

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

March 18, 1987

The forty-third meeting of the Senate Taxation Committee was called to order at 8:00 A.M. on March 18, 1987 by Chairman George McCallum in Room 413/415 of the Capitol Building.

ROLL CALL: All committee members were present.

CONSIDERATION OF HB 315: Representative Hoffman, House District 74, presented this bill to the committee. This is an act to repeal the average inventory basis of assessment of livestock and to require assessment of livestock as of March 1 of each year. Approximately 10 years ago the average inventory system of assessing livestock was enacted and he is asking that some house-cleaning be done. This bill still allows livestock that are in feedlots to be assessed on average inventory. In feedlots, with the number of cattle coming and going, an average inventory method seems only fair. For the average commercial cow operation this type of assessment doesn't do a great deal of good. Over a period of years the livestock inventory will average out about evenly anyway. He furnished the committee with an assessment sheet for average inventory, attached as Exhibit 1, and reviewed the sheet with the committee. In dollars and cents it has very little effect on the stockgrowers but it is a big concern for the Montana Assessors Association because of the cost of administration. The estimate is furnished to the Assessor the first year, then the following year an estimate is furnished with the actual figure for the previous year. The difference is calculated for each column, turned over to the treasurer to make a refund and provide the new tax and new amount and then it has to be prorated into that taxable jurisdiction in that school district. The county commissioners are required to set up a fund each year to accomodate whatever the refunds would be.

PROPOSERS: Bob Gilbert, representing the Montana Woolgrowers Assn., gave testimony in support of this bill. We voted unanimously in support of the assessors should they come in to remove the average inventory. We passed a resolution at our convention with no opposition to this bill.

Marvin Barber, representing the Montana Assessors Assn., gave testimony in support of this bill. We spend about as much time on this one item of assessment as we do on all the other property that we assess. The assessments balance out over the years whether we do it on an average inventory method or not. As assessors, we are working on identifying property in the county and are responsible for assessing property and with this method we are working on a 12 month previous number.

Randy Wilke, Department of Revenue, offered comments concerning this bill. He would urge that the committee consider changing the March 1 date on page 2, lines 10 and 12, to January 1, to make all property fairly consistent. Administratively it would help the Department.

OPPONENTS: Fred Johnston, Chairman of the Taxation Committee of the Montana Stockgrowers Assn., gave testimony in opposition to this bill. His comments are attached as Exhibit 2.

Chuck Jarecki, a rancher from Polson, gave testimony in opposition to this bill. A copy of his comments is attached as Exhibit 3.

Mons Teigen, representing the Montana Stockgrowers, gave testimony in opposition to this bill. To eliminate the opportunity for somebody to have the same rights and privileges as cattle feeders does not seem fair.

QUESTIONS FROM THE COMMITTEE: Senator Hirsch asked Marvin Barber what percent of the tax returns filed use the average inventory method.

Marvin Barber said in Sweetgrass County 1%.

Senator McCallum said if SB 340 would pass there would have to be some codification language in this.

Representative Hoffman closed by stating there is no way brand inspections could be used to confirm assessments. They do not always get information on livestock movement. All this boils down to is that not too many ranchers use this system and it is a headache and expense to all of us.

CONSIDERATION OF HB 231: Representative Fritz, House District 56, presented this bill to the committee. This is an act increasing the amount of tax credit a utility may claim for loans to consumers for energy conservation measures. This program has been in operation since 1979 and last year had nearly 2,500 different loans in operation

across the state. The program operates according to tax credits authorized by the legislature and this bill simply extends that tax credit to \$750,000 from the present limit of \$500,000. The program began with a credit of \$200,000, expanded to \$500,000 and now would like to extend to \$750,000. The program still operates below the \$500,000 limit and may even do so this year. We just need the extension to keep the program going for the next 4-5 years, into the foreseeable future.

PROPOSERS: Bill Thomas, representing the Montana Power Company, gave testimony in support of this bill. A copy of his written testimony is attached as Exhibit 4.

Jim Paladichuk, representing the Montana Dakota Utility, stood in support of this bill.

Pam Miller, representing Pacific Power and Lights, stood in support of this bill.

OPPOSERS: None.

QUESTIONS FROM THE COMMITTEE: Senator Lybeck said the credit claimed thus far is \$398,481. He asked Representative Fritz if he anticipated that much of an increase that he needed that much additional money.

Representative Fritz said the figures show the program is steadily growing and expanding in terms of the number of people who are taking advantage of this opportunity. After Montana Power Company liberalizes the requirements and extends the pay back time in order to increase the number of participants, then the \$500,000 limit will be exceeded in 1988.

Representative Fritz closed.

DISPOSITION OF HB 231: Senator Eck made a motion that HB 231 BE CONCURRED IN. The motion carried.

DISPOSITION OF HB 193: Senator Halligan made a motion that HB 193 BE CONCURRED IN. The motion carried unanimously.

DISPOSITION OF HB 315: Senator Severson can see no reason to remove the average inventory option for the ranchers that prefer to use that. He made a motion that HB 315 BE NOT CONCURRED IN. The motion carried.

FURTHER CONSIDERATION OF HB 56: Senator Severson said why are we looking at some more places to spend some money. He made a motion that HB 56 BE NOT CONCURRED IN.

Senator Hager opposes the motion because one of the areas this bill will address is research on water resources

affected by coal mines. He believes that is an area where we do need work.

Senator Halligan asked if that was being done under water programs.

Senator Hager said this would make the funding available.

Jim Mockler said it was not part of the funding of the long range planning. It is a long term, ongoing research that has been in place for some time. They do a lot of testing within the mines and around the mines.

Senator Severson's motion failed 6-6. See attached roll call vote.

CONSIDERATION OF HB 102: Representative Grady, House District 47, presented this bill to the committee. This is an important bill to the state and, to the agriculture sector, this is the most important piece of legislation they have in the legislature. We have a problem in the state with knapweed and we do not have the funding to fight it. We have found that vehicles are one of the worst enemies we have in transferring knapweed. This bill assesses a 50-cent weed control fee upon the annual registration of passenger cars and trucks under 42,001 pounds and allocates the proceeds to be used for chemical and nonchemical noxious weed management. Section 2 of the bill provides that three percent of the proceeds may be retained by the County Treasurer for costs of collection and that twenty-five percent of the money must be deposited in the special revenue fund to be used for research and development of nonchemical methods of weed management. He furnished the committee with information, by county, on what this \$0.50 fee will bring in, attached as Exhibit 5.

