

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

February 6, 1985

The nineteenth meeting of the House Taxation Committee was called to order at 8:03 a.m. in the state capitol in room 312-1 by Chairman Gerry Devlin.

ROLL CALL: All members were present with the exception of Representatives Harrington and Harp. Also present were Dave Bohyer, Researcher for the Legislative Council, and Alice Omang, Secretary.

HOUSE BILL 64: Representative Cody, House District 20, introduced House Bill 64 which would eliminate property taxes on livestock and corrects an unjust and unfair tax on an industry that is in deep trouble in our state. That trouble has been brought about by two things - one is the sale price of the product and the other is severe drought conditions over several years time. This bill addresses neither of these problems, it is just one strategy of offering relief to that industry and it is the responsibility of government to give that relief and not add to the problems that exist. Montana livestock producers are one of Montanas main industry and a lowering of taxes may keep some people in the livestock business. She distributed Exhibit 1, which is the grey bill.

Mons Teigen, Montana Stockgrowers' Association, stated that the idea of removing the tax on livestock has been a policy of the Montana Stockgrowers' Association for a number of years, and Montana stockmen should be treated the same as businessmen in dealing with his inventory.

Carol Moser, Montana Cowbells, said they believe livestock should be exempt from taxes as is other business inventory and this will give agriculture relief in this area.

Pat Underwood, Executive Vice President of the Montana Farm Bureau, supports House Bill 64, and most western states have removed this unfair tax on the livestock producer. See Exhibit 1A.

Lavina Lubinus, representing Women Involved in Farm Economics, supports this bill but feels that the removal of taxes on all livestock would break some of the counties. See Exhibit 2.

George Vogt from the Bitterroot, stated his family has been in the cattle business since 1886; he supports this bill to remove the inventory tax on cattle; live-stock owners pay a special tax to support the Livestock Board and this is in addition to the 4% tax on inventory. He feels this business should be treated like other businesses.

Henry Weschenfelder, a cattle feeder from the Billings area, supports this bill. He feels that they need some help on this inventory tax on cattle. He contended the neighboring states around us do not have a tax on their cattle; a lot of these cattle, in the fall of the year, leave the state of Montana and go to these other states where there is no tax on cattle; there is no way to pass the tax on to consumers; and the cattle feeding business could be built better in Montana. He said that more cattle would stay in our state, instead of being shipped to other states to be fed to avoid the tax. If the cattle stay in Montana they have to use the feed that is produced in Montana so that gives the grain grower a good market, he commented.

William Michel, Jr., representing the Mountain States Feedgrowers' Association of the state of Montana, supports this bill. See Exhibit 3.

Jack Asay, representing the Montana Cattle Feeders' Association, supports House Bill 64. See Exhibit 4.

Bill Kimpton, a rancher from Toston, Montana, testified that he has been in the cattle raising business since 1949; he is in support of House Bill 64; and feels if other businesses don't have an inventory tax then neither should the cattle business.

Janelle Fallan, representing the Montana Chamber of Commerce, is concerned about the economy of Montana and agriculture is the most important segment of that economy and supports this bill.

Leroy Gable, a Yellowstone Valley farmer raising small grains and corn silage, stated that the sugar industry is not in very good shape; we can either become cattle raisers or feed growers; the impact that the cattle feeding industry has on our business is dramatic; and this is the only way we can provide a living for ourselves.

Stuart Doggett, Montana Association of State Grazing Districts, indicated that they support House Bill 64.

Representative Dean Switzer, District 28, spoke in favor of House Bill 64. He contended that taxes rank among the top of livestock expenses; most counties have a lowered cattle population; the time is right, and the services of the government can be reduced; and there are those who consider government an industry.

There were no further proponents.

OPPONENTS: Owen Nelson, representing the Montana Education Association, said that the economic depression being experienced in the agricultural industry is not being questioned - it is real and deserves full consideration - the concern of the MEA is adequate funding for the education of Montana youth. He stated that they therefore, oppose any further erosion of the property tax base; unfortunately, public education depends very heavily on property taxes for its operation; the millions of dollars lost in the implementation of House Bill 64 would have to be made up by a larger appropriation of funds from the state general fund by the legislature; he contended that the additional appropriation would not be presented as relief for the agricultural industry; instead it would be considered as a further unreasonable request from the educational community. He indicated that they support the assistance to the cattle industry but not in terms of inadequate funding for public education.

Gordon Morris, Montana Association of Counties, spoke as an opponent of this bill. He advised that their concern is the effect this bill would have in respect to property taxes and in the interest of equity, the comparison of livestock and business inventory they felt that they should be looking at restoration of business inventory taxes in Montana. An analysis, in regards to counties is given to the secretary as an Exhibit 5.

There were no other opponents of House Bill 64.

QUESTIONS ON HOUSE BILL 64: Representative Williams asked Representative Cody if the inventory tax was repealed would they be showing discrimination to the farm industry as there are quite a few other categories of livestock.

Representative Cody said that they redefined livestock by including sheep and everything in the grey copy.

Representative Asay noting the elimination of livestock as inventory asked if there is a distinction between a brood cow and produce.

Mons Teigen said he believes the brood cow is similar to a machine. The cow goes on the tax roll when she is nine months of age and she does not become productive until she is a two-year-old or better.

He said that most contractors wouldn't keep their equipment in their storeyard for two years before they hit the switch on it, and the committee would be fair to advance the age of a taxable cow to two years of age rather than nine months.

Representative Asay asked Mr. Morris if there were figures of how many cattle are actually taxed in these rural counties as opposed to those being shipped out and if this distinction were made, what effect would it have on the rural counties.

Mr. Morris responded that the department of revenue produces figures in terms of the aggregate total in each of the various categories included under class 6 property and that that information could be obtained. He advised that according to the department of revenue, these figures came in from state reports from the county assessors; every year they have to do an aggregate breaking it down by age of livestock and type of livestock and they can give the market in taxable value - this is what the fiscal note is based on. As far as how much is in feed lots or grain fed, they do not have that information, he indicated.

Representative Raney wondered if Mr. Teigen was aware of all the bills wanting tax relief; the legislature has been turning them all down, the problem is there isn't any money in Montana to fund these services and the impact is over 16 million dollars in the next two years. If we could help out the cattle industry is there a way to do it without losing the 16 million dollars in the biennium - is there a way to work it gradual he inquired.

Mr. Teigen replied that the money is going to have to be made up with an increase on the levy of real property and he suggested that real property can be taxed more equitably than personal property.

Representative Iverson asked what the impact would be if they took the cattle kept for reproductive purposes, and left them on the tax rolls and Mr. Morris responded that they could break that down and give the committee some figures.

Representative Ellison asked Representative Cody if there has been any information of what the total impact would be in the revised bill.

Representative Cody indicated that she had requested a second fiscal note and this would set it up on a per-head basis for the Department of Livestock.

Representative Gilbert inquired of the department of revenue if agriculture could furnish a list of the tax breaks, and tax exemptions that are now furnished agriculture.

Mr. Morris answered that they could do this.

Representative Patterson asked how many of those bills that reduce taxes have been passed and Mr. Morris replied that there has been none.

Chairman Devlin asked Mr. Graham if this adequately funded the activities of the Department of Livestock.

Mr. Graham said that the fiscal note was given to them yesterday and would reduce the amount of revenue to the department in total by approximately \$199,000 per year.

Representative Sands asked Mr. Monroe if there was a reason or rationale to distinguish livestock inventory from business inventory.

Mr. Monroe pointed out that the department was opposed to this bill. He advised that as far as the rational between the mainstreet industry and whether livestock is equitably treated or whether it should be considered in the same vein, that argument was brought up in 1981 when the reduction was dropped from 24 percent; that whole argument was based on the fact that the livestock should be treated the same as business inventories; the main thrust behind that was that the farmers and ranchers merely wanted their inventory treated the same as the mainstreet businessman and it was only after that bill was already through, that the inventory tax was removed from the tax roll.

Representative Asay asked Mr. Nelson if the MEA would be willing to sit down with other groups to look at the tax system and try to evolve something that would be more stable, more friendly, more equitably distributed, including sales tax? They have had a strong opposition to the sales tax in the past but we have just about destroyed the tax system, he contended.

Mr. Nelson responded that they are not going to tell the legislature where to get the money to fund education, but the MEA would be there and look at the whole structure and be happy to participate in any suggestions.

Representative Ream asked Mr. Teigen about taking live-stock off of the tax. He noted that it would seem that one way to get around this is reform in the area of income tax so that when an individual rancher or farmer is doing poorly his tax would be less, and when times are good his tax would be greater. He questioned if they would support some type of progressive reform in income tax as a way to offset these kinds of decreases in property tax.

Mr. Teigen answered that this is a question he would have to refer to a higher authority, but they would be willing to look at this type of legislation.

There were no further questions.

Representative Cody closed on House Bill 64 by asking for a show of hands of those who were in favor of House Bill 64 but did not testify. She said she understands that some counties are losing tax money that is needed for many things; they have already lost that tax base through the sale of these herds; and she stated that if the agricultural community has to cinch in its belts then so do all of us. Until this crisis is felt by one and all, nothing will ever be resolved she contended, and this bill, if passed, may keep some of the people in the business going - it's just one small step of many that have to be taken.

The hearing was closed on House Bill 64.

