

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

February 19, 1983

The thirty-first meeting of the Taxation Committee was called to order at 8:05 a.m. by Chairman Pat M. Goodover in Room 415 of the Capitol Building.

ROLL CALL: All members were present except Senator Severson.

CONSIDERATION OF SENATE BILL 384: Senator Turnage submitted amendments in accordance with the February 15 minutes. They are attached as Exhibit A. Cort Harrington said some cities may refuse to make the refunds, and this will get the counties off the hook after recalculating to the taxing jurisdictions. Senator Towe wondered if the refunding process would cost more than the refunds themselves. Senator McCallum asked if it was the counties who distributed the money to the school districts, and if so, would that be where the money should come from. Senator Eck said that Gallatin County and some of the other counties were willing to eat that expense. Senator McCallum noted that if these did go to lawsuit, they probably wouldn't be settled before next fall when the tax notices come out.

Dennis Burr, representing the Montana Taxpayers Association, suggested the following amendments be made in addition to those submitted by Senator Turnage:

Page 2, line 6.

Following: "jurisdiction."

Strike: remainder of line 6 through "1983." on line 8

Page 2, lines 12 and 13.

Following: "treasurer" on line 12

Strike: remainder of line 12 through "1983" on line 13

Senator Towe moved that the amendments presented by Senator Turnage and those submitted by Dennis Burr be adopted. The motion was seconded and passed unanimously.

Senator Turnage then moved that SB 384 DO PASS AS AMENDED. The motion was seconded.

Mike Young, city of Missoula Finance Director, said the issue of what "correctly" means (as in "correctly anticipated") was a big issue. If the figures are within 10%, does that mean they do not have to make the refund?

A vote was taken on Senator Turnage's motion, and it passed unanimously.

CONSIDERATION AND DISPOSITION OF SENATE BILL 241: John Lopach, Economic Growth Council of Great Falls, submitted further amendments to this bill (see Exhibit B). With these amendments, the bill accommodates mining as requested by the Butte area. Amendment No. 4 adopts the definition of "new industry" set out in 15-6-135, MCA (class five property tax). Amendment No. 53 accommodates a situation where, say, a sawmill opens and closes down.

Senator Turnage questioned the fiscal note. Mr. Lopach said they couldn't determine what the impact would be.

Senator Lynch moved that the amendments attached as Exhibit B be adopted. The motion was seconded and passed, with Senator Turnage voting no.

Senator Towe moved the following amendment:

Page 1, line 20.
Following: "five"
Insert: "jobs"

and the same change throughout the bill wherever that language occurred. The motion was seconded.

Dan Bucks from the Department of Revenue said he was requested by Ellen Feaver, departmental director, to meet with Mr. Lopach to take care of the department's concerns. He discussed optional amendments with Mr. Lopach, but Mr. Lopach did not concur with them. He did agree, though, that they should be brought before the committee.

The first suggestion was:

Page 2, line 23.
Following: "The"
Insert: "total"
Following: "jobs"
Insert: "in Montana"

He wondered if this meant single community expansion, or in all of the state.

The second suggestion was:

Page 2, line 24.
Strike: "12-month"
Insert: "36-month"
Following: "period"
Insert: "or the period of operation of the industry in Montana, whichever is less,"

This says the credit is available if you have had employment over a period of time.

A vote was taken on Senator Towe's motion, and it passed unanimously.

Senator Towe then moved that Mr. Bucks's suggested amendments be adopted. The motion was seconded and passed unanimously.

Senator Towe moved that sections 11 through 21 of the bill be deleted. He didn't think it was appropriate to amend administrative rules in the statutes. We could pass legislation that orders a rule to be amended in accordance with the statute.

Cort Harrington stated that the bill doesn't amend the rules; it directs the Department of Revenue to amend the rules.

There was no second to Senator Towe's motion.

Senator Towe suggested passing a resolution to repeal the rules and requiring the Department of Revenue to start all over again. This is a bad precedent, he said.

Senator Eck asked Mr. Bucks and Mr. Lopach what difference it would make if we took those sections out. Mr. Bucks said if SB 241 passes, the Department would have to revise the rules anyway because the rules are based on prior laws. The rules here are very old; we don't even know who originally drafted them.

Senator Eck wondered if it would be appropriate to remove the rules and, in a letter or resolution form, address the Department of Revenue and the development association indicating that we support these sections.

Senator Norman moved that SB 241 DO NOT PASS. The motion was seconded. A roll call vote was taken and the motion failed 8-6 (Senator Severson being absent at the time the vote was taken). The roll call vote sheet is attached as Exhibit C (no committee report is attached).

A letter received from the Kalispell Area Chamber of Commerce dated February 9, 1983, is also attached to these minutes, marked Exhibit D.

CONSIDERATION OF SENATE BILL 431: Senator Bruce Crippen, Senate District 33, was the sponsor of this bill. Most committee members are aware of the past problems with the quota system. It worked fine for a while. It was revised only at census time. Since no new licenses have been available, this has resulted in unfairness to the little guy. Licenses sell for \$140,000 and buyers try to amortize that over five years. Restaurants also have a problem where, in order to compete with existing restaurants, it is important that they have liquor licenses to compete. (Chairman Goodover left the meeting at this point to attend another committee meeting, and Senator McCallum took over the chair in his absence.) A piece of paper that allows you to do business in Montana became a very valuable piece of paper in certain areas. There are many

solutions available. (1) Why not just abandon the quota system entirely and open the purchase of licenses to need and necessity? (2) There could be a gradual phase out of licenses. That, people say, is unfair to the present liquor license owners. We have created an equity in property, and it should be protected. Billings or Missoula licenses sell for \$40,000 to \$50,000. The purchase price paid for is more than the value. The demand has outstripped the supply. (3) Another method was the floater system. Senator Healy's amendment two years ago was elusary. There were new licenses available but, because of the procedure involved, these licenses which were available are still not used. The floater system is not working. We need something fair to the taxpayers and fair to license holders as well.

PROPONENTS

Bruce Simon presented the bill. He submitted written testimony, attached as Exhibit E.

Richard Nelson, owner of C.J.'s in Billings, said he tried to look at the arguments for and against. Last spring the Liquor Division offered six new licenses and there were 18 applicants. New licenses would take away the profits from existing license holders. There are a great number of people who won't go into a restaurant that doesn't serve alcohol. A restaurant may have 70% food and 30% alcohol available, but the 30% alcohol constitutes 78% of the profits. He tried to obtain floater licenses. The hearing examiner threw out all five requirements set out in the statutes and developed two new ones. Mr. Nelson said he has paid \$9,000 already in attorney fees, and the total will be about \$40,000. He has talked to others in the restaurant industry.

John Greene, representing himself, served on the Governor's Council on Management. He wanted to comment on the means of compensating present liquor license holders for the years they will have money and be able to use it in their businesses. It will adequately compensate those who would be adversely affected by legislation. We have to get the small Montana businessman back in business. We have a bureaucratic jungle to go through to get liquor licenses, and it should be eliminated.

James B. Spring, Billings, representing the Governor's Council on Management, supported Bruce Simon's statement.

OPPONENTS

Howard Heffelfinger, Liquor Division administrator, had some serious concerns about the bill. License values are the property rights of the licensees, and no guarantee for full compensation is made.

Phil Strobe, representing the Montana Tavern Association, opposed SB 431. There are a few misconceptions about the bill. If the Governor's Council on Management did all of the things mentioned, then at the time they considered the problem, they

did not include any of the people in the industry who were involved. No one was invited (Durkee, Strobe, Larson, etc.). Floater licenses were instituted in 1975, and those laws were amended in 1979. The lawsuit involving the six licenses is tied up in the Supreme Court and it involved 12, not 18, applicants. Mr. Strobe said he talked with Al Thelen, Billings City Council, regarding its population. It has increased by 1,500 since the 1980 census. The population is expected to increase from 66,500 to 70,000 by fall as soon as the Hovey (?) lawsuit is settled. Next year, 2,000 more people will be incorporated into the city of Billings. There will be eight or nine new licenses in Billings this year. The attempt here is to bind future legislatures for ten years by saying what the law is going to be for the next ten years. You would be putting the state in a "due process" position regarding the change on Main Street because of the change in statutes.