PROPONENTS: Charlie Hahnkampe, rancher, gave testimony in support of this bill. The first time he saw knapweed was 20 years ago in Stevensville and 5-6 years ago it started coming over the continental divide. He has found that knapweed follows the highways as far as you can see. His program is probably the first program that was coordinated in the state on knapweed. This year their council has about \$41,000 to put out on projects and had over \$1 million of grant requests. He feels if they could get the fifty-cents per vehicles, it would provide enough money to get this knapweed stopped before it gets into the east. This bill would allow everybody to pay their fair share.

Kim Enkerud, representing the Montana Stockgrowers, the Montana Association of State Grazing Districts and the Montana Public Lands Council, gave testimony in support of this bill. A copy of his written statement is attached as Exhibit 6.

Chuck Jarecki, a rancher from Polson, gave testimony in support of this bill. A copy of his written comments is attached as Exhibit 7.

Jerry Mallon, a rancher from Wise River, stood in support of this bill.

Keith Kelly, Department of Agriculture, stood in support of this bill.

Lorna Frank, representing the Montana Farm Bureau, gave testimony in support of this bill. A copy of her written statement is attached as Exhibit 8.

Jo Brunner, representing the Montana Grange, gave testimony in support of this bill. A copy of her written statement is attached as Exhibit 9.

Bill Murphy, a rancher from Powell County, stood in support of this bill.

Neil Petersen, Madison County Weed Control District, gave testimony in support of this bill. A copy of his written statement is attached as Exhibit 10.

Dave Pickett, Butte Silver Bow Weed Board, gave testimony in support of this bill.

Reeves Petroff, Gallatin County Weed Control, would urge support of this bill. The grant program is good for the weed control effort because it forces people and agencies to look at long term commitments to this matter of weed control. That is why we need good, active members on the weed grant program. He is in support of allocating 25% for research and development of nonchemical methods of weed management.

Debi Brammer, representing the Montana Association of Conservation Districts, gave testimony in support of this bill. A copy of her written statement is attached as Exhibit 11.

Bill Hieth, representing the Montana Weed Control Association, gave testimony in support of this bill.

He is the weed district supervisor for Lewis and Clark and he controls the recipients of the grants for the weed district. They have planned important weed programs in Lewis and Clark and would like to have the grant money to follow through with those programs.

Darrel Hanson, from Ashland, Montana, gave testimony in support of this bill. He would encourage consideration of this because the weeds are coming in from the highways. With this funding we could get a handle on our weed problem.

Ole Ueland, rancher, gave testimony in support of this bill. He has been fighting weeds since 1946. With the kind of support this bill would provide, maybe we can get a handle on the noxious weed problem in the state.

Leo Mock, Butte Silver Bow Weed District, gave testimony in support of this bill. Sixteen years ago he took over the job of weed management and at that time he did not view the weed situation as a problem. Right now there are 27,000 acres in Butte Silver Bow that have real major problems. We are now in the process of starting up three new areas on cooperative weed control. Knapweed has even gotten into the city of Butte. We are organizing neighborhood groups within the city. He is sure they will see some of this money and would request favorable consideration of this bill.

Scott Fluor, Meagher County Weed Supervisor, White Sulphur Springs, gave testimony in support of this bill for reasons previously stated.

Wayne Slaght, rancher from Ovando, gave testimony in support of this bill for reasons previously stated.

Maynard Smith, from Beaverhead County, gave testimony in support of this bill for reasons previously stated.

John Hollenback, a rancher who belongs to an organized weed control group, gave testimony in support of this bill for reasons previously stated.

Dan McQueary, representing the East Deer Lodge Valley, gave testimony in support of this bill. At the present time they have no money in the weed fund and they need help now.

David Stewart, Snowline Grazing Association, gave testimony in support of this bill for reasons previously stated.

Jed Fisher, from Glacier County, gave testimony in support of this bill for reasons previously stated.

Bill Garrison, rancher from Glen, Montana, gave testimony in support of this bill for reasons previously stated.

OPPONENTS: None.

QUESTIONS FROM THE COMMITTEE: Senator Crippen asked Representative Grady why the fifty cents fee is limited to trucks under 42,001.

Representative Grady said there seemed to be a problem with the big over the road rigs. These rigs pay on a different method than regular vehicles. It doesn't amount to a lot of money, \$3,000 to \$6,000 a year.

Senator Crippen asked if the 1.6 mill levy could be amended back into the bill. This bill was not intended to eliminate the 1.6 mill levy originally.

Representative Grady said that was not the intention at all. Some Representatives had a problem with assessing the 1.6 mill levy and collecting another 50 cents on vehicles as well. He would suggest that the 1.6 mill levy be amended back into the bill. He has confidence he can get that back through the House.

Senator Neuman asked if the 1.6 mill is assessed on all property.

Representative Grady said it is a voluntary levy for weed programs just on real property.

Senator Lybeck asked if he would be agreeable to amending the bill to include the big logging trucks. He feels they are as responsible as anyone for spreading the weed seeds.

Representative Grady said he would have no problem with that.

Senator Hirsch asked Representative Grady if the railway right-of-ways were being sprayed in cooperation with the weed control programs.

Representative Grady said within project areas, everybody seems to be cooperating to get something done.

Senator McCallum asked how he felt about including three-wheelers and two-wheelers.

Representative Grady said he had a bill to address that but it never got out of the House committee.

Representative Grady closed.

CONSIDERATION OF HB 234: Representative Menahan, House District 67, presented this bill to the committee. He said this bill would just go back one year on taxes owed on boats not registered or operated, regardless of the period elapsed since the previous registration. People are not licensing their boats because the license fees are so high and they are only getting assessed a \$5.00 fine when they are inspected and do not have a license. He hopes this will be an incentive for those who have not been licensing their boats to buy a license.

