

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON TAXATION

Call to Order: By Chairman Harrington, on January 11, 1989,  
at 9:00 a.m.

#### ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Dave Bohyer, Legislative Council

Announcements/Discussion: Please sign the visitor's  
register. All those testifying, please speak clearly  
and identify yourself for the record.

Before opening the hearing, Chairman Harrington introduced Nancy Keenan, Superintendent of Public Instruction who stated that she wished to explain how her office would be handling the taxation bills that will be heard by the committee. There will be numerous bills that will attempt to correct past difficulties and pressure will be on the committee to add to the general fund for many reasons. Basically, she asked the committee to consider that for all property tax relief provided, the ability of local districts to provide quality education for the children will be weakened. Her office would like to provide a running tally of what the costs will be whenever this is considered. She stated this was not to oppose the bill being considered, but simply to provide information to the committee as to the exact losses to the school districts and the general fund. She offered assistance and asked that her office be allowed to work with the committee on the tax bills.

#### HEARING ON HOUSE BILL 12

Presentation and Opening Statement by Sponsor: Rep. Robert Pavlovich, District 12, stated that HB 12 pertains to the collecting of taxes on mobile homes. "Mobile Home" has been substituted in the bill for "personal property tax."

List of Testifying Proponents and What Group They Represent:

May Jenkins, Retired County Treasurer, Yellowstone  
County  
Dick Mitchelotti, Cascade County Treasurer's  
Association  
Don Cape, President of the Manufactured Housing  
Association

List of Testifying Opponents and What Group They Represent:

George Bennett, Montana Banker's Association  
Gene Phelps, Montana Land & Title Association  
Ed McCue, Helena Mobile Home Park Owner

Testimony:

May Jenkins spoke in support of the bill. (Exhibit 1).

Dick Michelotti urged support of the bill. He favors  
eliminating the tax paid sticker.

Don Cape stated he considers mobile homes a unique commodity  
since these homes are taxes on the personal property  
mill levy and are considered personal property although  
they are homes. He would like to know in a more timely  
fashion about repossessions due to tax delinquency.  
This would enable him to help people pay their taxes  
and avoid repossessions before the tax is in arrears  
for five years or more. For these reasons basically,  
he supports the bill.

George Bennett spoke against the bill. (Exhibit 2).

Gene Phelps does not object to the bill as such but does  
feel there are problems. Section 9, 10, and 11  
regarding a lien on the real property of the mobile  
home owner could put a cloud over any other property  
owned by the park owner. He stated the language in  
Section 11 was unclear. It appears to place a lien on  
the owner of the property on which the mobile home is  
located if it is different from the owner of the mobile  
home.

Ed McCue is concerned with the aspect of placing a lien on  
the property of the mobile home park owner when someone  
residing in the park is behind in the taxes and their  
mobile home is repossessed. He also expressed concern

with the fact that if a lien is placed on the mobile home, the park owner could not move it to rent the space again for a period of one year. Trailers are often abandoned during periods of recession and lack of employment. Since these homes cannot be moved for a period of one year, the park owner suffers considerable loss.

Questions From Committee Members: Rep. Driscoll asked Mr. Phelps about Section 4 which states the rate of taxation is set by the county commissioners. He asked if this should not say mills. Mr. Phelps replied he was not sure what this meant. The language is unclear. The rates are set by the legislature and the mill levies are set by the county commissioners.

Rep. Raney asked Rep. Pavlovich if he was aware of the mobile home land lien. Rep. Pavlovich stated that he was not but there would be no problem changing this. Rep. Raney then asked if there is opposition from bankers and could a small section of the current law be amended regarding the notification of the lien holder that a tax is due. Rep. Pavlovich replied that the bank is notified but the owner is not under the current law.

Rep. Hoffman asked Rep. Pavlovich about the confusion on the property lien issue. He asked if this was a lien on the owner of the mobile home or a land lien. He stated this is real property because it is sitting on the owner's land and is this a serious issue for the owner of the mobile home park. At Rep. Pavlovich's request, May Jenkins answered that if the mobile home is taxed as real estate, it becomes a lien against the land because the owner of the mobile home and the land are one and the same. But, if the mobile home owner has not paid the taxes, the law does not allow anyone to move the mobile home unless the tax is paid even though it is secured as real estate. It is a lien but one without "teeth." Every tax has the effect of a judgment against the taxpayer. This tax is against the mobile home owner but not the park owner. Problems arise over moving the mobile home. The language needs clarification. Rep. Hoffman then asked Ms. Jenkins if the mobile home is assessed as real property but when it is to be moved, it becomes personal property. He stated this was an inconsistency. Ms. Jenkins replied that was correct.

