

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
MONTANA STATE SENATE

January 9, 1987

The second meeting of the Senate Taxation Committee was called to order at 8:00 A.M. on January 9, 1987 by Chairman George McCallum in Room 413/415 of the Capitol Building.

ROLL CALL: All members were present.

Chairman McCallum announced the members to be appointed to the Revenue Projection Committee and they are as follows: Senators Hirsch, Mazurek, Neuman, Severson, Hager and Bishop.

DISPOSITION OF SB 26: Jim Lear presented to the committee amendments to SB 26 (attached as Exhibit 1), which he prepared to deal with the committee concerns over ownership of the Moss Mansion. He reviewed the amendments to the committee and advised that in his opinion these amendments will cover the concerns expressed.

Senator Halligan asked Jim Lear if the Montana Historical Society would be liable in a liability suit if someone is hurt or falls on the premises.

Jim Lear said he did not think we could escape liability as owner although we would share that with Billings.

Senator Hager moved the amendments. The motion carried.

Senator Hager moved the bill DO PASS AS AMENDED. The motion carried with Senator Neuman opposed.

FURTHER CONSIDERATION OF SB 12: Senator McCallum advised that Senator Aklestad disputes the fiscal note prepared for SB 12 and in view of that has furnished the committee with a letter which he would appreciate the committee members reviewing. He also advised that Senator Aklestad has requested that the committee hold SB 12 until we see what happens with the revenue picture. Senator Aklestad's memorandum is attached as Exhibit 2.

ADJOURNMENT: There being no further business the meeting adjourned at 8:20 A.M.

  
SENATOR GEORGE McCALLUM, Chairman

ROLL CALL

TAXATION

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 1-9-87

NAME	PRESENT	ABSENT	EXCUSED
SENATOR CRIPPEN	✓		
SENATOR NEUMAN	✓		
SENATOR SEVERSON	✓		
SENATOR LYBECK	✓		
SENATOR HAGER	✓		
SENATOR MAZUREK	✓		
SENATOR ECK	✓		
SENATOR BROWN	✓		
SENATOR HIRSCH	✓		
SENATOR BISHOP	✓		
SENATOR HALLIGAN, VICE CHAIRMAN	✓		
SENATOR McCALLUM, CHAIRMAN	✓		

Each day attach to minutes.

Amend Senate Bill 26  
Introduced Copy

1. Page 2, line 13.  
Following: "payment"  
Strike: "of"  
Insert: "for \$113,000 due in"  
Following: "an"  
Strike: "undivided"

2. Page 2, line 14.  
Strike: "interest of"  
Following: "ownership"  
Strike: "of"  
Insert: "interest in"  
Following: "Mansion"  
Strike: "in the amount of"

3. Page 2, line 15.  
Strike: "\$113,000"

4. Page 2, line 19.  
Following: "payment"  
Insert: "-- terms and conditions"

5. Page 2, lines 19 through 23.  
Following: "." on line 19  
Strike: remainder of line 19 and lines 20 through 23 in their entirety  
Insert: "(1) Subject to the terms and conditions set forth in this section, the department of revenue shall accept as in-kind payment for \$113,000 due in estate and inheritance taxes an ownership interest in the Moss Mansion, described in the preamble of this act.

(2) The Montana historical society is authorized to take title by warranty deed to the real and personal property associated with the Moss Mansion, in the name of the state of Montana, as tenants in common with the city of Billings, in the proportion contributed by each to acquire Moss Mansion. Accordingly, the state is entitled to a 61.5% ownership interest in the property based on a \$50,000 appropriation in 1983 for the Moss Mansion and the in-kind payment of \$113,000 under this act, and the city of Billings is entitled to a 38.5% ownership interest in the property based on its \$102,000 investment in the property.

(3) Upon taking title under subsection (2), the Montana historical society shall record its interest and promptly notify the department of revenue. The department shall notify the county treasurer and state treasurer of the in-kind payment.

(4) The Montana historical society may not take title under subsection (2) until it receives a contract executed by the Billings preservation society, the city of Billings,

SENATE TAXATION

EXHIBIT NO. 1

DATE 1-9-87

and the Montana historical society in which contract the Billings preservation society agrees to assume full responsibility for the management, maintenance, and operational costs of the Moss Mansion and associated personal property, and to make major changes or modifications to such property only upon approval by the Montana historical society and the city of Billings."