PROPOSERS: None.

OPPOSERS: None.

QUESTIONS FROM THE COMMITTEE: Senator McCallum asked Representative Menahan if there was a bill in the House to put boats on a fee system.

Representative Menahan said there is a bill in House Taxation to go from an ad valorem tax to a fee.

Representative Menahan closed.

FURTHER CONSIDERATION OF HB 102: Senator Lybeck made a motion that we reinsert the 1.6 mill levy language on page 4, lines 3 and 4.

Senator Neuman said before you can apply for the grant, you have to levy 1.6 mills.

Senator Hirsch said he doesn't think anyone has had any problem with the 1.6 mills.

Senator McCallum said in Sanders County they have run into problems with the liability insurance. The costs are so high it has shut the weed spraying down in the county.

Keith Kelly said in several weed districts they have contracted with a commercial applicator. The liability insurance is an issue. If I serve on the fair board, then my ranch is up for stake. Most counties have one private applicator who still has insurance and contracts to do the county's work.

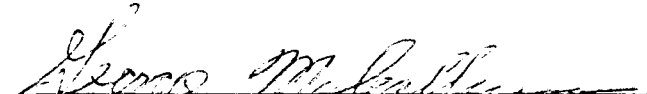
Senator Severson said in Ravalli County, in the subdivision areas especially, there are signs on the fences requesting "no spraying". He said we are really getting our hands tied and how do you handle all of that.

Senate Taxation
March 18, 1987
Page Nine

Keith Kelly said there are an area of people who are generally against chemical spraying. We are working in the biological area but nothing substantial has come about yet.

Senator Lybeck's motion with regard to the 1.6 mill levy carried with committee members present . Senators Brown and Bishop were absent when this vote was taken.

ADJOURNMENT: The meeting adjourned at 10:03 A.M.


SENATOR GEORGE McCALLUM, Chairman

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ROLL CALL

TAXATION

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 3-18-87

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.

DATE March 18, 1987

COMMITTEE ON

Senate Taxation

VISITORS' REGISTER

HB's 102, 231, 234, 315

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Al Fisher	Glacier County	102	✓	
Jerry Long	Glacier County	102	✓	
Dave Pickett	Butte Weed Board	102	✓	
Ole Ueland	Rancher (Self)	102	✓	
Reeve Petroff	GALLATIN Co. weed control	102	✓	
SCOTT FLUER	Meagher Co. Weed Dist.	102	✓	
Leah Brock	Butte Silver Bow Weed Dist	102		
Marvin Barber	Mt. Assessors Assoc	315	L	
Chuck Jarecki	MT. Stockgrowers, Self	102	✓	
Frank Manly	Rancher Rancher			
Carol Mosher	Mt. Cattle Ranches	102	✓	
Tim Enkeud	Stockgrowers, State Deputy, Dist	102	✓	
Chuck Jarecki	Self - rancher	315		✓
Moss Tegen	MT Stockgrowers	3	✓ 102	✓ 315
John Hollenbeck	Self Rancher	102	L	
Fred A. Johnston	MSEA	315		✓
DAN A. McQUARY	Self Rancher	102	✓	
Wayne Slight	Rancher	102	✓	
Chabukamp	Rancher BCD Weed Chair -	102	L	
Bill Murphy	Rancher Powell Co. Self	102	102 L	
Bill Hill	MONTANA WEED CONTROL ASSOCIATION	102	✓	
Bob Brastrup	Self	102		✓
Paul O. Peterson	MT Weed Madison Co. Weed Control	102	L	
Bob Helbert	MT Woolgrowers	315	✓	
Jim Paladichuk	M.O.U.	HB 331	✓	
PAM Miller	P.P.L.	HB 231	✓	

(Please leave prepared statement with Secretary)

DATE March 19, 1987COMMITTEE ON Senate Jurisdiction

VISITORS' REGISTER

HB 102, 231, 234, 315

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Lorna Frank	Mt. Barn Bureau	HB 102	✓	
Morvin Barber	Mt assessors assoc.	HB 102	✓	
Stuart Poynt	Mt. Chamber of Commerce	HB 102	✓	
Bill Thomas	Montana Power Co	HB 231	✓	
Charlotte Marshall	WIFE	HB 102	✓	
Debi Brummer	MACD	HB 102	✓	
KEITH KELLY	Dept of Agr	HB 102	✓	
E. Margaret Hines	Rancher Glen Mt	HB 102	✓	
Bill Durbin	Rancher "Dolan" Mt	HB 102	✓	
Paul Sweeting	Rancher Melrose Mt	HB 102	✓	
Matt Wick	Melrose Mont	267	3332	
Jenny Hella	Rancher Wine River Mt.	HB 102	✓	
Judy Lyden	maclure Ranch	11 102	✓	
David Stewart	Snowline Grazing ^{self}	11 102	✓	
Jack Kambich	Divide, Mont	"	✓	
Darrel Hanson	Ashland Mont	HB 102	✓	
Op Brummer	Grange	"	✓	
Klean Handful	Wine River	HB 102	✓	

DATE MARCH 1985
 BOOK LR NAME Joe Anyon
 PAGE 20 ADDRESS _____ RT. 2 BOX 1
 LINE _____ CITY Big Timber STATE mt ZIP 5704
 S.D. 1 COUNTY, 19 85

