

MONTANA STATE SENATE  
JUDICIARY COMMITTEE  
MINUTES OF THE MEETING

June 28, 1986

The Fifth meeting of the Senate Judiciary Committee for the 49th Legislature, Third Special Session, was called to order at 10:35 A.M. on June 28, 1986, by Chairman Joe Mazurek in Room 325 of the Capitol Building.

ROLL CALL: All committee members were present with the exception of Senator Daniels.

ACTION ON HB 46: Senator Mazurek read the amendment which was passed out to the committee (attached as Exhibit 1) and advised that this was apparently in agreement with both the Legislative Fiscal Analyst and the Department of Revenue. He asked if there would be any objection to reinserting the language on page 2, lines 1-3. There was no objection voiced.

Senator Mazurek asked if there was an agreement now as to what information will be released and in what form.

Mr. LaFaver said I believe what we have agreed upon is that we would make an income tax file that would be available to the Fiscal Analyst and the same file would be available to our research staff and to the Executive Budget Office. It would be done in such a way that no names, addresses or identifying data would be available. The specific tax data would be statistically altered, marginally, so that even inadvertent disclosure of a piece of information could not be traced back to an individual.

Senator Mazurek asked if the method of alteration would be disclosed to the Legislative Fiscal Analyst.

Mr. LaFaver said yes. We would not have any problem from a confidentiality standpoint. That data likewise would be available to the staff of the Revenue Oversight Committee in doing their study.

Senator Mazurek asked Mr. Brown if that was acceptable to the Legislative Fiscal Analyst's Office.

Senator Brown said with the additional understanding that the Legislative Fiscal Analyst's Office would have the ability to go in and look at the raw data to make sure that the results have not been skewed. There

could be a run of the actual raw data but that would never leave the Department. In other words that would be done jointly with the Department of Revenue.

Senator Mazurek asked if it would be done jointly or done by the Department with you having the ability to observe that.

Mr. LaFaver said we would make runs with the raw data and with the masked data to make sure that statistically we are coming up with the same answers. Then the file we would be using would be the masked file.

Senator Shaw asked if the House will accept this bill if it has been amended.

Senator Mazurek said it is his understanding that if these two parties agree, which it is his understanding that they do, then he thinks they will accept this bill amended.

Mr. Brown said the Department opposed this bill in the House hearing and they will be advised that the differences have been resolved and he would assume the House would accept those amendments under the circumstances.

Senator Shaw said he thinks this bill is real important and we shouldn't be amending it, just sign it and put it into law.

Senator Crippen moved that we adopt the amendments presented to the committee (Exhibit 1) and reinsert the language at the top of page 2, lines 1-3.

Senator Towe asked John LaFaver if his understanding was correct in that he would in effect agree that the masking means that they will in fact get the raw data with simply the names and identifying numbers omitted, and if in fact you thought that might be traceable they would still have that access.

Mr. LaFaver said the data that they would have would be masked. The numbers would be marginally altered so that they could not be traced back to an individual.

Senator Towe asked what he meant by marginally altered.

Mr. LaFaver said altered in such a way that if somebody's salary is made public, where his salary is published in the paper, that you would not be able to go into your file

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and find out how much tax that person paid. The dollars would be changed in a marginal way so they would not be to the dollar exact but in the aggregate you would be coming out with the same fiscal impact of proposed changes in the tax law.

Senator Towe said in addition you will allow them to look at the raw and masked data to see that you have done it properly.

Mr. LaFaver said we would compare one with the other.

Senator Crippen's motion passed with committee members.

Senator Towe said I think we should discuss the possibility of putting legislators into the bill. The question was legitimately raised and it needs to be discussed as to whether we want legislators involved or not. This could be done by simply adding legislators on page 2, line 5.

Senator Crippen said he would have to resist that. He thinks we can get the information that we need as a legislative body through the Legislative Fiscal Analyst.

Senator Mazurek would agree with that, particularly with the masking we have now provided for.

