

MINUTES OF THE MEETING
TAXATION COMMITTEE
50TH LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES

February 10, 1987

The meeting of the Taxation Committee was called to order by Vice Chairman Asay on February 10, 1987, at 8 a.m., in Room 312B of the State Capitol.

ROLL CALL: All members were present with the exception of Chairman Ramirez, who was excused. Also present was Dave Bohyer, Researcher, Legislative Council.

CONSIDERATION OF HOUSE BILL NO. 282: Rep. Earl Lory, District 59, sponsor of HB 282, told the Committee his was a simple bill, introduced at the request of the Missoula County Commissioners. He explained that the bill would allow urban transportation districts to levy one mill for special services for the handicapped and elderly.

PROPOSERS: Howard Schwartz, representing Missoula County, said the bill would create equity in serving those handicapped and elderly, who are already taxed outside the Mountain Line District, but do not receive services now. He stated that only Cascade County has imposed such a mill levy and that only two other counties in the state have urban transportation districts. (Exhibit #1)

Mark Donaghy, General Manager, Mountain Line General Urban Transportation District, said the district provides about 22,000 trips annually for the elderly and handicapped. He explained that the bill would allow these services to continue.

OPPOSERS: There were no opposers of HB 282.

QUESTIONS: Rep. Raney asked what would happen if the bill doesn't pass. Rep. Lory replied a mill would be taken off the county and put on the urban transportation district.

CLOSING: Rep. Lory reiterated that HB 282 is a simple bill wherein a few people would pay a little less tax.

CONSIDERATION OF HOUSE BILL NO. 287: Rep. Ralph Eudaily, House District #60, sponsor of the bill, explained that HB287 is the result of his talks with school administrators as to how school levies would fit in with I105. He said the bill would freeze the voted school tax levy authorization as it existed in 1986, for a period of one year. Rep. Eudaily read explanatory sections of the bill and said that if the Legislature acts in accord with I 105, the bill won't be

necessary. He asked Vice Chairman Asay to hold the bill a while and to wait and see what happens with I 105.

PROPONENTS: Bruce Moerer, Montana School Boards Association, stated that in the event I 105 is not addressed by the Legislature, HB 287 would benefit Montana schools.

OPPONENTS: There were no opponents of HB 287.

QUESTIONS: Rep. Ream asked why the bill would be sunset in one year. Rep. Eudaily replied he assumed the Legislature should be able to act on I 105 in that period of time.

Rep. Harrington asked what would happen to school districts that have already lost a large portion of their funding base, such as those in eastern Montana or in Butte, and how they would be compensated. Rep. Eudaily replied the bill does not address this situation.

Rep. Harp asked what would happen to the seven counties who rely on the net proceeds tax, if HB 287 were to pass. Greg Groepper, Administrator, Property Tax Division, DOR, explained that if the net proceeds tax continues to drop as it has this year, those seven counties would experience substantial problems, if and when I 105 took effect. He stated that I 105 only freezes certain classes of property, creating inequity in some classes. Mr. Groepper said he believes there is a constitutional responsibility to levy all classes of property at similar mill levy rates.

Rep. Gilbert asked if the bill would actually lower funding for some schools instead of freezing the levy. He cited page 3, lines 18-24 of the bill, which state the number of mills to be frozen. Rep. Eudaily replied that portion of the bill refers to millage set by county commissioners in August for the following spring.

CLOSING: Rep. Eudaily told the Committee HB 287 provides a safety net if the Legislature does not deal with I-105, and that the Committee can kill HB 287 if I-105 is dealt with.

CONSIDERATION OF HOUSE BILL NO. 539: Rep. Robert Hoffman, House District #74, sponsor of HB 539, said the bill revises procedures for taking a tax deed for delinquent property taxes. He explained that the bill was drafted at the request of an attorney in Yellowstone County as a housekeeping measure.

PROPONENTS: There were no proponents of HB 539.

OPPONENTS: Chuck Stearns, City of Missoula Finance Office, told the Committee he had a problem with section 15.82.403, which requires action in district court to acquire a tax deed, and a separate action to acquire quiet title. He

stated he did not believe two courses of action were necessary and provided written testimony (Exhibit #2).