ASSESSMENT NUMBER _____
 SENATE TAXATION
 EXHIBIT NO. 1
 DATE 3-18-87
 BILL NO. H.B. 315

	AVERAGE NO. HEAD REPORTED PREVIOUS YEAR	AVERAGE NO. HEAD REPORTED CURRENT YEAR	NO. HEAD FOR ADJUSTMENT PLUS MINUS		PREVIOUS YEAR MARKET VALUE PER HEAD	MARKET VALUE TO BE ADJUSTED PLUS	MARKET VALUE TO BE ADJUSTED MINUS
CATTLE							
STOCK AND GRADE							
BULLS 9 MONTHS AND OLDER 5312	4	3	1		650		650
CATTLE 9 MONTHS - 20 MONTHS 5314	11	8	3		223		669
CATTLE 21 MONTHS - 32 MONTHS 5315	12	12			289		0
CATTLE 33 MONTHS AND OLDER 5316	75	70	5		323		1615
DAIRY CATTLE 21 MONTHS AND OLDER 5317							
STEERS 33 MONTHS AND OLDER 5318							
PUREBRED							
BULLS 9 MONTHS AND OLDER 5352							
CATTLE 9 MONTHS - 20 MONTHS 5354							
CATTLE 21 MONTHS - 32 MONTHS 5355							
CATTLE 33 MONTHS AND OLDER 5356							
TOTAL CATTLE	102	93	9				
HORSES							
HORSES, MULES, DONKEYS & ASSES 9-24 MONTHS AND ALL SHETLAND PONIES 5102							
STALLIONS 25 MONTHS AND OLDER 5103							
SALE HORSES & BROOD MARES 25 MONTHS AND OLDER 5105							
WORK & PACK HORSES & MULES 25 MONTHS AND OLDER 5107							
SHOW, RACE AND ROPING HORSES 25 MONTHS AND OLDER 5108							
TOTAL HORSES							
SHEEP							
REGISTERED BUCKS 9 MONTHS AND OLDER 5502							
LOCK BUCKS 9 MONTHS AND OLDER 5503							
SHEEP 9 MONTHS - 70 MONTHS 5504							
SHEEP 70 MONTHS AND OLDER 5506							
TOTAL SHEEP							
TOTALS							

TOTAL ADJUSTED MARKET VALUE \$ 2934
 TOTAL ADJUSTED TAXABLE VALUE \$ 117
 PREVIOUS YEAR'S MILL LEVY 210 X 117 (TAXABLE VALUE) = \$ 2458
 PREVIOUS YEAR'S LIVESTOCK LEVY 90 X 117 (TAXABLE VALUE) = \$ 9136
 PREVIOUS YEAR'S BOUNTY LIVESTOCK X (TAXABLE VALUE) = \$ _____
 PREVIOUS YEAR'S BOUNTY SHEEP X (TAXABLE VALUE) = \$ _____
 BEEF MARKETING AND RESEARCH ACT \$.25 A HEAD (FOR ADDITIONAL ASSESSMENTS ONLY) \$ 2.25

TOTAL TAX DUE \$ _____
 TOTAL REFUND DUE \$ 37.19

* TO RECEIVE A BEEF MARKETING AND RESEARCH ACT REFUND - APPLY TO LIVESTOCK DEPT. WITHIN 30 DAYS.

40APmad

DATE March 1986
 BOOK 1R NAME Joe anyone
 PAGE 21 ADDRESS _____ RT. 2 BOX 1
 LINE _____ CITY Ogden STATE Ut ZIP 5904
 S.D. 1 Sweet Grass COUNTY, 19 86

ASSESSMENT NUMBER _____
 SENATE TAXATION EXHIBIT NO. 1
 DATE 3-18-86
 BILL NO. H.B. 315

	AVERAGE NO. HEAD REPORTED PREVIOUS YEAR	AVERAGE NO. HEAD REPORTED CURRENT YEAR	NO. HEAD FOR ADJUSTMENT PLUS MINUS		PREVIOUS YEAR MARKET VALUE PER HEAD	MARKET VALUE TO BE ADJUSTED PLUS	MARKET VALUE TO BE ADJUSTED MINUS
CATTLE							
STOCK AND GRADE							
BULLS 9 MONTHS AND OLDER 5312	3	4	1		650	650	
CATTLE 9 MONTHS - 20 MONTHS 5314	10	15	5		225	1125	
CATTLE 21 MONTHS - 32 MONTHS 5315	9	5		4	280		1120
CATTLE 33 MONTHS AND OLDER 5316	70	76	6		325	1950	
DAIRY CATTLE 21 MONTHS AND OLDER 5317							
STEERS 33 MONTHS AND OLDER 5318							
PUREBRED							
BULLS 9 MONTHS AND OLDER 5352							
CATTLE 9 MONTHS - 20 MONTHS 5354							
CATTLE 21 MONTHS - 32 MONTHS 5355							
CATTLE 33 MONTHS AND OLDER 5356							
TOTAL CATTLE	92	100	12	4		3725	1120
HORSES							
HORSES, MULES, DONKEYS & ASSES 9-24 MONTHS AND ALL SHETLAND PONIES 5102							
STALLIONS 25 MONTHS AND OLDER 5103							
SADDLE HORSES & BROOD MARES 25 MONTHS AND OLDER 5105							
WORK & PACK HORSES & MULES 25 MONTHS AND OLDER 5107							
SHOW, RACE AND ROPING HORSES 25 MONTHS AND OLDER 5108							
TOTAL HORSES							
SHEEP							
REGISTERED BUCKS 9 MONTHS AND OLDER 5502							
STOCK BUCKS 9 MONTHS AND OLDER 5503							
SHEEP 9 MONTHS - 70 MONTHS 5504							
SHEEP 71 MONTHS AND OLDER 5506							
TOTAL SHEEP							
TOTALS							

TOTAL ADJUSTED MARKET VALUE \$ 2605
 TOTAL ADJUSTED TAXABLE VALUE \$ 104
 PREVIOUS YEAR'S MILL LEVY 225 X 104 (TAXABLE VALUE) = \$ 23.40
 PREVIOUS YEAR'S LIVESTOCK LEVY 80 X 104 (TAXABLE VALUE) = \$ 8.32
 PREVIOUS YEAR'S BOUNTY LIVESTOCK X (TAXABLE VALUE) = \$ _____
 PREVIOUS YEAR'S BOUNTY SHEEP X (TAXABLE VALUE) = \$ _____
 BEEF MARKETING AND RESEARCH ACT \$.25 A HEAD (FOR ADDITIONAL ASSESSMENTS ONLY) \$ 2.00
TOTAL TAX DUE \$ 33.72
 TOTAL REFUND DUE \$ _____

* TO RECEIVE A BEEF MARKETING AND RESEARCH ACT REFUND - APPLY TO LIVESTOCK DEPT. WITHIN 30 DAYS.

3,47

MSGA COMMENTS

HB 315

Issue

Assessors' Position

Response

1. Use by producers

Producers don't like the average inventory method because of the paper work. Very few of them use it.

