

50TH LEGISLATIVE SESSION  
MINUTES OF THE MEETING  
LOCAL GOVERNMENT COMMITTEE  
MONTANA STATE SENATE

January 15, 1987

The third meeting of the Local Government Committee was called to order at 1 p.m. on January 15, 1987 by Chairman Bruce Crippen in Room 405 of the Capitol.

ROLL CALL: All members were present, with Senator Story being excused for a portion of the meeting.

As a matter of interest to the committee, Chairman Crippen explained possible disposition of a controversial bill by the committee. He said that, if the leadership asked that the bill be kept in committee for a good reason, then it would be. If the sponsor asked that it be kept in committee, it would be with committee approval. And, if the committee wants to hold a bill for study or to combine it with another bill, that would be allowed, but the sponsor would be asked for his approval or disapproval. Chairman Crippen said that Local Government Committee had always strived to maintain a non-partisan attitude and that he would do all he could to preserve that attitude.

Chairman Crippen announced that the committee had received copies of a "grey" bill on Senator Story's bill, SB 55, which revises resort community definition. He felt that the committee should have time to study the bill in depth before taking action. The committee agreed. Karen Renne, the staff researcher reminded the committee that the grey bill held no legal significance.

EXECUTIVE SESSION:

SENATE BILL 28.

Sen. Walker moved that the bill be placed into a subcommittee for possible amendment. No action was taken on his motion.

Further discussion was held on the bill and Karen offered to prepare amendments for consideration at the next meeting.

Sen. Beck felt the bill was intended to address the problem of a water system repair excavation being left unfilled and unpatched, and to place responsibility for seeing that it be done. Sen. Crippen said that in Billings anyone who digs up a street has the responsibility to leave it repaired. Sen. Beck said he felt the pipe and street repair should be completed and the proper person billed. Then, if a controversy occurred, it could be handled but, in the meantime, the

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street would be in serviceable condition. The party responsible for the expenses could be determined at a later date.

Further discussion was held. Karen reminded the committee that, if the amendments were too great, the bill would have to be retitled. Sen. Crippen asked Sen. Beck to work with Karen regarding amendments, and said the bill would be held in abeyance until Tuesday, January 20.

### SENATE BILL 63.

Chairman Crippen noted that SB 63 was opposed by the Montana manufactured houses industry and the Montana Education Association for two different reasons.

Sen. Crippen noted that Greg Groepper, administrator of the Property Division of the Department of Revenue was present and that the committee could address questions to him. Mr. Groepper stated that the property would be taxed for a business or other property owner where the property is located as of January 1. He mentioned as an example that a boat, used on Canyon Ferry and stored there at a vacation home, is now taxed in the owner's home county.

Sen. Walker asked how this bill related to construction companies' equipment which is used in one county and then in another. Mr. Groepper said that, at present, tax payment would be made where the company is headquartered. Under this bill, the owner would have to pay wherever the equipment is located on January 1.

Sen. Eck said that, at one time, most of the big trucking firms used to headquarter in Ovando where the tax rate was lower than most counties. She thought the laws had been changed so that owners could not park their equipment in a spot advantageous for tax purposes. Mr. Groepper said that Larry Majerus of the Department of Justice could be questioned for clarification on the licensing of vehicles. If a person brings an oil rig into the state on January 1, this bill provides that it (the rig) be taxed in the county in which it is at that time. If the equipment is used in different locations throughout the year, prorating comes into the picture.

Sen. Hirsch asked about the prorating for cattle that are pastured in one county, then moved to another. Mr. Groepper said there are special provisions in the law whereby the taxes are prorated according to time spent in each county.

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Sen. Beck questioned the lack of a Fiscal Note, and Mr. Groepper said he didn't think this bill would generate any additional revenue. He thought it might even cost the state in that property might be moved to different counties at tax time.

Sen. Beck asked what was the benefit of this legislation and Groepper responded that boat owners and cabin owners who also owned homes in other locations wanted to be able to pay their boat taxes where they were stored i.e. at the cabins.