Bob Durkee, also representing the Montana Tavern Association, referred to the bill and Senator Towe's comments regarding the "meat" of the bill on page 15 (new section 5). Section 5 is beautifully conceived to allow us to put a license into an annuity situation and live off the proceeds. However, section 6 is the "meat ax" of the bill. If there is no bidder, then there is no quota.

Don Larson, president of the Montana Tavern Association, said they have three or four bankruptcies where places are closing already.

Questions from the committee were called for.

Senator Eck, addressing Bob Durkee and Phil Strobe, said that last session they vowed they would come in with something to solve the high prices of licenses and cost of litigation. Mr. Durkee responded that they offered estimated population practice. The economics will take care of the increase in licenses. Mr. Strobe added that they were in good faith two years ago. They are as distraught as the legislature is regarding the Department of Revenue going to court over this liquor license which had been issued routinely. They hope to get two more issued in Billings.

Senator Towe recalled that the legislature had predicted that those kinds of legal issues would come forward and cause this mess. He asked Mr. Heffelfinger about the voter information pamphlets sent out last fall before the election. Voters were urged to vote no on this issue because the legislature was going to take care of it properly. Mr. Heffelfinger agreed that that was what they said. There is no painless way to get out from under the quota system, he added.

Senator Elliott remarked that, in Flathead County, loans of \$30,000 to \$40,000 for liquor licenses are being made. Bruce Simon commented that banks are backing away from this type of loan. They will make a loan for only 50% of the value for not more than five years. Senator Elliott thought these sales tend

to be sporadic. Mr. Simon said it is ludicrous that people would lay back and not try to get one of these licenses.

Senator Turnage noted that this was a recommendation made during the Council on Management. At the time, the Governor was apparently not aware of the recommendations.

Mr. Heffelfinger opposed eliminating the retail system. He stated that he was speaking on behalf of the Department of Revenue and the Governor.

Senator Turnage said the Department has had a great deal to say on the compensation aspect. The question of a license becoming "property" is a court decision, not the legislature's. They should give consideration to saying a license is a privilege and not property.

In closing, Senator Crippen said that not only has the Montana Tavern Association put up feeble objection to SB 431, but the Department of Revenue has done so as well. Their only answer is that we have to take the bull by the horns and spend \$70 million. He said he is concerned that equity is done to everyone, and this bill does that. It won't cost the taxpayers, and it lets the little guy in. He recalled the recent failure of the beer and wine initiative. Two years ago, we had a bottle initiative that failed. We have a problem, and SB 431 goes a long way to solve that problem.

The hearing on SB 431 was closed.

CONSIDERATION OF SENATE BILL 450: Senator Bruce Crippen, Senate District 33, sponsored the bill and said it creates a new license. Section 1 of the bill sets forth the criteria for issuance of a restaurant all-beverages license. Section 2 defines "restaurant." The restaurant all-beverages license can be transferred only if the person sells the restaurant and the restaurant stays in the same location. If the restaurant is sold and the new owner decides to move the business to a different location, he has to buy a new license. The key here is nontransferability. Subsection (6) of section 1 makes it clear that under this license, alcoholic beverages are sold for on-premise consumption. This license is not subject to the quota system either. As far as the cost of the license, we have to go on a free market system or set a price. A reasonable figure is \$50,000. A full-service restaurant needs liquor to survive. To work in the market place and not be able to offer liquor to your consumers is a disadvantage.

PROPOSERS

The proponents for SB 431 indicated their support for SB 450 also but offered no further testimony.

OPPONENTS

Phil Strobe, representing the Montana Tavern Association, opposed the bill. It sets up a new class of licenses in competition with what we already have.

Howard Heffelfinger, Liquor Division administrator, said SB 450 is another end run on the liquor license system. The state should not compound the problem with efforts like this.

Bob Durkee, from the Montana Tavern Association, said the license fee wouldn't keep him from getting a license in Billings.

The hearing on SB 450 was closed.

At this point, the meeting recessed until the call of the chair. The meeting then reconvened at noon.

RECONSIDERATION OF SENATE BILL 241: The committee (with the exception of Senators Hager and Norman) voted to reconsider the action taken on SB 241.

DISPOSITION OF SENATE BILL 431: Senator Towe moved to strike section 6 of the bill in its entirety. The motion was seconded.

A substitute motion was made to table SB 431. That motion was seconded and failed on a roll call vote of 5-7.

A voice vote was taken on Senator Towe's motion to strike section 6, and it passed unanimously.

Senator Towe then moved to strike subsection (2) of section 10 (lines 1 and 2 on page 25). The motion was seconded and passed unanimously.

Senator Towe then moved that a new section 9 be inserted which would read:

"A license issued or renewed under the provisions of sections 6 and 7 are a privilege and not a property right and such license is an exercise of the police power of the state for the protection of the public health, welfare and safety."

The motion was seconded.

As of January 1, 1993, Senator Towe said, it would be a privilege and not a right.

Senator Gage asked what the difference was between a privilege and a property right.

Senator Towe's motion passed, with Senators Lynch and Norman voting no.

Senator Crippen moved that *SB 431 DO PASS AS AMENDED. The motion was seconded and passed on a roll call vote of 8-4. The roll call vote sheets are attached to the standing committee report attached to these minutes.

DISPOSITION OF SENATE BILL 450: Senator Crippen moved that SB 450 DO PASS. The motion was seconded.

Senator Lynch asked what the difference was between SB 450 and the initiative. Senator Crippen replied that the initiative dealt with a whole different area. We are talking about a limited, nontransferrable license.

A roll call vote was taken, and the motion passed 9-4. The roll call vote sheet is attached to the standing committee report attached to these minutes.

DISPOSITION OF SENATE BILL 97: Senator Elliott moved that the following amendment be adopted:

Page 2, line 18.

Following: "1985"

Insert: "and thereafter by direct legislative appropriation"

The motion was seconded and passed unanimously.

Senator Elliott moved that SB 97 DO PASS AS AMENDED. The motion was seconded and failed on a roll call vote of 5-6.

Senator Mazurek asked Senator Elliott why these two accounts were singled out in this bill. Senator Elliott stated that other bills affect other funds, such as the parks and acquisition funds.

Senator Mazurek moved that SB 97 DO NOT PASS AS AMENDED. The motion was seconded and passed on a roll call vote of 6-5. The roll call vote sheets are attached to the standing committee report attached to these minutes.

DISPOSITION OF SENATE BILL 334: Senator Hager moved that the amendments attached as Exhibit F be adopted. The motion was seconded.

The amendments refer to sections 7-13-2303 and 7-12-2151, MCA.

Senator Crippen was concerned about section (1)(d) in both 7-12-2151 of the bill and 7-13-2303 on Exhibit F, where you can assess in a different manner, but you don't protest in that manner. This gives the counties a great deal of discretion, and they can determine that this is the manner they will use to determine the allocation. If some have to pay more than others, then they should have a proportionate right to protest.

Senator Crippen made a substitute motion to strike all of section (1)(d), and (2) and (3) on page 2, lines 7 through 25.

Senator Turnage commented that this was to allow protest on a percentage basis.

Senator Hager said this bill addresses districts the same as counties. You are striking (1)(d), and (2) and (3). If (3) goes, you might as well kill the bill, he said.

Senator Turnage made a substitute motion that SB 334 DO NOT PASS.

Senator Hager wondered if SB 334 didn't pass, would the record show that the amendments were considered. Senator Turnage then withdrew his substitute motion, and Senator Crippen withdrew his substitute motion.

