

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Chairman Harrington, on March 20, 1989, at
7:00 p.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Dave Bohyer, Legislative Council

Announcements/Discussion: None.

HEARING ON HOUSE BILL 703

Presentation and Opening Statement by Sponsor:

Rep. Jack Ramirez, District 87, stated HB 703 is a revision of the last session's sales assessment ratio study bill. He said the bill deals with the problems created by cyclical appraisals of real property which results in large evaluation increases. Rep. Ramirez said this bill will correct some of the problems with HB 436 passed in the last session of the legislature. He stated the bill now includes the right of appeal on appraisals and the effective date is delayed one year. Rep. Ramirez stated the bill now eliminates fee appraisals and makes the study results public information. He submitted one amendment changing the effective date. (Exhibit 1).

Testifying Proponents and Who They Represent:

Ken Nortveldt, Director, Department of Revenue
Dennis Flick, Deputy Mayor, Billings
Alec Hanson, League of Cities and Towns
Dennis Burr, Montana Taxpayer's Association

Proponent Testimony:

Ken Nortveldt stated the adjustments in the bill will make the sales assessment analysis ratio much more efficient. He said he supported the amendment to change the effective date to 1990. He proposed an amendment for page 6, line 10, to insert the word "sales" after the word "property." He said this was a misprint in the bill. He stated the bill would

make the annual readjustments of appraised values valid and dependable. He urged support of the bill.

Dennis Flick spoke in support of the bill. (Exhibit 2).

Alec Hanson stated the bill provided a much better system for evaluating property in the state. He said this bill corrects many of the problems encountered in the application of HB 436. He stated he supported the amendment to change the date to 1990 and he urged support of the bill.

Dennis Burr stated his organization supports the bill. He said the realty transfer certificates are the source of information to make appraisal adjustments. He stated the sales ratio study informs the public. He urged support of the bill.

Testifying Opponents and Who They Represent:

None.

Opponent Testimony:

None.

Questions From Committee Members: Rep. Driscoll asked Rep.

Ramirez what the existing language on page 11, lines 3 and 4 meant. Rep. Ramirez replied this meant that aberrations are eliminated. Rep. Driscoll stated that a salvage value is left on commercial buildings although they are often worthless so the actual purchase price may be much less than the appraised value. Rep. Ramirez replied this was just to track changes due to market conditions and this situation would be unique and definitely an aberration. Rep. Ramirez then referred the question to Ken Nortveldt who responded in this situation, the property owner should have appealed an appraisal that was well above the real value of the property. He stated there are guidelines that must be used to evaluate the system and this type of aberration creates biases.

Rep. Ream asked Rep. Ramirez about page 16, line 6, noting that the last word on line 6 was "previous" and asked if this should be "1985." Rep. Ramirez concurred. He said the bill will have to be coordinated with SB 65 and this will be changed.

Closing by Sponsor: Rep. Ramirez stated this was a very important bill and any problems will be worked out. He urged support of the bill.

DISPOSITION OF HOUSE BILL 703

Motion: DO PASS by Rep. Driscoll.

Discussion: None.

Amendments, Discussion, and Votes: Rep. Raney moved to amend the bill. He stated he wished to add the amendment suggested by Dennis Burr to publish the sales assessment ratio study for the public. Some committee members did not understand the amendment and Mr. Bohyer read the amendment which stated, "the department must publish the annual sales assessment ratio study for each county showing the ratio of sales values to assessed values of class 4 property" and Rep. Raney wants the amendment to read "for each area" instead of county. Rep. Raney asked the committee's permission to ask Dr. Nortveltdt a question. No one objected. Rep. Raney asked if it would not be very easy to comply with this amendment. Dr. Nortveltdt stated it would. He said this was a good amendment. The motion CARRIED by a 17 to 1 voice vote with Rep. Stang voting no. Rep. Gilbert proposed an amendment on page 6, line 10, following the word "property", insert "sales" and on page 5, line 2, strike "1988" and insert "1990." Rep. Gilbert moved the amendments. Motion CARRIED by unanimous voice vote.

Recommendation and Vote: Motion to DO PASS AS AMENDED CARRIED by a unanimous voice vote.

HEARING ON HOUSE BILL 725

Presentation and Opening Statement by Sponsor:

Rep. Jack Ramirez, District 87, stated HB 725 is an act to submit to the voters a constitutional limitation on the growth of state taxes. He said this would involve taking a base year, determining collections for that year and determining the personal income growth for the year. He suggested the base year should be one year after equalization which would be 1990 and this would be a change in the bill on page 2. He stated this was an important bill in order to gain acceptance of some of the things that must be done in the session to solve the state's financial problems. He said there will have to be either increases in current taxes or new taxes. He said the public will be alarmed that state government spending is getting out of control. He stated this bill will assure them this is not the case.

Testifying Proponents and Who They Represent:

Ken Nortveltdt, Director, Department of Revenue
Vera Cahoon, Missoula County
Valerie Larsen, Farm Bureau of the U.S.

