

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By DAN HARRINGTON, CHAIR, on February 12, 1991,
at 9:00 a.m.

ROLL CALL

Members Present:

Dan Harrington, Chairman (D)
Bob Ream, Vice-Chairman (D)
Ben Cohen, Vice-Chair (D)
Ed Dolezal (D)
Jim Elliott (D)
Orval Ellison (R)
Russell Fagg (R)
Mike Foster (R)
Bob Gilbert (R)
Marian Hanson (R)
David Hoffman (R)
Jim Madison (D)
Ed McCaffree (D)
Bea McCarthy (D)
Tom Nelson (R)
Mark O'Keefe (D)
Bob Raney (D)
Ted Schye (D)
Barry "Spook" Stang (D)
Fred Thomas (R)
Dave Wanzenried (D)

Staff Present: Lee Heiman, Legislative Council
Lois O'Connor, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

HEARING ON HB 481

Presentation and Opening Statement by Sponsor:

REP. WALLIN, House District 78, Bozeman, stated HB 481 makes it possible for cities to dispose of land in special improvement districts that the cities have had to make good on their bonds. In Bozeman, rather than reject payment of the bonds by the SID development, the city elected to make them good and they have been struggling with a \$500,000 SID. HB 481 would assist Bozeman and other cities faced with the same problem in getting out of their dilemmas.

Proponents' Testimony:

Miral Gamradt, Finance Director, Bozeman explained HB 481 and how it affects Bozeman. Under current law, local governments can take the tax deed of a property after there has been taxes or assessments that are delinquent for a period of 24 or 36 months. In order to sell the property once it is taken, the city commission must set a fair market value. Fair market value becomes the minimum bid price for the property. If the property doesn't sell for the minimum price, the city must wait another 6 months before they can try to sell it again. The problem lies when there are no bidders for the property. The cities experiences the failure to sell. He has had people who have wanted to buy a property for the minimum price subsequent to the auction. They wanted to sell but the law would not allow them to do it. HB 481 allows the city commission, if there is an auction and there are no successful bidders for the minimum price, to sell the property for nothing less than the minimum price. It does not require that they sell at the fair market value. This will help the cities get out from under these properties.

Merrill Klundt, Clerk and Recorder, Yellowstone County, stated Yellowstone County has had property that didn't sell at the first auction. They have had to wait for the second, and as a rule, the County Commissioners will lower the price. If the property is left at a price in between, they will at least get the delinquent taxes and costs incurred. He stood in support of the option that HB 481 would give.

Opponents' Testimony: None

Questions From Committee Members: None

Closing by Sponsor:

REP. WALLIN said HB 481 is a straight forward bill and he urged the committee's support.

EXECUTIVE ACTION ON HB 481

Motion/Vote: REP. NELSON MOVED HB 481 DO PASS. Motion carried unanimously by voice vote.

HEARING ON HB 510

Presentation and Opening Statement by Sponsor:

REP. NISBET, House District 35, Great Falls, stated that his wife and he had bought property in Lincoln a few years ago. Shortly after, the school district was considering building on to the school. The held a school bond election to raise the money. As a property owner in Lincoln, but not being a resident, they were

not able to vote in the bond election. HB 510 would authorize a nonresident real estate owner to vote in bond issue elections affecting the taxation of their property. The issues goes back to taxation without representation. It would require the Clerk and Recorders to prepare a listing of real estate owners, and those who are nonresidents would have to register in order to be eligible to vote.

Proponents' Testimony: None

Opponents' Testimony:

REP. COHEN and REP. RANEY went on record in opposition to HB 510.

Questions From Committee Members:

REP. ELLIOTT asked REP. NISBET how HB 510 would affect corporations who are property owners in the area. REP. NISBET said on Page 2, Line 4, it states that the election include "natural" persons.

REP. McCAFFREE asked REP. NISBET if a person had to be a resident of the state or United States. REP. NISBET said the way he reads the bill it is an exception. Page 7, Lines 16 and 17 states a resident of the state of Montana and except as provided in Section 2. REP. M. HANSON asked if she could amend the bill to let only the real estate owners to vote in bond election. REP. HARRINGTON said that was unconstitutional.

Closing by Sponsor:

REP. NISBET said that HB 227 has been passed. It is similar to HB 510 in that it would allow individuals, who hold title to land within a fire district and show proof of paying taxes on the land, are allowed to vote in those kinds of election. They also do not have to be a resident of the state. Those who pay ought to have a say!!

EXECUTIVE ACTION ON HB 510

Motion/Vote: REP. ELLIOTT MOVED HB 510 BE TABLED. Motion carried unanimously.

EXECUTIVE ACTION ON HB 77

Motion: REP. MCCARTHY MOVED HB 77 DO PASS.

Motion: REP. REAM moved to amend HB 77. EXHIBIT 1

Discussion: REP. REAM stated HB 77 was heard before the State Administration Committee and then reassigned to Taxation. The Income/Severance Subcommittee went over the bill and the amendments with the sponsor REP. QUILICI. CHAIR HARRINGTON stopped Executive Action on HB 77 so that the hearing on HB 513 could start.

HEARING ON HB 513**Presentation and Opening Statement by Sponsor:**

REP. SIMPKINS, House District 39, Great Falls, stated that HB 513 is a taxpayer protection bill. He related the situation that brought about this legislation. The current laws have a simple clause that says Commissioners "may" order tax refunds to the taxpayer when its noted that an error has been made on a property assessments. HB 703 hit Great Falls very hard. He had constituents who have had their homes for 20 years, and this is the first time they ever received an appraisal notice from the assessor. They are used to seeing their tax bill which gives them their taxable evaluation. Many people do not know that they are suppose to divide by .0386 in order to figure out the value of their house. Many people asked why the value of their homes was so high. Many of them found out that, for example, the assessor had their records at five bedrooms, a full basement, and three baths; when in reality they had three bedrooms, no family room, and one bath. Consequently, the County Commissioners put out a resolution that stated they accepted this option, and they did not have to make refunds in those cases. HB 510 will correct this situation.

The bill states that if a mistake has been made in valuating property, the taxpayer is entitled to a refund. The DOR wanted to define this by referring to real estate and improvements on real estate in the appraisal of the property. He introduced amendments by DOR. EXHIBIT 2

Proponents' Testimony:

Gordon Morris, Montana Association of Counties, said he has had the opportunity to review HB 513 and the amendments. It is a cleanup of confusing laws and urged the committee's approval.

Opponents' Testimony: None

Questions From Committee Members:

REP. ELLIOTT referred to amendment #9. It states the county commissioners are required to refund any gross proceeds tax, penalty, or interest. He thinks it exceeds the status of the bill. REP. SIMPKINS stated taxes that are improperly collected, not authorized, or beyond that which is correct is illegally collected according to our laws. The DOR tried to put a cleanup in the amendments. Currently on an audit, if they find an error and the people owe the state more money, they can collect it; but there is no provision to pay the money back if the department finds the taxpayer has paid to much tax. REP. ELLIOTT said that the statement was made that the taxpayers can not get a refund on illegally collected tax retroactively. REP. SIMPKINS said yes,

from the date of the bill and the prior taxable year. REP. ELLIOTT said in the same subsection people with net gross proceeds are entitled to go back five years. REP. SIMPKINS told REP. ELLIOTT to refer to amendment #11 which states "applies retroactively within the meaning of 1-2-109, to taxes paid for the 1990 tax year". This amendment applies to the entire bill. REP. ELLIOTT said he understood that, but Sub 7 states the refund shall not apply to any taxes actually paid more than four years prior to the date the claim is received. REP. SIMPKINS referred the question to DOR. Dave Woodgerd, DOR, stated the bill, as proposed, affected all property taxpayers which includes net and gross proceeds. Its intent was for the homeowners. All of the amendments apply only to tax year 1990 and forward. No property owner, including the net and gross proceeds people, could receive a refund prior to 1990. The reason the five years is in Subsection 7 is because all the property taxes other than net and gross proceeds can be refunded in 10 years. What we are doing is limiting net and gross proceeds to five years because the statute of limitations states that DOR can only assess additional taxes after an audit for five years. So they are reciprocating.

REP. STANG asked Dave Woodgerd how many cases of erroneously collected taxes did we have in the state. Mr. Woodgerd said he would have to get the information. REP. STANG asked if it isn't true that homeowners get a statement only when their houses have been reappraised. Mr. Woodgerd said that was correct. If there is no change in the valuation from year to year, they do not send out statements on the assessment.

Closing by Sponsor:

REP. SIMPKINS stated he believes that it is the responsibility of the state to correctly identify and appraise the properties, not the taxpayer. If the taxpayer sees that there has been an error made, the state owes the money back to the taxpayer. HB 513 does not replace the appeals process. He endorsed the amendments and urged the committee's support.

HEARING ON HB 386 and 526

Presentation and Opening Statement by Sponsor:

REP. SCHYE, House District 18, Glasgow, gave a visual presentation. He stated the bills came about as a result of trying to find funds for our state parks. HB 386 is a one cent gas tax to be used for upgrading roads leading to and within the state parks. Safe and reliable roads are an essential need of the park users. Tourism is Montana's major industry.

