

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

February 25, 1987

The thirty-second meeting of the Senate Taxation Committee was called to order at 8:00 A.M. on February 25, 1987 by Chairman George McCallum in Room 325 of the Capitol Building.

ROLL CALL: All committee members were present.

CONSIDERATION OF SB 340: Senator Severson, Senate District 32, presented this bill to the committee. He said this bill is the finalization of 10 years of work in this area. In 1977 livestock was taxed at approximately 13% of market value and that year it was lowered to 8%. In 1981 SB 47 lowered livestock to 4% of market value. Senate Bill 340 treats all of agriculture the same as main street businesses, by eliminating agricultural inventory on livestock and grains, the same as the inventory was eliminated on main street businesses. The bill sets up a mechanism to finance the Department of Livestock on pages 9 and 10. He asked Les Graham from the Department of Livestock to explain the structure to fund the Department of Livestock.

Les Graham, Department of Livestock, gave information to the committee on the method in which the Department is funded and the use of mill levies to do that. The current law allows the Board of Livestock to assess mills on livestock statewide, 75 mills on sheep and 80 mills on other livestock. This is set by the Board of Livestock each year in May. That assessment is collected and comes in with the regular taxes. In 1986 the mill levy money account is approximately 50% of the Department of Livestock's total budget of around \$4 million. That will be lower the next biennium. He would suggest that perhaps an amendment should be made on page 9, line 11. Currently the bill reads, "provide not less than 100% or more than 110% of the revenue" and they would suggest omitting "not less than 100%". With this type of language the board would be locked into a minimum which they have not always had to assess. Also on line 13, it is their feeling that "1986" should be eliminated and "the average of the three previous years" be inserted. That would allow the Board of Livestock to look at the average of the three previous years of revenue and then at that point set up to 110% of that. A copy of his proposed amendment is attached as Exhibit 1.

PROPONENTS: Fred Johnston, Augusta, on behalf of the Montana Stockgrowers Association, gave testimony in support of this bill. They view this bill as a matter of equity. In agriculture we regard grain, livestock and other agricultural commodities as business inventory. Several years ago the legislature exempted business inventories. They feel this bill is an appropriate vehicle to carry out the spirit of I-105. This would be an appropriate time to give tax relief to agriculture so that it can continue to function as a viable part of our communities. In the Billings area there are a substantial number of feed lots. Operators are trying to attract cattle to be fed on a custom basis and it is difficult to do because of the livestock tax of several dollars a head which is not imposed in the neighboring states. Les Graham dealt with the provisions of the bill authorizing a special levy to support the Department of Livestock. Most of the funding is raised by taxes on livestock. The industry is very proud of the fact that they support their own department and he supports the concept of the levy to continue funding.

Henry Weschenfelder, owner of the Yellowstone Feeders, gave testimony in support of this bill. He is a cattle feeder and feeds both his own cattle and custom feeds cattle for many ranchers and people across the state of Montana. In his business it is hard to persuade a rancher to bring his cattle to him and be assessed extra taxes, when he can take his cattle to a neighboring state and not pay taxes. Once these cattle leave the state of Montana, Montana will not derive any more benefit from those cattle. If the cattle stay in the state, Montana grains are used and provides trucking employment. An inventory tax on cattle is inequitable as other inventories in the state have been removed from the tax rolls. A sales tax seems to be quite popular. If we do not get some relief on our property tax and have to pay a sales tax, our taxes will just about double.

Norm Haaland, Shepherd, gave testimony in support of this bill. A copy of his statement is attached as Exhibit 2.

Steven Page, rancher and businessman from Glasgow, gave testimony in support of this bill. A copy of his statement is attached as Exhibit 3.

Representative Asay, House District 27, gave testimony in support of this bill. To encourage new industry in Montana, particularly in regard to cattle in feed lots, he feels it is important that cattle be eliminated, as other business inventories have been eliminated.

Bob Stephens, Montana Grain Growers Association, stood in support of this bill by stating this is a fairness issue.

Carol Mosher, Montana Cattle Women, gave testimony in support of this bill. A copy of her statement is attached as Exhibit 4.

John W. Duncan of the Duncan Ranch Co of Joplin, gave testimony in support of this bill. A copy of his statement is attached as Exhibit 5.

Bob Correa, representing the Agriculture Preservation Association and the Bozeman area Chamber of Commerce, gave testimony in support of this bill. Livestock, grain and other unprocessed agricultural products should be treated as business inventories and not subject to property taxation. At our economic level, existing taxation is a tremendous burden on the agricultural industry. Agriculture is Montana's largest taxpayer and has a negative income.

Alan Eck, Montana Farm Bureau, stood in support of this bill. His statement is attached as Exhibit 6.

Jo Brunner, representing MWDA, MOGA, Grange, Cattle Feeders and Cattlemen, gave testimony in support of this bill. A copy of her statement is attached as Exhibit 7.

Ginger DeCock, representing WIFE, furnished the committee with 557 signed statements of people in support of this bill. For a list of the names see attached Exhibit 8.

Lavina Lubenus, representing WIFE, gave testimony in support of this bill. She supports this bill as a fairness issue.

Stuart Doggett, representing the Montana Chamber of Commerce, stood in support of this bill. He said we see and understand the importance of the state's number one industry. They supported SB 12, which would exempt grain and feel this is a good combination bill that addresses both grain and cattle.

Ted Doney, representing the Montana Dairymen's Assn., stood in support of this bill.

Terry Carmody, representing the Montana Farmers Union, gave testimony in support of this bill. They feel that all feeder livestock and grain in storage should be exempt

as they are inventories and other business inventories are presently exempt. The Montana Farmers Union does not feel that breeding stock are inventory.

George Vogt, Sula, gave testimony in support of this bill. A copy of his statement is attached as Exhibit 9.

Ed Lord, a rancher from Philipsburg, gave testimony in support of this bill. A copy of his statement is attached as Exhibit 10.

Bob Barnes, Montana State Beekeepers Assn., stood in total support of this bill.

Jack Eidel, Montana Stockgrowers Association, gave testimony in support of this bill. The tax on livestock is unfair compared to other states. Our cattle feeders are at an unfair disadvantage with other states who do not have this tax. This would provide a great opportunity to keep more business in Montana. These taxes are at a time when Montana agriculture is struggling to survive.

Julie Hacker, Missoula County Freeholders, gave testimony in support of this bill. They support this bill because they would like to see Montana products produced, fed and processed in Montana. They believe the business climate is right in this state for Montana cattle to reach the finished product in this state.

Representative Patterson, House District 97, gave testimony in support of this bill. There will be opposition to this bill because of revenue lost. He asked how much taxes will we receive if the cattle are shipped out of state.

Lorraine Gillies, Philipsburg rancher and chairman of the Montana Farm Bureau, stood in support of this bill.

Leroy Gabel, representing 600 land owners, farmers and ranchers, stood in support of this bill.

George Allen, representing the Montana Retail Association, supports this bill as the tax on the cattle is not fair just as a tax on the business inventory for main street businesses was not fair.

Dan Vogel, Ballantine, representing Vogel Land & Cattle Company, gave testimony in support of this bill. He said his family is also involved in custom feeding, out of state. They have their cattle custom fed in the state of Nebraska.

Robert Miller stood in support of this bill.

Written testimony in support of this bill was furnished from Ted Crowley, Secretary of the North Central Montana Stockgrowers, attached as Exhibit 11 and from the Phillips County Livestock Association, attached as Exhibit 12.

OPPONENTS: Gordon Morris, Montana Association of Counties, gave testimony in opposition to this bill. He said we have seen any number of bills this session, 18 property tax bills, that would erode some portion of the property tax for local governments in the state of Montana. If you were to do a fiscal note on all these bills you would be looking at in excess of \$200 million of revenue impacted to local governments. The fiscal note indicates that this bill has a significant impact. MACO supports property tax reform. They support reform in terms of full and intense examination, from top to bottom, of all of the classes of property; doing something to reform the property tax system but doing it to mitigate the impact.