Proponent Testimony:

Ken Nortveltdt stated the administration firmly supports this bill. He said the budgets must be balanced and with the

fiscal reorganization that must take place in the state, it will be necessary to ask for new areas of taxation and tax shifts. Dr. Nortveldt stated tax shifts give the public the impression of large tax increases and that government spending is out of control. He said it was imperative that the public have the chance to vote on this issue and urged support of the bill.

Vera Cahoon stated her organization completely supported the bill. She said this would give the grassroots taxpayer a better understanding of what is being done in the legislature. She thanked Rep. Ramirez for introducing the bill and urged its passage.

Valerie Larsen stated her organization supports the bill and urged passage by the committee.

Testifying Opponents and Who They Represent:

Rep. Ben Cohen, House District 3

Opponent Testimony:

Rep. Ben Cohen wished to be recorded as an opponent to the bill.

Questions From Committee Members: Rep. Cohen stated he had a copy of the City and States General Fund Revenue Book which shows general fund revenue in dollars per capita and also general fund tax revenue in dollars per capita and Montana is 50th. out of 50 states in both categories. He asked Rep. Ramirez if he wanted to lock the state into this category. Rep. Ramirez replied if personal income increased, it is unlikely the state would still be in that category but personal income in Montana is very low so government spending is currently what the state can afford.

Rep. Elliott asked Rep. Ramirez what Montana's rank in personal income was today. Rep. Ramirez replied 44th.

Closing by Sponsor: Rep. Ramirez stated he thought everyone understood what the bill would do and it was a philosophical statement but there was a very serious practical problem in that tax increases may be necessary and this bill will help to avoid a tax revolt in the near future.

DISPOSITION OF HOUSE BILL 725

Motion: DO PASS by Rep. Rehberg.

Discussion: None.

Amendments, Discussion, and Votes: None.

Recommendation and Vote: Motion FAILED on a 9 to 9 roll call vote.

EXECUTIVE SESSION

DISPOSITION OF HOUSE BILL 181 HEARD ON JANUARY 24 AND TABLED ON MARCH 8:

Chairman Harrington stated Rep. Eudaily had asked for a reconsideration of the bill. The committee agreed not to reconsider the bill.

DISPOSITION OF HOUSE BILL 269 HEARD ON MARCH 14:

MOTION: DO PASS by Rep. Driscoll.

DISCUSSION: Rep. Koehnke presented amendments to the committee. He also moved the amendments.

Rep. Rehberg asked if this addressed the problem of the ability to change any sales tax that might have technical errors or will this have to go to a two-thirds vote of the legislature. Rep. Giacometto said if a technical error is changed, some taxes will increase and this would require a two-thirds vote of the people. Rep. Koehnke referred the question to Dave Bohyer who stated he had just seen the amendments and he was not sure. Rep. Giacometto stated if a technical error expands or increases anyone's taxes, it would require a two-thirds vote of the people.

The amendment's PASSED on a 9 to 8 roll call vote with Rep. Cohen absent at the time.

The motion on the bill is now DO PASS AS AMENDED.

Rep. Giacometto stated he was completely opposed to the bill because the people don't know the entire situation and he did not think this should be on the ballot since this is the function of the legislature.

Rep. Raney stated the people understand the sales tax but not the coal severance tax.

Rep. Gilbert stated he did not think the people understood the sales tax and he did not think most of the committee understood the sales tax but legislators should not run for office if they do not want to make decisions.

Rep. Rehberg made the motion to include within the bill, statewide property tax increases and statewide income tax increases. He said, with the demise of the sales tax bill, there would probably be income tax and property tax increases and the people should have the right to vote on this.

Rep. Koehnke opposed the amendment stating the people have made it clear they want to vote on the sales tax issue but they have not indicated they wanted to vote on property taxes or income taxes.

Rep. Giacometto stated he did not believe anyone wanted any tax increases regardless of what they may be.

Rep. Cohen stated all taxes are not the same since some are more equitable than others. He said the sales tax is the least equitable of any tax.

Rep. Stang stated his surveys showed that people want to vote on the sales tax and not other taxes.

Rep. Elliott asked Mr. Bohyer if the amendment would fit within the title of the bill. Mr. Bohyer replied the title would have to be amended if the amendment passed but whether it changes the intent of the bill would have to be left to the court to decide.

On Rep. Rehberg's amendment, the motion FAILED by a 10 to 8 roll call vote.

The motion to DO PASS AS AMENDED on the bill CARRIED by a 10 to 8 roll call vote.

DISPOSITION OF HOUSE BILL 280 HEARD ON JANUARY 26:

MOTION: DO PASS by Rep. Raney. He submitted amendments and moved them.

DISCUSSION: Rep. Raney stated these amendments simplify the bill and allow the exclusion of the greater of \$4,000.00 or 50% of the household's total retirement income from the income used to determine the credit. He said current law only allows the exclusion of \$4,000.00. Rep. Raney stated, with these amendments, HB 280 will reduce income tax collections by \$210,000.00 per year.