The method is optional. If a producer does not like the method, he does not have to use it. Those who use it do so because the method fits their operations.

2. Use of the average inventory method by other taxpayers

No other taxpayer can use the average inventory method.

(a) The only taxpayers whose inventories are taxed are farmers and ranchers. (b) Under the bill feedlot operators could continue to use this method. If one type of livestock operator can use this method, why in fairness shouldn't all livestock producers be able to use it.

3. Administration of refunds or additional taxes

It is an administrative problem for assessors and treasurers.

(a) The procedure is the same as for any refund or bill for additional tax. (b) The convenience of taxpayers should be put before the convenience of governmental officials.

4. Double taxation

The bill ignores this problem.

Under the bill if a livestock producer puts stock in a feedlot after the assessment date (March 1), the livestock would be taxed in both the home county and the county in which the feedlot is located.

5. Verification of numbers

Under this method the assessor is unable to verify the numbers.

With brand inspection slips the assessor can verify numbers just as easily under this method as under the lien date method.

6. Revenue effect

The bill is revenue neutral.

The fiscal note says that there will an increase in taxes.

SENATE TAXATION

EXHIBIT NO. 2

DATE 3-18-87

BILL NO. H.B. 315

SCHEDULE A — ASSESSMENT OF LIVESTOCK

ASSESSMENT OF LIVESTOCK (Defined as cattle, sheep, horses, mules, swine, goats and asses.)

Owners of these animals will report on Schedule A of this form the number of head of each kind which are more than nine months of age and are owned by him or in his control.

If reporting cattle, sheep, horses, mules and asses for the first time, you have the option of listing the average number of head in each category for the previous 12 month period or the total number of livestock as of March 1st. Once a taxpayer elects the March 1st method of assessment, he must use that date for each year thereafter.

CHECK March 1st
 ONE Average Inventory

	JAN. 31	FEB. 28	MAR. 31	APR. 30	MAY 31	JUNE 30	JULY 31	AUG. 31	SEPT. 30	OCT. 31	NOV. 30	DEC. 31	TOTAL NO.	NUMBER ON MAR. 1	Assessor's Use Only		
															MARKET VALUE	TAXABLE VALUE	
HORSES & MULES																	
Horses and Mules 9 mos. - 24 mos. and all Shetland Ponies, Donkeys & Burros																5102	
Stallions 25 mos. and older																5103	
Saddle Horses and Brood Mares—25 mos. and older	10	10	10	10	12	12	12	12	12	12	12	12	12	11	5105		
Work and Pack Horses, Riding and Pack Mules 25 mos. and older	7	7	7	7	5	5	5	5	5	5	5	5	5	6	5107		
Show, Race, Roping Horses 25 mos. and older															5108		
Total All Horses and Mules														17			

	JAN. 31	FEB. 28	MAR. 31	APR. 30	MAY 31	JUNE 30	JULY 31	AUG. 31	SEPT. 30	OCT. 31	NOV. 30	DEC. 31	TOTAL NO.	NUMBER ON MAR. 1	Assessor's Use Only		
															MARKET VALUE	TAXABLE VALUE	
STOCK AND GRADE																	
BULLS 9 mos. and older	38	38	38	45	45	45	34	34	34	35	35	52	449	37	5312		
CATTLE 9 mos. - 20 mos.	316	316	316	316	316	316	316	316	212	212	212	212	5576	281	5314		
CATTLE 21 mos. - 32 mos.	21	21	21	20	20	20	20	20	20	198	197	170	254	197	5315		
CATTLE 33 mos. and older	119	119	119	141	141	141	122	122	128	125	124	122	3129	255	5316		
STEERS 33 mos. and older															5317		
DAIRY CATTLE 21 mos. and older															5318		
Total Stock and Grade														1,149			

	JAN. 31	FEB. 28	MAR. 31	APR. 30	MAY 31	JUNE 30	JULY 31	AUG. 31	SEPT. 30	OCT. 31	NOV. 30	DEC. 31	TOTAL NO.	NUMBER ON MAR. 1	Assessor's Use Only		
															MARKET VALUE	TAXABLE VALUE	
PUREBRED																	
BULLS 9 mos. and older																5352	
CATTLE 9 mos. - 20 mos.																5354	
CATTLE 21 mos. - 32 mos.																5355	
CATTLE 33 mos. and older																5356	
Total Purebred																None	
Total All Cattle																1,149	

	No. on Hand Jan. 1	Assessor's Use Only	
		MARKET VALUE	TAXABLE VALUE
GOATS			
BUCKS		5402	
DOES		5403	
Total All Goats	None		

	No. on Hand Jan. 1	Assessor's Use Only	
		MARKET VALUE	TAXABLE VALUE
SWINE			
BOARS		5701	
BROOD SOWS		5703	
MARKET HOGS 6 mos.		5705	
Total All Swine	None		

TOTAL VALUE ALL LIVESTOCK (Subject to the Livestock Levy)

MARKET VALUE	TAXABLE VALUE

Book _____ Name J. B. Long Ranch Co., Inc.
 Page _____ Address P. O. Box 3028
 Line _____ City Great Falls State MT Zip 59403
 S. D. 45 Lewis & Clark County, 19 86

	Average No. Head Reported Previous Year	Average No. Head Reported Current Year	No. Head For Adjustment		Previous Year Market Value Per Head	Market Value To Be Adjusted Plus	Market Value To Be Adjusted Minus
			Plus	Minus			
CATTLE	(1986)	(1987)					
Stock and Grade							
BULLS 9 mos.-20 mos.	42	37		5	645		3,225
BULLS 21 mos. and older							
CATTLE 9 mos.-20 mos.	311	281		30	233		6,990
CATTLE 21 mos.-32 mos.	204	199		5	287		1,425
CATTLE 33 mos. and older	681	632		49	323		15,827
DAIRY CATTLE 21 mos. and older							
STEERS 33 mos. and older							
PURE BRED							
BULLS 9 mos.-20 mos.							
BULLS 21 mos. and older							
CATTLE 9 mos.-20 mos.							
CATTLE 21 mos.-32 mos.							
CATTLE 33 mos. and older							
SHEEP							
REGISTERED BUCKS 9 mos. and older							
STOCK BUCKS 9 mos. and older							
SHEEP 9 mos.-21 mos.							
SHEEP 22 mos.-70 mos.							
SHEEP 71 mos. and older							
HORSES							
HORSES & MULES 9-24 mos. and all Shetland Ponies							
STALLIONS 25 mos. and older							
SHOW, RACE, AND ROMPING HORSES 25 mos. and older							
SADDLE HORSES & BROOD MARES 25 mos. and older	8	11	3		251	753	
WORK & PACK HORSES & MULES 25 mos. and older	7	6		1	292		
TOTALS						753	27,477

