

## MINUTES

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

#### COMMITTEE ON TAXATION

Call to Order: By Chairman Harrington, on March 23, 1989, at  
7:30 a.m.

#### ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Dave Bohyer, Legislative Council

Announcements/Discussion: None.

#### EXECUTIVE SESSION

##### DISPOSITION OF HOUSE BILL 779 HEARD ON MARCH 2:

MOTION: DO NOT PASS by Rep. Driscoll. Motion CARRIED by a 12 to 6 roll call vote. The motion to RECONSIDER was made by Rep. Ream. Motion CARRIED by unanimous voice vote. The motion to TABLE was made by Rep. Gilbert. Motion CARRIED by a 16 to 2 voice vote.

##### DISPOSITION OF HOUSE BILL 783 HEARD ON MARCH 21:

MOTION: DO PASS by Rep. O'Keefe.

DISCUSSION: Rep. O'Keefe presented and moved amendments to the bill to include credit unions and savings and loans in the bill.

The motion to DO PASS on the amendments CARRIED by a 17 to 1 voice vote with Rep. Ream voting no.

The motion to DO PASS AS AMENDED was made by Rep. O'Keefe.

Rep. Gilbert said the state should not be in the position of sponsoring credit cards. He stated credit cards are used to finance businesses and the state should not be in competition with them. Rep. Ellison agreed. Rep. Patterson stated he supported the bill. Rep. Ream said he supported the bill since he saw no reason why the state should not acquire needed revenue through credit cards when everyone uses them. Rep. Elliott stated it was a matter of consumer choice. Rep. O'Keefe said Rep. Gilbert has a point but not too many have affinity cards and this should be a matter of choice. He said it was a way to keep some of the credit card purchase funds to remain in the state.

Rep. Gilbert said he agreed with Rep. O'Keefe's point but the state is not a private industry entity. He stated there are many stores in Montana such as K-Mart and Safeway whose profits go out of the state.

The motion to DO PASS AS AMENDED was CARRIED by a 14 to 4 voice vote with Reps. Gilbert, Hoffman, Ellison and Stang voting no.

DISPOSITION OF HOUSE BILL 787 HEARD ON MARCH 21:

MOTION: DO PASS by Rep. Raney. He submitted and moved amendments to the bill. Rep. Raney stated on page 2, line 9, following "Montana", insert "or any contiguous state or province"; strike "four months" and insert "one year."

DISCUSSION: Rep. Gilbert suggested an amendment to include wheat, barley and oats that are exported. He said the bill would be harmful to the state.

The motion to DO PASS on the amendments CARRIED by a 15 to 3 voice vote with Reps. Gilbert, Elliott, and Hansen voting no.

Rep. Giacometto stated no one had come in to support this bill whose jobs were in jeopardy. He said this was an attempt to force business to come into the state and that does not work. He said this would hurt the timber industry and cost the state jobs. Rep. Elliott said this was a good idea but it addresses a problem that does not exist now and perhaps will not exist in the future. Rep. Ellison asked about legal problems with interstate commerce. Rep. Raney stated he did not know. Rep. Good said this was anticipating things that may not happen. She said it would be better to wait and see. Rep. Cohen said there is no reason to wait until there is a problem. Rep. Gilbert said this bill would put the state at a competitive disadvantage if the time comes when logs are exported. He stated he did not see any validity to the bill. Rep. Raney stated Livingston is currently shipping logs and doing so economically over Montana Rail Link. He said the bill is trying to address the problem that will arise.

The motion to DO PASS AS AMENDED FAILED by a 9 to 9 roll call vote.

Rep. Raney made the motion to TABLE the bill. Motion CARRIED by a unanimous voice vote.

Rep. Rehberg made the motion to RECONSIDER House Bill 747 which received a DO NOT PASS in the committee on March 20.

DISCUSSION: Rep. Rehberg stated the public expects the legislature to deal with Montana's current problems. He said there was a need to look at all the options available. He stated there should be the opportunity to amend the bill and perhaps make it more palatable to the House. He requested that Rep. Bradley be allowed to speak on the bill.

Rep. Bradley thanked the subcommittee for the hours they put in on the bill. She said if anyone on the committee wished to discuss further changes in the bill to make it more acceptable, she would be willing to do so at any time.

Rep. Raney stated to Rep. Bradley he would be willing to work on the bill but there were things in it he could not accept. He said a sales tax is a new form of taxation entirely and this should be on the ballot in November 1990 so legislators have to campaign on this philosophy. He said he would support the bill if this provision is added. He asked Rep. Bradley if she would agree, if everyone she worked with on the bill would agree and if the governor would agree. Rep. Bradley replied she could not speak for any of the other people but she would not object to negotiating on that point although she did not favor this nor would some of the other people. She said her position was that she would negotiate on any point of the bill but she could not promise anything.

Rep. Driscoll stated everyone who came to the subcommittee hearings said the bill was a great idea but "don't tax me." He said everyone wants to be exempt. He stated, if the bill is resurrected, newspapers and advertising should be taxed.

Rep. Harrington opposed the motion. He said the committee did not rush to any conclusions regarding HB 747. He stated few bills have two weeks to be amended, worked on, and considered.