Rep. Driscoll asked Ms. Jenkins when a person owns a trailer and land, taxes are due on the trailer

September 30 and on the land by the end of November. Why are trailers taxes due on September 30 and not the end of November as are other houses. Ms. Jenkins replied that it depends on how quickly the information is collected. She doubted this could be done rapidly enough to send out the bills in the proper time frame. Rep. Driscoll then asked why should the tax date be two months earlier for mobile homes. Ms. Jenkins replied that one of the major reasons is the home is mobile. With houses, the second half of the real estate is collected in May of the next year. She stated that if this is done with mobile homes, a lot of them will be lost.

Chairman Harrington asked Mr. Michelotte if he had something to contribute at this point. Mr. Michelotte stated that the Treasurer's Association has a bill in the current session that will change the date of Mobile homes taxation to May 31 and to November 30 so this will be uniform.

Rep. Driscoll asked Mr. Michelotte if this would be for the past year. Mr. Michelotte replied it would not as it would not be the same as real property. Mobile home owners will pay for the first half of the current year on May 31 and the second half on November 30. It will be paid in the same year. Rep. Driscoll stated this would be collecting the taxes in advance. Mr. Michelotte stated this was an effort to make the taxation payment dates uniform for all, not to collect taxes in advance.

Rep. Patterson asked Mr. Michelotte if this would create a workload problem with those owning mobile homes who pay taxes the same time as those with real property. Mr. Michelotte replied it would not due to computerization.

Closing by Sponsor: Rep. Pavlovich stated he had no objection to clarifying the language in the bill and he thanked the committee.

#### DISPOSITION OF HOUSE BILL 12

Motion: None

Discussion: None

Amendments and Votes: None

Recommendation and Vote: None

## HEARING ON HOUSE BILL 35

Presentation and Opening Statement by Sponsor: After turning the chair over to Vice Chairman Ream, Rep. Harrington, District 68, stated HB 35 was an omnibus bill that had come from the Senator's Association. Primarily, the bill repeals average inventory basis on assessment of livestock on January 1 of each year and a portion of the tax on migratory livestock. It also reduces class 6 property and amends the per capita tax. Some amendments have been recommended such as the term "ore and oil haulers" needs to be defined to eliminate small trucks. Page 5, Line 5, the number 16,000 should be 18,000. This is the weight limitation on axles. Page 5, line 3, after the phrase "and that are", "primarily designed for" should be inserted. The normal definition of trucks included in this bill would be trucks in the 25 ton category. On Page p, line 2, after the word "increase", the word "following" should be struck and the word "previous" inserted. These amendments will allow county assessors to "roll over" the previous year's livestock assessment and apply the 10 % penalty assessment. There will probably be other amendments to the bill.

List of Testifying Proponents and What Group They Represent:

Marvin Barber, Montana Assessor's Association  
John Fitzpatrick, Director of Community Affairs,  
Pegasus Corporation  
Ron De Young, Montana Farmer's Union  
Kay Norbert, Montana Farm Economics Union

List of Testifying Opponents and What Group They Represent:

Jerry Jack, Montana Stockgrowers

Testimony:

Marvin Barber stated this is a housecleaning bill that does need work but he asked for the opportunity to work out the problems rather than killing the bill.

John Fitzpatrick stated the bill is too broad in some of the equipment areas such as the ore hauler definition. However, the amendment offered by Rep. Harrington will correct the problem and he supports the bill.

Ron De Young stated that last session, grain stored on the

farm was tax exempt. Other unprocessed product were not exempted. HB 35 eliminates this problem and is more fair and equitable. He supports the bill but recommended some amendments to clarify the language. (Exhibit 3).

Kay Norbert wished to be acknowledged as a proponent of HB 35.

