

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
MONTANA STATE  
HOUSE OF REPRESENTATIVES

January 28, 1985

The meeting of the Taxation Committee was called to order in room 312-1 of the state capitol at 8:10 a.m. by Chairman Gerry Devlin.

ROLL CALL: All committee members were present. Also present were Dave Bohyer, Researcher for the Legislative Council, and Alice Omang, secretary.

CONSIDERATION OF HOUSE BILL NO. 241: Representative Mike Kadas, District 55, Missoula, appeared before the committee as sponsor of House Bill No. 241. He said that this was a bill to provide for the proration of property tax on mobile homes when they are moved. He said that right now if a person wants to move their mobile home during the year, they have to pay the whole year's taxes. This bill allows them to pay up to the point when they move, and then pay the other tax where they have moved. He said that this applies to only counties in our state.

There were no proponents and no opponents to House Bill No. 241.

QUESTIONS ON HOUSE BILL NO. 241: Representative Raney stated that the fiscal note does not show a loss of revenue, and he wanted to know if there would be one. Representative Kadas gave an example of a person moving from Park county to Lewis and Clark county. He said that as the law now reads all the revenue would go to Park county. With this new legislation, the person would pay taxes to Park county only until he moved to Lewis and Clark county, and then he would pay the remaining year's taxes to Lewis and Clark county. Representative Raney then asked if mobile home owners would be expected to pay their taxes every month. Representative Kadas said that they would not. The taxes would be prorated if a person was moving.

Representative Asay stated that if a person is only going to pay his taxes up to the time he moves, then he doesn't see any big relief for him. Representative

Taxation Committee  
January 28, 1985  
Page Two

Kadas said that the person will have to pay his taxes anyway when he moves to a different county, so he feels they should be able to prorate them in the county from which he moved.

Representative Patterson wanted to clarify the change of residency. He asked Representative Kadas if a person lived in Bighorn county and had paid his taxes for an entire year, and then in the middle of the year were to move to Yellowstone county, would he receive a refund back from Bighorn county. Representative Kadas said that he would, and then the person would have to pay the remaining years taxes to Yellowstone County. Representative Patterson then asked if this would create additional paper work for the county treasurer. Representative Kadas said he felt that it would not create an extra burden, because a person moving must get a permit to set up his trailer and to move.

Representative Gilbert stated that he did not understand how this legislation would benefit anyone. He said he felt the system being currently used was about as easy and simple as it could be, and asked Representative Kadas if he agreed. Representative Kadas said that he did not agree, because many people do not have the capital to pay their taxes 12 months in advance. He also stated that he felt the current laws were probably simple for the treasurers, but they were complicated for the mobile home owners.

Representative Asay asked Representative Kadas if the law now states that a person has to pay the full year's taxes even if he is moving out of state. Representative Kadas said that is how he understands it. Representative Asay then stated that he would like to see the law.

Representative Zabrocki said that the mobile home owner doesn't have to pay the full year. He said that he has to pay the first half, but he does not have to pay the second half. He said that he had to pay the second half to the county in which he moves.

Representative Williams asked Representative Kadas if the moving permit showed that they were moving to another county or to another state. Representative Kadas said that he was not sure but he thought it had to state the point of origin and the destination.

Rande Wilke, Bureau Chief, Department of Revenue, said that if the mobile home is on property at the beginning of the year, they have to pay taxes for the entire year even if they intend to move. He said that one of the problems that they have, is that it seems that the mobile home mover's declaration is infallible. He said that they have a difficult time seeing that that form is filled out. He said that many times people move mobile homes between counties and never fill out the form. He said that many times the only way they are able to find out about it is when appraisers go out the next year to new construction and run across it.

Representative Asay stated that he had a question about the new language page 2, subsections 3b, 4, and 5. He read the new language to the committee. Mr. Wilke responded by saying that whenever you pick up a mobile home moving declaration, you have to pay the taxes in full.

Representative Devlin asked that supposing they had paid their first half, and then moved out before that first half ended, would they still have to pay the second half before they could move the trailer. Mr. Wilke said that was correct.

Representative Ream wanted to clarify the situation, and asked Mr. Wilke that if he had a trailer here in Lewis and Clark county and moved it this week to Missoula, would he have to pay the entire year's taxes here in Lewis and Clark county. He also asked what he would do in Missoula county then when he arrived there. Would he show his tax receipt from Lewis and Clark county. Mr. Wilke said that Representative Ream was correct. He would pay all his taxes here, and he would receive a full tax-paid decal to keep with the mobile home, which indicates that the taxes have been paid in full. He said that no taxes would be owed in Missoula county until 1986.

