

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - 1st SPECIAL SESSION

#### COMMITTEE ON TAXATION

Call to Order: By Chairman Dan Harrington, on June 28, 1989, at  
12:05 p.m.

#### ROLL CALL

Members Present: 20

Members Excused: None

Members Absent: Representatives Elliott and Schye

Staff Present: Lee Heiman, Legislative Council  
Donna Grace, Committee Secretary

Announcements/Discussion: None

#### HEARING ON HOUSE BILL 21

A BILL FOR AN ACT ENTITLED: "AN ACT IMPOSING A RETAIL LUXURY SURCHARGE AND USE TAX ON CERTAIN LUXURY GOODS AND SERVICES; ALLOCATING THE PROCEEDS FROM THE RETAIL LUXURY SURCHARGE AND USE TAX TO STATE EQUALIZATION OF THE FOUNDATION PROGRAM; AMENDING SECTION 10-9-343, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, AN APPLICABILITY DATE, AND A CONTINGENT TERMINATION DATE."

#### Presentation and Opening Statement by Sponsor:

Representative Moore, House District 65, Condon, and chief sponsor of House Bill 21 said this bill was heard during the regular session where it was referred to as a luxury tax bill. She said the Governor had given her a lot of help on this bill and there is a fiscal note which indicates that the tax would produce approximately \$20 million. She said there are already selective luxury taxes in Montana on cigarettes, booze and gambling; and there are essential taxes on things like gas and diesel and property tax on our homes. Every time we get a new tax people will scream "discrimination". She said there already is discrimination in taxes and there is no such thing as equalization in taxation. She said she is angry; she feels luxuries should be taxed rather than essentials yet no one wanted to listen to her. She said if something has to be taxed during this special session she thought it should be the luxuries because a state general sales tax would also hit the essentials and she would not vote for putting any more tax on essentials. She said that if Senator Eck's bill could be amended into this bill to tax restaurant meals, which she also thought were luxuries even though some people do have

to eat out, it would bring in another \$24 million. If soda pop was added the income would be \$55 or \$60 million. She said she would give free rein and the members of the committee could amend in or out anything they wished, but all they had done in the past was park it on the table.

Testifying Proponents and Who They Represent:

None

Proponent Testimony:

None

Testifying Opponents and Who They Represent:

Bob Durkee, Montana Tavern Association

Tom Hopgood, Montana Association of Realtors

Opponent Testimony:

Mr. Durkee handed out a letter addressed to the committee from the President of the Montana Tavern Association, attached as EXHIBIT 1, and he read portions of the letter to the committee.

Mr. Hopgood said they applaud Representative Moore's attempt to deal with some of the difficult problems that face the state, but it is their association's position that any sort of sales or luxury tax should also include some sort of meaningful tax reform, either the reduction or elimination of personal property taxes and some relief for the real property taxpayers. He said this bill gets part of that done but does not contain the tax reform this body will have to deal with.

Questions From Committee Members:

Representative Gilbert addressed his question to Mr. Heiman. On page 6, lines 20 through 25, his reading of the bill would indicate if you own something that this bill would describe as a luxury prior to the bill being passed, you would be subject to the tax. Mr. Heiman said that was to address where the function of the item changes from a utility type of item to a luxury type item during the course of time; further manufacturing or between wholesaling and retailing times. There are certain items a person can use in the line of work that may be eligible. Chairman Harrington said this could be addressed later in Executive Session.

Closing by Sponsor: Representative Moore said she felt like a royal joke for bringing this bill to the committee. There are some awesome problems of funding in the state and we have to start talking about separating our needs from our wants. She said in America today we are so confused about

what our needs and our wants are that we don't even know what they are anymore. She said there are two items in this state that are non-essential and growing; one is entertainment and the other is restaurant meals. She said if they must talk about a big general sales tax, she wants the committee to seriously consider this bill as an option, and she would hope someday someone would start thinking about what is a "need" and what is a "want" in our lives, both personally and at the state level.

Chairman Harrington closed the hearing, called an executive session and said they would look at the retirement bills first. He asked Representative Stang to present the report of the Subcommittee.

Representative Stang said the subcommittee decided to take Representative Swift's bill and add a two year study and a sunset provision. The sheet that is being passed around, EXHIBIT 2, shows the cost of the different programs. Representative Swift's bill would cost about \$5.6 million and Representative Cohen's bill would cost a little less, but once you give benefits, it is difficult to take them away and if you don't take them away it would cost close to \$16 million per biennium to keep funding them. He said the report came out on a 2-1 vote and the other alternative would be to do nothing or just do a study. The subcommittee felt they did not want to put a large burden on the state employees. He said as Representative Driscoll reported that if a state employee has a \$16,000 retirement benefit and that is the only source of income, his tax with personal exemptions and itemized deductions would be \$40. He said they felt this plan would work for two years, they could implement the study group that are in the amendments and hoped some sort of a compromise could be reached.

#### DISPOSITION OF HOUSE BILL 5

Motion: A motion was made by Representative Stang that House Bill 5 do pass. He also made a motion to adopt the amendments which are contained in EXHIBIT 3.

Discussion: Representative Cohen said he had attended all the meetings of Representative Stang's subcommittee and if they were to accept the committee's recommendation for House Bill 5 they would be extending certain exemptions for retirement benefits for people who no longer have them. If they were to accept Representative O'Keefe's bill they would basically be correcting the code to correspond with the court's opinion. He said he felt the same concern the subcommittee had with his proposal, that you go for two years and then take things back or go on, you have the same problem if you accept Representative Swift's bill. If you go for two years exempting people who have not been exempt in the past, are you going to be able to pull that back? He said while he had no complaint with the amendment for the study

commission, but thought possibly the cleanest thing to do might be to put it into Representative O'Keefe's bill which basically would just clean up the language in the code, doesn't put anyone in the position where you would have to retract benefits, and would also give a chance to do a study of the entire problem. He said the study commission is an expansion of the Revenue Oversight Committee with some additional members. He said he would oppose both the amendment and the bill with the understanding he would try to put the same amendment in Representative O'Keefe's bill.

Representative Driscoll said he would support the subcommittee. He said he thought they had done a good job and he hoped this would not be a separate subcommittee but would be put in an existing one because all that will be in the study is people who want health benefits instead of more money and he agreed with that. He said he also agreed it would be hard to take the \$12,000 exemption away, but at least it would be equitable; all retirees would be treated the same regardless of where they worked in their lifetime.

Representative Ellison said he would support the subcommittee recommendation. He said he had been here since 1975 and this was one of his pet peeves. He said they talk about this every session and end up doing nothing and feels it is about time they do something. He said at least this will get everyone interested in doing something.

Representative Swysgood said he had a problem with the study being done by the Oversight Committee since they seem to get a lot of things to study. He suggested incorporating this into the study on employee pay raises where they are going to address that whole system of pay. He said he felt they could take this up under the same study and save some money.

Representative Stang said this had never been brought up before the subcommittee. The study that was written into Cohen's bill is the one they put in, but if the amendment is adopted he had no problem with an amendment to change it. Representative Stang said he thought the Pay Plan Committee would be more appropriate.

Motion: Representative Swysgood made a motion to amend the amendment to put this study into the existing study that was appropriated in the employees pay plan and strike the money in this amendment.

Representative O'Keefe spoke on Representative Swysgood's amendment to the amendment, he said he did not like this since the employee payroll plan, the classification system and what they have to do under that study is going to cost some money. He said this study deals not only with the public employees benefits, but studies the entire menu. It studies the private systems, IRA, sale of agricultural land,

federal pensions, etc., and if we are doing it for just the \$30,000 he was not sure they would get full value out of the classification study. He said he would oppose the amendment to the amendment.

Chairman Harrington said he would hate to oppose the amendment, but he did believe that it does fit into the category of the Revenue Oversight Committee and some of the things they have to study. He said he had no strong feeling either way, but is an area that should probably be in the Revenue Oversight Committee.

Amendments, Discussion, and Votes: Representative Stang moved the amendments, EXHIBIT 3.

Discussion: Representative Good said during the committee hearings they had heard a lot of people from private employment say they wanted to be treated the same and if we put them into the study Representative Swysgood is discussing, that is geared a whole separate way and that is probably an inappropriate place to discuss this problem.

Representative Swysgood said the thing that drives this is what will be done for state employees, and the pay plan is geared at looking at state employees and their retirement and whatever we do for state employees we will do for private pensions and the federal ones also. He said the study will allow more time and influence into this situation than it could be in the Revenue Oversight Committee which has numerous things proposed for them to do already.

Representative Ellison said he thought it would put the emphasis on the state employees who are already satisfied with the way it is. He said he is worried about the other people who have never had any exemption and therefore felt it would be better in the Revenue Oversight Committee.

Recommendation: A voice vote was taken on the Swysgood amendment, hands were counted, the Amendment failed.

Chairman Harrington said they would consider the original amendments by the subcommittee.

Discussion: Representative Kadas said he was concerned about the \$30,000. A regular study only takes about \$10,000, and Revenue Oversight has a budget to begin with. He asked if they really needed another \$30,000 to do this. Chairman Harrington said he felt it could be pared down, and Representative Kadas was told they meet about every other month. Mr. Heiman said he had originally talked this over with Senator Eck and part of the money is for the extra travel expense for the five members and the possibility that an actuarial person might have to be contracted with. Chairman Harrington said he would have to check to see how many more meetings it would take, but the bill could

probably be amended on the floor after we do some work on language for the amendment.

Motion: A motion was made by Representative Kadas to amend the amount for the study included in the amendment down to \$10,000.

Representative Gilbert said he agreed with Representative Kadas. He said they have done some fairly major studies in EQC on \$10,000. He said they did not have to have more meetings, they could simply have them one day longer and cut out the extra travel time.

Representative Good said when the budget time was nearing an end for the Regular Revenue Oversight Committee they had \$6,000 left over of the \$30,000 which had been appropriated. She said she would support the \$10,000 amount.

Recommendation: Motion to amend to \$10,000 was voted, passed.

Motion: A motion was made to accept the amendments as amended.

Recommendation: The motion was voted, passed.

Motion: A motion was made by Representative Cohen that House Bill 5, as amended, do pass.

Discussion: Representative Cohen said he felt in doing this they would be extending benefits to retirees that have not had them before, and he felt it was premature to be doing that, but they should keep in mind that a larger and larger percentage of the population are going to be retired members of society, and seniors in general receive a goodly share of services from government and they are appreciative of them. He said when they come in the issue has always been equity rather than money. He said while this bill does treat them the same, the \$3,600 deduction goes to a \$12,000 deduction and there will be no easy way to come back from that. He said if this fails, he will try to move the study into Representative O'Keefe's bill.

Motion: A motion was made by Representative Harrington to strike the \$12,000 and make it \$16,000. He said it would cost \$1.2 million more. He said he suggested the amendment because this bill taxes people that haven't been taxed and it would be the greatest tax increase they are putting on people.

Discussion: Representative Driscoll said he didn't see any reason not to tax department heads and bureau chiefs. He said they have to have a \$32,000 final average salary to come up to that number, and work 30 years. He said the average teacher last year got \$13,000. He felt over the years there might be an inflation factor on that. He said he felt they should take care of those least able to pay, and that is the people who are getting a pension benefit

they can barely live on.

Representative Ellison said he would also oppose the last amendment. He said if you get it up that high, they will be coming back next time when it sunsets, and they would be back in the same boat they've been in for the past 40 years.

Representative Gilbert asked Representative Driscoll if he was talking about a \$12,000 figure which would be the taxable income which would mean that they were really talking about a gross retirement income of \$22,000 or \$23,000 before taxes?

Representative Driscoll went through a series of calculations and said whatever number it was set at they could make \$4,000 more than that if they were a married couple and still pay almost nothing. He said it is \$3200 above the exemption you can make and still not pay anything because of the individual deduction.

Representative Gilbert said based on those figures, he would oppose the Harrington amendment.

Representative Stang said there was another point that came out in discussing Representative Cohen's proposal; roughly 70% of the state workers fall under the \$3600 category so roughly 70% of the people under the retirement system get \$3,600. He said as you move that up you are picking up a bigger percentage.

Representative O'Keefe said he would support the amendment because his major concern in regard to the bill is to hold harmless the people who have had the unwritten contract with the state for the last 40 years, and this is closer than \$12,000.

Recommendation: The question was called for on the Harrington amendment to strike the \$12,000 and make it \$16,000. Motion failed.

Motion: Representative Stang said that he would propose another amendment that had not yet been drafted. He said that the people representing the railroads would like to have it clarified that the railroad annuities would not be taxed under this bill. He said there is also a federal law that says railroad retirement can't be taxed. Mr. Heiman will draft the amendment.