A vote was taken on Senator Hager's motion to amend (in accordance with Exhibit F) and it passed unanimously.

Senator Turnage then moved that SB 334 DO NOT PASS AS AMENDED. The motion was seconded and passed, with Senator Hager voting no.

DISPOSITION OF SENATE BILL 80: Senator Mazurek moved that SB 80 DO NOT PASS. The motion was seconded and passed unanimously.

The meeting again recessed until call of the chair. The meeting reconvened a second time at 4 p.m.

DISPOSITION OF SENATE BILL 376: Senator Turnage moved that the committee reconsider its action taken on SB 376. The motion was seconded and a roll call vote was taken. The motion passed 7-5.

Senator Turnage then moved that SB 376 DO NOT PASS. The motion was seconded and passed on a roll call vote of 10-1. These roll call vote sheets are attached to these minutes as Exhibits G and H, respectively.

DISPOSITION OF SENATE BILL 329: Senator McCallum moved that the committee reconsider its action taken on SB 329. The motion was seconded and passed, with Senator Towe voting no.

Senator Mazurek moved that SB 329 DO NOT PASS. The motion was seconded and passed on a roll call vote of 9-2. The roll call vote sheet is attached to the standing committee report attached to these minutes.

DISPOSITION OF SENATE BILL 360: Senator McCallum moved that SB 360 DO NOT PASS. The motion was seconded and passed on a roll call vote of 8-4. The roll call vote sheet is attached to the standing committee report attached to these minutes.

DISPOSITION OF SENATE BILL 202: Senator Towe moved that SB 202 DO PASS. The motion was seconded.

This bill says the 8.75% is not sufficient and it provides for budgeting authority to look at taking money from the coal trust

interest income. It would then allow us to have some connection with the trust fund and impact, and that will help Montana in Washington, D.C. It also suggests to the coal board a formula to use for not making so many grants. The formula is based on the number of new employees and will stave off accumulation of money (which is in a bill coming over from the House).

Senator Crippen said he opposed SB 202 because there is too much emphasis on using it in coal impacted areas. Nothing was said about positive impacts.

Senator Elliott said that after having served on the Coal Tax Oversight Committee, he had faith in what they were doing but in SB 202, if one area becomes eligible for contribution, then every single area which would be subject to a grant would be subject to this bill. He felt some of the wording on page 2 of the bill was not adequate for our statutes; for example, line 3: "a reasonable multiplier"; line 7: "average per capita cost for all services"; and line 11: "easily quantifiable coal development impact costs." Senator Towe replied that that would be done by the Department of Commerce, and if the legislature doesn't like it, they can change it. Senator Elliott thought we could do without the bill.

A roll call vote was taken on Senator Towe's motion, and it failed 5-7.

Senator McCallum then moved that SB 202 DO NOT PASS. The motion was seconded and a roll call vote was taken. The motion passed 7-5. The roll call vote sheets are attached as Exhibits I and J, respectively.

CONSIDERATION OF SENATE BILL 434: Senator Turnage moved that the following amendment be adopted:

Page 1, line 20.

Following: "law"

Insert: "provided however from and after December 31, 1982, to December 31, 1992, 30% of the funds deposited in the fund established under 17-6-203(5) is allocated to the highway construction account"

The motion was seconded. Senator Turnage noted that passage of this will take a 3/4 vote of each house but, he said, this is what they tried to do with the initiative, except this is a 10-year allocation and not a permanent one.

Senator Towe said he didn't want to invade the trust fund.

A roll call vote was taken, and Senator Turnage's motion failed 6-8.

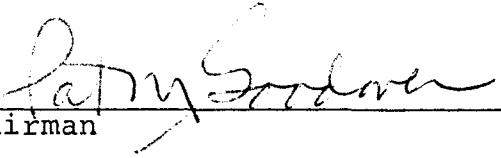
Senator Towe then moved that SB 434 DO PASS. The motion was seconded.

Senator Elliott asked what the interest income was from the fund. Senator Towe said it would be \$52.5 million this year, and \$87.88 million in the next biennium--about \$35.89 million extra.

A roll call vote was taken on Senator Towe's motion, and it failed 5-9. The roll call vote sheets are attached to these minutes as Exhibits K and L, respectively.

Senator Towe then moved that SB 434 be laid on the table. The motion was seconded and passed, with Senator Goodover voting no.

The committee adjourned for the day at 4:45 p.m.


Chairman

ROLL CALL

SENATE TAXATION

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date 2/19 8

| NAME | PRESENT | ABSENT | EXCUSED |
|---------------------------------|---------|--------|---------|
| SENATOR GOODOVER, CHAIRMAN | ✓ | | |
| SENATOR McCALLUM, VICE CHAIRMAN | ✓ | | |
| SENATOR BROWN | ✓ | | |
| SENATOR CRIPPEN | ✓ | | |
| SENATOR ELLIOTT | ✓ | | |
| SENATOR GAGE | ✓ | | |
| SENATOR TURNAGE | ✓ | | |
| SENATOR SEVERSON <i>Absent</i> | | | |
| SENATOR HAGER | ✓ | | |
| SENATOR ECK | ✓ | | |
| SENATOR HALLIGAN | ✓ | | |
| SENATOR LYNCH | ✓ | | |
| SENATOR NORMAN | | | |
| SENATOR TOWE | ✓ | | |
| SENATOR MAZUREK | ✓ | | |

DATE February 19, 1983

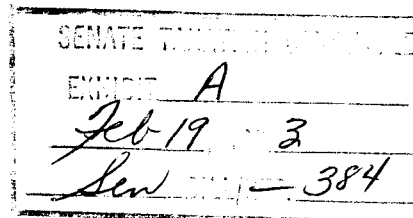
COMMITTEE ON TAXATION

VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretary)

PROPOSED AMENDMENTS TO SB 384



1. Title, line 10.

Following: "YEAR"

Insert: "REQUIRING A REDISTRIBUTION OF TAXES AND FEES;"

2. Page 2, line 13.

Following: "1983."

Strike: through line 19

Insert: "The governing body of a county shall establish a refund procedure for the tax overcharge that resulted from the failure to correctly anticipate the revenues as stated in subsection (1). The refund procedure may provide for¹ a direct refund, a reduction of second-half property² ~~tax bills~~ or some combination of these ~~other two~~ methods. Direct refunds must be made by May 1, 1983. Notices of revised second-half property³ ~~tax bills~~ must be mailed by May 1, 1983. The governing body of a county is granted the authority to establish the refund procedure for all taxing jurisdictions within the county. A taxing jurisdiction whose funds are not held by the county shall deposit with the county sufficient funds to make any necessary direct refunds for the tax overcharge by that taxing jurisdiction⁴."

3. Page 2, following line 25.

Insert: "(4) In addition to the determination of tax overcharges, the county treasurer shall, based upon the recalculated property tax levies, recalculate the disposition of taxes and fees pursuant to 61-3-509 collected as of January 1, 1983, and increase or decrease the amount of motor vehicle fees in lieu of tax and personal property tax distributed to the several taxing jurisdictions in the county."

¹ a reduction of the 1982 first-half property taxes remaining unpaid,

² taxes

³ taxes

⁴, or the county shall withhold such amount from allocations of future tax collections

2/19/83-adopted

2/19

| | |
|-------------|---------|
| SENATE | EXHIBIT |
| B | |
| Feb 19 1983 | |
| Sen 241 | |

Proposed Amendments to SB 241

1. Title, line 5.

Following: "EXPANDING"

Strike: "MANUFACTURERS"

Insert: "INDUSTRY"

2. Page 1, line 14.

Following: "industry"

Strike: "manufacturer"

Insert: "industry"

3. Page 1, line 19.

Following: line 18

Insert: "industrial"

4. Page 1, line 21 through page 2, line 1.

Following: "(3)"

Strike through page 2, line 1.