QUESTIONS ON HOUSE BILL NO 539: Rep. Raney asked what was being repealed. Mr. Stearns replied the section being repealed is designed to cure defects in the law which presently lead individuals to believe court action is not necessary to obtain quiet title. He told the Committee SB 162 addresses this situation.

CLOSING: Rep. Hoffman made no closing comments.

CONSIDERATION OF HOUSE BILL NO. 457: Rep. Jan Brown, House District #46, sponsor of HB 457, asked Cort Harrington to speak on the bill. Mr. Harrington explained the bill would require payment of current and previous years tax or fee prior to registration. He said current year and one year prior were suggested for consistency.

PROPOSERS: There were no proponents of the bill.

OPPOSERS: There were no opponents of the bill.

QUESTIONS FROM THE COMMITTEE ON HOUSE BILL NO. 457: Rep. Ream asked if the bill were consistent with and would replace Rep. Menahan's bill. Cort Harrington replied affirmatively.

CLOSING: Rep. Jan Brown made no closing comments on HB 457.

DISPOSITION OF HOUSE BILL NO. 457: Rep. Ream made a motion that HB 457 DO PASS. The motion CARRIED unanimously.

CONSIDERATION OF HOUSE BILL NO. 523: Rep. Bob Pavlovich, House District #70, sponsor of HB 523, said the bill would provide a check-off on state income tax forms, for the purpose of completing and maintaining a veterans cemetery at Fort Harrison. He estimated that at \$1.00 per check-off, the bill would provide about \$8,500, or the amount needed for this purpose.

PROPOSERS: Hal Manson, American Legion-Helena, told the Committee that \$8,500 would enable completion of the cemetery, along with state and federal three-to-one matches. He said he is anxious to get the project, which was authorized in the 1985 legislative session, completed.

George Poston, United Veterans Committee, explained that matching funds would be available for only one more year. He asked the Committee to support the bill.

Fred Olson, Senior Service Officer, Veterans Affairs, State of Montana, stated he believes Montana veterans will make

this kind of contribution, but often don't know how. He said the check-off would take care of this situation.

Rep. Orval Ellison, told the Committee he sponsored the bill during the 1985 session which made the appropriation to fund the cemetery. He added that it is a necessary and worthwhile project.

OPPONENTS: There were no opponents of HB 523.

QUESTIONS ON HOUSE BILL NO. 523: Rep. Williams advised that the fiscal note states the check-off may not cover anticipated costs. Rep. Pavlovich replied he did not believe the cost of adding the check-off to the Montana income tax form would be \$11,000.

Ken Morrison, DOR, told the Committee it would cost \$11,000 to change the income tax system to accommodate the check-off, but it could be reduced by approximately \$3,500 if the change were made in conjunction with similar changes. He added that the last page of the fiscal note indicates the check-off would be patterned after the Agriculture in Montana Schools program.

CLOSING: Rep. Pavlovich stated that he believed the Committee should act to help veterans in this endeavor, as a veterans cemetery is necessary to Montana.

DISPOSITION OF HOUSE BILL NO. 513: Rep. Harrington made a motion that the proposed amendments be approved (Exhibit #3). The motion CARRIED unanimously.

Vice Chairman Asay requested that the Committee not take final action on the bill until additional information is received. Rep. Harrington and committee members agreed to postpone further action on this basis.

DISPOSITION OF HOUSE BILL NO. 282: Rep. Gilbert made a motion that HB 282 DO PASS. The motion CARRIED unanimously.

CONSIDERATION OF HOUSE BILL NO. 375: Rep. Loren Jenkins, House District #13, sponsor of HB 375, said the bill would exempt real property and improvements within 100' of the center of a public access from taxation. He said the fiscal note makes it appear that the bill will have a large economic impact.

PROPONENTS: There were no proponents of HB 375.

OPPONENTS: Gordon Morris, Montana Association of Counties, told the Committee he would like to see the fiscal note and said he suspects it would cost local governments too much.

Alec Hansen, Montana League of Cities and Towns, stated his opposition to the bill.

Matthew Thiel, Associated Students, University of Montana, told the Committee he is certain the fiscal note will have a large, negative effect. He provided members with a worksheet on the cost to schools, if HB 375 and related bills were to pass (Exhibit #4).

QUESTIONS ON HOUSE BILL NO. 375: Rep. Ellison asked Carol Mosher, Montana Cattewomen, if property through which a county road passes is presently taxed. Ms. Mosher replied she did not know the answer to Rep. Ellison's question.