Representative Gilbert asked Representative Stang if it was both railroad retirement and Social Security. He asked if Social Security is exempted by federal law, was told no, and only the railroad retirement would be included in the amendment.

Recommendation: The motion by Representative Stang was voted, passed.

Discussion: Representative O'Keefe said he couldn't support the bill as it is written, and it seemed they were pushing this through on the question of equity and ignoring the fact that there are 20,000 plus employees out there that are public employment retirees who have a contract with the state that says their benefits will not be taxed. He said because of that he cannot support this bill, he could support the concept of equity with exempting taxation of all benefits for all people, but that is not going to be offered here and it would not pass if it were. He said the bill as it is now gives short shift to the integrity of the state and he cannot support the bill.

Representative Raney said he would like to speak against the bill because he felt they were painting themselves into a corner in the future. He said people are living longer and the use of government services does not diminish just because of retirement, and he mentioned ambulance, fire, police, etc. services that are still required, and he did not feel the working population of Montana could carry the load.

Representative Good said she felt it was interesting to listen to both representatives Cohen and Raney discuss the wonderful concept of taxing according to the percentage of use as opposed to the ability to pay.

Representative O'Keefe said someone with \$16,000 in pensions certainly had some ability to pay as opposed to the person who was working for \$12,000 and paying taxes.

Representative Cohen said the Department of Revenue was quite clear when they spoke in subcommittee, that whether they pass Representative O'Keefe's bill or not, when the income tax forms go out, the information and data requirements on the Department of Revenue's income tax forms will be as though they had passed Representative O'Keefe's form of the bill and the lawsuits will only affect the years previous to the Davis vs. State of Michigan decision. There is nothing that can be done now that could affect those lawsuits which involve previous years.

Representative Grady said he was in somewhat the same position as Representative O'Keefe, and has probably gotten himself in trouble with the Public Employees for jumping the fence in committee, but he voted to bring this bill out and felt he should support it. He said all he hears equity, and he has talked to a number of retirees, and none of them feel they would mind paying some taxes if we set it high enough to get only those who can afford it. He said he felt \$12,000 would do that, and while he would rather not tax any of them, he felt what they have done here is fair.

Recommendation and Vote: The Chairman called for a roll call vote on the motion that HB 5, as amended, do pass. 13 voted

yes, 8 voted no. Motion passed.

DISPOSITION OF HOUSE BILL 43

Motion: Chairman Harrington entertained a motion to table House Bill 43. Motion so moved.

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: On a voice vote, motion passed.

DISPOSITION OF HOUSE BILL 47

Motion: Chairman Harrington entertained a motion to table HB 47. So moved.

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: On a voice vote, motion passed.

DISPOSITION OF HOUSE BILL 22

Motion: A motion was made by Representative Cohen that House Bill 22 be tabled.

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: The Chairman called for a roll call vote, motion passed.

DISPOSITION OF HOUSE BILL 48

Motion: A motion was made by Representative Cohen that House Bill 48 do pass.

Discussion: Representative Cohen said he would also like to move some amendments (EXHIBIT 4), and the purpose of the language is to not make the amendments effective until this special session passes a minimum 100 mill state wide levy for funding education. He said the reason for doing this is that he does not want to raise the rate on homeowners unless he knew they are going to have a more than corresponding reduction at least in most parts of the state as a result of the equalization.

Representative Giacometto said he felt they should kill the bill and the amendment or table it, because there is a bill coming up that has a chance for some real property tax

reduction and restructuring.

Representative Gilbert said he had sat in a subcommittee and they were trying to amend property tax relief into education. He said he was told the opposing caucus did not want to tie the two together since they felt each issue should stand on its own, and now we have an amendment to tie them together. He said he would oppose the motion on those grounds.

Representative Ream asked Representative Cohen if the amendment which was passed around was the correct one.

Representative Cohen said yes and it was at the suggestion of Representative Ream that the coordinating clause was put in the amendment. He said he would be willing to segregate his amendment so that one part would be the change of rates and the other would be the coordinating clause with education funding.

Representative Cohen, in answer to a question from Chairman Harrington said the first would be the change in rates which produces a reduction in personal property tax and a slight increase in real property tax rates; the second part would be the coordinating clause with the educational reform.

Amendments, Discussion, and Votes: A motion was made by Representative Cohen to approve the first part of the amendment, the change in rates. A voice vote was taken and the amendment failed. Representative Cohen asked for a roll call vote because he said he did not think the committee realized what they were voting on. Chairman Harrington said they were back on the first part of the amendment. If this portion of the amendment is killed there would be no funding mechanism in the bill.

Representative Rehberg said it was a yes and no because they would still like to see this as a part of the package, it is within their proposal on the coal tax capping and the megabucks proposal to include furniture and fixtures. He said one can hang out without the other, but it makes a better package if this passes.

Representative Gilbert said he would oppose the amendment as well as the whole bill, but the amendment at this point. He said they have managed to raise taxes on Class 4, real property, by 7.5% which is a rate increase on the house you own. He said they had reduced personal property in Classes 8 and 10 which are the two largest tax paying personal property categories by 1/10 of 1%, and eliminated office fixtures and furniture, which are not really the major property tax payers. He said this would give a sort of a "fake" property tax relief to a small area, give very little to the major property tax payers, and saddled the home owner with a rate increase. He said when you go back to your district and try to explain to the rancher and the farmer that he didn't get hardly any tax relief on his tractor and machinery; to the

machinery owner, the manufacturer got 1/10 of 1%, but we raised his house up--that is not going to sell politically. He said it is sort of voodoo property tax relief. This is not measurable property tax relief.

Representative Cohen said it is true the large property tax payers--people like B.N., the coal companies--there is not a great deal in this bill for them. However, he said, the bulk of the personal property tax payers are not paying the bulk of the personal property tax. The bulk of the payers are small business people, and they are the ones that are paying furniture and fixtures and that is in most cases, the only personal property tax they are saddled with since we removed hand tools during the regular session. He said, in addition of all the various subclasses of property that are taxed, the one that creates the greatest problem for administration and the greatest cost of administration--furniture and fixtures is right there. He said when you remove furniture and fixtures from the property tax roles, you are taking care of your retail shops, your retail businesses, your motels and hotels, you are taking care of almost all the small businesses in your community. He said you are taking ag implements from 11 down to 10.9 which is only a little bit but they would take some of the high rates, the 13% and 16% and bringing them down to equal the others. Representative Giacometto said a little is better than nothing.

Representative Kadas said he agreed and said he and Rep. Ramirez had tried to put some shape of this in the original bill because they recognized the problem. He said they kept cutting it down because of opposition and finally cut it out. He said because of school equalization there is an opportunity to do something like this and it won't happen again. He said some of you were counting on getting a lot more, but think of where we are in this special session. He said a lot more means a lot more controversial bill which will probably not get anyplace in a special session. He said he thought Representative Cohen was "offering an olive branch".

Representative Rehberg said this was a beginning and he would support the amendment to the bill. This is a part of the big problem and he would like to see this part fit into the larger picture. A lot of piecemeal things won't address the whole picture. He said it wasn't just the guys who have furniture and fixtures that want to come into the state and stay in the state. He said they want the bigger outfits because they want the jobs and the money.

Recommendation: A voice vote was taken on the Cohen amendment. Seven members voted no, the amendment passed.

Representative Cohen then said he would withdraw the second part of his amendment.

Recommendation and Vote: A roll call vote was called for on House Bill 48 as amended. 14 voted yes, 6 voted no. House Bill 48, as amended, passed.

Lee Heiman said there is a typographical error in the bill; there is a section number that is wrong, it should be a 45 instead of a 47, and he asked if he could change it on the committee report. Chairman Harrington took a voice vote and the committee voted unanimously to correct the typographical error.

#### DISPOSITION OF HOUSE BILL 51

Motion: A motion was made by Representative Giacometto that House Bill 51 do pass.

Discussion: Representative Giacometto said he had spoken to the Revenue Department because one of the concerns that was raised was they wanted to be sure a company couldn't reorganize and come back in and say it was a new business. He said he had spoken with Representative Raney, they realized they had to get some legal clarification and that amendment will be presented on the floor to make sure nobody could skirt the intent of the law but the amendment has not been drawn up officially. He will bring the amendment to the floor if the bill passes out of committee.

Representative Hoffman said he would oppose the bill because he felt it was bad tax policy. He said under the current law a new business is given a three year benefit and they are put into a different class of property and he felt if this became a law the state would be subject to a lot of law suits. He asked why one business should be assessed at a different rate than another business. He said if one new business comes into the state and gets this benefit, anytime afterward another new business in the same line of industry comes into the state they cannot apply for this benefit. This is the basis for a lawsuit.

Representative Giacometto said they already have a lot of different classifications in our law and different properties are taxed at different rates, so the argument of a lawsuit is unfounded. He said they just passed a bill out on a canola plant, and those are new businesses that are different types of businesses that are given different rates. He said these are new jobs and new businesses coming into the state that are not affecting any tax base because it is all extra, it is all something we need. He said this is an incentive to get new business in the state.

Representative Ellison said it seems that the Legislative policy is that we already have a bad tax policy, so why not go ahead and make it worse. He said he "just couldn't buy it."

Representative Gilbert said this was another example of typical Montana tax policy. We are going to reform tax policy in Montana one particle at a time and it will take 900 years. He asked why they can't reform? He said they just passed Representative Cohen's bill that gave major tax relief to one item, this one gives a tax relief to two more items and a tax increase to another one. He said this is poor tax policy for the state of Montana. However, he said he would support the bill because, as he said earlier, a little is better than nothing.

Representative Good said she did not understand the part that said, "unless it is in competition with an existing Montana industry". She posed an example of a sweater manufacturer and what if two applied at the same time, or what if one comes in August and another one applies in September, what happens to the second one? Representative Giacometto answered that the way the bill is drafted the Department of Revenue would have to set up some guidelines. Representative Giacometto said it takes care of the businesses coming in and puts them at the same rate. He said that clause is simply to clarify what is in the law right now, like they had to do on the canola plant. He said they couldn't lower that tax until they addressed Culbertson because they were already affected.

Representative Raney said he had to address the conservatives at the other end of the table. He said this may be bad tax policy, but he was going to vote to get it out of committee with no promises on the floor. He said they had built this bad tax system over a period of years, and they have been trying to fix it up but they have entirely different ideas as to how we do it, so they are doing it piece meal with whatever we could agree upon.

Representative Elliott said he questioned the need for a bill such as this. He said earlier today he had looked through the Department of Revenue report that talked about the effect of a bill like this and out of some 400 plus businesses that moved into Montana between 1984 and 1988 only eight took advantage of the current tax break we have. He said, if we are going to put a bill in, he would hope it would not be available to the other 392 companies that did not feel they needed the tax break that is currently being given.

Representative Giacometto said he would like to close on his motion by saying one business in this state like the malting barley plant was the only one brought to their attention. He said there are numerous businesses out there that offhand write us off because of certain things such as whether we agree with certain surveys, etc. He said if they get 100 more jobs in the state anywhere, rather in Butte, Havre or Helena, it is a big incentive to the state, and if only used once, it is a benefit to the state.

Amendments, Discussion, and Votes: None

Recommendation and Vote: A roll call vote was taken on the motion that House Bill 51 do pass. Motion passed, 11 members voting yes, 9 members voting no.

DISPOSITION OF HOUSE BILL 52

Motion: A motion was made by Representative O'Keefe that House Bill 52 do not pass.

Substitute Motion: A substitute motion was made by Representative Giacometto that House Bill 52 be tabled.

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: Motion passed, members voting no were Representatives Hanson, Gilbert, Giacometto and Hoffman.

DISPOSITION OF HOUSE BILL 55

Motion: A motion was made by Representative Rehberg that House Bill 55 Do Pass.

Discussion: Representative Rehberg said he wished to make a couple of amendments.

Amendments, Discussion, and Votes: Representative Rehberg made a motion to adopt his amendments, EXHIBIT 5, which is 23 pages long, and is attached to the minutes.