CONSIDERATION OF HOUSE BILL 92: Representative Gene Ernst, District 29, advised that this bill creates a new class of property for agricultural implements and equipment; it pulls farm machinery out of class 8 and puts it into

a class 13; there is a reduction of taxable rate - farm machinery would be taxed at 6%. House Bill 92 is designed to bring some property tax relief for the agricultural sector of Montana, he continued, presently the ag equipment and machinery is taxed at 11% of the assessed valuation; and this bill would cut that approximately in half. He indicated that the agricultural people and the implement dealers requested that something be done about this sharply increasing tax burden caused by the dollar value and the present tax rate on farm machinery; twenty years ago you could buy a large farm tractor or swather for \$5,000 and an 11% tax rate against this figure wasn't too bad. Today a large tractor for a family farm lists at \$100,000 dollars; for the livestock people a swather is \$50,000 and 11% against these figures produce a good size tax bill. He explained in Fergus County the annual tax bill on a large tractor or combine with a market value of \$50,000 would be \$2,000 a year and he informed the committee over the ten-year life of that tractor that tax burden is \$20,000 on that single piece of equipment. This is unduly burdensome, he contended. Representative Ernst presented some letters from people supporting this bill. See Exhibits 6 through 11. He further explained that farm machinery is very seasonal; combines on the family farm today run about 100 to 200 hours and then are parked, and used two weeks out of the year; the fiscal note shows that agricultural equipment is valued at \$75 million in the state; farm machinery is generating a large amount of dollars.

Representative Ernst was requested to present testimony by Gene VanDosten, President of the Montana Cattlemen's Association. See Exhibit 12.

Blake Wordal, representing the Montana Hardware and Implement Association, testified that agriculture in Montana is facing an uncertain future; our industry reflects that turmoil; we lost 8% of our farm equipment dealers who simply went out of business or went bankrupt; this year we expect to lose 12 to 20% more. The use of machinery is a very seasonal use, he advised, and House Bill 92 is a small step to aid agriculture.

Pat Underwood, representing Montana Farm Bureau, stated that they support House Bill 92.

Mons Teigen, Montana Stockgrower's Association, added that they can't overlook the fact that agriculture in Montana is in a tough way; and if you consider the seasonality of the use of farm machinery compared to other types of machinery, this bill is well justified.

Bob Gilbert, Montana Woolgrower's Association, said the key on this bill is in the terrific increase in the cost of the farm machinery from 10-20 years ago and you are still taxing it at the same rate.

Lavina Lubinus, representing Women Involved In Farm Economics, believes that they pay a high price in machinery and hate to pay for it twice at the tax office; and they urge support of the bill.

William Michael, Jr., representing the Mountain States Sugarbeet Growers Association of Montana, stated that we favor a separate class for farm machinery because of the nature of farm machinery ownership and use; the cost of farm machinery cannot be passed on in commodity prices; the high cost of farm machinery is not easily recovered due to short use periods, low farm income, and specialized machines such as combines, have a high cost and can only be used for one use yet need to be considered a cost item for the entire year. He continued that these specialized machines create a special problem for the farmer and rancher; soil use and conservation practices, especially in irrigated agriculture demands crop rotation; more crops and more crop rotation, means more specialized equipment and larger equipment and inventories. He advised that limited farm labor has made us more dependent on the use of farm machines to remain in the farming business; and in the case of the sugarbeet growers, they now own substantial inventories of sugarbeet producing-equipment, but their inventory is virtually worthless. He contended that there is something wrong with a taxation system which creates these kinds of inequities, and agriculture simply cannot carry that big of a burden.

Leroy Gable said he feels that machinery should not be assessed in the same class as construction machinery because of agriculture's inability to pass on costs to the consumer.

There were no other proponents of House Bill 92.

OPPONENTS: Owen Nelson, representing Montana Education Association, testified that they oppose House Bill 92 on the basis that it would further erode the property tax base in Montana; public education depends heavily on that tax base for its support; and this particular bill would take \$4 million a year out of the education budget.

There were no other opponents.

QUESTIONS ON HOUSE BILL 92: Representative Raney noted that farmers and ranchers have ways of writing taxes off, so on a \$50,000 dollar machine that over 10 years you pay \$20,000 dollars in taxes; he asked if there are not tax credits and other things can be used to recover some of that \$20,000.

Representative Ernst replied that property tax is a deductible item on state and federal income tax, but if you have a negative income, the tax is a total cost to you. He advised that there is a very small percent of farmers and ranchers showing a profit, so it is a direct cost.

Representative Ellison asked if the depreciation schedule is any different from farm machinery than any other type of machinery.

Representative Ernest answered that the federal and state tax schedules are changed almost yearly; on the state and federal you can depreciate on accelerated depreciation to get more dollars to offset your federal and state; but that has nothing to do with your county tax. He advised that county tax is based on the value of that machine - a \$50,000 machine hardly depreciates, hasn't in the past and seems to stay constant according to the department of revenue; and as new machinery get more valuable that old one stays constant.

Representative Ellison asked about equity.

Representative Williams asked where the tax burden should be shifted to maintain stability in local governments and schools and the financing of state government.

Representative Ernst said he believes all these property tax relief bills are pointing in to a direction that there is no single answer to; we should look at all other tax sources more carefully as there is undue burden in this particular class.

Representative Switzer noted that there is a need for maintaining the tax base and disallowing of the tax base. He asked if there is a real earnest effort to reduce the cost of government or hold down the increase in the cost of government if there is any indication that benefits to agriculture or hardware or implement dealers has increased 10% in the last biennium.

Representative Patterson asked if construction machinery would be left in Class 8 and Representative Ernst responded that this is only pulling out farm equipment and machinery.

Representative Schye asked if there was a definition for agriculture equipment because some of these same tractors are used in construction.

Representative Ernst advised that there are several different depreciation schedules according to use.

Representative Asay indicated that it is undesirable to own property - you are better off if you don't own anything, and what position would your organization take if they were asked to participate in a study for a reevaluation of our tax picture in the state of Montana, including the sales tax.

Mr. Nelson responded that their tax committee and their board of directors would welcome such an opportunity to examine this.

There were no further questions.

Representative Ernst closed on House Bill 92 by saying that he hopes these agricultural bills are not symbolic in their individual consideration; and it has brought out a philosophy here that seems to prevail. There is a problem out there, he contended, and farm machinery in the past held its value and agriculture cannot pass this tax burden on.

The hearing on House Bill 92 closed.

CONSIDERATION OF HOUSE BILL 322: Representative Jack Moore, stated that this bill affects class 3 and 4 properties in this state owned by an individual who is not a U.S. citizen. Basically, all the bill does is add a 20% surcharge to class 3 and 4 lands and

properties and improvements that is owned by an individual, in addition to the normal property taxes. He advised that they found over the years that there are certain individuals that own land, houses, condos, apartments, who utilize these two or three months of the year and rent them out the rest of the year; they pay no income tax; the money is put in their pocket; and they are gone. In order to help the local community where these people are he noted that this bill puts a 20% surtax on the normal property taxes split up among the local factions entities.

Terry Carmody, Montana Association of Realtors, said they understand the reasoning for this bill but would like to point out that it will have a chilling effect on foreigners coming into the state and buying real estate.

There were no other proponents.

OPPONENTS: Janelle Fallon, Montana Chamber of Commerce, said that they are suppose to have equity between classes, but this would result in an inequity between classes.

There were no further opponents.

QUESTIONS ON HOUSE BILL 322: Representative Ellison asked if they would object to a reciprocal agreement. Representative Moore responded that the Department of Revenue, at one time, worked out a chart showing which people of certain nations owned property-the numbers of acres of properties owned, etc., and found there were some 257,000 acres of foreign-owned properties in the state of Montana. The nations who owned these properties were: the Republic of Panama number one; Canada was number 6 or 7 and Canada passed a law in Saskatchewan putting a tax on foreign-owned property.

Representative Sands asked about constitutionality and Representative Moore responded that there were no constitutional problems.

Representative Asay asked Representative Moore if he had any idea of the revenue this might produce, who replied that this system would have to be worked out by the local appraisers in each of the counties.

Representative Cohen wondered if this bill would encourage or discourage continued investment.

Representative Moore answered that the Canadians and other foreign people come during the summer months only, they enjoy it and rent it out the rest of the year and they do not pay state income tax on it. Japanese and Asian people, who come in buy these ranches.

Representative Zabrocki asked about the Japanese agents. Representative Moore advised that it depends on what basis these would qualify under corporation tax.

Representative Patterson asked about the surtax whether it was an annual assessment or a one-time assessment. Representative Moore responded that it is an annual assessment.

Representative Sands asked if this surtax would apply to a foreign corporation, who was registered in the state of Montana.

Representative Moore responded that he did not know if they were paying those taxes or not - this has to be a determination of the secretary of state and the county assessor.

There were no further questions.

Representative Moore closed by saying that the amount of land held by these foreigners is absolutely astounding.

EXECUTIVE SESSION:

DISPOSITION OF HOUSE BILL 168: Mr. Bohyer explained to the committee how the capitalized net income works on agriculture land. He distributed to the committee Exhibit 13, which is the grey bill; Exhibit 14, which is proposed amendments, and Exhibit 15, which is a bill summary.

Representative Sands requested that they incorporate the formula into the bill, which reflects the capitalization of the net income method.

Mr. Bohyer advised that Representative Donaldson requested that the grey bill be amended on page 4, line 22, following the word "use", by striking "based on the production level comprising the greatest number of acres in each use" and insert that with "and production level according to the provisions of sub-

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Page 13

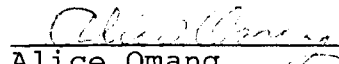
sections (4) through (9)". Representative Switzer moved that all these amendments be adopted. The motion carried unanimously.

Representative Switzer moved that the bill DO PASS AS AMENDED. There was some discussion and a vote was taken on the motion and it carried unanimously.

ADJOURNMENT: There being no further business, the meeting was adjourned at 11:00 a.m.



GERRY DEVLIN, Chairman



Alice Omang

DAILY ROLL CALL

HOUSE TAXATION

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date _____

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

Page 1 of 3.

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SPEAKER:

MR.