Insert: "(a) "New industry" means a person, corporation, firm, partnership, association, or other group that is established in Montana for the operation of a new industrial endeavor, including the expansion of an existing industry.

(b) New industry includes only those industries that:

(i) manufacture, mill, mine, produce, process, or fabricate materials;

(ii) do similar work, employing capital and labor, in which materials unserviceable in their natural state are extracted, processed, or made fit for use or are substantially altered or treated so as to create commercial products or materials; or

(iii) engage in the mechanical or chemical transformation of materials or substances into new products in the manner defined as manufacturing in the 1972 Standard Industrial Classification Manual prepared by the United States office of management and budget.

(c) New industry does not include retail or wholesale merchants, commercial services of any type, agriculture, trades, or professions."

5. Page 2, line 13.

Following: "manufacturing-corporation"

Strike: "manufacturer"

Insert: "industry"

6. Page 2, line 17.

Following: "corporation"

Strike: "manufacturer"

Insert: "industry"

7. Page 2, line 18.

Following: "corporation"

Strike: "manufacturer"

Insert: "industry"

8. Page 2, line 21.
Following: "~~corporation~~"
Strike: "manufacturer"
Insert: "industry"

9. Page 2, line 24.
Following: "~~corporation~~"
Strike: "manufacturer"
Insert: "industry"

10. Page 3, lines 4 and 5.
Following: "~~corporations~~"
Strike: "manufacturers that provide jobs"
Insert: "industries that increase total full-time jobs by at least 30% or at least five, whichever is less"

11. Page 3, line 8.
Following: "eligibility of"
Strike: "~~a-corporation~~ manufacturer"
Insert: "an industry"

12. Page 3, line 14.
Following: line 13
Strike: "manufacturer's"
Insert: "industry's"

13. Page 3, line 19.
Following: "the"
Strike: "manufacturer's"
Insert: "industry's"

14. Page 4, line 2 through line 6.
Following: "(3)"
Strike: through line 6
Insert: "(a) 'New industry' means a person, corporation, firm, partnership, association, or other group that is established in Montana for the operation of a new industrial endeavor, including the expansion of an existing industry.
(b) New industry includes only those industries that:
(i) manufacture, mill, mine, produce, process, or fabricate materials;
(ii) do similar work, employing capital and labor, in which materials unserviceable in their natural state are extracted, processed, or made fit for use or are substantially altered or treated so as to create commercial products or materials; or
(iii) engage in the mechanical or chemical transformation of materials or substances into new products in the manner defined as manufacturing in the 1972 Standard Industrial Classification Manual prepared by the United States office of management and budget.
(c) New industry does not include retail or wholesale merchants, commercial services of any type, agriculture, trades, or professions."

15. Page 5, line 3.

Following: "only"

Strike: "for"

Insert: "to those"

16. Page 5, line 4.

Following: "expanding"

Strike: "manufacturers that provide jobs"

Insert: "industries that increase total full-time jobs by at least 30% or at least five, whichever is less,-"

17. Page 5, line 22.

Following: line 21

Strike: "MANUFACTURERS"

Insert: "Industries"

18. Page 5, line 25.

Following: line 24

Strike: "manufacturer"

Insert: "industry"

19. Page 5, line 25.

Following: "corporation"

Strike: "manufacturer"

Insert: "industry"

20. Page 6, line 4.

Following: "corporation"

Strike: "manufacturers"

Insert: "industry"

21. Page 6, line 15.

Following: "is a"

Strike: "manufacturer"

Insert: "new or expanding industry"

22. Page 6, line 24.

Following: "~~corporation~~"

Strike: "manufacturer"

Insert: "industry"

23. Page 7, line 2.

Following: "the start of"

Strike: "manufacturing"

Insert: "doing business"

24. Page 7, line 5.

Following: line 4

Strike: "manufacturer"

Insert: "industry"

25. Page 7, line 8.

Following: line 7

Strike: "manufacturing"

Insert: "operations"

26. Page 7, line 17.
Following: line 16
Strike: "of a new product"
Insert: "begins"

27. Page 9, lines 6 and 7.
Following: line 5
Strike: "manufacturing and other divisions of the 1972 Standard
Industrial Classification Manual system"
Insert: "eligible new and expanding industries and other
businesses"

28. Page 9, line 10.
Following: line 9
Strike: through page 10, line 5.

29. Page 12, line 6.
Following: "~~CORPORATION~~"
Strike: "~~MANUFACTURER~~"
Insert: "~~INDUSTRY -- ELIGIBILITY~~"
Strike: Remainder of line 6 and line 7

30. Page 12, line 19
Following: line 18
Strike: "(2)"
Following: "~~corporation~~"
Strike: "~~manufacturer~~"
Insert: "business or industry"

31. Page 13, line 18
Following: "~~CORPORATION~~"
Strike: "~~MANUFACTURER~~"
Insert: "~~INDUSTRY -- ELIGIBILITY~~"

32. Page 13, line 19
Following: "~~corporation~~"
Strike: "~~manufacturer~~"
Insert: "industry"

33. Page 14, line 17.
Following: line 16
Strike: "~~manufacturer~~"
Insert: "industry"

34. Page 14, line 24.
Following: "~~corporation~~"
Strike: "manufacturer"
Insert: "industry"

35. Page 15, line 8.
Following: "~~corporation~~"
Strike: "~~manufacturer~~"
Insert: "industry"

36. Page 15, line 14.

Following: line 13

Strike: "manufacturer"

Insert: "industry"

37. Page 15, line 16.

Following: "If"

Strike: "a ~~corporation~~ manufacturer"

Insert: "an industry"

38. Page 15, line 19.

Following: line 18

Strike: "manufacturer"

Insert: "industry"

39. Page 15, line 22.

Following: "~~corporation~~"

Strike: "manufacturer"

Insert: "industry"

40. Page 16, line 18.

Following: "~~corporation~~"

Strike: "manufacturer"

Insert: "industry"

41. Page 16, line 22.

Following: "~~corporation~~"

Strike: "manufacturer"

Insert: "industry"

42. Page 16, line 23.

Following: "~~corporation~~"

Strike: "manufacturer"

Insert: "industry"

43. Page 18, line 3.

Following: line 2

Strike: "manufacturer"

Insert: "industry"

44. Page 18, line 7.

Following: "~~corporation~~"

Strike: "manufacturer"

Insert: "industry"

45. Page 18, line 8.

Following: "(2)"

Strike: "A ~~corporation~~ manufacturer"

Insert: "An industry"

46. Page 18, line 10.

Following: "more than one"

Strike: "manufacturing"

47. Page 18, line 14.

Following: "(3)"

Strike: "A corporation"

Insert: "An industry"

48. Page 19, line 6.

Following: "{3}"

Strike: "~~A corporation manufacturer~~"

Insert: "(1) An industry"

49. Page 19, line 8.

Following: "~~corporation~~"

Strike: "manufacturer"

Insert: "industry"

50. Page 19, line 9.

Following: line 8

Strike: "manufacturers products"

Insert: "commences operations"

51. Page 19, line 10.

Following: "recognized if"

Strike: "a corporation"

Insert: "an industry"

52. Page 19, line 11.

Following: "without"

Strike: "manufacturing a product"

Insert: "commencing operations"

53. Page 19, line 12.

Following: line 11

Insert: "(2) If a new or expanding manufacturer ceases to operate, either temporarily or permanently, under normal conditions the 3-year period of eligibility for the credit continues until its normal expiration date. If another treatment would be beneficial to the new industry or a successor industry, application for this treatment must be made to the department director."