Representative Rehberg said the amendment is actually Senate Bill 42 which is the coal tax act, and the interest that goes to the coal tax trust is approximately \$21 million a year. He said originally the Governor's personal property tax relief bill was the coal tax cap and a video poker tax increase. He said he had told the Governor he did not feel the Legislature would pass the bill with the video poker tax increase in it. He said the Governor said fine, find \$8 million to replace it. He said he had gone to Representative Pavlovich and to the gaming industry and said the easiest thing would be for you to offer something that he could use and go back to the Governor with. He said they came up with mega bucks, a progressive poker tax, the Governor said fine. Senator Gage started it in the Senate, it got bogged down in the Taxation Committee. He said he was asking the committee to continue on with the coalition we have built with Rep. Pavlovich and others in the Legislature to try to get personal property tax relief down to 6%. He said this bill would raise \$42 million and there is another approximately \$20 million of general fund that is going through in a separate bill that would be applied to

this, the mega bucks will bring in approximately \$6 million and the second amendment will be to change the tax in the mega bucks bill from the 25% in the bill down to 15% which is what all video machines are being taxed at. He said all he was asking the committee to do was to take the Governor's coal tax cap, put it in this bill and run it through as a package as we originally intended. He said Rep. Pavlovich had made the statement during the hearing that if we can't get this accomplished he would just as soon the bill die. He said the bill was also in Labor Committee and Rep. Driscoll was going to try to use the mega buck money for Worker's Comp reform for the unfunded liability. He said Rep. Driscoll had told him he would rather have the money go toward personal property tax relief. He said he was not trying to "slip something in", this just caps the coal trust tax and puts the money toward personal property tax relief.

Representative Raney said that makes this bill require a three-quarter vote. Rep. Rehberg said no, because of the language, all the tax on coal in here is called sales tax, or could be called gross receipts tax or a number of other things. He said the precedent was set when they originally lowered the coal severance tax in the last legislature. That was the first time something similar to this was done without the three-quarter vote.

Representative Raney said the rate of the coal tax is not protected by the constitution, but the flow to it and the coal trust fund itself are constitutionally protected and it will wind up in a court battle if you merely say we will change the name of the tax. He said changing the name for this purpose will indeed cause a law suit. He said at some point it will require a 3/4 vote, and you are stuck with it; if you want this particular bill and you add this amendment, you have killed the bill because you can't get a three-quarter vote.

Representative Rehberg said in response, it is his lawyers against Rep. Raney's lawyers. He said they have had lots of constitutional lawyers look at this and don't anticipate that this will end up in court, but will withstand the court's review and interpretation.

Representative Kadas said he felt the whole mechanism is really devious and tries to obfuscate the clear intent of the constitution. He said he did not feel it was justified. If you want to cap the coal trust you should go straight at it and cap it with a constitutional amendment. He said this tries to do it in a way that was not intended by the constitution, tries to get around the clear intention of the constitution, and he would hope they were a little above these tactics.

Recommendation: A roll call vote was taken on Representative Rehberg's motion to adopt the 23-page amendment. Motion

passed. The vote was 12 members for and 8 against..

Motion: A motion was made by Representative Rehberg to amend the bill on lines 19 through 22, to decrease the tax from a 25% tax down to 15%.

Discussion: Representative Rehberg said in taking that 25% out it would make the progressive poker tax the same as the video machines. He said these amendments were at the request of Representative Pavlovich as a result of his discussions with tavern owners.

Representative Raney said this was really a shell game, we had 15% tax on machines, this bill was brought in to make us more revenue, and then they say only a 15% tax on these machines as well, and they say people only put so much in the machines anyway, but maybe a few tourists will come through and drop in a few quarters. He said the only real revenue to come in from this bill is the coal money. He asked where the other revenue was, He explained that every time anyone put in quarters the 4th quarter would go into the progressive and will be taxed at the 15%. He said they are betting on the increased use of the machine.

Representative Rehberg was asked if the first 3 quarters are taxed at 15% also, where is the new revenue? He was told the new revenue came from the increased use. If there isn't increased use, there won't be as much personal property tax relief.

Recommendation: Representative Rehberg's motion to change the 25% to 15% was voted upon, motion passed, A show of hands indicated 8 members voting no.

Motion: A motion was made by Representative Cohen to amend House Bill 55 as amended. Amendments are attached as EXHIBIT 6.

Discussion: Representative Cohen said this would authorize those card games that are played on video machines to also be played live on tables. He said this went through the House during the discussion of the gambling bill and the Senate rejected it in the conference committee, and even though it might be rejected again, he would like to try to put it into the bill. He said he was not aware when Lee prepared the amendment, that the operators of these games have suggested that they double the tax rate for table poker. They've said they would be willing to pay on Jacks or Better double the current rate of \$250 on the first table and \$500 on each successive table. They would be willing to pay \$500 on the first table and \$1,000 on each additional table. He said he would like to point out that this game has been played ever since we legalized gambling. He said it has been played extensively in Flathead and Lincoln Counties and Attorney General Racicot says after October 1 this game will be illegal under the new law, and we have here a condition

where people have something established, people working, and involved. He said he would rather see a person gambling across the table, where there is at least some human interaction in their loneliness in the bar instead of looking like pigeons pecking at a machine.

Representative Rehberg said he supports the concept of live poker games, but he is not prepared to address the onslaught of opposition on the House floor, nor prepared to go to the Governor and try to convince him. He said the Governor had let him know he was not interested in the expansion of gambling in any way. He said we convinced him personal property tax relief was important enough to accept the poker machine, but he felt he could guarantee it would fall apart if we put in any expansion of gambling.

Representative Harrington said this is not an expansion of gambling because gambling is going on now and another thing is that a great number of people who are working and earning wages from this. He said in passing out 437 they took these people out, he said poker is legal, so why did they insist in taking out Jacks are Better? He said they will probably change the name and just call it Poker, and that is legal.

Representative Ellison asked Rep. Cohen how many tables, or how much money this is? He was told there 30 tables in Flathead County and he didn't know how many there were in other counties. Representative Harrington said he would guess there are between 20 and 30 in Butte Silver Bow also.

Recommendation: A voice vote was taken and the motion on the amendment failed. A show of hands indicated that 13 committee members voted no.

Motion: A motion was made by Representative Rehberg that House Bill 55, as amended, do pass.

Discussion: Representative Ream said there is a bill in Labor committee to use this income for Worker's Comp. Representative Rehberg said Representative Driscoll had told him he would not push it, that he would rather see the money go to personal property tax relief.

Representative Raney said the title of the bill as now presented does not fit the bill. This is now a major constitutional issue concerning the coal tax and if this passes he said he would move the bill be sent to the Rules Committee for their judgement. He said the amendment on the bill is totally outside the scope of the bill and making a mockery of the legislature if we allow it to proceed.

Representative Rehbert said he had no problem with that since they originally were going to put this bill in Senate Bill 22 and they went to the Legislative Council to ask if it could be done, and it was their interpretation that it

could.

Recommendation and Vote: A roll call vote was taken on House Bill 55 as amended. Motion passed. 13 committee members voted yes, 8 members voted no.

Chairman Harrington said there is one bill for tomorrow that just came over from the Senate. He asked if there were any other bills they could act on today.

DISPOSITION OF HOUSE BILL 49

Motion: Motion by Representative Patterson that House Bill 49 be tabled.

Discussion: None.

Amendments, Discussion, and Votes: None

Recommendation and Vote: A voice vote was taken on the motion that House Bill 49 be tabled. Motion Passed. Representatives Giacometto, O'Keefe and Good voted no.

DISPOSITION OF HOUSE BILL 21

Motion: A motion was made by Representative Swysgood that House Bill 21 be tabled.

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: A voice vote was taken on the motion to table. Motion passed.

DISPOSITION OF HOUSE BILL 37

Motion: A motion was made by Representative Cohen to table House Bill 37.

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: A voice vote was taken on the motion to table. Motion passed.

Motion: A motion was made by Representative Raney that House Bill 55 be referred to the Rules Committee for a determination to see if the Rehberg amendment fits the title of the bill.

Discussion was held on whether or not it was appropriate to make this motion or to ask the Speaker to make the request. Representative Raney withdrew the motion.

ADJOURNMENT

Adjournment At: 1:55 p.m.

---

REP. DAN HARRINGTON, Chairman

DH/dg

150628a.min

## DAILY ROLL CALL

## HOUSE TAXATION COMMITTEE

DATE:

*June 28, 1989*

NAME	PRESENT	ABSENT	EXCUSED
Dan Harrington. Chairman	✓		
Bob Ream, V. Chairman	✓		
Ben Cohen	✓		
Jerry Driscoll	✓		
Jim Elliott			
Orval Ellison	✓		
Leo Giacometto	✓		
Bob Gilbert	✓		
Susan Good	✓		
Ed Grady	✓		
Marian Hanson	✓		
Robert Hoffman	✓		
Mike Kadas	✓		
Francis Koehnke	✓		
Mark O'Keefe	✓		
John Patterson	✓		
Bob Raney	✓		
Dennis Rehberg	✓		
Ted Schye			
Barry Stang	✓		
Jessica Stickney	✓		
Chuck Swysgood	✓		

STANDING COMMITTEE REPORT

"An Act to Provide an Exemption of \$12,000  
from Taxation of Pension Benefits"

June 28, 1989

Page 1 of 2

Mr. Speaker: We, the committee on Taxation report that HOUSE BILL 5 (first reading copy -- white) do pass as amended.

Signed: \_\_\_\_\_  
Dan Harrington, Chairman

And, that such amendments read:

1. Title, line 7.

Following: "SYSTEMS;"

Insert: "TO PROVIDE FOR A STUDY OF THE TAXATION OF PENSION AND  
RETIREMENT SYSTEMS AND TO APPROPRIATE FUNDS FOR THE STUDY;"

2. Title, line 11.

Strike: first "AND"

3. Title, line 13.

Following: "1989"

Insert: "; AND PROVIDING TERMINATION DATES"

4. Page 17.

Following: line 19

Insert: "NEW SECTION. Section 15. Study of taxation of retirement systems. (1) (a) The revenue oversight committee, augmented by the five persons appointed pursuant to subsection (2), shall study the taxation of governmental and private retirement and pension income, including nonmonetary retirement benefits, other types of income received by older persons, and similar matters the committee considers appropriate.

(b) The nonlegislative members of the committee are entitled to vote and participate in the same manner as legislative members for the purposes of the study but not for other committee activities. They are entitled to the same mileage and per diem as legislative members.

(c) The committee shall report its recommendations to the 52nd legislature and may draft legislation necessary to

implement the recommendations.

(2) The governor and the leadership of each party in the senate and in the house of representatives shall each appoint one nonlegislator to meet with the revenue oversight committee for the purposes of the study required by subsection (1). The appointees should be involved with tax, pension, and retirement issues in some manner, either as representatives of a segment of the population of retired or older persons or because of some technical, legal, or actuarial expertise.

(3) There is appropriated from the general fund for the period ending June 30, 1991, \$30,000 to the revenue oversight committee to conduct the study required by subsection (1)."

Renumber: subsequent section

5. Page 18.

Following: line 3

Insert: "NEW SECTION. Section 17. Termination. (1) [Sections 1 through 14] terminate December 31, 1990.

(2) [Section 15] terminates June 30, 1991."

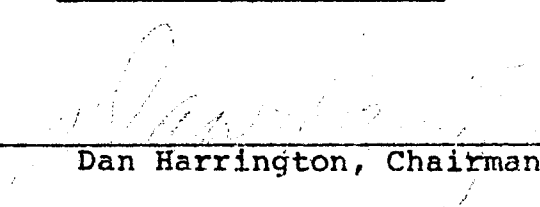
STANDING COMMITTEE REPORT

"An Act Generally Revising the Classification  
of Property for Property Tax Purposes"

June 28, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that HOUSE  
BILL 48 (first reading copy -- white) do pass as amended .

Signed: 

Dan Harrington, Chairman

And, that such amendments read:

1. Page 9, line 11.

Strike: "3.86%"

Insert: "4.15%"

2. Page 9, line 13.

Strike: "3.86%"

Insert: "4.15%"

3. Page 13, lines 15 through 17.

Strike: subsection (i) in its entirety

Renumber: subsequent subsections

4. Page 14, line 6.

Strike: "11%"

Insert: "10.9%"

5. Page 20, line 14.

Strike: "15-6-147"

Insert: "15-6-145"

STANDING COMMITTEE REPORT

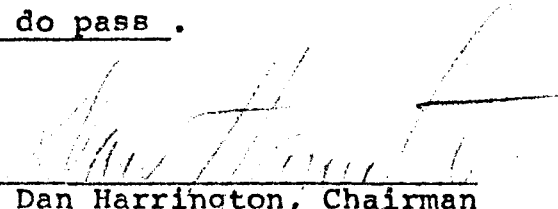
"An Act to Include in Class Five Property  
a New Business Locating in Montana . . ."

June 28, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that HOUSE  
BILL 51 (first reading copy -- white) do pass .

