

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

February 4, 1985

The twenty-first meeting of the Taxation Committee was called to order by Chairman Thomas E. Towe in Room 413-415 of the Capitol Building at 8:40 am.

ROLL CALL: Senator Lybeck was excused. All other members of the committee were present.

FURTHER CONSIDERATION OF SB 48: Mr. Jim Lear, of the committee's staff, was recognized to discuss the amendments to SB 48 regarding putting electric and natural gas utilities in a category separate from other utilities. (The amendments are found in Exhibit 4 of the minutes of the February 2 meeting of the Taxation Committee.) Mr. Lear addressed each of the 16 amendments that accomplish creation of an additional thirteenth class for property taxation.

MOTION: Senator Eck moved the amendments to SB 48 from Exhibit 4 of the preceeding day's minutes.

Senator Brown asked to have the logic clarified. Chairman Towe responded that the amendments would leave utilities taxed as they are now and keep the bill tax neutral to the maximum extent possible.

The motion carried unanimously.

MOTION: Senator Eck moved that SB 48 do pass as amended.

The questions on classification of commercial timber were asked again.

Senator Eck said that she had appreciated the discussions on this issue and felt that it deserved further serious consideration. She added that perhaps a study resolution on the taxation of timber was in order. She did not feel, however, that the timber issue would be addressed by this bill. She said she felt it safest to stick to the status quo because the committee did not fully understand the impacts of any changes it might consider.

Senator Brown said that while SB 48 would not be considered a tax increase it could be dubbed "revenue enhancement on the federal level."

Senator Neuman asked if the formulas in this bill would affect the federal payment in lieu of taxes (PILT) programs.

Senator McCallum asked if the bill would increase taxes for mining. Mr. Rollins, personnel manager for ASARCO said that, yes, taxes would increase on their new projects. Mr. Gary Langley said that the change in mining machinery from 11 to 11.7 percent would increase the taxes on all mining operations.

Senator Brown said that when SB 48 reaches the floor it should be clean, with all amendments incorporated and a new fiscal note on the amended bill. Chairman Towe agreed.

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The question was called on Senator Eck's motion that SB 48 do pass as amended. With Senators Eck, Halligan, Hirsch, Lybeck, Mazurek, Neuman and Towe voting yes; Senators Brown, Goodover, Hager, McCallum and Severson voting no; the motion carried.

FURTHER CONSIDERATION OF SB 33:

MOTION: Senator Severson moved that SB 33 do pass. The motion carried unanimously.

FURTHER CONSIDERATION OF SB 76: There was some discussion of whether an amendment was necessary to clarify the city-county library levies. Mr. Lear said his research indicated that amendment was not necessary. Ms. Sara Parker of the State Library was recognized and she agreed saying that the wrong kind of amendment could even hurt libraries.

Senator Brown clarified with her that libraries were in support of the bill. Ms. Parker said, yes. Senator Brown said that in the past library people had feared this kind of bill could hurt them as they are often in a weak political position. Ms. Parker said that this bill was okay with libraries.

MOTION: Senator Halligan moved that SB 76 do pass. He said that the local level needed this funding flexibility.

Senator McCallum said that he wanted the consolidation restricted to the mills that were actually used. Senator Halligan asked if he had a bill introduced to increase the levy for fairs. Senator McCallum responded that he liked the caps on the levies and he doesn't want various interest groups to have to fight it out.

Senator Eck said the cap could come by reducing the total amount allowed by this bill.

MOTION: Senator Eck moved as a substitute motion that SB 76 be amended on page 1, lines 5 and 24 by striking "24" and inserting "18". She said that would reduce the levy authority and increase the flexibility of county commissions. She said that they would not increase the mill levies simply because the authority to do so existed.

Senator Halligan spoke against the motion saying that the Taxpayers Association and the counties had all worked on this bill. He pointed out that this committee has all kinds of taxing authority that they do not use and that elected officials are as responsible at the local level. He made the distinction between increasing authority to tax and increasing taxes.