ROLL CALL VOTE

SENATE COMMITTEE TAXATION

| |
|------------------|
| SENATE TAXATION |
| EXHIBIT <u>C</u> |
| <u>Feb 19</u> 3 |
| <u>Sen</u> - 241 |

Date Feb 19, 1983 Senate Bill No. 241 Time 8:55

| NAME | YES | NO |
|---------------------------------|-----|-----------------|
| SENATOR GOODOVER, CHAIRMAN | | ✓ |
| SENATOR McCALLUM, VICE CHAIRMAN | ✓ | |
| SENATOR BROWN | ✓ | |
| SENATOR CRIPPEN | | ✓ |
| SENATOR ELLIOTT | | ✓ |
| SENATOR GAGE | ✓ | no * |
| SENATOR TURNAGE | ✓ | |
| SENATOR SEVERSON | A | |
| SENATOR HAGER | ✓ | |
| SENATOR ECK | | ✓ |
| SENATOR HALLIGAN | ✓ | |
| SENATOR LYNCH | | ✓ |
| SENATOR NORMAN | ✓ | |
| SENATOR TOWE | | ✓ |
| SENATOR MAZUREK | ✓ | |

Secretary: Barbara J. Effing
Motion:

Chairman: Pat M. Goodover

motion to do not pass

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

A = absent

* (Note: Max change & vote from "no" to "yes")



Kalispell Area Chamber of Commerce Post Office Box 978 Kalispell, Montana 59901 Telephone (406) 755-6166

February 9, 1983

Chairman Pat M. Goodover
Senate Taxation Committee
Montana Legislature
State Capitol
Helena, Montana 59601

Dear Chairman Goodover:

The Board of Directors of the Kalispell Area Chamber of Commerce wishes to advise the Committee of its support of Senate Bill 241.

The need to furnish incentives for compatible industries and to exhibit to interested businesses the fact that the Montana business climate is changing is most important to the tax base and the attraction of new industry to the State of Montana.

It appears to the Board that this particular piece of legislation is one of a number of incentives that are important to show the change in the business climate of Montana.

The fact that it applies also to expanding manufacturers which are compatible to the Montana needs and resources is most encouraging.

Would you please make this letter a part of the record of any hearing held on Senate Bill 241, and the Board respectfully requests the support of the Committee in any action taken on this Bill.

Very truly yours

KALISPELL AREA CHAMBER OF COMMERCE

By *John R. Johnson*
President

By *C. Robinson*
Chairman, Legislative Affairs

Testimony of Bruce Simon, former member of The Governors
Council on Management, in support of SB 431

EXHIBIT E

Feb-19 3

Sen - 431

For the record my name is Bruce Simon. I served as a member of The Governors Council On Management during the months of April, May and June of 1982 studying state government operations. I am here today as a private individual and do not represent the Council.

First, a bit of history about our work may be of interest to this committee. The thirty-four members of the Council worked in Helena for twelve weeks on a full-time, five day a week basis. We were all asked to serve the people of Montana because of our management experience and training. We received no money from the state or the council for our work or for the expenses we incurred while living in Helena. As part of my work I was assigned to the Liquor Division of the Department of Revenue and the bill before you today would implement one of our recommendations for that division. The recommendations came as the result of twelve man weeks of work by myself and two other members of the council. I am a retailer. I have no financial interest in the liquor business nor do I contemplate any.

We discovered during our weeks of work that the administration of the quota system for the distribution of all-beverage licenses has become an increasingly difficult job for the liquor division. During the past two years the division has spent an average of \$31,000 on contract services directly related to the licensing process.

We then set about the task of developing a plan which would eliminate this expense and related administrative problems. The plan, in my view, had to have three goals. First, to eliminate the quota system. Second, to keep the cost of such a plan to absolute minimum so that tax dollars would not be sacrificed to compensate existing license holders for the eventual devaluating of their licenses. Third, to provide for the greatest measure of fair compensation to those existing license holders so they would not suffer a major economic loss.

I believe the bill before you today does reach those three goals. Basically, the idea is simple. First, the population factors used to compute the quotas will be reduced by 10% each year. This allows the number of licenses authorized to rise on a jurisdiction by jurisdiction basis. Areas presently over quota would have the number of licenses over quota added to their base so that new licenses would be offered as soon as the new quota increases over their base.

As new licenses are triggered within each jurisdiction they would be offered for sale on a competitive bid basis to

all qualified buyers wishing to obtain a license for that jurisdiction. This allows the market place to set the value of the licenses and avoids the arbitrary process of assessing the value of a license.

The issue of compensation has been the subject of considerable debate in the legislature over the past several years and I believe this plan offers cash compensation which will be fair to license holders.

Money received from the sale of new licenses would then be paid in cash to those existing license holders within the jurisdiction for which the license was sold. This process would continue for the next ten years or until no bids are received which are in excess of the minimum price set by the state. I believe this would provide a substantial amount of compensation to existing license holders in many areas across the state, especially in the urban areas where licenses have been sold for \$100,000 and more.

I have been told that the only areas that have a shortage of licenses are Bozeman and Billings. The fact is that licenses have been sold in several other communities at prices which are in the \$100,000 range, Missoula, for example. The interesting fact is that Missoula is at about 200% of quota at the present time. I have also been told that Montana is over quota now and that we rank near the top nationally in licenses per capita. I believe that both statements are true but they mask an accurate picture. The truth is that licenses are very unevenly distributed across the state. According to a November, 1980 report by the Montana Legislative Council the per capita distribution of licenses range from 44 persons per license in Virginia City to 1348 persons per license in Billings. Numerous examples can be found in the 150-250 persons per license range.

I believe several benefits would result with the passage of this bill. They include:

1. The free market would return to the liquor business.
2. License holders would receive substantial cash compensation for the devaluation of their licenses in areas where pent up demand has created artificially high prices.
3. The costly process of issuing licenses under the present system would be eliminated saving the taxpayers money.
4. The price of a license would fall making them available to smaller operators that are unable to compete for high price licenses.
5. Present operators would have time to adjust to new competition.
6. The market place will set the value of licenses and therefore the level of compensation.

7. Compensation will not come out of state revenue.

I believe that this bill offers a plan that is fair to existing license holders while it eliminates the quota system on licenses. Licenses would then become what, I believe, the state intended, namely a right to operate and not a commodity which can be sold at a profit. The growth of any business should depend on how successful it is and not on an artificial scarcity created by the state by restricting access to the marketplace. I would urge the committee to vote DO PASS.

Thank you Mr. Chairman and members of the committee.

AMEND SENATE BILL 334 AS FOLLOWS:

1. Title, line 7.

Following: "DISTRICTS"

Insert: AND COUNTY WATER AND SEWER DISTRICTS"

2. Title, line 7.

Following: "AMENDING"

Strike: "SECTION"

Insert: "SECTIONS"

Following 7-12-2151"

Insert: "AND 7-13-2303"

3. Page 3.

Following: line 11

Insert: "Section 2. Section 7-13-2303, MCA, is amended to read:

"7-13-2303. Method of assessment. (1) When the amount of money required for any purpose enumerated in 7-13-2302 has been determined one of the following methods of assessment shall be adopted:

(a) total area assessment, by which each lot or parcel of land to be assessed shall be assessed with that part of the amount of money required which its area bears to the total area of all of the lands to be assessed; -or

(b) taxable valuation assessment, said-assessment-may, -at the-option-of-the-board-or-boards-of-county-commissioners, -be based upon the taxable valuation as stated in the last completed county assessment roll of the lots or parcels of land, exclusive of improvements thereon, within said district; and in which case, each lot or parcel of land to be assessed shall be assessed with that part of the amount of money required which its taxable valuation bears to the total taxable valuation of all of the lands to be assessed; -

(c) frontage assessment, by which each lot or parcel of land within the district bordering or abutting upon a street or streets on which or under which the improvement has been made are assessed in proportion to the lineal feet abutting or bordering the street or streets; or

(d) assessed area assessment, by which the board, to equalize the assessment in a district consisting of differing sized lots or parcels that receive benefits not equivalent to their size, value, or frontage, shall establish a method of determining an area less than the total area of each of the lots or parcels of land within the district, and that reduced area of each lot or parcel is assessed with that part of the whole cost which its area bears to the area of the entire assessment area of the district, exclusive of streets, avenues, alleys, and public places.