Senator Blaylock, Senate District 43, gave testimony in opposition to this bill. We have cut taxes to the point that we are in deep trouble. He understands the people that are in support of this bill, they are here because they want a tax cut, but we don't do anything in isolation. What you do in one area will affect another area. He had a bill in this same room which was very unpopular with a number of rural areas of Montana, the school consolidation bill which would have saved some money if passed. This very same group of people were here saying we must not close our schools. Now they are here today saying we want to cut our tax base further. If you do that, you are cutting the taxes further so that the local counties, school districts, will have no funding and will not be able to maintain.

Eric Feaver, Montana Education Association, gave testimony in opposition to this bill. Indeed the livestock and grain people have a very strong and compelling argument that since the elimination of the business inventory tax there is an inequity in the system of this state. They would concur completely. There must be a way in order to stop this hemorrhaging of our property tax base so that a very small number of taxpayers are not paying the load. We must be able to find a balance. Public schools are the prime consumer of taxes in this state. If it is the legislature's intention to eliminate or reduce property taxes, understand that you are eliminating the capacity of public education in this state. They have proposed a general, statewide sales tax in Montana, that would address property tax relief and would include new revenue for public schools.

Randy Wilke, Bureau Chief, Property Assessment Division, gave technical comments concerning this bill. They would like to see the bill amended in section 10, page 10, section 11, page 11 and subsection 2 on page 18 to change the language that involves the county assessor to the Board of Livestock. The Board of Livestock would, in essence, determine the livestock number and the per capita levy and would end up sending the reporting bill to the Treasurer for collection. Since the livestock would be exempt under the provisions of this bill, we would have no reason to capture any information on livestock.

QUESTIONS FROM THE COMMITTEE: Senator Eck said she thinks everyone agrees, in looking at a property tax relief package, that it would include property tax relief for personal property and for residences, as well as livestock and grain. She asked Senator Severson if she could count on his support when we come in with the other property tax package.

Senator Severson said he thought she could. He has always said that if we enact a sales tax, it has to be a complete replacement for something and a complete replacement for personal property tax would come into that picture.

Senator Mazurek asked Mons Teigen if it was reasonable to draw a distinction between breeding stock and calves, as was suggested by Terry Carmody.

Mons Teigen said you could draw a distinction providing that the difference can be implemented properly. The assessor has a tough job now and when you start taxing the cattle say 20 months of age and over and do not tax the cattle 20 months of age and under, you have got a problem. There would be some logic to treating a cow separately from the others providing you can keep the books and providing you can adjust the assessment age to 20-24 months.

Senator Neuman said many people testified they can take their cattle out of state to feed lots because there is no property tax on cattle in other states. He asked if a sales tax is assessed on the sale of those cattle out of state in states that have a sales tax.

Ed Lord said he has fed cattle out in four different states, other than Montana, and has never been assessed a sales tax.

Senator Severson closed.

CONSIDERATION OF SB 337: Senator Manning, Senate District 18, presented this bill to the committee. A copy of his written statement is attached as Exhibit 13.

PROPOSERS: Rich Brown, Administrator, Veterans Affairs Division, gave testimony in support of this bill. He said this would not have any impact on the county taxes because in most counties this was already being done prior to the Attorney General Opinion. We are simply asking the legislature to overturn the Attorney General Opinion and put the intent of the legislature into law.

George Poston, United Veterans Committee, gave testimony in support of this bill. He said it is a terrible thing when a widow loses her spouse and then they jerk the tax exemption from her at the same time.

Elmer Hanson gave testimony in support of this bill. He believes this is only fair that the extension be continued for the lifetime of the widow.

OPPONENTS: None.

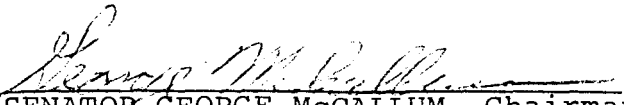
QUESTIONS FROM THE COMMITTEE: Senator Mazurek said the language on page 2, line 6 "remains unmarried" has been struck. He asked if that means if the widow remarries and lives in the same house with a new husband, that the property would be exempt.

Rich Brown said under this law the spouse must be unmarried and make less than \$15,000 a year in order to get the property tax exemption. The only difference is if the widow married and then divorced, she then could go back and claim the original exemption providing she qualified with less than \$15,000 income.

Senator Manning closed.

DISPOSITION OF SB 337: Senator Crippen made a motion that SB 337 DO PASS. The motion carried.

ADJOURNMENT: The meeting adjourned at 9:25 A.M.


SENATOR GEORGE McCALLUM, Chairman

ROLL CALL

TAXATION

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 2-25-87

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.

BILL SB 337, SB 340

VISITORS' REGISTER

DATE 2-25-87

Please note bill no.

NAME	REPRESENTING	BILL #	(check one)	
			SUPPORT	OPPOS
George O. Poston	United Veterans Committee	337	X	
Tommy Cassidy	West Farmer LI	340	X	
Joe Brunner	MOA Exchange MWDs E.F.	340	✓	
Normano Hillier	self - Philipburg Ranch ^{Mt Tom Duffell}	340	X	
Ted J. Doney	Mat. Darity's Arch.	340	X	
John W. Duncan	John's Duncan Ranch Co.	340	X	
Ed Ford	Will + MSLA	340	X	
Ernie Ford	self	340	X	
Earl Wasson	SELF	340	X	
James Blunt	SELF MSLA	340	X	
Tom Williams	Dixon Ranch	340	X	
Bill Knight	Knights Ranch	340	X	
Fred Galton	Quigley	340		
Doc. Deane	Palson	340		
Neal Mesker	Mt. Lathrop Ranch	340	X	
Sydney Label	farmer - self WIFE	340	X	
Leroy Label	self farmer	340	X	
Lorna Lubner	WIFE	340	X	
Bob Steinkens	Mt. Lavin Flowers Area BOARD MEMBER	340	X	
RON BARNETT	MT. BEEKEEPERS ASSOC.	340	X	
Bob Barnes	Member MT State Beekeepers Assn	340	✓	
Jack Eidel	Mt. Steinkens Assoc Self	340	X	
Bob Correa	Agriculture Preservation Assoc	340	X	
Don Hauwite	Pamela	340	X	

Mons Teyon

PLEASE LEAVE

PREPARED STATEMENT WITH

SECRETARY

Street Doggett

MT. Chamber of Commerce

340

X
X

John Graham	Mt. Dept. of Livestock	340	August ✓
John Skutka	" " " "	340	✓
George Allen	MTX Retail	340	✓

DATE

February 25, 1987

COMMITTEE ON

Senate Judiciary

VISITORS' REGISTER

SB-340

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Eric Laor	MEA	SB340		<input checked="" type="checkbox"/>
Hendon Morris	MACo	SB340		<input checked="" type="checkbox"/>
Julia Hacker	Msle. Co. Fireholders	SB 340	<input checked="" type="checkbox"/>	
John Paves	HD 97 YELLOWSTONE	SB340	<input checked="" type="checkbox"/>	
C. Clarke	Montana Forward	SB340	<input checked="" type="checkbox"/>	
Richard E. Manning	Sponsor	SB-337	<input checked="" type="checkbox"/>	
Rory Winterbottom	Helena Valley Rancher	SB 340	<input checked="" type="checkbox"/>	
Bill B. Gardner	Agri. Business	SB 340	<input checked="" type="checkbox"/>	
Tom Peterson	VETERAN AFFAIRS	337	<input checked="" type="checkbox"/>	
Steve Hanson	American Legion	337	<input checked="" type="checkbox"/>	
Ann M. Thomas	Rancher	SB 340	<input checked="" type="checkbox"/>	

SB
BILL 340

SENATE Taxation COMMITTEE

VISITORS' REGISTER

DATE 2-25-87

Please note bill no.