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

  
Dan Harrington, Chairman

MONTANA



# Tavern Association

Affiliated and Associated with the NLBA

PROFESSIONAL PLAZA - SUITE AB-2  
900 N. MONTANA AVENUE - P.O. BOX 851  
Helena, MT 59624 / PHONE 406-442-5040

June 21, 1989

EXHIBIT 1  
DATE 6/28/89  
HB 21

TO: Rep. Dan Harrington, Chairman, and  
Members of the House Taxation Committee

RE: HB21

The Montana Tavern Association strongly opposes HB21. The passage of a few months in time has not improved the "luxury tax" concept. It is still as offensive as it was in HB779 that was introduced in the regular session by the same author and summarily tabled by your committee.

TAXES ON LIQUOR PRODUCTS ARE TO THE POINT NOW THAT THEY ACCOUNT FOR A LARGER SHARE OF THE RETAIL PRICE THAN DOES EITHER THE COST OF MANUFACTURING THE PRODUCT OR THE COMBINED COSTS OF WHOLESALING AND RETAILING IT.

An astonishing 58.5% of the total retail cost of a typical bottle of liquor can be attributed to taxes: 27.3% to the federal government (this bears the questionable distinction of being the greatest tax burden of any excise-taxed product), and 31.2% to the state.

Translated into dollars, \$4.27 of the \$7.30 retail cost for a 750ml bottle of liquor represents state and federal taxes: 58.5%.

Liquor products sold by Montana retailers have been declining in profitability since 1983. This is demonstrated by tax revenue information from the Department of Revenue, which shows that five years ago, taxes on all alcohol beverages represented 14% of all excise taxes collected by the state. That figure has dropped to slightly over 9%. Consumption has also shown a corresponding decline. Liquor, for example, has fallen by 23.8% and beer by 13.3% in this same period, substantially greater than the national trend which reflects liquor down 11.4% and beer and wine consumption up by 2.7% and 13.0%, respectively.

HB21 creates another tax on products that have been taxed twice before they reach the retail level. As a result of this unfair taxation, consumers have slowed their buying habits, thus reducing state revenues as well as this industry's profitability. HB21 would only aggravate this trend.

In addition, Section 1, subparagraph (5)(c), would appear to impose a tax on video gaming machines, which are already bearing a 15% burden on net machine income (coins in, less credits paid in cash). The MTA has already enunciated

its total opposition to the Governor's proposal calling for an increase in gaming machine taxes and this position was made known to every legislator by letter prior to the special session.

A tremendous effort was made during the regular session by the Legislature, the industry, local governments, and the public to enact the new gambling laws under SB431. The passage of SB431 came about as a result of an extraordinary display of cooperation and compromise extended by each of these entities in order to produce a solid, progressive law to regulate gambling in Montana. Any increase in the machine tax would be intolerable and will be resisted to the fullest degree possible by the Montana Tavern Association.

Regardless of whether this bill, HB21, refers to a "luxury tax" or a "surcharge", and regardless of where its proceeds are intended to be distributed, it doesn't change the fact that it is an unfair, regressive, and selective sales tax and one that deserves to receive the same fate as its predecessor, HB779.

We urge you to vote against HB21.

Respectfully,

MONTANA TAVERN ASSOCIATION



Steve Wilken, President

SW/d

EXHIBIT 2  
DATE 6/28/89  
HB 5

## Comparison of House Retirement Taxation Proposals

**HB 43 Exempts federal retirement benefits from state income tax. This represents current law after Davis.**

**Revenue Impact\* -- \$5.08 million for the biennium.**

**HB 47 Tax state retirees under the current \$3,600 exemption and increase retirement benefits to compensate for the tax.**

### Revenue Gains:

Tax on State Retirees (biennium)                      \$3.8 million

Ability to Tax Federal Retirees                      \$5.2 million  
   \$9.0 million

### Cost of Increased Benefits (All Funds)\*\*

	<u>Cost</u>	<u>Net Cost</u>
5% Increase	\$12.1 million	\$ 3.1 million
6% Increase	\$14.5 million	\$ 5.5 million
7% Increase	\$16.9 million	\$ 7.9 million
8% Increase	\$19.3 million	\$10.3 million
9% Increase	\$21.7 million	\$12.7 million

**HB 5 Provide a \$12,000 Exemption for federal, state and private pensions.**

### Revenue Impact (biennium):

\$12,000 Exemption	\$5.6 million
\$16,000 Exemption	\$6.8 million
\$20,000 Exemption	\$7.6 million

\* Refunds of taxes paid by federal retirees since 1983 are not affected by the above proposals. The potential refunds are estimated to total \$13 million.

\*\* Based on Teachers' Retirement System analysis.

3  
6/28/89  
05

Amendments to House Bill No. 5  
First Reading Copy

Requested by Subcommittee  
For the Committee on Taxation

Prepared by Lee Heiman  
June 27, 1989

1. Title, line 7.  
Following: "SYSTEMS;"  
Insert: "TO PROVIDE FOR A STUDY OF THE TAXATION OF PENSION AND  
RETIREMENT SYSTEMS AND TO APPROPRIATE FUNDS FOR THE STUDY;"
  2. Title, line 11.  
Strike: first "AND"
  3. Title, line 13.  
Following: "1989"  
Insert: "; AND PROVIDING TERMINATION DATES"
  4. Page 17.  
Following: line 19  
Insert: "NEW SECTION. Section 15. Study of taxation of  
retirement systems. (1) (a) The revenue oversight committee,  
augmented by the five persons appointed pursuant to  
subsection (2), shall study the taxation of governmental and  
private retirement and pension income, including nonmonetary  
retirement benefits, other types of income received by older  
persons, and similar matters the committee considers  
appropriate.  
(b) The nonlegislative members of the committee are  
entitled to vote and participate in the same manner as  
legislative members for the purposes of the study but not  
for other committee activities. They are entitled to the  
same mileage and per diem as legislative members.  
(c) The committee shall report its recommendations to  
the 52nd legislature and may draft legislation necessary to  
implement the recommendations.  
(2) The governor and the leadership of each party in  
the senate and in the house of representatives shall each  
appoint one nonlegislator to meet with the revenue oversight  
committee for the purposes of the study required by  
subsection (1). The appointees should be involved with tax,  
pension, and retirement issues in some manner, either as  
representatives of a segment of the population of retired or  
older persons or because of some technical, legal, or  
actuarial expertise.  
(3) There is appropriated from the general fund for  
the period ending June 30, 1991, \$30,000 to the revenue  
oversight committee to conduct the study required by  
subsection (1)."
- Renumber: subsequent section

Amendments to House Bill No. 48  
First Reading Copy

Requested by Representative Cohen  
For the Committee on Taxation

EXHIBIT 4  
DATE 6/28/89  
HB 48

Prepared by Lee Heiman  
June 27, 1989

1. Title, line 6.

Following: line 5

Insert: "PROVIDING FURTHER AMENDMENTS IF A STATEWIDE EDUCATION  
MILL LEVY IN EXCESS OF 100 MILLS IS ENACTED;"

2. Page 25.

Following: line 10

Insert: "NEW SECTION. Section 14. Rate changes on contingency.

If an enactment of the 51st legislature in special session during June 1989 provides for a statewide property tax mill levy for education that exceeds 100 mills, the following amendments are made:

(1) The rates set forth in 15-6-134(2)(a) and (b) that are set at 3.86% are changed to 4.15%.

(2) The rate set forth in 15-5-138(4) that is set at 11% is changed to 10.9%.

(3)(a) Subsection (1)(i) of 15-6-138 that reads "furniture, fixtures, and equipment, except that specifically included in another class, used in commercial establishments as defined in this section" is deleted in its entirety.

(b) Subsection (3) of 15-6-138, defining "commercial establishment" is deleted in its entirety."

Renumber: subsequent sections

Amendments to House Bill No. 55  
First Reading Copy

Requested by Representative Rehberg  
For the Committee on Taxation

Prepared by Lee Heiman  
June 27, 1989

EXHIBIT 5  
DATE 6/28/89  
HB. 55

1. Title, lines 11 through 14.

Strike: "STATUTORILY" on line 11 through "RATES;" on line 14

Insert: "REDUCING TO A SINGLE RATE THE PROPERTY TAX RATE ON  
PERSONAL PROPERTY; COMBINING PERSONAL PROPERTY CLASSES;  
REVISING COUNTY CLASSIFICATIONS AND DEBT AND LEVY  
LIMITATIONS OF LOCAL GOVERNMENTS, INCLUDING SCHOOL  
DISTRICTS; IMPOSING A TAX ON THE RECEIPTS FROM THE SALE OF  
COAL AND ALLOCATING THE MONEY TO STATE EQUALIZATION AID;  
REDUCING THE SEVERANCE TAX ON COAL TO 1 PERCENT;"

2. Title, line 14.

Following: "SECTIONS"

Insert: "7-1-2111,"

3. Title, line 18.

Following: "7-34-2131,"

Insert: "15-1-101, 15-6-137,"

Strike: "15-6-139,"

Insert: "15-10-402, 15-24-1102, 15-24-1103, 15-35-103,"

Strike: "17-7-502"

4. Title, line 19.

Strike: "20-9-318, 20-9-319,"

5. Title, line 20.

Following: "23-5-608"

Strike: ", "

Insert: "AND"

Following: "23-5-610,"

Strike: "AND"

6. Title, line 21.

Strike: "85-7-2001,"

Following: "MCA;"

Insert: "REPEALING SECTIONS 15-6-139, 15-6-140, AND 15-6-146,  
MCA;"

1. Page 6, line 17 through page 43, line 10.

Strike: sections 4 through 39 in their entirety

Insert: "NEW SECTION. Section 4. Definitions. As used in  
[sections 4 through 13], the following definitions apply:  
(1) "Buying", "selling", "sell", or "sale" means the  
transfer of coal for consideration.

(2) "Contract sales price" means contract sales price as defined in 15-35-102.

(3) "Department" means the department of revenue.

(4) "Engaged in the business" means carrying on or causing to be carried on the sale of coal for the purpose of direct or indirect benefit.

(5) "Person" means":

(a) an individual, estate, trust, receiver, cooperative association, club, corporation, company, firm, partnership, joint venture, syndicate, or other entity; or

(b) the United States or any agency or instrumentality of the United States or the state of Montana or any political subdivision of the state.

(6) (a) "Receipts" means the total amount of money or the value of other consideration received from selling coal in Montana. The term includes all receipts from the sale of coal handled on consignment but excludes cash discounts allowed and taken and any type of time-price differential.

(b) In an exchange in which the money or other consideration received does not represent the value of the coal exchanged, receipts means the value of the coal or other property or consideration exchanged.

(c) (i) Except as provided in [section 9], when the sale of coal is made under any type of charge or conditional or time-sales contract, the seller shall treat all receipts under the contract, excluding any type of time-price differential, as receipts at the time of sale.

(ii) If the seller transfers his interest in a contract to a third person, the seller shall pay the sales tax upon the full sale or contract amount, excluding any type of time-price differential.

(d) For the purpose of the business of buying, selling, or promoting, as an agent or broker on a commission or fee basis, the purchase or sale of any coal in Montana, receipts includes the total commissions or fees derived from the business.

(7) "Sales tax" means the applicable tax imposed by [section 5].

**NEW SECTION.** Section 5. Imposition and rate of sales tax on coal. (1) Except as provided in subsection (3), a sales tax is imposed on all receipts from the sale of coal in this state.

(2) The rate of the sales tax on coal is as follows:

(a) After June 30, 1989, and before July 1, 1990:

Heating quality (Btu per pound of coal):	Surface Mining	Underground Mining
Under 7,000	16% of contract sales price	2% of contract sales price
7,000 and over	24% of contract sales price	3% of contract sales price

(b) After June 30, 1990, and before July 1, 1991:

Heating quality (Btu per pound of coal):	Surface Mining	Underground Mining
--	-------------------	-----------------------

Under 7,000	12% of contract sales price	2% of contract sales price
7,000 and over	19% of contract sales price	3% of contract sales price

(c) After June 30, 1991:		
Heating quality (Btu per pound of coal):	Surface Mining	Underground Mining
Under 7,000	9% of contract sales price	2% of contract sales price
7,000 and over	14% of contract sales price	3% of contract sales price

(3) If the receipts are generated from a sale of coal that is exempt from the coal severance tax under 15-35-103(3), the receipts are also exempt from the sales tax imposed by this section.

NEW SECTION. Section 6. Presumption of taxability -- value. In order to prevent evasion of the sales tax and to aid in its administration, it is presumed that all receipts from the sale of coal are subject to the sales tax.

