

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By DAN HARRINGTON, CHAIR, on March 19, 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.

Announcements/Discussion:

CHAIR HARRINGTON informed the proponents and opponents that they each had 15 minutes to testify.

REP. REAM stated that he met with the Income/Severance Tax Subcommittee to lay out what their thoughts were on the income tax proposal that he had been working on--a percentage of federal liability. Based on these preliminary discussions, the Great Falls Tribune and Independent Record blasted that proposal using data received from the **Governor's Budget Office**. The data in the articles is totally different than he has received from the DOR.

They talked it about it being a \$37 million a year tax increase when we talked about making it a revenue neutral bill. Whatever revenue neutral means; its either 30.11% or 31.99%. **REP. REAM** made a formal request of the **Governor's Budget Office** give him an explanation of the data that is in the two articles. They need to reconcile the differences between what he has received from the DOR from what the newspapers are using. He thinks this is bad journalism or bad data.

CHAIR HARRINGTON said how can the **Governor's Office** and his own DOR come in with two different figures before the bill was introduced. He stated that both of the figures should be reconciled.

HEARING ON SB 111

Presentation and Opening Statement by Sponsor:

SEN. HALLIGAN, Senate District 29, Missoula, stated recycling is something we have seen before in several different committees. SB 111 provides a market based incentive instead of trying to deal with the cosmetic aspects of recycling.

Page 2, Lines 6 - 14, focuses on trying to get retail businesses encouraged to purchase equipment to collect recyclable. Subsection 2 states recyclers currently in the business to purchase equipment to do more recycling; and all businesses, will receive a tax credit for their investment.

The tax credit is for investments in depreciable property to collect, transport, or process reclaimable materials or to manufacture a product from reclaimed material. It would be a 25% credit of the cost of the property purchased to collect , transport, or process reclaimable materials; and it would be a one time credit from the time they buy the depreciable property.

Proponents' Testimony:

Chris Kaufman, Montana Environmental Information Center, stated SB 111 will encourage a strong recycling industry.

Kari Lind, Graduate Student, U of M, provided written testimony. EXHIBIT 1

Janet Ellis, Montana Audubon Legislative Fund, said since businesses are not required to recycle, it makes sense to give them the incentive to recycle. For this reason, they support SB 111.

Alex McGavin, Graduate Student, U of M, provided written testimony. EXHIBIT 2

James Tutwiler, Montana Chamber of Commerce, support SB 111. He stated that using tax incentives encourage businesses to recycle is a proven approach. Any legislation that seeks to get more businesses involved in the recycling process in itself has merits. He urged the committee's support of SB 111.

Dan Walker, U.S. West, stated they favor SB 111 for a number of reasons. They have been involved in recycling metals and more recently paper in their business. We support this legislation because of the difficulty of recycling in our smaller communities. Where there are larger installations, it is more economical to go through the recycling process. The smaller communities find it more difficult, and we believe SB 111 will encourage recycling centers in smaller communities.

Opponents' Testimony: None

Questions From Committee Members:

REP. COHEN said some small business have already been making some of the investments SB 111 offers. He asked **SEN. HALLIGAN** if the bill could include business already doing this. **SEN. HALLIGAN** said Page 4, Line 13 - 15 states if property was purchased prior to January 1, 1992, but on or after January 1, 1986, a taxpayer is entitled to a credit for tax year 1992. So they would get a credit for a prior investment.

REP. THOMAS asked **SEN. HALLIGAN** why they were going back to 1986. **SEN. HALLIGAN** said because a piece of personal property would still be in good shape. 1986 is an arbitrary year. **Lee Heiman, Legislative Council,** stated when he drafted the bill, and the five year period seemed to work well in Oregon. The property purchased in that period of time would probably still be used for its original purpose.

REP. McCAFFREE asked if this would be a credit against a persons income tax. **SEN. HALLIGAN** said yes. There is no carryforward provision in it. We felt this should be a one time thing and not administratively impossible for the DOR.

REP. FAGG said that he liked the bill, but the definition of "reclaimable" property is broad and could be abused. He asked **Lee Heiman** to comment on it. **Mr. Heiman** said this was a synthesis of a number of definitions he picked up from a whole series of nationwide laws on recycling. From what he understood, the definition was suppose to be broad.

REP. ELLISON asked **SEN. HALLIGAN** if a sawmill which produces sawdust would qualify. **SEN. HALLIGAN** said that it would not be under the definition because sawdust would normally be disposed of. **Tony Gruber, UHBS,** said sawdust is not a solid waste under Montana law.

REP. RANEY asked SEN. HALLIGAN if he considered limiting the amount to a specific dollar amount because of such things as stone. SEN. HALLIGAN said that it was talked about but we wanted a draw first to see what would happen. Then we could put a sunset on it. CHAIR HARRINGTON said that it would be a possibility that would be looked at in the subcommittee.

Closing by Sponsor:

SEN. HALLIGAN said that he would work with the committee on the bill.

HEARING ON SB 238

Presentation and Opening Statement by Sponsor:

SEN. CRIPPEN, Senate District 45, Billings, stated SB 238 revises the Municipal Finance Consolidation Act of 1983 to allow the participation by the Montana University System Board of Regents.

The Intermediate Term Capital Program which is called ENTERCAP was created in 1983 to provide intermediate term loans for Montana cities, towns, counties, school districts, water and sewer districts, and other local jurisdictional governments. SB 238 would add the university system. It allows the State Board of Investments intermediate loans to the local jurisdiction so they can take advantage of loan interest rates, consolidation projects, and so they would be able to buy property on a short term basis instead of lease it.

Proponents' Testimony:

Ken Heikes, Montana University System, stated the Board of Regents, Commissioners Office, and the university units are all in support of SB 238. It provides them with another option for borrowing. It seems right that the Board of Regents and not the state be allowed to borrow, on a short term basis, from another arm of the state government.

Dave Lewis, Board of Investments, told the committee how the program works. They sell bonds and put the money in a pool. We then lend it out on a five year term to the local governments. It has been a very successful program. We have over \$9 million in loan outstanding and the rates vary between 5.75% and 7.95%. Counties, school districts, and local governments come to them for loans of less than \$500,000 and we give them a five year period to pay the loan off. It would be useful to the university systems to buy scientific equipment. It also saves the taxpayers money because most federal financing is tied to the prime rate. We did a computer system for a school district who financing was going to cost them 13%. They financed it for 7.5%.

Opponents' Testimony: None

Questions From Committee Members:

REP. GILBERT asked Dave Lewis if in his estimation the inclusion of the Board of Regents cut into the amount of money available to the other entities. Mr. Lewis said no; in fact, it would help as far as the rate. The larger the pool; the cheaper the money as far as we can spread our fixed costs across the divisions. We go to the market to borrow money depending upon demand, so there is not a limit on the amount we can borrow.