(check one)

NAME	REPRESENTING	BILL #	SUPPORT	
			SUPPORT	OPPOS.
Henry W. Wocher, Elder	Yellowstone Feeders	^{SB} 340	X	
Lil. Wocher/Kelder	" "	SB 340	X	
Daniel Vogel	Vogel Feed & Cattle Co	SB 340	X	
Robert Miller	Self	SB 340	X	
Norm Hasland	T-Bone Feeders & Mt Cattle Fed.	340	X	
Angus DeLoon	WIFE	SB 340	X	
John J. Muebel	Bitterroot - cattle	SB 340	X	
Marvin Siles	Siles Ranches	SB 340	X	
Robert Parkson	self	SB 340	X	
Cal Baldwin Jr.	Self	SB 340	X	
George Cook	MSGA	SB 340	X	
Josephine Vack	Cattle Women	SB 340	X	
Wm. W. Humphrey	Cattle industry	SB 340	X	
William W. Humphrey	Cattle industry	SB 340	X	
Lynne Folsom	Grass Women	SB 340	X	
Virgil Folsom	Cattle industry	SB 340	X	
John Folsom	Cattle industry	SB 340	X	
Ray B. Bore	Bitterroot Stock Farm ^{5 Hounded}	SB 340	X	
Steve Gray	NE Mont. Cattlemen			
Leslie Hoffman	APF	340	X	
Neble Duccione	W.E.T.H.	340	X	
Alan Eck	Montana Farm Bureau	340	X	
Darrel Kinson	Self	340	X	
Elmer Hanson	Self	340	X	

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

Amendment SB340

Page 9

Line 11 omit "100%"

Line 13 omit "1986 taxable year"
insert "the average of three
previous years"

SENATE TAXATION

EXHIBIT NO. 1

DATE 2-25-87

BILL NO. SB 340

2-25-87 SB 346

Mr. Chairman & members of the Senate
Taxation Committee:

I am Norm Hoaland from Shepherd, MT,
President of Montana Cattle Feeders and
owner-operator of a 10,000 head feedlot

I support SB 340 = because surrounding
states do not have cattle taxes, other
businesses do not have inventory taxes.

We need to be more competitive.

Norm Hoaland

SENATE TAXATION

EXHIBIT NO. 2

DATE 2-25-87

BILL NO. SB 340

Mr. Chairman - committee members - My name is Steven Page. I am a rancher and business man from Glasgow - operating ranches in Phillips and Valley Counties. I am here representing my own interests along with the interests of other livestock producers of Northeast Montana in Support of Senate Bill 340.

There are three basic reasons for the need to eliminate the Tax.

1. It is discriminatory and unfair.
2. It places Montana producers in a non-competitive position.
3. Inability to pay the tax

SENATE TAXATION

EXHIBIT NO. 3

DATE 2-25-87

CP 2110

To support our position, I would like to illustrate the predicament, Montana producers are in today, by briefly describing the operations of three of the larger livestock producers in Phillips & Valley Counties.

These operations, run approximately 10,000 head of cattle

Have a \$15,000,000 investment

Gross annual sales of over \$7,000,000,

all of which stays in the Montana economy

Employ 25-35 men with annual

payroll of over 500,000

SENATE TAXATION

EXHIBIT NO. 3

DATE 2-25-87

BILL NO. S.B.340

These three ranches over the past 10 years have in fact lost hundreds of thousands of dollars, yet are presently assessed in excess of ~~100,000~~ 150,000 annually in State and County Taxes.

The Montana livestock industry has lost and continues, to lose tremendous amounts of money and has lost its ability to pay taxes under the system prescribed by Montana law.

To further illustrate my point, please consider that Valley and Phillips Counties have lost half of their livestock numbers in the past 5 years and this is the trend state-wide.

The Federal Land Bank is in the process of initiating foreclosure proceedings on 150-175 Phillips + Valley county ranches. For loans exceeding \$35,000,00.

The Glasgow office FmHA has 10% delinquent ag accounts in the amount \$7,981,000. (42 foreclosures)

This information should give you some idea as to the depth of the problem, and I urge this committee to respond accordingly.

Let me make a comparison to help put this all into perspective.

SENATE TAXATION

EXHIBIT NO. 4

DATE 2-25-87

BILL NO. S.B. 340

Property Taxes in Montana

Importance as a Revenue Source

The property tax is by far the most important tax source in Montana, accounting for approximately 46% of all state and local tax collections in fiscal 1984. It is the predominant source of local government tax revenue in Montana, accounting for over 95% of all tax revenue of local governments. The state receives only about 3% of property tax revenues. The majority of this is earmarked for higher education.

Total state and local property tax levies for collection in 1986 are estimated to be approximately \$572 million. Property Tax revenues in Montana have been increasing an average of over 6% a year for the past five years. Listed below is a history of property tax levies since 1971:

Montana Property Taxes

<u>Year</u>	<u>Levies</u>
1971	\$177.3 million
1976	266.8 "
1981	418.5 "
1982	462.1 "
1983	486.3 "
1984	505.0 "
1985	539.2 "
1986	572.0 "

323% increase in 15 years

If in 1971 it took 10 yearling Steers to pay a ranchers taxes, In 1986 it took 37

[Signature]

MONTANA
CATTLEWOMEN
INCORPORATED

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

NAME Carol Mosher BILL NO. SB 340
ADDRESS P.O. Box 1679 Helena DATE 2-25-87
WHOM DO YOU REPRESENT Montana Cattle Women
SUPPORT XX OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

I am also representing the many ranchers in my area of Augusta who are snowed in this morning. He would like to go on record as strongly in support of SB 340. Even when the ad valorem tax on inventory was removed in 1981 our raw agriculture products have continued to be taxed. This has been an unfair tax on us according to the other methods of taxing in our state. He is asking that you please help us now especially during these critical economic times. Our farms and ranches we have trimmed our operating budgets to the bone and are still not able to meet our expenses. He desperately needs this completely unfair tax removed. The opposition will say that the revenue from these taxes will have to be replaced somewhere else. He do not know if this is exactly true - but if it is, please do not give us these many variety of taxes - make it one type of overall tax where everyone pays their fair share.

SENATE TAXATION

EXHIBIT NO. 4

DATE 2-25-87

BILL NO. SB 340

Mr. Chairman, Mr. Elmer Severson and members of the Taxation Committee: I thank all of you for this opportunity to talk to you about this situation.

I am John H. Duncan of the Duncan Ranch Co. of Joplin. As a foundation seed stock raiser of Montana, we support S B 340

I believe that the 1981 Legislators, removing all of the inventory taxes on businesses, except that on livestock, from Class 6 property tax, was a discriminatory act, against the Livestock business in Montana. The 80 mills that our own livestock board put on us should adequately support our share of our industry's cost of government in Montana.

In Liberty County we are paying a total of 279.66 mills on livestock. Other counties in the State are paying even more. Ravalli County pays a total of 343.35 mills. Liberty County has a hidden tax of 199.66 mills in School district 29. School districts vary on the amount of hidden tax.

We are having a hard enough time to hang on without this extra burden. Commercial cattlemen and seedstock raisers haven't been able to balance the books for at least 3 years and being hit over the head with unjust taxes doesn't help any. No wonder they are going broke right and left. Furthermore, we have to compete with our neighboring states, North and South Dakota, Wyoming and Idaho, that pay

SENATE TAXATION

EXHIBIT NO. 5

DATE 2-25-87

BILL NO. S.B. 340

no livestock property tax at all.

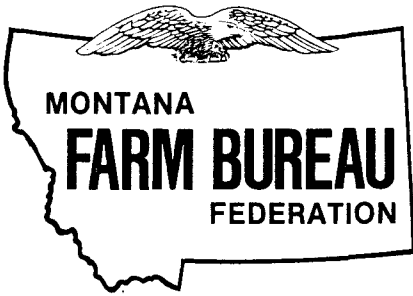
It's only going to take another kick in the teeth to put a lot more of us out of business.