SENATE TAXATION

EXHIBIT NO. 1

DATE 1-9-87

BILL NO. SB-26



*The Big Sky Country*

## MONTANA STATE SENATE

SENATOR GARY C. AKLESTAD

HELENA ADDRESS:  
CAPITOL STATION  
HELENA, MONTANA 59620  
HOME ADDRESS:  
BOX 32  
GALATA, MONTANA 59444

COMMITTEES:

AGRICULTURE, LIVESTOCK AND  
IRRIGATION  
FINANCE AND CLAIMS  
LABOR AND EMPLOYMENT  
RELATIONS

To: Senator George McCallum, Chairman  
and Members of the Taxation Committee

From: Senator Gary C. Aklestad  
Republican Leader

Re: Senate Bill 12 Fiscal Note

Date: January 7, 1987

As set forth by the rules of the legislature, I have exercised my right to refuse the fiscal note presented to me by the Budget Office pertaining to Senate Bill 12, which is before your committee, on the grounds that they represented out-of-date information.

The county assessor in Hill County indicated to me by phone that they call elevators in their locality for the price of grain prior to the first of the year and make that information available to the Department of Revenue, which in turn collects same data from throughout the state to be used by them for their calculations.

The Department of Revenue is still using the 1986 price of wheat in their calculations, which is considerably higher than now and on which the budget director is basing his fiscal note.

Example: The price of wheat on January 6, 1987, was spring wheat, \$2.66 per bushel; winter wheat, \$2.13 per bushel.

The price of wheat that the Department of Revenue is using at this time is based on the 1986 figure which is spring wheat, \$3.71 per bushel; winter wheat, \$2.99 per bushel.

As you can see, there is a substantial drop in price, consequently a drop in valuation, making the Budget Office assumption of revenue lost to the counties considerably higher than the actual loss. This is due to the fact that the Department of Revenue has not yet calculated the new figures sent to them by assessors from around the state to reflect the new price.

Your consideration of these circumstances would be very much appreciated when considering Senate Bill 12 and its fiscal note.

GCA

bfs

SENATE TAXATION

EXHIBIT NO. 2

DATE 1-9-87

BILL NO. SB-12

# STANDING COMMITTEE REPORT

Page 1 of 2

January 9

37

19.....

MR. PRESIDENT

We, your committee on Taxation

having had under consideration Senate Bill

No. 26

First reading copy ( white )  
color

## REQUIRE DEPT. OF REVENUE TO ACCEPT MOSS MANSION AS IN-KIND PAYMENT OF ESTATE TAX

Senate Bill

Respectfully report as follows: That.....

No. 26

### BE AMENDED AS FOLLOWS:

1. Page 2, line 13.

Following: "payment"

Strike: "of"

Insert: "for \$113,000 due in"

Following: "an"

Strike: "undivided"

2. Page 2, line 14.

Strike: "interest of"

Following: "ownership"

Strike: "of"

Insert: "interest in"

Following: "Mansion"

Strike: "in the amount of"

3. Page 2, line 15.

Strike: "\$113,000"

4. Page 2, line 19.

Following: "payment"

Insert: "-- terms and conditions"

~~XXXXXXXXXX~~

~~XXXXXXXXXXXX~~

Continued

.....  
Chairman.

5. Page 2, lines 19 through 23.

Following: ". ." on line 19

Strike: remainder of line 19 and lines 20 through 23 in their entirety

Insert: "(1) Subject to the terms and conditions set forth in this section, the department of revenue shall accept as in-kind payment for \$113,000 due in estate and inheritance taxes an ownership interest in the Moss Mansion, described in the preamble of this act.

(2) The Montana historical society is authorized to take title by warranty deed to the real and personal property associated with the Moss Mansion, in the name of the state of Montana, as tenants in common with the city of Billings, in the proportion contributed by each to acquire Moss Mansion. Accordingly, the state is entitled to a 61.5% ownership interest in the property based on a \$59,000 appropriation in 1983 for the Moss Mansion and the in-kind payment of \$113,000 under this act, and the city of Billings is entitled to a 38.5% ownership interest in the property based on its \$102,000 investment in the property.

(3) Upon taking title under subsection (2), the Montana historical society shall record its interest and promptly notify the department of revenue. The department shall notify the county treasurer and state treasurer of the in-kind payment.

(4) The Montana historical society may not take title under subsection (2) until it receives a contract executed by the Billings preservation society, the city of Billings, and the Montana historical society in which contract the Billings preservation society agrees to assume full responsibility for the management, maintenance, and operational costs of the Moss Mansion and associated personal property, and to make major changes or modifications to such property only upon approval by the Montana historical society and the city of Billings."

AND AS AMENDED

DO PASS