

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

January 26, 1985

The fifteenth meeting of the Senate Taxation Committee was called to order by Chairman Those E. Towe at 8:05 am in Room 415 of the Capitol Building.

ROLL CALL: Senator McCallum was absent and all other members of the committee were present.

CONSIDERATION OF SB 106: Senator James Shaw was recognized as chief sponsor of the bill. He explained that the bill would allow a person who paid property taxes in two or more counties to send their children to the school that was most convenient geographically.

PROPOSERS

No other proposers spoke.

OPPOSERS

There were none.

Questions from the committee were called for.

Senator Mazurek said this bill, or one like it, had been heard in the Education Committee in the past and was very controversial. He asked Senator Shaw if he had heard objections to the bill. Senator Shaw said, no, that this bill was drafted differently than those dealing with transportation and other issues.

Senator Eck asked if the subchapter S corporation owned a business in an entirely different place if the property tax credit would be granted against tuition. Senator Mazurek responded, yes, and he felt that would be appropriate.

Following a discussion of transportation costs, elementary tuition and that capital expenses were not covered by tuition costs, Senator Shaw said these areas are all outside of the intent of the bill. He said that with an Attorney General's opinion that separated the farm residence from the ranch a child attending school in a county different from, even if closer to, his residence was required to pay tuition. This bill would change that. Senator Shaw closed on SB 106.

Chairman Towe informed the committee that an appropriate clerical change had been made in the amendments voted on yesterday for SB 99. Without objection the minutes will reflect the insertion on page 3, line 18, following "applies"; of the words "retroactively within the meaning of 1-2-109,". There was no objection from the committee.

FURTHER CONSIDERATION OF SB 52 and SB 53: Chairman Towe recognized committee staffer, Mr. Jim Lear, who explained that the two bills had been combined into SB 53. He presented the committee with amendments (Exhibit 1).

January 26, 1985

After discussion by the committee Senator Halligan suggested a straw vote on the quota portion of the bill. Chairman Towe directed the committee's attention to the changes in percentages of the floating licenses. He said that because of annexation no new licenses would be able to float in Billings anyway.

Senator Mazurek asked where the impacts would occur. Mr. Howard Hefflefinger of the Department of Revenue presented a list (Exhibit 2).

Senator Severson asked why the quota was being changed. Senator Towe explained that it would simply give more flexibility to the quota system. There was no further discussion about the numbers and prices of liquor licenses in various communities. Mr. Hefflefinger clarified for the committee the fee related to population system for county licenses.

Senator Crippen was recognized and he said that both bills struggle with the inequities in the quota system. He pointed out that at first the tavern owners sought the bill as a compromise, and that now they were in opposition.

Senators Eck and Towe both agreed that the tavern owners had broken faith with an earlier agreement they said they would support.

Senator Crippen said he would agree with the changed SB 53.

Senator Towe called for a straw vote on the quota system change. Senators Hirsch, Neuman and Lybeck voted against the change. Senator McCallum was absent. Other members agreed with the change.

MOTION: Senator Halligan moved amendments 1-19 on SB 53, as presented in Exhibit 1. The motion carried unanimously.

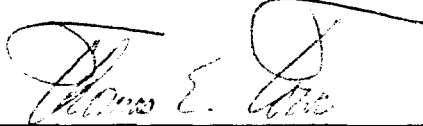
MOTION: Senator Halligan moved that SB 53 do pass as amended. With Senator McCallum absent; Senators Hirsch, Goodover, Lybeck, Neuman voting no; and Senators Brown, Eck, Hager, Halligan, Mazurek, Severson and Towe voting yes; the motion carried.

MOTION: Senator Hager moved that SB 52 be tabled. The motion carried unanimously.

Chairman Towe asked the committee if they would be interested in a presentation from the Legislative Fiscal Analyst and the Governor's Office of Budget and Program Planning on the overall revenue picture. The committee concurred.

Senator Severson said that SB 33 had been moved back to committee because of a request by President Norman. President Norman's concern was a shift in tax burden to residential taxpayers. He indicated that would be worked out soon.

Senator Towe adjourned the meeting at 9 am.