Rep. Hoffman advised that such parcels of land are taxed in some instances, but there is no consistent policy.

Rep. Raney asked if a home constructed on such a parcel of land would be exempt from taxation. Rep. Jenkins replied that was not his intent, and that his intent was to include only that land used for public access up to the right-of-way.

Rep. Sands asked if the bill were limited to rural roads. Rep. Jenkins replied it would not pertain solely to rural roads the way HB 375 is written, but that was his intention.

CLOSING: Rep. Jenkins told the Committee he needed to ask for amendments to the bill, and said the problem is not a large one. He asked the Committee to narrow the bill to the classification of ground beside the right of way, to eliminate a problem, such as that suggested by Rep. Raney. He added that amendments would probably make it necessary to provide a new fiscal note.

CONSIDERATION OF HOUSE BILL NO. 556: Rep. Red Menahan, House District #67, sponsor of HB 556, said the bill would provide tax exempt status to fraternal organizations, allowing them to provide additional funds toward community services, that are presently going to property tax.

Hal Manson, American Legion, Helena, told the Committee the money earned by such organizations usually reverts back to the community. He said he believes the bill is fair and that it would remove only \$83,000 in taxable value for veterans.

George Poston, United Veterans Committee, stated his support of the bill.

OPPONENTS: Todd Hudak, Associated Students, Montana State University, Bozeman, Stated his opposition to HB 556, and spoke for Gordon Morris, Montana Association of Counties, who is also opposed to the bill (Exhibit #5).

Matthew Thiel, Associated Students, University of Montana, provided a written statement in opposition to the bill.

Phil Campbell, Montana Education Association, stated his opposition to the bill, until the entire picture on taxation becomes more clear.

Chuck Stearns, City of Missoula Finance Office, said the bill would exempt too much property which receives services for sidewalks and roads. He added that Missoula will lose \$12,600 if the bill passes. (Exhibit #6)

QUESTIONS ON HOUSE BILL NO. 556: Rep. Schye asked if clubs who provide luncheon and bar services to the general public should be exempt. Rep. Menahan replied he did not know how many clubs of this kind exist.

Rep. Williams stated his opposition to the bill, as in his opinion, it is asking home owners to support fraternal organizations.

Rep. Raney asked how the exemption statutes work. Greg Groepper, DOR, replied an organization must make application for exception, and that if it has a food or beverage license, it is automatically disqualified.

CLOSING: Rep. Menahan told the Committee that if property tax relief is not made available to such organizations, many of their doors will close, and communities will lose volunteer services.

CONSIDERATION OF HOUSE BILL 565: Rep. Pistoria did not receive his sponsor notification for the hearing of HB 565, this date. Because, however, many persons were present who intended to testify as either proponents or opponents of the bill, Vice Chairman Asay announced their testimony would be heard and entered into the record on February 11, 1987, when Rep. Pistoria presented the bill to the House Taxation Committee.

PROPONENTS: There were no proponents of HB 565.

OPPONENTS: Rod Johnson, Transportation Director, Great Falls Public Schools, told the Committee the money to license school buses come from taxpayers and that an increase of \$200-300 per bus in licensing fees would be passed along to taxpayers out of necessity. He explained that schools don't want loan equipment and that they get a better deal through contracted services. He added that Great Falls schools would have to spend \$2 million annually to purchase buses.

Temple Beavers, President, Montana School Transportation Association, told the Committee his organization opposes the bill, as it will end up costing taxpayers more money.

Greg Beach, Beach Transportation, Missoula, said he owned 81 buses, which serve the Missoula schools. He explained the increase to his business of \$40,000 would be passed along to taxpayers.

Charles Simonsen, Rider Transportation (KAL Transportation), Billings, stated he had five contracts in southeast Montana and that the proposed increase would cost him \$26,000 in Yellowstone County alone, in addition to \$17,000 in taxes he will pay in 1987. He urged the Committee to kill HB 565.

Harlow Hageness, Whitehall, MT, told the Committee he opposes the bill as it creates an unfair burden to Montana schools and singles out private enterprise.

Bruce Moerer, Montana School Boards Association, said he opposed the bill for the same reasons, and asked the Committee to give the bill a Do Not Pass recommendation.

