MINUTES

MONTANA SENATE
51st LEGISLATURE - SECOND SPECIAL SESSION

COMMITTEE ON TAXATION

Call to Order: By Senator Bob Brown, Chairman, on May 22, 1990, at 9:45 a.m.

ROLL CALL

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

Members Excused: None

Members Absent: None

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

Announcements/Discussion: None

HEARING ON SENATE BILL 4

Presentation and Opening Statement by Sponsor:

Senator Del Gage, District 5, sponsor of the bill, pointed out the committee had passed SB 1 yesterday in a form that included those provisions everyone was pretty well agreed upon. The rates were stricken from that bill. SB 4, therefore, has been introduced to deal with just the rate structure of the flat tax. The bill is basically Section 1 of SB 1 which sets rates on regular and stripper oil and regular and stripper gas at the level of HB 28. It raises the rates on royalty oil, both regular and stripper, to 12.5% and raises rates on regular and stripper royalty gas to 15.25%. The royalty rates in HB 28 were 4.2% on stripper oil, 8.4% on regular oil, 15.25% on regular gas, and 7.625% on stripper gas. Therefore, royalty owners are the only segment getting an increase under SB 4. The rest of the rates remain the same as HB 28. The flat tax rates in SB 4 will raise the same revenue on the 1987 production as those producers and royalty owners paid in net proceeds taxes in 1987. The problem seems to be whether we 1987 or 1989 production is used as the base for raising the revenue that was raised by using the net proceeds tax on 1987 production.

Senator Gage challenged anyone to find any evidence of any kind from the 1989 Special Session which would indicate that it was the intention of the Legislature to raise the same amount of revenue in 1989 that was raised in 1987. If that scenario was the intention, there would have been no reason to put rates in the bill in the first place. The bill would have been written to have annually adjusted rates which would raise $40 million regardless of the amount of production. That would have made the bill tax neutral to a revenue position. That was not done and was not intended.

List of Testifying Proponents and What Group they Represent:

Jerome Anderson, Shell Western Exploration and Production Company, Legislative Committee of the Montanan Petroleum Association
Senator Yellowtail, District 50
Doug Abelin, Montana Oil and Gas Association

List of Testifying Opponents and What Group They Represent:

Tom Bilodeau, Montana Education Association

Testimony:

Jerome Anderson said these rates are those suggested by the Montana Oil and Gas Association. This is an effort to reach tax neutrality based on 1987 production. It is clear that regular oil is impacted by these rates which under this bill are 8.4% and under net proceeds were 7.23%. To Shell Western, this represents about a $1 million increase. However, the company is willing to accept that increase for the reasons stated in testimony presented May 21, 1990, before the committee on SB 1.

Senator Yellowtail, District 50, said that in June, 1989, there was a definite and genuine perception by the public of an assurance of revenue neutrality to match the level of revenue of 1989. He contended the schools, counties, and general public are going to be very disappointed to find they will receive less than that from this special session. The public perception is that the revenue will be the same.

Senator Yellowtail acknowledged that after the first year the situation will never again be revenue neutral. He pointed out not only is the oil industry "taking a

hit" under this bill, so is every other taxpayer in the state "taking a hit" and that increase, namely, the 40 mills in HB 28, will not be felt by the oil industry.

He encouraged the committee to set rates that are truly revenue neutral to the time of the enactment of this system of taxation.

Doug Abelin said he concurred with the rates. He said his business cannot survive under the current status of the law.

Opponents:

Tom Bilodeau said the educational community feels the rates must raise a minimum of $35.9 million. It is his understanding that the rates in SB 4 will cut that amount by $2.4 million. He noted this will contribute to the deficit now faced by the State at a time when the taxpayer has been faced with a new 5% surtax. In addition, some residential and commercial property taxpayers will pay an additional 40 mills of property tax.

The level of state funding of public education under HB 28 is estimated at 83-84%. Increased costs in school districts combined with the reduction in revenue in this bill would lower that level to 75%. This, in turn, will undoubtedly lead to a repeat of the underfunded school situation.