REP. MCCARTHY asked Mr. Lewis if in allowing this other option to the Board are we shortening the time frame in which they would borrow the money. Mr. Lewis said that they would be getting five year financing from them. They might not be able to get it from a lender.

Closing by Sponsor:

SEN. CRIPPEN hoped that the committee looked favorably on SB 238, and asked that REP. NELSON carry the bill since he was the second signer on the bill.

HEARING ON SB 262 and SB 263

Presentation and Opening Statement by Sponsor:

SEN. WILLIAMS, Senate District 15, Hobson, stated SB 262 and SB 263 are both from actions and resolution passed by the County Commissioners in Fergus County. The counties are allowed by statute to offer contracts for deeds on property sold. The interest rate for the contracts is statutorily set.

Page 1, Line 19 of SB 262 says the interest rate is set at 8%. We are asking that it be changed to be 4.9% because of the fluctuating interest rates, there are times when the counties lose too much money. When the interest rates get high, it puts the counties in the business of banking.

SB 263 relates to HB 262.

Proponents' Testimony:

Gordon Morris, Montana Association of Counties, said that SB 262 could be viewed as a privatization bill. It would take the installment purchase option and make it more attractive to individuals who are buying tax deed property. County Commissioners would then be able to establish a rate on the sale, which may not exceed more than 4 percentage points of the prime rate in major banks of New York. He provided the committee with a copy of the law that states they are limited as to that rate.

EXHIBIT 3

Mr. Morris provided written testimony on HB 263. **EXHIBIT 4**
He stated that the current law is that counties, in terms of recovery of costs for processing tax deed property, are limited to a ten dollar cost recovery. HB 263 would recover actual costs associated with tax deed properties. Some counties pay far more than the limit of \$10.

Opponents' Testimony: None

Questions From Committee Members:

REP. FOSTER asked SEN. WILLIAMS for clarification on SB 263 in that currently, someone pays \$10 for processing tax deed property; and under SB 263, they would pay \$2,481. SEN. WILLIAMS deferred the question to Gordon Morris. Mr. Morris said no. He stated when the tax deed property is sold, currently from the proceeds, the county is entitled to \$10 and \$10 only. Referring to the example provided to the committee, they had a \$50,000 property; the county processed it and sold it for \$40,000. The county got \$10,000 incurred actual costs of \$2,000. From the proceeds of the sale, the county would take out, first and foremost, their actual cost for processing the sale. The balance would then be distributed back to the various funds that would get money from the sale. It does not come from the purchaser.

REP. ELLISON asked SEN. WILLIAMS if on HB 262 there was no minimum that they would have to charge on the interest. SEN. WILLIAMS said no. That amount would be set by the County Commissioners.

Closing by Sponsor:

SEN. WILLIAMS said he appreciated the County Commissioners in Fergus County because they are looking at ways to save a few dollars and still offer all the services necessary. REP. GRINDE will carry both bills.

HEARING ON SB 278

Presentation and Opening Statement by Sponsor:

SEN. GAGE, Senate District 5, Cut Bank, stated SB 278 repeals the express company license tax and the sleeping car company license tax. We get no revenue from either at the present time.

Proponents' Testimony:

Jeff Miller, DOR, stated that these particular taxes are outmoded. One was put on in 1917 and the other in 1923. We have long since lost our last taxpayers in these industries. This is a house cleaning measure.

Opponents' Testimony: None

Questions From Committee Members:

REP. M. HANSON asked SEN. GAGE if all the section the committee would be repealing would be expressly deal with the express companies and sleeping car companies. SEN. GAGE said yes.

Closing by Sponsor:

SEN. GAGE asked the REP. ELLISON carry SB 278.

HEARING ON HB 976**Presentation and Opening Statement by Sponsor:**

REP. SWYSGOOD, House District 73, Dillon, stated HB 976 is similar to the bill he carried in the last session which deals with the taxation on talc. In the interim, he sent the members of the Legislature a letter of the positive results of that legislation. That bill allowed for a \$12 million expansion of the talc plant in Beaverhead County. Subsequently, it increased employment and extended the life of the mine for 35 to 50 more years.

HB 976 does basically the same thing. It establishes a rate of taxation on vermiculite. This is triggered by the Consumer Price Index as the talc bill. HB 976 contains a retroactive date that allows us to go back to 1989 Consumer Price Index for talc because it is difficult for the DOR to assess the current CPI as it comes out so late.

There is no vermiculite being mined in Montana at the present time. We have two proposed mines under consideration: one in Beaverhead County and one in Butte-Silver Bow County. HB 976 establishes a flat rate of \$27 a ton being triggered every year by the CPI. It also takes the RITT from the current .05% and changes it to 2% for vermiculite only. This is a revenue neutral adjustment because of the price that was set on the tonnage.

Proponents' Testimony:

Dennis Burr, Montana Taxpayers Association, said that net proceed in these micaceous minerals have been subject to litigation for years. SB 976 is doing the same thing with vermiculite as was done with talc in the last session.

Under the current system, you start with the gross value of the product. Then you subtract labor cost, depreciation of machinery, and other things to get to the net proceeds. We looked at the relationship over a period of years. With vermiculite, we might be starting with \$95 a ton. The average deduction over the years have reduced it down to \$27 a ton. HB 976 says, rather than going through that process, we will set the value at \$27 a ton and be done with it. It gives the industry and local governments some predictability because normally the

net proceeds amount fluctuates with they type of product being produced and the types of expenses that they incur.

HB 976 would have a net loss to the state of \$2,000 in the first year and have a net gain to the state in the second year of \$15,000. Same is true with local governments. A net loss of \$6,000 in the first year and a gain of \$24,000 in the second year. This is an indication of how it fluctuate between a couple of years. He urged the committee's support.

Gary Langley, Montana Mining Association, stood in support of HB 976 on the basis that it is consistent with what the Legislature has been doing with the tax policy on minerals.

Koehler Stout, Mineral Products Inc., said that they are one of the companies trying to get the vermiculite mine started in Beaverhead County. They favor this tax because whenever you start a mine, a market must be established and the cost must be predicted. These taxes will allow them to predict what there costs will be.

JoAnne Chance, Speaking on Behalf of the Beaverhead County Commissioners, stated they support HB 976 because they feel it is tax consistent, good for the industry, the county, and the citizens.

Dorothy Donovan, Beaverhead County Superintendent of Schools, said she supports the bill because the changes it proposes are tax neutral and is beneficial to our local schools and new industry.