Jack Traxler, Missoula, told the Committee that liability costs for bus transportation businesses had increased more than 270 percent in the past two and one-half years. He asked the Committee to kill HB 565.

QUESTIONS: Rep. Raney asked Charles Simonsen if he used buses for purposes other than school transportation. Mr. Simonsen replied that he did, and that he paid county tax, licence, GVW, and seat tax fees for those buses.

ADJOURNMENT: There being no further business before the Committee, the meeting was adjourned at 10:10 a.m.

Jack Ramirez, Chairman
Representative Tom Asay,
Vice Chairman

DAILY ROLL CALL
HOUSE TAXATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date Feb 10, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. RAMIREZ			✓
REP. ASAY	7		
REP. ELLISON	7		
REP. GILBERT	7		
REP. HANSON	7		
REP. HARP	7		
REP. HARRINGTON	7		
REP. HOFFMAN	7		
REP. KEENAN	7		
REP. KOEHNKE	7		
REP. PATTERSON	7		
REP. RANEY	7		
REP. REAM	7		
REP. SANDS	7		
REP. SCHYE	7		
REP. WILLIAMS	7		

STANDING COMMITTEE REPORT

FEBRUARY 10

19 97

Mr. Speaker: We, the committee on HOUSE TAXATION

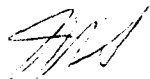
report HOUSE BILL NO. 282

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

~~Representative Tom Asay, Vice~~ Chairman



WHITEFIRST

WHITE

reading copy ()
color

STANDING COMMITTEE REPORT

February 10 19 87

Mr. Speaker: We, the committee on House Taxation

report House Bill 523

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

Representative Tom Asay, Vice Chairman

1. Title, line 8.

Following: "PROVIDING"


Insert: "AN APPLICABILITY DATE AND"

2. Page #. 5

Following line 20

Insert: "NEW SECTION. Section 5. Applicability. This act applies to individual income tax returns filed for taxable year 1987."

Renumber subsequent section↓


First reading copy (white)
color

STANDING COMMITTEE REPORT

FEBRUARY 10 19 87

Mr. Speaker: We, the committee on HOUSE TAXATION


report HOUSE BILL NO. 457

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

Representative Tom Asay, Vice chairman


FIRST reading copy (WHITE)
color

MISSOULA COUNTY

BOARD OF COUNTY COMMISSIONERS

• Missoula County Courthouse • Missoula, Montana 59802

(406) 721-5700

#1

2-10-87

282

HB

BCC-87-081

February 9, 1987

Representative Jack Ramirez, Chairman
House Taxation Committee
Montana House of Representatives
Capitol Station
Helena, MT 59620

Dear Chairman Ramirez:

The necessity for HB-282, which would allow urban transportation districts to levy up to one additional mill for specialized transportation for the elderly and handicapped has arisen because of unusual circumstances that were not envisioned by the Legislature when it passed the authority for cities and counties to levy the specialized transportation mill in 1983. When the mill levy authority was passed, advocates for specialized transportation believed that many counties would take advantage of this new authority to establish specialized transportation systems for their handicapped citizens. As far as I can determine, Missoula County and Cascade County are the only counties that levy this mill.

The drafters of the statute in 1983 did not envision the possibility that in those two counties where there are urban transportation districts, the extra mill levy for specialized transportation would, in effect, double-tax people within the district, while not providing service for people outside of the district. This is the situation in Missoula County now. The Missoula County Commissioners have taken very seriously their obligations to provide for the needs of handicapped citizens, and have entered into an interlocal agreement with the Missoula Urban Transportation District, as well as the County Area Agency on Aging to pool funds from the County, Area on Aging and the Urban Transportation District to set up a specialized transportation system. There is an advisory board which oversees this system, with representatives from the County, the Area Agency on Aging, Mountain Line and service providers and consumers. The system has worked extraordinarily well, in my belief, but a nagging question keeps arising. Why is it necessary to tax all the property in Missoula County for a service that is provided almost exclusively within the Transportation District, and is a service that transportation districts, because of their receipt of federal funds, are required to provide in any event?