Representative Switzer asked if there were more than one class of mobile homes and if they pay taxes in more than one way. Mr. Wilke said that they do because they have mobile homes that are designated real property and those that are designated as personal property. He said that on real property you would pay the same class of taxes you pay on homes. He said that on personal property

Taxation Committee  
January 28, 1985  
Page Four

you must pay at least half within 30 days after you receive a tax bill, and the second payment is due no later than September 30.

Representative Williams asked Representative Kadas why he felt this was a critical situation if they have records processed between counties. He wanted to know what Representative Kadas was attempting to do with this legislation. Representative Kadas said that some people do not have a lot of money. He said that when they move their trailer, they are not able to afford to pay the whole year's taxes. He said another problem is that some people are moving from one county to another, and even though they have paid a full year's taxes in one county, they are being charged in another county. He said that this has happened in a couple of places and it is against the law. He said that some counties have chosen to work it that way. Representative Williams asked Representative Kadas if those people had a receipt to show to the people in the county in which they moved. Representative Kadas said he knew of one instance where the county said it was their policy to tax in such a manner.

Representative Zabrocki stated that the bill is for prorating taxes, and asked Representative Kadas if he was trying to remedy the previously mentioned situations. Representative Kadas said that that was correct. He said that the taxes would be prorated and the mobile home owner would be paying taxes in the counties in which he lived.

Representative Devlin asked about the situs discussed in the bill, and asked Representative Kadas if the taxes would be transferred from one county to another county. Representative Kadas said that they would not be transferred.

Representative Switzer asked Representative Kadas if they are not part of the real property and are assessed January 1, and have to be paid in full by the 30th, and there is no transfer of funds under the bill, then what is the use of this bill. Representative Kadas said that it would not lower an individuals property tax, but it would make it so that the person who is going to move would have to pay only for that time he was in a particular county.

Representative Ream asked Mr. Wilke if you had to pay the taxes at the first of the year for the coming months. Mr. Wilke said that a person usually has to pay his taxes 30 days after he receives a tax bill, and the second half of the taxes can be paid no later than September 30.

Representative Koehnke asked if all they were doing then was delaying the tax 30 days. Mr. Wilke said that basically, if the individual had paid taxes in one county for one-half the year, then he would have to pay the remainder in the county to which he moved, according to this bill.

Representative Hanson asked Representative Kadas to once more clarify the distinction between the two classes of mobile homes. Representative Kadas said that the taxes on both classes are paid in two installments.

Representative Devlin then asked Representative Kadas if some counties were not following the law if they made a mobile home owner pay double taxes. Representative Kadas said that they were not following the law, but some counties were still doing this. He said he knew of couple of cases where this had happened. Representative Devlin then asked Mr. Wilke if he knew of this problem. Mr. Wilke said that he had not, but if they knew of such a matter they could clear it up quickly.

There being no further questions from the committee, Chairman Devlin asked Representative Kadas to close. In closing, Representative Kadas said that he appreciated the committee's time and consideration and said that a member of the low-income coalition was present if they wanted to ask any further questions.

Chairman Devlin then called on Paul Carpino to speak on this bill. Paul Carpino, representing Montana Low Income Coalition, said that low income families who live and own mobile homes are under great financial stress when they are required to move. He said that they have to pay for a permit to move, pay a truck tower, and pay all their taxes in advance. He said that this creates stress and a financial hardship on the family. By prorating the taxes, this would help relieve the situation to some degree. (See Exhibit No. 1)

Taxation Committee  
January 28, 1985  
Page Six

Chairman Devlin then closed the hearing on House Bill No. 241.

CONSIDERATION OF HOUSE BILL NO. 317: Representative Mel Williams, District 85, Laurel, appeared before the committee as sponsor of House Bill No. 317. He said that this bill was an act to clarify the definition of "livestock" for purposes of property taxation. He said that what this bill really does is to put into writing what the Department of Revenue is already doing. He said that there is one section he would like to see changed, so he suggested an amendment to the committee. He said that on line 12, the phrase "wild animals confined and raised for profit," should be removed from the bill. He said that it implies to everything written above it, and that is not the case. He said that this bill defines what comes under the definition of livestock.

PROPONENTS: Jesse Munro, the Personal Property Bureau Chief of the Department of Revenue, appeared before the committee in support of House Bill No. 317. He said that they support this bill with the proposed amendment on line 12. He said that they would like to see the words "for profit" removed.

Charles Graveley, representing the Montana County Assessors Association, said that this bill was drafted at the request of the County Assessors Association so that they would have some statutory authority to do the assessment functions that are required of them by law. He said that this bill would clarify what the authority of the County Assessor is. He urged the committee's support of this bill.