Rep. O'Keefe asked if the original fiscal impact had now been doubled. Rep. Raney stated definitely not since other deductions had been removed from the bill.

The amendment PASSED by a 9 to 8 roll call vote with Rep. Stang abstaining.

On the bill, the motion DO PASS AS AMENDED CARRIED by a 9 to 8 roll call vote with Rep. Stang abstaining.

DISPOSITION OF HOUSE BILL 202 HEARD ON MARCH 16:

MOTION: DO PASS by Rep. Patterson and moved amendments that were submitted to the committee. (Exhibit 3).

DISCUSSION: Rep. Patterson stated these were amendments suggested by Rep. Pavlovich reducing the cigarette tax increase from \$.05 to \$.02 per package with the \$.02 earmarked for veterans. He asked Mr. Bohyer to explain further. Mr. Bohyer responded this was correct and the \$.02 would be used to conduct

a study on veteran's needs and to construct a veteran's home. He said when these commitments are finished, the \$.02 tax would terminate. Rep. Driscoll asked permission to address a question to Rep. Pavlovich. No one on the committee objected and he asked how much money would be needed to construct the veteran's home. Rep. Pavlovich responded approximately 3.5 million dollars. Rep. Driscoll then asked how many years would be required to pay off the 3.5 million at \$.02 per cigarette package. Dave Bohyer responded it would require the sale of 175 million packs of cigarettes to raise this much money. Dr. Nortveldt said the time would be approximately three to four years. Rep. Ream asked Rep. Pavlovich about his comment that the tax would need to be raised only \$.01 if HB 547 is passed. Rep. Pavlovich concurred. Rep. Ream suggested entering a coordinating clause to this effect in the amendment. Rep. Pavlovich had no objection. The committee agreed to add this clause to the amendment.

On the amendment, motion CARRIED by unanimous voice vote.

On the bill as amended, Rep. Rehberg stated he objected to a tax being tied to a good cause such as this. He said the cigarette tax seems to be an easy target for this type of legislation. Rep. Raney stated he agreed with Rep. Rehberg. Rep. Patterson said the cigarette tax in the state of Montana was imposed after World War II to aid the veterans. He stated this was paid and since that time, the cigarette tax money has been used to build state buildings. He said this bill is also to construct a building but this time for the veterans. He stated the federal government had seriously reduced many of the veteran's benefits and it was necessary for the state to assist them now. Rep. Gilbert stated the veteran's bonuses were paid off from the cigarette money and the tax no longer has anything to do with veterans plus there is no point in targeting 30% of the people who smoke to pay this tax. He stated it was very bad tax policy.

The motion DO PASS AS AMENDED FAILED by a 9 to 8 roll call vote. Rep. Stang made the motion to TABLE the bill. The motion CARRIED by an 11 to 7 roll call vote.

DISPOSITION OF HOUSE BILL 266 HEARD ON JANUARY 1 AND TABLED ON FEBRUARY 14:

MOTION: To RECONSIDER ACTION by Rep. O'Keefe. He stated Rep. Bradley had requested this action. The motion FAILED by a 9 to 9 roll call vote.

DISPOSITION OF HOUSE BILL 641 HEARD ON MARCH 2:

Chairman Harrington stated previous amendments had been applied to the bill. Dave Bohyer clarified stating on March 3, the following amendments were approved: on page 2, line 10, strike "has a history of being" and insert "is" and on page 2, line 12, following "will", insert "own and operate." He said Rep. Rehberg's amendment involving the port authority had also been approved on March 3.

Additional amendments were submitted. (Exhibit 4). Chairman Harrington moved to strike the second amendment and accept only the first and third amendments to the bill. The motion CARRIED by a unanimous voice vote.

On the bill, the motion to DO PASS AS AMENDED CARRIED by a 14 to 3 voice vote with Reps. Raney, Good, and Cohen voting no.

DISPOSITION OF HOUSE BILL 664 HEARD ON MARCH 15:

MOTION: DO PASS by Rep. Schye.

DISCUSSION: Rep. Schye stated the bill will raise revenue amounting to \$3,000,000.00 per year. He said this is the alternative minimum income tax that mirrors the alternative minimum federal income tax. Rep. Giacometto stated he opposed the bill because it was treating one class of people differently than the other. Rep. Gilbert stated this was a punitive tax and would have an adverse effect on business.

The motion to DO PASS CARRIED by a 10 to 8 roll call vote.

DISPOSITION OF HOUSE BILL 687 HEARD ON MARCH 3:

MOTION: TO TABLE by Rep. Schye. Motion CARRIED by a 15 to 3 voice vote.

DISPOSITION OF HOUSE BILL 745 HEARD ON MARCH 8:

MOTION: TO TABLE by Rep. Patterson. Motion CARRIED by unanimous voice vote.

