

MINUTES OF THE MEETING
AGRICULTURE, LIVESTOCK AND IRRIGATION
MONTANA STATE SENATE

February 23, 1987

The Agriculture, Livestock and Irrigation Committee meeting was called to order on the above date, in Room 405 at 9:30 a.m. in the State Capitol by Chairman Boylan.

ROLL CALL: All members present.

CONSIDERATION OF SB 382: Senator Greg Jergeson, SD 8, said that, in past sessions, when decisions were made by the legislature to exempt non profit irrigation districts from property taxes, it was assumed that this exemption also applied to SID assessments. In some areas where subdivisions have built up around irrigation districts, they started charging irrigation districts for SIDs. Some of the irrigation districts have been told they will be seeing court rulings regarding this and this bill would clarify the law.

PROPOSERS: Ron Schofield, Manager, Helena Valley Irrigation District, and President of the MT Water Development Assoc., said the bill is a clarification that there should not have been SID assessment against irrigation project facilities. There is a district in Billings being assessed \$15,000 for street lighting. This would clarify future problems.

OPPOSERS: None.

COMMITTEE QUESTIONS: Senator Galt asked if the county could tax the Milk River irrigation district should they get an electric plant at Tiber Dam. Would the plant, itself, be excused from taxation. Sen. Jergeson said that wouldn't be affected by this bill. That is not the same kind of property.

Senator Galt thought the bill was to eliminate property taxation. Sen. Jergeson said that is already eliminated.

Senator Thayer asked, assuming this was already part of the SID and already assessed, would that assessment continue or be eliminated. Sen. Jergeson said there is an SID trying to collect from an irrigation district and there are some threats of a lawsuit.

Senator Thayer said if you put together a SID, the whole thing is based on the number of users. If you exclude one of them, then the SID is going to be short of revenue. Sen. Jergeson was not sure how far back this bill would go. He asked Dave Cogley to check into that. Mr. Cogley said the last page of the bill, on line 16 says this exemption would only apply to taxable years beginning after Dec. 31, 1986. He assumed that the exemption would only be effective from

1987 on.

Senator Thayer said this still didn't clarify it for existing SIDs in this situation.

Senator Kolstad said he understood that the new language includes special improvement districts but the section that excludes ditches, flumes, pipelines, dams, water rights, reservoirs, equipment, machinery, motor vehicles and all other personal property belonging to any irrigation district, is existing language. Sen. Jergeson said it is existing language.

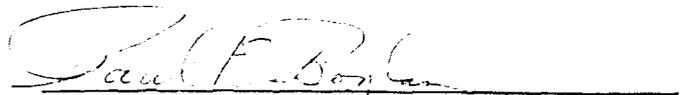
Senator Kolstad said then Senator Galt's question is valid. What would happen if the Milk River district is successful in developing a power plant. What would happen as far as taxes go. Sen. Jergeson said it didn't have anything to do with this bill.

Senator Galt replied that he thought it was answered in that this bill only applies to property of irrigation districts "not operated for profit". The Milk River district would be using that electricity for profit to pay for something else.

Senator Boylan told the committee that this is causing many problems in his district and he thought the bill was worth something. He suggested getting the bill out of committee and over to the House where problems with the effective date could be ironed out.

DISPOSITION OF SB 382: Senator Galt moved SB 232 DO PASS.
Motion carried.

There being no further business, the meeting adjourned.



PAUL F. BOYLAN, Chairman

ROLL CALL

AGRICULTURE

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 2-23-87

NAME	PRESENT	ABSENT	EXCUSED
ABRAMS, Hubert J.	✓		
BENGTSON, Esther G.	✓		
BECK, Tom	✓		
JERGESON, Greg	✓		
KOLSTAD, ALLEN C.	✓		
LYBECK, Ray	✓		
STORY, Peter R.	✓		
THAYER, Gene	✓		
GALT, Jack VICE CHAIRMAN	✓		
BOYLAN, Paul CHAIRMAN	✓		

Each day attach to minutes.

STANDING COMMITTEE REPORT

FEBRUARY 23 1987

MR. PRESIDENT

We, your committee on AGRICULTURE, LIVESTOCK & IRRIGATION

having had under consideration SENATE BILL No. 382

first reading copy (white)
color

EXEMPT WATER USERS ENTITIES FROM SPECIAL IMPROVEMENT ASSESSMENTS

Respectfully report as follows: That SENATE BILL No. 382

DO PASS

~~DO NOT PASS~~

PAUL F. BOYLAN,

Chairman.