The underfunded amount will be a cost passed on to the guaranteed tax base which will reduce the state average guaranteed tax base and require the poorer districts to ask for additional monies. Some districts will not be able to make that additional effort which, in effect, creates an economic incentive to increase disparity between districts.

Another impact of requiring a greater and greater level of local support is that local taxpayers are going to have to raise more money on an unequalized basis mainly through the local property tax.

Questions by Committee Members:

Senator Gage asked Mr. Bilodeau how the MEA knew, in the 1989 Special Session, that the net proceeds tax on 1988 would raise $35.9 million.

Mr. Bilodeau replied it was the understanding of the MEA that state support for the general fund was going to be $385 million under HB 28. That money came from a number of sources. The bill the educational committee originally supported provided $35.9 million. That is the amount that is needed for funding HB 28.

Senator Crippen said HB 28 went to Education rather than Taxation in the Special Session, therefore, the committee members are somewhat in the dark as to the deliberations leading up to passage of the bill. He asked for clarification of the $35.9 million figure.

Mr. Bilodeau replied the educational community was looking at total state funding and the need to establish the adequacy of state funding and equity of school finance. Their view was focused on the total dollars that contribute to the state share of educational costs. He felt equity of effort has to be established between the taxpaying interests. The total figure of $385 million is the total general fund contribution. He did not recall if precisely $35.9 million was discussed from the oil and gas source. He did not recall what base year was discussed without consulting his records.

Senator Mazurek asked Mr. Anderson if the oil and gas industry does support correcting both the rates and the stripper exemption .

Mr. Anderson replied they do.

Senator Mazurek asked if there was any objection to correcting both problems in the same bill.

Mr. Anderson replied they have no objection. He said the figures that were used during the hearings on HB 28 with respect to revenue neutrality were gathered from a study of 1987 production showing total average taxes of net proceeds across the state of $32.4 million. This was a study from Mr. Anderson's files and was distributed and used during the hearings on HB 28 and was the basis for the determination that was made. He said there is absolutely no question that the 1987 figures were used as a basis as they were the only figures they had.

Senator Mazurek said there is no question about 1987 figures being used, the question was whether it was going to be revenue neutral when it was implemented or revenue neutral back to 1987.

Senator Crippen asked Senator Yellowtail what his perception of revenue neutrality is and what base year he understands is to be used.

Senator Yellowtail said he is speaking of the public perception of the funding. He said the school people he has talked to are concerned about the decline of their revenue stream based on the flat tax scheme. He said he shares the same concern. He felt revenue neutrality has to be set to the time of implementation of the bill. He is also concerned that there will be a backlash on the coal, oil, and gas industries in the state when that revenue begins to decline.

Senator Mazurek, Senator Eck, Senator Norman, and Senator Crippen expressed concern that the revenue neutrality issue was not fully understood by the committee and several of those testifying.

Senator Gage again stated the bill is intended to provide revenue neutrality for the first year based on 1987 production.

Senator Yellowtail said that is his understanding, also. He further stated his concern for the possible decline in revenue for future years because of declining production. But he reiterated it is his understanding the bill will be revenue neutral from the point of implementation for the first year only. He further expressed concern that the oil and gas industry will pay less under flat tax than they did before the implementation of HB 28 and the additional burden will therefore fall on the local property taxpayer.

In answer to a question by Senator Halligan, Senator Gage said the rates are higher on oil and lower on gas in this bill than in SB 1. These rates raise $1.5 million less than SB 1 because the rates were based on figures from DOR that were later determined to be $1.5 million high.

Senator Mazurek asked what the reasoning was behind the shift between oil and gas rates.

Senator Gage said the rates on everything but strippers were intended to be revenue neutral based on what was paid in 1987. These rates were raised in order to give

the strippers a break. The industry said they did not have a problem with that arrangement and were willing to do that if they could get to a revenue neutral position and use the flat tax.

Senator Mazurek asked Dennis Adams how he arrived at the $40.4 million figure.

Director Adams said the net proceeds taxes paid on calendar year 1987 production came to about $40.3 million. The LGST, using the rates in SB 1, would have generated about $40.4 million or about $77,000 more than net proceeds taxes on the same production (1987). Based on 1989 production, with these rates, about $32 million. Net proceeds taxes on calendar year 1987 production were a little over $40 million. By 1988 production, net proceeds dropped to approximately $36 million. Based on 1989, net proceeds revenue would drop to approximately $32 million.