Therefore, I respectfully request your support to remove the unfair burden of taxes placed on livestock growers in the State of Montana.

I, John H. Duncan support and endorse S B 340.

I thank you.

John H. Duncan



P.O. Box 6400
~~502 South 19th~~

Bozeman, Montana 59715
Phone (406) 587-3153

TESTIMONY BY: Alan Eck
BILL # SB-340 DATE 2/24/87
SUPPORT XXXX OPPOSE _____

Mr. Chairman and members of the committee, for the record I am Alan Eck. I'm testifying on behalf of the Montana Farm Bureau. Our organization believes that Senate Bill 340 would help make taxation a little more equitable for agriculture in Montana. The declining prices for Montana ag products and the tough years of recent past, make it imperative that our farmers and ranchers get some tax relief. The ag producers in Montana aren't asking for special treatment, just equal treatment. We would appreciate a "do pass" recommendation on SB-340. Thank You.

SENATE TAXATION

EXHIBIT NO. 6

DATE 2-25-87

BILL NO. SB340

SIGNED: Alan Eck

WITNESS STATEMENT

NAME Jo Brunner BILL NO. SB 340
ADDRESS 2015 1/2 9th Avenue Helena, DATE 2/25/87
WHOM DO YOU REPRESENT? MWDA, MOGA, Grange, Cattle Feeders, Cattlemen
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Mr. Chairman, members of the Committee, for the record, myname is Jo Brunner, and I ask your indulgence in presenting a brief, and I hope not confusing testimony from the various interests I represent at this hearing today. This is a very important piece of legislation with far reaching effects on diverse interests throughout the state.

I am the Executive Secretary of the Montana Water Development Associatio. MWDA memberships includes a great many private citizens, some of whom will speak for their businesses at this hearing, and quite a few water and irrigation user entities. We recognize the good this bill will bring to our ag. communities, primarily releasing money for expenditures at the local level.

I am the lobbyist for the Montana Outfitters and Guides Association, and I should not need to tell you the inclusion of quote--horses, mules--unquote is appealing to them. A very costly portion of their operations is the need for good pack and saddle horse strings. MOGA enthuiastical supports this bill.

Last but not least, I work for three Agriculture organizations--all active members of the Montana Agriculture Coalition, --the Montana Grange, the Cattlefeeders and the Cattlemen, and I am sure that there are probably members of eachone of those organizations here to speak for themselves today. All three of these organizations are strong supporters of this bill for the very obvious reason--it will release agriculture from the excessive burden placed on our businesses when the business inventory tax was removed from other businesses. Thank you.

- Wool growers -

Letters in support of Senate Bill 340

Ginger DeLock
Rte. Box 3028
Forsyth

W. Welch
Hysham

Shaunna Pierce
Hysham

Kim Guesenburn
Harlowton

Gina M. Asay
Forsyth

Mary Ann Patterson
Hysham

Robert Miller
Rt. 1
Billings

Phyllis Sethre
Wolf Point

Megan Ryen
8680 Walker Road
Belgrade

Lyle Ryen
8680 Walker Road
Belgrade

George Sarsten
2935 Howard
Billings

Delores Koerber
Billings

Janet Koerber
2641 Wyoming Ave
Billings

Thomas L. Koerber
Billings

Alice Coates
Box 50112
Billings

Denis Williams
134 Jack Street
Billings

Jim Coates
Box 50112
Billings

Gary A. Sethre
Box 2240
Wolf Point

Glenn Holbrook
7833 Spear Drive
Shepherd

Mavis Holbrook
7833 Spear Drive
Shepherd

Delores D. Hedgson
Box 368
Park City

Randolph E. Hall
Box 368
Park City

Barbara Lea Yurian
Box 90
Worden

Scott Johnson
2608 Miles Ave.
Billings

Paul R. Engel
3114 Brayton
Billings

Carter Bridges
Absarokee

Stanley Yurian
Worden

Clayton Frank
Terrance J. Miller
Marion Frank
Edward Hoch
Virginia Sprague
Lena Hoch
Donald Berg
Robert Thomas
Lowell Peterson

Don Lunder, Jr.
Box 100
Shepherd

SENATE TAXATION

EXHIBIT NO. 8
DATE 2-25-87
BILL NO. SB 340

Arliss Keller

David Sherod
Ryegate

Howard Queen, No address
Ken Arthur, No address

Susan Anderson
Birney

Terry Essex, No address

George E. Ceniemsman
Roundup

A.B. Stimpson, No address
Jean Agnew, No address

James Murnion
Shaumut

Betty A. Brinkman
No address

Debbie Tierney
No address

Ronald Fulbright
No address

Kelly French
No address

Janice French
No address

Linda Carlson
No address

Dewaine Carlson
No address

Tom Wimer
No address

Deanna D. Wimer
No address

Lee Wilmine
Billings

Leslie O. Best
Box 120
Big Horn

M.J. Ganskop
No address

Verlene Simmerman
No address

Linda Walter
No address

Maynard Simmerman
No address

Debra Moore
No address

Valerie L. Larson
Box 840
Choteau

Charles Petronek
Hilger

James F. Christensen
No address

D.E. Hovde
Great Falls

Robert D. Bell
No address

Harold H. Gabel
No address

Lloyd Zumbrum
No address

Earl O. Zumbrum
No address

Bob Queen
1216 Romella Lane
Billings

Howard & Rosie Queen
Box 38
Clyde Park

Sue Adams
No address

Debra Virtue
Forsyth

Alice E. Schreuder
Worden

Paul A. Sian
Pompeys Pillar

SENATE TAXATION

EXHIBIT NO. 8

DATE 2-25-87

Norma I. Sian
Box 12
Pompeys Pillar

Dorothy J. Spannagel
No address

John L. Spannagel
No address

Joseph H. Ruff
Custer

Joyce Sherod
Ryegate

Leonard Schleder
Shepherd

Agnes R. Sillivan
No address

Wayne Sillivan
No address

Beverly Buxbaum
No address

Mitch Heiken
Broadview

Harry Ruff
3738 72st West
Billings

Alan Storer
4138 Pine Cove Rd.
Billings

John Lesnik
Fishtail

Margaretha H. Siewert
No address

Mary S. Faw
No address

Everett J. Schreuder
No address

Donald A. Gerrain
No address

Donald Buxbaum
No address

Alex Morgan
No address

Vera Henderson
Sidney

William C. Lackman
No address

Mary J. Brown
Lodge Grass

Mrs. Murry J. Brown
No address

Marjorie Stott
No address

Arthur D. Roberts
6028 Victoria Lane
Billings

Mary Roberts
No address

Terry Peters
3907 Dry Gulch
Billings

Kenneth G. Hageman
501 4th Ave.
Laurel

Gordon Friede
Huntley

Thomas E. Lane
Box 1238
Livingston

Mary Ann Lane
Box 1238
Livingston

Ellis Faw
No address

Donna Hjelvik
Rt. 2, Box 370
Nye

George M. Schwenneker
Rt. 2, Box 46
Fishtail

SENATE TAXATION

EXHIBIT NO. 8

DATE 2-25-87

BILL NO. S.R. 340

Linda Tetschner
3436 Rustic Rt. 1
Billings

Walt Schoer
210 Tatro
Miles City

Steve Stewert
204 Hogan Rd.
Huntley

Walter Siewert
204 Hagen Rd.
Huntley

Wayne Hoffeler
No address

Irene Bernhardt
1915 So. 48th W.
Billings

Robert J. Bernhardt
1915 So. 48th St. W
Billings

Debbie Harden
6028 Victoria W.
Billings

Janice Mydland
Joliet

Neal Watts
3112 South Park R.
Laurel

Donald Trees
No address

Harold Hoffman
Dawson County

Gladys I. Womeldoref
Yellowstone County

Jerome Hoffman
Musselshell

Francis L. Henning
Big Horn County

Mildred L. Henning
Big Horn Co.

