

MINUTES

MONTANA SENATE  
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Chairman Bob Brown, on March 28, 1989, at  
9:00 a.m.

ROLL CALL

Members Present: Senator Brown, Senator Hager, Senator  
Norman, Senator Eck, Senator Bishop, Senator Halligan,  
Senator Walker, Senator Harp, Senator Gage, Senator  
Severson, Senator Mazurek, Senator Crippen (Senator  
Crippen arrived late in the meeting)

Members Excused: None

Members Absent: None

Staff Present: Jill Rohyans, Committee Secretary  
Jeff Martin, Legislative Council

Announcements/Discussion: None

DISPOSITION OF HOUSE BILL 564

Discussion:

Senator Walker said he had checked to make sure that both  
the elderly in private housing developments as well as  
those residing in a housing authority/public housing  
are covered under the provisions of this bill. He  
assured the committee members that they are all covered  
by the residential property tax credit.

Amendments and Votes:

Senator Halligan moved to amend the title and the bill with  
an effective date for tax years beginning after  
December 31, 1989. The motion CARRIED unanimously.

Recommendation and Vote:

Senator Walker moved HB 564 Be Concurred In As Amended. The  
motion CARRIED unanimously. Senator Walker will carry  
the bill on the floor.

## DISPOSITION OF HOUSE BILL 444

Amendments and Votes:

Senator Gage said the bill needs to be amended to indicate the tax year to which the check-off applies.

Senator Eck moved to include a retroactive applicability date for tax years beginning after December 31, 1988. The motion CARRIED unanimously.

Recommendation and Vote:

Senator Eck moved House Bill 444 Be Concurred In As Amended. The motion CARRIED with Senator Hager voting no. Senator Hager will carry the bill on the floor.

## DISPOSITION OF HOUSE BILL 603

Discussion:

Senator Mazurek expressed concern that the risks of exposure and exorbitant costs are so high that the fund definitely needs to be established as the Governor proposes. The worst risks should be the first to be addressed. He felt the provisions cannot be so broad that the fund is depleted right away.

Senator Eck felt that adding the above ground tank owners to the fund will allow them to obtain insurance coverage which they are presently unable to get. The risk and potential costs for the above ground tanks is very low and would not pose a great threat to the fund.

Amendments and Votes:

Senator Mazurek moved amendment #4 as per the attached Exhibit #1. The motion FAILED on a roll call vote (Exhibit #2).

The committee members discussed the provisions on page 15, lines 7-17, which deal with the approval of the clean-up plan and funds by the Board and subsequent loaning of funds by the bank. Concern was expressed by Senator Gage that the language is too ambiguous and open-ended.

Senator Norman felt the owner should come in with his plan, the Board approves the plan, and the bank loans the money on the basis of the Board approval. If it is later determined that there is more extensive work to be done which will require further financing from the bank, the owner should then have to have his plan amended by the Board before the bank loans more money. That will give the Board the control through the whole process, rather than only at the first submission of the plan as the bill is presently written.

Senator Harp and Senator Halligan will work on an amendment to address the problem on page 15, lines 7-17, to be presented on the floor of the Senate.

Senator Mazurek moved to adopt all the amendments requested by Representative Raney (Exhibit #2). The motion CARRIED with Senators Harp and Halligan voting no.

Recommendation and Vote:

Senator Harp moved HB 603 Be Concurred In As Amended. The motion CARRIED unanimously.

ADJOURNMENT

Adjournment At: 10:00 a.m.



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SENATOR BOB BROWN, Chairman

BB/JDR

MIN328.jdr

ROLL CALL

TAXATION

COMMITTEE

51<sup>st</sup> LEGISLATIVE SESSION -- 1989

Date 3/28/89

| NAME             | PRESENT | ABSENT | EXCUSED |
|------------------|---------|--------|---------|
| SENATOR BROWN    | X       |        |         |
| SENATOR BISHOP   | X       |        |         |
| SENATOR CRIPPEN  | X late  |        | X       |
| SENATOR ECK      | X       |        |         |
| SENATOR GAGE     | X       |        |         |
| SENATOR HAGER    | X       |        |         |
| SENATOR HALLIGAN | X       |        |         |
| SENATOR HARP     | ✓       |        |         |
| SENATOR MAZUREK  | ✓       |        |         |
| SENATOR NORMAN   | ✓       |        |         |
| SENATOR SEVERSON | X       |        |         |
| SENATOR WALKER   | X       |        |         |
|                  |         |        |         |
|                  |         |        |         |
|                  |         |        |         |