TAXATION

We, your committee on

HOUSE

having had under consideration Bill No. 163

first

reading copy (white)
color

AN ACT TO REQUIRE THE DEPARTMENT OF REVENUE TO USE A METHOD OF
VALUATION BASED ON CAPITALIZATION OF NET INCOME FOR VALUING
AGRICULTURAL LANDS

HOUSE

Respectfully report as follows: That Bill No. 163

be amended as follows:

1. Page 2, lines 14 and 15.

Following: "using" on line 14

Strike: the remainder of lines 14 and 15.

Insert: "the formula $V = I/R$ where:

(a) V is the per-acre productive capacity value of
agricultural land in each land use and production category;

(b) I is the per-acre net income of agricultural land
in each land use and production category and is to be
determined by the department using the formula $I = (P - C)E$
where:

DO PASS

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19.....

- (i) I is the per-acre net income;
- (ii) P is the per-unit price of the commodity being produced;
- (iii) C is the per-unit production cost of the commodity being produced; and
- (iv) U is the yield in units per acre; and
- (c) R is the capitalization rate to be determined by the department as provided in subsection (11)."

2. Page 2, line 23
Following: "sources"
Strike: "may"
Insert: "shall"
Following: "include"
Strike: "the"

3. Page 2, line 24.
Strike: "department of agriculture"

4. Page 2, following line 24
Insert: "(6) Montana state university shall annually compile commodity price data reflecting the average prices received per unit of measure by Montana farmers and ranchers. Such data shall be obtained from all geographical areas of the state. Commodity prices shall include but not be limited to wheat, barley, alfalfa hay, grass hay, corn for grain, corn for silage, sugar beets, dry beans, potatoes, cattle, and sheep. Such commodity prices shall include government payments calculated per unit of measure. Typical rental arrangements shall be compiled for each use.
(7) Montana state university shall annually compile adequate production cost data reflecting average costs per unit of measure paid by Montana farmers and ranchers. Such data shall be obtained from all geographical areas of the state. Such production costs shall include but not be limited to costs relating to irrigation, fertilization, fuel, seed, weed control, hired labor, management, insurance, repairs and maintenance, and miscellaneous items. Variations in specific production cost data, when affected by different levels of production, and typical rental arrangements shall be compiled for each land use.
(8) The commodity price and production cost data shall be made available to the department of revenue annually.
(9) The department shall appoint an advisory committee of persons knowledgeable in agriculture and agricultural economics to review the data prepared by Montana state university and advise the department on the implementation of subsections (2) through (8)."
Renumber: subsequent subsections.

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5. Page 3, line 2 and 3.

Following: "use" on line 2

Strike: "based on the production level comprising the greatest number of acres in each use"

Insert: "and production level according to the provisions of subsections (4) through (9)."

6. Page 3, lines 11 through 13

Following: "total" on line 11

Strike: "dollar Value of all property taxes levied in the state by the total taxable value of all taxable property in the state"

Insert: "estimated tax due on agricultural land in the state by the total productive capacity value of agricultural land in the state"

AND AS AMENDED,
DO PASS

Exhibit #1
HB 64
2/6/85
Boyer

HOUSE BILL NO. 64

INTRODUCED BY CODY

A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING--PROPERTY
TAXES-ON-LIVESTOCK;-AMENDING-SECTIONS-15-6-136-AND-15-6-207,
MCA;---REPEALING---SECTIONS---15-24-901--THROUGH--15-24-906,
15-24-908-THROUGH-15-24-911,--15-24-921--THROUGH--15-24-926,
15-24-931,---AND---15-24-941--THROUGH--15-24-943,--MCA;--AND
PROVIDING-AN-IMMEDIATE-EFFECTIVE-DATE-AND--AN--APPLICABILITY
DATE: ELIMINATING PROPERTY TAXES ON LIVESTOCK AND POULTRY;
PROVIDING A PER CAPITA TAX LEVY ON LIVESTOCK AND POULTRY TO
PAY THE EXPENSE OF ENFORCING THE LIVESTOCK LAWS; PROVIDING
FOR ADMINISTRATION OF THE PER CAPITA TAX LEVY BY THE
DEPARTMENT OF LIVESTOCK; AMENDING SECTIONS 15-6-136,
15-6-207, 15-8-201, 15-8-706, 15-24-301, 15-24-302,
81-1-102, 81-6-101, 81-6-104, 81-6-204, 81-6-209, 81-7-103,
81-7-104, 81-7-202, 81-7-303, 81-7-305, AND 81-8-804, MCA;
REPEALING SECTIONS 15-24-901 THROUGH 15-24-906, 15-24-908
THROUGH 15-24-911, 15-24-921 THROUGH 15-24-926, 15-24-931,
15-24-941 THROUGH 15-24-943, AND 81-7-118, MCA; AND
PROVIDING A DELAYED EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

(Refer to Introduced Bill)

Strike everything after the enacting clause and insert:

1 Section 1. Section 15-6-136, MCA, is amended to read:

2 "15-6-136. Class six property -- description --
3 taxable percentage. (1) Class six property includes:

4 ~~{a)--livestock-and-poultry-and-the-unprocessed-products~~
5 ~~of-both;~~

6 **{b)(a)** all unprocessed agricultural products on the
7 farm or in storage except all perishable fruits and
8 vegetables in farm storage and owned by the producer;

9 ~~{c)}~~**(b)** items of personal property intended for lease
10 in the ordinary course of business provided each item of
11 personal property satisfies all of the following:

12 (i) the full and true value of the personal property
13 is less than \$5,000;

14 (ii) the personal property is owned by a business whose
15 primary business income is from rental or lease of personal
16 property to individuals wherein no one customer of the
17 business accounts for more than 10% of the total rentals or
18 leases during a calendar year; and

19 (iii) the lease of the personal property is generally
20 on an hourly, daily, or weekly basis.

21 (2) Class six property is taxed at 4% of its market
22 value."

23 Section 2. Section 15-6-207, MCA, is amended to read:

24 "15-6-207. Agricultural exemptions. The following
25 agricultural products are exempt from taxation:

1 (1) all unprocessed, perishable fruits and vegetables
2 in farm storage and owned by the producer;

3 (2) all nonperishable unprocessed agricultural
4 products, ~~except livestock,~~ held in possession of the
5 original producer for less than 7 months following harvest;
6 and

7 (3) livestock, defined as cattle, sheep, horses, or
8 mules, or swine which have not attained the age of 9 months
9 as of the last day of any month if assessed on the average
10 inventory basis or on March 1 if assessed as provided in
11 15-24-911(1)(a) and swine which have not attained the age of
12 3 months as of January 1; and

13 (4) poultry and the unprocessed products of poultry."

14 Section 3. Section 15-8-201, MCA, is amended to read:

15 "15-8-201. General assessment day. (1) The department
16 of revenue or its agent must, between January 1 and the
17 second Monday of July in each year, ascertain the names of
18 all taxable inhabitants and assess all property subject to
19 taxation in each county. The department or its agent must
20 assess property to the person by whom it was owned or
21 claimed or in whose possession or control it was at midnight
22 of January 1 next preceding. It must also ascertain and
23 assess all mobile homes arriving in the county after
24 midnight of January 1 next preceding. No mistake in the name
25 of the owner or supposed owner of real property, however,

1 renders the assessment invalid.

2 (2) The procedure provided by this section may not
3 apply to:

4 (a) motor vehicles that are required by 15-8-202 to be
5 assessed on January 1 or upon their anniversary registration
6 date;

7 (b) automobiles and trucks having a rated capacity of
8 three-quarters of a ton or less;

9 (c) motor homes and travel trailers subject to a fee
10 in lieu of property tax;

11 (d) livestock or poultry;

12 (e) property defined in 61-1-104(2) as "special mobile
13 equipment" that is subject to assessment for personal
14 property taxes on the date that application is made for a
15 special mobile equipment plate; and

16 (f) mobile homes held by a distributor or dealer of
17 mobile homes as a part of his stock in trade.

18 (3) Credits must be assessed as provided in
19 15-1-101(1)(c)."

20 Section 4. Section 15-8-706, MCA, is amended to read:

21 "15-8-706. Statement by agent to the department. (1)
22 On the second Monday in July in each year, the agent of the
23 department of revenue in each county must transmit to the
24 department a statement showing:

25 (a) the several kinds of personal property;

1 (b) the average and total value of each kind;

2 (c) the ~~number-of--livestock~~, number of bushels of
3 grain, number of pounds or tons of any article sold by the
4 pound or ton;

5 (d) when practicable, the separate value of each class
6 of land, specifying the classes and the number of acres in
7 each.

8 (2) An agent of the department who purposely or
9 negligently fails to perform his duty under this section or
10 a deputy or member of the agent's staff delegated such duty
11 who purposely or negligently fails to perform such duty is
12 guilty of official misconduct under 45-7-401."

13 Section 5. Section 15-24-301, MCA, is amended to read:

14 "15-24-301. Personal property brought into the state
15 -- assessment -- exceptions -- custom combine equipment. (1)
16 Except as provided in subsections (2) through (6), property
17 in the following cases is subject to taxation and assessment
18 for all taxes levied that year in the county in which it is
19 located:

20 (a) any personal property (~~including~~ excluding
21 livestock and poultry) brought, driven, or coming into this
22 state at any time during the year that is used in the state
23 for hire, compensation, or profit;

24 (b) property whose owner or user is engaged in gainful
25 occupation or business enterprise in the state; or

1 (c) property which comes to rest and becomes a part of
2 the general property of the state.

3 (2) The taxes on this property are levied in the same
4 manner and to the same extent, except as otherwise provided,
5 as though the property had been in the county on the regular
6 assessment date, provided that the property has not been
7 regularly assessed for the year in some other county of the
8 state.

9 (3) Nothing in this section shall be construed to levy
10 a tax against a merchant or dealer within this state on
11 goods, wares, or merchandise brought into the county to
12 replenish the stock of the merchant or dealer.