Senator Brown asked if this were directly attributable to decline in production.

Director Adams replied it was attributable to decline in production and price. He also pointed out that under new and interim production there is a 12 month tax holiday which, in effect, does not generate any taxes even though there may be more production.

Senator Mazurek noted the LFA had raised the issue of possible shifts between royalty and producing interests. He asked Senator Gage if he would have any objection to an amendment which would ensure that shift could not happen.

Senator Gage said he would have to see the amendment first. He said he is not in favor of tying anyone's hands who is making good business decisions.

Closing by Sponsor:

Senator Gage closed by again issuing the challenge to anyone who could prove there was ever an intention to make the rates 1989 revenue neutral. He said the first thing a businessman will look at when contemplating a new business location is the stability of the tax system. In 1985 old production was segregated and impose a flat tax of 7% of any new oil production and 12% on new gas. Now there are those who would

change that system because they were not in on the beginning of it. The system has been adjusted to be revenue neutral to 1987 and, as far as Senator Gage is concerned, a deal is a deal and the bill needs to be passed and sent on its way.

Executive Session:

DISPOSITION OF SB 4

Senator Gage Moved SB 4 Do Pass. He said there is some support for going back to SB 1 as it was with the rates that are in SB 4. He said he would not object to tabling this bill and going to caucus to see if they would accept an amendment to SB 1 on the floor to insert the SB 4 rates.

Discussion:

Senator Mazurek expressed a concern re retroactive application to royalty. He said it might be necessary to have a severability clause that would be specific to 1989 and 1990.

Jeff Martin said that could be difficult. If a contingent severability clause were put in, it may invite a challenge. On the other hand, it would be safe to indicate "relative to non-working interest effective 1990". As the bill stands now, everything is applicable to 1989 production. He felt the safest course is to have a retroactive applicability date for the non-working interest to production year 1990.

Senator Brown felt there is standard severability language that can be used without having to give up a year.

Mr. Martin again felt the contingent clause would have to be used relative to 1990.

Senator Mazurek said, on reflection, he did not want to risk giving up 1989.

Senator Gage gave the committee members the information from Mr. Moore regarding the retroactivity issue with respect to the stripper well exemption (attachment #1).

Mr. Moore reviewed the information for the committee.

Recommendation and Vote:

The Motion that SB 4 Do Pass Carried Unanimously.

ADJOURNMENT

Adjournment At: 10:40 a.m.

Bob Brown

SENATOR BOB BROWN, Chairman

BB/jdr

min522.jdr

SENATE STANDING COMMITTEE REPORT

May 22, 1990

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration Senate Bill 4 (first reading copy -- white), respectfully report that Senate Bill 4 do pass.

DO PASS

Signed: _____

Senator Bob Brown, Chairman

5/22/90
12:04

sb000401.522

ROLL CALL

TAXATION COMMITTEE

51ST LEGISLATIVE SESSION -- ~~1987~~ 1990 Date 5/22/90

Special Session II

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

Each day attach to minutes.

The New York and U.S. Supreme Court cases suggest that the Montana Supreme Court decision in First Federal Sav. & Loan might be limited to egregious instances where the retroactivity extended over a number of years. The Montana Supreme Court may agree with the U.S. Supreme Court and hold that a retroactive statute passed at the first opportunity after knowledge of the need is valid. As stated by the U.S. Supreme Court in the Welch vs. Henry case quoted above:

> In its performance experience has shown the importance of reasonable opportunity for the legislative body, in the revision of tax laws, to distribute increased costs of government among its taxpayers in the light of present need for revenue and with knowledge of the sources and amounts of the various classes of taxable income during the taxable period preceding revision. Without that opportunity accommodation of the legislative purpose to the need may be seriously obstructed if not defeated. We cannot say that the due process which the Constitution exacts denies that opportunity to legislatures; that it withholds from them, more than in the case of a prospective tax, authority to distribute the increased tax burden in the light of experience and in conformity with accepted notions of the requirements of equal protection; or that in view of well established legislative practice, both state and national, taxpayers can justly assert surprise or complain of arbitrary action in the retroactive apportionment of tax burdens to income at the first opportunity after knowledge of the nature and amount of the income is available. And we think that the "recent transactions" to which this Court has declared a tax lay may be retroactively applied, Cooper v. United States, 280 U.S. 409, 411, 50 S.Ct. 164, 74 L.Ed. 516, must be taken to include the receipt of income during the year of the legislative session preceding that of its enactment.