J. Becky Blankenship
No address

Roy Gerringner
Box 156
Boys, Montana

Bud Hjelvik
Box 313
Melstone

Betty Hjelvick
Box 313
Melstone

Beverly Meted
Roundup

J. William Keller
Custer

Terri Gabel
Huntley

Judy Tobol
7273 Loscheider Rd.
Ronan

Randy Gabel
Huntley

Dave Tobol
7273 Loscheider Rd.
Ronan

Darryl LaCounte
316 S. 32nd
Billings

Leo Kahon
No address

Brenda Tetschner
5436 Rustic Dr. Rt. 1
Billings

Ruth A. Johnson
Box 65
Hinsdale

Marjorie Bordwell
Billings

Michael G. Smith
Box 213
Laurel

Rene J. Lock
Billings

Butch Sweet
Miles City

SENATE TAXATION

EXHIBIT NO. 8

DATE 2-25-87

BILL NO. S.R. 340

Coral Harvey
3542 Howard
Billings

Phyllis J. Fulkerson
Polson

Richard L. Halverson
No address

Berta M. Robinson
No address

Kathy Haugland
4035 Airport Rd
Belgrade

Henry Thompson
727 Ave. B
Billings

Raymond R. Hoem
Rt. 3, 4611 Powmer Rd.
Billings

Susan A. Clark
RR 1, Box 82
Broadview

Karen M. Ward
Hysham

Jack Eaten
2305 Constellation Tr.
Billings

Gloria E. Norman
9800 Gee - Norman Rd.
Belgrade

Larry Kaufman
1817 Doser Rd.
Billings

Ray Hanel
288 Wash, RRt. 5
Great Falls

Duan Wagle
Box 21408
Billings

Lance Fowler
2415 Pine St.
Billings

Charles Meterland
Box 3
Molt

Bernard Gooden
Richey

Charles Hayward
23 West Meadow
Billings

Bob Lehfeldt
Lavina

H.W. Gilman
Box 49
Alder

Norm Johnson
Ballantine

Rick Arnold
Rt. 1
Park City

George A. Cramer
Hysham

Taylor Brown
Box 1742
Billings

Tom Peterson
Box 127
Wilsall

Ross Charn
RR
Wilsall

Robert Kicker
Box 249
Hysham

Jesse E. Morrison
2415 Patricia Lane
Billings

James W. Shepherd
Billings

Mrs. Ed Feller
3415 4th Ave. So.
Billings

I.M. Redding
Big Horn

Annalea Redding
Big Horn

Duane Gabel
2060 North Rd. 5
?

SENATE TAXATION

EXHIBIT NO. 8

DATE 2-25-87

BILL NO. S.B. 340

John Mahan
Huntley

Phil Johanson
2203 Lower Canal Rd.
Ballantine

LeRoy Johnson
No address

Roberta A. Hensley
No address

Steve Kurowski
Pryor Star Rt.
Billings

Gerald J. Kuem
2521 Rd. 8 N.
Huntley

Conrad Burns
1330 Nysler
Billings

Charles Hinsley
No address

Gail Wiedenaar
No address

M. Femling
No address

Tom & Margaret Fisher
Hinsdale

Margaret Hjorth
No address

Michael J. Kirby
5459 Gene Sarazen Dr.
Billings

Don Lange
Rd 5
Huntley

Harold J. Morrison
No address

Joan Albrecht
Box 123
Shepherd

Lyle Albrecht
Box 22274
Billings

Bruce L. Haugland
4035 Airport Rd.
Belgrade

Virgil W. Walker
2128 Rd. 7 No.
Huntley

Dwayne Dietz
2930 Lewis Ave.
Billings

Keith Reynolds
Winnett

Edgar Lewis
Lavina

Gordon Mohr
748 Railroad Hwy.
Huntley

Dave Doherty
No address

Margaret R. Saylor
No address

Mrs. April Wishman
No address

Cliff Greenwood
No address

E. Moock
No address

Dennis B. Rahn
Broadwater Co.

Richard A. Turnel
No address

Kathy P. Greenwood
No address

Avis Miller
No address

Carl Miller
No address

Melvin Wolenetz
No address

Janice Wolenetz
No address

Leo G. Bitz
No address

SENATE TAXATION

EXHIBIT NO. 8

DATE 2-25-87

BILL NO. S.B. 340

Martha A. Bowman
No address

Richard D. Marcotte
3303 Duck Club Rd.
Billings

Lonnie Larson
Rt. 1, Box 98
Huntley

George L. Schmalz
Box 50057
Billings

Tim Schmalz
1639 Lockwood Rd.
Billings

Joe Kroft
Great Falls

Violet Eckhardt
808 24th St. W.
Billings

Robert T. Eckhardt
Same as above

Debbie Imlay
Box 70
Molt

H. Wegle
Rt. 1
Huntley

Jim Weber
5912 Elysian Rd.
Billings

Dale E. Keeper
2022 George St.
Billings

Phillip Pope
No address

Sharon Norman
HC 63, Box 5017
Dodson

Charles J. Willis, Jr.
No address

Robert Storey
Park City

Albert Hoffman
500 Dawson St.
Wolf Point

Mark and Donna Newby
Malta

Vernon D. Hanson
#1 Shadow Pl.
Billings

David Redding
Sarpy St.
Hysham

Allen Bond
2104 Lyman Ave.
Billings

Robert Hari
2430 Rd. 9N
Worden

G.M. Willson
Box 113
Moore

Joe Carmichael
4605 Robbie
Billings

Joe Allen
7058 So. Blgs. Blvd.
Billings

John Siemin
Reedpoint

Patrick Alexander
1308 Division
Billings

Judith Wallinder
Box 1858
Billings

Virgil Frost
43 Silverlock Dr.
Billings

Conrad Gabel
251 Hwy. 312
Huntley

Mary Gabel
Same as above

Christine M. Howitz
White Sulphur Springs

Kathryn Vaira
No address

SENATE TAXATION

EXHIBIT NO. 8

DATE 2-25-87

BILL NO. S.B. 340

Jeffry Patterson
No address

Gene Bellmeyer
No address

Lynne M. Weber
No address

Farrel A. DeBuhn
No address

Joe Johnson
5316 Yoeman
Shepherd

Joe Fouts
Box 2162
Laurel

Mike Wahl
No address

Allen E. Walton
2236 Alamo Dr.
Billings

Ted Keating
Molt

David E. Kelsey
Box 4
Molt

Hollis Espy
Rt. 1
Forsyth

Ken McMullin
255 Hwy 312
Huntley

Rob Fraser
730 Agate
Billings

Connie Johannes
Ballantine

Scott Fraser
Box 2
Grey Cliff

Terry McMullin
255 Hwy 312
Huntley

Ray Haugland
3483 Pass Creek Rd.
?

Alice Haugland
3483 Pass Creek Rd.
Belgrade

Dean Delp
Star Route
Hardin

Daniel Vogel
2088 So. 13th
Ballantine

Henry Weschenfelder
Shepherd

Leroy Gabel
Huntley

Sydney Gabel
Huntley

SENATE TAXATION

EXHIBIT NO. 8

DATE 2-25-87

Robert Bold
Winifred

Ralph Pezor
Big Sandy

Tom Chlert
Winifred

Curt Magruder
Billings

Albert Bold
Big Sandy

Ray Highhouse
Billings

Richard Sundheim
No Address

Michael Mullin
Huntley

John M. Shadoan Jr.
Bozeman

Robert Sundhain
No Address

Douglas M. Dreezen
Billings

Bruce Buque
Glendive

Bonnie Bell
Billings

Ray Harrison
2540 2nd Ave.