Senator Towe asked Mr. LaFaver if he thought with the masking the legislature would be entitled to the information.

Mr. LaFaver said I believe our mutual understanding is that the data would be masked in such a way that it would not be confidential and it would be no problem if legislators or universities, whomever has an interest in the tax base, saw the information. If it is masked it simply doesn't have the confidentiality.


John McMaster said with Senator Crippen's amendment he thinks we should reinstate the material that was stricken out of the title.

Senator Crippen withdrew his original motion to amend to include reinsertion of the stricken material on page 1, lines 11-13. This motion is inclusive of his original motion to amend which included the amendment that was furnished to the committee (Exhibit 1) and the reinsertion of the language at the top of page 2, lines 1-3. The motion carried.

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Senator Crippen moved that HB 46 BE CONCURRED IN AS AMENDED. The motion carried.

There being no further business to come before the committee, the meeting was adjourned at 10:50 A.M.

  
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COMMITTEE CHAIRMAN

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ROLL CALL

SENATE JUDICIARY

COMMITTEE

49th THIRD SPECIAL LEGISLATIVE SESSION - 1986

Date 6-28-86

NAME	PRESENT	ABSENT	EXCUSED
Senator Chet Blaylock	✓		
Senator Bob Brown	✓		
Senator Bruce D. Crippen	✓		
Senator Jack Galt	✓		
Senator R. J. "Dick" Pinsoneault	✓		
Senator James Shaw	✓		
Senator Thomas E. Towe	✓		
Senator William P. Yellowtail, Jr.	✓		
Vice Chairman Senator M. K. "Kermit" Daniels		✓	
Chairman Senator Joe Mazurek	✓		

Each day attach to minutes.

Amendments to HB 46, Third Reading (blue) copy

1. Title, line 10.

Following: "EXAMINE"

Insert: ", EXCEPT PROTECTED INDIVIDUAL INCOME TAX RECORDS"

2. Page 2, line 3.

Following: "~~disclosure~~."

Insert: "The legislative fiscal analyst may not obtain copies of individual income tax records protected under 15-30-303. The department of revenue must make individual income tax data available by a masking method that conceals the identity of the taxpayer. The masking method must not destroy the statistical integrity of the individual income tax records. The masking method, including how data is masked, must be disclosed to the legislative fiscal analyst."

SENATE JUDICIARY

EXHIBIT NO. 1

DATE 6-28-86

BILL NO. HB-46

# STANDING COMMITTEE REPORT

June 23,

1935

MR. PRESIDENT

## JUDICIARY

We, your committee on

having had under consideration.....HOUSE BILL

No. 46

third reading copy ( blue )  
color

### LEGISLATIVE FISCAL ANALYST'S ACCESS TO AND DISCLOSURE OF CONFIDENTIAL INFO.

Respectfully report as follows: That.....HOUSE BILL

No. 46

be amended as follows:

1. Title, line 10.

Following: "EXAMINE"

Insert: "EXCEPT PROTECTED INDIVIDUAL INCOME TAX RECORDS"

2. Title, line 11.

Following: "LAW"

Insert: "MAY NOT DISCLOSE INFORMATION OBTAINED IN ITS INVESTIGATIONS  
WHEN PUBLICATION IS PROHIBITED BY LAW AND"

3. Page 2, line 1.

Following: "disclosure"

Insert: "This section does not authorize publication or public disclosure of information if the law prohibits such publication or disclosure. The legislative fiscal analyst may not obtain copies of individual income tax records protected under 15-30-303. The department of revenue shall make individual income tax data available by a masking method that conceals the identity of the taxpayer. The masking method may not destroy the statistical integrity of the individual income tax records. The masking method, including how data is masked, must be disclosed to the legislative fiscal analyst."

AND AS AMENDED  
BE CONCURRED IN

ON PASS

DO NOT PASS

SENATOR HAZURE,

Chairman.