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

March 29, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration HB 564 (third reading copy -- blue), respectfully report that HB 564 be amended and as so amended be concurred in:

Sponsor: McCormick (Walker)

1. Title, line 8.

Strike: "AN IMMEDIATE"

Insert: "A DELAYED"

2. Page 4, line 12.

Strike: "on passage and approval"

Insert: "January 1, 1990"

AND AS AMENDED BE CONCURRED IN

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

*Bob Brown*

Bob Brown, Chairman

*y/c  
3/29/89  
4:08 p.m.*

SENATE STANDING COMMITTEE REPORT

March 29, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration HB 444 (third reading copy -- blue), respectfully report that HB 444 be amended and as so amended be concurred in:

Sponsor: Brown, J. (Eck)

1. Title, line 8.

Strike: "AND"

Following: "MCA"

Insert: "; AND PROVIDING A RETROACTIVE APPLICABILITY DATE"

2. Page 8.

Following: line 18

Insert: "NEW SECTION. Section 9. Retroactive applicability. [This act] applies retroactively, within the meaning of 1-2-109, to taxable years beginning after December 31, 1988."

AND AS AMENDED BE CONCURRED IN

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

*Bob Brown*  
Bob Brown, Chairman

SENATE STANDING COMMITTEE REPORT

page 1 of 2  
March 29, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration HB 603 (third reading copy -- blue), respectfully report that HB 603 be amended and as so amended be concurred in:

Sponsor: Raney (Harp)

1. Title, line 14.

Following: "DISTRIBUTORS"

Insert: "AND COLLECTED BY THE DEPARTMENT OF REVENUE"

2. Page 2.

Following: line 3

Insert: "(c) provide procedures for the review and approval of corrective action plans;"

Renumber: subsequent subsections

3. Page 9, line 15.

Strike: ":"

Insert: ","

4. Page 9, line 16.

Strike: "(a)"

5. Page 9, lines 17 and 18.

Following: "act]" on line 17

Strike: "and" on line 17 through "1991" on line 18

6. Page 9, lines 19 through 25.

Strike: "all" on line 19 through "release" on line 25

Insert: "50% of the first \$35,000 of eligible costs and 100% of subsequent eligible costs, up to a maximum total reimbursement of \$982,500"

7. Page 10, line 1.

Following: "money"

Insert: "to pay approved claims for eligible costs"

8. Page 10, line 3.

Following: "reimbursement"

Insert: "for the costs at that time"

Following: "."

Strike: "If and when"

Insert: "When"

9. Page 15, lines 10 through 14.

Strike: "However" on line 10 through "." on line 14

10. Page 17, line 10.

Following: "fee"

Insert: "-- collection -- penalties -- warrant for distraint --  
statute of limitations"

11. Page 17, line 12.

Strike: "equal to 0.75 cent"

12. Page 17, line 15.

Following: "distributor."

Insert: "The fee must equal:

(a) 1 cent for each gallon of gasoline distributed from  
July 1, 1989, through June 30, 1991; and

(b) 0.75 cent for each gallon of gasoline distributed  
after July 1, 1991."

13. Page 18, line 1.

Strike: "7"

Insert: "30".

14. Page 18.

Following: line 6

Insert: "(5) The department of revenue shall collect the fee in  
the same manner as the basic gasoline license tax under Title  
15, chapter 70, part 2. The provisions of 15-70-103, 15-70-  
111, 15-70-202, 15-70-205, 15-70-206, 15-70-208 through 15-  
70-212, 15-70-221(2), and 15-70-232 apply to the fee. The  
provisions of 15-70-203, 15-70-204, 15-70-207, 15-70-221(1),  
and 15-70-222 through 15-70-224 do not apply to the fee."

