

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

April 8, 1983
Afternoon session

The sixty-third meeting of the Taxation Committee was called to order at 4:45 p.m. by Chairman Pat M. Goodover in Room 415 of the Capitol Building.

ROLL CALL: All members were present.

DISPOSITION OF HOUSE BILL 637: Senator Severson moved to strike the previous amendments to HB 637 the committee had adopted and to adopt the amendments attached as Exhibit A to these minutes. His motion was seconded and passed unanimously.

Senator Severson then moved that HB 637 BE CONCURRED IN AS AMENDED. His motion was seconded and passed unanimously.

RECONSIDERATION OF HOUSE BILL 16: Senator McCallum moved that the committee reconsider its action taken on HB 16 on March 12. The motion was seconded and passed, with Senators Mazurek and Lynch voting no.

Chairman Goodover explained that instead of raising the gas tax on a two-tier basis, one hike would take effect on July 1, 1983. Appropriations has moved the Highway Patrol out of the general fund and into the Department of Highways. This gives the Department money to work with. The net effect is that the cities will get more now but will lose 1/2 cent in the long run under this bill, but they are getting other money in addition to this gas tax money.

The committee discussed the changes made in the amendments and also matching federal funds. They noted that one cent equals \$5 million in funds.

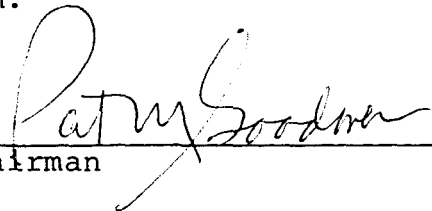
Senator Crippen asked why the cities had to lose 1/2 cent. Terry Cohee from the Office of Budget and Program Planning said the legislature has been appropriating more money than was coming in. In 1986, the coal tax money starts kicking in, but that provides for only \$19 million, and the gas tax is needed for the rest.

The committee further discussed the increase and how much would go to the cities.

Senator Turnage moved that the committee reject the references to dollars and go to cents on the local government figures. No second was made to his motion.

Senator Goodover announced that the committee would meet at 8 a.m. on Saturday, April 9.

The meeting adjourned at 5:30 p.m.



Chairman

ROLL CALL

SENATE TAXATION

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date 4/8/83

afternoon session

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	✓		

HB 637
April 8, 1983

SENATE TAXATION COMMITTEE
EXHIBIT A
APRIL 8, 1983 (afternoon session)
HB 637

Amend House Bill 637, third reading copy, as follows:

1. Title, line 5.

Following: "USE A"

Strike: "CAPITALIZED NET INCOME"

Insert: "CERTAIN"

2. Title, line 6.

Strike: "METHODOLOGY"

Insert: "METHOD"

3. Title, line 6 through line 8.

Following: "LAND;" on line 6

Strike: remainder of line 6 through "RULES;" on line 8.

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

Strike: subsections (2) and (3) in their entirety

Insert: "(2) Agricultural land shall be classified according to its use, which classifications shall include but not be limited to irrigated use, nonirrigated use, and grazing use.

(3) Within each class, land shall be assessed at a value that is fairly based on its ability to produce, taking into consideration the classification system in existence on [effective date of this act], provided, however, the department may consolidate tillable irrigated land classes. With relation to irrigated land, water costs shall be taken into consideration, except at no time may the resulting value of irrigated land be reduced below the value such land would have if it were not irrigated.

(4) Capital costs such as improved water distribution, fertilizer, and land shaping that increase productivity shall not be used in determining assessed values."

5. Page 2, line 6 through line 7.

Strike: ", except the addition of subsection (3) to 15-7-201,"

6. Page 2, line 8.

Strike: subsection (2) in its entirety

STANDING COMMITTEE REPORT

April 8

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MR. **PRESIDENT**

We, your committee on **taxation**

having had under consideration **House** Bill No. **637**

Manuel (Severson)

Respectfully report as follows: That **House** Bill No. **637**

third reading copy, be amended as follows:

1. Title, line 5.

Following: "USE A"

Strike: "CAPITALIZED NET INCOME"

Insert: "CERTAIN"

2. Title, line 6.

Strike: "METHODOLOGY"

Insert: "METHOD"

3. Title, line 6 through line 8.

Following: "LAND;" on line 6

Strike: remainder of line 6 through "RULES;" on line 8.

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(Continued on page 2)

y/c

April 8

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

Strike: subsections (2) and (3) in their entirety

Insert: "(2) Agricultural land shall be classified according to its use, which classifications shall include but not be limited to irrigated use, nonirrigated use, and grazing use.

(3) Within each class, land shall be assessed at a value that is fairly based on its ability to produce, taking into consideration the classification system in existence on [effective date of this act], provided, however, the department may consolidate tillable irrigated land classes. With relation to irrigated land, water costs shall be taken into consideration, except at no time may the resulting value of irrigated land be reduced below the value such land would have if it were not irrigated.

(4) Capital costs such as improved water distribution, fertilizer, and land shaping that increase productivity shall not be used in determining assessed values."

5. Page 2, line 6 through line 7.

Strike: ", except the addition of subsection (3) to 15-7-201,"

6. Page 2, line 8.

Strike: subsection (2) in its entirety

And, as so amended

BE CONCURRED IN