NEW SECTION. Section 7. Separate statement of tax. (1) If the sales tax is stated separately on the books of the seller and the total amount of tax stated separately on transactions within the reporting period is in excess of the amount of sales tax payable on those transactions, the excess amount of tax otherwise payable and stated on the transactions within the reporting period must be included in receipts.

(2) If the sales tax is not stated separately on transactions, the receipts for sales tax purposes include the total amounts received, with no deduction for the sales tax.

NEW SECTION. Section 8. Agents for collection of sales tax -- severability. (1) A person who sells or attempts to sell coal within this state shall collect the sales tax from the buyer and pay the tax collected to the department.

(2) To ensure the orderly and efficient collection of the tax imposed by [sections 4 through 13], if any application of this section is held invalid, the section's application to other situations or persons is not affected.

NEW SECTION. Section 9. Application for permission to report on accrual basis. (1) A person may apply to the department for permission to report and pay the sales tax on an accrual basis.

(2) The application must be made on a form prescribed by the department that contains information the department may require.

(3) A person may not report or pay the sales tax on an accrual basis unless he has received written permission from the department.

NEW SECTION. Section 10. Returns -- payment -- authority of department -- disposition of revenue. (1) Not

more than 30 days following the end of each calendar quarter, each person engaged in the business of selling coal shall file a return on a form provided by the department and pay the tax imposed by [sections 4 through 13] for the preceding quarter. Each return must contain a confession of judgment for the amount of the tax shown due, to the extent not timely paid. The return must be signed by the person filing the return or by his agent duly authorized in writing.

(2) (a) A person liable for the taxes imposed by [sections 4 through 13] shall keep records, render statements, make returns, and comply with the provisions of [sections 4 through 13] and rules prescribed by the department.

(b) For the purpose of determining compliance with the provisions of this section, the department is authorized to examine or cause to be examined any books, papers, records, or memoranda relevant to making a determination of the amount of tax due, whether the books, papers, records, or memoranda are the property of or in the possession of the person filing the return or another person. The department may also:

- (i) require the attendance of a person having knowledge or information relevant to a return;
- (ii) compel the production of books, papers, records, or memoranda by the person required to attend;
- (iii) take testimony on matters material to the determination; and
- (iv) administer oaths or affirmations.

(3) Pursuant to rules established by the department, returns may be computer generated.

(4) The statute of limitations for the sales tax on coal is the same as the statute of limitations for the coal severance tax as provided in 15-35-114.

(5) All sales tax revenue collected by the department must be credited as follows:

- (a) 12% of sales tax collections are allocated to the highway reconstruction trust fund account in the state special revenue fund;
- (b) 7.6% to the state special revenue fund to the credit of the education trust fund account;
- (c) 6.65% to the credit of the local impact account;
- (d) 3.8% to the state special revenue fund for state equalization aid to public schools of the state;
- (e) 0.38% to the state special revenue fund to the credit of the county land planning account;
- (f) 0.475% to the credit of the renewable resource development bond fund;
- (g) 1.9% to a nonexpendable trust fund for the purpose of parks acquisition or management, protection of works of art in the state capitol, and other cultural and aesthetic projects. Income from this trust fund must be appropriated as follows:
  - (i) 1/3 for protection of works of art in the state capitol and other cultural and aesthetic projects; and

(ii) 2/3 for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102;

(h) 0.38% to the state special revenue fund to the credit of the state library commission for the purposes of providing basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking;

(i) 0.19% to the state special revenue fund for conservation districts;

(j) 0.475% to the debt service fund type to the credit of the water development debt service fund;

(k) 0.76% to the state special revenue fund for the Montana Growth Through Agriculture Act;

(l) all other revenues from the sales tax collected under the provisions of [sections 4 through 13] to the credit of the general fund of the state.

NEW SECTION. Section 11. Warrant for distraint. If the tax imposed by [sections 4 through 13] or any portion of the tax is not paid when due, the department may issue a warrant for distraint as provided in Title 15, chapter 1, part 7.

NEW SECTION. Section 12. Penalties. (1) The department shall assess a penalty for delinquent sales tax. The penalty is the same as the penalty for delinquent severance tax on coal, as provided in 15-35-105, including both penalty and interest.

(2) A person who fails, neglects, or refuses to file a statement required under [sections 4 through 13] commits a misdemeanor. A person convicted under this subsection shall be fined not more than \$10,000 or be imprisoned in the county jail for a term not to exceed 6 months, or both.

NEW SECTION. Section 13. Rulemaking authority. The department may adopt rules necessary for implementing and administering the provisions of [sections 4 through 13].

Section 14. Section 7-1-2111, MCA, is amended to read:

"7-1-2111. Classification of counties. (1) For the purpose of regulating the compensation and salaries of all county officers, not otherwise provided for, and for fixing the penalties of officers' bonds, the several counties of this state shall be classified according to that percentage of the true and full valuation of the property therein upon which the tax levy is made, except for vehicles subject to taxation under 61-3-504(2), as follows:

(a) first class--all counties having such a taxable valuation of \$50 million or over;

(b) second class--all counties having such a taxable valuation of more than \$30 million and less than \$50 million;

(c) third class--all counties having such a taxable valuation of more than \$20 million and less than \$30 million;

(d) fourth class--all counties having such a taxable valuation of more than \$15 million and less than \$20

million;

(e) fifth class--all counties having such a taxable valuation of more than \$10 million and less than \$15 million;

(f) sixth class--all counties having such a taxable valuation of more than \$5 million and less than \$10 million;

(g) seventh class--all counties having such a taxable valuation of less than \$5 million.

(2) As used in this section, taxable valuation means the taxable value of taxable property in the county as of the time of determination plus:

(a) that portion of the taxable value of the county on December 31, 1981, attributable to automobiles and trucks having a rated capacity of three-quarters of a ton or less;

(b) that portion of the taxable value of the county on December 31, 1989, attributable to automobiles and trucks having a rated capacity of more than three-quarters of a ton but less than or equal to 1 ton;

(c) the amount of interim production and new production taxes levied, as provided in 15-23-607, divided by the appropriate tax rates described in 15-23-607(2)(a) or (2)(b) and multiplied by 60%; and

(d) the amount of value represented by new production exempted from tax as provided in 15-23-612; and

(e) 8.3% of the total taxable value of the county on December 31, 1990."

Section 15. Section 7-3-1321, MCA, is amended to read:

"7-3-1321. Authorization to incur indebtedness -- limitation. (1) The consolidated municipality may borrow money or issue bonds for any municipal purpose to the extent and in the manner provided by the constitution and laws of Montana for the borrowing of money or issuing of bonds by counties and cities and towns.

(2) The municipality may not become indebted in any manner or for any purpose to an amount, including existing indebtedness, in the aggregate exceeding ~~28%~~ 30.5% of the taxable value of the taxable property therein, as ascertained by the last assessment for state and county taxes prior to incurring such indebtedness. All warrants, bonds, or obligations in excess of such amount given by or on behalf of the municipality shall be void."

Section 16. Section 7-6-2211, MCA, is amended to read:

"7-6-2211. Authorization to conduct county business on a cash basis. (1) In case the total indebtedness of a county, lawful when incurred, exceeds the limit of ~~23%~~ 25% established in 7-7-2101 by reason of great diminution of taxable value, the county may conduct its business affairs on a cash basis and pay the reasonable and necessary current expenses of the county out of the cash in the county treasury derived from its current revenue and under such restrictions and regulations as may be imposed by the board of county commissioners of the county by a resolution duly

adopted and included in the minutes of the board.

(2) Nothing in this section restricts the right of the board to make the necessary tax levies for interest and sinking fund purposes, and nothing in this section affects the right of any creditor of the county to pursue any remedy now given him by law to obtain payment of his claim."

Section 17. Section 7-6-4121, MCA, is amended to read:

"7-6-4121. Authorization to conduct municipal business on a cash basis. (1) In case the total indebtedness of a city or town has reached ~~17%~~ 18.5% of the total taxable value of the property of the city or town subject to taxation, as ascertained by the last assessment for state and county taxes, the city or town may conduct its affairs and business on a cash basis as provided by subsection (2).

(2) (a) Whenever a city or town is conducting its business affairs on a cash basis, the reasonable and necessary current expenses of the city or town may be paid out of the cash in the city or town treasury and derived from its current revenues, under such restrictions and regulations as the city or town council may by ordinance prescribe.

(b) In the event that payment is made in advance, the city or town may require a cash deposit as collateral security and indemnity, equal in amount to such payment, and may hold the same as a special deposit with the city treasurer or town clerk, in package form, as a pledge for the fulfillment and performance of the contract or obligation for which the advance is made.

(c) Before the payment of the current expenses mentioned above, the city or town council shall first set apart sufficient money to pay the interest upon its legal, valid, and outstanding bonded indebtedness and any sinking funds therein provided for and shall be authorized to pay all valid claims against funds raised by tax especially authorized by law for the purpose of paying such claims."

Section 18. Section 7-6-4254, MCA, is amended to read:

"7-6-4254. Limitation on amount of emergency budgets and appropriations. (1) The total of all emergency budgets and appropriations made therein in any one year and to be paid from any city fund may not exceed ~~38%~~ 40.5% of the total amount which could be produced for such city fund by a maximum levy authorized by law to be made for such fund, as shown by the last completed assessment roll of the county.

(2) The term "taxable property", as used herein, means the percentage of the value at which such property is assessed and which percentage is used for the purposes of computing taxes and does not mean the assessed value of such property as the same appears on the assessment roll."

Section 19. Section 7-7-107, MCA, is amended to read:

"7-7-107. Limitation on amount of bonds for city-county consolidated units. (1) Except as provided in 7-7-108, no city-county consolidated local government may issue bonds for any purpose which, with all outstanding

indebtedness, may exceed ~~39%~~ 42.5% of the taxable value of the property therein subject to taxation as ascertained by the last assessment for state and county taxes.

(2) The issuing of bonds for the purpose of funding or refunding outstanding warrants or bonds is not the incurring of a new or additional indebtedness but is merely the changing of the evidence of outstanding indebtedness."

Section 20. Section 7-7-108, MCA, is amended to read:

"7-7-108. Authorization for additional indebtedness for water or sewer systems. (1) For the purpose of constructing a sewer system or procuring a water supply or constructing or acquiring a water system for a city-county consolidated government which shall own and control such water supply and water system and devote the revenues therefrom to the payment of the debt, a city-county consolidated government may incur an additional indebtedness by borrowing money or issuing bonds.

(2) The additional indebtedness which may be incurred by borrowing money or issuing bonds for the construction of a sewer system or for the procurement of a water supply or for both such purposes may not in the aggregate exceed 10% over and above the ~~39%~~ 42.5% referred to in 7-7-107 of the taxable value of the property therein subject to taxation as ascertained by the last assessment for state and county taxes."

Section 21. Section 7-7-2101, MCA, is amended to read:

"7-7-2101. Limitation on amount of county indebtedness. (1) No county may become indebted in any manner or for any purpose to an amount, including existing indebtedness, in the aggregate exceeding ~~23%~~ 25% of the total of the taxable value of the property therein subject to taxation, plus the amount of interim production and new production taxes levied divided by the appropriate tax rates described in 15-23-607(2)(a) or (2)(b) and multiplied by 60%, plus the amount of value represented by new production exempted from tax as provided in 15-23-612, as ascertained by the last assessment for state and county taxes previous to the incurring of such indebtedness.

(2) No county may incur indebtedness or liability for any single purpose to an amount exceeding \$500,000 without the approval of a majority of the electors thereof voting at an election to be provided by law, except as provided in 7-21-3413 and 7-21-3414.

(3) Nothing in this section shall apply to the acquisition of conservation easements as set forth in Title 76, chapter 6."

Section 22. Section 7-7-2203, MCA, is amended to read:

"7-7-2203. Limitation on amount of bonded indebtedness. (1) Except as provided in subsections (2) through (4), no county may issue general obligation bonds for any purpose which, with all outstanding bonds and warrants except county high school bonds and emergency bonds, will exceed ~~11.25%~~ 12.25% of the total of the taxable

value of the property therein, plus the amount of interim production and new production taxes levied divided by the appropriate tax rates described in 15-23-607(2)(a) or (2)(b) and multiplied by 60%, plus the amount of value represented by new production exempted from tax as provided in 15-23-612, to be ascertained by the last assessment for state and county taxes prior to the proposed issuance of bonds.

(2) In addition to the bonds allowed by subsection (1), a county may issue bonds which, with all outstanding bonds and warrants, will not exceed ~~27.75%~~ 30.25% of the total of the taxable value of the property in the county subject to taxation, plus the amount of interim production and new production taxes levied divided by the appropriate tax rates described in 15-23-607(2)(a) or (2)(b) and multiplied by 60%, plus the amount of value represented by new production exempted from tax as provided in 15-23-612, when necessary to do so, for the purpose of acquiring land for a site for county high school buildings and for erecting or acquiring buildings thereon and furnishing and equipping the same for county high school purposes.