To summarize, it is the opinion of the writer that retroactive tax legislation at the next succeeding legislative session can be valid even if it eliminates existing exemptions.

The U.S. Supreme Court case of Welch vs. Henry, 305 U.S. 134, 59 S.Ct. 121 (1938), cited in the Replan. decision, is especially enlightening, as evidenced by the following quotation:

> Appellant, a resident of Wisconsin, received in 1933 gross income of $13,383.26, of which $12,156.10 was dividends received from corporations whose "principal business" was "attributable to Wisconsin" within the meaning of the taxing statute. By §71.04(4), Wisconsin Stat. 1933, such dividends were deductible from gross income in computing net taxable income, together with other items, including taxes, interest paid, business expenses, losses from the sale of securities, and donations, aggregating, in the case of appellant, $11,161.97, so that he had no taxable net income for the year 1933.
>
> Petitioner's income tax return was due and filed March 15, 1934. A year later c.15 of the Laws of Wisconsin for 1935, effective March 27, 1935, laid new taxes for the years 1933 and 1934 upon various taxable subjects. Section 6, with which we are alone concerned, imposed a graduated tax, with no deduction except the sum of $750, on all dividends received in 1933 which, when received, were deductible from gross income under §71.04(4).
>
> * * * *
>
> Any classification of taxation is permissible which has reasonable relation to a legitimate end of governmental action. Taxation is but the means by which government distributes the burdens of its cost among those who enjoy its benefits. And the distribution of a tax burden by placing it in part on a special class which by reason of the taxing policy of the State has escaped all tax during the taxable period is not a denial of equal protection. See Watson v. Comptroller, supra, page 125, 41 S.Ct. page 44. Nor is the tax any more a denial of equal protection because retroactive. If the 1933 dividends differed sufficiently from other classes of income to admit of the taxation, in that year, of one without the other, lapse of time did not remove that difference so as to compel equality of treatment when the income was taxed at a later date. Selection then of the dividends for the new taxation can hardly be thought to be hostile or invidious when the basis of selection is the fact that the taxed income is of the class which has borne no tax burden. The equal protection clause does not preclude the legislature from changing its mind in making an otherwise permissible choice of subjects of taxation. The very fact that the dividends were relieved of tax, when the need for revenue was less, is basis for the legislative judgment that they should bear some of the added burden when the need is greater.

As stated by the New York Court of Appeals in Replan Dev. Inc. vs. Dept. of Housing, 517 N.E.2d 200 (1987):