There were no further proponents and no opponents to House Bill No. 317.

QUESTIONS ON HOUSE BILL NO. 317: Representative Switzer asked Representative Williams why pet horses would not be excluded, if pet dogs could be excluded. Mr. Munro answered by stating that they feel that there is a great difference between pet cats and dogs and horses. He said that it would be very difficult for them to go out and determine which horse is a pet and which horse is not. Representative Switzer then asked Mr. Munro if the

little residential tracts around town that have horses in them are considered to have pet horses. Mr. Munro said that according to law, these are not pets.

Representative Iverson wanted to know what they do about a kennel with 300 dogs in it. Mr. Munro said that they are currently taxing racing dogs. Representative Iverson then asked if this new law would then prohibit that. Mr. Munro said he would assume it would do that.

Representative Zabrocki wanted to know why they would not be taxing dogs when some of the show dogs cost more than a cow. Mr. Munro said that under the definition of livestock that was in the statute, the only animals that they could tax would be the ones that asked to be under the category of livestock. He said that they now tax bees because the people came in and asked to be covered under the Livestock Sanitary Board. He said that they picked up the racing dogs because they were being used for income.

Representative Iverson then asked Mr. Munro if they were going to continue to tax racing dogs. Mr. Munro said that they would if the definition was changed.

Representative Patterson asked Representative Williams if they were proposing a tax on wild animals such as deer, elk, and antelope. Representative Williams said that if they were raised in confinement, they would be taxed. The wild animals such as those in game farms are the ones that would be taxed. Representative Patterson asked if this would also apply to privately owned zoos. Representative Williams said that it would.

Representative Asay then asked Mr. Graveley how the groups he represents would feel about excluding dog kennels. Mr. Graveley said that it had been included in the bill by the drafter and he would have no problem with that being stricken. He said he felt that any animal being raised with the expectation of profit should be taxed.

Representative Zabrocki then asked why bees were being taxed. Mr. Graveley said that the bee keepers want to come under the Livestock Sanitary Board, so they are taxed. He said that the people who run honey farms are in the business to make a profit, so they should be taxed.

Representative Ream stated that he has had honey bees for a number of years and he has been paying taxes on them. He then asked Mr. Munro if he should not have been paying taxes on these bees. Mr. Munro said that if they were being raised for profit then they should have been taxed. Representative Ream then asked Mr. Munro why poultry was not included under "livestock." Representative Williams answered that question by stating that Tom Hager got a bill through the legislature four years ago exempting chickens.

Representative Williams asked Mr. Graveley if he thought the proper thing would be to delete the last sentence on line 15 where it states "The term does not include cats or dogs." Mr. Graveley said he very much agrees that that language should be stricken.

Representative Ream asked Mr. Munro if they would not be adverse to including poultry under livestock. Representative Devlin answered by stating that poultry are not exempt from taxes they are just under a different class--Class 6.

Representative Koehnke said he felt it should be noted in this bill that pet cats and dogs should be exempt from taxes.

Representative Raney asked Mr. Munro if he felt that poultry should be included in this bill. Mr. Munro said that they do not want to include poultry in this bill.

Representative Harp said that he felt they were doing a good job of taxing everything now, and he wondered if this bill was really needed. Representative Williams said that this bill is needed because they are doing what it states in this bill and it needs to be put in writing. He said this bill puts it in the statutes.

Representative Zabrocki asked if the worm farms would be included in this legislation. Representative Williams said that no they would not.

Representative Devlin then asked if buffalo wolves would be taxed. Mr. Munro said that yes, they are currently being taxed.



There being no further questions from the committee, Chairman Devlin asked Representative Williams to close. The hearing on House Bill No. 317 was then closed, and the committee recessed for a short time.

CONSIDERATION OF HOUSE BILL NO. 315: Representative Dennis Rehberg, District 88, Billings, appeared before the committee as sponsor of House Bill No. 315. He said that this bill was drafted at the request of the County Treasurers and County Assessors. He said that this bill changes the language in the current statute on undivided interest as far as taxation of condominiums and developed and undeveloped lots are concerned. He said that there is currently a question on condominiums on how the assessment will be divided up when one of the unit owners becomes delinquent on his taxes. They want to clarify this situation by saying that it has to be spelled out in the unit declaration, which is a requirement of all condominium units. He also said that they want to put a percentage ownership on each unit. He said that it is a protection for not only the unit owner but also to the county assessors. He said that the same is done for the developed or undeveloped land in a subdivision.