HB 526 is a motor vehicle tax. It would impose a 50 cent tax on all motor vehicle registrations. Since most of the parks are accessed by automobiles, this is a very legitimate tax to fund the roads. It would bring in approximately \$500,000 annually.

Proponents' Testimony:

Janet Ellis, Montana Audubon Legislative Fund, provided written testimony. EXHIBIT 3

Marcella Sherfy, Montana Historical Society, provided written testimony. EXHIBIT 4,5

Bonnie Tippy, State Park Futures Committee, stated the committee was appointed in 1989 by the Governor and Legislative Leadership. While driving through the state parks she saw a degradation of something that is our heritage. Some very difficult decisions need to be made as to what we are going to do with the problem. Some of the degradation could become irreversible if it is not solved. She urged the committee's support and provided testimony. EXHIBIT 6

Alan Newell, Montana Historic Sites Study Commission, provided written testimony. EXHIBIT 7

Opponents' Testimony:

Janelle Fallan, Montana Highway Users, stated the organization is concerned about the construction and reconstruction of highways in Montana and preserving the funding sources. Montana receives more in federal highway dollars than we send into the state. She doesn't disagree with the needs that the committee has heard, but is this something that we should be spending our gas tax on. Fish Wildlife and Parks receives a number of earmarked funds now. They believe road construction decisions belong in the Highway Department not the Fish Wildlife and Parks. She was asked by **F.W. "Buck" Boyles, Montana Chamber of Commerce**, to enter his name in opposition to both bills.

Ken Dunham, Montana Contractors Association, stated with the uncertain federal highway funding that Montana is facing, we question the wisdom of incumbering another one cent gas tax at this time. Montana could take from a 30 to 50 million dollar hit in our federal highway funds. The money must come from somewhere. By putting another cent on gasoline at this point, it may prohibit us in the future from working on other state roads. The decision to construct highways belongs with the Department of Highways. In passing these bills, it would preempt them from making decision for all of us.

Buzz Lund, Montana Petroleum Marketers Association, stated every session they face increased gas tax legislation. We can not keep increasing taxes on gasoline. We already have one of the highest gas taxes of any state in the nation. Wyoming has a 9 cent gas tax, North Dakota a 17 cent gas tax, and Idaho an 18 cent gas tax. Why does it require a tax more than double in Montana than in Wyoming? This tax differential is a great disadvantage to gasoline dealer doing business along the state borders. He

doesn't have to point out to the committee the saving one can have by buying their gasoline in Wyoming. If these bill are truly needed, he is at a loss as to why diesel is not included. Motor homes, logging trucks, and 5th wheels all use park roads. He provided the committee with a graft on state gasoline tax rates. **EXHIBIT 10**

Questions From Committee Members:

REP. STANG asked **Bonnie Tippy** if she thought the bill would be more appropriately funded through the bed tax. **Ms. Tippy** said that the commission did discuss this. The problem that when you raise the bed tax, you are assuming that all tourist are staying in hotels and motels. This is not true; they are staying in RV's, trailers, and tents. You are not taxing the people who are using the parks the most. Most of the people who use the state parks are from Montana. Only 18% of the tourist dollars goes to hotels and motels. **REP. STANG** asked if it wasn't true that tourists that have motor homes and trailers that stay in local private campgrounds, pay the bed tax. **Ms. Tippy** they do, but it is a minimal amount of money. About \$20,000 was raised last year in campground bed taxes.

REP. McCAFFREE ask **REP. SCHYE** what the current user rate state parks. **REP. SCHYE** referred the question to **Don Hyypa, Montana Fish Wildlife and Parks**. He said the daily rate to enter most state parks is \$3 per vehicle. To stay overnight, the camping fee is \$4 to \$6. There is also a state park passport which will permit a family vehicle to use the parks for a year for \$12 which will go to \$15 in the coming year. **REP. McCAFFREE** asked how much the rates would have to be increased to generate the revenue we are talking about. **Mr. Hyypa** said it is not feasible to raise the camping and entrance enough to make up the difference. We are already charging at the top end of the scale when you compare what we have to offer is state parks with what neighboring states are charging for use of their facilities. **REP. McCAFFREE** asked what fund the Department is using when the purchase land. **Mr. Hyypa** said there is no land being purchased for the state park system. There is legislation which permits a portion of the state park trust funds from the coal tax to be used for the purpose. Now, all of the money is used in day to day operations. The other land seen being acquired by the Department is either wildlife habitat lands which are purchased from earmarked portions of hunting licenses, or fishing access lands which are being purchased by earmarked portions of the fishing licenses. **REP. McCAFFREE** asked what money was used to purchase the Brewer Ranch in Easter Montana. **Mr. Hyypa** said money earmarked from big game hunting licenses as a result of HB 526 introduced by **REP. SCHYE**.

REP. M. HANSON asked **REP. SCHYE** how are the semi trucks handled. **REP. SCHYE** said HB 526 is the fees on motor vehicles. That doesn't count for semis. **REP. HANSON** asked if the one cent gasoline tax included the gasoline that is delivered to her

ranch. **REP. SCHYE** said it would be like the other taxes, but she could get her refund for it.

REP. RANEY asked **Don Hyypa** if the fees charged to the parks are making any money. Are the fees bring in more money than the cost of collection, processing, and employment. **Mr. Hyypa** said yes. They make substantially more in fees that it cost them to collect. **REP. RANEY** said these are tourist promotion bills and asked **REP. SCHYE** why he isn't trying to sell them that way. **REP. SCHYE** said because Montana doesn't have the money to develop them that way.

REP. STANG asked **Tom Barnard, Department of Highways**, to explain what will happen to the federal building program in 1993. **Mr. Barnard** said the current Federal Surface Transportation Assistance Act expires at the end of September of this year. There will be a new bill enacted shortly there after. There has been a push put on to put the substantial share of the federal gas tax funding that the state has been receiving and redistribute it to urban areas. One thing that may occur is that they will place a substantial percentage of the formula used for distribution upon vehicle miles of travel. We can not compete with states like California or Washington D.C. which have thousands of cars. There is also issue being proposed to take the state match that is required for any type of federal aid funding and substantially increase the state share.

REP. HARRINGTON said there was some talk that they should have come in with a highway tax in this session and asked **Mr. Barnard** if we will be alright in the next biennium. **Mr. Barnard** said that Montana would be solvent through the coming biennium.

Closing by Sponsor:

REP. SCHYE said both the opponents and proponents understand the need that is there. He stated that he know problem with adding a diesel tax onto the bill. All of the other state legislatures are in session also, and they are trying to raise their gas tax also. We are going to be faced with some real decisions in the future. He stated these are contract bills in that they will bill roads. The Governor did put back \$700,000 in General Fund revenue back into the budget. This is a great start as the parks haven't had any General Fund money for along time. These are an economic development bill. You must spend money to make money.

EXECUTIVE ACTION ON HB 77

Discussion:

Executive Action on HB 77 was continued. **REP. REAM** explained the amendments.

REP. WANZENRIED asked **Tom Schneider, Montana Public Employees Association**, to talk about the hearing on the bill. **Mr.**

Schneider said they had a hearing before the State Administration Committee and there were four representatives of the insurance industry opposed to the bill. HB 77 has been the process for eight months. It has been through the Public Employees Retirement Division and in front of their actuary. He is the one who calculated how much money would have to be put into the bill and what the contribution rates would have to be. The bill is actuarially sound.

REP. REAM said the amendments are two lines off and the yellow copy is correct. He stated the amendments bring about the changes that were talked about. There would be a three tenths of 1% increase on vehicle insurance going into the insurance fund.

REP. ELLISON asked **Bob Yeager** if the excess of the fund will go back to the general fund. **Mr. Yeager** said yes. We are proposing taking our \$600,000 before it goes to the general fund. It is a diversion before that.

REP. NELSON said that the 20 year retirement, which gives more turnover than we desire, was discussed in the subcommittee. Would it be possible increasing the formula and have them stay 30 years and retire at 75% of pay. **Mr. Yeager** said yes. He would like to see all officers stay from 20 to 30 years because it costs \$58,000 to train men. We have less turnover by doing this. At the present time, without an officer being on social security and having no other retirement, it looks at his whole card at 20 years and says he going to have to get out and get into something else where he can get more retirement.

REP. STANG asked **REP. REAM** if we take this out of the fund, will it increase the premiums on insurance. **REP. REAM** said it would not increase the premiums.

Vote: Motion to amend HB 77 carried unanimously.

Motion/Vote: **REP. HARRINGTON MADE A SUBSTITUTE MOTION THAT HB 77 DO PASS AS AMENDED.** Motion carried 19 to 2 with **REPS. FAGG** and **ELLIOTT** voting no.

EXECUTIVE ACTION ON HB 334

Discussion:

REP. COHEN told the committee to look at the amendments dated February 7, 1991. The amendments change days to months in the Title and all other places so that prorating the tax is not done on a day by day basis just a monthly. They have also included a definition of livestock

Motion: **REP. COHEN MOVED HB 334 DO PASS.**

Motion: **REP. COHEN** moved to amend HB 334. **EXHIBIT 11**

Discussion:

REP. RANEY asked what this is going to do to the fiscal impact. REP. COHEN stated REP. SWYSGOOD new of one rancher who was moving livestock back and forth across the borders would be affected by the bill. This gentleman was not running any domestic elk, bison, or llamas. This is negligible.