> We agree with both lower courts that the retroactive application of the tax amendment in question does not unconstitutionally deprive petitioner of due process. Retroactivity provisions in tax statutes, if for a short period, are generally valid * * * (citing cases) * * * and ordinarily are upheld against due process challenges, unless in light of "the nature of the tax and the circumstances in which it is laid", the retroactivity of the law is "so harsh and oppressive as to transgress the constitutional limitation" (Welch v. Henry, 305 U.S. 134, 147, 59 S.Ct. 121, 126, supra). Indeed, retroactive application of property taxes and benefit assessments of real estate have been distinguished from the unfavored retroactivity of other kinds of taxes (see, e.g. Untermyer v. Anderson, 276 U.S. 440, 445, 48 S.Ct. 353, 354, 72 L.Ed. 645 [retroactive taxation of inter vivos gift] on the theory that the taxpayer received some economic benefit from the conduct aside from the tax benefit (see, e.g., Welch v. Henry, 305 U.S. 134, 59 S.Ct. 121, supra [retroactive taxation of corporate dividends]). Whether the retroactive application of a tax statute is "harsh and oppressive" is a "question of degree" (People ex rel. Beck v. Graves, 280 N.Y. 405, 409, 21 N.E.2d 371; supra), requiring a "balancing of [the] equities" (Clarendon Trust v. State Tax Commn., 43 N.Y.2d 933, 934, 403 N.Y.S.2d 891, 374 N.E.2d 1242, supra).
>
> In reaching the appropriate balance, several factors may be considered. First, and perhaps predominant, is the taxpayer's forewarning of a change in the legislation and the reasonableness of his reliance on the old law * * * (citing cases) * * *. This inquiry focuses on whether "the taxpayer's 'reliance' has been justified under all the circumstances of the case and whether his 'expectations as to taxation [have been] unreasonably disappointed'" * * * (citing cases) * * *. The strength of the taxpayer's claim to the benefit may be significant if he has "obtained a sufficiently certain right to the money" prior to the enactment of the new legislation * * * (citing cases) * * *. Additionally, the length of the retroactive period often has been a crucial factor, and excessive periods have been held to unconstitutionally deprive taxpayers of a reasonable expectation that they "will secure repose from the taxation of transactions which have, in all probability, been long forgotten (Matter of Neuner v. Weyant, 63 A.D.2d 290, 302, 408 N.Y.S.2d 89, supra; see, e.g. Matter of Lacidem Realty Corp. v. Graves, 288 N.Y. 354, 357, 43 N.E.2d 440 [four-year retroactivity period excessive]; People ex rel. Beck v. Graves, 280 N.Y. 405, 409-410, 21 N.E.2d 371, supra [16-year retroactivity period excessive]).

EXHIBIT NO. 1
DATE 5/22/90
BILL NO. SB 4

MEMORANDUM

DATE: February 16, 1990

FROM: Louis R. Moore

SUBJECT: Suggestion for Remedial Legislation Concerning Exemption of Stripper Wells From LGST

PREMISE:

It is assumed that the existing law, as codified in §15-36-121(3), is not ambiguous but, rather, is clear in providing that an absolute exemption of all natural gas production from severance tax and LGST exists for production year 1989 and later years. The assumption that the 1989 special session amendatory statute is clear on its face is based on the facts that (a) the statute references the LGST in the last line of subsection (3), and (b) the legislature obviously was thinking of making some production not exempt because subsection (4) has an absolute exclusion from the exemption as applied to oil.

Another reason is that if an exemption were not provided in the amendatory statute the tax rates would be odd, to say the least, especially when it is considered that the exemption statute originally was conceived so as to preclude premature abandonment of stripper wells. Obviously, increased tax rates wouldn't preclude premature abandonment. For example, if no exemption were granted by the amendatory statute, the tax on the first 30,000 cubic feet of gas would be 15.25%, the tax on the second 30,000 cubic feet of gas would be taxed at 1.59% (severance) plus 7.625% (LGST), or a total of 9.215% and the tax on all production over 60,000 would be taxed at 17.9% under §15-36-101(1)(b). It is unlikely that the legislature would enact such an up-down-up method of taxation and thereby intend to preclude premature abandonment.

SUGGESTION:

Retroactive legislation at the 1991 session to amend the final two sentences of §15-36-121(3) to provide as follows:

> "The first 60,000 cubic feet of average daily production per well is taxed at 1.59% plus a local government severance tax of 7.625%."

LEGAL SUPPORT FOR RETROACTIVE LEGISLATION:

Section 1-2-109, M.C.A. provides:

> When laws retroactive. No law contained in any of the statutes of Montana is retroactive unless expressly so declared.

Thus, it is clear that the legislature can make its laws retroactive and it has done so on inumerable instances. However, when the retroactive legislation takes away or impairs vested rights acquired under existing laws or creates new obligations or imposes new duties in respect to transactions already past, the retroactive law can violate the due process clauses of the federal and state constitutions. First Federal Savings & Loan Ass'n. vs. DOR, 200 Mont. 358, 654 P.2d 496 (1982).

Whether in any given situation the retroactive law violates due process depends on such matters as timing and notice to the taxpayer.