In Missoula, 97% of people served by our Specialized Transportation system are transported within the Transportation District, which covers about 80%

BCC-87-081

February 9, 1987

Page Two

of the population and taxable value of the County. This means that the 20% of the people outside the District pay this mill levy but get no service. It has seemed to us that if the Urban Transportation District were allowed to levy an extra mill specifically for specialized transportation, their board, just as the Board of County Commissioners does, can choose to raise their level of specialized transportation above their federally-mandated minimums, and provide the service itself without the necessity of an interlocal agreement and two jurisdictions levying taxes for essentially the same service. We have no intentions of changing our cooperation with the Urban Transportation District immediately, but if this bill passes, we would have an option to do so if service is confined to the boundaries of the district. Of course, we still have the option of a County-wide levy if service truly is County-wide. Since the costs of providing handicapped transportation in the rural areas is so great, it is unlikely that we would ever be able to do that, so, in the short run, passage of this bill would enable us to work with Mountain Line in such a way as to simplify the administration and financing of specialized transportation services in our county.

Although this bill appears to deal with a problem that is only in Missoula County, this same potential exists in any other county where there is an urban transportation district that either finds itself at its mill levy maximum or needing to establish an independent mill for the specific support of specialized transportation. Missoula County never asked to be placed in the unique position that it is in now, and we would like the Legislature to remedy this problem by simply extending the mill levy authority for specialized transportation to urban transportation districts as well.

Sincerely,



Howard Schwartz
Executive Officer

HS/lm

cc: Board of County Commissioners
Missoula Legislative Delegation
Mark Donaghy, General Manager
Mountain Line

2-10
Beach
&

MISSOULA COUNTY TAX DISTRIBUTION

LICENSE FEE

DATE _____
HB _____

URBAN TRANS (2.5%)

RURAL FIRE (9.8%)

ST OF MT (5.4%)

CO HI SCHL (17.7%)

GEN & SPEC HI SCHL (25.4%)

SCHOOL DIST #1 (21.4%)

COUNTY GOVERNMENT (17.8%)

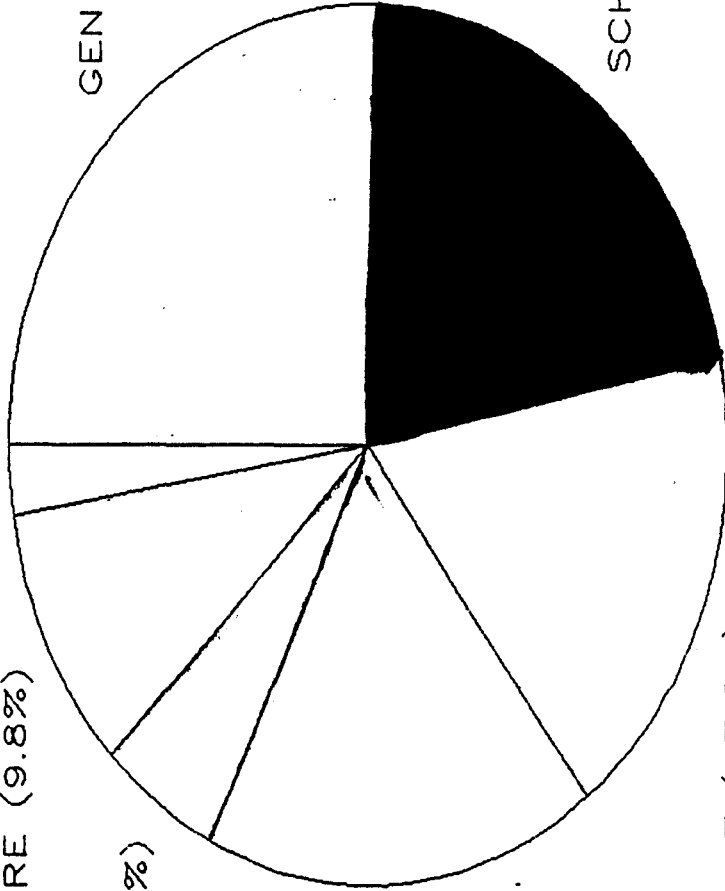


EXHIBIT #1
DATE 2-10-87
HB 282

WITNESS STATEMENT

#2
2-10-87
HB 539

NAME Chuck Stearns BILL NO. 539

ADDRESS 217 Florence Mda (home) 207 W Spruce Mda (work) DATE 2/10/87

WHOM DO YOU REPRESENT? City of Missoula

SUPPORT _____ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Left prepared testimony.