(3) In addition to the bonds allowed by subsections (1) and (2), a county may issue bonds for the construction or improvement of a jail which will not exceed ~~12.5%~~ 13.5% of the taxable value of the property in the county subject to taxation.

(4) The limitation in subsection (1) does not apply to refunding bonds issued for the purpose of paying or retiring county bonds lawfully issued prior to January 1, 1932, or to bonds issued for the repayment of tax protests lost by the county."

Section 23. Section 7-7-4201, MCA, is amended to read:

"7-7-4201. Limitation on amount of bonded indebtedness. (1) Except as otherwise provided, no city or town may issue bonds or incur other indebtedness for any purpose in an amount which with all outstanding and unpaid indebtedness will exceed ~~28%~~ 30.5% of the taxable value of the property therein subject to taxation, to be ascertained by the last assessment for state and county taxes.

(2) The issuing of bonds for the purpose of funding or refunding outstanding warrants or bonds is not the incurring of a new or additional indebtedness but is merely the changing of the evidence of outstanding indebtedness.

(3) The limitation in subsection (1) does not apply to bonds issued for the repayment of tax protests lost by the city or town."

Section 24. Section 7-7-4202, MCA, is amended to read:

"7-7-4202. Special provisions relating to water and sewer systems. (1) Notwithstanding the provisions of 7-7-4201, for the purpose of constructing a sewer system, procuring a water supply, or constructing or acquiring a water system for a city or town which owns and controls the water supply and water system and devotes the revenues therefrom to the payment of the debt, a city or town may

incur an additional indebtedness by borrowing money or issuing bonds.

(2) The additional total indebtedness that may be incurred by borrowing money or issuing bonds for the construction of a sewer system, for the procurement of a water supply, or for both such purposes, including all indebtedness theretofore contracted which is unpaid or outstanding, may not in the aggregate exceed 55% over and above the ~~28%~~ 30.5%, referred to in 7-7-4201, of the taxable value of the property therein subject to taxation as ascertained by the last assessment for state and county taxes."

Section 25. Section 7-13-4103, MCA, is amended to read:

"7-13-4103. Limitation on indebtedness for acquisition of natural gas system. The total amount of indebtedness authorized to be contracted in any form, including the then-existing indebtedness, must not at any time exceed ~~17%~~ 18.5% of the total taxable value of the property of the city or town subject to taxation as ascertained by the last assessment for state and county taxes."

Section 26. Section 7-14-236, MCA, is amended to read:

"7-14-236. Limitation on bonded indebtedness. The amount of bonds issued to provide funds for the district and outstanding at any time shall not exceed ~~28%~~ 30.5% of the taxable value of taxable property therein as ascertained by the last assessment for state and county taxes previous to the issuance of such bonds."

Section 27. Section 7-14-2524, MCA, is amended to read:

"7-14-2524. Limitation on amount of bonds issued -- excess void. (1) Except as otherwise provided hereafter and in 7-7-2203 and 7-7-2204, no county shall issue bonds which, with all outstanding bonds and warrants except county high school bonds and emergency bonds, will exceed ~~11.25%~~ 12.25% of the total of the taxable value of the property therein, plus the amount of interim production and new production taxes levied divided by the appropriate tax rates described in 15-23-607(2)(a) or (2)(b) and multiplied by 60%, plus the amount of value represented by new production exempted from tax as provided in 15-23-612. The taxable property and the amount of interim production and new production taxes levied shall be ascertained by the last assessment for state and county taxes prior to the issuance of such bonds.

(2) A county may issue bonds which, with all outstanding bonds and warrants except county high school bonds, will exceed ~~11.25%~~ 12.25% but will not exceed ~~22.5%~~ 24.5% of the total of the taxable value of such property, plus the amount of interim production and new production taxes levied divided by the appropriate tax rates described in 15-23-607(2)(a) or (2)(b) and multiplied by 60%, plus the amount of value represented by new production exempted from tax as provided in 15-23-612, when necessary for the purpose of replacing, rebuilding, or repairing county buildings,

bridges, or highways which have been destroyed or damaged by an act of God, disaster, catastrophe, or accident.

(3) The value of the bonds issued and all other outstanding indebtedness of the county, except county high school bonds, shall not exceed ~~22.5%~~ 24.5% of the total of the taxable value of the property within the county, plus the amount of interim production and new production taxes levied divided by the appropriate tax rates described in 15-23-607(2)(a) or (2)(b) and multiplied by 60%, plus the amount of value represented by new production exempted from tax as provided in 15-23-612, as ascertained by the last preceding general assessment."

Section 28. Section 7-14-2525, MCA, is amended to read:

"7-14-2525. Refunding agreements and refunding bonds authorized. (1) Whenever the total indebtedness of a county exceeds ~~22.5%~~ 24.5% of the total of the taxable value of the property therein, plus the amount of interim production and new production taxes levied divided by the appropriate tax rates described in 15-23-607(2)(a) or (2)(b) and multiplied by 60%, plus the amount of value represented by new production exempted from tax as provided in 15-23-612, and the board determines that the county is unable to pay such indebtedness in full, the board may:

(a) negotiate with the bondholders for an agreement whereby the bondholders agree to accept less than the full amount of the bonds and the accrued unpaid interest thereon in satisfaction thereof;

(b) enter into such agreement;

(c) issue refunding bonds for the amount agreed upon.

(2) These bonds may be issued in more than one series, and each series may be either amortization or serial bonds.

(3) The plan agreed upon between the board and the bondholders shall be embodied in full in the resolution providing for the issue of the bonds."

Section 29. Section 7-14-4402, MCA, is amended to read:

"7-14-4402. Limit on indebtedness to provide bus service. The total amount of indebtedness authorized under 7-14-4401(1) to be contracted in any form, including the then-existing indebtedness, may not at any time exceed ~~28%~~ 30.5% of the total taxable value of the property of the city or town subject to taxation as ascertained by the last assessment for state and county taxes. No money may be borrowed or bonds issued for the purposes specified in 7-14-4401(1) until the proposition has been submitted to the vote of the taxpayers of the city or town and the majority vote cast in its favor."

Section 30. Section 7-16-2327, MCA, is amended to read:

"7-16-2327. Indebtedness for park purposes. (1) Subject to the provisions of subsection (2), a county park board, in addition to powers and duties now given under law, shall have the power and duty to contract an indebtedness in behalf of a county, upon the credit thereof, for the

purposes of 7-16-2321(1) and (2).

(2) (a) The total amount of indebtedness authorized to be contracted in any form, including the then-existing indebtedness, must not at any time exceed ~~13%~~ 14% of the total of the taxable value of the taxable property in the county, plus the amount of interim production and new production taxes levied divided by the appropriate tax rates described in 15-23-607(2)(a) or (2)(b) and multiplied by 60%, plus the amount of value represented by new production exempted from tax as provided in 15-23-612, ascertained by the last assessment for state and county taxes previous to the incurring of such indebtedness.

(b) No money may be borrowed on bonds issued for the purchase of lands and improving same for any such purpose until the proposition has been submitted to the vote of those qualified under the provisions of the state constitution to vote at such election in the county affected thereby and a majority vote is cast in favor thereof."

Section 31. Section 7-16-4104, MCA, is amended to read:

"7-16-4104. Authorization for municipal indebtedness for various cultural, social, and recreational purposes. (1) A city or town council or commission may contract an indebtedness on behalf of the city or town, upon the credit thereof, by borrowing money or issuing bonds:

(a) for the purpose of purchasing and improving lands for public parks and grounds;

(b) for procuring by purchase, construction, or otherwise swimming pools, athletic fields, skating rinks, playgrounds, museums, a golf course, a site and building for a civic center, a youth center, or combination thereof; and

(c) for furnishing and equipping the same.

(2) The total amount of indebtedness authorized to be contracted in any form, including the then-existing indebtedness, may not at any time exceed ~~16.5%~~ 18% of the taxable value of the taxable property of the city or town as ascertained by the last assessment for state and county taxes previous to the incurring of such indebtedness. No money may be borrowed on bonds issued for the purchase of lands and improving the same for any such purpose until the proposition has been submitted to the vote of the qualified electors of the city or town and a majority vote is cast in favor thereof."

Section 32. Section 7-31-106, MCA, is amended to read:

"7-31-106. Authorization for county to issue bonds -- election required. (1) If the petition is presented to the board of county commissioners, it shall be the duty of the board, for the purpose of raising money to meet the payments under the terms and conditions of said contract and other necessary and proper expenses in and about the same and for the approval or disapproval thereof:

(a) to ascertain, within 30 days after submission of the petition, the existing indebtedness of the county in the aggregate; and

(b) to submit, within 60 days after ascertaining the same, to the electors of such county the proposition to approve or disapprove the contract and the issuance of bonds necessary to carry out the same.

(2) The amount of the bonds authorized by this section may not exceed ~~22.5%~~ 24.5% of the taxable value of the taxable property therein, inclusive of the existing indebtedness thereof, to be ascertained by the last assessment for state and county taxes previous to the issuance of said bonds and incurring of said indebtedness."

Section 33. Section 7-31-107, MCA, is amended to read:

"7-31-107. Authorization for municipality to issue bonds -- election required. (1) If said petition is presented to the council of any incorporated city or town, the council, for the purpose of raising money to meet the payments under the terms and conditions of said contract and other necessary and proper expenses in and about the same and for the approval or disapproval thereof:

(a) shall ascertain, within 30 days after submission of the petition, the aggregate indebtedness of such city or town; and

(b) shall submit, within 60 days after ascertaining the same, to the electors of such city or town the proposition to approve or disapprove said contract and the issuance of bonds necessary to carry out the same.

(2) The amount of the bonds authorized by this section may not exceed ~~16.5%~~ 18% of the taxable value of the taxable property therein, inclusive of the existing indebtedness thereof, to be ascertained in the manner provided in this part."

Section 34. Section 7-34-2131, MCA, is amended to read:

"7-34-2131. Hospital district bonds authorized. (1) A hospital district may borrow money by the issuance of its bonds to provide funds for payment of part or all of the cost of acquisition, furnishing, equipment, improvement, extension, and betterment of hospital facilities and to provide an adequate working capital for a new hospital.

(2) The amount of bonds issued for such purpose and outstanding at any time may not exceed ~~22.5%~~ 24.5% of the taxable value of the property therein as ascertained by the last assessment for state and county taxes previous to the issuance of such bonds.

(3) Such bonds shall be authorized, sold, and issued and provisions made for their payment in the manner and subject to the conditions and limitations prescribed for bonds of school districts by Title 20, chapter 9, part 4.

(4) Nothing herein shall be construed to preclude the provisions of Title 50, chapter 6, part 1, allowing the state to apply for and accept federal funds."

Section 35. Section 15-1-101, MCA, is amended to read:

"15-1-101. Definitions. (1) Except as otherwise specifically provided, when terms mentioned in this section

are used in connection with taxation, they are defined in the following manner:

(a) The term "agricultural" refers to the raising of livestock, poultry, bees, and other species of domestic animals and wildlife in domestication or a captive environment, and the raising of field crops, fruit, and other animal and vegetable matter for food or fiber.

(b) The term "assessed value" means the value of property as defined in 15-8-111.

(c) The term "average wholesale value" means the value to a dealer prior to reconditioning and profit margin shown in national appraisal guides and manuals or the valuation schedules of the department of revenue.

(d) (i) The term "commercial", when used to describe property, means any property used or owned by a business, a trade, or a nonprofit corporation as defined in 35-2-102 or used for the production of income, except that property described in subsection (ii).

(ii) The following types of property are not commercial:

(A) agricultural lands;

(B) timberlands;

(C) single-family residences and ancillary improvements and improvements necessary to the function of a bona fide farm, ranch, or stock operation;

(D) mobile homes used exclusively as a residence except when held by a distributor or dealer of trailers or mobile homes as his stock in trade;

(E) all property described in 15-6-135; and

(F) all property described in 15-6-136; and

~~(G) all property described in 15-6-146.~~

(e) The term "comparable property" means property that has similar use, function, and utility; that is influenced by the same set of economic trends and physical, governmental, and social factors; and that has the potential of a similar highest and best use.

(f) The term "credit" means solvent debts, secured or unsecured, owing to a person.