PROPOSERS: Charles Graveley, representing the County Assessors and County Treasurers, appeared before the committee in support of House Bill No. 315. He said that it was drafted at the request of the County Treasurers Association, and had the full backing of the County Assessors' Association. He said that the language in the bill does have an exception. On line 22, page 1, "Unless otherwise agreed by all the unit owners, for purposes of assessment common elements include:", this states that if all the owners in one particular project agree, then the items listed in (a) to (g) could be changed or some of them may not apply. He said there will be some opposition to this bill, but treasurers need authority to collect delinquent taxes upon common elements.

There were no further proponents to House Bill No. 315.

OPPOSERS: Randy Wilke, representing the Department of Revenue said that the Department of Revenue does not take a position regarding bill. He said that the Department would like to request a change in the effective date in Section 7, page 4, lines 12-13 to read December 31, 1985.

Taxation Committee

January 28, 1985

Page Ten

QUESTIONS ON HOUSE BILL NO. 315: Representative Ellison asked if lines 22 and 23, page 1, were a necessary part of the bill. Mr. Graveley said that he was not sure that he could answer that question. He said that he believed that section 70-23-701 would give the assessors some authority for the manner in which they are presently being taxed. Representative Ellison said that he feels that lines 22 and 23 defeat the whole purpose of the bill. Representative Rehberg said that in researching this bill, he found that section 70-23-701 does state the same thing. He said that the intent of the assessors and treasurers was to identify the particular areas.

Representative Ream asked Representative Rehberg if line 22 was really necessary. Representative Rehberg said that he feels that line refers back to the unit declaration. Representative Rehberg and Mr. Graveley both agreed that the language may not be necessary if the unit declaration is satisfactory.

Representative Sands asked Mr. Graveley how line 22, page 1, meshes with lines 6 to 11, page 3. Mr. Graveley said that he did not believe that the unit declaration would fit within that definition. Representative Sands said that the language on page three seemed to be an assessment provision. He said that he does not feel that the language is consistent with that on page one. Mr. Graveley explained how subsection two goes with the previously explained sections. Representative Sands then wanted to know why the language on lines 22 to 24, page three, were taken out of the bill. Mr. Graveley said that was under the current section 801. He said that it allows the treasurers or assessors to be tax collectors, and to agree to the removal of taxes from the unit ownership. Representative Sands then asked why they wanted to take it out of the codes. Mr. Graveley said that if the taxes are not going to be assessed on the common elements as a tax payer, there is no need to have authority for the county treasurer to agree that a home owner's association pay it.

Representative Raney wanted to know how the condominiums are classed commercial or residential. Mr. Graveley said that classing condominiums is beyond the scope of this bill. He said that condominiums are currently classed as commercial developments.

Taxation Committee  
January 28, 1985  
Page Eleven

Representative Ellison asked that under this bill would each owner be billed separately for his taxes. Mr. Graveley said that each owner would be taxed for his prorata share. He said that he would have a tax bill for his own unit and on that tax bill would be a space for prorata share of common elements.

Representative Sands asked if they were exempting park areas from taxation entirely. Mr. Graveley said that what occurs on most of these developments is that there is a provision in the subdivision laws which states that condominiums come within these provisions, and require a certain area of land for parks.

There being no further questions from the committee, Chairman Devlin asked Representative Rehberg to close. In closing, Representative Rehberg noted for the committee that this bill does not add any further taxes for the owner, all it does is clarify what is taxable for each particular unit. He said that it protects the single unit owner and the whole unit owner.

#### EXECUTIVE SESSION:

HOUSE BILLS NO. 36 & 101: Representative Hanson, Chairperson of the subcommittee appointed to study these bills, said that the committee made two amendments to House Bill No. 101. She said that they did not do anything with House Bill No. 36. Committee discussion followed on the amendments and new fee schedule. (See Exhibit No. 2)

Representative Harp made a motion of DO PASS on House Bill No. 101 with the new amendments. There was considerable committee discussion following the motion.

Representative Devlin wanted to note to the committee that he felt that perhaps they were doing this fee in lieu of taxes, because it is on other forms of transportation. He said that he felt the reasoning behind motorcycles is because they are also a form of transportation. He also said he felt that if they were taxing quadricycles and 3-wheelers, then they were getting into recreational vehicles and away from forms of transportation. He said he felt that they may be stretching this other form of transportation a little too far.

Representative Harp asked if they could hear more on this matter from the Department of Revenue. Mr. Buck of the

Taxation Committee  
January 28, 1985  
Page Twelve

Department of Revenue suggested to the committee that they talk to Mr. Munro.