Rep. Stang opposed the motion. He said this was asking the people of the state to pay the taxes for the business people. He said the rate needs to be lowered on personal property. He stated the newspapers should be taxed since they have written so much in favor of the bill when it does not effect them.

Rep. Ellison stated he would vote to reconsider the bill but it should not leave the committee in its current condition since it has a lot of problems.

Rep. Gilbert said all options should be kept open whether they are acted upon or not. He said the state needs revenue and income or property taxes cannot be increased. He said balance was needed in the tax system.

Rep. Cohen stated he found it objectionable that the committee was discussing the bill rather than the motion to reconsider but since that was the situation, he resented counties with low mill levies complaining about equalization that would distribute the burden equally. He said the committee should consider the motion and not discuss the bill further.

Rep. Ream stated this was the 67th. day of the legislature with four days left until transmittal. He said his subcommittee had spent fifteen hours on the amendments to the bill. He stated if there are further extensive amendments, it is not possible to do

these in the next four days. Rep. Patterson asked Rep. Ream if there was much discussion on services in the bill during the subcommittee hearings. Rep. Ream replied they dealt with all of the amendments that came to them but no one asked to exempt services from the bill.

Rep. Elliott said the bill had a fair and honest hearing. He said the committee had spoken on the bill and there are other options to consider.

Rep. Rehberg said there should be the option to work on this and he felt that exempting newspapers was a matter of fairness. He said they are still paying tax on the vending machine sales. He asked the committee to allow additional work on the bill and he thanked them for their time.

The motion to RECONSIDER House Bill 747 FAILED by a 10 to 8 roll call vote.

#### ADJOURNMENT

Adjournment At: 8:10 a.m.



REP. DAN HARRINGTON, Chairman

DH/lj

6715.min

# DAILY ROLL CALL

TAXATION

COMMITTEE

51st LEGISLATIVE SESSION -- 1989

Date March 23, 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	✓		

[K]

STANDING COMMITTEE REPORT

March 23, 1989

Page 1 of 2

Mr. Speaker: We, the committee on Taxation report that House Bill 783 (first reading copy -- white) do pass as amended.

Signed: *Dan Harrington*  
Dan Harrington, Chairman

And, that such amendments read:

1. Title, line 5.

Following: "WITH"

Strike: "BANKS"

Insert: "FINANCIAL INSTITUTIONS"

2. Title, line 6.

Following: "A"

Strike: "BANK"

Insert: "FINANCIAL INSTITUTION"

3. Page 1, line 15.

Following: "a"

Strike: "bank"

Insert: "financial institution"

4. Page 1, line 18.

Following: line 17

Strike: line 18 in its entirety

Insert: "each financial institution"

5. Page 1, line 20.

Following: "the"

Strike: "bank"

Insert: "financial institution"

6. Page 2, line 3.

Following: "for a"

Strike: "bank"

Insert: "financial institution"

7. Page 2, lines 14 and 15.

Strike: lines 14 and 15 in their entirety

March 23, 1989  
Page 2 of 2

Insert: "(a) "Financial institution" means a bank chartered under Title 32, chapter 1; a bank chartered under the National Bank Acts in Title 12 of the United States Code; a building and loan association chartered under Title 32, chapter 2; a savings and loan association chartered under the Home Owners' Loan Act in Title 12 of the United States Code; a credit union chartered under Title 32, chapter 3; or a credit union chartered under the Federal Credit Union Act in Title 12 of the United States Code."

8. Page 2, line 16.

Following: "(b)"

Strike: "Bank"

Insert: "Financial institution"

9. Page 2, line 18.

Following: "a"

Strike: "bank"

Insert: "financial institution"

10. Page 2, line 20.

Following: "particular"

Strike: "bank"

Insert: "financial institution"

CT

EXHIBIT

DATE

1  
3/23/89

HB

787

Rep. Bt Roney

Amendments to House Bill No. 787  
First Reading Copy

For the Committee on Taxation

March 23, 1989

1. Title, line 6.

Following: "MONTANA"

Insert: "OR A CONTIGUOUS STATE OR PROVINCE"

2. Page 2, line 9.

Following: "Montana"

Insert: "or a contiguous state or province"

Following: "within"

Strike: "4 months"

Insert: "1 year"



# ROLL CALL VOTE

TAXATION

COMMITTEE

DATE March 23, 1989 BILL NO. HB 779

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

*LaHana John*  
Secretary

*Stang Barry* <sup>12</sup> <sup>6</sup>  
Chairman

MOTION: DO NOT PASS. CARRIED.

# ROLL CALL VOTE

TAXATION

COMMITTEE

DATE March 23, 1989 BILL NO. HB 787

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

LaKara John  
Secretary

Al Stang  
Chairman

MOTION: DO PASS AS AMENDED. FAILED.

# ROLL CALL VOTE

TAXATION

COMMITTEE

DATE March 23, 1989 BILL NO. HB 747

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

LaPera John  
Secretary

8 10  
Alan Stang  
Chairman

MOTION: TO RECONSIDER. FAILED.