(g) The term "improvements" includes all buildings, structures, fences, and improvements situated upon, erected upon, or affixed to land. When the department of revenue or its agent determines that the permanency of location of a mobile home or housetrailer has been established, the mobile home or housetrailer is presumed to be an improvement to real property. A mobile home or housetrailer may be determined to be permanently located only when it is attached to a foundation which cannot feasibly be relocated and only when the wheels are removed.

(h) The term "leasehold improvements" means improvements to mobile homes and mobile homes located on land owned by another person. This property is assessed under the appropriate classification and the taxes are due and payable in two payments as provided in 15-24-202. Delinquent taxes on such leasehold improvements are a lien only on such leasehold improvements.

(i) The term "livestock" means cattle, sheep, swine, goats, horses, mules, and asses.

(j) The term "mobile home" means forms of housing known as "trailers", "housetrailers", or "trailer coaches" exceeding 8 feet in width or 45 feet in length, designed to be moved from one place to another by an independent power connected to them, or any "trailer", "housetrailer", or "trailer coach" up to 8 feet in width or 45 feet in length used as a principal residence.

(k) The term "personal property" includes everything that is the subject of ownership but that is not included within the meaning of the terms "real estate" and "improvements".

(l) The term "poultry" includes all chickens, turkeys, geese, ducks, and other birds raised in domestication to produce food or feathers.

(m) The term "property" includes moneys, credits, bonds, stocks, franchises, and all other matters and things, real, personal, and mixed, capable of private ownership. This definition must not be construed to authorize the taxation of the stocks of any company or corporation when the property of such company or corporation represented by the stocks is within the state and has been taxed.

(n) The term "real estate" includes:

(i) the possession of, claim to, ownership of, or right to the possession of land;

(ii) all mines, minerals, and quarries in and under the land subject to the provisions of 15-23-501 and Title 15, chapter 23, part 8; all timber belonging to individuals or corporations growing or being on the lands of the United States; and all rights and privileges appertaining thereto.

(o) "Research and development firm" means an entity incorporated under the laws of this state or a foreign corporation authorized to do business in this state whose principal purpose is to engage in theoretical analysis, exploration, and experimentation and the extension of investigative findings and theories of a scientific and technical nature into practical application for experimental and demonstration purposes, including the experimental production and testing of models, devices, equipment, materials, and processes.

(p) The term "taxable value" means the percentage of market or assessed value as provided for in ~~15-6-131 through 15-6-149~~ Title 15, chapter 6, part 1.

(q) The term "weighted mean assessment ratio" means the total of the assessed values divided by the total of the selling prices of all area sales in the stratum.

(2) The phrase "municipal corporation" or "municipality" or "taxing unit" shall be deemed to include a county, city, incorporated town, township, school district, irrigation district, drainage district, or any person, persons, or organized body authorized by law to establish tax levies for the purpose of raising public revenue.

(3) The term "state board" or "board" when used without other qualification shall mean the state tax appeal

board."

Section 36. Section 15-6-137, MCA, is amended to read:

"15-6-137. Class seven property -- description -- taxable percentage. (1) Class seven property includes:

(a) all property used and owned by persons, firms, corporations, or other organizations that are engaged in the business of furnishing telephone communications exclusively to rural areas or to rural areas and cities and towns of 800 persons or less;

(b) all property owned by cooperative rural electrical and cooperative rural telephone associations that serve less than 95% of the electricity consumers or telephone users within the incorporated limits of a city or town;

(c) electric transformers and meters; electric light and power substation machinery; natural gas measuring and regulating station equipment, meters, and compressor station machinery owned by noncentrally assessed public utilities; and tools used in the repair and maintenance of this property;

(d) any tools or implements that are not included in another class or that are exempt under 15-6-201(1)(r), and machinery used to repair and maintain machinery not used for manufacturing and mining purposes.

(2) To qualify for this classification, the average circuit miles for each station on the telephone communication system described in subsection (1)(b) must be more than 1 mile.

(3) Class seven property is taxed at ~~8%~~ 4% of its market value."

Section 37. Section 15-6-138, MCA, is amended to read:

"15-6-138. Class eight property -- description -- taxable percentage. (1) Class eight property includes:

(a) all agricultural implements and equipment;

(b) all mining machinery, fixtures, equipment, tools that are not exempt under 15-6-201(1)(r), and supplies except--

~~(i) those included in class five; and~~

~~(ii) coal and ore haulers;~~

(c) all manufacturing machinery, fixtures, equipment, tools that are not exempt under 15-6-201(1)(r), and supplies except those included in class five;

(d) all trailers, including those prorated under 15-24-102, except those subject to taxation under 61-3-504(2);

(e) all goods and equipment intended for rent or lease, except goods and equipment specifically included and taxed in another class;

(f) buses and trucks having a rated capacity of more than 1 ton, including those prorated under 15-24-102; and

~~(g) all other machinery except that specifically included in another class.~~

(g) truck toppers weighing more than 300 pounds;

(h) furniture, fixtures, and equipment, except that specifically included in another class, used in commercial

establishments as defined in this section;

- (i) x-ray and medical and dental equipment;
- (j) citizens' band radios and mobile telephones;
- (k) radio and television broadcasting and transmitting equipment;
- (l) cable television systems;
- (m) coal and ore haulers;
- (n) theater projectors and sound equipment; and
- (o) all other property not included in any other class in this part, except that property subject to a fee in lieu of a property tax.

(2) As used in this section, "coal and ore haulers" means nonhighway vehicles that exceed 18,000 pounds per axle and that are primarily designed and used to transport coal, ore, or other earthen material in a mining or quarrying environment.

(3) "Commercial establishment" includes any hotel; motel; office; petroleum marketing station; or service, wholesale, retail, or food-handling business.

~~(2)~~(4) Class eight property is taxed at ~~11%~~ 4% of its market value."

Section 38. Section 15-10-402, MCA, is amended to read:

"15-10-402. Property tax limited to 1986 levels. (1) Except as provided in subsections (2) and (3), the amount of taxes levied on property described in 15-6-133, 15-6-134, 15-6-136, ~~15-6-139~~, 15-6-142, and 15-6-144 may not, for any taxing jurisdiction, exceed the amount levied for taxable year 1986.

(2) The limitation contained in subsection (1) does not apply to levies for rural improvement districts, Title 7, chapter 12, part 21; special improvement districts, Title 7, chapter 12, part 41; or bonded indebtedness.

(3) New construction or improvements to or deletions from property described in subsection (1) are subject to taxation at 1986 levels.

(4) As used in this section, the "amount of taxes levied" and the "amount levied" mean the actual dollar amount of taxes imposed on an individual piece of property, notwithstanding an increase or decrease in value due to inflation, reappraisal, adjustments in the percentage multiplier used to convert appraised value to taxable value, changes in the number of mills levied, or increase or decrease in the value of a mill."

Section 39. Section 15-24-1102, MCA, is amended to read:

"15-24-1102. Federal property held under contract of sale. When the property is held under a contract of sale or other agreement whereby upon payment the legal title is or may be acquired by the person, the real property shall be assessed and taxed as defined in ~~15-6-131 through 15-6-149~~ Title 15, chapter 6, part 1, and 15-8-111 without deduction on account of the whole or any part of the purchase price or other sum due on the property remaining unpaid. The lien for the tax may not attach to, impair, or be enforced against

any interest of the United States in the real property."

Section 40. Section 15-24-1103, MCA, is amended to read:

"15-24-1103. Federal property held under lease. When the property is held under lease, other interest, or estate therein less than the fee, except under contract of sale, the property shall be assessed and taxed as for the value, as defined in ~~15-6-131 through 15-6-149~~ Title 15, chapter 6, part 1, of such leasehold, interest, or estate in the property and the lien for the tax shall attach to and be enforced against only the leasehold, interest, or estate in the property. When the United States authorizes the taxation of the property for the full assessed value of the fee thereof, the property shall be assessed for full assessed value as defined in 15-8-111."

Section 41. Section 15-35-103, MCA, is amended to read:

"15-35-103. Severance tax -- ~~rates~~ rate imposed. (1) Subject to the provisions of 15-35-202 allowing a new coal production incentive tax credit, a severance tax of 1% of value is imposed on each ton of coal produced in the state, in accordance with the following schedule:

~~(a) After June 30, 1988, and before July 1, 1990:~~

Heating quality (Btu per pound of coal):	Surface Mining	Underground Mining
--	-------------------	-----------------------

Under 7,000	17% of value	3% of value
7,000 and over	25% of value	4% of value

~~(b) After June 30, 1990, and before July 1, 1991:~~

Heating quality (Btu per pound of coal):	Surface Mining	Underground Mining	of
--	-------------------	-----------------------	----

Under 7,000	13% of value	3% of value
7,000 and over	20% of value	4% of value

~~(c) After June 30, 1991:~~

Heating quality (Btu per pound of coal):	Surface Mining	Underground Mining	of
--	-------------------	-----------------------	----

Under 7,000	10% of value	3% of value
7,000 and over	15% of value	4% of value

(2) "Value" means the contract sales price.

~~(3) The formula which yields the greater amount of tax in a particular case shall be used at each point on these schedules.~~

~~(4)~~(3) A person is not liable for any severance tax upon 50,000 tons of the coal he produces in a calendar year, except that if he produces more than 50,000 tons of coal in a calendar year, he will be liable for severance tax upon all coal produced in excess of the first 20,000 tons.

~~(5)~~(4) A new coal production incentive tax credit may be claimed on certain coal as provided in 15-35-202."

Section 42. Section 19-11-503, MCA, is amended to read:

"19-11-503. Special tax levy for fund required. (1) The purpose of this section is to provide a means by which

each disability and pension fund may be maintained at a level equal to ~~4%~~ 4.3% of the taxable valuation of all taxable property within the limits of the city or town.

(2) Whenever the fund contains less than ~~4%~~ 4.3% of the taxable valuation of all taxable property within the limits of the city or town, the governing body of the city or town shall, at the time of the levy of the annual tax, levy a special tax as provided in 19-11-504. The special tax must be collected as other taxes are collected and, when so collected, must be paid into the disability and pension fund.

(3) If a special tax for the disability and pension fund is levied by a third-class city or town using the all-purpose mill levy, the special tax levy must be made in addition to the all-purpose levy."

Section 43. Section 19-11-504, MCA, is amended to read:

"19-11-504. Amount of special tax levy. Whenever the fund contains an amount which is less than ~~4%~~ 4.3% of the taxable valuation of all taxable property in the city or town, the city council shall levy an annual special tax of not less than 1 mill and not more than 4 mills on each dollar of taxable valuation of all taxable property within the city or town."

Section 44. Section 20-9-343, MCA, is amended to read:

"20-9-343. Definition of and revenue for state equalization aid. (1) As used in this title, the term "state equalization aid" means ~~those moneys~~ the money deposited in the state special revenue fund as required in this section plus any legislative appropriation of money from other sources for distribution to the public schools for the purpose of equalization of the foundation program.

(2) ~~The legislative appropriation legislature shall biennially appropriate money for state equalization aid shall be made in a single sum for the biennium.~~ The superintendent of public instruction ~~has authority to~~ may spend ~~such~~ the appropriation, together with the earmarked revenues provided in subsection (3), as required for foundation program purposes throughout the biennium.

(3) The following ~~shall~~ must be paid into the state special revenue fund for state equalization aid to public schools of the state:

(a) 31.8% of all money received from the collection of income taxes under chapter 30 of Title 15;

(b) 25% of all money, except as provided in 15-31-702, received from the collection of corporation license and income taxes under chapter 31 of Title 15, as provided by 15-1-501;

(c) 100% of the money allocated to state equalization from the collection of the severance tax on coal;

(d) 100% of the money received from the treasurer of the United States as the state's shares of oil, gas, and other mineral royalties under the federal Mineral Lands Leasing Act, as amended;

(e) interest and income money described in 20-9-341 and 20-9-342;

(f) income from the education trust fund account; and

(g) in addition to these revenues, the surplus revenues collected by the counties for foundation program support according to 20-9-331 and 20-9-333; and

(h) all money collected from the sales tax on coal as provided in [section 10].

(4) Any surplus revenue in the state equalization aid account in the second year of a biennium may be used to reduce the appropriation required for the next succeeding biennium."

Section 45. Section 20-9-406, MCA, is amended to read:

"20-9-406. Limitations on amount of bond issue. (1) The maximum amount for which each school district may become indebted by the issuance of bonds, including all indebtedness represented by outstanding bonds of previous issues and registered warrants, is ~~45%~~ 49% of the taxable value of the property subject to taxation as ascertained by the last completed assessment for state, county, and school taxes previous to the incurring of such indebtedness. The ~~45%~~ maximum, however, may not pertain to indebtedness imposed by special improvement district obligations or assessments against the school district or to bonds issued for the repayment of tax protests lost by the district. All bonds issued in excess of such amount shall be null and void, except as provided in this section.