Jerry Jack has a philosophical objection to HB 35. A recent court decision stated that inventory taxes on livestock were unconstitutional. Therefore, this bill is inappropriate. There are currently sponsors in the Senate introducing a bill to clarify and rectify this situation. He stated he would at least like to see the committee delete livestock inventories from HB 35. Section 8, line 25, "ownership of livestock as of January 1" should be amended to March. Many of the producers have sales between January and February and into March of livestock over 24 months of age. He stated this is an unfair tax on January 1 when the producers are going to sell a large portion of the livestock after this date.

Questions From Committee Members: Rep. Patterson to Mr. Les Graham, of the Department of Livestock who was seated in the audience but did not testify. Regarding the fiscal note on HB 35, what would be the impact of the livestock per capita tax. Mr. Graham replied that on page 10, section 12, the noted per capita tax levy changes to anything 14 months or older. It is 9 months or older under the current law. This would be one impact but he had not looked at this previously. Rep. Patterson then asked Chairman Ream if Mr. Graham could be allowed to write his concerns on this and present it to the committee at a later date. Chairman Ream concurred.

Rep. Good asked Rep. Harrington about the fiscal note, item 11, if the intent of this legislation is to place the tax at 11%. Rep. Harrington replied that all inventory would be moved to class 11 at 11% rather than the current 13%. This is a fairness issue.

Randy Wilke, Department of Revenue, Property Assessment Division wished to comment at this point in reference to the truck issue. The last legislation reduced the tax rate for trucks that were greater than one and one-half ton. Those greater than 3/4 to 1/2 ton were placed in the 13% category. These will not be 11%.

Rep. Giacometto asked Rep. Harrington what is the

intention of the per capita tax. Mr. Rick Hartz, County Assessor in Dillon, answered at Rep. Harrington's request. Mr. Hartz stated that currently a list is required not only for taxable livestock but also to report yearlings so as to collect \$1.14 a head. Producers need this money to operate and it is difficult to get the producer to report this information. The assessors are currently being asked to collect information on non-taxable livestock. Rep. Giacometto then asked if the assessors just want to get away from having to deal with things that are not taxable. Mr. Hartz replied that this was the intent and purpose.

Rep. Stang asked Rep. Harrington about the fiscal note stating that all unprocessed agricultural products are currently at 0. Why then should there be an exemption for these products in HB 35. Mr. Chuck Krause, Assessor from Butte County, answered at Rep. Harrington's request and stated this is just to remove and clarify the language.

Rep. O'Keefe directed a question to the Department of Revenue regarding the fiscal note which indicates the cost is now \$132,000 without the amendments to the bill. He would like a breakdown on this. Mr. Terry Johnson, Budget Office, replied that they are working with the Department of Revenue on a breakdown but did not have this right now.

Rep. Good asked Rep. Harrington about the intent of section 16. Rep. Harrington asked Chuck Krause to reply. Mr. Krause stated this concerned the decal question. This is a means of quick identification of the current assessment especially for heavy equipment that is not normally used on highways. Decals on each piece of equipment would eliminate the possibility of tax avoidance that can be done with the current sm plates. These can be moved from one piece of equipment to another to avoid paying the tax.

Rep. Gilbert objected to this insinuation. Mr. Krause replied that he personally had not had this happen, but other assessors have experienced the problem.

Rep. Elliott asked Mr. Krause if he meant agricultural equipment when he referred to sm equipment. Mr. Krause replied that this is construction equipment only.

Closing by Sponsor: Rep. Harrington stated he hoped the committee would take some time to look at HB 35. He stated there is a need for amendments in addition to

those he proposed.

DISPOSITION OF HOUSE BILL 35

Motion: None

Discussion: None

Amendments and Votes: None

Recommendation and Vote: None

HEARING ON HOUSE BILL 60

Presentation and Opening Statement by Sponsor: Rep.

Harrington, District 68, stated the bill comes from the County Assessor's Association. This is important to them as they wish to have the opportunity to attend school and become certified as assessors. Rep. Harrington stated this is an important step forward.