X 22
HB 539
2-10



FINANCE OFFICE

201 W. SPRUCE • MISSOULA, MT 59802-4297 • (406) 721-4700

FINANCE AND DEBT MANAGEMENT
BUDGET AND ANALYSIS
ACCOUNTING
CITY CLERK
UTILITY BILLING
RISK MANAGEMENT

DATE 2-10-87
HB 539

February 9, 1987

The Honorable Robert E. Hoffman
Montana House of Representatives
Montana State Capitol
Helena, Montana 59620

The Honorable Jack Ramirez
Chairman, House Taxation Committee
Montana State Capitol
Helena, Montana 59620

Dear Representatives Hoffman and Ramirez:

This letter of testimony is intended to express the City of Missoula's opposition to House Bill 539 which would make several modifications to the tax deed process. The City of Missoula specifically opposes the section on page 4, lines 8 - 11 of HB 539 which would require that a person, and the City for that matter, initiate an action in district court in order to acquire a tax deed. That requirement and the repeal of 15-18-403, MCA would mean that one has to go through two separate court actions, because another court action would be required to quiet title. The City has no qualms about following clear and proper procedures, but does not feel that two separate court actions are necessary.

The City of Missoula is currently going through tax deed procedures to obtain tax deed to 61 lots and the common area in a failed subdivision in Missoula. The City will have paid out a total of \$995,770 for these 61 lots and common area for an average cost of approximately \$16,300 per lot. These 4,000 square foot lots have been appraised at approximately \$4,300, free and clear of all encumbrances, so the City has much at stake in going through the tax deed processes. Other Montana cities have had similar situations and difficulties.

The City of Missoula respectfully appreciates your consideration of its position on House Bill 539.

Sincerely,

Chuck Stearns
Fiscal Analyst

cc: House Taxation Committee Members
Missoula Delegation: Ralph Eudaily, Harry Fritz, R. Budd Gould, Stella Jean Hansen, Mike Kadas, Earl C. Lory, Janet Moore, Carolyn Squires

2-10-87

EXHIBIT #3
DATE 2-10-87
HB 513

Amend House Bill No. 513, Introduced Copy

1. Page, 2, line 12.

Strike: "Settlement"

Insert: "After all mandatory distributions have been made
to state and local taxing jurisdictions, remaining
settlement"

WITNESS STATEMENT

#4
DATE 2/10/87
HB 375

NAME MATTHEW THIEL BILL NO. 375

ADDRESS WASSOUKA DATE 2/10

WHOM DO YOU REPRESENT? ASS. STUDENTS UAM

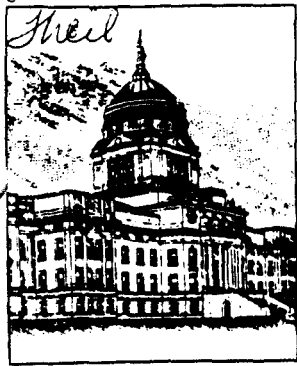
SUPPORT _____ OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

THERE SHOULD BE A FISCAL NOTE ON THIS
BILL ~~BE~~ FOR A PROPER HEARING.
ASUM IS OPPOSED TO PROPERTY TAX
REFORM BY "BITS AND PIECES" BECAUSE
IT CONTINUOUSLY ERODES THE TAX BASE
AT A TIME WHEN EDUCATIONAL FUNDING
IS SO IMPORTANT,
THE LEGISLATURE SHOULD ADDRESS PROPERTY
TAX RELIEF (I-105) IN A COMPREHENSIVE
MANNER SO THAT THE UNIVERSITY AND SCHOOL
FUNDING CAN BE ADJUSTED ACCORDINGLY.

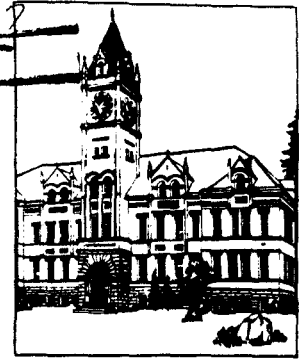
X-ASUM



ASUM
Student Legislative Action

University Center 105
University of Montana
Missoula, Montana 59812
(406) 243-2451