13 (4) Any motor vehicle not subject to the light vehicle
14 license fee brought, driven, or coming into this state by
15 any nonresident person temporarily employed in Montana and
16 used exclusively for transportation of such person is
17 subject to taxation and assessment for taxes as follows:

18 (a) The motor vehicle is taxed by the county in which
19 it is located.

20 (b) One-fourth of the annual tax liability of the
21 motor vehicle must be paid for each quarter or portion of a
22 quarter of the year that the motor vehicle is located in
23 Montana.

24 (c) The quarterly taxes are due the first day of the
25 quarter.

(5) Agricultural harvesting machinery classified under class eight, licensed in other states, and operated on the lands of persons other than the owner of the machinery under contracts for hire shall be subject to a fee in lieu of taxation of \$35 per machine for the calendar year in which the fee is collected. The machines shall be subject to taxation under class eight only if they are sold in Montana.

(6) The provisions of this part do not apply to automobiles and trucks having a rated capacity of three-quarters of a ton or less. These vehicles are subject to the fee provided for in 61-3-532."

Section 6. Section 15-24-302, MCA, is amended to read:

"15-24-302. Collection procedure. All property mentioned in 15-24-301 is assessed at the same value as property of like kind and character, and the assessment, levy, and collection of the tax are governed by the provisions of 15-8-408; 15-16-111 through 15-16-115; 15-16-404; chapter 17, part 9; and 15-24-202; as amended, except:

~~{1}~~ taxation of motor vehicles under 15-24-301(4) to the extent that subsection varies from the general provisions cited above; and

~~{2}--livestock--taxation-governed-by-81-7-104-and-Title 81, chapter 7, part 2."~~

Section 7. Section 81-1-102, MCA, is amended to read:

1 "81-1-102. Duties and powers of department -- fees
2 based on costs -- per capita levy set by rule. (1) The
3 department shall exercise general supervision over and, so
4 far as possible, protect the livestock interests of the
5 state from theft and disease and recommend legislation
6 which, in the judgment of the department, fosters this
7 industry. The department may compel the attendance of
8 witnesses, employ counsel to assist in the prosecution of
9 violations of laws made for the protection of the livestock
10 interests, and assist in the prosecution of persons charged
11 with illegal branding or theft of livestock or any other
12 crime under the laws of this state for the protection of
13 stock owners. It may adopt rules governing the recording and
14 use of livestock brands.

15 (2) The department shall by rule establish:

16 (a) all fees that it is authorized to charge,
17 commensurate with costs as provided in 37-1-134; and

18 (b) the annual per capita tax levy on livestock and
19 poultry authorized under [sections 18 and 19]."

20 Section 8. Section 81-6-101, MCA, is amended to read:

21 "81-6-101. Petition for county livestock protective
22 committee -- members -- term. (1) The board of county
23 commissioners must, upon receipt of a petition or petitions
24 to do so, signed by at least 51% of the owners of cattle in
25 the county and such petitioners owning at least 55% of the

1 cattle ~~as--shown--by--the--most--recent--completed--assessment~~
2 ~~records-of-the-county-assessor~~ for the protection of which
3 the petition is made, set up a county livestock protective
4 committee of three members.

5 (2) Members appointed to serve on such committee shall
6 be residents of the county engaged in the business of
7 raising cattle. If there be in the county any organization
8 of cattle growers, the county commissioners shall give
9 preference to names submitted by any such group for
10 appointment to such committee. The term for which said
11 committee members shall be appointed shall be 2 years with
12 two members of the first committee named to serve for 2
13 years, one member to serve for 1 year. Members of such
14 committee shall receive no remuneration or reimbursement for
15 expenses for serving on said committee.

16 (3) By "organization of cattle growers", as used in
17 this section, is meant any group or organization holding
18 regular meetings at least annually, having officers, and
19 composed predominantly of cattle growers resident in the
20 county, with its membership open to cattle growers willing
21 to abide by its governing rules or bylaws, and its general
22 purpose being the promotion of the interests of its members
23 in matters pertaining to the cattle or livestock industry.

24 (4) If owners of sheep in the county desire to come
25 under the provisions of this part in cooperation with owners

1 of cattle, they shall file a like petition to that set out
2 herein for owners of cattle, and in such case at least one
3 member of said livestock protective committee shall be a
4 sheep grower and where the word "cattle" appears in this
5 part, it shall be deemed to comprehend also the word
6 "sheep".

7 (5) Owners of sheep alone may form a county livestock
8 protective committee, in which case the word "cattle" as in
9 this part contained shall be considered as if it were the
10 word "sheep"; and provided further that the levy as provided
11 in 81-6-104 hereof shall, in the case of sheep, not exceed 5
12 cents per head."

13 Section 9. Section 81-6-104, MCA, is amended to read:
14 "81-6-104. Tax levy -- special fund. Said county
15 livestock protective committee may recommend to the board of
16 county commissioners the levy of a tax in an amount not to
17 exceed 50 cents per head on all ~~assessable~~ cattle in the
18 county on January 1, and the board of county commissioners
19 shall thereupon be empowered to levy such tax, to be
20 collected as other taxes on personal property and when
21 collected to be deposited by the county treasurer in a
22 special fund to be known as the stockmen's special deputy
23 fund, together with any other funds made available from
24 county, state, federal, or private sources for the purposes
25 of this part."

1 Section 10. Section 81-6-204, MCA, is amended to read:

2 "81-6-204. Tax levy -- deposit of proceeds. Said
3 district cattle protective committee may recommend to the
4 board of county commissioners the levy of a tax in an amount
5 not to exceed 50 cents per head on all ~~assessable~~ cattle in
6 the district on January 1, and the board of county
7 commissioners shall thereupon be empowered to levy such tax,
8 to be collected as other taxes on personal property and when
9 collected to be deposited in the county treasury of one of
10 the counties in the district, to be selected by the district
11 cattle protective committee, in a special fund to be known
12 as the stockmen's special deputy fund, together with any
13 other funds made available from county, state, federal, or
14 private sources for the purposes of this part."

15 Section 11. Section 81-6-209, MCA, is amended to read:

16 "81-6-209. Tax levy -- deposit of proceeds. Said
17 district cattle protective committee may recommend to the
18 board of county commissioners the levy of a tax in an amount
19 not to exceed 50 cents per head on all ~~assessable~~ cattle in
20 the district on January 1, and the board of county
21 commissioners shall thereupon be empowered to levy such tax,
22 to be collected as other taxes on personal property and when
23 collected to be deposited in the county treasury in a
24 special fund to be known as the stockmen's special deputy
25 fund, together with any other funds made available from

1 county, state, federal, or private sources for the purposes
2 of this part."

3 Section 12. Section 81-7-103, MCA, is amended to read:

4 "81-7-103. Administration of funds by the department.
5 The department shall administer and expend for predatory
6 animal extermination and control all money which is made
7 available to it, including the money from the levy under
8 81-7-104 [sections 18 and 19] as allocated by the department
9 for predatory animal control and all money which is made
10 available to the department by appropriations made by the
11 legislature for predatory animal control by the department.
12 The department shall expend the funds for predatory animal
13 control by all effective means responsive to the necessities
14 of control in various areas of the state, including
15 employment of hunters, trappers, and other personnel,
16 procurement of traps, poisons, equipment, and supplies, and
17 payment of bounties in the discretion of the department at
18 those times of the year it considers advisable."

19 Section 13. Section 81-7-104, MCA, is amended to read:

20 "81-7-104. Levy for predator control moneys -- use of
21 proceeds. (1) The department of ~~revenue-shall-annually-levy~~
22 ~~an-ad-valorem-tax-on-all-livestock-in-the-state--of--Montana~~
23 livestock shall allocate a portion of the money from the
24 levy under [sections 18 and 19] for the purpose of
25 protecting ~~them~~ livestock and poultry in the state against

1 destruction, depredation, and injury by wild animals,
 2 whether the livestock is on lands in private ownership, in
 3 the ownership of the state, or in the ownership of the
 4 United States, including open ranges and all lands in or of
 5 the public domain. This protection may be by any means of
 6 effective predatory animal destruction, extermination, and
 7 control, including systematic hunting and trapping and
 8 payment of bounties. ~~The tax levy may not exceed in any one~~
 9 ~~year 15 mills on the taxable value of all sheep and 10 mills~~
 10 ~~on the taxable value of other livestock.~~

11 (2) ~~The moneys received from the tax levies shall be~~
 12 ~~transmitted monthly with other taxes for state purposes by~~
 13 ~~the county treasurer of each county to the state treasury.~~
 14 ~~The state treasurer shall place the money in the state~~
 15 ~~special revenue fund with the other moneys as provided in~~
 16 ~~81-7-119. The moneys~~ Money shall thereafter be paid out only
 17 on claims duly and regularly presented to the department of
 18 livestock and approved by the department in accordance with
 19 the law applicable either to claims for bounties or for
 20 other expenditures necessary and proper for predatory animal
 21 control by means and methods other than payment of bounties,
 22 as determined by the department. ~~All the moneys~~ Money
 23 designated for predator control shall be available for the
 24 payment of bounty claims and for expenditures for planned,
 25 seasonal, or other campaigns directed or operated by the

1 department in cooperation with other agencies for the
2 systematic destruction, extermination, and control of
3 predatory wild animals, as determined by the department and
4 its advisory committee. No claims may be approved in excess
5 of moneys available for such purposes, and no warrants may
6 be registered against the moneys."