(2) The board may not adopt an assessment area method of assessment unless the board has determined this manner of assessment bears an equiable relationship to the benefits recieved.

(3) If an assessment area assesment is used, it is for the purposes of assessment only. Each entire lot or parcel is still

included within the district and upon delinquency the tax lot or parcel is subject to satisfaction of any delinquency.

(2)---However,---where the district lies in more than one county, the same method of assessment shall be used by the board of county commissioners."

ROLL CALL VOTE

SENATE TAXATION COMMITTEE

EXHIBIT H

Feb 19, 1983

Senate BILL/RES 376

SENATE COMMITTEE TAXATION

Date Feb 19, 1983 Senate Bill No. 376 Time 4:15

| NAME | YES | NO |
|---------------------------------|----------------|----|
| SENATOR GOODOVER, CHAIRMAN | ✓ | |
| SENATOR McCALLUM, VICE CHAIRMAN | ✓ | |
| SENATOR BROWN | ✓ | |
| SENATOR CRIPPEN | ✓ | |
| SENATOR ELLIOTT | ✓ | |
| SENATOR GAGE | A | |
| SENATOR TURNAGE | ✓ | |
| SENATOR SEVERSON | A | |
| SENATOR HAGER | ✓ | |
| SENATOR ECK | | ✓ |
| SENATOR HALLIGAN | A | |
| SENATOR LYNCH | ✓ | |
| SENATOR NORMAN | ✓ | |
| SENATOR TOWE | <i>Abstain</i> | |
| SENATOR MAZUREK | ✓ | |

Secretary: Barbara J. Effing Chairman: Pat M. Goodover
 Motion: _____

moved to DO NOT PASS SB376

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

A = absent

ROLL CALL VOTE

| | |
|------------------------------------|--|
| SENATE TAXATION COMMITTEE | |
| EXHIBIT <u>1</u> | |
| <u>Feb 19</u> , 198 <u>3</u> | |
| <u>Senate</u> BILL/RES. <u>376</u> | |

SENATE COMMITTEE TAXATION

Date Feb 19, 1983 Senate Bill No. 376 Time 4:10

| NAME | YES | NO |
|---------------------------------|-----|----|
| SENATOR GOODOVER, CHAIRMAN | ✓ | |
| SENATOR McCALLUM, VICE CHAIRMAN | ✓ | |
| SENATOR BROWN | ✓ | |
| SENATOR CRIPPEN | ✓ | |
| SENATOR ELLIOTT | ✓ | |
| SENATOR GAGE | A | |
| SENATOR TURNAGE | ✓ | |
| SENATOR SEVERSON | A | |
| SENATOR HAGER | ✓ | |
| SENATOR ECK | | ✓ |
| SENATOR HALLIGAN | A | |
| SENATOR LYNCH | | ✓ |
| SENATOR NORMAN | | ✓ |
| SENATOR TOWE | | ✓ |
| SENATOR MAZUREK | | ✓ |

Secretary: Barbara J. Effing
Motion: _____

Chairman: Pat M. Goodover

moved to reconsider action taken
on 376

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

A = Absent

ROLL CALL VOTE

SENATE TAXATION COMMITTEE
EXHIBIT I
Feb 19, 1983
Senate BILL/RES 202

SENATE COMMITTEE TAXATION

Date Feb 19, 1983 Senate Bill No. 202 Time 4:28

| NAME | YES | NO |
|---------------------------------|-----|----|
| SENATOR GOODOVER, CHAIRMAN | | ✓ |
| SENATOR McCALLUM, VICE CHAIRMAN | | ✓ |
| SENATOR BROWN | | ✓ |
| SENATOR CRIPPEN | | ✓ |
| SENATOR ELLIOTT | | ✓ |
| SENATOR GAGE | A | |
| SENATOR TURNAGE | | ✓ |
| SENATOR SEVERSON | A | |
| SENATOR HAGER | | ✓ |
| SENATOR ECK | ✓ | |
| SENATOR HALLIGAN | A | |
| SENATOR LYNCH | ✓ | |
| SENATOR NORMAN | ✓ | |
| SENATOR TOWE | ✓ | |
| SENATOR MAZUREK | ✓ | |

Secretary: Barbara J. Effing
Motion:

Chairman: Pat M. Goodover

motion that SB 202 Do Pass

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

A = absent

ROLL CALL VOTE

SENATE TAXATION COMMITTEE
EXHIBIT J
Feb 19, 1983
Senate BILL/RES- 202

SENATE COMMITTEE TAXATION

Date Feb 19, 1983 Senate Bill No. 202 Time 4:30

| NAME | YES | NO |
|---------------------------------|-----|----|
| SENATOR GOODOVER, CHAIRMAN | ✓ | |
| SENATOR McCALLUM, VICE CHAIRMAN | ✓ | |
| SENATOR BROWN | ✓ | |
| SENATOR CRIPPEN | ✓ | |
| SENATOR ELLIOTT | ✓ | |
| SENATOR GAGE | A | |
| SENATOR TURNAGE | ✓ | |
| SENATOR SEVERSON | A | |
| SENATOR HAGER | ✓ | |
| SENATOR ECK | | ✓ |
| SENATOR HALLIGAN | A | |
| SENATOR LYNCH | | ✓ |
| SENATOR NORMAN | | ✓ |
| SENATOR TOWE | | ✓ |
| SENATOR MAZUREK | | ✓ |

Secretary: Barbara J. Effing
Motion:

Chairman: Pat M. Goodover

Motion that SB 202 Do Not Pass

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

A-absent

ROLL CALL VOTE

SENATE TAXATION COMMITTEE
 EXHIBIT K
Feb 19, 198 3
Senate BILL/RES 434

SENATE COMMITTEE TAXATION

Date Feb 19, 1983 Senate Bill No. 434 Time 4:35

| NAME | YES | NO |
|---------------------------------|-----|----|
| SENATOR GOODOVER, CHAIRMAN | ✓ | |
| SENATOR McCALLUM, VICE CHAIRMAN | ✓ | |
| SENATOR BROWN | | ✓ |
| SENATOR CRIPPEN | ✓ | |
| SENATOR ELLIOTT | | ✓ |
| SENATOR GAGE | ✓ | |
| SENATOR TURNAGE | ✓ | |
| SENATOR SEVERSON | A | |
| SENATOR HAGER | ✓ | |
| SENATOR ECK | | ✓ |
| SENATOR HALLIGAN | | ✓ |
| SENATOR LYNCH | | ✓ |
| SENATOR NORMAN | | ✓ |
| SENATOR TOWE | | ✓ |
| SENATOR MAZUREK | | ✓ |

Secretary: Barbara J. Effing
 Motion:

Chairman: Pat M. Goodover

moved That amendments to 434
Do Pass.

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

A = absent

ROLL CALL VOTE

SENATE TAXATION COMMITTEE

EXHIBIT X

Feb 19, 1983

Senate BILL/RES- 434

SENATE COMMITTEE

TAXATION

Date Feb 19, 1983 Senate Bill No. 434 Time 4:40

| NAME | YES | NO |
|---------------------------------|-----|----|
| SENATOR GOODOVER, CHAIRMAN | | ✓ |
| SENATOR McCALLUM, VICE CHAIRMAN | | ✓ |
| SENATOR BROWN | | ✓ |
| SENATOR CRIPPEN | | ✓ |
| SENATOR ELLIOTT | | ✓ |
| SENATOR GAGE | | ✓ |
| SENATOR TURNAGE | ✓ | |
| SENATOR SEVERSON | A | |
| SENATOR HAGER | | ✓ |
| SENATOR ECK | | ✓ |
| SENATOR HALLIGAN | ✓ | |
| SENATOR LYNCH | ✓ | |
| SENATOR NORMAN | | ✓ |
| SENATOR TOWE | ✓ | |
| SENATOR MAZUREK | ✓ | |

Secretary: Barbara J. Effing

Chairman: Pat M. Goodover

Motion:

*moved that SB 434 Do Pass
(no amendments attached to this
motion)*

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

A = absent

STANDING COMMITTEE REPORT

PAGE 1 OF 2

February 19

19 83

MR. **PRESIDENT**

We, your committee on **taxation**

having had under consideration **Senate** Bill No. **384**

Respectfully report as follows: That **Senate** Bill No. **384**

introduced bill, be amended as follows:

1. Title, line 10.

Following: "YEAR"

Insert: "REQUIRING A REDISTRIBUTION OF TAXES AND FEES;"

2. Page 2, line 6.

Following: "jurisdiction."