There was further committee discussion concerning distinguishing between RV and regular transportation vehicles. It was noted that some handicapped people wanted to license their quadricycles and 3-wheelers so that they would be allowed to drive them down the street.

Representative Asay was also concerned about the licensing of golf carts, and wanted to know how they were currently being taxed. Mr. Wilke of the Department of Revenue, said that they were currently being taxed as personal property. Mr. Munro of the Department of Revenue said that they are taxed from their cost and depreciation. Mr. Munro said that he would estimate that the taxes run about \$40-\$45 per year.

Representative Sands said that as he understands this bill, it really doesn't deal with the question of whether or not something like a 4-wheeler may be licensed as a car, it is just concerning a fee that is imposed on them. Mr. Munro said that he was correct.

The committee then discussed the fiscal impact of this bill.

Representative Devlin said that he was concerned about the fee system, because it is charged and goes to the state. He said that way it is being taken away from local government, and he did not think that was right. The Chairman was informed by the researcher that the taxes probably would remain in the county as they do with other vehicles.

Representative Ream made a substitute motion that this bill be sent back to the subcommittee. The motion was seconded and carried unanimously.

HOUSE BILL NO. 317: Representative Raney made a motion that House Bill No. 317 DO PASS. Representative Williams said that the researcher had come up with some amendments for this bill. Representative Williams moved to amend the bill. He suggested the following amendments: page 1, line 12, following the word "goats", strike "wild animals confined and raised for profit;" and page 1, line 15, following the word "not", strike the remainder of line 15. Question was called on the amendments, and the motion carried

Taxation Committee  
January 28, 1985  
Page Thirteen

Question was called on the original DO-PASS motion. The motion carried with the dissenting votes of Representative Switzer, Koehnke, and Devlin.

HOUSE BILL NO. 241: Representative Ream made a motion that House Bill No. 241 DO PASS. Committee discussion followed. Representative Devlin said that he was concerned about the fact that some people are being double taxed when they move their trailer homes. He said that he does not feel that this bill will prevent some counties from doing this.

Representative Ream said he felt that it was equitable to prorate the taxes for the county in which you have the mobile home, and that is why he supports the bill.

Representative Abrams said that he questioned the prorating from one county to another because the taxes vary. He said that he felt that there were a lot of administrative costs involved.

Representative Asay said that he would like to see the taxes being required to be paid in the county in which a person lives, and the remainder in the county to which he moves.

Representative Harrington said that there are 247 trailers in Silver Bow County that pay no taxes, so he was indecisive about this bill.

Representative Gilbert made a substitute motion of DO NOT PASS on House Bill No. 241. More committee discussion followed. A roll call vote was taken on the DO NOT PASS motion. (See roll call vote.) The motion carried 11-9.

HOUSE BILL NO. 26: Representative Switzer made a motion that House Bill No. 26 DO PASS. Representative Switzer explained his support of this legislation. He said that this bill specifically addresses the round house building in Glendive.

Representative Raney made a motion to amend the bill page 2, line 5 after "resolution," add "for each project,". Committee discussion followed concerning this amendment. Question was called on this amendment. The motion carried with the dissenting vote of Representative Sands.

Taxation Committee  
January 28, 1985  
Page Fourteen

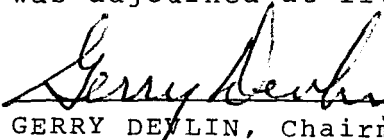
Representative Read made a motion to have section 15-24-1304 codified into the base of the bill. Question was called on the amendment. The motion carried unanimously.

Representative Cohen moved to amend the bill on page 2, line 4, following the word "county", add the words "school district,". Committee discussion followed on this amendment. Question was called on this amendment. The motion failed. Representatives Williams, Cohen, Harrington, and Ream voted in favor of this amendment.

Committee discussion followed on the bill. Representative Iverson said that he had a question on the fiscal note. He referred to the last sentence and asked how the fiscal impact happens. Representative Williams said that assuming that you did not apply the reductions in the present law, that would have happened. Representative Iverson said that he was going to protest the fiscal note. He said that it was misleading, erroneous, and insulting. More committee discussion followed.

Representative Switzer withdrew his DO PASS motion until the reseacher comes back to the committee with the new set of amendments.

ADJOURNMENT: There being no further business before the committee, the meeting was adjourned at 11:09 a.m.