7 Section 14. Section 81-7-202, MCA, is amended to read:

8 "81-7-202. Signers of petition -- time for presenting
9 -- limitation on bounties -- bounty inspectors. (1) The
10 petition provided for in 81-7-201 shall be signed by the
11 owners, agent, or agents of not less than 51% of the
12 livestock of such county ~~as-ascertained-from-the-assessment~~
13 ~~books-of-such-county~~ and shall recommend to the board of
14 county commissioners the bounties to be paid on such
15 predatory animals, which shall not exceed the following:

16 (a) on each wolf or mountain lion, \$100;

17 (b) on each wolf pup or mountain lion kitten, \$20;

18 (c) on one coyote, \$5;

19 (d) on each coyote pup, \$2.50.

20 (2) Such petition shall be presented not later than
21 August 1 of each year, and the board of county commissioners
22 on determining the sufficiency of such petition shall make
23 an order granting such petition, which order shall fix the
24 levy for that year and the amount of the bounties to be paid
25 for the killing of each such predatory animal, which shall

1 not exceed the amounts recommended in such petition, and
2 appoint not less than 10 or more than 20 stockowners of such
3 county to be bounty inspectors under this part, without
4 compensation, who shall hold their offices for 1 year."

5 Section 15. Section 81-7-303, MCA, is amended to read:

6 "81-7-303. County commissioners permitted to require
7 per capita license fee on sheep. (1) To defray the expense
8 of such protection the board of county commissioners of any
9 county shall have the power to require all owners or persons
10 in possession of any sheep coming 1 year old or over in the
11 county on the regular assessment date of each year to pay a
12 license fee in an amount to be determined by the board on a
13 per head basis for sheep so owned or possessed by him in the
14 county. All owners or persons in possession of any sheep
15 coming 1 year old or over coming into the county after the
16 regular assessment date ~~and-subject-to-taxation-under-the~~
17 ~~provisions-of-15-24-301~~ shall also be subject to payment of
18 the license fee herein prescribed.

19 (2) Upon the order of the board of county
20 commissioners such license fees may be imposed by the entry
21 thereof in the name of the licensee upon the property tax
22 rolls of the county by the county assessor. Said license
23 fees shall be payable to and collected by the county
24 treasurer, and when so levied, shall be a lien upon the
25 property, both real and personal, of the licensee. In case

1 the person against whom said license fee is levied owns no
2 real estate against which said license fee is or may become
3 a lien, then said license fee shall be payable immediately
4 upon its levy and the treasurer shall collect the same in
5 the manner provided by law for the collection of personal
6 property taxes which are not a lien upon real estate.

7 (3) When collected, said fees shall be placed by the
8 treasurer in the predatory animal control fund and the
9 moneys in said fund shall be expended on order of the board
10 of county commissioners of the county for predatory animal
11 control only."

12 Section 16. Section 81-7-305, MCA, is amended to read:

13 "81-7-305. Duty of county commissioners -- petition of
14 sheep owners -- license fees. (1) In conducting a predatory
15 animal control program, the board of county commissioners
16 shall give preference to recommendations for such program
17 and its incidents as made by organized associations of sheep
18 growers in the county. Upon petition of the resident owners
19 of at least 51% of the sheep in the county, ~~as shown by the~~
20 ~~assessment rolls of the last preceding assessment,~~ which
21 petition shall be filed with the board of county
22 commissioners on or before the first Monday in December in
23 any year, such board shall establish the predatory animal
24 control program and cause said licenses to be secured and
25 issued and the fees collected for the following year in such

1 amount as will defray the cost of administering the program
2 so established. The license fee determined and set by the
3 board shall remain in full force and effect from year to
4 year without change, unless there is filed with the board a
5 petition subscribed by the resident owners of at least 51%
6 of the sheep in the county, ~~as shown by the assessment rolls~~
7 ~~of the last assessment preceding the filing of the petition,~~
8 for termination of the program and repeal of the license
9 fee, in which event the program shall by order of the board
10 of county commissioners be disestablished and the license
11 fee shall not be further levied.

12 (2) If the resident owners of at least 51% of the
13 sheep in the county either petition for an increase in the
14 license fee or petition for a decrease in the license fee
15 then in force, the board of county commissioners shall upon
16 receipt of any such petition fix a new license fee to
17 continue from year to year and the program shall thereupon
18 continue within the limits of the aggregate amount of the
19 license fee as collected from year to year."

20 Section 17. Section 81-8-804, MCA, is amended to read:

21 "81-8-804. Assessments -- refunds. (1) There is
22 levied, ~~in addition to the tax on livestock prescribed in~~
23 ~~Title 15, chapter 24, part 9,~~ a per head tax of 25 cents on
24 each head of cattle that is more than 9 months of age and is
25 owned or possessed within a county for the support and

1 maintenance of research into beef production as provided in
2 this part. The tax shall be paid to the county treasurer of
3 that county on or before March 1 of each year.

4 (2) The tax required in subsection (1) must be paid
5 for each head of cattle that is more than 9 months of age
6 and is brought into the county after March 1 ~~and-is-subject~~
7 ~~to-taxation-and-assessment-under-15-24-301.~~

8 (3) Each county is entitled to receive \$250 annually
9 as reimbursement for the administration of this section.

10 (4) A person who has paid the tax required by this
11 section may obtain a refund of the tax upon submission of a
12 written request to the department. The application must be
13 made within 30 days after the payment of the tax and on
14 forms furnished by the department. The department shall,
15 upon receipt of a timely and otherwise properly submitted
16 refund request, refund the tax."

17 NEW SECTION. Section 18. Per capita tax levy to pay
18 expense of enforcing livestock laws. (1) In addition to
19 appropriations made for such purposes, a per capita tax is
20 authorized and directed to be levied annually by the
21 department on all livestock and poultry in the state for the
22 purpose of aiding in the payment of the salaries and all
23 expenses connected with the enforcement of the livestock
24 laws of the state by the department in the discharge of its
25 animal health, brands enforcement, and predatory control

1 functions.

2 (2) For purposes of this section, livestock means
3 cattle, sheep, horses, swine, and mules.

4 (3) The per capita tax levy prescribed each year by
5 the department must be calculated to provide not less than
6 100% or more than 110% of the revenue that was generated by
7 the additional tax levies imposed under 15-24-921 through
8 15-24-923 for the 1984 taxable year.

9 (4) The per capita tax levy on livestock is to be
10 collected by the county treasurer and forwarded to the state
11 treasurer as provided in [section 19].

12 NEW SECTION. Section 19. Poultry or livestock report
13 to county assessor for per capita tax -- levy by department
14 -- collection by county treasurer. (1) On or before January
15 1 of each year, an owner of poultry or of livestock, as
16 defined in [section 18], or his agent shall make and deliver
17 to the county assessor in the county where the owner or
18 agent resides, or if neither resides in the state, the
19 county where the majority of the owner's poultry or
20 livestock is located, a written statement under oath showing
21 the different kinds of poultry or livestock within the state
22 belonging to him or under his charge, with their marks and
23 brands.

24 (2) The county assessor shall compile the poultry and
25 livestock reports received under subsection (1) and forward

1 a summary of the information to the department on or before
2 February 1 following receipt of the reports.

3 (3) The department shall determine the per capita tax
4 levy pursuant to [section 18] on or before May 1 following
5 receipt of the report summaries from the county assessor and
6 promptly report the per capita tax levy to the county
7 assessor. The county assessor shall send to each owner or
8 agent who filed a report a statement indicating the total
9 amount due under the per capita tax levy for the year, the
10 fact that payment is to be made to the county treasurer on
11 or before June 1 following assessment of the per capita tax,
12 and the penalties and lien provisions that apply.

13 (4) Except as provided in subsection (5), the money
14 received by the county treasurer under this section and
15 [section 20] must be sent to the state treasurer on or
16 before July 1 following assessment of the per capita tax.
17 The state treasurer shall deposit the money in the state
18 special revenue fund to the credit of the department of
19 livestock.

20 (5) The county treasurer shall withhold \$250 of the
21 money received under this section and [section 20] as
22 reimbursement to the county for the administration of the
23 per capita tax levy on poultry and livestock.

24 NEW SECTION. Section 20. Penalty for failure to file
25 poultry or livestock report -- lien upon real and personal

1 property. (1) If any person who is the owner of poultry or
2 livestock within the state fails to make or have his agent
3 make the report as required in [section 19], the county
4 assessor may, after 10 days' notice to the person who failed
5 to file the report, assess the tax under [section 19] based
6 on the assessor's estimate of the number of poultry or
7 livestock owned by the person in the state, and may add a
8 10% penalty.

9 (2) The per capita tax imposed under [sections 18 and
10 19] is a lien upon both real and personal property of the
11 poultry or livestock owner who fails to pay the tax on or
12 before June 1 following assessment of the per capita tax and
13 is collectible under the tax lien enforcement provisions of
14 Title 15.

15 NEW SECTION. Section 21. Repealer. Sections 15-24-901
16 through 15-24-906, 15-24-908 through 15-24-911, 15-24-921
17 through 15-24-926, 15-24-931, 15-24-941 through 15-24-943,
18 and 81-7-118, MCA, are repealed.

19 NEW SECTION. Section 22. Codification instruction.
20 Sections 18 through 20 are intended to be codified as an
21 integral part of Title 81, chapter 1, part 1, and the
22 provisions of Title 81 apply to sections 18 through 20.

23 NEW SECTION. Section 23. Effective date. This act is
24 effective January 1, 1986.

-End-



502 South 19th

Bozeman, Montana 59715

Phone (406) 587-3153

TESTIMONY BY: Patrick R. Underwood

BILL # HB -64 DATE Feb 6, 1985

SUPPORT X OPPOSE _____

The Montana Farm Bureau supports HB-64. We think that this type of legislation may be exactly what agriculture needs right now in Montana... to give true tax equity to a major segment of this states economy... that is in a crisis situation. We urge you to give this bill a "do pass" .