Opponents' Testimony: None

Questions From Committee Members: None

REP. FOSTER said he would like to see the fiscal note before HB 976 is acted upon.

CHAIR HARRINGTON asked REP. SWYSGOOD if there was a vermiculite mine in operation at present. REP. SWYSGOOD said no. There was a mine in operation in Libby some years ago, but was shut down due to asbestos. The test showed very little asbestos if any and that is the reason for HB 976.

Closing by Sponsor:

REP. SWYSGOOD said that previous legislation in the last session on the talc industry was a positive step. We didn't give them a tax break. We gave them predictability so they could figure their cost of business. This is all HB 976 does.

EXECUTIVE ACTION ON HB 976

Motion: REP. HOFFMAN MOVED HB 976 DO PASS.

Discussion:

CHAIR HARRINGTON said HB 976 dealt with the vermiculite mines. There are no mines operating today. This mine does the same thing to the vermiculite mines as they did with the talc in the last session.

Vote: Motion that HB 976 Do Pass carried 20 to 1 with REP. ELLIOTT voting no.

EXECUTIVE ACTION ON SB 278

Motion/Vote: REP. MCCARTHY MOVED SB 278 BE CONCURRED IN AND BE PLACED ON CONSENT CALENDAR. Motion carried unanimously.

EXECUTIVE ACTION ON SB 262

Motion/Vote: REP. ELLISON MOVED SB 262 BE CONCURRED IN. Motion carried unanimously.

EXECUTIVE ACTION ON HB 263

Motion/Vote: REP. ELLIOTT MOVED SB 263 BE CONCURRED IN. Motion carried unanimously.

EXECUTIVE ACTION ON SB 238

Motion/Vote: REP. ELLISON MOVED SB 238 BE CONCURRED IN. Motion carried unanimously.

EXECUTIVE ACTION ON HB 444

Motion: REP. WANZENRIED MOVED HB 444 DO PASS.

Motion: REP. WANZENRIED moved to amend HB 444. EXHIBIT 5

Discussion:

REP. WANZENRIED said HB 444 exempts community colleges in four counties from I-105. It is not an end run on I-105, it is a straight out exemption for community colleges from I-105. He explained the amendments. The most important one being #4 which specifies the limitation of growth to the mill levy. The language limits the growth of the mill levies to no more than 5% growth. The exemption would apply to parts of Lincoln County, Flathead County, Dawson County and Custer County.

Vote: Motion to amend HB 444 carried 16 to 1 with REP. ELLIOTT voting no.

Motion/Vote: CHAIR HARRINGTON MADE A SUBSTITUTE MOTION THAT HB 444 DO PASS AS AMENDED. Motion failed 7 to 10 on a roll call vote. EXHIBIT 5

Motion/Vote: REP. THOMAS MADE A SUBSTITUTE MOTION HB 444 BE TABLED. Motion carried 10 to 7 on the reverse vote of Exhibit 5.

EXECUTIVE ACTION ON HB 526

Motion: REP. SCHYE MOVED HB 526 DO PASS.

Discussion:

REP. SCHYE said one bill did come over from the Senate Fish and Game. The committee should look at the possibility of putting the two together.

Motion: REP. SCHYE withdrew his Do Pass motion. NO ACTION WAS TAKEN ON HB 526.

EXECUTIVE ACTION ON HB 532

Discussion:

REP. REAM stated that the Income/Severance Tax Subcommittee recommended that HB 532 Do Not Pass. HB 532 deals with the tax on rental cars comparable to the ones for state parks. It is not earmarked, it would go into the general fund.

Motion/Vote: REP. ELLIOTT MOVED HB 532 BE TABLED. Motion carried 20 to 1 with REP. REAM voting no.

EXECUTIVE ACTION ON HB 617

Motion: REP. REAM MOVED HB 617 DO PASS.

Discussion:

REP. REAM said his proposal would be to send HB 617 to the Appropriation Committee because it does have a fiscal impact. This bill required that the DOR release certain information about taxes breaks so that the Legislators know what this means in terms of lost revenue. It also requires a positive action on the part of the Governor's Office when they go through the budgeting process to do the same thing. REP. REAM explained the amendments.

Motion/Vote: REP. ELLIOTT moved to amend HB 617. Motion carried unanimously. EXHIBIT 6

Motion/Vote: CHAIR HARRINGTON MADE A SUBSTITUTE MOTION THAT HB 617 DO PASS AS AMENDED. Motion carried unanimously.

EXECUTIVE ACTION ON HB 677

Motion: REP. WANZENRIED MOVED HB 677 DO PASS.

Motion: REP. WANZENRIED moved to amend HB 677. EXHIBIT 7

Discussion:

REP. WANZENRIED said that this was REP. BENEDICT'S bill which establishes a literacy program at a local level. Most of the concerns were remedied by the amendments.

Vote: Motion to amend HB 677 carried unanimously.

Motion/Vote: CHAIR HARRINGTON MADE A SUBSTITUTE MOTION THAT HB 677 DO PASS AS AMENDED. Motion carried unanimously.

EXECUTIVE ACTION ON HB 701

Motion: REP. O'KEEFE MOVED HB 701 DO PASS.

Motion: REP. O'KEEFE moved to amend HB 701. EXHIBIT 8

Discussion:

REP. COHEN stated that the Property Tax Subcommittee put amendments on HB 701. He stated that HB 701 deals with the experimental technologies in clean coal and devises a tax exemption for the new and specialized equipment not for the whole plant.

Vote: Motion to amend HB 701 carried unanimously.

Motion: REP. O'KEEFE moved to further amend HB 701.

Discussion:

REP. O'KEEFE stated that on Page 4, Line 4 after "shall" insert "from time to time". This is the original language in the law that was cut. It allows the money to stay in the account as long as possible so the interest will be distributed to the other programs.

Vote: Motion to further amend HB 701 carried unanimously.

Motion/Vote: REP. COHEN MADE A SUBSTITUTE MOTION THAT HB 701 DO PASS AS AMENDED. Motion carried unanimously. EXHIBIT 9

EXECUTIVE ACTION ON HB 850

Motion: REP. ELLIOTT MOVED HB 850 DO NOT PASS.

Motion: REP. THOMAS MADE A SUBSTITUTE MOTION THAT HB 850 DO PASS.

Discussion:

REP. THOMAS said that HB 850 should be sent to the House floor for full debate.

Motion/Vote: REP. ELLIOTT MADE A SUBSTITUTE MOTION THAT HB 850 BE TABLED. Motion carried 13 to 8 on a roll call vote. EXHIBIT 10

EXECUTIVE ACTION ON HB 935

Motion: REP. RANEY moved to amend HB 935. He moved to strike all the language referring to funding by either of the gambling sources and put it in the general fund.