REP. REAM stated there were other species of wildlife that are kept in captivity like red deer and suggested "domestic elk" be changed to "domestic wildlife". REP. RANEY said he sensed that they were talking about herd animals that are produced for meat and horns not just pets. REP. REAM said that keeping wildlife has become a multimillion dollar industry. REP. ELLIOTT said that Lee Heiman suggested a word that would be a catch-all and that is "domestic ungulates".

Vote: Motion to amend HB 334 carried unanimously.

Motion/Vote: REP. ELLIOTT moved to further amend HB 334 by striking "elk" and inserting "ungulates". Motion carried 19 to 2 with REPS. STANG, HOFFMAN, and REP. M. HANSON voting no.

Motion/Vote: REP. COHEN MADE A SUBSTITUTE MOTION THAT HB 334 DO PASS AS AMENDED.

Discussion:

REP. ELLIOTT said he questioned the bill because of the small amount of people it might affect. A farmer takes his cattle into Idaho and pays a per capita tax on them. He assumes, that when he moves his cattle back into Montana, he takes a deduction against the per capita tax. He is probably getting the money back. REP. ELLISON said we are under estimating the number of cattle that move back and forth across state borders. When you consider the amount of border that Montana has, there is bound to be more than one person moving cattle across the borders. REP. NELSON commented that Mr. Hagenberg from the Stockgrower's Association stated that HB 39 in the 89 session dropped the average inventory and provided March 1 inventory with no mechanism for time out of the state. It increased his taxes 93% which is almost double. REP. ELLISON asked if there was a proration before we got rid of the cattle inventory. REP. M. HANSON said there was a proration until 1989 when we took it off.

Vote: Motion that HB 334 Do Pass As Amended carried 20 to 1 with REP. ELLIOTT voting no.

EXECUTIVE ACTION ON HB 513

Motion: REP. FAGG MOVED HB 513 DO PASS.

Motion: REP. FAGG moved to amend HB 513. EXHIBIT 13

Discussion:

REP. O'KEEFE referred to REP. ELLIOTT's line of questioning on gross proceeds. He asked who are the net or gross proceeds tax paid in to. REP. HARRINGTON said to both the county and the state. REP. O'KEEFE said that we are saying the county commissioners are required to refund any net or gross proceeds tax that are overpaid. What if an overpayment is made to the state? REP. ELLIOTT said this bill would not go into affect until this year. They would not have been paid to the state. Denis Adams, DOR, stated currently, the net and gross proceeds, even though the reports are made to the state, the payments do go to the county. REP. O'KEEFE asked if the state bill these taxes. Mr. Adams said only on certain ones like the local government severance tax. The ones where the mill levy applies is paid to the county. REP. O'KEEFE said if the error is made by the state before the counties collect this tax, the state has the power to tell the county commissioners, "we messed up, you pay the refund". Mr. Adams said these taxes are self reporting by the companies. When DOR does an audit, this is when the problem is disclosed. If they have underpaid, there is an additional assessment coming from the county. If they have overpaid, then DOR would notify the county that there has been an overpayment. Then it would be refunded.

Vote: Motion that HB 513 Do Pass As Amended carried 16 to 4 with REP. THOMAS absent. EXHIBIT 14

ADJOURNMENT

Adjournment: 11:15 a.m.


DAN HARRINGTON, Chair


LOIS O'CONNOR, Secretary

DH/lo

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL

DATE 2/12/91

| NAME | PRESENT | ABSENT | EXCUSED |
|-------------------------------|---------|--------|---------|
| REP. DAN HARRINGTON | ✓ | | |
| REP. BEN COHEN, VICE-CHAIRMAN | ✓ | | |
| REP. BOB REAM, VICE-CHAIRMAN | ✓ | | ✗ |
| REP. ED DOLEZAL | ✓ | | |
| REP. JIM ELLIOTT | ✓ | | |
| REP. ORVAL ELLISON | ✓ | | |
| REP. RUSSELL FAGG | ✓ | | |
| REP. MIKE FOSTER | | | ✓ |
| REP. BOB GILBERT | ✓ | ✗ | |
| REP. MARIAN HANSON | ✓ | | |
| REP. DAVID HOFFMAN | ✓ | | |
| REP. JIM MADISON | ✓ | | |
| REP. ED MCCAFFREE | ✓ | | |
| REP. BEA MCCARTHY | ✓ | ✗ | |
| REP. TOM NELSON | ✓ | | |
| REP. MARK O'KEEFE | ✓ | | |
| REP. BOB RANEY | ✓ | | |
| REP. TED SCHYE | ✓ | | |
| REP. BARRY "SPOOK" STANG | ✓ | | |
| REP. FRED THOMAS | | | ✓ |
| REP. DAVE WANZENRIED | ✓ | ✗ | |
| | | | |
| | | | |

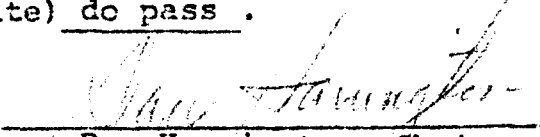
- 35 46481

HOUSE STANDING COMMITTEE REPORT

February 12, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that House Bill 481 (first reading copy -- white) do pass .

Signed: 
Dan Harrington, Chairman

HOUSE STANDING COMMITTEE REPORT

February 12, 1991

Page 1 of 2

Mr. Speaker: We, the committee on Taxation report that House Bill 77 (second reading copy -- yellow) do pass as amended.

Signed: *Dan Harrington*
Dan Harrington, Chairman

And, that such amendments read:

1. Title, lines 8 and 9.

Following: "SYSTEM,"

Strike: the remainder of line 8 through "PREMIUMS;" on line 9

Following: "APPROPRIATING" on line 9.

Insert: "A PORTION OF THE PREMIUM TAX ON MOTOR VEHICLE PROPERTY
AND CASUALTY INSURANCE POLICIES"

2. Title, line 10.

Following: "SECTIONS"

Strike: "15-31-101,"

3. Title, line 11.

Following: "19-6-404"

Insert: "AND"

Following: "19-6-502,"

Strike: "AND 33-2-705,"

4. Page 2, line 9.

Following: "[section"

Strike: "6"

Insert: "5"

5. Page 3, lines 15 and 16.

Following: "policies"

Strike: the remainder of line 15 through "33-2-705(3)"

6. Page 3, line 20.

Following: "equal to"

Strike: "26.75%"

Insert: "37.69%"

7. Page 4, lines 4 and 5.

Following: "(2)"

Strike: remainder of line 4 through "the" on line 5

Insert: "The"

8. Page 4, lines 6 through 8.

Following: line 5

Strike: line 6 through "33-2-705(3)" on line 8

Insert: "an amount equal to 10.97% of salaries from a portion of
the premium tax on motor vehicle property and casualty
insurance policies"

9. Page 4, line 17 through page 7, line 19.

Strike: section 5 in its entirety

Renumber: subsequent sections

10. Page 7, line 23.

Following: "the"

Strike: "additional"

11. Page 7, line 24.

Following: "risks"

Strike: the remainder of line 24 through "33-2-705(3)"

12. Page 8, line 4 through page 9, line 16.

Strike: section 7 in its entirety

Renumber: subsequent section


2:00
2-11-91
JDB

HOUSE STANDING COMMITTEE REPORT

February 12, 1991

Page 1 of 2

Mr. Speaker: We, the committee on Taxation report that House Bill 334 (first reading copy -- white) do pass as amended.

Signed: 
Dan Harrington, Chairman

And, that such amendments read:

1. Title, line 9.
Title, line 11.
Strike: "DAYS"
Insert: "MONTHS"

2. Title, lines 10 and 11.
Strike: "A PERIOD SHORTER THAN"

3. Title, line 13.
Following: "STATE;"
Insert: "EXPANDING THE DEFINITION OF LIVESTOCK TO INCLUDE LLAMAS,
DOMESTIC BISON, AND DOMESTIC UNGULATES;"
Following: "SECTIONS"
Insert: "15-24-921,"
Following: "15-24-922"
Insert: ","

4. Page 2, line 3.
Page 2, line 8.
Page 2, line 9.
Page 2, line 15.
Page 3, line 2.
Page 3, line 4.
Strike: "days"
Insert: "months"

5. Page 2, lines 17 through 20.
Strike: "ratio" on line 17 through "due" on line 20
Insert: "difference between the original prorated amount paid and
the subsequent amount owed after the actual number of tax
situs months are determined at the end of the tax year"

2000
2-11-91
JDR

February 12, 1991
Page 2 of 2

6. Page 3, line 5.

Following: line 4

Insert: "Section 2. Section 15-24-921, MCA, is amended to read:

"15-24-921. Per capita tax levy to pay expenses of enforcing livestock laws. (1) In addition to appropriations made for such purposes, a per capita tax is hereby authorized and directed to be levied by the county assessor on all poultry and bees, all swine 3 months of age or older, and all other livestock 9 months of age or older in each county of this state for the purpose of aiding in the payment of the salaries and all expenses connected with the enforcement of the livestock laws of the state and for the payment of bounties on wild animals as hereinafter specified.