Patrick R. Underwood
SIGNED

Exhibit 2
HB 84
2/6/85

WIFE Women Involved In Farm Economics



NAME LAVINA LUBINUS BILL NO. HB.64
ORGANIZATION WOMEN INVOLVED IN FARM ECONOMICS
ADDRESS 1501 Chestnut, Helena DATE Feb. 5, 1985
SUPPORT X OPPOSE AMEND X

Mr Chairman, members of the committee, my name is Lavina Lubinus and I represent ~~the members of~~ Women Involved in Farm Economics.

Mr. Chairman, WIFE supports this bill, but we support it with a great deal of trepedation.

No one likes to pay taxes but we are well aware that with out tax monies many of the services supplied by our counties will be cut, and to completly do away with property taxes on all livestock would break some counties. It is with that in mind that we would like to offer an amendment.

We would amend the bill to read "An act eliminating property taxes on all altered livestock."

A spade heifer or a castrated bull ~~only~~ has ^{only} one ultimate purpose and it is not breeding. They become, when altered, the stock in trade or inventory, if you will, for the business.

Thank You

Exhibit 3
HB 64
2/6/85

WITNESS STATEMENT

Name William Michael J. Committee On _____
Address 3901 Dover Road, Billings, Mont. Date 2-6-85
Representing Montana State Sugar Beet Growers Support X
Bill No. 64 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. I support this bill because:
The future of the sugar beet industry looks
2. bleak and uncertain.
3. Cattle feeding is the only real alternative open
to us, given our climate and market access.
4. Irrigated agriculture in our old irrigated valleys
such as the Yellowstone Valley, look to cattle
feeding as their one hope for economic viability.
any top relief for the cattle industry will be
of benefit to Montana's Agriculture, which needs
genuine economic assistance.

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

Exhibit 4
HB 64
2/6/85
Asay

WITNESS STATEMENT

Name John Asay Committee On TAXATION
Address 1145 GRAND AVE, Billings Date 2/6/85
Representing Monta Cattle Feeders Assn Support X
Bill No. HB 64 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. Keeping MONTANA CATTLE AND MONTANA GRAIN IN MONTANA helps build a competitive Cattle feeding business in MONTANA. Both products now leave for feedlots in other states which do NOT have a TAX ON LIVESTOCK.
2. TAXATION of business inventory is detrimental to the MONTANA business climate and the economy of the state.
3. None of the states bordering MONTANA has a property tax on livestock - this forces MONTANA feeder cattle to feedlots in those states - MONTANA GRAIN follows - MONTANA job seekers move next. This does NOT "Build MONTANA."
4. Inventory tax on other MONTANA businesses has been removed. Why should this business inventory ^{BE TREATED} differently?

We urge this committee to help "Build Montana" by supporting removal of this punitive tax against the Livestock Industry of Montana.

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

MONTANA ASSOCIATION OF COUNTIES

1802 11th Avenue
Helena, Montana 59601
(406) 442-5209

Exhibit 5
HB 64
2/2/05
Gordon Morris

HOUSE BILL 64

ELIMINATING PROPERTY TAXES ON LIVESTOCK

HOUSE TAXATION COMMITTEE

CLASS 6 PROPERTY

o TOTAL TAXABLE VALUE 35,811,647

COUNTY	MARKET VALUE	TAXABLE VALUE
FERGUS	21,874,930	1,467,976
PHILLIPS	39,347,917	1,114,171
CUSTER	18,274,984	743,766
BEAVERHEAD	15,155,776	1,674,846
CHOUTEAU	30,209,896	1,541,834
BLAINE	34,312,334	1,199,560
MADISON	16,180,061	1,004,359
CARTER	6,795,445	800,469
STATE	2,330,882,688	35,811,647
1 MILL	\$ 2,330,882	\$ 35,811
@ 230 MILL AVERAGE =		\$8,236,530 LOSS
UNIVERSITY @ 6 MILLS		214,866 LOSS
SCHOOLS		4,941,918 LOSS

Exhibit #6
2-6-85
H.B. # 92
Rep. Ernst

HOVEN EQUIPMENT COMPANY

4181 NORTH PARK TRAIL

GREAT FALLS, MT 59405

January 15, 1985

Representative Gerry Devlin, Chairman
State Capitol
Helena, MT 59620

Honorable Gerry Devlin:

Subject: HB 92 - An Act to Create a New Class of Property for Agricultural Implements and Equipment

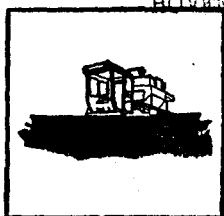
I support HB 92 and encourage you to support the bill. During a time when the state government is strapped for money it is difficult to support a tax decrease for any voting interest. However, agricultural implements are unusual. During the past six years agricultural implements have increased almost 100% in price while grain and livestock prices are at best the same as in 1979 and at worst 25 - 30% lower.

Any taxing policy should be based on ability to pay. Property (real estate, equipment, or personal) does not necessarily provide the owner with income or profit and the resulting ability to pay. This is the case with agricultural implements. Taxes on these items have increased almost 100% during the past six years while farm and ranch income has significantly dropped. This obviously is not an equitable situation, and should be corrected. I think HB 92 is a fair solution. It basically puts us back to 1979. Since the value of comparable machinery has doubled it makes sense to cut the tax rate in half.

To offset the loss of money to the state - reduce spending. All businesses in Montana related to agriculture must reduce spending during the next year in order to survive. Since agriculture is our biggest industry, I think state government should take the lead in passing legislation to help agriculture and in reducing the tax burden by reducing spending.

Sincerely,

Brian E. Hoven
HOVEN EQUIPMENT COMPANY



Rep. Ernst
2/6/85
HB 92 (6)



L.M. Larsen, Inc.

Box 227 • Forsyth, Montana 59327 • 406/356-2122

Exhibit #7
2-6-85
H.B. #92
Rep. Ernst.

January 10, 1985

Representative Tom Asay
State Capitol
Helena, MT 59620

Dear Tom;

HB 92 has come to our attention as a bill which would seem to be a very good move toward tax relief for the agricultural producer. The bill would lower the percentage rate of market value for farm equipment to 6%, which would seem to be a more reasonable rate of taxation than the present rate. HB 92 accomplishes this by creating a new class for farm machinery and equipment.

I would appreciate it if you would give this bill your favorable support when it comes before the Taxation Committee.

Thank you for your attention.

Sincerely,

A handwritten signature in cursive script that reads "LeRoy Larsen".

LeRoy Larsen, Pres.

L. M. Larsen, Inc.

LL/vw

Copy: Gene Earnst
Montana Hardware & Implement Assn.

Exhibit # 8
2-6-1985
H.B. #92
Rep. Ernst

HOVEN EQUIPMENT COMPANY

4181 NORTH PARK TRAIL

GREAT FALLS, MT 59405

January 15, 1985

Representative Gerry Devlin, Chairman
State Capitol
Helena, MT 59620

Honorable Gerry Devlin:

Subject: HB 92 - An Act to Create a New Class of Property for Agricultural Implements and Equipment

I support HB 92 and encourage you to support the bill. During a time when the state government is strapped for money it is difficult to support a tax decrease for any voting interest. However, agricultural implements are unusual. During the past six years agricultural implements have increased almost 100% in price while grain and livestock prices are at best the same as in 1979 and at worst 25 - 30% lower.

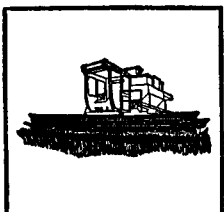
Any taxing policy should be based on ability to pay. Property (real estate, equipment, or personal) does not necessarily provide the owner with income or profit and the resulting ability to pay. This is the case with agricultural implements. Taxes on these items have increased almost 100% during the past six years while farm and ranch income has significantly dropped. This obviously is not an equitable situation, and should be corrected. I think HB 92 is a fair solution. It basically puts us back to 1979. Since the value of comparable machinery has doubled it makes sense to cut the tax rate in half.

To offset the loss of money to the state - reduce spending. All businesses in Montana related to agriculture must reduce spending during the next year in order to survive. Since agriculture is our biggest industry, I think state government should take the lead in passing legislation to help agriculture and in reducing the tax burden by reducing spending.

Sincerely,



Brian E. Hoven
HOVEN EQUIPMENT COMPANY



(8)



Exhibit #9
2-6-1985
H.B. #92
Rep. Ernst

P.O. BOX 30158, BILLINGS, MONTANA 59107 (406) 656-0202
BRANCH STORE:
P.O. BOX 610, WILLISTON, NORTH DAKOTA 58801 (701) 572-8377

January 23, 1985

Representative Gerry Devlin
Chairman
State Capitol
Helena, Montana 59620

Dear Representative Devlin:

Tractor & Equipment Co.'s sales and service territory is in your district. Therefore, we would like to bring to your attention our support of House Bill 92.

We understand this bill has not yet been scheduled for committee hearing, but it will be heard by the House Taxation Committee. Since you are a member of this committee, we would appreciate your support of House Bill 92.

Sincerely,

TRACTOR & EQUIPMENT CO.

Jack Mercer

Jack Mercer
Vice President of Marketing

JM:ria

9

Exhibit #10
2-6-1985
H.B. #92
Rep. Ernst

SERVICE SUPPLY, INC.

BOX 37

6TH AVE. N.E.

PHONE: 406 873-5505

CUTBANK, MT. 59427

"SEE SERVICE SUPPLY - BEFORE YOU BUY"

January 15, 1985

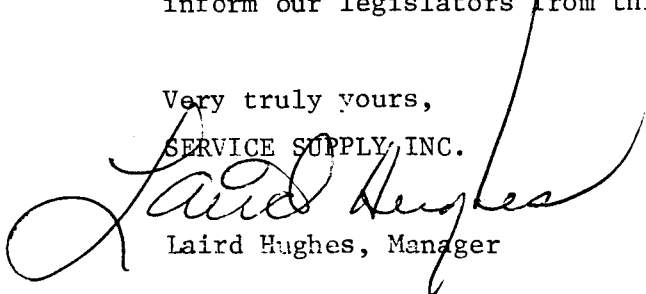
Representative Gene Earnst
State Capital
Helena, Montana 59620

Dear Representative Earnst,

We are informed that you are interested in introducing House Bill #92 lowering the assessed value of farm machinery.