Discussion:

CHAIR HARRINGTON said it is ridiculous to send the bill to Appropriation because they are not going to get the funding from there. They might as well kill the bill here.

REP. GILBERT agreed with REP. RANEY'S amendment. He said they have done more than change the method of funding; they have created another new gambling bill. REP. ELLIOTT said he is not an advocate of gambling and he would rather see the bill go to Appropriations to get general fund money. However, many worthwhile bill have gone to Appropriation and have gotten no money because there is no money in the general fund.

Vote: Motion on REP. RANEY'S amendment failed 9 to 12 on a roll call vote. EXHIBIT 11

Motion/Vote: REP. STANG moved to amend HB 935. He moved to change the 5% of the gross value of the game to 15%. Motion carried 18 to 3 with REPS. GILBERT, M. HANSON, and WANZENRIED voting no.

Motion: CHAIR HARRINGTON MOVED HB 935 DO PASS AS AMENDED.

Motion/Vote: REP. COHEN MADE A SUBSTITUTE MOTION HB 935 BE TABLED. Motion carried 11 to 9 on a roll call vote. EXHIBIT 12

EXECUTIVE ACTION ON HB 982

TRANSCRIPTION TAPES ON HB 982 WERE DEFECTIVE. ALL AVAILABLE INFORMATION IS INCLUDED IN THESE MINUTES.

Motion: REP. O'KEEFE MOVED HB 982 DO PASS.

Motion: REP. O'KEEFE moved to amend HB 982. EXHIBITS 13,14,15

Vote: Motion to amend HB 982 carried 10 to 4 on a roll call
vote. EXHIBIT 16

Motion/Vote: CHAIR HARRINGTON MADE A SUBSTITUTE MOTION THAT HB
982 DO PASS AS AMENDED. Motion carried 19 to 2 with REPS. COHEN
and THOMAS voting no.

ADJOURNMENT

Adjournment: 11:30 a.m.



DAN HARRINGTON, Chair



LOIS O'CONNOR, Secretary

DH/lo

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL

DATE 3/19/91

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	✓		

HOUSE STANDING COMMITTEE REPORT

March 19, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that House
Bill 976 (first reading copy -- white) do pass .

Signed: _____
Dan Harrington, Chairman

HOUSE STANDING COMMITTEE REPORT

March 19, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that Senate Bill 278 (third reading copy -- blue) be concurred in and be placed on consent calendar.

Signed: _____
Dan Harrington, Chairman

Carried by: Rep. Ellison

HOUSE STANDING COMMITTEE REPORT

March 19, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that Senate Bill 262 (third reading copy -- blue) be concurred in .

Signed: _____
Dan Harrington, Chairman

Carried by: Rep. Grinde

HOUSE STANDING COMMITTEE REPORT

March 19, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that Senate Bill 263 (third reading copy -- blue) be concurred in .

Signed: _____
Dan Harrington, Chairman

Carried by: Rep. Grinde

HOUSE STANDING COMMITTEE REPORT

March 19, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that Senate Bill 238 (third reading copy -- blue) be concurred in .

Signed: _____
Dan Harrington, Chairman

Carried by: Rep. Ellison

HOUSE STANDING COMMITTEE REPORT

March 19, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that House Bill 617 (first reading copy -- white) do pass as amended.

Signed: _____
Dan Harrington, Chairman

And, that such amendments read:

1. Page 2, line 24.

Following: "chapters"

Insert: "30,"

2. Page 3, line 2.

Following: "including the"

Insert: "type, income class, and"

3. Page 4, line 11.

Following: "chapters"

Insert: "30,"

HOUSE STANDING COMMITTEE REPORT

March 19, 1991

Page 1 of 2

Mr. Speaker: We, the committee on Taxation report that House Bill 677 (first reading copy -- white) do pass as amended .

Signed: _____
Dan Harrington, Chairman

And, that such amendments read:

1. Title, lines 6 and 7.

Strike: "; PROVIDING THAT THE LEVY IN SUPPORT OF COUNTY LITERACY PROGRAMS IS NOT"

Insert: "THAT GIVE FIRST PRIORITY TO PROVIDING DIRECT INSTRUCTION TO ADULTS, WHICH LEVY IS"

2. Title, lines 8 and 9.

Strike: "AND" on line 8 through "MCA" on line 9

Insert: "PROVIDING FOR THE ADMINISTRATION OF A COUNTY ADULT LITERACY FUND BY A COUNTY ADULT LITERACY BOARD; AND ESTABLISHING CONDITIONS FOR THE USE OF COUNTY LITERACY FUNDS"

3. Page 1, lines 12 and 13.

Strike: "Authorization" on line 12

Insert: "County adult literacy programs -- authorization"

Strike: "for county literacy programs" on line 13

Following: "(1)"

Insert: "(a)"

4. Page 1, line 17.

Following: "programs"

Insert: "that give first priority to providing direct instruction to adults"

5. Page 1, line 19.

Strike: "(2)"

Insert: "(b)"

6. Page 1, lines 19 and 20.

Strike: "governing body may, by resolution, make expenditures from the"

7. Page 1, line 20.

Strike: "solely"

Insert: "may be used only"

8. Page 1, line 21.

Following: line 20

Insert: "adult"

9. Page 1.

Following: line 21

Insert: "(2)(a) If a county levies a property tax for adult literacy programs, the county governing body shall appoint a county adult literacy board to administer the expenditure of funds from the county adult literacy fund established in subsection (1).

(b) The county adult literacy board shall coordinate all adult literacy programs receiving county adult literacy funds. The board may adopt policies concerning program standards and financial accountability for organizations receiving adult literacy funds. The board may require that adult literacy programs match adult literacy funds with federal, state, or private money. The board may, with the concurrence of the appropriate county officials, arrange for county in-kind services to support adult literacy programs.

(c) County adult literacy funding may be expended only on literacy programs for persons who are at least 19 years of age and whose high school class has graduated."

10. Page 1, line 22 through page 8, line 17.

Strike: section 2 in its entirety

HOUSE STANDING COMMITTEE REPORT

March 19, 1991

Page 1 of 2

Mr. Speaker: We, the committee on Taxation report that House Bill 701 (first reading copy -- white) do pass as amended .

Signed: _____
Dan Harrington, Chairman

And, that such amendments read:

1. Page 2, line 11.

Strike: "A"

Insert: "The buildings, facilities, or equipment installed under
a"

2. Page 2, line 17.

Strike: "shall approve"

Insert: "must have approved"

3. Page 2, line 19.

Strike: "shall approve"

Insert: "must have approved"

4. Page 2, line 20.

Following: "hearing."