(2) As used in this section, "livestock" means cattle, sheep, swine, poultry, bees, goats, horses, mules, and asses, llamas, domestic bison, and domestic ungulates."

Renumber: subsequent sections

7. Page 3, line 21.

Page 3, line 23.

Page 3, line 24.

Strike: "days"

Insert: "months"

8. Page 3, line 23.

Following: "livestock"

Insert: "do not"

9. Page 4, line 12.

Following: "livestock"

Strike: "assessed on the average inventory basis"

10. Page 4, line 13.

Strike: "taxed"

Insert: "each year"

11. Page 4, line 19.

Following: "livestock"

Strike: "assessed on the average inventory basis"

Strike: "taxed"

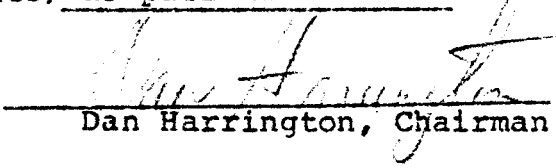
Insert: "each year"

HOUSE STANDING COMMITTEE REPORT

February 12, 1991

Page 1 of 2

Mr. Speaker: We, the committee on Taxation report that House Bill 513 (first reading copy -- white) do pass as amended.

Signed: 
Dan Harrington, Chairman

And, that such amendments read:

1. Title, lines 4 through 6.

Following: "ACT"

Strike: "REVISING" on line 4 through "PAID;" on line 6

2. Title, line 7.

Following: "REFUND"

Strike: "ON"

Insert: "OF CERTAIN"

3. Title, line 8.

Strike: "ILLEGALLY COLLECTED OR ON DUPLICATE TAXES PAID"

4. Title, line 13.

Following: "DATE"

Insert: "AND A RETROACTIVE APPLICABILITY DATE"

5. Page 1, line 18.

Following: "taxpayer"

Strike: "is"

Insert: "may be"

6. Page 2, line 4.

Following: "treasurer"

Strike: "shall"

Insert: "may"

7. Page 2, line 13.

Following: "may"

Strike: "shall"

Insert: "may"

8. Page 4, line 8.

Following: "on"

Strike: "January"

Insert: "October"

9. Page 4, line 16.
Following: "following"
Strike: "January"
Insert: "October"

10. Page 4, line 22.
Following: line 21
Insert: " (6) The board of county commissioners shall refund any tax, penalty, or interest collected as a result of an error in the description or location of real property or improvements as determined by the department of revenue. The refund is subject to the provisions of subsections (4) and (5).
 (7) The board of county commissioners shall refund any net or gross proceeds tax, penalty, or interest when the department of revenue notifies the board that an overpayment occurred. The department shall determine the amount of overpayment. The refund is subject to the provisions of subsections (4) and (5), but no refund may be granted for any taxes paid more than 5 years prior to the date the claim was received."

Renumber: subsequent subsections

11. Page 5, line 9.
Following: "date"
Insert: "-- applicability"

12. Page 5, line 10.
Following: "approval"
Insert: "and applies retroactively, within the meaning of 1-2-109, to taxes paid for the 1990 tax year"

Adopted

EXHIBIT

DATE

2-12-91

HB

77

Amendments to House Bill No. 77
Second Reading Copy

Requested by Representative Quilici
For the Committee on House Taxation

Prepared by Eddye McClure
February 5, 1991

1. Title, lines 8 and 9.

Following: "SYSTEM;"

Strike: the remainder of line 8 through "PREMIUMS;" on line 9

Following: "APPROPRIATING" on line 9.

Insert: "A PORTION OF THE PREMIUM TAX ON MOTOR VEHICLE PROPERTY
AND CASUALTY INSURANCE POLICIES"

2. Title, line 10.

Following: "SECTIONS"

Strike: "15-31-101,"

3. Title, line 11.

Following: "19-6-404"

Insert: "AND"

Following: "19-6-502,"

Strike: "AND 33-2-705,"

4. Page 2, line 9.

Following: "[section"

Strike: "6"

Insert: "5"

5. Page 3, lines 15 and 16.

Following: "policies"

Strike: the remainder of line 15 through "33-2-705(3)"

6. Page 3, line 20.

Following: "equal to"

Strike: "26.75%"

Insert: "37.69%"

7. Page 4, lines 4 and 5.

Following: "(2)"

Strike: remainder of line 4 through "the" on line 5

Insert: "The"

8. Page 4, lines 6 through 8.

Following: line 5

Strike: line 6 through "33-2-705(3)" on line 8

Insert: "an amount equal to 10.97% of salaries from a portion of
the premium tax on motor vehicle property and casualty
insurance policies"

Ex. 1
2-12-91
HB 77

9. Page 4, line 17 through page 7, line 19.

Strike: section 5 in its entirety

Renumber: subsequent sections

10. Page 7, line 23.

Following: "the"

Strike: "additional"

11. Page 7, line 24.

Following: "risks"

Strike: the remainder of line 24 through "33-2-705(3)"

12. Page 8, line 4 through page 9, line 16.

Strike: section 7 in its entirety

Renumber: subsequent section

AMENDMENTS TO HB 513
Introduced copy (white)

Department of Revenue

The bill as introduced changes the county commissioners' discretionary authority to issue refunds to a mandatory requirement. The purpose of the amendments is to limit the situations in which a mandatory refund is required. The county commissioners will be required to issue a refund if the Department of Revenue determines that it made a mistake as to the description or location of the land or improvements.

If the property owner disagrees with the valuation of the property they are entitled to appeal to the tax appeal boards and the courts. If they prevail, they are entitled to a refund. The procedure described in this bill is only for those situations where the Department made a clear error in the property description or in the location of the property and the owner did not file an appeal.

The amendments also require a refund when the Department determines that net or gross proceeds taxes were overpaid within the last five years. Presently the Department may audit a proceeds tax return -- which is similar to an income tax return -- and assess additional taxes for the past five years. However, the taxpayer is not entitled to a refund if the audit shows that they overpaid.

Finally, the amendments change the date on which subsequent installment payment on a refund must be made from January 1 to October 1. This allows the county an opportunity to budget for the payments.

1. Title, lines 4 through 6
Following: "ENTITLED:"
Strike: "AN ACT REVISING THE PROVISIONS RELATING TO REFUNDS ON TAXES, INTEREST, PENALTIES, OR COSTS ILLEGALLY COLLECTED AND ON DUPLICATE TAXES PAID;"
2. Title, line 7
Following: "REFUND"
Strike: "ON"
Insert: "OF CERTAIN"
3. Title, line 8
Strike: "ILLEGALLY COLLECTED OR ON DUPLICATE TAXES PAID"
4. Page 1, line 18
Following: "taxpayer"
Strike: "is"
Insert: "may be"
Renumber:
5. Page 2, line 4
Following: "treasurer"

Strike: "shall"
Insert: "may"

6. Page 2, line 13
Following: "may"
Strike: "shall"
Insert: "may"
7. Page 4, line 8
Following: "on"
Strike: "January 1"
Insert: "October 1"
8. Page 4, line 16
Following: "following"
Strike: "January 1"
Insert: "October 1"
9. Page 4, line 22
Insert: "(6) The county commissioners are required to refund any tax, penalty or interest collected as a result of an error in the description or location of real property or improvements as determined by the Department of Revenue. The refund shall be subject to the provisions of subsections (4) and (5)."
(7) The county commissioners are required to refund any net or gross proceeds tax, penalty or interest when the Department of Revenue notifies the county commissioners that an overpayment occurred. The Department of Revenue must determine the amount of overpayment. The refund shall be subject to the provisions of subsections (4) and (5). However, the refund shall not apply to any taxes actually paid more than 5 years prior to the date the claim is received.
Renumber: subsequent subsections
10. Page 5, line 9 (catch line)
Following: "date"
Insert: "and applicablity date"
11. page 5, line 10
Following: "approval"
Insert: "and applies retroactively within the meaning of 1-2-109, to taxes paid for the 1990 tax year"

Montana Audubon Legislative Fund

Testimony on HB 386
House Taxation Committee
February 12, 1991

Mr. Chairman and Members of the Committee,

My name is Janet Ellis and I'm here today representing the Montana Audubon Legislative Fund. The Audubon Fund is composed of nine Chapters of the National Audubon Society and represents 2,500 members throughout the state.

This bill will raise approximately \$4.38 million to maintain roads to and within our state parks and monuments by adding one cent to our gasoline taxes.

Existing roads to and within our 60 state parks and monuments are in terrible shape. The funds from this legislation would provide much needed funding to improve these roads.

According to a January, 1989 estimate, 109 miles of roads to or within parks were considered not sufficient to meet current road standards. These roads are listed below by Department of Fish, Wildlife & Parks Region:

Region 1: 24.73 miles
Region 2: 5.28 miles
Region 3: 12.19 miles
Region 4: 17.42 miles
Region 5: 12.65 miles
Region 6: .17 miles
Region 7: 36.22 miles

These 109 miles of roadway had a total repair estimate of \$28,815,320. The money from HB 386 will go towards fixing these roads.