(2) When the total indebtedness of a school district has reached the ~~45%~~ limitation prescribed in this section, the school district may pay all reasonable and necessary expenses of the school district on a cash basis in accordance with the financial administration provisions of this chapter.

(3) Whenever bonds are issued for the purpose of refunding bonds, any moneys to the credit of the debt service fund for the payment of the bonds to be refunded are applied towards the payment of such bonds and the refunding bond issue is decreased accordingly."

Section 46. Section 20-9-407, MCA, is amended to read:

"20-9-407. Industrial facility agreement for bond issue in excess of maximum. (1) In a school district within which a new major industrial facility which seeks to qualify for taxation as class five property under 15-6-135 is being constructed or is about to be constructed, the school district may require, as a precondition of the new major industrial facility qualifying as class five property, that the owners of the proposed industrial facility enter into an agreement with the school district concerning the issuing of bonds in excess of the ~~45%~~ limitation prescribed in 20-9-406. Under such an agreement, the school district may, with the approval of the voters, issue bonds which exceed the limitation prescribed in this section by a maximum of ~~45%~~ 49% of the estimated taxable value of the property of the

new major industrial facility subject to taxation when completed. The estimated taxable value of the property of the new major industrial facility subject to taxation shall be computed by the department of revenue when requested to do so by a resolution of the board of trustees of the school district. A copy of the department's statement of estimated taxable value shall be printed on each ballot used to vote on a bond issue proposed under this section.

(2) Pursuant to the agreement between the new major industrial facility and the school district and as a precondition to qualifying as class five property, the new major industrial facility and its owners shall pay, in addition to the taxes imposed by the school district on property owners generally, so much of the principal and interest on the bonds provided for under this section as represents payment on an indebtedness in excess of the limitation prescribed in 20-9-406. After the completion of the new major industrial facility and when the indebtedness of the school district no longer exceeds the limitation prescribed in this section, the new major industrial facility shall be entitled, after all the current indebtedness of the school district has been paid, to a tax credit over a period of no more than 20 years. The credit shall as a total amount be equal to the amount which the facility paid the principal and interest of the school district's bonds in excess of its general liability as a taxpayer within the district.

(3) A major industrial facility is a facility subject to the taxing power of the school district, whose construction or operation will increase the population of the district, imposing a significant burden upon the resources of the district and requiring construction of new school facilities. A significant burden is an increase in ANB of at least 20% in a single year."

Section 47. Section 20-9-502, MCA, is amended to read:

"20-9-502. Purpose and authorization of a building reserve fund by an election. (1) The trustees of any district, with the approval of the qualified electors of the district, may establish a building reserve for the purpose of raising money for the future construction, equipping, or enlarging of school buildings or for the purpose of purchasing land needed for school purposes in the district. In order to submit to the qualified electors of the district a building reserve proposition for the establishment of or addition to a building reserve, the trustees shall pass a resolution that specifies:

(a) the purpose or purposes for which the new or addition to the building reserve will be used;

(b) the duration of time over which the new or addition to the building reserve will be raised in annual, equal installments;

(c) the total amount of money that will be raised during the duration of time specified in subsection (1)(b); and

(d) any other requirements under 20-20-201 for the calling of an election.

(2) The total amount of building reserve when added to the outstanding indebtedness of the district shall not be more than ~~45%~~ 49% of the taxable value of the taxable property of the district. Such limitation shall be determined in the manner provided in 20-9-406. A building reserve tax authorization shall not be for more than 20 years.

(3) The election shall be conducted in accordance with the school election laws of this title, and the electors qualified to vote in the election shall be qualified under the provisions of 20-20-301. The ballot for a building reserve proposition shall be substantially in the following form: OFFICIAL BALLOT SCHOOL DISTRICT BUILDING RESERVE ELECTION

INSTRUCTIONS TO VOTERS: Make an X or similar mark in the vacant square before the words "BUILDING RESERVE--YES" if you wish to vote for the establishment of a building reserve (addition to the building reserve); if you are opposed to the establishment of a building reserve (addition to the building reserve) make an X or similar mark in the square before the words "BUILDING RESERVE--NO".

Shall the trustees be authorized to impose an additional levy each year for .... years to establish a building reserve (add to the building reserve) of this school district to raise a total amount of .... dollars (\$....), for the purpose(s) .... (here state the purpose or purposes for which the building reserve will be used)?

☐ BUILDING RESERVE--YES.

☐ BUILDING RESERVE--NO.

(4) The building reserve proposition shall be approved if a majority of those electors voting at the election approve the establishment of or addition to such building reserve. The annual budgeting and taxation authority of the trustees for a building reserve shall be computed by dividing the total authorized amount by the specified number of years. The authority of the trustees to budget and impose the taxation for the annual amount to be raised for the building reserve shall lapse when, at a later time, a bond issue is approved by the qualified electors of the district for the same purpose or purposes for which the building reserve fund of the district was established. Whenever a subsequent bond issue is made for the same purpose or purposes of a building reserve, the money in the building reserve shall be used for such purpose or purposes before any money realized by the bond issue is used."

NEW SECTION. Section 48. Repealer. Sections 15-6-139, 15-6-140, and 15-6-146, MCA, are repealed.

NEW SECTION. Section 49. Effective date. (1) Except as provided in subsection (2), [this act] is effective on passage and approval.

(2)(a) If [this act] is passed and approved after July 1, 1989, [this act] is effective retroactively, within the meaning of 1-2-109, to July 1, 1989.

**NEW SECTION. Section 50. Applicability -- contingency.** (1) If [this act] is passed and approved after June 30, 1989, [sections 4 through 13] apply retroactively, within the meaning of 1-2-109, to all coal sold and the receipts from such sales after June 30, 1989. Receipts from coal sold prior to July 1, 1989, are not subject to the tax imposed in [section 3], regardless of when the receipts from the sale are collected.

(2) If [this act] is passed and approved prior to July 1, 1989, [sections 4 through 13] apply July 1, 1989, to all receipts from the sale of coal occurring after June 30, 1989. Receipts from coal sold prior to July 1, 1989, are not subject to the tax imposed in [section 2], regardless of when the receipts from the sale are collected.

(3) [Sections 14 through 47] apply to taxable years beginning after December 31, 1989, and to fiscal years beginning after June 30, 1990.

**NEW SECTION. Section 51. Saving clause.** [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

**NEW SECTION. Section 52. Nonseverability.** It is the intent of the legislature that each part of [sections 4 through 50] is essentially dependent upon every other part, and if one part is held unconstitutional or invalid, all other parts are invalid.

**NEW SECTION. Section 53. Codification instruction.** (1) [Section 3] is intended to be codified as an integral part of Title 23, chapter 5, part 6, and the provisions of Title 23, chapter 5, part 6, apply to [section 3].

(2) [Sections 4 through 13] are intended to be codified as an integral part of Title 15, and the provisions of Title 15 apply to [sections 4 through 13]."

Amendments to House Bill No. 55  
First Reading Copy

6  
6/28/89  
55  
HB

Requested by Representative Cohen  
For the Committee on Taxation

Prepared by Lee Heiman  
June 27, 1989

1. Title, line 20.  
Following: "20-9-502,"  
Insert: "23-5-311,"

2. Page 32, line 19.  
Strike: "and"

3. Page 32.  
Following: line 19  
Insert: "(h) revenue received from the licensing of authorized  
card games under Title 32, chapter 5, part 3; and"  
Renumber: subsequent subsection

4. Page 42.  
Following: line 20  
Insert: "Section 37. Section 23-5-311, MCA, is amended to read:  
"23-5-311. Authorized card games. (1) The card games  
authorized by this part are and are limited to the card  
games known as bridge, cribbage, hearts, panguingue,  
pinochle, pitch, ~~poker~~, rummy, solo, and whist, and poker,  
including those poker games that are played on video  
gambling machines licensed under this chapter on July 1,  
1989.

(2) A person may conduct or participate in a live card  
game or make a live card game table available for public  
play of a live card game only if it is specifically  
authorized by this part and described by department rules.

(3) This part does not apply to games simulated on  
electronic video gambling machines authorized under part 6  
of this chapter."

Renumber: subsequent sections

saved also in e:

## VISITORS' REGISTER

Taxation

COMMITTEE

BILL NO.

HB21

DATE

6/28/89

SPONSOR \_\_\_\_\_

NAME (please print)	REPRESENTING:	SUPPORT	OPPOSE
Leon Stakup	Mt Restaurant		X
	Association		
Boris Durkee	MTA Helena		X
Charles Brooks	MIT Rot'n / Assoc		X
Don Ingels	Mt Chamber of Commerce		X

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

# ROLL CALL VOTE

HOUSE TAXATION

COMMITTEE

DATE 6/28/89 BILL NO. 5 as Amended NUMBER 1

NAME	AYE	NAY
Ben Cohen		✓
Jerry Driscoll	✓	
Jim Elliott	✓	
Orval Ellison	✓	
Leo Giacometto		✓
Bob Gilbert	✓	
Susan Good		✓
Ed Grady	✓	
Marian Hanson	✓	
Robert Hoffman	✓	
Mike Kadas	✓	
Francis Koehnke	✓	
Mark O'Keefe	✓	✓
John Patterson	✓	✓
Bob Raney		✓
Dennis Rehberg	✓	
Ted Schve		✓
Barry Stang	✓	
Jessico Stickney	✓	
Chuck Swysgood		✓
Bob Ream		✓
Dan Harrington	✓	

TALLY

13 8

Donna Grace  
SECRETARY

Dan Harrington  
CHAIRMAN

MOTION: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# ROLL CALL VOTE

HOUSE TAXATION

COMMITTEE

DATE 6/28/85 BILL NO. 22 NUMBER 1 A

NAME	AYE	NAY
Ben Cohen		✓
Jerry Driscoll		✓
Jim Elliott		
Orval Ellison	✓	
Leo Giacometto	✓	
Bob Gilbert	✓	
Susan Good	✓	
Ed Grady	✓	
Marian Hanson	✓	
Robert Hoffman	✓	
Mike Kadas	Abst	
Francis Koehnke		✓
Mark O'Keefe		✓
John Patterson	✓	
Bob Raney		✓
Dennis Rehberg	✓	
Ted Schve	—	
Barry Stang		✓
Jessico Stickney		✓
Chuck Swysgood	✓	
Bob Ream		✓
Dan Harrington		✓

TALLY

10 9

Donna Jean  
SECRETARY

Dan Harrington  
CHAIRMAN

MOTION: to table

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## ROLL CALL VOTE

## HOUSE TAXATION

**COMMITTEE**

DATE 6-28-89 BILL NO. 48 NUMBER 2

**NAME**

**AYE**

**NAY**

[illegible]

**TALLY**

Donna Grace  
SECRETARY

14 6  
Ann Harrison  
CHAIRMAN

MOTION: do pass as amended

# ROLL CALL VOTE

HOUSE TAXATION

COMMITTEE

DATE 6/28/89

BILL NO. 51

NUMBER 3

NAME	AYE	NAY
Ben Cohen	✓	
Jerry Driscoll		
Jim Elliott		✓
Orval Ellison		✓
Leo Giacometto	✓	
Bob Gilbert	✓	
Susan Good		✓
Ed Grady	✓	
Marian Hanson	✓	
Robert Hoffman		✓
Mike Kadas		✓
Francis Koehnke		✓
Mark O'Keefe	✓	
John Patterson	✓	
Bob Raney	✓	
Dennis Rehberg	✓	
Ted Schve		
Barry Stang		✓
Jessico Stickney	✓	
Chuck Swysgood		✓
Bob Ream		✓
Dan Harrington	✓	

TALLY

Donna Grace  
SECRETARY

Dan Harrington  
CHAIRMAN

MOTION: Do Pass

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## ROLL CALL VOTE

## HOUSE TAXATION

COMMITTEE

DATE 6/28/89 BILL NO. 55 NUMBER 4

[illegible]

**TALLY**

$$\begin{array}{r} 12 \\ - 8 \\ \hline \end{array}$$

Donna Grace

**SECRETARY**

CHAIRMAN

**MOTION.**

First Amendment (23-page Rehberg amendment)

ROLL CALL VOTE

## HOUSE TAXATION

COMMITTEE

DATE 6/28/89

BILL NO. 55

NUMBER 5

**NAME**

**AYE**

NAY

[illegible]

## TALLY

13

3

TALLY

Donna Grace

SECRETARY

**CHAIRMAN**

**MOTION:**

CHAIRMAN

*As Pass as Amended*