow them a tax benefit from this contribution.

Ellen Feaver, the Director of the Department of Revenue, said this bill arose because of a specific instance this past year. A former Montana resident contributed property to the Department of Fish, Wildlife and Parks a couple of years ago. Last year, his returns were audited and that contribution was disallowed as a deduction. You cannot anticipate what contributions the state will receive, but allowing deductions of this sort will have only a minimal effect on income tax.

Examples where a nonresident would have to file a Montana return are where there is retirement income or investment income coming out of Montana or a nonresident working here for a few weeks. Presently, the only deductions allowed to nonresidents are those incurred in earning the income.

Senator Towe said an obvious situation would be when a farmer retires, sells his farm, and moves south. Senator Elliott advised that interest is not taxable to nonresidents.

Senator Towe asked Ms. Feaver if it would make sense to include other Montana charities. She said the price tag would be insignificant. She said we could compare the ratio of resident income to nonresident income. At present, the state--the tax collecting agency itself--won't even allow the deduction for the gift.

Senator Crippen wondered if a resident making a similar gift could take the deduction. Ms. Feaver said the resident could take the deduction, but the problem is with the nonresidents. A gift of real property (probably with a low basis) could be made by someone having substantial income derived from the state of Montana. We could lose some revenue and get a non-income piece of land back that is not really saleable.

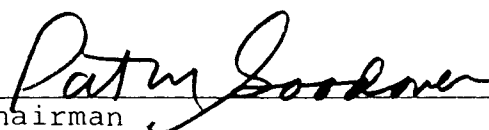
Senator Towe asked if the out-of-state person getting interest income from Montana could make a contribution to a city or county and earmark the property for a certain purpose, such as for a hospital. Senator Elliott asked why the nonresident couldn't sell the property and pay taxes on the sale at the 5% or 6% rate.

Chairman Goodover gave the example of the 450 acres offered to the city of Great Falls and Cascade County for \$1 when Arco closed down. There would have been a \$664<sup>000</sup> tax consequence but the offer was declined and Arco sold the Pacific Hide and Fur.

The hearing was closed on SB 68.

Senator Turnage moved that the committee recommend a DO PASS on SB 68. Senator McCallum seconded the motion and it passed unanimously.

Senator Goodover announced that Senate Bills 72 and 73 would be heard on Thursday, January 13, 1983, at 9 a.m. There was no further business, and the meeting adjourned at 9:55 a.m.

  
Chairman

ROLL CALL

SENATE TAXATION

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date 1/12/83

NAME	PRESENT	ABSENT	EXCUSED
SENATOR GOODOVER, CHAIRMAN	✓		
SENATOR McCALLUM, VICE CHAIRMAN	✓		
SENATOR BROWN	✓		
SENATOR CRIPPEN	✓		
SENATOR ELLIOTT	✓		
SENATOR GAGE	✓		
SENATOR TURNAGE	✓		
SENATOR SEVERSON	✓		
SENATOR HAGER	✓		
SENATOR ECK	✓		
SENATOR HALLIGAN	✓		
SENATOR LYNCH		✓	
SENATOR NORMAN	✓		
SENATOR TOWE	✓		
SENATOR MAZUREK	✓		

DATE \_\_\_\_\_

January 12, 1983

COMMITTEE ON

## TAXATION

# VISITORS' REGISTER

NAME (PLEASE PRINT)	REPRESENTING	BILL #	Check One	
			Support	Oppose
PAT SHINDEN	Department of Commerce	SB 21	✓	
Kevin Crabtree	Self	SB 21	✓	
JUDITH H CARLSON	SRS	SB 21	✓	
Jennifer Harvey	Montana Coalition of Handicapped Individuals	SB 21	✓	
Jennifer Fenchak	HSU - U of M	SB 21	✓	
Ellen Heller	Dept of Revenue	SB 68	✓	
Robert Miller	Sec of State			
Wade Wilkison	LISCA	SB 21	✓	
Kerene Burton	MSOA	SB 21		
Tom Ryan	Montana Senior Citizens Association		✓	
Gayle Shirley	Mont. Elder	SB 21		
Charles Bryff	Governor's Aging Coord.	SB 21	✓	
Knee Bretny	MSOA	SB	✓	
Barb Chayton	Administration	SB 21	✓	
Tony Seeger	PCFH	SB 21		

(Please leave prepared statement with Secretary)

WITNESS STATEMENT

Name JUDITH K. CARLSON Date 1/12/82  
Address 111 N. SANDER Support ? YES  
Phone: \_\_\_\_\_  
Representing SRS Oppose ? \_\_\_\_\_  
Which Bill ? SB 21 Amend ? \_\_\_\_\_

Comments:

SUPPORT BUT SUGGEST " (1) FOR AN  
INDEPENDENT SYSTEM " BE SHIFTED  
TO (3) & BE A LAST RESORT OPTION.