Kindly be advised that we fully support your efforts and will so inform our legislators from this district.

Very truly yours,
SERVICE SUPPLY, INC.


Laird Hughes, Manager

cc: Blake J. Wordal - Montana Hardware & Implement Association



19

Exhibit #11
2-6-1985
H.B. #92
Rep. Earnst

SERVICE SUPPLY, INC.

BOX 37

6TH AVE. N.E.

PHONE: 406 873-5505

CUTBANK, MT. 59

"SEE SERVICE SUPPLY - BEFORE YOU BUY"

January 15, 1985

Representative Harriet Hayne
State Capital
Helena, Montana 59620

Representative Harriet Hayne,

We are aware of House Bill #2 being introduced by Representative Gene Earnst lowering the assessed value of farm machinery.

We, as an implement dealer, are fully supportive of this bill as we feel it will be a benefit to our customers. Our agricultural customers need all the help we can give them.

We will appreciate any effort on your part to support Representative Earnst.

Very truly yours,
SERVICE SUPPLY INC.

Laird Hughes, Manager

cc: Representative Gene Earnst

Balek J. Wordal - Montana Hardware & Implement Association

TESTIMONY ON HOUSE BILL 92 INTRODUCED BY REPRESENTATIVE ERNST

Exhibit #12
2-6-1985
H.B.#92
Rep. Ernst

Presented to House Taxation committee in writing by Gene Van Oosten, President, for the Montana Cattlemen's Association.

Mr. Chairman, members of the committee, Representative Ernst has introduced here a sensible and practical form of tax relief for the working farms and ranches of Montana. Farmers have little choice but to equip themselves with adequate machinery to handle their acreage. Ranchers as well must be able to feed and handle their stock with as little hired labor as possible. The economics of agriculture today simply do not allow for the use of older, out of date, equipment. Many farmers and ranchers, therefore, maintain a line of agriculture equipment having a rather awesome market value. Ownership of this equipment does not indicate great wealth or profit. Often, in fact, it represents debt. And, the profit in recent years from even the best managed operations has only been marginal.

Initial purchases of all this equipment, together with the subsequent purchases of repairs and service, generates tremendous economic benefits and employment in the off-farm segment of Montana's agri-business industry. We see across the state and nation today what happens to dealerships and even major equipment companies when agriculture curtails its investment in new equipment. The small towns of Montana are already taking a beating. The departure of just one equipment dealership may be more than many communities can stand.

So, we ask, do you really want to continue to tax agriculture equipment at 11%? At this rate the tax payable on a piece of machinery definitely constitutes a negative factor when considering its purchase. In the new class 13 proposed by Representative Ernst, property tax consequences would no longer be an impediment to new equipment sales.

The Fiscal Note on this bill, while it presents a budget problem, also demonstrates just how dearly agriculture has been paying for the privilege of owning equipment. We recommend that the difference in the school foundation fund be made up from an increase in income tax allocation sufficient to cover the \$4.1 million loss at the local level as well. We don't care if you have to raise income tax rates. Let the people who are making money pay for education; if we ranchers show a profit, then we'll help pay too.

We must point out that a recent legislature totally eliminated the dealer inventory tax, in order to make life easier for Montana farm implement dealers. The effects on local and state revenue were completely ignored. Now, perhaps, it is time to do the same for their customers.

The Montana Cattlemen's Association asks for a "do pass" on this bill.

Thank you for your attention.

HOUSE BILL NO. 168

INTRODUCED BY DONALDSON, SWITZER, ASAY, KELLER,
ELLISON, KOEHNKE, HAYNE, HOLLIDAY, NEUMAN

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE
DEPARTMENT OF REVENUE TO USE A METHOD OF VALUATION BASED ON
CAPITALIZATION OF NET INCOME FOR VALUING AGRICULTURAL LANDS
AFTER JANUARY 1, 1986; AMENDING SECTION 15-7-201, MCA; AND
PROVIDING AN APPLICABILITY DATE AND A DELAYED EFFECTIVE
DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-7-201, MCA, is amended to read:

"15-7-201. (Effective January 1, 1986) Legislative
intent -- value of agricultural property. (1) Since the
market value of many agricultural properties is based upon
speculative purchases which do not reflect the productive
capability of agricultural land, it is the legislative
intent that bona fide agricultural properties shall be
classified and assessed at a value that is exclusive of
values attributed to urban influences or speculative
purposes.

(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 January-1,-1986,-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 productive capacity.

(4) ~~Capital-costs-such-as-improved-water-distribution, fertilizer,-and-land-shaping-that-increase-productivity shall-not-be-used-in-determining-assessed-values.~~ For the revaluation cycle beginning after January 1, 1986, the department of revenue shall determine the productive capacity value of all agricultural lands using a-method-of appraisal-based-on-capitalization-of-net-income. THE FORMULA

$$V = I/R$$
 WHERE:

(A) V IS THE PER-ACRE PRODUCTIVE CAPACITY VALUE OF AGRICULTURAL LAND IN EACH LAND USE AND PRODUCTION CATEGORY;

(B) I IS THE PER-ACRE NET INCOME OF AGRICULTURAL LAND IN EACH LAND USE AND PRODUCTION CATEGORY AND IS TO BE DETERMINED BY THE DEPARTMENT USING THE FORMULA $I = (P - C) U$
WHERE:

(I) I IS THE PER-ACRE NET INCOME;

(II) P IS THE PER-UNIT PRICE OF THE COMMODITY BEING

1 PRODUCED;

2 (III) C IS THE PER-UNIT PRODUCTION COST OF THE
3 COMMODITY BEING PRODUCED; AND

4 (IV) U IS THE YIELD IN UNITS PER ACRE; AND

5 (C) R IS THE CAPITALIZATION RATE TO BE DETERMINED BY
6 THE DEPARTMENT AS PROVIDED IN SUBSECTION (11).

7 (5) Net income shall be:

8 (a) calculated for each year of a base period, which
9 is the most recent 3-year period for which data are
10 available, prior to a revaluation of property as provided in
11 15-7-111; and

12 (b) based on commodity price and production cost data
13 for the base period from such sources as may be considered
14 appropriate by the department, which sources may SHALL
15 include the Montana state university department---of
16 agriculture.

17 (6) MONTANA STATE UNIVERSITY SHALL ANNUALLY COMPILE
18 COMMODITY PRICE DATA REFLECTING THE AVERAGE PRICES RECEIVED
19 PER UNIT OF MEASURE BY MONTANA FARMERS AND RANCHERS. SUCH
20 DATA SHALL BE OBTAINED FROM ALL GEOGRAPHICAL AREAS OF THE
21 STATE. COMMODITY PRICES SHALL INCLUDE BUT NOT BE LIMITED TO
22 WHEAT, BARLEY, ALFALFA HAY, GRASS HAY, CORN FOR GRAIN, CORN
23 FOR SILAGE, SUGAR BEETS, DRY BEANS, POTATOES, CATTLE, AND
24 SHEEP. SUCH COMMODITY PRICES SHALL INCLUDE GOVERNMENT
25 PAYMENTS CALCULATED PER UNIT OF MEASURE. TYPICAL RENTAL

1 ARRANGEMENTS SHALL BE COMPILED FOR EACH USE.

2 (7) MONTANA STATE UNIVERSITY SHALL ANNUALLY COMPILE
3 ADEQUATE PRODUCTION COST DATA REFLECTING AVERAGE COSTS PER
4 UNIT OF MEASURE PAID BY MONTANA FARMERS AND RANCHERS. SUCH
5 DATA SHALL BE OBTAINED FROM ALL GEOGRAPHICAL AREAS OF THE
6 STATE. SUCH PRODUCTION COSTS SHALL INCLUDE BUT NOT BE
7 LIMITED TO COSTS RELATING TO IRRIGATION, FERTILIZATION,
8 FUEL, SEED, WEED CONTROL, HIRED LABOR, MANAGEMENT,
9 INSURANCE, REPAIRS AND MAINTENANCE, AND MISCELLANEOUS ITEMS.
10 VARIATIONS IN SPECIFIC PRODUCTION COST DATA, WHEN AFFECTED
11 BY DIFFERENT LEVELS OF PRODUCTION, AND TYPICAL RENTAL
12 ARRANGEMENTS SHALL BE COMPILED FOR EACH LAND USE.

13 (8) THE COMMODITY PRICE AND PRODUCTION COST DATA SHALL
14 BE MADE AVAILABLE TO THE DEPARTMENT OF REVENUE ANNUALLY.

15 (9) THE DEPARTMENT SHALL APPOINT AN ADVISORY COMMITTEE
16 OF PERSONS KNOWLEDGEABLE IN AGRICULTURE AND AGRICULTURAL
17 ECONOMICS TO REVIEW THE DATA PREPARED BY MONTANA STATE
18 UNIVERSITY AND ADVISE THE DEPARTMENT ON THE IMPLEMENTATION
19 OF SUBSECTIONS (2) THROUGH (8).

20 ~~(6)~~(10) Net income shall be determined separately for
21 lands in irrigated use, nonirrigated use, and grazing use
22 and shall be calculated for each use based on the production
23 level comprising the greatest number of acres in each use.

24 ~~(7)~~(11) The capitalization rate shall be calculated for
25 each year of the base period and is the annual average

1 interest rate on agricultural loans as reported by the
2 federal land bank association of Spokane, Washington, plus
3 the effective tax rate in Montana.