List of Testifying Proponents and What Group They Represent:

Marvin Barber, Montana Assessor's Association  
Rick Hartz, Beaverhead County Assessor  
Randy Wilke, Department of Revenue, State of Montana

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Marvin Barber stated HB 60 was the most important bill in a long time. This was instigated by the assessor's themselves since their function is new to state operation and they needed more government knowledge. They worked with the Revenue Oversight Committee to produce this bill. The assessors are imposing this responsibility upon themselves to pass the classes, increase their expertise and add more prestige to the office.

Rick Hartz worked on HB 60 in this last year. He stated that the taxpayers should know that the people administering the taxes have some level of competency. This training will increase professionalism and efficiency and perhaps give the assessors a higher regard from the public.



Randy Wilke considers HB 60 a step forward. He stated this would add more professionalism to the assessor's position. If an elected assessor is unable to successfully complete the certification requirements, the result is loss of office.

Questions From Committee Members: Rep. Good asked Mr. Barber about the 36 month time frame for completion of the training. Mr. Hartz replied to this question stating the time has gone back and forth from 24 and 36 months. Part of the reason for the time length is the scheduling of classes and the need for the assessor to be in the office. However, this time frame can be changed but it is important that each person have a fair change to attend the classes. Rep. Good then asked how many days to complete the courses noting that the fiscal note states 5 days. Mr. Hartz replied that there is a one week course per phase and three phases, which would be three weeks out of the 36 months.

Rep. Ellison stated that since the training time was 36 months and the assessors are elected for four years, would it not be possible for them to serve most of their time without taking this training. He suggested it would be simpler to require these qualifications prior to election to office. Mr. Barber replied to this inquiry stating that this could then be applied to all elected officials in any office and stated he would doubt that would be appropriate.

Rep. Koehnke asked Mr. Barber about section 4 stating that if the assessors do not pass the class in the 36 months, are they then put out of office. Mr. Krause answered stating they would be put out of office by the taxpayers at the next election time. The current intent is to put some authority into this. Rep. Koehnke then asked who would serve if an assessor is put out of office. Mr. Krause answered that the county commissioner would appoint someone.

Rep. Hoffman asked Mr. Wilke if the assessors are currently required to go to school for a week, couldn't this be included instead of additional weeks. Mr. Wilke replied that the schools currently operated are part of this information. But, he stated there is a need for further information and training. Rep. Hoffman then asked if the school would be open to the public if they paid the training fee. Mr. Wilke replied that this is currently allowed in appraisal classes and a fee is charged for the books and materials. He stated he did not see any problem with opening the classes for assessors to the public.

Rep. Raney stated that there is little change in the assessors in office. They are usually elected and stay in office for a long time. He asked why this information could not be offered in the first year. Mr. Wilke replied that this is a new area. Possibly this has been viewed too cautiously. It could certainly be changed. Rep. Raney stated if we decided to change this to 12 or 18 months, would the department concur. Mr. Wilke stated there would be concern about expediting the process too soon.

Rep. Elliott asked Mr. Barber if there are courses presently offered to assessors. Mr. Barber replied that there are but they are not voluntary. The assessors are required to attend school every year to review changes in the laws. However, there is no certification currently. This is unique only in Montana. Other states have done this for years. Rep. Elliott then stated he was concerned about the per diem allowance for people who have been elected to an office they sought and for which they were already informed of the qualifications. Mr. Barber replied that this is true of all elected officials but they all travel to some functions and are reimbursed for this. This is not a new concept. There will undoubtedly be some additional costs.

Rep. Ream asked Mr. Wilke to provide a statement of the costs under different options if the time is changed to 12 months or 18. Rep. Giacometto also requested that Mr. Wilke also add the costs of the length of time involved, one month in the first year.

Closing by Sponsor: Rep. Harrington stated that one of the concerns that has always been discussed in this areas is the role of the assessor as far as state government is concerned. It is important that the assessors certify themselves and become part of the system. The assessors have requested this in an effort to better themselves. The bill is a step forward for them and the taxpayers. The assessors should be commended for doing this on their own initiative.

#### DISPOSITION OF HOUSE BILL 60

Motion: None

Discussion: None

Amendments and Votes: None

Recommendation and Vote: None

HEARING ON HOUSE BILL 29

Presentation and Opening Statement by Sponsor: Rep.

Harrington stated that in TV districts, the assessor currently has to determine the identity of all the members of that district. HB 29 requests that the TV district present a list of their members to the assessors. This is not the function of the assessors and they should not be required to do this.