Strike: remainder of line 6 through "1983." on line 8

~~DO PASS~~

(Continued on page 2)

February 19 19 83

3. Page 2, line 12.

Following: "county treasurer"

Strike: through line 19

Insert: "The governing body of a county shall establish a refund procedure for the tax overcharge that resulted from the failure to correctly anticipate the revenues as stated in subsection (1). The refund procedure may provide for a reduction of the 1982 first-half property taxes remaining unpaid, a direct refund, a reduction of second-half property taxes or some combination of these methods. Direct refunds must be made by May 1, 1983. Notices of revised second-half property taxes must be mailed by May 1, 1983. The governing body of a county is granted the authority to establish the refund procedure for all taxing jurisdictions within the county. A taxing jurisdiction whose funds are not held by the county shall deposit with the county sufficient funds to make any necessary direct refunds for the tax overcharge by that taxing jurisdiction, or the county shall withhold such amount from allocations of future tax collections."

4. Page 2, following line 25.

Insert: "(4) In addition to the determination of tax overcharges, the county treasurer shall, based upon the recalculated property tax levies, recalculate the disposition of taxes and fees pursuant to 61-3-509 collected as of January 1, 1983, and increase or decrease the amount of motor vehicle fees in lieu of tax and personal property tax distributed to the several taxing jurisdictions in the county."

And, as so amended

DO PASS

STANDING COMMITTEE REPORT

PAGE 1 of 2

.....February 19..... 19 83.....

MR.PRESIDENT.....

We, your committee ontaxation.....

having had under considerationSenate Bill No. 431.....

Respectfully report as follows: That.....Senate Bill No. 431.....

introduced bill, be amended as follows:

1. Page 1, lines 12 and 13.

Following: "(1) Except"

Strike: "as provided in [section 6] and except"

2. Page 15, line 21.

Strike: section 6 in its entirety

Renumber: all subsequent sections

3. Page 24.

Following: line 18

Insert: "NEW SECTION. Section 8. A license issued or renewed under the provisions of [sections 6 and 7] is a privilege and not a property right and such licensing is an exercise of the police power of the state for the protection of the public health, welfare and safety."

FOR PASS

(Continued on page 2)

February 19 19 83

4. Page 24, line 20.

Strike: "6"

Insert: "5"

5. Page 24, line 22.

Strike: "6"

Insert: "5"

6. Page 25, line 1.

Strike: subsection (2) in its entirety

Renumber: subsequent subsection

7. Page 25, line 3.

Strike: "7"

Insert: "6"

Strike: "8"

Insert: "7"

And, as so amended

DO PASS

ROLL CALL VOTE

SENATE COMMITTEE TAXATION

Date Feb 19, 1983 Senate Bill No. 431 Time 12:10

| NAME | YES | NO |
|---------------------------------|----------------|----|
| SENATOR GOODOVER, CHAIRMAN | <i>Abstain</i> | |
| SENATOR McCALLUM, VICE CHAIRMAN | ✓ | |
| SENATOR BROWN | | ✓ |
| SENATOR CRIPPEN | | ✓ |
| SENATOR ELLIOTT | ✓ | |
| SENATOR GAGE | ✓ | |
| SENATOR TURNAGE | | ✓ |
| SENATOR SEVERSON | A | |
| SENATOR HAGER | | ✓ |
| SENATOR ECK | | ✓ |
| SENATOR HALLIGAN | A | |
| SENATOR LYNCH | ✓ | |
| SENATOR NORMAN | ✓ | |
| SENATOR TOWE | | ✓ |
| SENATOR MAZUREK | | ✓ |

Secretary: Barbara J. Effing
Motion:

Chairman: Pat M. Goodover

substitute motion to table 431

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

A=absent

ROLL CALL VOTE

SENATE COMMITTEE TAXATION

Date Feb 19, 1983 Senate Bill No. 431 Time 12:18

| NAME | YES | NO |
|---------------------------------|----------------|----|
| SENATOR GOODOVER, CHAIRMAN | <i>Abstain</i> | |
| SENATOR McCALLUM, VICE CHAIRMAN | ✓ | |
| SENATOR BROWN | ✓ | |
| SENATOR CRIPPEN | ✓ | |
| SENATOR ELLIOTT | | ✓ |
| SENATOR GAGE | | ✓ |
| SENATOR TURNAGE | ✓ | |
| SENATOR SEVERSON | <i>Absent</i> | |
| SENATOR HAGER | ✓ | |
| SENATOR ECK | ✓ | |
| SENATOR HALLIGAN | <i>Absent</i> | |
| SENATOR LYNCH | | ✓ |
| SENATOR NORMAN | | ✓ |
| SENATOR TOWE | ✓ | |
| SENATOR MAZUREK | ✓ | |

Secretary: Barbara J. Effing
Motion:

Chairman: Pat M. Goodover

motion to pass SB 431 as amended

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

STANDING COMMITTEE REPORT

February 19 19 83

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

We, your committee on.....**taxation**.....

having had under consideration**Senate** Bill No. **450**.....

Respectfully report as follows: That.....**Senate** Bill No. **450**.....

DO PASS

ROLL CALL VOTE

SENATE COMMITTEE TAXATION

Date Feb 19 , 1983 Senate Bill No. 450 Time 12:21

| NAME | YES | NO |
|---------------------------------|---------------|----|
| SENATOR GOODOVER, CHAIRMAN | | ✓ |
| SENATOR McCALLUM, VICE CHAIRMAN | ✓ | |
| SENATOR BROWN | ✓ | |
| SENATOR CRIPPEN | ✓ | |
| SENATOR ELLIOTT | ✓ | |
| SENATOR GAGE | | ✓ |
| SENATOR TURNAGE | ✓ | |
| SENATOR SEVERSON | <i>Absent</i> | |
| SENATOR HAGER | ✓ | |
| SENATOR ECK | ✓ | |
| SENATOR HALLIGAN | <i>Absent</i> | |
| SENATOR LYNCH | | ✓ |
| SENATOR NORMAN | | ✓ |
| SENATOR TOWE | ✓ | |
| SENATOR MAZUREK | ✓ | |

Secretary: Barbara J. Effing
Motion:

Chairman: Pat M. Goodover

motion that 450 Do Pass

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

STANDING COMMITTEE REPORT

February 19 19 33

PRESIDENT

MR.

We, your committee on **Taxation**

having had under consideration **Senate** Bill No. **97**...