Insert: "The governing body of each affected local government
must be notified in writing of the buildings, facilities,
and equipment proposed to be exempt from taxation and the
value of the buildings, facilities, and equipment. A tax
exemption may not be granted under this section unless it is
approved by every local government that would be affected by
the project."

5. Page 2, line 23.

Following: ", the"

Insert: "buildings, facilities, or equipment installed under the"

6. Page 2, line 24.

Strike: "all"

Insert: "the specified percentage of"

Following: "taxes"

Insert: "as approved by the governing bodies. The percentage
amount may be any amount up to 100%, but it must be the same
for all state and local property taxes"

7. Page 3, line 5.

Following: "(5)"

Insert: "The department shall, in writing, notify the department of revenue's agent in the county or counties in which the project is located of the date the final approval for the tax exemption of the property was granted under this section and shall specifically identify each piece of real or personal property subject to the tax exemption."

8. Page 3, line 7.

Following: "first."

Insert: "The tax exemption begins on January 1 of the year after the department of revenue receives notification of the final approval under this section. The department shall, in writing, notify the department of revenue's agent in the county or counties in which the project is located when the exemption has expired."

9. Page 4, line 4.

Following: "shall"

Insert: "from time to time"

10. Page 4, line 13.

Strike: "and interest"

11. Page 6, line 1.

Strike: "and interest"

12. Page 6, line 21.

Strike: the second "commercial"

13. Page 6, line 22.

Strike: "capitalization"

Insert: "commercialization"

14. Page 7, line 11.

Following: "loan"

Insert: "in an amount up to \$25 million"

Y.O. 41
3-21-91
Lme

HOUSE STANDING COMMITTEE REPORT

March 19, 1991

Page 1 of 3

Mr. Speaker: We, the committee on Taxation report that House Bill 982 (first reading copy -- white) do pass as amended.

Signed: [Signature]
Dan Harrington, Chairman

And, that such amendments read:

1. Title, line 8.

Following: "1989,"

Insert: "EXTENDING THE NET PROCEEDS TAX EXEMPTION FOR NEW OIL AND GAS PRODUCTION WHILE THE PRICE OF OIL LESS THAN \$25 A BARREL,"

2. Page 12, lines 16 through 19.

Strike: subsection (1) in its entirety

Renumber: subsequent subsections

3. Page 15, line 4.

Following: ";

Insert: "and"

4. Page 15, line 7.

Strike: "and"

Insert: "."

5. Page 15, lines 8 through 13.

Strike: subsection (iv) in its entirety

6. Page 17, line 17.

Following: "calculated;"

Insert: "and"

7. Page 17, lines 18 through 23.

Strike: subsection (h) in its entirety

Renumber: subsequent subsection

8. Page 19, line 12.

Strike: "(1)"

9. Page 19, lines 19 through 21.

Strike: "less" on line 19 through "15-23-602(1)(e)(iv)," on line 21

10. Page 20, lines 5 through 7.

Strike: subsection (2) in its entirety

11. Page 22, line 3.

Following: "exempt"

Insert: "-- limitation"

12. Page 22, line 16.

Strike: ", and before July 1, 1991"

13. Page 22.

Following: line 23

Insert: "(4) The exemption provided in subsection (1) applies to production in this state in any quarter only if the price per barrel for west Texas intermediate crude oil is less than \$25 a barrel as reported in the Wall Street Journal."

14. Page 67, line 8 through page 68, line 21.

Strike: sections 33 and 34 in their entirety

Renumber: subsequent sections

15. Page 68, line 23.

Strike: "\$275"

Insert: "\$254"

16. Page 69, line 1.

Strike: "Sections"

Insert: "Section"

Strike: ", 33, and 34"

Strike: "are"

Insert: "is"

17. Page 69, line 4.

Strike: "sections"

Insert: "section"

Strike: ", 33, and 34"

18. Page 69.

Following: line 8

Insert: "NEW SECTION. Section 36. Coordination instruction. If Senate Bill No. 17 is passed and approved and if it includes a section that amends 15-1-501, the appropriation in [section 33] is reduced from \$254 million to \$23 million.

NEW SECTION. Section 37. Nonseverability. It is the intent of the legislature that each part of [this act] is essentially dependent upon every other part, and if one part is held unconstitutional or invalid, all other parts are invalid."

Renumber: subsequent sections

19. Page 69, line 10.

Strike: the second "through"

Insert: ", "

Strike: ", 36, "

Insert: "through"

20. Page 69, line 14.

Strike: "35"

Insert: "33"

21. Page 69.

Following: line 15

Insert: "(1)"

22. Page 69.

Following: line 18.

Insert: "(2) Coal, oil, and natural gas produced after December 31, 1988, and before January 1, 1991, are subject to taxation as provided by Chapter 11, Special Laws of 1989, as amended by Chapter 3, Special Laws of 1990. Coal, oil, and natural gas produced after December 31, 1990, are subject to taxation as provided in [this act]."

I am pleased with the legislature's intent to enact a bill that encourages businesses to collect or manufacture products from reclaimed materials and also provides an additional 5% tax credit to business for the business-related use of recyclable materials.

Reuse and recycling of materials are responsible ways of dealing with our solid waste problems.

- * The EPA estimates that by 1992, over half of the landfills in the US will close.
- * Of Montana's 170 landfills, 75 will be exhausted in 5 years.
- * The best solution for coping with this problem is to reduce the amount of solid waste sent to the landfills.
- * By encouraging reuse and converting waste into valuable resources we not only reduce waste but also conserve energy and natural resources.
- * Recycling also provides jobs and revenues.

It has been demonstrated in many areas of the country that the use of tax credits and tax deductions have been successfully implemented to encourage recycling and market development.

- * Oregon, California, Pennsylvania and New Jersey are offering income tax credits for recycling-collection trucks purchased by waste haulers and wastepaper balers by grocers.
- * A study by the Oregon Dept. of Energy found that among companies that received tax credits, 43% said they were a strong incentive for investing in recycling.
- * Tax deductions granted for the use of business-related recyclable materials serves to promote the use of recyclables which in effect stabilizes markets and decreases wastes that would eventually end up in the landfills.

Montana is one of the few states that has virtually no recycling legislation. We need to take a critical, long-range

Ex. 1
3-19-91
SB 111

look at our solid waste problems and the decreasing supply of resources. SB111 would provide an important step in this process by encouraging involvement by business.

We must protect our valuable resources and use them judiciously in order to provide for future generations. Legislation, such as SB111 would not only generate jobs that would stimulate Montana's economy but would also benefit our environment and our people.

Thank you.