Chairman

ROLL CALL

SENATE TAXATION COMMITTEE

49th Legislative Session -- 1985

Date January 26, 1985

Location -- Room 413-415

Name	Present	Absent	Excused
------	---------	--------	---------

Senator Brown	✓		
Senator Eck	✓		
Senator Goodover	✓		
Senator Hager	✓		
Senator Halligan	✓		
Senator Hirsch	✓		
Senator Lybeck	✓		
Senator Mazurek	✓		
Senator McCallum			
Senator Neuman	✓		
Senator Severson	✓		
Senator Towe	✓		

AMENDMENTS TO SENATE BILL NO. 53
Amend SB 53, introduced copy

1. Title, lines 6 through 8.
Following: "Entitled: "An Act" on line 6
Strike: through "permits;" on line 8
Insert: "Providing increased flexibility in
transferring all-beverages licenses by revising
transfer quota limitations; eliminating the prohibition
of transferring a previously transferred license;
reducing the annual fee for a catering license;
revising the procedure for a catering endorsement;
reducing the fee for catering an event;"

2. Title, line 9.
Following: "Waive"
Strike: "The"
Insert: "Certain"
Following: "Requirements"
Insert: "For special permits"

3. Title, lines 9 through 11.
Following: ";" on line 9
Strike: through end of line 11
Insert: "Allowing local health department
participation in approving catered premises and
locations for events under special permits;"

4. Page 2, line 4.
Following: "than"
Strike: "33%"
Insert: "40%"

5. Page 2, line 7.
Following: "than"
Strike: "43%"
Insert: "50%"

6. Page 2, line 24 through line 1, page 3.
Strike: subsection (d) in its entirety

7. Page 3, line 6.
Following: "attending"
Strike: "a"
Insert: "one or more"
Following: "special"
Strike: "event"
Insert: "events"

8. Page 3, line 8.
Following: "where"
Strike: "the"
Insert: "such an"

Exhibit 1 - SB 53
Senate Taxation Committee
January 26, 1985

9. Page 3, line 10.

Following: "(b)"

Strike: "A written application"

Insert: "The annual fee"

10. Page 3, lines 11 and 12.

Following: line 10

Strike: through "approval" on line 12

Insert: "is \$125 and the fee for each event catered is \$5 a day."

11. Page 3, lines 13 through 18.

Following: "(c)" on line 13

Strike: through "describe" on line 18

Insert: "There must be filed with the department:
(i) a statement for each event for which
the licensee intends to provide catering
services, describing"

12. Page 3, line 20.

Following: "held"

Strike: "."

Insert: "; and

(ii) a written statement of approval of the
premises by the local law enforcement
agency that has jurisdiction over the
premises where the event is to be held
and either the Department of Health and
Environmental Sciences or the local
health department that has jurisdiction over
the premises where the event is to be held."

13. Page 3, line 20 through line 11 on page 4.

Following: "held." on page 3, line 20

Strike: through end of line 11 on page 4

Insert: "(d) An all-beverages licensee who holds a
catering endorsement granted under this subsection (2)
may not cater one event or events in one location for
more than 30 days within each calendar year."

14. Page 5, lines 14 and 15.

Following: "by" on line 14

Strike: through "and" on line 15

15. Page 5, line 17.

Following: "held"

Insert: "and either the department of health and
environmental sciences or the local health department
that has jurisdiction over the premises where the event
is to be held"

16. Page 5, line 24 through line 2 on page 6.

Strike: subsection (d) in its entirety

17. Page 7, lines 6 through 12.
Strike: section 5 in its entirety
Renumber: subsequent section

18. Page 7, line 13.
Following: "1"
Strike: ", "
Insert: "and"

19. Page 7, line 14.
Following: "2"
Strike: ", and"

	<u>Floaters</u>	<u>Floaters Available</u>	
	<u>Currently Available</u>	<u>Upon Passage of</u>	<u>Difference</u>
	33%/43%	SB52 - 40%/50%	
Laurel	1	1	1
Lewis & Clark Co.	8	10	2
Bozeman	0	1	1
Phillips Co.	0	1	1
Lake Co.	6	8	2
Harlem	1	2	1
Fairview	1	2	1
Choteau	0	1	1
Columbus	1	2	1
Plains	1	2	1
Thompson Falls	1	2	1
Browning	0	1	1
Rosebud Co.	3	4	1
Jefferson Co.	2	3	1
Boulder	0	1	1
Superior	0	1	1
Lincoln Co.	5	6	1
Eureka/Rexford	0	2	2

A previous work-up completed for review by the Revenue Oversight Committee based on an increase in the "floater" provisions from 43% to 50% indicated that three more licenses could be transferred to the Billings quota area. In the meantime we were informed that Billings experienced annexations which expanded the city limits. This resulted in the reclassification of eight licensed establishments, formerly classified as Yellowstone County licenses, to Billings city licenses. Therefore the increase proposed under Senate Bill 52 would have no affect on the Billings quota area; no additional license could be transferred to that area.