Total Adjusted Market Value _____ \$ 26,724
 Total Adjusted Taxable Value 490 _____ \$ 1,069
 Previous Year's Mill Levy (1986) 261.98 _____ \$ 280.06
 Previous Year's Livestock Levy (1986) 76.00 _____ \$ 81.74
 Previous Year's Bounty _____ \$ _____
TOTAL TAX REFUND \$ 361.30

This Adjustment Can Be Either A Refund Or An Additional Assessment.

NAME: Chuck Jarecki DATE: 3/18/87

ADDRESS: Irvine Flats Rte, Polson, MT. 59860

PHONE: 883-2248

REPRESENTING WHOM? Self - (rancher)

APPEARING ON WHICH PROPOSAL: HB 315

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X

COMMENTS: repeal of average inventory method of assessment would mean an increase in taxes for me.

The completion of the inventory form is a simple exercise in bookkeeping, using records that every rancher should have on hand.

My livestock taxes would increase about 20% if this method of assessment is repealed

March 1st is the time of year when my livestock inventory is at its peak.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

SENATE TAXATION
EXHIBIT NO. 3
DATE 3-18-87
BILL NO. H.B. 315

Prepared statement of William M. Thomas:

FIFTIETH LEGISLATURE
House Bill 231
House Business & Labor Committee

For over 7 years now, Montana Power Company has been providing energy audits and zero-interest loans to its residential customers for insulating and weatherizing homes and improving the performance of natural gas furnaces. Over the years, program activity has steadily increased and substantial benefits have been realized by Montana consumers who have participated. Approximately one-fourth of the residential housing stock in the MPC service area has been analyzed for energy efficiency, over \$11 million in zero-interest loans have been made and an average of 20% energy savings is reported by individuals who cycle through the program.

The incentive for MPC to offer these conservation loans is provided by a tax credit equal to the difference in interest charged by MPC, which is zero, and the prevailing average interest rate for home improvement loans from lending institutions. This tax credit is limited to \$500,000/year. In calendar year 1986 MPC claimed over \$430,000. The size of the average loan continues to increase and there remains a large number of consumers yet to be weatherized. Assuming program activity continues to grow at the current rate, projections show the tax credit limit will be exceeded in 1988.

Various studies of this program by MPC have shown that some residential customer groups, particularly renters, mobile homes and low-income customers, have not participated at levels equal to their proportion of the total population. There are several reasons for this:

- 1) The MPC zero-interest loan program is currently limited to owners of residential dwellings four-plex or smaller;
- 2) Low-income persons, who often occupy mobile homes, are unable to assume the added debt burden as the program is now structured;
- 3) Renters won't invest in property they don't own; and
- 4) Rental property owners lack the incentive to install energy conservation measures because tenants typically pay the utility bills.

MPC's zero-interest loan program effectively delivers energy conservation to residential consumers in Montana but greater participation among these groups and the balance of the residential customer sector is needed.

Raising the tax credit ceiling as proposed in HB 231 will provide MPC the ability to accommodate continued growth in interest accrual. This would also give MPC the incentive to develop greater participation in the loan program by expanding the eligibility requirements to include all residential property and easing of repayment terms for those who need help but have difficulty with monthly payments.

SENATE TAXATION

EXHIBIT NO. 4

DATE 3-18-87

BILL NO HB 231

HB 102 - WEED CONTROL FEE ON VEHICLES

COUNTY	NUMBER OF VEHICLES 1987	\$.50 WEED CONTROL FEE
BEAVERHEAD	7,708	\$3,854
BIG HORN	5,322	\$2,941
BLAINE	4,764	\$2,382
BROADWATER	3,460	\$1,730
CARSON	6,038	\$3,019
CARTER	1,679	\$840
CASCADE	58,597	\$29,299
CHOUTEAU	6,582	\$3,291
CUSTER	11,923	\$5,962
DANIELS	2,624	\$1,312
DAWSON	10,194	\$5,097
DEER LODGE	9,315	\$4,658
FALLON	3,579	\$1,790
FERGUS	11,070	\$5,535
FLATHEAD	52,308	\$26,154
GALLATIN	41,585	\$20,793
GARFIELD	1,511	\$756
GLACIER	5,518	\$2,759
GOLDEN VALLEY	1,047	\$524
GRANITE	2,766	\$1,383
HILL	13,631	\$6,816
JEFFERSON	7,149	\$3,575
JUDITH BASIN	2,399	\$1,199
LAKE	15,931	\$7,966
LEWIS & CLARK	41,293	\$20,647
LIBERTY	2,458	\$1,229
LINCOLN	14,766	\$7,383
MADISON	6,323	\$3,162
MCCONE	2,612	\$1,306
NEAHER	2,113	\$1,057
MINERAL	3,248	\$1,624
MISSOULA	64,417	\$32,209
MUSSELSHELL	4,288	\$2,144
PARK	13,378	\$6,689
PETROLEUM	676	\$338
PHILLIPS	4,799	\$2,400
PONDERA	5,977	\$2,989
POWDER RIVER	2,659	\$1,329
POWELL	5,377	\$2,689
PRAIRIE	1,582	\$791
RAVALLI	21,966	\$10,983
RICHLAND	11,508	\$5,754
ROOSEVELT	6,482	\$3,241
ROSEBUD	7,977	\$3,989
SANDERS	7,432	\$3,716
SHERIDAN	5,857	\$2,929
SILVER BOW	29,182	\$14,591
STILLWATER	6,534	\$3,267
SWEET GRASS	3,489	\$1,745
TETON	6,596	\$3,298
TOOLE	5,537	\$2,769
TREASURE	1,058	\$529
VALLEY	8,260	\$4,130
WHEATLAND	2,263	\$1,132
WISDAW	1,245	\$623
YELLOWSTONE	101,334	\$50,667
TOTAL	691,448	\$345,724

SENATE TAXATION

EXHIBIT NO. 5

DATE 3-18-87

BILL NO. H.B. 102

(Handwritten signature)

March 3, 1987

Determination of significant county funding.