DISPOSITION OF HOUSE BILL 753 HEARD ON MARCH 16:

MOTION: DO PASS by Rep. Driscoll.

DISCUSSION: Amendments were submitted by Rep. Pavlovich. (Exhibit 5). Rep. Driscoll moved the amendments.

Rep. Cohen stated there seemed to be a power struggle going on with this bill in that it gave one company an edge over any other company. He said he would move to table the bill unless someone could explain this situation clearly and to his satisfaction. Rep. Pavlovich stated Rep. Giacometto had an amendment to submit that would clarify this situation. Rep. Giacometto stated he was concerned with this possibility and this is why he submitted an amendment on page 5 which would say this will be unlimited progressive prizes in certain games. He said it removes all of the specifications that were in the original bill that were tailored for IGT. He said the department will control this and set up their own specifications and security system so this will not fit one company only.

On Rep. Pavlovich's amendments, the motion to DO PASS CARRIED by

a 17 to 1 voice vote with Rep. Gilbert voting no.

Rep. Giacometto moved his amendment. Rep. Gilbert stated this would create wide open gambling in the state. He objected. Rep. Giacometto stated the amendment does not change the content of the bill but simply eliminates the specifications that apply to only one company. Rep. Driscoll asked Rep. Pavlovich about the fact there was nothing in the bill indicating any company had to bid for this contract. Rep. Pavlovich stated it was not a bid but the company would have to meet the guidelines created by the Attorney General of the state.

On Rep. Giacometto's amendment, the DO PASS motion CARRIED by a unanimous voice vote.

Rep. Giacometto made the motion to DO PASS AS AMENDED on the bill.

Rep. Elliott stated he did not like to see gambling sold as a means of raising revenue for Montana's budget. He said most of the people who would benefit from this are out of state people and he opposed the bill. Rep. Stang stated he supported the bill because of the financial problems of the state. He said he lived in one of the most depressed counties in the state and their only good source of revenue was the poker machines. Rep. Driscoll stated with the present poker machines, a player can only win \$100.00. He said, under this bill, a player can win \$1,000.00. Chairman Harrington stated the people should have an opportunity to win a large amount of money and people will gamble if they wish regardless of what this committee does. Rep. Good opposed the bill since she feels this is an expansion of gambling.

The motion to DO PASS AS AMENDED FAILED on a 11 to 7 roll call vote.

Rep. Raney made the motion to TABLE the bill. Motion CARRIED by a 10 to 8 roll call vote.

DISPOSITION OF HOUSE BILL 762 HEARD ON MARCH 16:

DISCUSSION: Amendments were submitted to the committee.
(Exhibit 6).

MOTION: DO NOT PASS on the bill by Rep. Stang. There was no discussion and Rep. Stang made a substitute motion to TABLE.

Motion TO TABLE CARRIED by a 14 to 4 voice vote with Reps. Cohen, O'Keefe, Schye and Ream voting no.

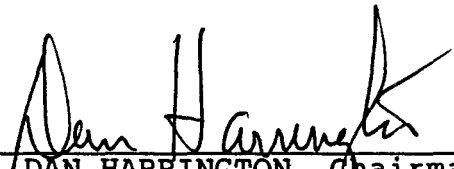
DISPOSITION OF HOUSE BILL 767 HEARD ON MARCH 16:

MOTION: DO NOT PASS by Rep. Driscoll. There was no discussion and Rep. Driscoll made a substitute motion to TABLE.

The motion to TABLE CARRIED by a 10 to 8 roll call vote.

ADJOURNMENT

Adjournment At: 9:15 p.m.



REP. DAN HARRINGTON, Chairman

DH/lj

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DAILY ROLL CALL

TAXATION

COMMITTEE

51st LEGISLATIVE SESSION -- 1989

Date March 20, 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	✓		

3-31-87
3:40P
Q.

STANDING COMMITTEE REPORT

March 21, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that House Bill 703 (first reading copy -- white) do pass as amended.

Signed: *Dan Harrington*
Dan Harrington, Chairman

And, that such amendments read:

1. Title, line 7.

Following: ";

Insert: "REQUIRING THE DEPARTMENT OF REVENUE TO ANNUALLY PUBLISH
THE RESULTS OF SALES ASSESSMENT RATIO STUDIES;"

2. Page 4, line 4.

Following: "---"

Insert: "publication of sales assessment ratio studies ---"

3. Page 5, line 2.

Strike: "1988"

Insert: "1990"

4. Page 6, line 10.

Following: "property"

Insert: "sales"

5. Page 10, line 19.

Following: "15-7-308"

Strike: ", but"

Insert: ". However, the department shall annually publish a
report containing the results of all sales assessment ratio
studies done in each of the areas described in subsection
(6). The report containing"

LAWA
3-21-89
3:40p
70

STANDING COMMITTEE REPORT

March 21, 1989

Page 1 of 2

Mr. Speaker: We, the committee on Taxation report that House Bill 269 (first reading copy -- white) do pass as amended.