4
DATE 2-10-88
HB 375



HOUSE TAXATION COMMITTEE FEB. 10, 1987 MATT THIEL, ASUM LOBBYIST

COMBINED LOSSES IN EDUCATION REVENUES OVER THE 89 BIENNIUM DUE TO
PROPERTY TAX EXEMPTIONS

HOUSE BILL	LOSSES IN DOLLARS-----		
	UNIV. LEVY	SCHOOL EQUALIZATION	UNIV./SCHOOL COMB.
96	58,000	442,000	500,000
138	673,254	5,049,407	5,722,661
285	136,779	1,025,994	1,162,773
494	45,540	341,542	387,082
556	13,734	103,002	116,736
TOTALS	<u>(927,307)</u>	<u>(6,961,945)</u>	<u>(7,889,252)</u>

This list includes property tax bills heard so far in House Taxation, and may not be complete.

All figures come from fiscal notes prepared by the OBPP.

WITNESS STATEMENT

EXHIBIT #5
DATE 2-10-87
375 LB

NAME TODD HUDAK BILL NO. 375

ADDRESS BOZEMAN DATE 2-10

WHOM DO YOU REPRESENT? ASSOC. STUDENTS UNION

SUPPORT _____ OPPOSE / AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

There should be a formal vote on this for a proper hearing.
P.L. 96-350 poses any erosion of the tax base that is not made up for through some other revenue measure.
Tax reform by bits & pieces is not the proper way to fulfill I-105.



FINANCE OFFICE

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FINANCE AND DEBT MANAGEMENT
BUDGET AND ANALYSIS
ACCOUNTING
CITY CLERK
UTILITY BILLING
RISK MANAGEMENT

EXHIBIT #6
DATE 2/10/87
HB 556

February 9, 1987

The Honorable William "Red" Menahan
Montana House of Representatives
Montana State Capitol
Helena, Montana 59620

The Honorable Jack Ramirez
Chairman, House Taxation Committee
Montana State Capitol
Helena, Montana 59620

Dear Representatives Menahan and Ramirez:

This letter of testimony is intended to express the City of Missoula's opposition to House Bill 556 which would broaden property tax exemptions for fraternal organizations. At a caucus last week, the City Council members present opposed this bill for the following reasons:

- 1) they feel that there are already too many properties exempt from property taxation;
- 2) fraternal organizations still require streets to be paved outside their premises and responses from Police and Fire Departments;
- 3) with the possible implementation of Initiative 105, now is not the time to decrease further the tax base without providing replacement revenue to local governments.

The appraised value of eight properties in Missoula that would now qualify for tax exemption equals \$2,516,400 and more properties might qualify. The City's Fire Department would still be responsible for protecting this large investment, but the City would no longer receive the \$12,606 in FY87 property tax dollars from these properties. The City Police Department responded to nine calls in 1985 and five calls in 1986 for these properties, mostly for burglaries, theft, and vandalism. The City Fire Department responded with two fire companies including two pumpers and aerial ladder truck to two false fire alarms at these premises in 1986.

The City of Missoula respectfully appreciates your consideration of its position on House Bill 556.

Sincerely,
Chuck Stearns

Chuck Stearns
Fiscal Analyst

cc: House Taxation Committee Members
Missoula Delegation: Ralph Eudaily, Harry Fritz, R. Budd Gould, Stella Jean Hansen, Mike Kadas, Earl C. Lory, Janet Moore, Carolyn Squires



EX. BIT
DATE 2-10-87
HB 375

P. O. Box 1679
Helena, Montana 59624
(406) 442-3420

NAME Carol Mosher BILL NO. HB 375
ADDRESS P.O. Box 1679 Helena, MT. 59624 DATE Feb. 10, 1987
WHOM DO YOU REPRESENT Montana CattleWomen
SUPPORT _____ OPPOSE XXXX AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

We are in opposition to HB 375 because we, as landowners, do not wish to give up the right to pay taxes on our property. Paid up tax statements are valuable receipts that we use to help establish ownership lines in some instances.

We sincerely hope that you will vote NO on this bill.

WITNESS STATEMENT

EXHIBIT _____
DATE 2-10-86
HB 556

NAME MATTHEW THIEL BILL NO. 556
ADDRESS MISSOURIA DATE 2/10
WHOM DO YOU REPRESENT? ASS. STUDENT Union
SUPPORT _____ OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

ASUM opposes any property tax reform done by BITS and PLEW because it further erodes the tax base at a time when educational funding is crucial.