Exhibit 2 - SB 53
Senate Taxation Committee
January 26, 1985

STANDING COMMITTEE REPORT

Page 1 of 3.

January 26, 1985

MR. PRESIDENT

We, your committee on **Taxation**

having had under consideration **Senate Bill** No. **53**

first reading copy (**white**)
color

WAIVER OF CATERING ENDORSEMENT AND SPECIAL PERMIT FILING REQUIREMENTS.

Senate Bill **53**

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

be amended as follows:

1. Title, lines 6 through 8.
Following: "Entitled: "AN ACT" on line 6
Strike: remainder of line 6 through "PERMITS;" on line 8
Insert: "PROVIDING INCREASED FLEXIBILITY IN TRANSFERRING ALL-BEVERAGES LICENSES BY REVISING TRANSFER QUOTA LIMITATIONS; ELIMINATING THE PROHIBITION OF TRANSFERRING A PREVIOUSLY TRANSFERRED LICENSE; REDUCING THE ANNUAL FEE FOR A CATERING LICENSE; REVISING THE PROCEDURE FOR A CATERING ENDORSEMENT; REDUCING THE FEE FOR CATERING AN EVENT;"
2. Title, line 9.
Following: "WAIVE"
Strike: "THE"
Insert: "CERTAIN"
Following: "REQUIREMENTS"
Insert: "FOR SPECIAL PERMITS"
3. Title, lines 9 through 11.
Following: "," on line 9
Strike: remainder of line 9 through "OBTAINED" on line 11
Insert: "ALLOWING LOCAL HEALTH DEPARTMENT PARTICIPATION IN APPROVING CATERED PREMISES AND LOCATIONS FOR EVENTS UNDER SPECIAL PERMITS"
4. Page 2, line 4.
Following: "than"
Strike: "331"
Insert: "401"

XXXXXX
DO PASS

XXXXXXXXXX

Chairman.

January 26,

35

19.....

5. Page 2, line 7.

Following: "than"

Strike: "43%"

Insert: "50%"

6. Page 2, line 24 through line 1, page 3.

Strike: subsection (d) in its entirety

7. Page 3, line 6.

Following: "attending"

Strike: "a"

Insert: "one or more"

Following: "special"

Strike: "event"

Insert: "events"

8. Page 3, line 8.

Following: "where"

Strike: "the"

Insert: "such as"

9. Page 3, line 10.

Following: "(b)"

Strike: "A written application"

Insert: "The annual fee"

10. Page 3, lines 11 and 12.

Following: line 10

Strike: "and" on line 11 through "approval" on line 12

Insert: "is \$125 and the fee for each event catered is \$5 a day"

11. Page 3, lines 13 through 18.

Following: "(c)" on line 13

Strike: remainder of line 13 through "describe" on line 18

Insert: "There must be filed with the department:
(i) a statement for each event for which
the licensee intends to provide catering
services, describing"

January 26, 1985

12. Page 3, line 20.

Following: "held"

Strike: "."

Insert: "; and

(ii) a written statement of approval of the premises by the local law enforcement agency that has jurisdiction over the premises where the event is to be held and either the department of health and environmental sciences or the local health department that has jurisdiction over the premises where the event is to be held."

13. Page 3, line 20 through line 11 on page 4.

Following: "held." on page 3, line 20

Strike: remainder of line 20 through "held" on line 11 on page 4

Insert: "(d) An all-beverages licensee who holds a catering endorsement granted under this subsection (2) may not cater one event or events in one location for more than 30 days within each calendar year"

14. Page 5, lines 14 and 15.

Following: "by" on line 14

Strike: remainder of line 14 through "and" on line 15

15. Page 5, line 17.

Following: "held"

Insert: "and either the department of health and environmental sciences or the local health department that has jurisdiction over the premises where the event is to be held"

16. Page 5, line 24 through line 2 on page 6.

Strike: subsection (d) in its entirety

17. Page 7, lines 6 through 12.

Strike: section 5 in its entirety

Renumber: subsequent section

18. Page 7, line 13.

Following: "1"

Strike: ","

Insert: "and"

19. Page 7, line 14.

Following: "2"

Strike: " , and 5"

AND AS AMENDED

DO PASS

Thomas E. Towe, Chairman