Signed: [Signature]
Dan Harrington, Chairman

And, that such amendments read:

1. Page 1, line 16.

Following: "sale"

Insert: "or use"

2. Page 1, line 19.

Strike: "state"

Insert: "statewide general"

3. Page 1, lines 19 through 24.

Strike: ", increased" on line 19 through "(b)" on line 24

Insert: "unless"

4. Page 1.

Following: line 25

Insert: "(3) No statewide general sales tax may be increased in rate or expanded to include additional goods or services unless such action is:

(a) adopted by a vote of two-thirds of the members of each house of the legislature; or

(b) approved by the electorate."

Renumber: subsequent subsections

5. Page 2.

Following: line 24

Insert: "NEW SECTION. Section 3. General transition. All statewide and local option general or specific item sales tax laws in effect on December 31, 1990, remain in effect, as if [this act] had not been adopted, until they expire by their own limitations or are altered or repealed as provided by law."

Renumber: subsequent section

3-21-89
340-
✓
March 21, 1989
Page 2 of 2

6. Page 3, lines 5 and 6.

Strike: "and" on line 5 through "option" on line 6

Strike: "." on line 6

Insert: "as follows:

(1) requiring a vote of the people before any statewide general sales tax is enacted; and

(2) once enacted, requiring a vote of the people or a two-thirds vote of each house of the legislature before a statewide general sales tax may be increased in rate or expanded to include additional goods or services."

7. Page 3, lines 7 and 8.

Strike: "and" on line 7 through "option" on line 8

Strike: "." on line 8

Insert: "as follows:

(1) requiring a vote of the people before any statewide general sales tax is enacted; and

(2) once enacted, requiring a vote of the people or a two-thirds vote of each house of the legislature before a statewide general sales tax may be increased in rate or expanded to include additional goods or services."

3/22/89
5:30 p.m.
ja

STANDING COMMITTEE REPORT

March 22, 1989

Page 1 of 2

Mr. Speaker: We, the committee on Taxation report that HOUSE BILL 280 (first reading copy -- white) do pass as amended.

Signed: _____

Dan Harrington
Dan Harrington, Chairman

And, that such amendments read:

1. Title, line 4.

Following: "TO"

Strike: "PHASE-IN"

Insert: "ALLOW"

Following: "THE"

Insert: "PARTIAL"

2. Title, line 5.

Following: "RECEIVED"

Insert: "AS AN ANNUITY OR PENSION, INCLUDING PAYMENTS RECEIVED"

3. Title, line 7.

Following: "BENEFITS"

Insert: ", "

Following: "INCOME"

Strike: "LIMITATIONS"

4. Title, lines 8 through 10.

Following: "TAX" on line 8

Strike: remainder of line 8 through "TAX" on line 10

5. Title, line 11.

Following: "AMENDING"

Strike: "SECTIONS 15-6-134, 15-6-142, AND"

Insert: "SECTION"

6. Page 1, line 16 through page 5, line 6.

Strike: sections 1 and 2 in their entirety

Renumber: subsequent sections

7. Page 5, lines 13 and 14.

Strike: ":" on line 13 through "(a)" on line 14

3/23/89
2:20 PM
ja
March 22, 1989
Page 2 of 2

Insert: ", "

8. Page 5, line 16.

Strike: "(i)"

Insert: "(a)"

Renummer: subsequent subsections

9. Page 5, line 18.

Following: "benefits)"

Insert: "(including Railroad Retirement Act benefits and
veterans' disability benefits)"

10. Page 6, line 1.

Following: "and"

Insert: "and"

11. Page 6, line 2.

Strike: "(b)"

Insert: "(h)"

Strike: "excluding"

12. Page 6, lines 3 through 21.

Following: "security-" on line 3

Strike: the remainder of line 3 through "disability benefits" on
line 21

13. Page 7, line 12.

Following: "subtracting"

Insert: "the greater of"

Following: "\$4,000"

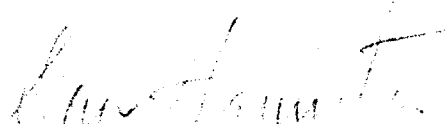
Insert: "or 50% of total retirement benefits"

STANDING COMMITTEE REPORT

March 21, 1989

Page 1 of 2

Mr. Speaker: We, the committee on Taxation report that House Bill 641 (first reading copy -- white) do pass as amended.

Signed: 
Dan Harrington, Chairman

And, that such amendments read:

1. Title, line 6.

Following: "ORGANIZATION"

Insert: "OR PORT AUTHORITY"

2. Page 1.

Following: line 20

Insert: "(3) "Port authority" means a port authority created under 7-14-1101 or 7-14-1102."