Gari Lord

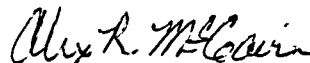
TESTIMONY

Senate Bill 111
House Taxation Committee
March 19, 1991

Alex R. McGavin
P.O. Box 7704
Missoula, MT 59807

Mr. Chairer and Council, my name is Alex McGavin. I am a M.P.A. graduate student at the University of Montana. I urge you to support SB 111 because it would encourage business involvement in the reclamation and recycling of materials. On its face, SB 111 is a sensible bill for Montana. Good recycling programs require more than people who are willing to separate their own waste. It requires a strong industry. All Montanans would benefit, both directly and indirectly, by this proposed legislation. I thank you for your attentiveness.

Sincerely,



Alex R. McGavin

ACQUISITION, TRANSFER, AND
MANAGEMENT OF PROPERTY AND BUILDINGS

7-8-2306

tax deed. Such purchase and payment may be effected by an installment contract with annual payments as hereinafter provided.

History: En. Sec. 1, Ch. 171, L. 1941; amd. Sec. 1, Ch. 144, L. 1945; R.C.M. 1947, 44-190(part).

7-8-2304. Terms for sale of tax-deed land. (1) A sale must be made for cash or, in the case of real property, on terms that the board of county commissioners approves.

(2) (a) If the sale is made on terms, at least 20% of the purchase price must be paid in cash at the date of sale and the remainder may be paid in installments extending over a period not to exceed 5 years. All deferred payments bear interest at the rate of 8% per annum.

(b) If a sale is made on terms, the chairman of the board shall execute a contract containing the terms that are provided by a contract approved by the department of revenue.

History: En. Sec. 2, Ch. 171, L. 1941; amd. Sec. 1, Ch. 187, L. 1949; amd. Sec. 1, Ch. 163, L. 1969; R.C.M. 1947, 84-4191(part); amd. Sec. 7, Ch. 704, L. 1989.

Compiler's Comments

1989 Amendment: In (2)(b), before "contract", deleted "uniform" and substituted

"approved" for "prescribed"; and made minor changes in phraseology. Amendment effective May 22, 1989.

7-8-2305. Deed of conveyance — reservation of mineral royalty.

(1) Subject to the provisions of subsection (2), upon payment of the purchase price in full, together with all interest which may become due on any installment or deferred payments, the chairman of the board of county commissioners shall execute a deed attested to by the county clerk to the purchaser or his assigns or such other instruments as shall be sufficient to convey all of the title of the county in and to the property so sold.

(2) The county may in the discretion of the board reserve not to exceed 6 1/4% royalty interest in the oil, gas, other hydrocarbons, and minerals produced and saved from said land.

History: En. Sec. 2, Ch. 171, L. 1941; amd. Sec. 1, Ch. 187, L. 1949; amd. Sec. 1, Ch. 163, L. 1969; R.C.M. 1947, 84-4191(part).

Cross-References

Actions arising from the seizure or sale of property for taxes, 27-2-210.

7-8-2306. Distribution of sale and lease proceeds. The proceeds of every sale or lease under this part or part 25 shall be paid over to the county treasurer, who shall apportion and distribute the same in the following manner:

(1) (a) Upon a sale of such property, the proceeds of each sale up to the amount of \$10 shall be credited to the county general fund to reimburse such for expenditures made therefrom in connection with the procurement of the tax deed and holding of the sale.

(b) Upon a sale of the property, if there be any amount remaining of such proceeds after the payment of the amount specified in subsection (1)(a) and such remainder is:

(i) in excess of the aggregate amount of all taxes and assessments accrued against such property for all funds and purposes, without penalty and interest, then so much of such remaining proceeds shall be credited to each fund

One
Back

216

RESOLUTIONS 90-22

TAX DEED COSTS

WHEREAS, counties are charged with collecting taxes for all entities; and

WHEREAS, this duty sometimes requires Tax Deed Process; and

WHEREAS, the tax deed process is an added expense to the counties; and

WHEREAS, these costs are not always recovered (if the tax deed sale doesn't gross enough money) under current statutes.

NOW THEREFORE BE IT RESOLVED that MACo ask the 1991 legislature to delete the words shown from §7-8-2306(1)(a), as follows:

1(a) Upon a sale of such property, the proceeds of each sale shall be credited to the county general fund to reimburse such for expenditures made therefrom in connection with the procurement of the tax deed and holding of the sale.

(b) Upon a sale of the property, if there be any amount remaining of such proceeds after the payment of the amount specified in subsection (1)(a) and such remainder is:

SUBMITTED BY: Districts 6 - 7
Fergus County

APPROVED: ANNUAL CONVENTION
JUNE 13, 1990

PRIORITY: HIGH

RE: SB#263
 on Tax Deed- county's costs
 Testimony- Vern Petersen
 Fergus County Commissioner

Page 1 of 2

EXAMPLE of Property Sold by Fergus County in 1989:

Del. Tax	\$ 38,629.00	
Penalty/Interest	16,051.00	(Penalty \$721/ Interest \$15,329)
County Costs	<u>2,481.00</u>	
 TOTAL	 \$ 57,161.00	
 SALES PRICE	 \$ 41,000.00	

Under current statute the county is reimbursed \$10.00; and the remaining \$40,990 is distributed to school districts, city, etc.

Proposed law would reimburse the county's tax deed account for \$2,481; and the remaining \$38,519 would be distributed.

Tax Deed Costs included for this example:

Tax Deed Search	\$ 156.60
Certified Mail	8.00
Publications	14.50
Attorney fee (outside)	599.60
Attorney fee (outside)	<u>101.71</u>
	\$ 879.91
After court case	
Search update	35.00
Certified Mail	6.00
Publications	<u>46.50</u>
	\$ 967.47
Insurance costs*	612.00
Delinquent water, sewer, & power costs	<u>902.13</u>
TOTAL	\$ 2,481.54

* Insurance costs were to insure property from the time Fergus County took tax deed until sold at tax deed sale.

Amendments to House Bill No. 444
First Reading Copy

Requested by Rep. Wanzenried
For the Committee on Taxation

Prepared by Lee Heiman
March 12, 1991

Include Service Regions

1. Title, line 5.

Following: "DISTRICT"

Insert: "AND SERVICE REGION"

2. Title, lines 6 and 7.

Strike: "PLACING" on line 6 through "YEAR;" on line 7

3. Page 6, line 16.

Following: "districts"

Insert: "and community college service regions"

Mandatory levy limited to FTE student adjusted 5% max increase

4. Page 9, lines 2 and 3.

Strike: "The mandatory levy amount may not be increased more than 5% a year."