Arnold E. Wiedrick
Wiedrick Crane Ser.
Billings

Gale Arnold
Big Timber

Gail Arnold
Big Timber

Paul Schuyler
Roberts

Jeffery R. Pette
Billings

Elaine Staltz
No Address

Mrs. Jack D. Delp
No Address

Jack D. Delp
Hardin

Barbara Mitzet
842 Westgate
Billings

Stephen O'Brien
Musslshell

Martha Dorn
No Address

Albert Dige
No Address

Lillian Nygaard
Wolf Point

Carol Swanke
No Address

Zelma Dige
No Address

Sharon Miller
No Address

Juanita Stovall
No Address

Edythe Todd
No Address

Carol Greenwood
Wolf Point

Caroline Stewart
Box 98
Fort Benton

Lila A. Good
Box 179
Chester

SENATE TAXATION

EXHIBIT NO. 8

DATE 2-25-87

S. B. 740

Dick Tyler
Big Sandy

Floyd Cosdee
Poplar

Eva Ott
Reed Point

Irene Barnum
Reed Point

Walter M. Ronio
No Address

Robert Romo
Malta

Shelly I. Romo
No Address

Thaeda Batey
Forsyth

Ray Batey
Forsyth

Donald Goodman
No Address

Nargie Tritschler
Hysham

B. Rockwell
No Address
No Address

Verna D. Schmitt
Custer

Charles Meredith
Custer

Charles S. Romo
Saco

Gloria Goodman
No Address

Ed Thaut
Billings

Leona Whetham
Billings

John M. Whetham
4808 Donford D.
Billings

Carolyn Max
Bozeman

Bill J. Max
Bozeman

P. M. May
Laurel

Gene Bensen
Billings

Michael R. May
Laurel

Melvin J. Loberg
Valley County
Hinsdale

R. Vend Goffena
Roundup

Wendy Coffena
Roundup

Rosemary B. West
P.O. Box 672
Columbia Falls

Denece Little
No Address

Mrs. Helen Hill
Drummond

Leo Schnell
Bozeman

Jim Hill
Drummond

Jearold E. Short
Forsyth

Ruben Steinmetz
Joliet

Annette Bold
Winifred

SENATE TAXATION

EXHIBIT NO. 8

DATE 1-25-87

BILL NO. S.B. 340

Betty Postill
910 10th St. W.
Billings

Jackie Muller
Huntley

Leonard A. Sand
No Address

Melva Bogar
Glendive

Roy Gabel
Huntley

John A. McCannel
912 5th St. W.
Billings

Royal G. Nayes
HC 76-212
Custer

David Milgan
Laurel

John S. Works
Billings

David Negaard
Box 34
Brusett

Jack Henderson
32 Alderson
Billings

Micheal C. Seils
R.R. 10
Billings

Grant Guphill
No Address

Margaret T. Nichols
Diane L. Nichols
No Address

Pamela Schulty
Bloomfield

Doyle Sutton
Rapelje

Charley Landfriend
No Address

Jerry Fjelstad
Laurel

Scott Anderson
No Address

Patricia G. Anderson
No Address

Dale Steinbrink
4035 So. Blgs Blvd.
Billings

Mike Bernhardt
Park City

Donald Bristen
Laurel

Melvin Schutt
Wolf Point

Donn Schutt
Wolf Point

Larry Teitschler
Hysham

Mrs. Buzz Thompson
Forsyth

Wallace O. Thompson
Forsyth

David N. Little
Drummond

Sharol L. Nickals
No Address

Fred C. Johnson
No Address

Lois E. Johnson
No Address

Julia H. Romo
Box 21
Saco

Ellen A. Edwards
Havre

SENATE TAXATION

EXHIBIT NO. 8

DATE 2-25-87

BILL NO. S.B. 340

Sharon Price
11022 Main Street
Billings

Therese Watkins
302 So. 6th
Livingston

Curt Layman
618 Richard
Billings, MT

Alice B. White
Box 539
Forsyth

Richard Begger
1231 Reece Dr.
Billings

Jim Curtis
Rt 1
Park City

Paula Willig
425 Lewis Ave.
Billings

Delores Jacobs
Regina Rt.
Malta

Marlene N. Hawks
Blue Creek Rd.
Billings

Edith L. Nygaard
No address

Clarence Harmon
Turner

Mary Ann Wolery
No address

Elaine Newton
Box 81
Edgar

Nancy Jackson
1820 Lewis Ave.
Billings

Dora C. Flanagan
Rt 1, Box 2090
Absarokee

Jacqueline A. Schleder
9404 Roger Creek Dr.
Shepherd

Gerald Watkins
302 So. 6th St.
Livingston

Larry N. Shriver
2638 Cook Ave.
Billings

Steve Corson
602 Woming Ave.
Billings

Ken A. Kaufman
Rt. 1
Park City

June J. Lagge
425 Lewis Ave.
Billings

Francis V. Jacobs
Malta

Jan Begger
1231 Reece
Billings

Donna Pratt
Box 535
Scobey

Jim Ezsy
No address

Gary A. Ostermiller
No address

Elmer Van Olnhausien
No address

Perry J. Newton
Edgar

Margaret Jackson
1820 Lewis Ave.
Billings

Florence Mann
Box 2219
Wolf Point

SENATE TAXATION

EXHIBIT NO. 8

DATE 2-25-87

BILL NO. S.B. 340

Pat Walker
Rt #1, Box 1142
Bridger

Floyd O. Mathison
Box 8400
Dutton

Tom Cockrell
1505 Lewis Ave.
Billings

Norma Berry
Bridger

Louise Jensen
1203 N24
Billings

Clara Novak
5121 Shepherd-Acton Rd.
Shepherd, Mt.

