

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Chairman Bob Brown, on Friday, March 31,
1989, at 9:00 a.m.

ROLL CALL

Members Present: Senator Brown, Senator Bishop, Senator
Crippen, Senator Eck, Senator Gage, Senator Hager,
Senator Halligan, Senator Harp, Senator Mazurek,
Senator Norman, Senator Severson, Senator Walker

Members Excused: None

Members Absent: None

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

Announcements/Discussion: None

HEARING ON HOUSE BILL 567

Presentation and Opening Statement by Sponsor:

Representative Harrington, District 68, sponsor of the bill,
said this is an economic development bill which would
encourage new businesses to make use of old buildings.
Under provisions of the bill, local government can
grant a graduated tax break over a five year period on
the remodeling and new construction costs relating to
the rehabilitation of the old building.

List of Testifying Proponents and What Group they Represent:

None

List of Testifying Opponents and What Group They Represent:

None

Testimony:

None

Questions From Committee Members:

Senator Gage wondered what would happen if the city government offered the tax break but the county government decided not to go along with the decision. Representative Harrington replied this could be a problem. He said this had not come up in discussions in the House hearing. However, he said, as the bill reads in its current form, the local government can make the decision and the county will have to go along with it.

Closing by Sponsor: Representative Harrington closed.

DISPOSITION OF HOUSE BILL 567

Discussion:

Senator Severson moved HB 567 Be Concurred In.

Senator Gage expressed concern that the city-county agreement problem be clarified before the bill is passed.

Senator Eck volunteered to talk to the city-county people and bring the information back to the committee.

Senator Severson withdrew his motion.

Amendments and Votes: None

Recommendation and Vote: None

DISPOSITION OF HOUSE BILL 12

Discussion:

Senator Gage, referring to page 8, sub (5), felt there is no sense in assessors prorating taxes for the remaining portion of the year. This, in effect, creates prorating on a 1/12 basis. Currently, assessors are not assessing mobile homes when they come into the state after January 1st and, in fact, were not even aware of this provision. If they do implement this proration, they would assess on 1/12 increments which

would be added to the following year first payment. This would entail prorating with two different mill levies, the previous year and the current year. It creates more problems than it solves.

Senator Mazurek said he felt this is a bad bill as it requires County Treasurers to search the records and determine who has a secured interest on every mobile home where the taxes are not paid. They must then notify the mobile home sales people that those taxes are unpaid. He said we don't do this for real property or for any other property and we shouldn't be doing it here. If the bill is amended to notify lienholders before the property is sold it would probably satisfy the original intent of the legislation. Senator Brown said this bill has been before the committee in previous sessions and has always been a problem area. He asked the committee to withhold action on the bill until Senator Mazurek can come in with the amendments to resolve this problem once and for all.

HEARING ON HOUSE BILL 607

Presentation and Opening Statement by Sponsor:

Senator Gage presented the bill in the absence of the sponsor, Representative Hannah, District 86. Senator Gage said the bill changes the Subchapter S corporate tax return election to conform to federal statutes. This is the same provision as in SB 339 but the language is cleaner. The Sub S provisions have been stripped from SB 339 and are incorporated in this bill.

List of Testifying Proponents and What Group they Represent:

Tom Harrison, Mt. Society of CPA's
Mike Holland, Mt. Society of CPA's
Jeff Miller, Department of Revenue

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Tom Harrison said the bill addresses the problem of people inadvertently making the federal election and then not making the state election. This just conforms the situation and will help the CPA's and the taxpayers as well.

Mike Holland echoed the previous testimony and expressed support for the bill.

Jeff Miller said this is a simpler version of SB 339 and will be of benefit to the taxpayers of the state.

Questions From Committee Members: None

Closing by Sponsor: The sponsor being absent, the hearing was closed.

DISPOSITION OF HOUSE BILL 607

Discussion: None

Amendments and Votes: None

Recommendation and Vote:

Senator Walker moved HB 607 Be Concurred In. The motion CARRIED unanimously. Senator Gage will carry the bill on the floor.

ADJOURNMENT

Adjournment At: 10:00 a.m.



SENATOR BOB BROWN, Chairman

BB/JDR

MINJDR.331

ROLL CALL

TAXATION

COMMITTEE

51ST LEGISLATIVE SESSION -- 1989

Date 3/31/89

NAME	PRESENT	ABSENT	EXCUSED
SENATOR BROWN	X		
SENATOR BISHOP	Y		
SENATOR CRIPPEN	X		
SENATOR ECK	X		
SENATOR GAGE	X		
SENATOR HAGER	Y		
SENATOR HALLIGAN	X		
SENATOR HARP	X		
SENATOR MAZUREK	Y		
SENATOR NORMAN	X		
SENATOR SEVERSON	X		
SENATOR WALKER	X		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

March 31, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration HB 607 (third reading copy -- blue), respectfully report that HB 607 be concurred in.

Sponsor: Hannah (Gage)

BE CONCURRED IN

Signed: _____

Bob Brown
Bob Brown, Chairman

*4/10/89
3/31/89
12:24 p.m.*