ASUM would like to see the legislature address property tax reform in a comprehensive manner.

please note, ASUM is not opposed to any fraternal organizations, only this manner of property tax relief.

WITNESS STATEMENT

DATE 2-10-87
HB 556

NAME TODD SUWAK BILL NO. 556
ADDRESS FITCHBURGH DATE 2-10
WHOM DO YOU REPRESENT? ASSOC. STUDENTS UNION
SUPPORT _____ OPPOSE ✓ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

FSMUSU OPPOSES ANY EROSION
OF THEIR TAX BASE THAT IS NOT
MADE UP FOR THROUGH ANOTHER
REVENUE RAISING MEASURE.
WE VERY RELUCTANTLY HAVE
TO OPPOSE THIS BECAUSE WE
DONT HAVE A PROBLEM WITH
GIVING FRATERNAL ORGANIZATIONS
A BREAK, BUT ~~THE~~ TAX REFORM
BY BITS & PIECES IS NOT THE
WAY TO FULFILL I-105.

VISITORS' REGISTER

House Taxation COMMITTEE

BILL NO. HB 139

DATE Feb 10, 1987

SPONSOR Hoffman

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Chuck Stearns City of Missale	217 Florence Wldg		✓
Greg JACKSON	MTCIK Rec ASSN.		✓

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

HB 282

VISITORS' REGISTER

House Taxation COMMITTEE

BILL NO. HB 282

DATE Feb 10, 1987

SPONSOR Lory

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
<i>Evelyn</i>	<i>Dist 59</i>	x	
<i>Henry Schwartz</i>	<i>Missoula County</i>	✓	
<i>of Seindon</i>	<i>DOC</i>		
<i>MARK DONAGHY</i>	<i>MISSOULA</i>	✓	
<i>Orene Gardner</i>	<i>Hammad</i>		

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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

287
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VISITORS' REGISTER

House Taxation COMMITTEE

BILL NO. HB 287

DATE Feb 10, 1987

SPONSOR Eudaily

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
<i>[Faint handwritten text]</i>	<i>[Faint handwritten text]</i>	X	<i>[Handwritten mark]</i>

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

HB
375

VISITORS' REGISTER

House Taxation COMMITTEE

BILL NO. HB 375

DATE Feb 10, 1987

SPONSOR Jenkins

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
MATTHEW THIEL	Ass STUDENTS UVA		X
Marvin Barber	Mt. Assessment Assn		X
Michael Mathison	Asso. Students of U of M		✓
Brookes Morin	City of Helena		✓
Carol Marlowe	Mt. Cattle Home		✓
Nancy Egan	Boyes		✓
Jim Dardner	Hammond		
Phil Campbell	ME A		✓

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

House Taxation COMMITTEE

BILL NO. HB 457

DATE Feb 10, 1987

SPONSOR Jan Brown

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
<i>Marvin Barber</i>	<i>Wt assessors union</i>	<i>X</i>	

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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

HB
523

VISITORS' REGISTER

House Taxation COMMITTEE

BILL NO. HB 523

DATE Feb 10, 1987

SPONSOR Pavlovich

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
HAL MANSON	AMERICAN LEGION - HELENA	✓	
George Poston	UNITED VETERANS COMM.	✓	
Marvin Barber	mt assessors assoc	✓	
Roland D Pratt	mt Federal Veterans Assn	✓	

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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

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VISITORS' REGISTER

House Taxation COMMITTEE

BILL NO. HB 556

DATE Feb 10, 1987

SPONSOR Menahan

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Chuck Stearns City of Missak	217 Florence Msla		✓
MATTHEW THIEL	ASS. STUDENTS UIM		X
Marvin Barber	not assessed above	X	
Michael Mathison	Assoc. Students of U of M		✓
George Poston	United Veterans Comm.	X	
Phil Campbell	MEA		✓
Hae Hanson	American Legion	X	

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HB
565

VISITORS' REGISTER

House Taxation COMMITTEE

BILL NO. HB 565

DATE Feb 10, 1987

SPONSOR Pistoria

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Bob Johnson	Great falls		X
C.T. Klaben	" "		X
Mark Hageress	White Hall		X
Angela Smith	White h		X
Wick E. TARKLER	MISSOULA		X
Charles M. Simonsen	Billings		X
Spencer W. Moore	GSBA Helena		X
Terry Minow	MFT		X

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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.