

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

April 19, 1985

The seventy-seventh meeting of the Senate Taxation Committee was called to order at 8:00 am by Chairman Thomas E. Towe in Room 413-415 of the State Capitol.

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

CONSIDERATION OF HB 915: Senator McCallum moved that HB 915 be tabled.

Senator Severson said that the problem needed to be addressed. Senator Towe said that this bill does not define farm residence and, therefore, does not address the problem.

Question was called. Senator Mazurek voted no. Senators Goodover, Hager, Severson, Neuman, McCallum, Towe and Hirsch voted yes. The motion carried.

CONSIDERATION OF HB 704: Senator Mazurek said this was an important matter that must be dealt with. "Let's do something, even if it's wrong," he said.

Mr. Jim Lear, committee staff, was recognized to discuss the amendments in Exhibit 1. These amendments were worked out with Mr. Gordon Morris, Montana Association of Counties.

Senator Towe said that other amendments are currently on the bill and that he still did not feel comfortable about a possible windfall or deficit to local governments.

Senator Hirsch said he was comfortable with the bill as it is. He said that policy judgments will need to be made and that the bill is too hard to clean up.

Senator Eck said that the bill needs to pass. She said the impact of doing nothing would be too great.

Senator Severson said he saw no problem with the levy returning to zero. He said that the Legislature has to have faith in other parts of government.

Mr. Dennis Burr was recognized and said that he didn't like the bill, but that the amendments did help. He feared the problem with a windfall in county government being a vehicle to expand government.

Senator Mazurek said that if the "shall" on page 2, line 9 were changed to "may" it would leave the mechanisms discretionary. Mr. Lear said there was a constitutional problem in playing with the taxable value. He said that value is not discretionary. Senator Mazurek agreed not to make a motion.

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The amendments in Exhibit 2 were presented. They would ask the Revenue Oversight Committee to look at the bill.

MOTION: Senator Mazurek moved that HB 704 be amended per Exhibit 2. Senators McCallum, Halligan, Goodover and Hager voted no. All other members of the committee voted yes. The motion carried.

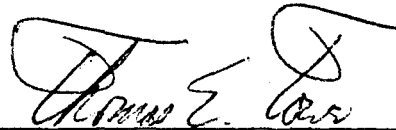
MOTION: Senator Halligan moved that HB 704 be amended per Exhibit 1. The motion carried unanimously.

MOTION: Senator Mazurek moved that HB 704 be concurred in as amended.

The committee agreed to request that a gray bill be printed before the bill went to second reading on the Senate floor.

Question was called. The motion carried unanimously. Senator Towe said that he would carry the bill.

Chairman Towe adjourned the meeting at 8:42 am.



Chairman

ROLL CALL

SENATE TAXATION COMMITTEE

49th Legislative Session -- 1985

Date April 19, 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	✓		

Amend HB 704, Third Reading Copy

1. Page 2, line 21.

Following: "protest."

Insert: "The county shall calculate such levies by crediting the revenue from released protest funds directly to the revenue section of the budget and not to the cash reserves. If the crediting of such revenue reduces to zero the amount necessary to be raised by tax levy, the county treasurer shall refund any excess protest fund revenue to the taxpayers. If a taxpayer is delinquent in the payment of prior taxes, the county may offset the delinquency rather than make a refund. A copy of the calculations made in fixing the tax levies under this subsection and calculations of any refunds must be delivered to the legislative auditor, the office of public instruction, and the department of revenue.

2. Page 3, lines 23 and 24.

Following: "levies" on line 23

Strike: "and may not be added to district reserves"

Insert: "The district shall calculate such levies by crediting the revenue from released protest funds directly to the revenue section of the budget and not to the cash reserves. If the crediting of such revenue reduces to zero the amount necessary to be raised by tax levy, the county treasurer shall refund on behalf of the district any excess protest fund revenue to the taxpayers. If a taxpayer is delinquent in the payment of prior taxes, the county treasurer may offset the delinquency rather than make a refund. A copy of the calculations made in fixing the tax levies under this subsection and calculations of any refunds must be delivered to the legislative auditor, the office of public instruction, and the department of revenue."

AMEND HB 704, Third Reading Copy

1. Title, line 11.

Following: "LEVIES;"

Insert: "REQUESTING THE REVENUE OVERSIGHT COMMITTEE TO CONSIDER THE ADVISABILITY OF CREATING A STATEWIDE PROTEST FUND;"

2. Page 4.

Following: line 21

Insert: "NEW SECTION. Section 4. Revenue oversight committee consideration of advisability of statewide protest fund. The revenue oversight committee is requested to consider the advisability of creating a statewide protest fund for taxes paid under protest and to suggest procedures for payment into the fund, administration of the fund, payment of litigation costs associated with protests based on state law, and satisfaction from the fund of judgments against taxing jurisdictions. If the revenue oversight committee accepts this request, it shall report its findings and recommendations and any proposed legislation to the 50th legislature."

Renumber: subsequent section