  
GERRY DEVLIN, Chairman

  
Alice Omang, Secretary

# DAILY ROLL CALL

HOUSE TAXATION

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date January 28, 1985

NAME	PRESENT	ABSENT	EXCUSED
DEVLIN, GERRY, Chrm.	X		
WILLIAMS, MEL, V. Chrm.	X		
ABRAMS, HUGH	X		
ASAY, TOM	X		
COHEN, BEN	X		
ELLISON, ORVAL	X		
GILBERT, BOB	X		
HANSON, MARIAN	X		
HARRINGTON, DAN	X		
HARP, JOHN	X		
IVERSON, DENNIS	X		
KEENAN, NANCY	X		
KOEHNKE, FRANCIS	X		
PATTERSON, JOHN	X		
RANEY, BOB	X		
REAM, BOB	X		
SANDS, JACK	X		
SCHYE, TED	X		
SWITZER, DEAN	X		
ZABROCKI, CARL	X		

# STANDING COMMITTEE REPORT

January 28, 19 85

MR. SPEAKER:

We, your committee on TAXATION

having had under consideration House Bill No. 317

first reading copy ( white )  
color

AN ACT TO CLARIFY THE DEFINITION OF "LIVESTOCK" FOR PURPOSES  
OF PROPERTY TAXATION:

Respectfully report as follows: That House Bill No. 317  
Be amended as follows:

1. Page 1, line 12.  
Following: "goats,"  
Strike: "wild animal, confined and raised for profit,"
2. Page 1, line 15.  
Following: "not."  
Strike: The remainder of line 15

And as amended,

DO PASS



# ROLL CALL VOTE

HOUSE COMMITTEE TAXATION

DATE January 28, 1985 BILL NO. HB 241 TIME \_\_\_\_\_

NAME	DO NOT PASS	AYE	NAY
DEVLIN, GERRY, Chrm.		X	
WILLIAMS, MEL, V.Chrm.		X	
ABRAMS, HUGH		X	
ASAY, TOM			X
COHEN, BEN		X	
ELLISON, ORVAL			X
GILBERT, BOB		X	
HANSON, MARIAN		X	
HARRINGTON, DAN		X	
HARP, JOHN			X
IVERSON, DENNIS			X
KEENAN, NANCY		X	
KOEHNKE, FRANCIS		X	
PATTERSON, JOHN			X
RANEY, BOB		X	
REAM, BOB			X
SANDS, JACK			X
SCHYE, TED			X
SWITZER, DEAN		X	
ZABROCKI, CARL			X

Alice O'Mang  
Secretary Alice O'Mang

Gerry Devlin  
Chairman Gerry Devlin

Motion: 11 Ayes 9 Noes

WITNESS STATEMENT

Exhibit #1  
H.B. #241  
1-28-1985

NAME Paul Caputo BILL No. AB 241  
 ADDRESS Box 1029 Helina Mt DATE 1/24/85  
 WHOM DO YOU REPRESENT Montana Low Income Coalition  
 SUPPORT ☒ OPPOSE ☐ AMEND ☐

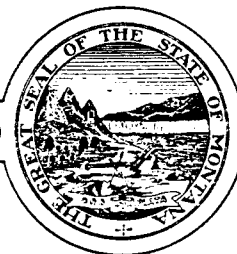
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Low income families who live <sup>down</sup> in Mobile homes are under great financial stress when they are required to move. They have to pay a permit & move fee, pay a Truck Towee to move the trailer and pay all their taxes in advance with the County Treasurer. This could amount to quite a sum and often creates hardship and financial stress on the family. By prorating the taxes, this would help relieve the situation somewhat.

Exhibit #2  
1-28-1985  
H.B.#101

# DEPARTMENT OF REVENUE



TED SCHWINDEN, GOVERNOR

MITCHELL BUILDING

## STATE OF MONTANA

HELENA, MONTANA 59620

January 23, 1985

TO: Gregg Groepper, Administrator  
Property Tax Division

FROM: Kane Quenemoen, Research Specialist  
Research Bureau

JK

RE: House Bill 101, New Fee Schedule

Based on new data about the distribution of motorcycles by size; a larger number of quadricycles, i.e. 300; and the following fee schedule, the fiscal impact of House Bill 101 has been re-calculated:

### I. Fee Schedule

	<u>500cc or less</u>	<u>more than 500cc</u>
less than 5 years old	\$25	\$40
5 years old or over	\$10	\$20

### II. Revenue Estimate

	<u>Fee</u>	<u>Number</u>	<u>Revenue</u>
Motorcycles less than 5 yrs. old, 500cc or less	\$25	3508	\$ 87,700
Motorcycles less than 5 yrs. old, over 500cc	- 40	2989	119,560
Motorcycles 5 yrs. or over, 500cc or less	- 10	6530	65,300
Motorcycles 5 yrs. or over, over 500cc	- 20	5562	111,240
4 wheel ATV's less than 5 yrs. old	- 25	105	2,625
4 wheel ATV's 5 yrs. old or over	- 10	195	1,950
Golfcarts less than 5 yrs. old	- 25	419	10,475
Golfcarts 5 yrs. old or over	- 10	781	7,810
Total Revenue			<u>\$406,660</u>