County road departments are overwhelmed by the drains on their limited funds from trying to marginally maintain connecting roads to parks. A case in point involves Cooney State Park located in Carbon

Ex. 3
2-12-91
HB 386-
526

County. The connecting road from State Highway 212, for a length of 7 miles, serves extremely heavy use by Billings (Yellowstone County) recreationalists. Carbon County is required to exhaust their road funds serving the users from Stillwater and Yellowstone Counties. The state park system is not funded to adequately maintain roads within parks.

This is a companion bill to SB 44 that enables the Department of Highways to "construct, improve and maintain" roads within state parks and connecting roads between state highways and state parks.

EXHIBIT
DATE

HB



State Historic Preservation Office

Montana Historical Society

Mailing Address: 225 North Roberts • Helena, MT 59620-9990

EXHIBIT

4

Office Address: 102 Broadway • Helena, MT • (406) 444-7715

DATE 2-12-91

HB 526-386

TESTIMONY IN SUPPORT OF HOUSE BILLS 526 AND 386

House Taxation Committee
February 12, 1991

Mr. Chairman, Members of the Committee. I am Marcella Sherfy. I am Montana's State Historic Preservation Officer working within the Montana Historical Society.

I am present to express the Society's support for House Bill 526 and House Bill 386 and the contribution to stable funding that they can provide our Park System. In a nutshell, the Society finds the historical sites in state ownership at desperate risk and, at the same time, just around the corner from being one of our dramatic assets. We must, it seems to us, invest in our parks so that they will survive and provide the economic and educational return we seek.

The Society tries to help all Montanans who own significant historic and prehistoric sites understand and find appropriate ways to preserve those sites. In that mission, we work with private home owners, school districts, businesspeople, federal agencies---and with our own Montana state agencies. This particular year--based on 1989 legislative direction--the Society staffed the Historic Sites Study Commission. The Commission was created to assess the needs of historic parks in the state park system and make recommendations to this legislature on places such as Bannack, Pictograph Cave, and Ulm Pishkun.

So--based on what we know from our everyday work and from our participation in the Historic Sites Study Commission's work, we are in enthusiastic, strong support of the concerted effort being made this year to provide our Montana State Park System with an adequate funding base. Parks desperately need funds that can stabilize endangered historic buildings, protect archeological sites from ongoing vandalism, maintain buildings adequately once deterioration is slowed, provide a workable level of services and facilities, and begin systematic interpretation. So long as Montana fails to be a good steward of its own state historic parks, we set a dreadful example for local historical societies, private property owners, and even federal agencies who also care for wonderful resources. Perhaps most important, a state park system in desperation denies our dream of enticing visitors to Montana to enjoy our fascinating heritage.

I hang on tight to this wonderful magazine advertisement that appeared several years ago on Alaska: THE YUKON IS RICHER IN HISTORY THAN IT EVER WAS IN GOLD. That is, we think, more true of Montana than it is of Alaska. We have the real stuff--the stuff that Hollywood still can only mimic. And we are by far more accessible to a traveling public than Alaska. But our treasure of historic parks--in this Treasure State--has value only if we are willing to invest in professional care and interpretation of parks. Otherwise, we have only romantic, but remote, disintegrating, confusing remnants.

Thank you.

5
2-12-91
526-386

EXHIBIT
AT
B

Ulm Pishkun State Park

THERE'S NO COMPARISON: A Look at Ulm Pishkun and Head-Smashed-In

Head-Smashed-In Interpretive Centre

The Resource: A buffalo gathering, killing, and processing area used over 6,000 years from prehistoric times until historic times by Native Americans. The cliff structure used in the jump stands about 30 feet high and again runs for the better part of a mile. This property is a UNESCO World Heritage Site. The site is substantially undisturbed.

Ownership: The site is predominantly owned by the province of Alberta and administered by the Alberta Department of Culture and Multi-culturalism.

Development: The site was the object of over 10 years archaeological research and construction of a major Interpretive Centre. The Centre is built up the cliff over a portion of the jump site. It contains an 80-seat theater, five levels of exhibits, a cafeteria, and a gift shop. The Centre is supported by an 80-car permanent parking lot, an auxiliary lot for 150 cars, shuttle bus service to parking lots, and more than a mile of interpretive trails. Signing to the site can be seen on major Canadian routes #2 and #3.

Hours: The Centre is open year-around. Winter hours are 9:00 a.m. to 5:00 p.m. Summer hours are 9:00 a.m. to 8:00 p.m.

Staffing: Permanent winter staffing runs about 15 to 20 people, including maintenance employees. Summer staffing is about 70 people, including archaeologists continuing to work at the site and analyze materials found. All guides must speak Blackfoot.

Interpretation: The Centre offers a wide range of interpretive exhibits, a 10-minute introductory film, self-guided outside trails, and guides. Portions of the archaeological labs are visible to the public as is other archaeological work in progress.

Major Capital Improvements: The Centre represents a \$10 million dollar investment by the Province.

Visitation: 135,000 each of the last two years. The Centre just passed the half million visitation point since it opened in 1987.

Economic Impacts: Each staff position at Head-Smashed-In generates 4.6 private sector jobs. \$3.1 million dollars are pumped annually into the Fort McLeod economy.

The Resource: Ulm Pishkun is a bluff with drops of 30 feet or more, running more than a mile in length, used for over 5,000 years for Native American buffalo gathering, killing, and processing. The property is listed in the National Register of Historic Places. Portions of the buffalo bone beds were mined for the fertilizer during World War II. The site has continued to sustain loss through vandalism.

Ownership: Less than 1/4 of the site is owned by the State of Montana and administered as a park by the Department of Fish, Wildlife and Parks, Parks Division. Major portions of the site are in private ownership. The state is now working on a land trade among 3 private owners and 2 state agencies.

Development: Interpretive panels, fencing for the state-owned property, gravel parking for 10 cars, picnic tables, and latrines. No signing to the site from the interstate; Parks has placed signs on secondary roads off the interstate.

Hours: Gates are open from April 15th to October 15th.

Staffing: No on-site staff. Administered by Region 4, Parks Division, Regional Fish, Wildlife and Parks office in Great Falls. Local support groups provide assistance to Parks in several areas.

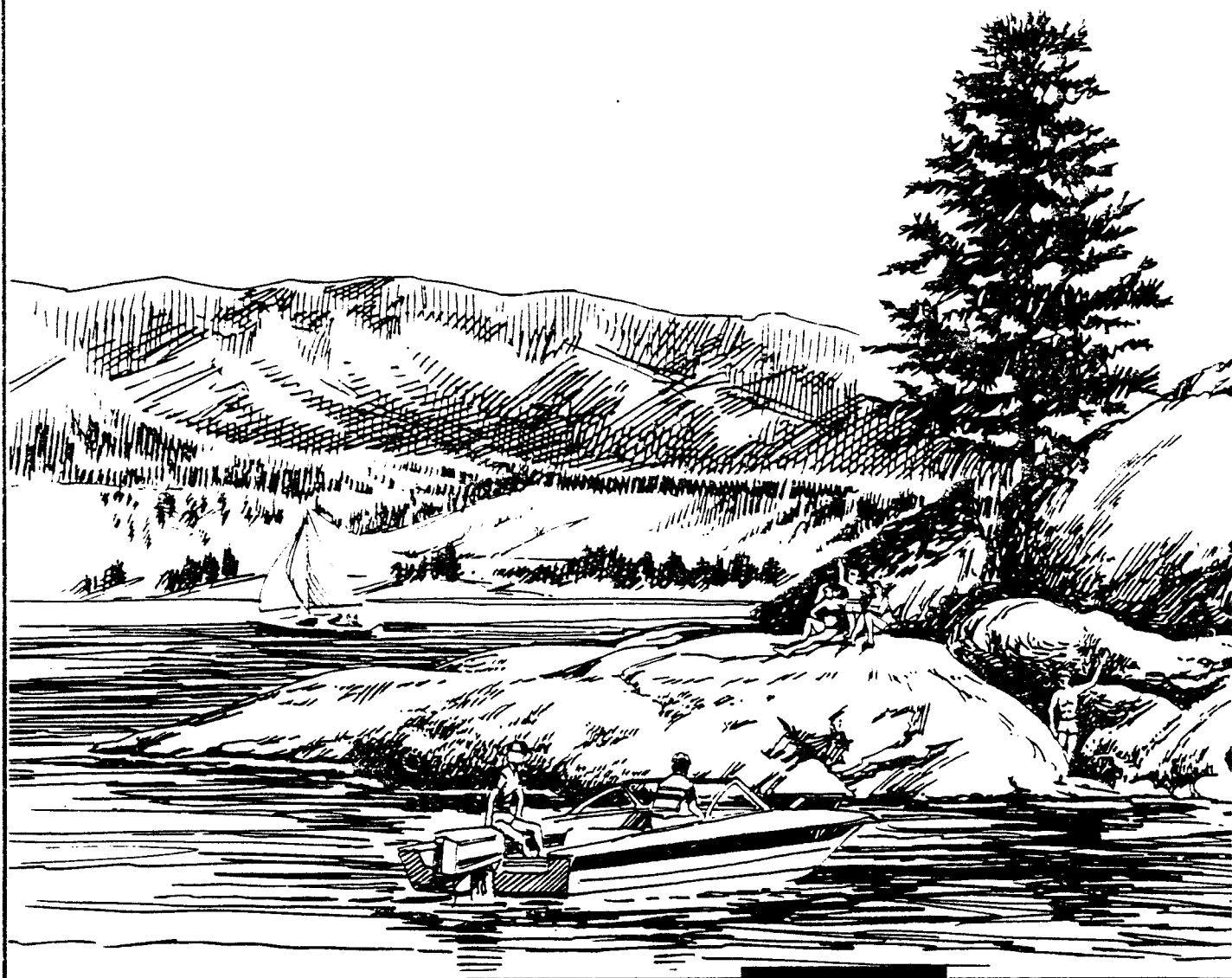
Interpretation: Periodically provided by local volunteers only; a brochure on the site was printed by Great Falls groups.