List of Testifying Proponents and What Group They Represent:

Marvin Barber, Montana Assessor's Association

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Marvin Barber stated this requirement is left over from the time of taxing household property. Taxes are no longer collected on this. The assessor does not collect taxes on the television sets in the district. The assessor is an information collector in this respect which is not his/her function. This is the responsibility of the TV districts. He urges support for HB 60.

Questions From Committee Members: Rep. Schye stated he did not think TV districts had a list of all their members. Mr. Barber replied that was true but neither did the assessor. Rep. Schye then stated that he believed the assessor did the exemptions for these districts. Mr. Barber replied that he did not know but that everyone paid if they did not request an exemption. He stated that the assessor's office should find out more about this before the bill is passed. He also stated there was a problem with the lack of manpower to accomplish this. Rep. Schye stated he thought this was on the honor system. Rep. Harrington asked if anyone could answer this question. Mr. Bob Sanders, White Sulphur Springs, responded. He stated that there is a TV district in his area and that the cable and TV districts conflict. The cable companies have encouraged people to subscribe to avoid the tax and this has effected the assessments. HB 60 clears up the method of assessment. Most counties, however, seem

to have a different approach. There is a need for clarification in this area.

Rep. Hanson stated that the whole county in her home area is a TV district. She asked Rep. Harrington how this differed from the county ability to tax everyone. Rep. Harrington replied he was not sure. Rep. Giacometto responded that he was in the same district and if the taxpayer has cable or does not own or use a TV, they just request an exemption.

Rep. Ellison asked Rep. Schye if the boundaries of a TV district are outlined when the district is formed. Rep. Schye replied that was correct. The exemption for cable was added later on.

Mr. Krause stated at this point that the purpose of the bill is simply to change the law that now states a list of TV owners will be provided to the board of trustees of the TV district by the assessor.

Closing by Sponsor: Rep. Harrington stated that the TV districts support HB 60 and that this should be passed.

#### DISPOSITION OF HOUSE BILL 60

Motion: None

Discussion: None

Amendments and Votes: None

Recommendation and Vote: None

#### EXECUTIVE SESSION

##### DISPOSITION OF HOUSE BILL 1:

MOTION: DO PASS by Rep. Hoffman. Motion carried unanimously by voice vote. Rep. Giacometto made the motion the bill be placed on the consent calendar. The committee concurred.

##### DISPOSITION OF HOUSE BILL 10:

MOTION: To NOT PASS by Rep. Rehberg. Speaking to the motion, Rep. Rehberg stated he was disturbed by the earmarking of legislation. This is endangering the general fund and a trend is developing to lose legislative control by continual earmarking of special funds. In 1984, 62% of

the funds were earmarked, in 1986, this was down to 50%, because the general fund was growing faster than the earmarked funds. A fair share for education is demanded by the public so this is not in danger. Earmarking for particular agencies creates inefficiencies in administration. He stated he did not see the need to continue putting money into an earmarked account for any purpose.

Rep. Ream asked if Rep. Rehberg was saying the legislature had no control over the education trust fund.

Rep. Rehberg replied that he was not. He further stated that there must be a fund earmarked for education but if the legislators want to continue to tax industry that does not have a direct correlation with its use, then the money should be put into the General Fund or a General Fund Trust Fund should be created.

Rep. Ream stated this is not a question of earmarking. This bill states that when oil gets to a certain price, the additional funds flow into the education fund.

Rep. Raney spoke against the DO NOT PASS motion stating this is not an expenditure but earmarking a savings. This is really a General Fund savings account and it is used any time. This gives some control over the tax collection system.

Rep. Giacometto agreed but stated that the education trust fund should not be a savings account. This is inappropriate. If the legislators truly want to assist education, this false sense of security should be eliminated. He stated this infuriates the education community.

Rep. Ellison supported the motion stating that there is an obligation to finance schools in a permanent fashion that will comply with the current court order. This is an inappropriate time to piece meal the process. As to the price of oil going up, this does not necessarily mean that state revenue will go up also. Other revenues could go down and the general fund would have a deficit.

Rep. Driscoll stated the education trust fund is misnamed and should be the education savings account. It takes only a simple majority to use it. A trust fund would require much more. He stated he did not believe the price of oil was going to rise and therefore there would not be the additional money so the bill is unnecessary.