### III. Fiscal Impact

#### FY1986

	<u>Under</u> <u>Current Law</u>	<u>Under</u> <u>Proposed Law</u>	<u>Estimated</u> <u>Decrease</u>
School Foundation Program	\$88,195	\$66,544	(\$21,651)
University System Levy	<u>11,759</u>	<u>8,873</u>	<u>(2,886)</u>
Total Revenue	<u>\$99,954</u>	<u>\$75,417</u>	<u>(\$24,537)</u>

FY1987

	Under Current Law	Under Proposed Law	Estimated Decrease
School Foundation Program	\$88,195	\$66,544	(\$21,651)
University System Levy	11,759	8,873	(2,886)
Total Revenue	\$99,954	\$75,417	(\$24,537)

IV. Effect on County or Other Local Revenue

<u>Revenue from Motorcycles and Quadricycles</u>	<u>FY1986</u>	<u>FY1987</u>
Property tax under current law	\$439,014	\$439,014
Registration under proposed law	331,243	331,243
Estimated Increase (Decrease)	(\$107,771)	(\$107,771)

V. Assumptions

1. There are 18,589 (6,951 under 5 years old) tax paid motorcycles registered in Montana as reported by the DMV.
2. The distribution by age of quadricycles would be proportional to that of motorcycles.
3. There are approximately 1,200 nonexempt golfcarts and 300, 4 wheel ATV's in Montana; the market value of each is \$900.
4. The taxable value of motorcycles in FY1984 was \$1,811,383.
5. University mill levy is 6 mills; School Foundation Program mill levy is 45 mills; the average mill levy in a Montana city in FY1984 is 275 mills.
6. Class eight property which includes ATV's, motorcycles, and golf-carts is taxed at 11% of market value.
7. Motorcycle and quadricycle fees are distributed on the basis of relative mill levies.
8. Number of motorcycles and quadricycles assumed constant over the 1986-1987 biennium.
9. The proposed fee system will effect all motorcycles and quadricycles during FY1986 and FY1987.
10. 54% of motorcycles are 500cc or less in size; 46% of motorcycles are over 500cc in size as reported by DMV.
11. 100% of golfcarts and 4 wheel ATV's are 500cc or less in size.

# WITNESS STATEMENT

Name DANIEL E. WARD

Committee On \_\_\_\_\_

Address 1012 W PINE MISSOULA

Date 1-28-81

Representing L.I.G.H.T

Support X

Bill No. HB 241

Oppose \_\_\_\_\_

Amend \_\_\_\_\_

~~AFTER TESTIFYING~~, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## Comments:

1. I OWNED TIRLERS IN THE PAST. IT ~~COAST~~ <sup>COSTED</sup> ALOT TO MOVE UP TO \$250<sup>00</sup> OR MORE PLUS SOME A YEARS TAX INAVANCE. IF ~~YOU~~ YOU STAY IN ONE PLACE YOU PAY TWICE A YEAR. I ~~FEEL~~ FEEL THAT A FAMILY THAT
2. HAS TO MOVE A TILER HAVE THE SAME RIGHT AS ONE THAT IS STAYING IN ONE PLACE. I FEEL THAT IF THERE IS A RETRO OCTAVED TAX TO THE DATE OF THE MOVE, FOR THE YEAR THEN LIKE THE OWNER THAT STAYS IN PLACE.
3. ~~MOST~~ MOST TILER OWNER ON LOW INCOME. THEY CANT AFORD THE DOWN PAYMENT OR THE PAYMENT OF A HOUSE.  
THE AVERAGE TAX A YEAR FOR A 14 X 60 TILER 1975 IN MISSOULA COUNTY IS \$160
4. MOST TILER OWNERS CAN NOT AFFORD AFORD TO PAY \$110<sup>00</sup> TO MOVE ~~THEIR~~ <sup>THEIR</sup> TILER HOMES. SOME COUNTY CHARGE A YEARS TAX WHEN THEY ~~MOVE INTO~~ <sup>MOVE INTO</sup> THE COUNTY, AS WELL AS THE COUNTY THEY LEAVE ~~THE~~ <sup>THE</sup> THIS IS DOUBLE TAXATION.  
A LOT OF THE OWNERS DO NOT MOVE WITHOUT A VALID REASON  
THIS IS WHY I SUPPORT BILL NO. HB 241