Classification System - used by MACO; based on population and mill value

	Population	Mill	Op. Budget
Class 1a:			
Cascade	80,100	\$ 91,643	\$310,098
Flathead	52,300	87,916	202,075
Gallatin	45,300	62,513	151,174
L & C	44,300	61,857	266,717
Missoula	75,200	122,310	111,534
Yellowstone	113,400	200,170	177,528
Class 1b:			
Big Horn	11,400	127,787	129,452
Fallon	3,800	123,486	197,512
Richland	14,900	112,927	125,000
Roosevelt	11,300	79,700	141,923
Rosebud	12,200	237,854	93,418
Sheridan	6,000	94,258	94,800
Class 2:			
Blaine	6,900	44,329	82,900
Glacier	11,000	48,825	128,000
Hill	18,500	49,358	62,018
Lake	19,400	26,996	142,950
Lincoln	18,000	35,862	44,986
Powder River	2,500	52,422	68,255
Sanders	9,000	21,020	60,085
Silver Bow	36,600	43,274	88,880
Toole	5,700	48,533	100,000
Valley	9,900	50,510	66,054
Class 3:			
Carbon	8,300	30,044	58,766
Chouteau	6,100	30,540	79,000
Dawson	12,700	29,362	54,350
Fergus	13,000	22,273	61,000
Musselshell	4,600	29,154	75,100
Park	13,300	18,912	67,000
Phillips	5,400	38,313	61,400
Pondera	6,800	24,460	94,875
Ravalli	23,500	24,655	62,040
Wibaux	1,600	25,340	26,435
Class 4:			
Custer	13,300	18,545	26,526
Jefferson	7,300	17,395	136,642
Liberty	2,400	21,905	44,505

SENATE TAXATION

EXHIBIT NO. 5

DATE 3-18-87

BILL NO. H.B. 102

Class 4 (cont.)				
	Madison	5,800	17,678	80,000
	Stillwater	5,800	15,391	48,500
	Teton	6,400	20,373	64,542
Class 5				
	Beaverhead	8,500	14,671	74,399
	Broadwater	3,300	11,349	40,163
	Deer Lodge	11,600	9,349	29,390
	McCone	2,800	10,834	39,000
	Powell	6,700	14,229	64,175
Class 6				
	Carter	1,700	8,100	77,500
	Garfield	1,700	7,604	1,100
	Golden Valley	1,100	5,301	10,586
	Granite	2,600	5,615	26,379
	Judith Basin	2,700	9,407	25,500
	Meagher	2,200	8,109	69,514
	Mineral	3,500	8,109	15,130
	Prairie	1,900	6,682	45,000
	Sweet Grass	3,300	6,913	28,000
	Treasure	1,000	4,662	
	Wheatland	2,300	7,141	29,568
Class 7: Petroleum				
		700	2,969	10,000

SENATE TAXATION

EXHIBIT NO. 5

DATE 3-18-87

BILL NO. H.B. 102

MONTANA ASSOCIATION OF STATE GRAZING DISTRICTS

420 North California St.

Helena, Montana 59601

(406) 442-3420

DIRECTORS

Bill Almy Ismay
Lynn Cornwell Glasgow
Mark Davies Chinook
Joe Etchart Glasgow
Jack Hughes Grassrange

John Pfaff, President Miles City
Sever Enkerud, Vice President Glasgow
Stuart Doggett, Executive Secretary Helena

HB 102

My name is Kim Enkerud and I am speaking on behalf of the Montana Stockgrowers, the Montana Association of State Grazing Districts, and the Montana Public Lands Council. *the Cattlewoman, the Woodgrain*

Noxious weeds are a real problem in the State of Montana. It is a problem the control of which should be shared by all.

Controlling weeds is an expensive endeavor. It is a program whose cost does not decrease, but increases.

Weeds are taking over not only private agricultural lands, but also parks, waterways, recreation areas, and wildlife habitat.

The public seems to be concerned about land lost to strip mining, super markets, shopping centers, and subdivisions. Do they realize that noxious weeds infest and take out of production more lands than those items I mentioned above? 6.5 million acres of weed infestation is serious and it increases 27% each year.

We are in favor of this bill, because it does not single out one small group of people to supply the dollars to control noxious weed, ie. agriculture, but involves the people of the entire state.

We urge the committee to do concur HB 102.

Thank you.

SENATE TAXATION
EXHIBIT NO. 6
DATE 3-18-87
BILL NO. H.B. 102

NAME: Chuck Jarecki DATE: 3/18/87

ADDRESS: Irvine Flats Rte., Polson, MT. 59860

PHONE: 883-2248

REPRESENTING WHOM? self

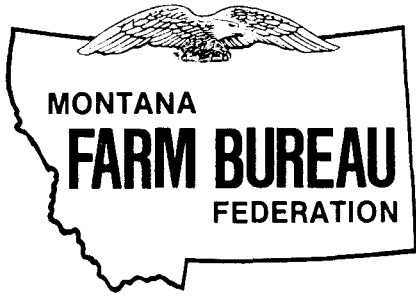
APPEARING ON WHICH PROPOSAL: HB 102

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: HB 102 is an equitable means of funding the weed trust fund. The epidemic spread of noxious weeds in Montana is a societal issue, affecting all Montanans. Vehicles are a primary spreading method of weeds, as well as the activities of road building and maintenance. An equitable source of funding is badly needed. HB 102 is an excellent method of obtaining the funds.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

SENATE TAXATION
EXHIBIT NO. 7
DATE 3-18-87
BILL NO. H.R. 10



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

Bozeman, Montana 59715
Phone (406) 587-3153

TESTIMONY BY: Lorna Frank
BILL # HB-102 DATE March 18, 1987
SUPPORT XXX OPPOSE

Mr. Chairman, members of the committee, for the record, my name is Lorna Frank, representing approximately 3500 Montana Farm Bureau members throughout the state.