Rep. O'Keefe spoke against the motion. He stated the bill

does provide an option for controlling state government. When revenue is high, disbursements rise. If the funds are not so readily available, they will not be spent.

Rep. Gilbert disagreed with the continual earmarking of funds and the constant drain on the general fund in this respect. Education will still receive their fair share from the general fund with the trust fund still there. The funds were used plus a 10% surtax charge because there simply was no money. No one is punishing education. He stated this should be a general fund savings account, not an education trust fund.

Rep. Cohen supported the DO NOT PASS motion.

Rep. Raney stated that perhaps Rep. Kadas would like to amend the bill to create the general trust savings account.

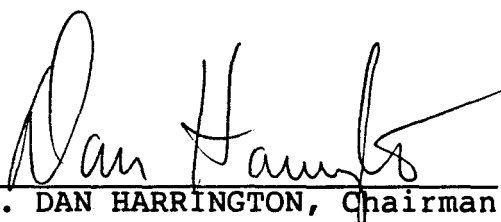
Rep. Driscoll made the motion to TABLE HB 10. Motion carried by unanimous voice vote.

DISPOSITION OF HB 34:

MOTION: To DO PASS by Rep. Schye. Rep. Ellison made the motion to DO PASS on the proposed amendments. Motion carried unanimously to DO PASS the amendments. Motion carried unanimously to DO PASS HB 34. HB 34 PASSED AS AMENDED and placed on the consent calendar.

ADJOURNMENT

Adjournment At: 11:20 a.m.

  
\_\_\_\_\_  
REP. DAN HARRINGTON, Chairman

DH/lj

0915.MIN

DAILY ROLL CALL

TAXATION

COMMITTEE

51st LEGISLATIVE SESSION -- 1989

Date January 11, 1989

| NAME                      | PRESENT | ABSENT | EXCUSED |
|---------------------------|---------|--------|---------|
| Harrington, Dan, Chairman |         |        |         |
| Ream, Bob, Vice Chairman  | ✓       |        |         |
| Cohen, Ben                | ✓       |        |         |
| Driscoll, Jerry           | ✓       |        |         |
| Elliott, Jim              | ✓       |        |         |
| Koehnke, Francis          | ✓       |        |         |
| O'Keefe, Mark             | ✓       |        |         |
| Raney, Bob                | ✓       |        |         |
| Schye, Ted                | ✓       |        |         |
| Stang, Barry              | ✓       |        |         |
| Ellison, Orval            | ✓       |        |         |
| Giacometto, Leo           | ✓       |        |         |
| Gilbert, Bob              | ✓       |        |         |
| Good, Susan               | ✓       |        |         |
| Hanson, Marian            | ✓       |        |         |
| Hoffman, Robert           | ✓       |        |         |
| Patterson, John           | ✓       |        |         |
| Rehberg, Dennis           | ✓       |        |         |
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STANDING COMMITTEE REPORT

January 11, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that HOUSE BILL 1 (first reading copy -- white) do pass and be placed on the CONSENT CALENDAR.

Signed:

  
Dan Harrington, Chairman



STANDING COMMITTEE REPORT

January 11, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that HOUSE BILL 34 (first reading copy -- white) do pass as amended and be placed on the CONSENT CALENDAR.

Signed: \_\_\_\_\_

  
Dan Harrington, Chairman

And, that such amendment to HOUSE BILL 34 read as follows:

1. Page 2, lines 22 and 23.  
Following: ~~"Thereafter"~~ on line 22  
Strike: "Based on the hearing record"  
Insert: "Thereafter"

EXHIBIT 1  
DATE 1/11/89  
HB 12  
*Rep. Passolunghi*

January 11, 1989

Supporting Testimony to HB 12

I am May Jenkins who just retired as Yellowstone County Treasurer after serving 18 years as Treasurer of the largest county in the state.