3. Page 1, line 22.

Following: "procedure"

Insert: "-- termination"

4. Page 1, line 23.

Following: "organization"

Insert: "or a port authority"

5. Page 2, line 6.

Following: "that"

Insert: ": (a)"

6. Page 2, line 8.

Strike: "(a)"

Insert: "(i)"

7. Page 2, line 10.

3-21-89
3:40
9
March 21, 1989
Page 2 of 2

Strike: "(b)"
Insert: "(ii)"
Strike: "has a history of being"
Insert: "is"

8. Page 2, line 12.
Strike: "(c)"
Insert: "(iii)"
Following: "will"
Insert: "own and"

9. Page 2, line 13.
Following: "park"
Insert: "; or
(b) the port authority legally exists under the
provisions of 7-14-1101 or 7-14-1102"

10. Page 2.
Following: line 21
Insert: "(4) If a local economic development organization sells,
leases, or otherwise disposes of the exempt property to a
purchaser or lessee that is not a local economic development
organization or a unit of federal, state, or local
government, the tax exemption provided in this section
terminates. The termination of the exemption applies
January 1 of the taxable year immediately following the
sale, lease, or other disposition of the property."

STANDING COMMITTEE REPORT

March 22, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that HOUSE
BILL 664 (first reading copy -- white) do pass .

Signed: _____
Dan Harrington, Chairman

EXHIBIT 1

DATE 3/20/89

HB 703

Amendments to House Bill No. 703
First Reading Copy

Rep. J. Ramirez

Requested by Representative Ramirez
For the Committee on Taxation

Prepared by Greg Petesch
March 20, 1989

1. Page 5, line 2.
Strike: "1988"
Insert: "1990"

TESTIMONY OF DENNIS FLICK
BEFORE THE HOUSE TAXATION COMMITTEE
ON HOUSE BILL 703

EXHIBIT 2
DATE 3/20/89
HB 703
Rep. J. Ramirez

Mr. Chairman and members of the Committee, I am Dennis Flick, Deputy Mayor of the City of Billings. HOUSE BILL 703 consists of amendments to last session's HOUSE BILL 436 which established an annual process for adjusting taxable valuation based on sales assessment ratio studies. The City believes that HOUSE BILL 436 had certain flaws which would call into question the validity of the results of such studies. In addition, the way the Department of Revenue implemented the study under previous leadership also made the results questionable.

The amendments contained in HOUSE BILL 703 correct what the City believes are the most serious flaws in the original legislation. They also give the DOR rule making authority in implementing certain other provisions which will ensure that local governments will have input through the public hearing process.

The City of Billings is most appreciative of Representative Ramirez' efforts and those of the DOR to correct the problems contained in the original legislation. The DOR has assured us that they will continue to seek our input and to work with us on implementing this legislation if it passes.

We urge your approval.

EXHIBIT 3
DATE 3/20/89
HB 202
Rep. Bob Pavlovich

Amendments to House Bill No. 202
First Reading Copy

Requested by Rep. Bob Pavlovich
For the Committee on Taxation

Prepared by Dave Bohyer
March 18, 1989

1. Title, line 4.
Following: "TO"
Insert: "TEMPORARILY"

2. Title, line 5.
Strike: "5"
Insert: "2"

3. Title, line 8.
Following: "VETERANS"
Insert: "AND TO PROVIDE REVENUE FOR CONSTRUCTION COSTS OF SUCH
FACILITIES"

4. Title, line 9.
Following: line 8
Strike: "AND"

5. Title, line 10.
Following: "MCA"
Insert: "; AND PROVIDING A TERMINATION PROVISION"

6. Page 1, line 13.
Following: "study --"
Insert: "construction --"

7. Page 1, line 15.
Following: "fund"
Strike: ". Money"
Insert: "into which must be deposited 11.11% of the money"
Strike: "5-cent"
Insert: "2-cent"

8. Page 1, line 17.
Following: "to"
Insert: ": (1)"

9. Page 1, line 20.
Following: "Montana"
Insert: "; and

(2) to the department of administration for
construction or remodeling, including land purchase and
design costs, of state nursing homes and domiciliary homes
for veterans in Montana"

10. Page 2, line 2.

Rep. Ed Paslovski

Strike: "21"
Insert: "18"

11. Page 2, line 12.
Strike: "60.76%"
Insert: "70.89%"

12. Page 2, line 13.
Strike: "15.43%"
Insert: "18%"

13. Page 2, line 15.
Strike: "23.81%"
Insert: "11.11%"

14. Page 3, line 11.
Strike: "60.76%"
Insert: "70.89%"

15. Page 5.

Following: line 21

Insert: "NEW SECTION. Section 6. Termination. [This act] terminates on the date on which the board of veteran's affairs and the department of administration certifies to the governor that the costs incurred by the state of Montana in executing the provisions of [section 1] are completely paid."