4 (8)(12) The effective tax rate shall be calculated by
5 the department for each year of the base period by dividing
6 the total dollar-value-of-all-property-taxes-levied--in--the
7 state--by-the-total-taxable-value-of-all-taxable-property-in
8 the-state ESTIMATED TAX DUE ON AGRICULTURAL LAND IN THE
9 STATE BY THE TOTAL PRODUCTIVE CAPACITY VALUE OF AGRICULTURAL
10 LAND IN THE STATE."

11 NEW SECTION. Section 2. Extension of authority. Any
12 existing authority of the department of revenue to make
13 rules on the subject of the provisions of this act is
14 extended to the provisions of this act.

15 NEW SECTION. Section 3. Effective date --
16 applicability date. This act is effective January 1, 1986,
17 and applies to any revaluation of property as provided in
18 15-7-111 after January 1, 1986.

-End-

Proposed Amendments to House Bill 168, Introduced Bill

1. Page 2, line 23
Following: "sources"
Insert: "shall"
Following: "include"
Strike: "the"

2. Page 2, line 24.
Strike: "department of agriculture"

3. Page 2, following line 24
Insert: "(6) Montana state university shall annually compile commodity price data reflecting the average prices received per unit of measure by Montana farmers and ranchers. Such data shall be obtained from all geographical areas of the state. Commodity prices shall include but not be limited to wheat, barley, alfalfa hay, grass hay, corn for grain, corn for silage, sugar beets, dry beans, potatoes, cattle, and sheep. Such commodity prices shall include government payments calculated per unit of measure. Typical rental arrangements shall be compiled for each use.

(7) Montana state university shall annually compile adequate production cost data reflecting average costs per unit of measure paid by Montana farmers and ranchers. Such data shall be obtained from all geographical areas of the state. Such production costs shall include but not be limited to costs relating to irrigation, fertilization, fuel, seed, weed control, hired labor, management, insurance, repairs and maintenance, and miscellaneous items. Variations in specific production cost data, when affected by different levels of production and typical rental arrangements, shall be compiled for each land use.

(8) The commodity price and production cost data shall be made available to the department of revenue annually.

(9) The department shall appoint an advisory committee of persons knowledgeable in agriculture and agricultural economics to review the data prepared by Montana state university and advise the department on the implementation of subsections (2) through (8)."

Renumber: subsequent subsections.

4. Page 3, lines 11 through 13
Following: "total" on line 11
Strike: "dollar value of all property taxes levied in the state by the total taxable value of all taxable property in the state"
Insert: "estimated tax due on agricultural land in the state by the total productive capacity value of agricultural land in the state"

Exhibit 15
HB 64
2/6/85
Bohner

Bill Summary

House Bill No. 168

Gray Copy

House Bill 168 would require the Department of Revenue, when revaluing property under the statutorily required cyclical reappraisal, to use the capitalization of net income method of appraisal when valuing agricultural lands.

The capitalization of net income method (CNI) of appraisal is a method that bases the value of an income producing property on that property's ability to produce income based on a specific use; the method does not contemplate the property being utilized in an alternative fashion. The CNI method is one of three commonly used appraisal methods and is typically used by financial institutions as a method for determining the loan value of a given property.

The CNI method of appraisal can be simply stated algebraically:

$$V = \frac{I}{R}$$

In this equation, V represents the value of the property, I represents the annual net income of the property, and R represents the capitalization rate or rate of return.

As required in House Bill 168, net income (I) is to be determined by the Department of Revenue by subtracting the per unit production costs of a given commodity by the commodity's per unit price. This exercise results in a factor representing the net income per unit of production of the commodity. Because the purpose of valuing agricultural



502 South 19th

Bozeman, Montana 59715

Phone (406) 587-3153

TESTIMONY BY: Patrick R. Underwood

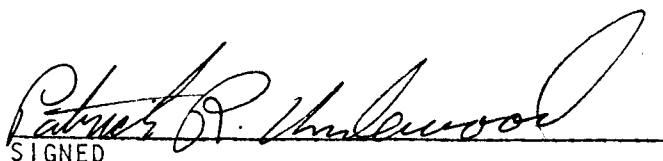
BILL # HB-92

DATE Feb 6, 1985

SUPPORT X

OPPOSE

The Montana Farm Bureau supports HB-92. We feel that this type of legislation if successfully enacted may give some tax equity to a segment of the states economy that needs all the help it can get right now. The present system is not working and revision is needed. We will appreciate anything you folks can do to bring about true tax equity.


SIGNED

WITNESS STATEMENT

Name Laura Lubinus Committee On Taxation
Address 1501 Chestnut Helena Date Feb 6, 1985
Representing Women Involved in Economics Support X
Bill No. HB 92 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. Need to reduce the burden of tax from the industry.
 (Or lowering the tax from 11% to 6% is a step in
2. the right direction.

3.

4.

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

WITNESS STATEMENT

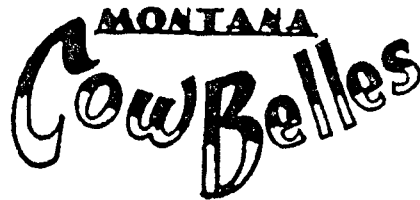
Name William Michael G. Committee On _____
 Address 3900 Dover Road, Billings, Montana Date 2-6-85
 Representing Montana State Sugar Beet Growers Support X
 Bill No. 92 Oppose _____
 Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. *Favor a separate class for farm Machinery because:*
 - Cost of farm machinery cannot be passed on in commodity prices.*
2. *High cost of farm machinery is not easily recovered due to short use periods, low farm income; and specialized machines*
3. *such as combines which have a high cost and can only be used for one use, yet need to be considered a cost item for the entire year.*
4. *Wise soil use and conservation practices especially in irrigated agriculture demands crop rotation, which means more specialized machines and larger equipment inventories each machine being used for a limited time.*
Limited farm labor has made us more dependent on the use of machines to remain in the farming business.
Sugar Beet machinery owners would receive some relief on machines which are now idle.

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



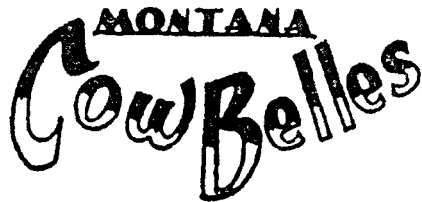
NAME Carol Mosher BILL NO. HB 64
ADDRESS Augusta, Montana DATE Feb. 6, 1985
WHOM DO YOU REPRESENT Montana CowBelles
SUPPORT X OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

We support HB 64 in the belief that livestock should be exempt from property taxes, as is other business inventory. This will give agriculture relief in this area, which is a step in the right direction at this time.

However, we are concerned how the revenue for the support of the Dept. of Livestock programs will be handled. We have confidence in the Dept. of Livestock and support their programs.



NAME Carol Mosher BILL NO. HB 92
ADDRESS Augusta, MT. DATE Feb. 6, 1985
WHOM DO YOU REPRESENT Montana CowBelles
SUPPORT X OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

I've support H.B.92.

VISITORS' REGISTER

TAXATION

COMMITTEE

BILL NO. HOUSE BILL 64

DATE February 6, 1985

SPONSOR REPRESENTATIVE CODY

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Leroy GABEL	Huntley	X	
PAT UNDERWOOD	mont. Farm Bureau Bozeman	X	
William Michael J	Billings	X	
John Mahan	Huntley	X	
Henry Winklerfeld	Shepherd	X	
C. Winklerfeld	Dark City	X	
Mona Teigen MSEA	Helena	X	
Melange Vogel	Hearts Home	X	
John ASAY - Mt Little Leaders	Billings	X	
Bill King place	TOSTON	X	
Steve Little	Toston	X	
Bill Lockman	Billings	X	
Jim Staley	Laurel	X	
Chuck Harder	Bly	X	
Leoral Mosher	Montana Low Bellas	64 ⁹²	
Valdeh Chyn	Bly's	X	
2 Harold J. Gabel	Huntley	X	
Roy Gabel	Huntley	X	
Owen Nelson	MEA		X

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

COMMITTEE

DATE February 6, 1985

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

TAXATION

COMMITTEE

BILL NO. HOUSE BILL 92DATE February 6, 1985SPONSOR REPRESENTATIVE ERNST

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Bob Gilbert Montana Woodmen		X	
Bill Knapp	T Boston	X	
Jack Little	T Boston	X	
Bob Stephens ^{Montana State} Montana	Boston	X	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

TAXATION

COMMITTEE

BILL NO. HOUSE BILL 92

DATE February 6, 1985

SPONSOR REPRESENTATIVE ERNST

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
BLAKE W. JORDAN	Montana Hardware Helena Implement #500	X	
William Michael G.	Billings - Roof Showners Assn	X	
Harvey Label	Huntley	X	
Pat Underwood	mont. Farm Bureau Bozeman	X	
John Mahan	Huntley	X	
Henry Wachsfeldt	Shepherd	X	
C. Wachsfeldt	Park City	X	
Mons Tegen MSGA	Helena	X	
Geo. Ling	Staccitator	X	
John Asay - Mt Cattle Feeders Assn	Billings	X	
Bill Jackman	Billings	X	
Jim Staley	Lansel	X	
Cur Hord	Bly	X	
Ralph Owen	Bly's	X	
Harold L. Label	Huntley	X	
Ray Label	Huntley	X	
Owen Nelson	MEA		X
L. Morris	MA Co		X
Jaye Spicher	Hingham WIFE	X	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

TAXATIONCOMMITTEEBILL NO. HOUSE BILL 322DATE February 6, 1985SPONSOR REPRESENTATIVE MOORE

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
TODD HUDAK	MT. ASSN OF COUNTIES		
Jim Mockler	Helena		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.