

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
50TH LEGISLATURE

February 23, 1987

The meeting of the House Taxation Committee was called to order by Chairman Jack Ramirez on February 23, 1987, at 8:00 a.m. in Room 312B of the State Capitol.

ROLL CALL: All members were present with the exception of Rep. Harrington, who was excused. Also present was Greg Petesch, Director of Legal Services, Legislative Council.

CONSIDERATION OF HOUSE BILL NO. 717: Rep. Jan Brown, House District #46, sponsor of HB 717, said the bill provides for similar taxation of beer sold by a wholesaler regardless of where it is brewed.

PROPOSERS OF HOUSE BILL NO. 717: Bruce DeRosier, Kessler Brewery, Helena, said the bill would shift the tax from breweries to wholesalers for all beer made in Montana. He explained that Montana is the only state in the U.S. facing double taxation on exported beer, and added that the fiscal impact of the bill would have been approximately \$148 in 1986.

OPPOSERS OF HOUSE BILL NO. 717: There were no opposers of the bill.

QUESTIONS ON HOUSE BILL NO. 717: There were no questions on HB 717.

CLOSING ON HOUSE BILL NO. 717: Rep. Brown requested that the bill be given an immediate effective date.

DISPOSITION OF HOUSE BILL NO. 717: Rep. Raney made a motion that the effective date of the bill be amended to take effect upon passage. The motion CARRIED unanimously.

Rep. Raney made a motion that HB 717 DO PASS AS AMENDED. The motion CARRIED unanimously.

CONSIDERATION OF HOUSE BILL NO. 785: Rep. Ed Grady, House District #47, sponsor of HB 785, said the bill would allow property taxes to be paid in four quarters, rather than semi-annually.

PROPOSERS OF HOUSE BILL NO 785: Chet Greer, Helena resident, told the Committee he believes the state system is inappropriate when current taxes cannot be paid until back

taxes are paid. He said the bill is a step in the right direction and would improve cash flow to local governments and the state.

Joe Upshaw, Montana resident, said the bill is a service to the elderly.

Elmer Hausken, Montana Chapter Association of Retired Persons, stated his support of the bill.

Marvin Barber, Montana County Assessors Association, also stated his support of the bill.

OPPONENTS OF HOUSE BILL NO. 785: There were no opponents of the bill.

QUESTIONS ON HOUSE BILL NO. 785: Rep. Ellison asked if a separate accounting needed to be set up for quarterly payments. Rep. Grady replied he had only received the bill on Friday, February 20, and had not had time to discuss it with county treasurers.

Rep. Ellison asked if enough people would take advantage of the legislation to make it worthwhile. Rep. Grady replied the bill was requested by elderly persons to make budgeting for taxes easier.

Rep. Williams asked what the fiscal impact would be to county treasurers. Rep. Grady replied there may be some administrative costs, but interest on income should offset those costs.

Chairman Ramirez asked Rep. Grady if he had a problem with the Taxation Committee contacting the County Treasurers Association. Rep. Grady replied he did not.

Dave Bohyer advised that the Revenue Oversight Committee requested a study of all 56 county treasurers pertaining to changes in payments on real property taxes. He explained 50 responses were received, all requesting that the payment system be left as it is.

Rep. Gilbert suggested the Committee send a letter to North Dakota to inquire about that state's prepayment system and incentives. There was no response.

Rep. Harp made a motion that HB 785 be TABLED. The motion CARRIED unanimously.

DISCUSSION OF HOUSE BILL NO. 817: Rep. Patterson stated that schools are upset because the bill does not address I-105.

Rep. Raney requested a list of revenue enhancers and depleters that are still alive.

Mary Westwood, Attorney, Montana Sulpher Company, Billings, said the bill allows small businesses to set aside dollars to earmark for meeting liability claims and would be subject to a premium tax, allowing the bill to be considered a revenue bill and to be transferred from Business and Labor Committee.

Rep. Williams asked if a deduction were made as an item of costs. Ms. Westwood replied it is not.

Chairman Ramirez asked if the funds would be pooled. Ms. Westwood replied they would not be, and said she expected the majority of companies would use the funds to raise deductibles to a level where they were just seeking umbrella insurance coverage. She explained that funds would remain in trust for up to 15 years.

Chairman Ramirez commented that the Committee needs to look at the tax impact because it is not known how much in additional deductions there are now.

Ms. Westwood advised that the President of Montana Sulpher is attempting to get this same legislation passed on the federal level.

Rep. Williams commented that the Committee could ask DOR for a thorough analysis on how corporate business is affected. He said he believes the idea behind the bill is good and made a motion to request a fiscal note. The motion CARRIED unanimously.

ADJOURNMENT: There being no further business before the Committee, the meeting was adjourned at 8:55 a.m.

  
Representative Jack Ramirez,  
Chairman

2-23-87

DAILY ROLL CALL  
HOUSE TAXATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 2-23-87

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

# STANDING COMMITTEE REPORT

February 23

7-28-87  
7/7 19 97

Mr. Speaker: We, the committee on HOUSE TAXATION

report HOUSE BILL NO. 717

do pass  
 do not pass

be concurred in  
 be not concurred in

as amended  
 statement of intent attached

Representative Jack Ramirez, Chairman

Be amended as follows:

1. Title, line 6  
Following: "MCA;"  
Strike: "AND"
2. Title, line 7  
Following: "MCA"  
Insert: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"
3. Page 2  
Following line 13  
Insert: "NEW SECTION. Section 5. Effective date. This act is effective on passage and approval."

EXHIBIT  
2-23-77  
LC 1783 817

STATEMENT OF INTENT

HB Bill No. 817

A statement of intent is required for this bill in order to provide a guideline for regulation of independent liability funds. In sections 5 and 17 of this bill, the legislature grants to the commissioner of insurance general rulemaking authority to do the following:

- (1) supply forms for the registration of small business independent liability funds;
- (2) ascertain the inviolability of each independent liability fund;
- (3) ascertain the health of each independent liability fund;
- (4) initiate sanctions against independent liability funds that are not secure or viable; and
- (5) to make any other rules and regulations required to carry out the purposes of the Independent Liability Fund Act.



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February 23, 1987

TO: Representative Robert L. Marks, Speaker of the House

FROM: Dave Bohyer, Staff Researcher to House Taxation *Dave*

RE: Fiscal note for HB 817

As authorized by 5-4-202(1), MCA, the House Committee on Taxation this morning adopted a motion requesting that a fiscal note be prepared for House Bill No. 817.

It seems that fiscal note requests are coordinated through the office of the presiding officer in the respective house wherein a bill is introduced. Therefore, please consider this memorandum a request by the House Committee on Taxation for a fiscal note on House Bill No. 817, Second Reading copy.

Thank you.

db/HB817/dw3

VISITORS' REGISTER

5-23-87

TAXATION COMMITTEE

BILL NO. 717

DATE 2-23-87

SPONSOR J. BROWN

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Bruce DePosier	Kessler Brewery	X	

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



VISITORS' REGISTER

EXHIBIT  
2-28-87  
785

COMMITTEE

BILL NO. 785

DATE 2/28/87

SPONSOR GRAND

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
<i>Temple...</i>	<i>...</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Terry...</i>	<i>...</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Marvin Barber</i>	<i>MT assessors assoc</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Diet...</i>	<i>Self</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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