EXHIBIT

DATE 3/20/89

HB

Amendments to House Bill No. 641
First Reading Copy

Requested by Rep. Dan Harrington
For the Committee on Taxation

Prepared by Dave Bohyer
March 9, 1989

1. Page 1, line 22.
Following: "procedure"
Insert: "-- termination"

2. Page 2, lines 14 through 21.
Following: "(3)" on line 14
Strike: the remainder of line 14 through line 21
Insert: "The tax exemption provided by this section applies to
all property taxes levied within the taxing jurisdiction,
including those levied under Title 15, chapter 10, 20-9-331,
20-9-333, or otherwise required to be levied under state
law."

3. Page 2.
Following: line 21
Insert: "(4) If a local economic development organization sells,
leases, or otherwise disposes of the exempt property to a
purchaser or lessee that is not a local economic development
organization or a unit of federal, state, or local
government, the tax exemption provided in this section
terminates. The termination of the exemption applies
January 1 of the taxable year immediately following the
sale, lease, or other disposition of the property."

EXHIBIT 5
DATE 3/20/89
HB 753
Rep. B. Pavlovich

Amendments to House Bill No. 753
First Reading Copy

Requested by Rep. Bob Pavlovich
For the Committee on Taxation

Prepared by Dave Bohyer
March 20, 1989

1. Title, line 7.
Strike: "GROSS"
Insert: "PROGRESSIVE PRIZE"
2. Page 1, line 20.
Strike: ", "
Insert: "or"
3. Page 1, line 21.
Strike: ", or manufacturers"
4. Page 2, line 11.
Strike: gross"
Insert: "progressive prize"
5. Page 3, line 14.
Strike: gross"
Insert: "progressive prize"
6. Page 3, line 20.
Following: "(b)"
Insert: "in addition to the tax imposed under subsection (1)(a),"
Following: "machine"
Insert: "progressive prize income"
Following: "of"
Strike: "1.25%"
Insert: "5%"
7. Page 3, line 21.
Strike: "gross machine income from"
Insert: "each 4-coin wager made on"
8. Page 3, line 24.
Strike: gross"
Insert: "progressive prize"
9. Page 4, line 13.
Strike: gross"
Insert: "progressive prize"
10. Page 4, line 16.
Strike: gross"
Insert: "progressive prize"

EXHIBIT 5
DATE 3/20/89
HB 753
Rep. B. Perolova

11. Page 5, line 9.

Strike: "a"

Insert: "an online"

Following: "system"

Insert: "that uses a dedicated telephone line"

12. Page 5, line 13.

Following: "accounting"

Insert: "information"

Following: "and"

Insert: "continuous monitoring of"

DATE 3/20/89

HB 762

Rep. Stella Jean Hansen

Amendments to House Bill No. 762
First Reading Copy

Requested by Rep. Stella Jean Hansen
For the Committee on Taxation

Prepared by Dave Bohyer
March 16, 1989

1. Title, line 6.

Strike: "AND TABLE WINE"

Insert: "; REPEALING THE VOLUNTARY CHECKOFF FOR THE CHILD ABUSE
AND NEGLECT PREVENTION PROGRAM"

2. Title, line 7.

Strike: "15-30-155 THROUGH"

Insert: "15-30-156,"

Strike: "16-2-108,"

3. Title, line 8.

Following: "MCA;"

Insert: "REPEALING SECTION 15-30-155, MCA;"

4. Page 1, line 14 and page 9, line 19.

Strike: "5 cents"

Insert: "1 cent"

5. Page 1, line 19, through page 3, line 2.

Strike: sections 2 and 3 of the bill in their entirety

Renumber: subsequent sections

6. Page 4, line 9.

Strike: "sections"

Insert: "section"

Strike: "and 2"

7. Page 6, line 15, through page 7, line 8.

Strike: section 8 of the bill in its entirety

Renumber: subsequent sections

8. Page 9, line 20.

Strike: "and each bottle of table wine"

9. Page 9, line 23.

Following: line 22

Insert: "NEW SECTION. Section 11. Repealer. Section 15-30-155,
MCA, is repealed."

Renumber: subsequent sections

EXHIBIT 6
DATE 3/20/89
HB 762
Rep. Stiller
John Hase

10. Page 10, line 3.
Strike: "Sections"
Insert: "Section"
Strike: "and 2"
Strike: "are"
Insert: "is"

11. Page 10, line 6.
Strike: "sections"
Insert: "section"
Strike: "and 2"

VISITORS' REGISTER

HOUSE TAXATION

COMMITTEE

BILL NO. HB 703

DATE March 20, 1989

SPONSOR Rep. Jack Ramirez

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

ROLL CALL VOTE

TAXATION

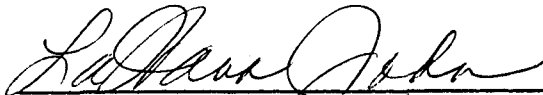
COMMITTEE

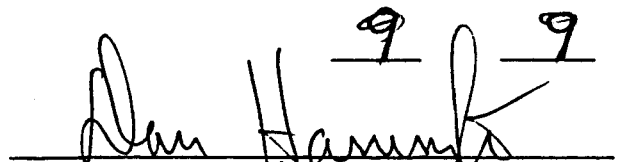
DATE March 20, 1989 BILL NO. HB 725

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		✓

TALLY


Secretary

 9 9
Chairman

MOTION: DO PASS. FAILED.