Please leave prepared statement with the committee secretary.

WITNESS STATEMENT

Name Joseph P. Papp Date 12-7-73  
Address 1010 Pine Ave. S. 59309 Support ? ☒  
Phone: 155-1226  
Representing Handicapped Student Union (HSU) Oppose ? ☐  
Which Bill ? SB 31 Amend ? ☐

Comments:

This bill provides for the needed funding for transportation of Handicapped Individuals. While Missoula County is one of the best transportation systems for the county in the state, we still have a need for other areas. This bill provides for the establishment of new transportation systems in rural areas.

We would like to see a provision for a hearing body to oversee the expenditure of the funds and to disperse of the assessed funds.

Please leave prepared statement with the committee secretary.

WITNESS STATEMENT

NAME Jennifer Harvey BILL No. SB 21  
ADDRESS 1127 Mc Donald #211, Missoula DATE 1-12-83  
WHOM DO YOU REPRESENT Montana Coalition of Handicapped Individuals  
SUPPORT ✓ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: The Montana Coalition of Handicapped Individuals  
(MCHI) supports Senate Bill 21 on the basis that the bill  
would provide for transportation of handicapped individuals  
not living in <sup>the</sup> currently established transportation districts of  
Missoula and Greatfalls, or within the municipal systems of Helena  
and Billings. An example of this is Rosebud County, which currently  
has no established transportation system.

Due to a lack of funding those transportation systems maintained  
by Non-Profit-Organizations are limited. There is not a sufficient number  
of vehicles and trained personnel to accommodate the needs of  
handicapped individuals.

We do, however, recommend changes in the language to provide  
for a committee or board of directors to oversee the awarding  
of contracts and <sup>disbursal</sup> dispersal of funds.

An organized system would provide for the safe transpor-  
tation of handicapped individuals.

Wade Wilkison  
1/11/83

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Senate Bill no. 21  
Introduced by Halligan

A bill for an act entitled: "An act to authorize local governments to levy not more than 1 mill of property taxes to provide transportation services to senior citizens and handicapped persons; and providing an effective date."

Be it enacted by the Legislature of the State of Montana:

Section 1. Transportation for senior citizens and the handicapped. A local government may, in addition to all other property tax levies authorized by law, levy up to 1 mill of property taxes to fund special transportation services for senior citizens and handicapped persons. The local government may use the proceeds of the levy to:

<< (1) contract with public or private transportation providers for services to senior citizens and handicapped individuals;>>

(2) augment or subsidize provisions for the transportation of senior citizens and handicapped individuals provided by public transportation providers;

(3) establish and operate an independent transportation system for senior citizens and handicapped individuals.

Section 2. Effective date. This act is effective on July 1, 1983.

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Code: underlined sections equate to added language

<<bracketed section>> equates to reordering of initial text of bill, namely that original Section 1. (1) becomes Section 1. (3) in proposed modification of bill.

Senator \_\_\_\_\_

Seat # \_\_\_\_\_

MONTANA STATE SENATE  
TAXATION COMMITTEE

SUBCOMMITTEE ASSIGNMENT

January 12, 1983

The following Taxation Committee members are appointed to the subcommittee to review and revise Senate Bill 21 and report back to the Taxation Committee with recommendations:

Senator Mike Halligan, Chairman  
Cort Harrington

Pat M. Goodover  
Chairman, Taxation Committee

# STANDING COMMITTEE REPORT

January 12

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**PRESIDENT**

MR. ....

We, your committee on **Taxation** .....

having had under consideration **Senate** Bill No. **68** .....

Respectfully report as follows: That **Senate** Bill No. **68** .....

DO PASS

*4/6*