Cleo Naslig
1101 Sunnyside Lane
Billings

Art Nasby
1101 Sunnyside Lane
Billings

Clara L. Baken
1146 Princeton
Billings

Della Ruff
Box 154
Custer

Don Diegel
45D4 Joyen
Billings

Mary Jane Miller
2344 So. 92nd St. W.
Billings

Betty Hardt
4524 Central Ave.
Billings

Debbie Turner
1071 Sunrise Ave.
Billings

Susanne Kallen
210 1/2 Broadwater
Billings

Marjorie Mathison
Box 8400
Dutton

Charlotte Koch
Box 177
Bridger

Madeline Coan
2910 Fairway Dr.
Billings

Susan Miller
2145 Bench Blvd.
Billings

Darlene DePudder
Box 1214
Billings

Carmen L. Evans
823 Crist Dr.
Billings

Wm Menhardt
No address

Brian Weideman
No Address

Charles F. Femling
No Address

Jerry Burns
Ballantine, Mt

Lorenz Heyd
Box 161
Worden

Cecil I Noyt
Hyshan

Violet N. Larsen
Ballantine

Dick Hordt
Billings

Edward Vana
Box 33
Billings

SENATE TAXATION

EXHIBIT NO. 8

DATE 2-25-87

BILL NO. S.R. 340

John E. Pfister
Hysham

Susie Vaira
Box 33
Lambert

Larry Fox
Box 95
Worden

Don Bernhardt
Billings

Sandy Kicker
P.O. Box 249
Hysham

Brad Kembel
Box 94B
Worden

Shirley Hardy
Fairview

Alfred Kiser
515 Montclair Dr.
Billings

R. L. Bertolino
Billings

Boyd Hardy
Fairview

Orville R. Larsen
Ballantine

Bill C. Asay
Forsyth

Roy Omoler Sr.
Billings

Patrick Hayworth
Box 2070
Forsyth

Susan J. Billmayer
Hogland

Aburn O. Lien
Culbertsen

Delbert Walter
No Address

Lil Weschenfelder
10702 C.C. Road
Shepherd

Montana Cattle Feeders
Box 97
Shepherd

Haaland's T-Bone Feeders
Norm Haaland
Box 97
Shepherd

Denise M. Shafer
6107 Shepherd Rd.
Shepherd

Custer Coulee Cattle Co.
2257 Rd. 5 N.
Huntley

Lillian Reef
Custer

Betty Degenhart
Billings

Rev. Herbert G. Schuler
Billings

Ken Jorgerson
No Address

Betty O. Skinner
No Address

Bob Nansel
No Address

Patricia Torgenson
No Address

Gyn Mabu
13105 Roundup Rd.
Billings

Wayne H. Burleson
Rt. 1
Absarokee

Carl W. Hisken
No Address

Stecker Farms Inc.
No Address

SENATE TAXATION

EXHIBIT NO. 8

DATE 2-25-87

BILL NO. S.B. 340

Lynette Tادلund
1518 Prickley Pear
Billings

Robert Bernhardt
Park City

Elsie L. Burnhardt
Rt. 1
Park City

Donald L. Kukes
No Address

Gerald Schlagel
No Address

Russell L. Johnson
No Address

Marvin P. Strand
Circle

John W. Inn
No Address

Bernard Greufe
No Address

Carolyn Greufe
No Address

Grace Eyle
No Address

Glenda Israil
No Address

James Israil Jr.
No Address

Claude Ballensky
No Address

James N. Ballensky
No Address

Kirk Wentzel
349 Moccasin Trail
Billings

Kirk Wentzel
349 Moccasin Trail
Billings

Kayleen Gilliland
Birney

Wanda Zuroff
Box 123
Richey

Ernest McGeorge
Box 306
Joliet

Lonnie Schultz
No Address

Lucille M. King
Monarch

Cynthia Erfle
No Address

Michael J. Eifler
Box 102
Rapelje

Marge Larlman
632 56th St. W.
Billings

Lorie E. Sian
Box 12
Pompeys Pillar

Dennis Stephenson
No Address

Dorothy A. Schank
No Address

Marlene McClellan
No Address

Neil E. Hauff
No Address

Charles M. Stewart
Box 98
Fort Benton

Harp;d :imd
Box 91
Baker

James J. Gilleland
Birney

Erwin J. Crowder
S.R. Box 30
Malta

E. R. LaRowe
Circle

SENATE TAXATION

EXHIBIT NO. 8

DATE 2-25-87

BILL NO. S.B. 340

Ronald P. Storlie
1137 Central
Billings

Gary W. Kap
No Address

Henry R. King
Monarch

Corky Hedrick
Reed Point

Irene Heiken
Broadview

Lynn Wilkers
Broadview

Marcie Landers
Wilsall

Steven D. Cox
No Address

Zra A. Zuroff
Box 123
Richey

S. Delar
8451 King Ave.
Billings

C. R. Lain
8451 K. Ave.

Robert Condrey
2316 6th Ave. N. #16
Billings

Richard D. Scott
2328 Henesta Dr.
Billings

Judy Keller
No Address

Otis G. Thrasher
5112 Laurel Rd. #10
Billings

Danniel Timmons
Pryor Star Rt.
Billings

Colleen Timmons
Pryor Star Rt.
Billings

Everett A Gobel
No Address

Carolyn L. Beebe
3927 Dry Gulch Rd.
Billings

Donald B. Cuthill
736 Lewis Ave.
Billings

Dennis Sahli
3304 38th St. W.
Billings

Michael P. Whalen
4908 Hoskin Rd.
Billings

SENATE TAXATION
EXHIBIT NO. 8
DATE 2-25-87
BILL NO. S.B. 340

Severson Taxation Bill--- Hearing Feb. 25, 1987

Members of the Senate Taxation Committee, ~~Ladies and Gentlemen.~~

I am George Vogt from Sula, where members of my family have been in the cattle business for 101 years. I strongly support the passage of Senate Bill #340.

According to the February 13th Livestock and Crop Reporter Montana has suffered its third consecutive year loss in cattle numbers totaling approximately a million head since 1974.

It is time for county, state and federal governments to realize that the livestock industry is on its knees.

A number of changes must take place if it is to survive. There is one that the legislature can make this year, that ^{only} is removing of the discriminatory inventory tax on livestock and other agricultural products, a tax which has been a severe injustice when all other inventories were no longer taxed to support our government.

For years, Montana gradually removed from taxation a number of sources. The first I remember was the removal of household goods.

Others followed--- the surtax on income, the tax on capital and surpluses of banks; cars were lost by counties for taxation.

Finally, all taxes on all inventories were removed except inventory taxes on livestock and some other agricultural products.

Our industry absorbed more than its share of these losses in

revenue. *In my county tax levels have risen 82.61% in the last five years according to the Mont. Taxpayers Report*
No subsidies are paid to Montana Stockgrowers. Besides our

competitors from the Dakotas, Idaho and Wyoming have an edge, where there has been no inventory ^{property} tax on livestock for some years.

SENATE TAXATION

EXHIBIT NO. 9DATE 2-25-87BILL NO. SB-340

We are accused of over production when uncontrolled imports from Canada, Mexico, New Zealand, Australia and others flood our markets when profitable to them. We are not over producing but suffering from imports. Last year importation of calves from Canada competing for prices ^{in Montana} resulted in a decreased price for us and a 30 percent advantage for them in the exchange for Canadian dollars.

True we have a quota with some countries but how many years has it been since it was revised or applied.

This discriminatory tax on livestock and agricultural products is one disadvantage for us that the legislature ^{and should} can remove.

It is unbelievable that it has been allowed to exist.

I urge you to pass Senate Bill #340.

Thank you!

SENATE TAXATION
EXHIBIT NO. 9
DATE 2-25-87
BILL NO. S. B. 340

TESTIMONY - SENATE TAXATION COMMITTEE - FEB. 25, 1987

by ED LORD

Mr. Chairman, Members of the Committee, Ladies and Gentlemen:

I am Ed Lord, a rancher from Philipsburg, representing myself and the livestock industry of Montana. I urge you to support S. B. 340, a bill to remove property taxes on livestock and stored grain for the following reasons:

1. This tax is not equitable. Montana has already removed the tax from household goods and other business inventories. Most people who own livestock are also carrying a heavy tax burden on their land.

2. Many livestock owners don't have the ability to pay the tax due to the current economic conditions of the livestock industry. This is an expense which can't be delayed or eliminated.

3. Most counties are doing a poor job of assessing livestock. It is unfair to the rancher who reports all of his cattle while others report a lesser percent of theirs. One Montana county shipped more cattle in 1985 than it had listed on their entire tax assessment rolls.

4. Montana's neighboring states do not tax livestock. This puts our producers at a competitive disadvantage. I can custom feed my cattle in Minnesota or many other states and not pay property taxes. If I feed in Montana where there are excess facilities and surplus grain, I am obliged to pay this tax. Property taxes on livestock are another example of Montana's anti-business climate.

The livestock industry is not seeking to be exempt from paying taxes. We are only asking that the taxes on livestock and grain be replaced by a sales tax or an income tax.

Thank you.

SENATE TAXATION

EXHIBIT NO. 10

DATE 2-25-87

BILL NO. SB 340

FEB 24 1987

Senate Taxation Committee; Re: SB 340

The directors of the North Central Montana Stock Growers wish to convey to you the desire to have the cattle inventory tax removed. In the harsh economic climate of today it is unfair to tax the cattlemen for his business inventory while those in other types of businesses pay no inventory tax.

Thank You;

Teal Crowley; Sec.
North Central Montana Stock Growers

SENATE TAXATION

EXHIBIT NO. 11

DATE 2-25-87

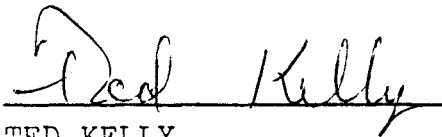
BILL NO. SB 340

Phillips County Livestock Association

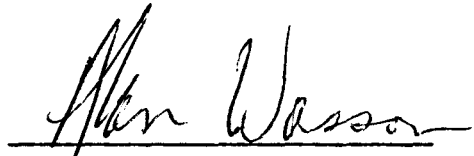
Malta, Montana

Be it resolved, that on February 23, 1987, the Board of Directors of Phillips County Livestock Association passed a Resolution in support of Senate Bill 340.