Major Capital Improvements: None

Visitation: There is no accurate way to count visitors, but Region 4 staff estimate about 2,000 visitors each year.

House
Taxation
Committee

EXHIBIT 6
DATE 2-12-91
HB 526-386



THE STATE PARK SYSTEM Montana's Legacy - A New Growth Industry

A Report to Governor Stan Stephens
and the 52nd Legislature

Respectfully Submitted by
THE STATE PARK FUTURES COMMITTEE
November 1990

STATEMENT IN SUPPORT OF H.B. 386 AND H.B. 526

My name is Alan Newell. I serve as president of a private consulting firm, Historical Research Associates, Inc., which has its principal offices in Missoula. During the past two years, I have been a member of the Montana Historic Sites Study Commission. That Commission was charged with the responsibility of assessing the state of historic and archaeological parks in Montana and with assisting The State Park Futures Committee in developing a plan for improving state parks.

The findings of the Montana Historic Sites Study Commission are summarized in our report *Reckoning With Time*. In brief those findings acknowledge the rich heritage that blesses our state, as well as the sad condition of that legacy. The Commission found that there were many non-budgetary items that need to be addressed by Montana's administrative officials. But it also found that without a substantial infusion of capital monies over a period of years, Montana will never realize the cultural and economic benefits of its state parks.

H.B. 386 and H.B. 526 are two key elements of a comprehensive plan to put our state parks on a solid financial footing. H.B. 386 is estimated to generate roughly \$4 million dollars annually, which would be used to improve roads leading to and within state parks. As most Montanans know, the maintenance of good roads in our vast state are a primary responsibility of government. This is no less true for our state parks. Visitors to our parks, especially those from out of state, will only be encouraged to explore Montana if they can be assured of a safe and well-maintained road system.

H.B. 526 similarly offers an appropriate means of supporting Montana parks. The \$500,000 that this tax is expected to yield annually can be used to fund capital improvements. Only with the investment of new monies in our state parks, can we expect to see longterm growth in tourism and, at the same time preserve our cultural and natural heritage.

I agreed to serve on the Montana Historic Sites Study Commission because of the importance of preserving our historic parks and the value that I know Montanans place on these resources. The meetings conducted by The State Park Futures Committee around the state clearly demonstrates that Montanans recognize the place of parks in our economic future and support increased state funding. I urge the committees' inclusion of these two measures in the overall funding package for state parks.

Alan S. Newell
Suite 504
Glacier Building
111 N. Higgins
Missoula, MT

RECKONING WITH TIME

Findings

of the

1990 Montana Historic Sites

Study Commission

Commission Members

Steve Aaberg, Archaeologist, Bozeman
Bob Brown, State Senator, Whitefish
Cheryl Clemmenssen, Park Ranger, Grant-Kohrs Ranch National
Historic Site, Deer Lodge, *Chairman of the Commission*
Dr. Ken Deaver, Archaeologist, Billings
Lon Johnson, Historic Architect, Butte
Judy McNally, Preservation Advocate, Billings
Alan Newell, Historian, Missoula
Ted Schye, State Representative, Glasgow

Additional Legislative Oversight

Bob Bachini, Representative, Havre
John Patterson, Representative, Custer

Staff

Lawrence J. Sommer, Director, Montana Historical Society
Marcella Sherfy, State Historic Preservation Officer,
Montana Historical Society
Susan Near, Museum Services Administrator, Museum Program,
Montana Historical Society

Department of Fish, Wildlife, and Parks Assistance

Don Hyypa, Director's Special Advisor on Outdoor Recreation
Gretchen Olheiser, Chief, Operations Bureau, Parks Division
Arnold Olsen, Administrator, Parks Division

MONTANA HIGHWAY USERS FEDERATION

Application for Membership

Your Name _____
 Company Name _____
 Address _____
 Phone—Home _____
 Business _____
 Zip _____

HB 526-38
 DATE 2-12-91
 HB 526-38
 Annual Business Membership: \$70
 Annual Youth Membership: \$25

MONTANA HIGHWAY USERS FEDERATION BOARD OF DIRECTORS

Serve Turkiewicz
 Montana Auto Dealers Association
 111 N. Sanders
 Helena, MT 59601
 406/442-1233

Larry Tobiason
 Montana Automobile Association
 P.O. Box 1770
 Helena, MT 59604
 406/442-5920

Forrest H. "Buck" Boles
 Montana Chamber of Commerce
 P.O. Box 1770
 Helena, MT 59604
 406/442-2465

Bill Olson
 Montana Contractors Association, Inc.
 1717 Eleventh Avenue
 Helena, MT 59601
 406/442-4162

Andy Neal
 Montana Farm Bureau Federation
 502 S. 19th
 Bozeman, MT 59715
 406/587-3135

Terry Murphy
 Montana Farmers Union
 P.O. Box 247
 Great Falls, MT 59403
 406/432-3420

Keith Olson
 Montana Logging Association
 P.O. Box 1716
 Kalispell, MT 59901
 406/755-3185

Ben Havidahl
 Montana Motor Carriers Association
 P.O. Box 1714
 Helena, MT 59624
 406/442-6600

Janelle K. Fallon
 Montana Petroleum Association
 2030 Eleventh Avenue #23
 Helena, MT 59601
 406/442-7882

Jerry Jack
 Montana Stockgrowers Association
 P.O. Box 1679
 Helena, MT 59624
 406/442-3420

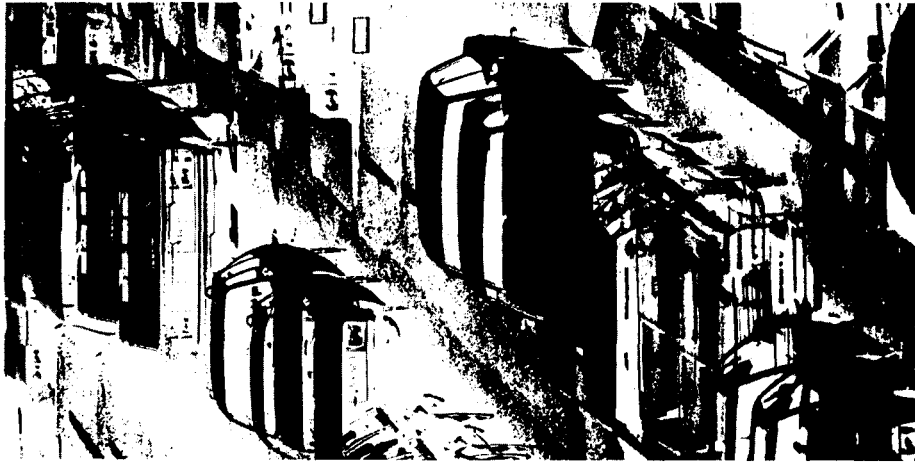
Dennis Burr
 Montana Taxpayers Association
 P.O. Box 4909
 Helena, MT 59604
 406/442-2130

Don Allen
 Montana Wood Products
 P.O. Box 923
 Helena, MT 59624
 406/443-1506

Tom McGee
 US West
 560 N. Park Avenue
 P.O. Box 1716
 Helena, MT 59624
 406/441-4300



P.O. Box 4519
 Helena, MT 59604



EX. 9
 2-12-91 HB 526-38

Statement of Objectives

PURPOSES & GOALS

The Montana Highway Users Federation is dedicated to the development of a sound highway transportation system in Montana and throughout the nation.

The Federation is a non-profit, non-partisan organization. Without prejudice to any particular type of road or section of the state, it seeks betterment of all roads at the lowest cost commensurate with adequate facilities to meet the needs of the people of the state of Montana.

Officials of the various branches of government and organizations are encouraged to utilize the forum provided by the Federation. Here they can exchange information on subjects of common interest.

Members in the Federation are organizations and citizens who support, through their user fees, the federal and state highway programs.

HIGHWAYS

We believe a sound, efficient highway transportation system is essential to the welfare of our state and nation. Our social and economic life and our national strength are inextricably bound to the mobility we have made possible. The provision of highways is a responsibility shared by all levels of government.

The primary purpose of highways is to move people and goods safely and efficiently and to provide for the national defense. Consistent with that purpose, consideration should be given to social, environmental and aesthetic public goals.

The federal-state relationship of the highway program should be continued. This partnership should remain one of mutual cooperation.

FEDERAL

The primary federal role should be to define highway systems of national interest, and to support state and local governments in meeting these responsibilities.

STATE/LOCAL

The role of state and local units of government is to plan, design, maintain and administer highway, road and street systems. This planning should relate highway needs, safety, and design considerations to population growth and distribution, economic growth, intermodal coordination, land use and environmental factors.