The farmers and ranchers of this state are very concerned about the spread of weeds and their control is an important factor in reducing farm and ranch costs. We feel this is a very good bill in that everyone who drives a car and or truck will help finance the control of noxious weeds.

Farm Bureau urges this committee to give a do pass recommendation to HB-102. Thank you.

SENATE TAXATION

EXHIBIT NO. 8

DATE 3-18-87

BILL NO. H.B. 102

SIGNED: Lorna Frank

WITNESS STATEMENT

NAME Jo Brunner BILL NO HB102
ADDRESS 2015½ 9th Avenue, Helena DATE 3/18/1987
WHOM DO YOU REPRESENT? Montana Grange
SUPPORT x OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Mr. Chairman, members of the committee-----

The Montana Grange is in full support of this bill. We suggested at the first hearing that the weight of the vehicles be raised and appreciate that being done.

We also support enthusiastically the amendment that will require 25% of the funds taken in from this tax to go to biological research--non-chemical research. This area of weed control has taken a back seat over the years and it is time that we have a designated amount set apart for that use.

We ask you concur in HB102

SENATE TAXATION
EXHIBIT NO. 9
DATE 3-18-87
BILL NO. H.B. 102

March 18, 1987

Senate Taxation Committee

Madison County Weed Control District supports and request passage of Rep. Grady HB 102 with amendments as passed by the House of Rep.

Madison County has, presently, a Cooperative Agreement for Knapweed Control. The Cooperative Program in Madison is proving to be effective tool for Weed Control, Development of Public Awareness, Enlisting Support and Control by and on Private and Public Lands, and development of technical techniques & data for future Weed Control activities.

Madison County's Agreements presently has 40 plus other Entities involved in Weed Control. The Inkind Match to State Appropriated Funds is \$1.40 of Inkind for every \$1.00 of State Funds expended.

The Program does established the format and flexible for County's Program. Madison County is planning to use this format for one and possible two County sponsored

and funded programs. These County Sponsoring Programs are targeted for other County "Weed Hot spots". The County has submitted one other Control Project for State Approval.

This Program is successful in Madison County. It has the format for cost-effectiveness and being beneficial to the State of Montana.

A "do pass" vote on HB 102 is beneficial and cost effective for all citizens of Montana

Neil D. Peterson
Neil D. Peterson
Madison Co.
Weed Control Coordinator

SENATE TAXATION
EXHIBIT NO. 10
DATE 3-18-87
BILL NO. H.B. 102

TESTIMONY OF MONTANA ASSOCIATION OF CONSERVATION DISTRICTS
FOR THE SENATE TAXATION COMMITTEE ON
HOUSE BILL 102
WEDNESDAY, MARCH 18, 1987

Chairman McCallum and Members of the Committee. House Bill 102 provides a realistic approach for securing revenue for cooperative weed control programs in Montana.

The introduction and spread of noxious weeds in the state is closely tied to transportation corridors. Movement of weeds from road rights-of-ways onto adjacent farm, range, and timber land is placing a substantial economic burden on Montana's agricultural community in addition to destroying valuable wildlife habitat. Since the movement of weeds is caused mainly by vehicles, House Bill 102 allows for all persons responsible for the weed problem to assist with control programs.

Revenue collected from a weed control fee on vehicles will be allocated through the grant program of the Noxious Weed Trust Fund. This grant program has proven to be a successful method for increasing awareness of noxious weeds, and promoting cooperative weed management projects. However, without additional revenue, the Trust Fund cannot provide adequate funding to address the weed problem. The Montana Association of Conservation Districts recommends full consideration of House Bill 102.

SENATE TAXATION

EXHIBIT NO. 11

DATE 3-18-87

BILL NO. H.B. 102

ROLL CALL VOTE

SENATE COMMITTEE TAXATION

Date March 18, 1987 Bill No. HB 56 Time 9.05 AM.

NAME	YES	NO
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	✓	

Aggie Hamilton
Secretary

Senator George McCallum
Chairman

Motion: Senator Severson's motion HB56 BE NOT CONCURRED
IN. The motion failed 6-6.

STANDING COMMITTEE REPORT

..... March 18 19. 97

MR. PRESIDENT

We, your committee on SENATE TAXATION

having had under consideration HOUSE BILL No. 231

third reading copy (blue)
color

FRITZ (HALLIGAN)

**INCREASE UTILITY TAX CREDIT FOR LOANS TO CONSUMERS FOR
ENERGY CONSERVATION**

Respectfully report as follows: That HOUSE BILL No. 231

BE CONCURRED IN

XRQPASS

XRQMPASS

..... SENATOR GEORGE McCALLUM,
Chairman.

STANDING COMMITTEE REPORT

March 18

1937

MR. PRESIDENT

We, your committee on SENATE TAXATION

having had under consideration HOUSE BILL No. 193

third reading copy (blue)
color

**NATHE (SMITH?)
(McCALLUM)**

**CONTINUE 6-MILL LEVY FOR HIGHER EDUCATION; SUBMIT
PROPOSAL TO ELECTORATE**

Respectfully report as follows: That HOUSE BILL No. 193

BE CONCURRED IN

~~XXXXXXXX~~

~~XXXXXXXX~~

SENATOR GEORGE McCALLUM,

Chairman.

STANDING COMMITTEE REPORT

March 18

19 37

MR. PRESIDENT

We, your committee on.....SENATE TAXATION.....

having had under consideration.....HOUSE BILL..... No. 315.....

third reading copy (blue)
color

HOFFMAN R. (McCALLUM)

CHANGE ASSESSMENT DATE OF LIVESTOCK

Respectfully report as follows: That.....HOUSE BILL..... No. 315.....

BE NOT CONCURRED IN

~~DO PASS~~

~~DO NOT PASS~~

.....
SENATOR GEORGE McCALLUM, Chairman.