Our county has now some 4500 + mobile homes. At one time, we had an excess of 6500. Yet, over the many years we have never had a problem with delinquencies. This unfortunately, is not the case in other counties. I cannot tell you how many times a dealer, lien holder would call me in a state of shock stating he was repossessing a mobile home and that there were as many as 7 years back taxes on the mobile home. This dealer was never notified (not once that a delinquency existed). The statute 15-16-113 clearly states the treasurer must notify any person who has a property perfected security interest of record with the Department of Justice that the amount of the tax is due and payable at the county treasurer's office. This has not been done. Perhaps an excuse stems from the section 15-24-202-208 of the law dealing with mobile homes. This section does not spell out the proper procedure for the collection of mobile home taxes; one must go to another section of the law 15-16-113 PIP - duty of treasurer - penalty.

This bill will prescribe procedures for collecting mobile home taxes under the section rightfully titled.

Signed  
May Jenkins

EXHIBIT 2  
DATE 1/11/89  
HB 12  
Rep. Parvlich

MONTANA BANKERS ASSOCIATION George T. Bennett , Counsel  
House Taxation Committee - January 11, 1989

**ANALYSIS OF HOUSE BILL 12, INTRODUCED BILL:**

Section 1 adopts in part language of 15-16-111, but adds a subparagraph (3) which directs the use of the prior year levy to determine taxes for mobile homes. The bill then adopts as follows:

|           |   |           |
|-----------|---|-----------|
| Section 2 | - | 15-16-112 |
| Section 3 | - | 15-16-113 |
| Section 4 | - | 15-16-114 |
| Section 5 | - | 15-16-115 |
| Section 6 | - | 15-16-117 |

Section 7 amends 15-24-202 to do away with the tax paid sticker.

Section 8 amends 15-24-204 with respect to the tax paid sticker.

Section 9 relates to 15-16-401.

Section 10 deals with 15-16-402, but makes a MAJOR CHANGE by eliminating the mortgage holder's right to limit a lien on real property by the filings necessary under 15-16-402. This is of major concern to lenders.

Section 11 deals with 15-16-403, but twists the language. Section 15-16-403 provides:

"Every tax due upon real property is a lien against the property assessed, and every tax due upon improvements upon real estate assessed to other than the owner of the real estate is a lien upon the land and improvements, which several liens attach as of January 1 in each year."

The proposed Section 11, however, reads:

"Every tax due upon real property is a lien against the property assessed, and every tax due upon a mobile home that is an improvement, as defined in 15-1-101, upon real estate assessed to other than the owner of the real estate is a lien upon the land, which lien attaches as of January 1 in each year."

EXHIBIT 2, Pg. 2  
DATE 1/11/89  
HB 12  
*Rep. Parlovich*

The problem is this proposed bill makes no distinction, apparently, between mobile homes which are an improvement to real property and mobile homes which are not.

Section 12 patterns after 15-16-404.

Section 13 after 15-16-503.

Section 14 after 15-16-504.

Section 15 after 15-16-611.

Section 16 after 15-16-612.

Section 17 after 15-16-701.

Section 18 after 15-16-702.

Section 19 after 15-16-703.

Proposed amendments by Ron De Young, Montana Farmers Union  
for HB 35:

Amendment #1:

Page 5, Line 8. The following agricultural products are exempt  
from taxation:

- Delete line 14 - nonperishable
- Delete line 15 - held in possession
- Delete line 16 - (all)

The 7 month was originally put in when grain was being taxed -  
not necessary now.

To agree with sponsor's changes in Section 1.

Amendment #2: Page 7

(where the county must report to the Department of Revenue)  
Delete lines 5 & 6

Amendment #3: Page 12

- Delete lines 10,11,12
- Most market hogs sold by 6 months of age
- Not taxing young cattle under 24 months

Along with that

Delete on line 20 (in the case of market  
hogs and breeding sows).

Also

Delete lines 22, 23

Change Page 13, line 1 to read: (c) breeding boars - USDA Omaha  
quotation for boars.