Montana is a highway-dependent state. The quality of its highway transportation services is extremely important to economic prosperity. We support improvement of our highway system in ways consistent with proven need, and the ability and willingness of the taxpayers to provide the necessary resources.

We believe the policies of the state of Montana should assure the protection of the enormous public investment which rests in our highway system through proper care and maintenance.

HIGHWAY FINANCING

At both the federal and state levels, there is a need for a consistent, predictable highway funding program in order to economically meet our highway needs, and to assure a sound highway system, thereby enhancing the economy of Montana.

FEDERAL

The Highway Trust Fund has been an effective mechanism for financing the national highway program and has served to keep it debt-free and self-liquidating. We believe it should be permanent.

The federal government's share of the costs of a given highway program should reflect the extent to which that program serves the national interest. Funds in the Highway Fund should be used as soon as practicable after collection. Large balances should not be allowed to contribute to a false impression of a lack of need.

STATE

We support the principle of highway user fees for highway purposes.

We support fair and equitable highway taxing policies.

DIVERSION

Diversion is the use of highway user fees for non-highway purposes. This practice eventually results in excessive and inequitable taxation of highway taxpayers, failure to provide sufficient funding for needed highway programs, or both.

We oppose diversion at both the federal and state level. It is clear that present sources of highway revenue are sorely needed to maintain and improve our highway systems. The Montana Highway Users Federation seeks restoration of a total anti-diversion amendment to our State Constitution.

HIGHWAY SAFETY

We support sound and effective highway safety programs. Any new program should be carefully studied, prior to its implementation, as to its cost-benefit. Moreover, safety laws should be evaluated as to their cost-effectiveness.

Improved and expanded enforcement education and rehabilitation programs must be aimed at reducing the incidence of D.U.I. (driving under the influence). We support necessary laws to facilitate such programs.

ENVIRONMENTAL PROGRAMS

We strongly endorse the objectives of providing a healthy environment. Any laws that cause delays and increase costs for highway improvement programs should be reviewed and changed as appropriate. Such laws have resulted in inflated costs, inconvenience to consumers, waste of natural resources, social conflict and disruptions to commerce and industry.

The imposition of clean air regulations should be based on demonstrable health needs, economic and scientific achievability and proven cost benefits.

Rule making should be supported by the latest scientific data with attention to a cost-benefit analysis.

ENERGY

We endorse establishment of a national energy policy directed toward national self sufficiency. We urge Congress to encourage free enterprise to develop new technology to more effectively utilize present energy sources and to seek new ones through exploration, research and development.

Highway transportation is particularly vulnerable to oil shortages since, under current technology, there is no practical alternative form of energy available to motor transportation.

Government should reduce legislative and regulatory obstacles to the vital development and production of domestic energy resources and synthetic fuels, including quick resolution of environmental and other conflicts which impede progress.

The federal government owns or controls some 29% of Montana land. Most experts agree this land also holds the greatest potential for new discoveries of energy. We believe it is in the national interest to permit exploration and development of the land providing there are appropriate safeguards for reasonable protection of the environment. Experience with this "multiple use" concept has proven successful.

For additional information on Montana Highway Users Federation membership please complete and return the attached form and mail to:
Montana Highway Users Federation
P.O. Box 4519
Helena, MT 59604



CENTS PER GALLON

EXHIBIT

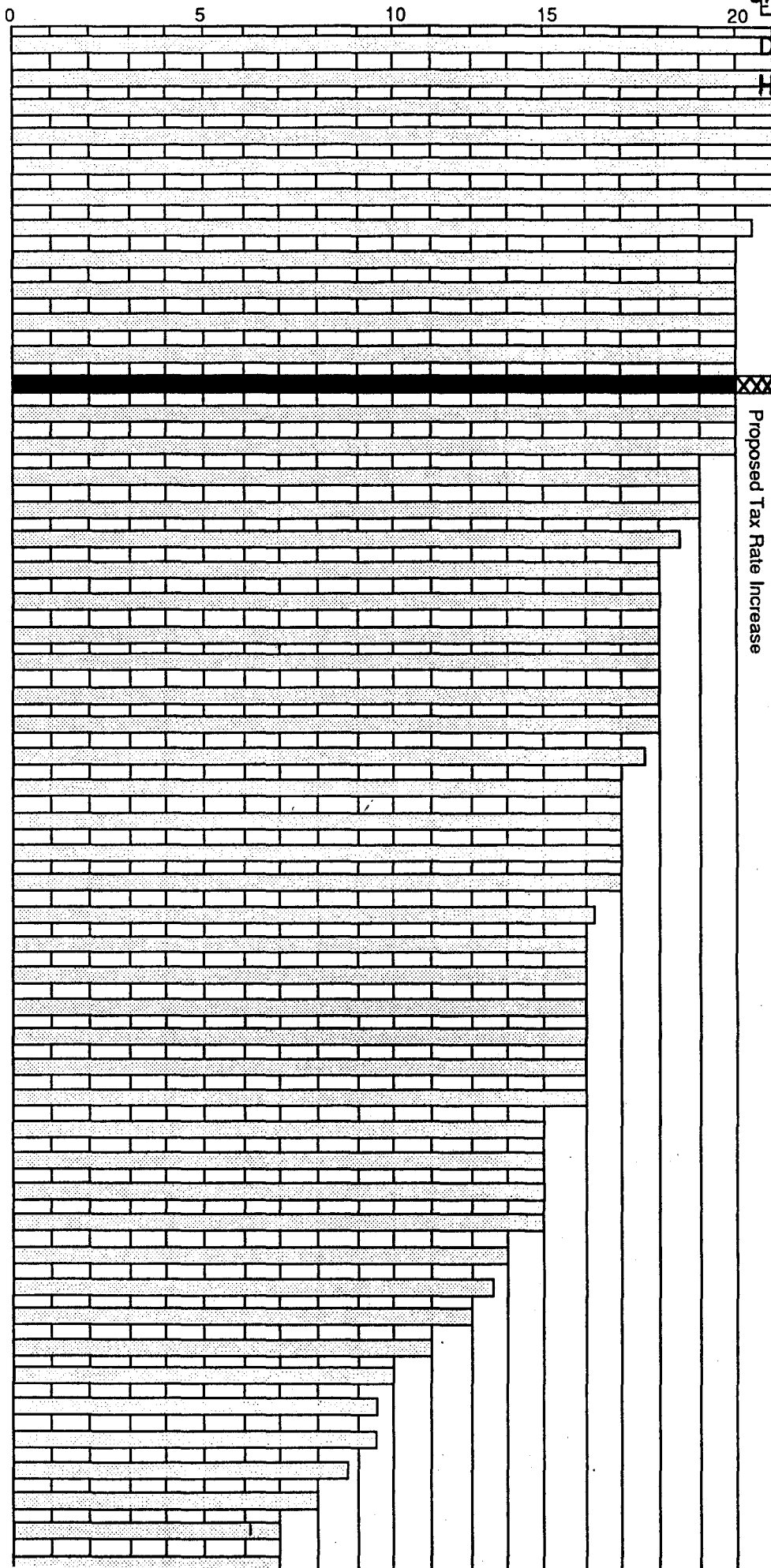
10

DATE 2-13-91

HB 526-386

STATES

Connecticut
Washington
Nebraska
North Carolina
Wisconsin
Tennessee
West Virginia
Colorado
Iowa
Louisiana
Minnesota
MONTANA
Ohio
Rhode Island
Illinois
Utah
Maryland
Dist. of Columbia
Idaho
Mississippi
Nevada
Oregon
South Dakota
Virginia
Arizona
Maine
Massachusetts
North Dakota
New Mexico
Delaware
Kansas
New Hampshire
Oklahoma
South Carolina
Vermont
Indiana
Kentucky
Michigan
Texas
California
Arkansas
Alabama
Pennsylvania
Hawaii
Missouri
New Jersey
Florida
Wyoming
Alaska
New York



Proposed Tax Rate Increase

CURRENT STATE GASOLINE TAX RATES

(AS OF 2/1/91)

Amendments to House Bill No. 334
First Reading Copy

Requested by Property Tax Subcommittee
For the Committee on Taxation

Prepared by Lee Heiman
February 7, 1991

1. Title, line 9.
Title, line 11.
Strike: "DAYS"
Insert: "MONTHS"
2. Page 2, line 3.
Page 2, line 8.
Page 2, line 9.
Page 2, line 15.
Page 3, line 2.
Page 3, line 4.
Strike: "days"
Insert: "months"
3. Title, lines 10 and 11.
Strike: "A PERIOD SHORTER THAN"
4. Title, line 13.
Following: "STATE;"
Insert: "EXPANDING THE DEFINITION OF LIVESTOCK TO INCLUDE LLAMAS,
DOMESTIC BISON, AND DOMESTIC ELK;"
Following: "SECTIONS"
Insert: "15-24-921,"
Following: "15-24-922"
Insert: ", "
5. Page 2, lines 17 through 20.
Strike: "ratio" on line 17 through "due" on line 20
Insert: "difference between the original prorated amount paid and
the subsequent amount owed after the actual number of tax
situs months are determined at the end of the tax year"
6. Page 3.
Following: line 4
Insert: "Section 2. Section 15-24-921, MCA, is amended to read:
"15-24-921. Per capita tax levy to pay expenses of
enforcing livestock laws. (1) In addition to appropriations
made for such purposes, a per capita tax is hereby
authorized and directed to be levied by the county assessor
on all poultry and bees, all swine 3 months of age or older,
and all other livestock 9 months of age or older in each
county of this state for the purpose of aiding in the
payment of the salaries and all expenses connected with the
enforcement of the livestock laws of the state and for the
payment of bounties on wild animals as hereinafter

specified.

