

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
MONTANA STATE SENATE

June 19, 1986

The second meeting of the Senate Taxation Committee was called to order by Chairman Thomas E. Towe at 10:30 am, Thursday, in Room 413-415 of the State Capitol.

ROLL CALL: All members of the committee were present.

CONSIDERATION OF SB 6: Senator Pat Regan was recognized as chief sponsor of the bill. She said that the bill would take federal mineral monies that currently go to highways and deposit them in the foundation program. She said that the money allocated for highways from the coal board would also be reallocated to education. She said with the gas tax and this bill the money going to highways would equalize. She asked the committee to hold this bill until the gas tax bill had passed. She said that she had a gas tax bill of her own, but did not introduce it as it was very close to the Governor's bill.

PROPOSERS

Mr. Eric Feaver, President of the Montana Education Association, appeared to support SB 6. He said that it would be appropriate to restore money to education in this manner.

Ms. Terry Minnow, Montana Federation of Teachers, supported the merit of the bill assuming that it were tied to a gasoline tax increase.

OPPOSERS

None were heard.

Questions from the committee were called for.

Senator Regan answered Senator Severson's question about the amount of money saying that it would be about \$19-20 million.

In response to a question from Senator Towe, Senator Regan said that if the gas tax doesn't pass, this bill should be tabled. She said that if VanValkenburg's bill on a similar subject were to pass the committee would have to decide whether the money should go to the general fund or if it belonged in the foundation program.

In further discussion between Senator Towe and Senator Regan it was clarified that she did not intend for the amount of coal board allocations to be changed by the bill, but only intended that the recipient be changed. Senator Towe agreed to check with the drafter to clarify that part of the bill.

Senator Regan closed on SB 6.

Chairman Towe said that it was his intent to hold the bill until the gas tax bill was heard. He asked if the committee had any objection and none was heard.

FURTHER CONSIDERATION OF SB 4: Council staff to the committee, Mr. Jim Lear, was recognized and said that all technical problem with the bill would be solved by striking the word "less" on line 14 of page 8.

MOTION: Senator Goodover moved to amend SB 4 as follows:

1. Page 8, line 14.  
Following: "1986,"  
Strike: "less"

The motion carried unanimously.

Senator Goodover then discussed with the committee the misunderstanding of the people who had opposed the bill. He said that their opposition was to cutting their appropriation, but not to discontinuing it from the coal tax revenue. He said the committee ought to let the bill go to the House for hearing so that this would be clarified.

MOTION: Senator Goodover moved that SB 4 do pass as amended.

Senator Towe said that many were concerned about the earmarking portion of the bill. Senator Goodover said they ought not object because the Legislature would give them the money. Senator Neuman asked if it was Senator Goodover's intention to end all earmarking. Senator Goodover said he felt that was unlikely.

Senator Halligan said that he felt it was a subject that needed more comprehensive treatment. Senator Goodover responded that funds available should be used or taxes would have to be raised.

Senator Towe said that the problem of taking funds already committed had not been addressed. There followed a discussion on the effective date of the bill and if that could be altered to address that problem.

Senator Eck reminded the committee of a long list of water projects already approved by the last Legislature. She said that many, including the League of Women Voters agree that earmarking is a poor way to handle appropriations.

Senator Goodover said that earmarking is a guessing game for the recipient of the funding as they don't know how much they will receive. He said no dollars were being taken away, that he only wanted the agencies to have to get approval and to protect them from shortfalls. He said that he would be willing to change the effective date of the bill.

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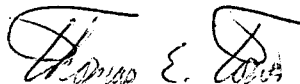
Senator Hager asked for clarification of how the water development programs would be affected.

MOTION: Senator Halligan moved as a substitute motion that SB 4 be tabled. He noted that appropriations measures must come through the House and that an appropriation could not be amended into this bill.

Senator Brown spoke in favor of the motion. He said he did not want to negate commitments made by the last Legislature.

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

With no further business before the committee, Senator Towe adjourned the meeting at 11:02 am.

  
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Chairman

## Senate Taxation Committee

## ROLL CALL VOTE

Date 19 June 86Bill No Motion: Attendance

	YES	NO
Senator Brown	✓	
Senator Eck	✓	
Senator Goodover	✓	
Senator Hager	✓	
Senator Halligan	✓	
Senator Hirsch	✓	
Senator Lybeck	✓	
Senator McCallum	✓	
Senator Neuman	✓	
Senator Severson	✓	
Senator Mazurek	✓	
Chairman Towe	✓	