The question was called. With Senators Neuman, Mazurek and Halligan voting no; Senator Lybeck excused; and all other members present voting yes; the motion carried.

Senator Mazurek then suggested that libraries should be taken out of the bill and the overall authority reduced further to 13 mills. Senator Halligan said if that was done, the bill should be killed.

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MOTION: Senator Hirsch moved that SB 76 be amended by striking line 12 on page 2 and renumbering appropriately.

The committee discussed whether libraries would be politically vulnerable in competition with other entities who need the mill levies.

The question was called on Senator Hirsch's motion. With Senators Hager, McCallum, Neuman and Severson voting no; Senator Lybeck excused; and all other members voting yes, the motion carried.

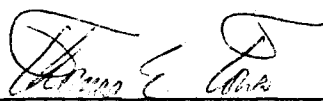
MOTION: Senator Halligan moved that SB 76 do pass as amended.

MOTION: Senator Hager moved as a substitute motion that SB 76 be amended on page 1, lines 5 and 24 by striking the "18" and inserting "14".

MOTION: Senator Halligan moved as a substitute motion for all motions pending that SB 76 be amended on page 1, lines 5 and 24 by striking "18" and inserting "15". With Senators Brown, Eck, Goodover, Hager, Halligan, Hirsch, Mazurek, McCallum and Towe voting yes; Senators Neuman and Severson voting no; and Senator Lybeck excused the motion carried.

MOTION: Senator Halligan moved that SB 76 do pass as amended. With Senators McCallum, Neuman and Severson voting no; Senator Lybeck excused and all other members voting yes; the motion carried.

Chairman Towe adjourned the meeting at 9:55 am.



Chairman

ROLL CALL

SENATE TAXATION COMMITTEE

49th Legislative Session -- 1985

Date February 1, 85 8:40am

Location -- Room 413-415

Name	Present	Absent	Excused
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Senator Brown	✓		
Senator Eck	✓		
Senator Goodover	✓		
Senator Hager	✓		
Senator Halligan	✓		
Senator Hirsch	✓		
Senator Lybeck			✓
Senator Mazurek	✓		
Senator McCallum	✓		
Senator Neuman	✓		
Senator Severson	✓		
Senator Towe	✓		

ROLL CALL VOTE

SENATE TAXATION COMMITTEE 48th Legislative Session -- 1985

Time 9:10 am Date 4 February 85 Room 413-415

Motion: That SB48 do pass as amended -
Motion by Eck.

Name	Yes	No	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	✓		

ROLL CALL VOTE

SENATE TAXATION COMMITTEE 48th Legislative Session -- 1985

Time 9:50 am Date February 4, 1985 Room 413-415

Motion: Hirsch - amend SB76 by taking out p. 12
page 2, line 12 - strike.

Name	Yes	No	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	✓		

ROLL CALL VOTE

SENATE TAXATION COMMITTEE 48th Legislative Session -- 1985

Time 9:55 am Date 4 February 85 Room 413-415

Motion: 18-15 substitute motion by
Senator Halligan that SB 76 be amended on p.1,
line 5 and line 24 to strike the 18 (amended in
by earlier motion) and insert 15.

Name	Yes	No	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	✓		

STANDING COMMITTEE REPORT

February 4, 1985

MR. PRESIDENT

Taxation

We, your committee on

Senate Bill 76

having had under consideration

No.

first reading copy (white color)

COUNTY CONSOLIDATED SERVICES LEVY

Senate Bill 76

Respectfully report as follows: That

No.

be amended as follows:

1. Title, line 5.

Following: "A"

Strike: "24-MILL"

Insert: "15-MILL"

2. Page 1, line 20.

Following: "exceed"

Strike: "24"

Insert: "15"

3. Page 2, line 12.

Following: line 11

Strike: subsection (9) in its entirety

Reinsert subsequent subsections.

And as amended

DO PASS

KAY NICHOLS

Senator Tom Yova, Chairman.