Sen. Harding brought up a reference to airport owners in Polson bringing in aircraft from Idaho. She understood they were used in Montana and assessed in Idaho, as well as here. Mr. Groepper said they could be assessed in Montana under present law.

Sen. Harding asked if the aircraft were not in Montana on January 1, would they be assessed. If you leave your property in one state and live in Montana, present law requires that the property be assessed in Montana, according to Groepper. But, he felt that SB 63's intention was to speak to the boat and cabin owner's complaint.

Sen. Eck commented that she felt some provision should be made for equipment owned by oil and mining companies to be taxed in the county where it is mostly used. She said this could help many counties, especially in school districts where the mill levy is low. People shouldn't be allowed, she said to move personal property to avoid being taxed in the correct county. She also asked about the 2nd Monday in the July deadline provision. Mr. Groepper said that if the assessor didn't discover an item until after the 2nd Monday in July, he may not assess it then.

Sen. Crippen asked about Washington Construction's assessment problem. Mr. Groepper said the property wasn't in Missoula County but the company had headquartered there. The equipment was used in Jefferson County and was assessed there as well as in Missoula County. A court judgement required Jefferson County to refund the payment.

Sen. Beck moved that SB 63 DO NOT PASS. A roll call vote was taken resulting in a tie. Those voting Yes were Senators Crippen, Beck, Eck, Hirsch and Walker. Those voting No were Pineseault, Hammond, Harding, Story and Vaughn. In the interest of moving the bill out of committee, Sen. Story asked for permission to change his vote to Yes, so that the MOTION PASSED with the final vote tallying 6 to 4.

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Sen. Crippen asked Sen. Beck to carry the bill in the Senate. He also announced a public hearing on Montana's tax system and suggested that the Local Government committee members attend. Action will be taken on SB 28 (Lynch) and SB 55 (Story) at the next meeting, the chairman stated.

Meeting adjourned at 2 p.m.



SEN. BRUCE D. CRIPPEN, Chairman

ROLL CALL

LOCAL GOVERNMENT COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date Jan. 15, 1987

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NAME	PRESENT	ABSENT	EXCUSED
BRUCE CRIPPEN	X		
R. J. PINSONEAULT	X		
TOM BECK	X		
DOROTHY ECK	X		
H. "SWEDE" HAMMOND	X		
ETHEL HARDING	X		
LES HIRSCH	X		
PETER STORY	X		
ELEANOR VAUGHN	X		
MIKE WALKER	X		

Each day attach to minutes.

DATE 1/15/54

COMMITTEE ON \_\_\_\_\_

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Richard Nisbet	City of Helena	SB 28		X
Ray Foster	" " Billings	SB 28		X
Brookes Murin	City of Helena	SB 28		✓

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ROLL CALL VOTE

SENATE COMMITTEE LOCAL GOVERNMENT

Date January 15, 1987 Senate Bill No. 63 Time 1:50 p.m.

NAME	YES	NO
BRUCE CRIPPEN	X	
R. J. PINSONEAULT		X
TOM BECK	X	
DOROTHY ECK	X	
H. "SWEDE" HAMMOND		X
ETHEL HARDING		X
LES HIRSCH	X	
PETER STORY (changed vote from no to yes)	X ←	X
ELEANOR VAUGHN		X
MIKE WALKER	X	

Rosemary Jacoby  
Secretary

Bruce Crippen  
Chairman

Motion: DO NOT PASS

# STANDING COMMITTEE REPORT

JANUARY 15 19 87

MR. PRESIDENT

We, your committee on **LOCAL GOVERNMENT**

having had under consideration **SENATE BILL** No. **63**

**first** reading copy (**white** color )

**TO CLARIFY PROCEDURE FOR ASSESSING PERSONAL PROPERTY**

Respectfully report as follows: That **SENATE BILL** No. **63**

~~EXCESS~~

DO NOT PASS

**SEN. BRUCE D. CRIPPEN**

Chairman