Exhibit 2
5/22/90

STATE OF MONTANA
Office of the Legislative Fiscal Analyst
STATE CAPITOL
HELENA, MONTANA 59620
406/444-2986

TERESA OLCOTT COHEA
LEGISLATIVE FISCAL ANALYST

May 22, 1990 - After Senate Taxation Committee Action

Comparison of Local Government Severance Tax Bills and Definitions of "Revenue Neutral"

A. TAX RATES

Category	1987 Net Proceeds Average Effective Tax Rate	Current LGST	Gage - SB1	O'Keefe HB 7	O'Keefe HB 4	O'Keefe HB 3	Eudaily HB 5
OIL							
Operator							
Regular	7.32%	8.4%	8.4%	9.0%	9.72%	11.9%	8.4%
Stripper	8.22	4.2	4.2	9.0	4.86	5.95	4.2
Incremental	N/A	4.2	4.2	9.0	4.86	5.95	4.2
Royalty							
Regular	14.72	8.4	8.4	9.0	9.72	11.9	8.4
Stripper	14.72	4.2	4.2	9.0	4.86	5.95	4.2
NATURAL GAS							
Operator							
Regular	15.95	15.25	15.25	15.25	20.6	24.5	15.25
Stripper (exempt)	11.25	0.00	7.625	15.25	10.3	12.25	7.625
Stripper (taxable)	11.25	7.625	7.625	15.25	10.3	12.25	7.625
Royalty							
Regular	17.87	15.25	15.25	15.25	20.6	24.5	15.25
Stripper (exempt)	17.87	0.00	7.625	15.25	10.3	12.25	7.625
Stripper (taxable)	17.87	7.625	7.625	15.25	10.3	12.25	7.625
NEW & INTERIM PRODUCTION							
Oil	7.0	7.0	7.0	9.0	7.0	7.0	7.0
Gas	12.0	12.0	12.0	15.25	12.0	12.0	12.0

B. TAX REVENUE PRODUCED ON CALENDAR 1989 PRODUCTION (Millions)

	LGST Current	Gage - SB1	O'Keefe HB 7	O'Keefe HB 4	O'Keefe HB 3	Eudaily HB 5
LGST						
Oil	$22.4	$22.39	$25.75	$25.91	$31.72	$22.39
Natural Gas	5.3	7.32	9.74	9.89	11.76	7.32
Total	$27.7	$29.71	$35.49	$35.79	$43.48	$29.71
NEW AND INTERIM						
Oil	$ 2.09	$ 2.09	$ 2.69*	$ 2.09	$ 2.09	$ 2.09
Natural Gas	1.33	1.33	1.69*	1.33	1.33	1.33
Total	$ 3.42	$ 3.42	$ 4.38	$ 3.42	$ 3.42	$ 3.42
TOTAL	$31.12	$33.13	$39.87	$39.21	$46.90	$33.13

All bills are retroactive for calendar 1989 production on LGST.
*New rates will apply to calendar 1990 production (second quarter) and beyond.

C. DEFINITIONS OF REVENUE NEUTRAL

	Net Proceeds Tax Liability (Millions)	Gross Value of Base (LGST Purposes) (Millions)
1) Tax on CY87 production/applied to CY87 tax base	$40.4	$437.27
2) Tax on CY87 production/applied to CY89 tax base	40.4	350.03
3) Tax on CY88 production/applied to CY89 tax base	35.9	350.03

	Tax on CY Production (Million)
4) New and interim production	
CY87	$ 1.54
CY88	2.19
CY89	3.42

D. TAX COLLECTION DATES

1) Net proceeds and LGST	Production Year	Tax Collected
	CY 1987	FY 1989
	CY 1988	FY 1990
	CY 1989	FY 1991
	CY 1990	FY 1992

2) New and interim production tax	Production Year	Tax Collected
	CY 1987	May 1987-Feb. 1988
	CY 1988	May 1988-Feb. 1989
	CY 1989	May 1989-Feb. 1990
	CY 1990	May 1990-Feb. 1991

TC3;pe;TABLE

SENATE STANDING COMMITTEE REPORT

May 22, 1999

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration Senate Bill 4 (first reading copy -- white), respectfully report that Senate Bill 4 do pass.

DO PASS

Signed: _____
Senator Bob Brown, Chairman

sb000401.SCR