(2) As used in this section, "livestock" means cattle, sheep, swine, poultry, bees, goats, horses, mules, and asses, llamas, domestic bison, and domestic elk."

Renumber: subsequent sections

7. Page 3, line 21.

Page 3, line 23.

Page 3, line 24.

Strike: "days"

Insert: "months"

8. Page 3, line 23.

Following: "livestock"

Insert: "do not"

9. Page 4, line 12.

Strike: "assessed on the average inventory basis"

10. Page 4, line 13.

Strike: "taxed"

Insert: "each year"

11. Page 4, line 19.

Strike: "assessed on the average inventory basis"

Strike: "taxed"

Insert: "each year"

Amendments to House Bill No. 334
First Reading Copy

Requested by Property Tax Subcommittee
For the Committee on Taxation

Prepared by Lee Heiman
February 7, 1991

1. Title, line 9.
Title, line 11.
Strike: "DAYS"
Insert: "MONTHS"

2. Page 2, line 3.
Page 2, line 8.
Page 2, line 9.
Page 2, line 15.
Page 3, line 2.
Page 3, line 4.
Strike: "days"
Insert: "months"

3. Title, lines 10 and 11.
Strike: "A PERIOD SHORTER THAN"

4. Title, line 13.
Following: "STATE;"
Insert: "EXPANDING THE DEFINITION OF LIVESTOCK TO INCLUDE LLAMAS,
DOMESTIC BISON, AND DOMESTIC UNGULATES;"
Following: "SECTIONS"
Insert: "15-24-921,"
Following: "15-24-922"
Insert: ", "

5. Page 2, lines 17 through 20.
Strike: "ratio" on line 17 through "due" on line 20
Insert: "difference between the original prorated amount paid and
the subsequent amount owed after the actual number of tax
situs months are determined at the end of the tax year"

6. Page 3.
Following: line 4
Insert: "Section 2. Section 15-24-921, MCA, is amended to read:
"15-24-921. Per capita tax levy to pay expenses of
enforcing livestock laws. (1) In addition to appropriations
made for such purposes, a per capita tax is hereby
authorized and directed to be levied by the county assessor
on all poultry and bees, all swine 3 months of age or older,
and all other livestock 9 months of age or older in each
county of this state for the purpose of aiding in the
payment of the salaries and all expenses connected with the
enforcement of the livestock laws of the state and for the
payment of bounties on wild animals as hereinafter

Ex. 12
2-12-91
HB 334

specified.

(2) As used in this section, "livestock" means cattle, sheep, swine, poultry, bees, goats, horses, mules, and asses, llamas, domestic bison, and domestic ungulates."

Renumber: subsequent sections

7. Page 3, line 21.

Page 3, line 23.

Page 3, line 24.

Strike: "days"

Insert: "months"

8. Page 3, line 23.

Following: "livestock"

Insert: "do not"

9. Page 4, line 12.

Strike: "assessed on the average inventory basis"

10. Page 4, line 13.

Strike: "taxed"

Insert: "each year"

11. Page 4, line 19.

Strike: "assessed on the average inventory basis"

Strike: "taxed"

Insert: "each year"

Amendments to House Bill No. 513
First Reading Copy

For the Committee on Taxation

Prepared by Lee Heiman
February 12, 1991

1. Title, lines 4 through 6.

Strike: "REVISING" on line 4 through "PAID;" on line 6

2. Title, line 7.

Strike: "ON"

Insert: "OF CERTAIN"

3. Title, line 8.

Strike: "ILLEGALLY COLLECTED OR ON DUPLICATE TAXES PAID"

4. Title, line 13.

Following: "DATE"

Insert: "AND A RETROACTIVE APPLICABILITY DATE"

5. Page 1, line 18.

Strike: "is"

Insert: "may be"

6. Page 2, line 4.

Strike: "shall"

Insert: "may"

7. Page 2, line 13.

Strike: "shall"

Insert: "may"

8. Page 4, line 8.

Strike: "January"

Insert: "October"

9. Page 4, line 16.

Strike: "January"

Insert: "October"

10. Page 4.

Following: line 21

Insert: " (6) The board of county commissioners shall refund any tax, penalty, or interest collected as a result of an error in the description or location of real property or improvements as determined by the department of revenue. The refund is subject to the provisions of subsections (4) and (5).

(7) The board of county commissioners shall refund any net or gross proceeds tax, penalty, or interest when the department of revenue notifies the board that an overpayment occurred. The department shall determine the amount of

Ex. 13

2-12-91

HB 513

overpayment. The refund is subject to the provisions of subsections (4) and (5), but no refund may be granted for any taxes paid more than 5 years prior to the date the claim was received."

Renumber: subsequent subsections

11. Page 5, line 9.

Following: "date"

Insert: "-- applicability"

12. Page 5, line 10.

Following: "approval"

Insert: "and applies retroactively, within the meaning of 1-2-109, to taxes paid for the 1990 tax year"

EXHIBIT 14
DATE 2-12-91
HB 513

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL VOTE

DATE _____ BILL NO. 513 NUMBER ① HB 513

MOTION: DP/A.

| NAME | AYE | NO |
|-------------------------------|-----|----|
| REP. BEN COHEN, VICE-CHAIRMAN | | ✓ |
| REP. ED DOLEZAL | ✓ | |
| REP. JIM ELLIOTT | | ✓ |
| REP. ORVAL ELLISON | ✓ | |
| REP. RUSSELL FAGG | ✓ | |
| REP. MIKE FOSTER | ✓ | |
| REP. BOB GILBERT | ✓ | |
| REP. MARIAN HANSON | ✓ | |
| REP. DAVID HOFFMAN | ✓ | |
| REP. JIM MADISON | | ✓ |
| REP. ED MCCAFFREE | ✓ | |
| REP. BEA MCCARTHY | ✓ | |
| REP. TOM NELSON | ✓ | |
| REP. MARK O'KEEFE | ✓ | |
| REP. BOB RANEY | | ✓ |
| REP. BOB REAM, VICE-CHAIRMAN | ✓ | |
| REP. TED SCHYE | ✓ | |
| REP. BARRY "SPOOK" STANG | ✓ | |
| REP. FRED THOMAS | ✓ | ✓ |
| REP. DAVE WANZENRIED | ✓ | |
| REP. DAN HARRINGTON, CHAIRMAN | ✓ | |
| TOTAL | | |

500
1000
1000

16: 4

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Taxation COMMITTEE BILL NO. HB 481
DATE 2/12/91 SPONSOR(S) Rep. Wallin
PLEASE PRINT PLEASE PRINT PLEASE PRINT

| NAME AND ADDRESS | REPRESENTING | SUPPORT | OPPOSE |
|------------------|-------------------|---------|--------|
| Gordon Morris | MACO | | |
| Merrill H. Kuntz | Clark & Lee Yells | X | |
| Vernon Petersen | Fergus County | X | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Taxation COMMITTEE BILL NO. H.B. 510
DATE 2/12/91 SPONSOR(S) Rep. Nisbet
PLEASE PRINT PLEASE PRINT PLEASE PRINT

| NAME AND ADDRESS | REPRESENTING | SUPPORT | OPPOSE |
|------------------|--------------|---------|-------------------------------------|
| Alec Hawsew | MLCT | | <input checked="" type="checkbox"/> |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Taxation COMMITTEE BILL NO. H.B. 513
DATE 2/12/91 SPONSOR(S) Rep. Simpkins
PLEASE PRINT PLEASE PRINT PLEASE PRINT

| NAME AND ADDRESS | REPRESENTING | SUPPORT | OPPOSE |
|----------------------|--------------|---------|--------|
| <i>Gordon Morris</i> | <i>MACo</i> | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Taxation COMMITTEE BILL NO. HB 386
DATE 2/12/91 SPONSOR(S) Rep. Schye

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

| NAME AND ADDRESS | REPRESENTING | SUPPORT | OPPOSE |
|------------------|-------------------------------|---------|---------|
| Buzz Lund | W. P. M. A. HB 386 | | X |
| Janet Ellis | MT Audubon | X | |
| Alan Howell | MT. Historic Sites Pulg. Com. | X | |
| maelle idup | MT Hist. Society | X | |
| Janelle Fallon | Mont Highway Users | | X |
| Ken Durham | MT Contractors' Assoc HB386 | | X |
| D Moniger | DFWP | | |
| Ell. Puck Boles | MT CHAMBER | | HB386 X |
| Bonnie Tippy | State Park Futures Committee | X | |
| Kay Nrenberg | WIFE HB 386 | | X |
| Lorna Frank | Farm Bureau HB386 | | X |
| Tom Bernard | Mont Dept of Highways | | |
| | | | |
| | | | |

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.