Insert: "An increase in the mandatory mill levy amount is limited to 5% of the previous year's unrestricted budget, adjusted for any increase or decrease in the number of full-time equivalent students in the community college. The maximum increase is determined by multiplying the previous year's budget by 5% and then multiplying that product by the quotient of the number of full-time equivalent students in the present year divided by the number of full-time equivalent students in the previous year."

EXHIBIT 6
DATE 3-19-91
HB 444

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL VOTE

DATE 3/19 BILL NO. _____ NUMBER 444

MOTION: Bill as amended.

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		

7:10

Amendments to House Bill No. 617
First Reading Copy

Requested by Income Tax Subcommittee
For the Committee on Taxation

Prepared by Lee Heiman
March 14, 1991

1. Page 2, line 24.
Following: "chapters"
Insert: "30,"

2. Page 3, line 2.
Following: "including the"
Insert: "type, income class, and"

3. Page 4, line 11.
Following: "chapters"
Insert: "30,"

Amendments to House Bill No. 677
First Reading Copy

Requested by Rep. Benedict
For the Committee on Taxation

Prepared by Lee Heiman
March 9, 1991

1. Title, lines 6 and 7.

Strike: "; PROVIDING THAT THE LEVY IN SUPPORT OF COUNTY LITERACY PROGRAMS IS NOT"

Insert: "THAT GIVE FIRST PRIORITY TO PROVIDING DIRECT INSTRUCTION TO ADULTS, WHICH LEVY IS"

2. Title, lines 8 and 9.

Strike: "AND" on line 8 through "MCA" on line 9

Insert: "PROVIDING FOR THE ADMINISTRATION OF A COUNTY ADULT LITERACY FUND BY A COUNTY ADULT LITERACY BOARD; AND ESTABLISHING CONDITIONS FOR THE USE OF COUNTY LITERACY FUNDS"

3. Page 1, lines 12 and 13.

Strike: "Authorization" on line 12

Insert: "County adult literacy programs -- authorization"

Strike: "for county literacy programs" on line 13

Following: "(1)"

Insert: "(a)"

4. Page 1, line 17.

Following: "programs"

Insert: "that give first priority to providing direct instruction to adults"

5. Page 1, line 19.

Strike: "(2)"

Insert: "(b)"

6. Page 1, lines 19 and 20.

Strike: "governing body may, by resolution, make expenditures from the"

7. Page 1, line 20.

Strike: "solely"

Insert: "may be used only"

8. Page 1, line 21.

Following: line 20

Insert: "adult"

9. Page 1.

Following: line 21

Insert: "(2)(a) If a county levies a property tax for adult literacy programs, the county governing body shall appoint a county adult literacy board to administer the expenditure of

funds from the county adult literacy fund established in subsection (1).

(b) The county adult literacy board shall coordinate all adult literacy programs receiving county adult literacy funds. The board may adopt policies concerning program standards and financial accountability for organizations receiving adult literacy funds. The board may require that adult literacy programs match adult literacy funds with federal, state, or private money. The board may, with the concurrence of the appropriate county officials, arrange for county in-kind services to support adult literacy programs.

(c) County adult literacy funding may be expended only on literacy programs for persons who are at least 19 years of age and whose high school class has graduated."

10. Page 1, line 22 through page 8, line 17.
Strike: section 2 in its entirety

Amendments to House Bill No. 701
First Reading Copy

Requested by Sponsor and Dept. of Revenue
For the Committee on Taxation

Prepared by Lee Heiman
March 9, 1991

1. Page 2, line 11.²

Strike: "A"

Insert: "The buildings, facilities, or equipment installed under
a"

2. Page 2, line 17.¹

Strike: "shall approve"

Insert: "must have approved"

3. Page 2, line 19.¹

Strike: "shall approve"

Insert: "must have approved"

4. Page 2, line 20.^{1,2}

Following: "hearing."

Insert: "The governing body of each affected local government
must be notified in writing of the buildings, facilities,
and equipment proposed to be exempt from taxation and the
value of the buildings, facilities, and equipment. A tax
exemption may not be granted under this section unless it is
approved by every local government that would be affected by
the project."

5. Page 2, line 23.²

Following: ", the"

Insert: "buildings, facilities, or equipment installed under the"

6. Page 2, line 24.¹

Strike: "all"

Insert: "the specified percentage of"

Following: "taxes"

Insert: "as approved by the governing bodies. The percentage
amount may be any amount up to 100%, but it must be the same
for all state and local property taxes"

7. Page 3, line 5.²

Following: "(5)"

Insert: "The department shall, in writing, notify the department
of revenue's agent in the county or counties in which the
project is located of the date the final approval for the
tax exemption of the property was granted under this section
and shall specifically identify each piece of real or
personal property subject to the tax exemption."

8. Page 3, line 7.²

Following: "first."

Insert: "The tax exemption begins on January 1 of the year after the department of revenue receives notification of the final approval under this section. The department shall, in writing, notify the department of revenue's agent in the county or counties in which the project is located when the exemption has expired."

9. Page 4, line 13.¹

Strike: "and interest"

10. Page 6, line 1.¹

Strike: "and interest"

11. Page 6, line 21.¹

Strike: the second "commercial"

12. Page 6, line 22.¹

Strike: "capitalization"

Insert: "commercialization"

13. Page 7, line 11.¹

Following: "loan"

Insert: "in an amount up to \$25 million"

1. Sponsor's Amendment

2. DOR Amendment

1. Page 2, line 11.

Strike: "A"

Insert: "The buildings, facilities, or equipment installed under
a"

2. Page 2, line 17.

Strike: "shall approve"

Insert: "must have approved"

3. Page 2, line 19.

Strike: "shall approve"

Insert: "must have approved"

4. Page 2, line 20.

Following: "hearing."

Insert: "The governing body of each affected local government
must be notified in writing of the buildings, facilities,
and equipment proposed to be exempt from taxation and the
value of the buildings, facilities, and equipment. A tax
exemption may not be granted under this section unless it is
approved by every local government that would be affected by
the project."

5. Page 2, line 23.

Following: ", the"

Insert: "buildings, facilities, or equipment installed under the"

6. Page 2, line 24.

Strike: "all"

Insert: "the specified percentage of"

Following: "taxes"

Insert: "as approved by the governing bodies. The percentage
amount may be any amount up to 100%, but it must be the same
for all state and local property taxes"

EXHIBIT 10

DATE 3-19-91

HB 701

591317SC.HSF

March 19, 1991
Page 2 of 2

7. Page 3, line 5.

Following: "(5)"

Insert: "The department shall, in writing, notify the department of revenue's agent in the county or counties in which the project is located of the date the final approval for the tax exemption of the property was granted under this section and shall specifically identify each piece of real or personal property subject to the tax exemption."

8. Page 3, line 7.

Following: "first."