Senate **97**

Respectfully report as follows: That..... Bill No.....

introduced bill, be amended as follows:

1. Page 2, line 18.

Following: "1985,"

Insert: "and thereafter by direct legislative appropriation"

And, as so amended,

DO NOT PASS

~~XXXXXX~~

ROLL CALL VOTE

SENATE COMMITTEE TAXATION

Date Feb 19, 1983 Senate Bill No. 97 Time 12:26

| NAME | YES | NO |
|---------------------------------|---------------|----|
| SENATOR GOODOVER, CHAIRMAN | ✓ | |
| SENATOR McCALLUM, VICE CHAIRMAN | ✓ | |
| SENATOR BROWN | | ✓ |
| SENATOR CRIPPEN | | ✓ |
| SENATOR ELLIOTT | ✓ | |
| SENATOR GAGE | <i>Absent</i> | |
| SENATOR TURNAGE | ✓ | |
| SENATOR SEVERSON | <i>Absent</i> | |
| SENATOR HAGER | ✓ | |
| SENATOR ECK | | ✓ |
| SENATOR HALLIGAN | <i>Absent</i> | |
| SENATOR LYNCH | | ✓ |
| SENATOR NORMAN | <i>was</i> | ✓ |
| SENATOR TOWE | <i>Absent</i> | |
| SENATOR MAZUREK | | ✓ |

Secretary: Barbara J. Effing
Motion:

Chairman: Pat M. Goodover

motion to depass SB97 as amended

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

ROLL CALL VOTE

SENATE COMMITTEE TAXATION

Date Feb 19, 1983 Senate Bill No. 97 Time 12:30

| NAME | YES | NO |
|---------------------------------|---------------|----|
| SENATOR GOODOVER, CHAIRMAN | | ✓ |
| SENATOR McCALLUM, VICE CHAIRMAN | | ✓ |
| SENATOR BROWN | ✓ | |
| SENATOR CRIPPEN | ✓ | |
| SENATOR ELLIOTT | | ✓ |
| SENATOR GAGE | <i>Absent</i> | |
| SENATOR TURNAGE | | ✓ |
| SENATOR SEVERSON | <i>Absent</i> | |
| SENATOR HAGER | | ✓ |
| SENATOR ECK | ✓ | |
| SENATOR HALLIGAN | <i>Absent</i> | |
| SENATOR LYNCH | ✓ | |
| SENATOR NORMAN | ✓ | |
| SENATOR TOWE | <i>Absent</i> | |
| SENATOR MAZUREK | ✓ | |

Secretary: Barbara J. Effing
Motion:

Chairman: Pat M. Goodover

motion that SB97 do not pass as amended.

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

STANDING COMMITTEE REPORT

PAGE 1 OF 3

February 19 19 83

MR. **PRESIDENT**

We, your committee on **taxation**

having had under consideration **Senate** Bill No. **334**

Respectfully report as follows: That **Senate** Bill No. **334**

introduced bill, be amended as follows:

(Continued on page 2)

DO PASS
XXXXXXXX

(Continued on page 2)

Chairman.

February 13, 1983

1. Title, line 7.
Following: "DISTRICTS"
Insert: AND COUNTY WATER AND SEWER DISTRICTS"

2. Title, line 7.
Following: "AMENDING"
Strike: "SECTION"
Insert: "SECTIONS"
Following 7-12-2151"
Insert: "AND 7-13-2303"

3. Page 3.
Following: line 11
Insert: "Section 2. Section 7-13-2303, MCA, is amended to read:
"7-13-2303. Method of assessment. (1) When the amount of money required for any purpose enumerated in 7-13-2302 has been determined one of the following methods of assessment shall be adopted:

(a) total area assessment, by which each lot or parcel of land to be assessed shall be assessed with that part of the amount of money required which its area bears to the total area of all of the lands to be assessed; or

(b) taxable valuation assessment, said assessment may, at the option of the board or boards of county commissioners, be based upon the taxable valuation as stated in the last completed county assessment roll of the lots or parcels of land, exclusive of improvements thereon, within said district; and in which case, each lot or parcel of land to be assessed shall be assessed with that part of the amount of money required which its taxable valuation bears to the total taxable valuation of all of the lands to be assessed;

(c) frontage assessment, by which each lot or parcel of land within the district bordering or abutting upon a street or streets on which or under which the improvement has been made are assessed in proportion to the lineal feet abutting or bordering the street or streets; or

(d) assessed area assessment, by which the board, to equalize the assessment in a district consisting of differing sized lots or parcels that receive benefits not equivalent to their size, value, or frontage, shall establish a method of determining an area less than the total area of each of the lots or parcels of land within the district, and that reduced area of each lot or parcel is assessed with that part of the whole cost which its area bears to the area of the entire assessment area of the district, exclusive of streets, avenues, alleys, and public places.

(Continued on page 3)

February 19 19 83

(2) The board may not adopt an assessment area method of assessment unless the board has determined this manner of assessment bears an equitable relationship to the benefits received.

(3) If an assessment area assessment is used, it is for the purposes of assessment only. Each entire lot or parcel is still included within the district and upon delinquency the total lot or parcel is subject to satisfaction of any delinquency.

(4) ---However,--where-the-district-lies-in-more-than-one county,--the-same-method-of-assessment-shall-be-used-by--each board-of-county-commissioners--"

And, as so amended

DO NOT PASS

STANDING COMMITTEE REPORT

February 19 19 83

MR. **PRESIDENT**

We, your committee on **Taxation**

having had under consideration **Senate** Bill No. **80**

Respectfully report as follows: That **Senate** Bill No. **80**
introduced bill

DO NOT PASS
~~DO NOT PASS~~

STANDING COMMITTEE REPORT

February 19 19 83

MR. PRESIDENT

We, your committee on taxation

having had under consideration Senate Bill No. 329

Respectfully report as follows: That Senate Bill No. 329

introduced bill

DO NOT PASS

~~DO PASS~~

ROLL CALL VOTE

SENATE COMMITTEE TAXATION

Date Dec 19, 1983 Senate Bill No. 329 Time 4:16

| NAME | YES | NO |
|---------------------------------|----------------|----|
| SENATOR GOODOVER, CHAIRMAN | ✓ | |
| SENATOR McCALLUM, VICE CHAIRMAN | ✓ | |
| SENATOR BROWN | ✓ | |
| SENATOR CRIPPEN | ✓ | |
| SENATOR ELLIOTT | ✓ | |
| SENATOR GAGE | A | |
| SENATOR TURNAGE | ✓ | |
| SENATOR SEVERSON | A | |
| SENATOR HAGER | ✓ | |
| SENATOR ECK | <i>Abstain</i> | |
| SENATOR HALLIGAN | A | |
| SENATOR LYNCH | ✓ | |
| SENATOR NORMAN | | ✓ |
| SENATOR TOWE | | ✓ |
| SENATOR MAZUREK | ✓ | |

Secretary: Barbara J. Effing
Motion:

Chairman: Pat M. Goodover

moved that SB 329 do not pass

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

A = absent

STANDING COMMITTEE REPORT

Narr

.....February 19..... 19 83

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

We, your committee on **taxation**.....

having had under consideration **Senate** Bill No. **360**.....

Respectfully report as follows: That..... **Senate** Bill No. **360**.....

introduced bill

DO NOT PASS

DO PASS ~~X~~

ROLL CALL VOTE

SENATE COMMITTEE TAXATION

Date Feb 19, 1983 Senate Bill No. 360 Time 4:20

| NAME | YES | NO |
|---------------------------------|---------------------|----|
| SENATOR GOODOVER, CHAIRMAN | ✓ | |
| SENATOR McCALLUM, VICE CHAIRMAN | ✓ | |
| SENATOR BROWN | ✓ | |
| SENATOR CRIPPEN | ✓ | |
| SENATOR ELLIOTT | ✓ | |
| SENATOR GAGE | A | |
| SENATOR TURNAGE | ✓ | |
| SENATOR SEVERSON | A | |
| SENATOR HAGER | ✓ | |
| SENATOR ECK | | ✓ |
| SENATOR HALLIGAN | A | |
| SENATOR LYNCH | | ✓ |
| SENATOR NORMAN | | ✓ |
| SENATOR TOWE | | ✓ |
| SENATOR MAZUREK | absent ✓ | |

Secretary: Barbara J. Effing
Motion:

Chairman: Pat M. Goodover

moved that SB 360 Do Not Pass

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

A = absent

(A = absent, changeable vote from "absent" to "present")