*Daniel E. Ward*

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

WITNESS STATEMENT

NAME Rick Kenison BILL No. HB 241  
ADDRESS 1000 N. 17<sup>th</sup> #147 DATE 28 Jan 85  
WHOM DO YOU REPRESENT Covered Wagon Trailer Ct.  
SUPPORT ✓ OPPOSE        AMEND       

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

I have witnessed a great increase in the number of trailers for sale in the lot I live in. The reason is because the owner, (from California), increased his lot rent to the point where he now is charging the highest lot rent in Gallatin County. This hardship has forced alot of lower-income people living in the lot to try & sell their trailers. A further hardship is suffered by these people, if they do sell, by the amount of taxes they 'would have' to pay for that calendar year they sold in. We live in a time where economic concerns greatly influence what people can & can't do to better their lives and their children's lives. I support HB 241!

Rick Kenison

# WITNESS STATEMENT

Name Marcia Youngman Committee On \_\_\_\_\_  
 Address 1214 W. Koch, Bozeman 59715 Date 1/28/85  
 Representing Bozeman Housing Coalition + District IX HRBC Support ✓  
 Bill No. HB 241 Oppose \_\_\_\_\_  
 Amend \_\_\_\_\_

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

- Comments: The Bozeman Housing Coalition strongly supports this bill. The Coalition
1. is a citizens group of over 1,000 local residents -- mobile home owners and renters, low & moderate income tenants, homeowners, church leaders, business people, and elected officials. We seek local and state solutions to housing problems. One of the
  2. top two problems our Legal Information Service receives ~~44~~ calls on is trailer court problems, including evictions and difficulties in moving mobile homes. Housing is extremely tight, trailer courts are full, and when mobile home owners
  3. have to move, they face difficult and expensive challenges. Mobile home owners tend to be people of low or moderate incomes. Many are tight-budget young families or senior citizens on fixed incomes. Many
  4. struggle to make ends meet, and few have any income not earmarked to cover basic living expenses. For these people, moving expenses can cause great economic hardship. The property tax payment is not the greatest expense, but it is expensive, and we do not think it just to charge people the full year of taxes in advance.

There are several possible negative results that affect mobile home owners, mobile home park owners, and counties. Some mobile home owners are forced to try to sell their trailers because they can't afford to move them themselves, thus losing the security of their ownership status. Mobile homes that have to be moved upon purchase are difficult to sell. If trailers ~~can~~ can neither be

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

sold nor affordably moved, people lose their arduously-built capital investment and equity and sometimes abandon the trailers because they don't know what else to do. Trailer court owners lose lot rents and counties lose tax revenues altogether.

We suggest that it would be better for everyone concerned to prorate property taxes, so that owners only pay what they genuinely owe. Moving mobile homes would then be more affordable, and court owners and counties would be more likely to receive what they were owed.

We urge your support for this reasonable and helpful bill.



WITNESS STATEMENT

Name Johnn Buten Committee On \_\_\_\_\_  
 Address 1216 N Wash. St Date 1-28-85  
 Representing Boz. Housing Coalition Support X  
 Bill No. HB 241 Oppose \_\_\_\_\_  
 Amend \_\_\_\_\_

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. I know a woman with a child who has to pay \$2000 in taxes to move her trailer. I think it
2. is ridiculous to pay that much taxes to move a trailer in the
3. <sup>in the</sup> same county. This woman is on ~~not~~ General Assistance and can't afford this tax.
- 4.

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

## VISITORS' REGISTER

TAXATION

COMMITTEE

BILL NO. HB 241

DATE January 28, 1985

SPONSOR REPRESENTATIVE KADAS

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Tom HUBAK 111400	4 ELEXA		
Paul Carpenter	Box 1029 Helene	✓	
Chuck Dravley - Treasurer	Helena		✓
Mike Kulas	HD 55	✓	
Marcia Youngman	Bozeman	✓	
Richard H. Kauson	Bozeman	✓	
Jo Ann Peterson	Bozeman	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## VISITORS' REGISTER

TAXATION

COMMITTEE

BILL NO. HB 317DATE January 28, 1985SPONSOR REPRESENTATIVE WILLIAMS

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
<i>John J. Williams</i>	<i>Helena - Dept of Parks</i>	<i>-</i>	
<i>TOO HUDAK</i>	<i>" 11/11/80</i>		
<i>Charles G. Bradley</i> <i>Business</i>	<i>Helena</i>	<i>✓</i>	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FOR

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## COMMITTEE

DATE January 28, 1985

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.