EXHIBIT 4  
DATE 1/11/89  
HB 12  
*Rep. Parsolnik*

Amendments to House Bill No. 34  
First Reading Copy

Requested by the House Committee on Taxation

Prepared by Dave Bohyer  
January 11, 1989

- 1. Page 2, lines 22 and 23.  
Following: ~~"Thereafter"~~ on line 22  
Strike: "Based on the hearing record"  
Insert: "Thereafter"

VISITORS' REGISTER

TAXATION

COMMITTEE

BILL NO. HB 12

DATE January 11, 1989

SPONSOR R. Pavolich

| NAME (please print) | RESIDENCE         | SUPPORT | OPPOSE |
|---------------------|-------------------|---------|--------|
| GEORGE T. BENNETT   | HELENA MONT. BKRS |         | X      |
| Cot Harrington      | County Treasurer  |         |        |
| Mary Jenkins        | Bellevue          | X       |        |
| Rep Bob Carhart     | Butte HD #10      | X       |        |
| Mike Michelotti     | Ht Falls          | X       |        |
| Philly B. Jones     | Helena Mont Bkrs  |         | X      |
| Ed M. King          |                   |         | X      |
| Wan Cass            | Barguwan MT.      | X       |        |
| GENE PHILLIPS       | Kalespell         |         | X      |
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IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.  
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

TAXATION

COMMITTEE

BILL NO. HB 29

DATE January 11, 1989

SPONSOR D. Harrington

| NAME (please print) | RESIDENCE              | SUPPORT | OPPOSE |
|---------------------|------------------------|---------|--------|
| CHUCK KRAUSE        | BUTTE ASSESSOR         | ✓       |        |
| Beck Hartz          | Beaverhead Co Assessor | ✓       |        |
| R.G. Saunders       | White Sul. Sp.         | ✓       |        |
| RANDY WILKE         | DEPT. OF REVENUE       |         |        |
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VISITORS' REGISTER

TAXATION

COMMITTEE

BILL NO. HB 35

DATE January 11, 1989

SPONSOR D. Harrington

| NAME (please print) | RESIDENCE                                  | SUPPORT               | OPPOSE       |
|---------------------|--|-----------------------|--------------|
| RON DE LONG - MFU   | KALISPELL                                  | ✓                     |              |
| John FITZPATRICK    | Helena <sup>POPAIUS GOLD CORPORATION</sup> | AS <sup>Amended</sup> | <del>✓</del> |
| Kerry Jack          | Mt Stockgrowers - Helena                   |                       | ✓            |
| CHUCK KRAUSE        | ASSESSOR - BUTTE                           | ✓                     |              |
| Rick Hartz          | Beaverhead Co Assessor                     | ✓                     |              |
| Jim Mockler         | Helena                                     |                       |              |
| Kay Norenberg       | Wife - Helena                              | ✓                     |              |
| RANDY WILKE         | DEPT. OF REVENUE                           |                       |              |
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VISITORS' REGISTER

TAXATION

COMMITTEE

BILL NO. HB 60

DATE January 11, 1989

SPONSOR D. Harrington

| NAME (please print) | RESIDENCE              | SUPPORT | OPPOSE |
|---------------------|------------------------|---------|--------|
| CHUCK KRAWE         | BUTTE - ASSESSOR       | ✓       |        |
| Rick Hartz          | Brookhead Co. Assessor | ✓       |        |
| Marvin Barber       | Mont. Asses.           | ✓       |        |
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IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

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ROLL CALL VOTE

TAXATION

COMMITTEE

DATE Jan. 11, 1989 BILL NO. HB 10 NUMBER \_\_\_\_\_

| NAME                      | AYE | NAY |
|---------------------------|-----|-----|
| Cohen, Ben                | ✓   |     |
| Driscoll, Jerry           | ✓   |     |
| Elliott, Jim              | ✓   |     |
| Ellison, Orval            | ✓   |     |
| Giacometto, Leo           | ✓   |     |
| Gilbert, Bob              | ✓   |     |
| Good, Susan               | ✓   |     |
| Hanson, Marian            | ✓   |     |
| Hoffman, Robert           | ✓   |     |
| Koehnke, Francis          | ✓   |     |
| O'Keefe, Mark             | ✓   |     |
| Patterson, John           | ✓   |     |
| Raney, Bob                | ✓   |     |
| Ream, Bob                 | ✓   |     |
| Rehberg, Dennis           | ✓   |     |
| Schye, Ted                | ✓   |     |
| Stang, Barry "Spook"      | ✓   |     |
| Harrington, Dan, Chairman | ✓   |     |
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TALLY

La Jana John  
Secretary

18 0  
Alan Hamrick  
Chairman

MOTION: To table HB 10. Motion Carried.

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