15. Page 20.

Following: line 10

Insert: "(c) procedures for the review and approval of corrective  
action plans;"

Renumber: subsequent subsections

AND AS AMENDED BE CONCURRED IN

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

*Bob Brown*

Bob Brown, Chairman

*W.C.  
3/30/89  
P.H.M.*



Amendments to HB 603  
March 16, 1989

1. Page 3, line 18  
delete "solely"
2. Page 3, line 19  
amend to read "support a program to pay for corrective  
action and PAYMENTS TO THIRD PARTIES FOR damages
3. Page 7, delete lines 8-9 in their entirety
4. Amend all references to "petroleum storage tanks" to  
"UNDERGROUND petroleum storage tanks," beginning in the  
title.
5. Page 9, delete lines 16-20 in their entirety
6. Page 9, line 23  
delete \$25,000  
add \$50,000

Proposed by the Montana Petroleum Association

## Reasons for amendments:

1. On page 16, administrative costs are listed as a use of the fund.
2. Payments to third parties are provided for on page 8.
3. and 4. Delete above ground storage tanks.

Performance and industry standards are very different for ASTs and USTs. Even including only those ASTs under 30,000 gallons greatly expands the scope of the program.

Federal UST programs deal only with USTs, including federal financial responsibility and corrective action regulations. It is wasteful to use fund money to remedy AST leaks rather than reserving the fund to correct costly, difficult UST leaks.

AST leaks are more easily detected and responsible parties more easily identified with less investigation of the extent of contamination. Cleanup is fairly straightforward compared to USTs.

EPA recognizes the significant difference between ASTs and USTs. EPA and the American Petroleum Institute are both working on AST regulations. Until ASTs must meet such requirements, it is not fair to UST owners that AST owners have the same access to the fund. The same insurance problems of USTs do not exist for ASTs.

5. Delete amnesty provisions

Amnesty makes enormous demands on the fund and requires responsible operators to subsidize those with problems.

6. Payment by the responsible party of the first \$50,000 would be in line with several other states and federal recommendations. It would also make the fund go further.

Amendments to House Bill No. 603  
Third Reading Copy

For the Senate Committee on Taxation

Requested by Rep. Raney  
March 16, 1989

1. Page 2.

Following: line 3

Insert: "(c) providing procedures for the review and approval of  
corrective action plans;"

2. Page 2, line 4.

Strike: "(c)"

Insert: "(d)"

3. Page 2, line 8.

Strike: "(d)"

Insert: "(e)"

4. Page 9, lines 15 and 16.

Strike: ":" on line 15 through "(a)" on line 16

5. Page 9, lines 17 and 18.

Following: "act]" on line 17

Strike: "and" on line 17 through "1991" on line 18

6. Page 9, lines 19 through 25.

Strike: "all" on line 19 through "release" on line 25

Insert: "50% of the first \$35,000 of eligible costs and for 100%  
of subsequent eligible costs up to a maximum total  
reimbursement of \$982,500"

7. Page 10, line 1.

Following: "money"

Insert: "to pay approved claims for eligible costs"

8. Page 10, line 3.

Following: "reimbursement"

Insert: "for the costs at that time"

Following: "."

Strike: "If and when"

Insert: "When"

9. Page 17, line 12.

Strike: "equal to 0.75 cent"

SENATE TAXATION

ENRIT NO. 3

DATE 3/28/89

BILL NO. HB 13

10. Page 17, line 15.

Following: "distributor."

Insert: "The fee must equal:

(a) 1 cent for each gallon of gasoline distributed  
from July 1, 1989 through June 30, 1991; and

(b) 0.75 cent for each gallon of gasoline distributed  
after July 1, 1991."

11. Page 20.

Following: line 10

Insert: "(c) providing procedures for the review and approval of  
corrective action plans;"

12. Page 20, line 11.

Strike: "(c)"

Insert: "(d)"

13. Page 20, line 15.

Strike: "(d)"

Insert: "(e)"

ROLL CALL VOTE

SENATE COMMITTEE TAXATION

Date 3/28/89 House Bill No. 603 Time 9:32

| NAME             | YES | NO |
|------------------|-----|----|
| SENATOR BROWN    | X   |    |
| SENATOR BISHOP   |     | X  |
| SENATOR CRIPPEN  |     | X  |
| SENATOR ECK      |     | X  |
| SENATOR GAGE     | X   |    |
| SENATOR HAGER    | X   |    |
| SENATOR HALLIGAN |     | X  |
| SENATOR HARP     |     | X  |
| SENATOR MAZUREK  | X   |    |
| SENATOR NORMAN   |     | X  |
| SENATOR SEVERSON |     | X  |
| SENATOR WALKER   |     | X  |

Gill Robyans  
Secretary

SENATOR BOB BROWN  
Chairman

Motion: by Senator Mazurek to amend  
HB 603 as per amendment # 4  
on attached Exhibit # 1.  
Failed