It is the feeling that our livestock, stored grain, bees and chickens are our inventory. As the tax on other inventory has been repealed, we feel the tax on our inventory should also be repealed.



TED KELLY
President



ALAN WASSON
Vice-President

SENATE TAXATION

EXHIBIT NO. 12

DATE 2-25-87

BILL NO. SB 340

I am Senator Manning, sponsor of Senate Bill # _____

This legislation has two purposes: This first is to clarify qualifying spouses of veterans who are entitled to the property tax exemption and the second purpose is to override the Attorney General's Opinion, Volume 41, Opinion # 93.

This legislation does not impact, effect or change the property exemptions granted to certain "low income", 100% disabled veterans.

I have however, been asked by the Disabled American Veterans of Montana to clarify the legislative intent to Title 15-6-211(2) MCA, which applies to spouses of certain 100% disabled veterans, veterans killed while on active duty and veterans dying of a service connected disability. This new language makes these veteran spouses entitled to the exemption instead of the veterans property qualifying for exemption.

The Attorney General has stated in his opinion that the spouse must occupy the house of the veteran in order to qualify for the exemption. If the house were to burn down, be destroyed by flood, or the spouse were to move to a smaller, more affordable home, the exemption is lost forever.

The Attorney General also stated if a 100% disabled veteran had over \$18,000.00 in income prior to his/her death and therefore did not claim the property tax exemption, the spouse is also disqualified forever from receiving the tax benefit, regardless of the spouses income.

The Attorney General's Opinion disqualifies all spouses of veterans killed in action. The Opinion requires the veteran to have claimed the property tax exemption before the spouse can be eligible.

Needless to say, we are facing very tough economic times across Montana, however, I do not believe we should be attempting to gain additional funding for the State of Montana by disqualifying "low income" spouses of 100% disabled veterans and veterans killed-in-action from property tax relief.

I have with me today, Rich Brown of the Veterans Affairs Division who will answer any of your questions.

SENATE TAXATION

EXHIBIT NO. 13

DATE 2-25-87

BILL NO. SB 337

STATE
OF
MONTANA

ATTORNEY GENERAL
MIKE GREELY

JUSTICE BUILDING, 215 N. SANDERS, HELENA, MONTANA 59620
TELEPHONE (406) 444-2026

VOLUME NO. 41

OPINION NO. 93

PROPERTY, REAL - Surviving spouse's entitlement to
property tax exemption;

TAXATION AND REVENUE - Surviving spouse's entitlement to
property tax exemption;

VETERANS - Surviving spouse's entitlement to property
tax exemption;

MONTANA CODE ANNOTATED - Section 15-6-211.

HELD: 1. A surviving spouse's entitlement to the
property tax exemption under section 15-6-211,
MCA, terminates upon remarriage and is not
reinstated upon conclusion of the second
marriage.

2. A surviving spouse's entitlement to the
property tax exemption under section 15-6-211,
MCA, applies only to the residence as to which
the veteran was granted the exemption
immediately prior to death.

3. A condition of a surviving spouse's entitle-
ment to the property tax exemption under
section 15-6-211, MCA, is a determination that
the veteran was 100 percent disabled due to a
service-connected disability prior to death
and was otherwise eligible for the exemption.

SENATE TAXATION

EXHIBIT NO. 13

DATE 2-25-87

BILL NO. S.B. 337

Major General James W. Duffy
The Adjutant General
Department of Military Affairs
P.O. Box 4789
Helena MT 59604-4789

Dear General Duffy:

You have requested my opinion concerning three questions:

1. Is the surviving spouse of a deceased veteran entitled to reinstatement of the property tax exemption under section 15-6-211, MCA, upon termination of a subsequent marriage?
2. Is the surviving spouse of a deceased veteran entitled to the property tax exemption under section 15-6-211, MCA, as to a residence other than that to which the exemption applied at the time of the veteran's death?
3. Is the surviving spouse of a veteran entitled to the property tax exemption under section 15-6-211, MCA, when such veteran dies of a service-related disability but, prior to death, was not rated 100 percent disabled due to that disability?

Based on the unambiguous language of section 15-6-211, MCA, I must answer each question negatively.

Section 15-6-211, MCA, states:

(1) A residence, including the lot on which it is built, owned and occupied by a disabled veteran is exempt from property taxation under the following conditions. The owner must:

(a) have been honorably discharged from active service in any branch of the armed services;

(b) be rated 100% disabled due to a service-connected disability by the United States veterans administration or its successor; and

(c) have an annual adjusted gross income, as reported on the latest federal income tax

SENATE TAXATION

EXHIBIT NO. 13

DATE 2-25-

RILEY NO. SR

return, of not more than \$15,000 for a single person and \$18,000 for a married couple.

(2) If a veteran whose property has been eligible for this exemption dies, the property shall continue to be exempt so long as the surviving spouse:

(a) remains unmarried;

(b) is the owner and occupant of the house; and

(c) has an annual adjusted gross income, as reported on the latest federal income tax return, of not more than \$15,000.

The property tax exemption provided above is purely a state-granted right and is not required by federal statute.

The entitlement of a surviving spouse to the exemption must be measured against the literal language of section 15-6-211(2), MCA. The first entitlement condition is that the spouse remain unmarried. Consequently, upon remarriage the exemption is forfeited, and no provision is made for reacquisition upon termination of the second marriage. I recognize that 38 U.S.C. § 103 permits the widow of a deceased veteran to receive surviving spouse benefits upon conclusion of a remarriage, but the federal statute is inapplicable here. Again, the exemption is granted as a matter of state law, and entitlement to it must be decided with reference to the legislation creating that right.

Equally clear is that the surviving spouse exemption applies only to the residence as to which the exemption operated at the time of the veteran's death. The words "the house" in subsection (2)(b) can thus be fairly read only as relating back to the residence subject to the exemption under subsection (1) and not to homes acquired after the veteran's death. Whether such a limitation is equitable or prudent is an issue for the Legislature to resolve.

Finally, section 15-6-211(2), MCA, unquestionably requires the veteran to have been entitled to the exemption before death as a condition of the surviving spouse's entitlement. The veteran must therefore have been rated 100 percent disabled due to a service-connected disability prior to death before the surviving

SENATE TAXATION

EXHIBIT NO. 13

DATE 2-25-87

spouse may qualify for the exemption. Simply put, the surviving spouse's entitlement is derivative and arises only if the veteran was entitled to it during his or her lifetime.

THEREFORE, IT IS MY OPINION:

1. A surviving spouse's entitlement to the property tax exemption under section 15-6-211, MCA, terminates upon remarriage and is not reinstated upon conclusion of the second marriage.
2. A surviving spouse's entitlement to the property tax exemption under section 15-6-211, MCA, applies only to the residence as to which the veteran was granted the exemption immediately prior to death.
3. A condition of a surviving spouse's entitlement to the property tax exemption under section 15-6-211, MCA, is a determination that the veteran was 100 percent disabled due to a service-connected disability prior to death and was otherwise eligible for the exemption.

Very truly yours,


MIKE GREELY
Attorney General

SENATE TAXATION

EXHIBIT NO. 13

DATE 2-25-87

BILL NO. S.B. 337

STANDING COMMITTEE REPORT

February 25 19 27

MR. PRESIDENT

We, your committee on **SENATE TAXATION**

having had under consideration **SENATE BILL** No. **337**

first reading copy (white)
color

**CLARIFY PROPERTY TAX EXEMPTION OF SURVIVING SPOUSE OF
DISABLED VETERAN**

Respectfully report as follows: That **SENATE BILL** No. **337**

DO PASS

~~DO NOT PASS~~

.....
SENATOR GEORGE McCALLUM, Chairman.