Insert: "The tax exemption begins on January 1 of the year after the department of revenue receives notification of the final approval under this section. The department shall, in writing, notify the department of revenue's agent in the county or counties in which the project is located when the exemption has expired."

9. Page 4, line 4.

Following: "shall"

Insert: "from time to time"

10. Page 4, line 13.

Strike: "and interest"

11. Page 6, line 1.

Strike: "and interest"

12. Page 6, line 21.

Strike: the second "commercial"

13. Page 6, line 22.

Strike: "capitalization"

Insert: "commercialization"

14. Page 7, line 11.

Following: "loan"

Insert: "in an amount up to \$25 million"

EXHIBIT 11
DATE 3-19-91
HB 850

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL VOTE

DATE 3/19 BILL NO. 850 NUMBER _____

MOTION: Table

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 <i>P</i>		✓
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		

13 8

EXHIBIT 12
DATE 3-19-91
HB 935

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL VOTE

DATE 3/19 BILL NO. 935 NUMBER 1

MOTION: (Bill was in full com) on Roney's 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		

9 12

EXHIBIT 13
 DATE 3-19-91
 HB 935

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL VOTE

DATE 3/19 BILL NO. _____ NUMBER 935

MOTION: Sub. 40.
As A table but.

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	P	✓
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		

Amendments to House Bill No. 982
First Reading Copy

Requested by Rep. O'Keefe
For the Committee on Taxation

Prepared by Lee Heiman
March 19, 1991

Deletes section 34 - old 4R's policy

1. Page 68, lines 1 through 21.
Strike: section 34 in its entirety
Renumber: subsequent sections

Changes codification instruction for #1

2. Page 69, line 1.
Following: "32"
Strike: ", "
Insert: "and"
Strike: ", and 34"

3. Page 69, line 4.
Following: "32"
Strike: ", "
Insert: "and"
Strike: ", and 34"

Coordinate with the restructure of taxes in SB 17 and Non-severability clause

4. Page 69.
Following: line 8
Insert: "NEW SECTION. Section 37. Coordination instruction. If Senate Bill No. 17 is passed and approved with an amendment to 15-1-501, MCA, the appropriation in [section 35] is reduced from \$275 million to \$23 million.
NEW SECTION. Section 38. Nonseverability. It is the intent of the legislature that each part of [this act] is essentially dependent upon every other part, and if one part is held unconstitutional or invalid, all other parts are invalid."

Renumber: subsequent sections

Correct references with effective dates

5. Page 69, line 10.
Following: ", 32"
Strike: "through 34, 36, 37, 39"
Insert: "33, 35 through 38"

6. Page 69, line 14.
Strike: "35"
Insert: "34"

DOR's clarification request

7. Page 69.

Following: line 15
Insert: "(1)"

8. Page 69.

Following: line 18.

Insert: "(2) Coal, oil, and natural gas produced after December 31, 1988, and before January 1, 1991, are subject to taxation as provided by Chapter 11, Special Laws of 1989, as amended by Chapter 3, Special Laws of 1990. Coal, oil, and natural gas produced after December 31, 1990, are subject to taxation as provided in [this act]."

Amendments to House Bill No. 982
First Reading Copy

For the Committee on Taxation

Prepared by Lee Heiman
March 16, 1991

1. Title, line 8.

Following: "1989;"

Insert: "EXTENDING THE NET PROCEEDS TAX EXEMPTION FOR NEW OIL AND
GAS PRODUCTION AND TERMINATING THE EXEMPTION IF THE PRICE OF
OIL REACHES \$25 A BARREL;"

2. Page 22, line 3.

Following: "exempt"

Insert: "-- termination"

3. Page 22, line 16.

Strike: ", and before July 1, 1991"

4. Page 22.

Following: line 23

Insert: "(4) Subsection (2) terminates on the date the governor
by executive order certifies that the price of west Texas
intermediate crude oil has reached \$25 a barrel as reported
in the Wall Street Journal."

EXHIBIT 16
DATE 3-19-91
HB 982

Amendments to House Bill No. 982
First Reading Copy

Requested by Rep. Schye
For the Committee on Taxation

Prepared by Lee Heiman
March 16, 1991

1. Page 68, line 23.
Strike: "\$275"
Insert: "\$254"

Ex. 17
3-19-91
HB 982

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL VOTE

DATE 3/19 BILL NO. 982 NUMBER

MOTION: motion Subst A

NAME	AYE	NO
REP. BEN COHEN, VICE-CHAIRMAN		✓
REP. ED DOLEZAL	✓	
REP. JIM ELLIOTT <i>Pr.</i>	✓	
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 <i>Pr.</i>	✓	
REP. TED SCHYE	✓	
REP. BARRY "SPOOK" STANG	✓	
REP. FRED THOMAS	✓	
REP. DAVE WANZENRIED	✓	
REP. DAN HARRINGTON, CHAIRMAN		✓
TOTAL		

10 4

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Taxation COMMITTEE BILL NO. SB 111
 DATE 3/19/91 SPONSOR(S) Sen. Halligan

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Alex R. McEwen Box 5904 Missoula, MT.	myself	SB 111		✓
Kari Lind 3816 Timberlane Mslk, MT	myself	SB 111		✓
Tony Grover DHEC		SB 111	—	
Janet Ellis	MT Audubon	SB 111		✓
DAN WALKER	US WEST	SB 111		✓
N.E. Vosburg	Pacific Recycling	SB 111		✓
JAMES TETWIGEL	MT CHANDLER	SB 111		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. SB238
 DATE 3/19/91 SPONSOR(S) Sen. Crippen

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Dave Lewis	Board of Trust	SB 238		X
Ken Heiker	Mt. Univ. System	SB 238		✓

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. SB 262
 DATE 3/19/91 SPONSOR(S) Sen. Williams

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
<i>Andon Morris</i>	<i>MA Co.</i>	<i>262</i>		<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. SB 263
 DATE 3/19/91 SPONSOR(S) Sen. Williams

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Gordon Morris	MA Co	263		✓

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. SB278
 DATE 3/19/91 SPONSOR(S) Sen. Gage

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Jeff Miller	Dept of Revenue	SB278		✓

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 976
 DATE 3/19/91 SPONSOR(S) Rep. Swygood

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Jenns Buru	mt Taxpayers assoc	HB 976		✓
Jeanne P. Chance	Commissioners of Beaverhead Co.	HB 976		✓
Dorothy Donovan	Bohd Co. Supt. of Schools	HB 976		✓
Kochler Stort	Mineral Products Inc	HB 976		✓
Lowell Thomas	Mineral product A.	HB 976		✓
GARY LANGLEY	MT. MINING ASSN.	HB 976		✓

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