ROLL CALL VOTE

TAXATION

COMMITTEE

DATE March 20, 1989 BILL NO. HB 269

NUMBER 1

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	✓	

TALLY

LaHara John
Secretary

Dan Harrington 9 8
Chairman

MOTION: DO PASS ON REP. KOEHNKE'S AMENDMENTS. MOTION CARRIED.

ROLL CALL VOTE

TAXATION

COMMITTEE

DATE March 20, 1989

BILL NO. HB 269

NUMBER 2

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		✓

TALLY

LaHana John
Secretary

Dan Harrington
Chairman

MOTION: DO PASS ON REP. REHBERG'S AMENDMENT. MOTION FAILED.

ROLL CALL VOTE

TAXATION

COMMITTEE

DATE March 20, 1989 BILL NO. HB 269

NUMBER 3

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	✓	

TALLY

LaRene John
Secretary

Dan Harrington
Chairman

10

8

MOTION: DO PASS. MOTION CARRIED.

ROLL CALL VOTE

TAXATION

COMMITTEE

DATE March 20, 1989 BILL NO. HB 280 NUMBER 1

NAME	AYE	NAY
Cohen, Ben	<input checked="" type="checkbox"/>	
Driscoll, Jerry	<input checked="" type="checkbox"/>	
Elliott, Jim	<input checked="" type="checkbox"/>	
Ellison, Orval		<input checked="" type="checkbox"/>
Giacometto, Leo		<input checked="" type="checkbox"/>
Gilbert, Bob		<input checked="" type="checkbox"/>
Good, Susan		<input checked="" type="checkbox"/>
Hanson, Marian		<input checked="" type="checkbox"/>
Hoffman, Robert		<input checked="" type="checkbox"/>
Koehnke, Francis		
O'Keefe, Mark	<input checked="" type="checkbox"/>	
Patterson, John	<input checked="" type="checkbox"/>	
Raney, Bob		<input checked="" type="checkbox"/>
Ream, Bob	<input checked="" type="checkbox"/>	
Rehberg, Dennis	<input checked="" type="checkbox"/>	
Schye, Ted	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Stang, Barry "Spook"	<input checked="" type="checkbox"/>	
Harrington, Dan, Chairman	<input checked="" type="checkbox"/>	

TALLY

LaHarr John
Secretary

Dan Harrington
Chairman

MOTION: DO PASS ON THE AMENDMENTS. CARRIED.

ROLL CALL VOTE

TAXATION

COMMITTEE

DATE March 20, 1989 BILL NO. HB 280

NUMBER 2

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	✓	

TALLY

LaHara John
Secretary

9 8
Ann Hamrick
Chairman

MOTION: DO PASS AS AMENDED. CARRIED.

ROLL CALL VOTE

TAXATION

COMMITTEE

DATE March 20 1989 BILL NO. HB 202

NUMBER 1

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	✓	

TALLY

LaHara John
Secretary

8 9
Dan Harrington
Chairman

MOTION: DO PASS AS AMENDED. MOTION FAILED. VOTE REVERSED.

ROLL CALL VOTE

TAXATION

COMMITTEE

DATE March 20, 1989 BILL NO. HB 202 NUMBER 2

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		✓

TALLY

LaHara John
Secretary

Dan Harrington 4 7
Chairman

MOTION: TO TABLE. MOTION CARRIED.

ROLL CALL VOTE

TAXATION

COMMITTEE

DATE March 20, 1989 BILL NO. HB 266

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	✓	

TALLY

LaHue John
Secretary

Dan Harrington
Chairman

MOTION: TO RECONSIDER. FAILED.

ROLL CALL VOTE

TAXATION

COMMITTEE

DATE March 20, 1989 BILL NO. HB 664

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	✓	

TALLY

LaDane John
Secretary

Dan Harrington
Chairman

10 8

MOTION: DO PASS. CARRIED.

ROLL CALL VOTE

TAXATION

COMMITTEE

DATE March 20, 1989 BILL NO. HB 753

NUMBER 1

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	✓	

TALLY

LaHara John
Secretary

Dan Harrington ⁷ ¹¹
Chairman

MOTION: DO PASS AS AMENDED. FAILED.

ROLL CALL VOTE

TAXATION

COMMITTEE

DATE March 20, 1989 BILL NO. HB 753

NUMBER 2

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		✓

TALLY

LaHarr John
Secretary

10 8
Dan Harrington
Chairman

MOTION: TO TABLE. CARRIED.

ROLL CALL VOTE

TAXATION

COMMITTEE

DATE March 20, 1989 BILL NO. HB 767

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	✓	

TALLY

LaHarr John
Secretary

Dan Harrington ¹⁰ ⁸
Chairman

MOTION: TO TABLE. CARRIED.