

MINUTES

**MONTANA SENATE
52nd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON TAXATION

Call to Order: By Senator Dorothy Eck, Vice Chairman, on April 4, 1991, at 8:00 a.m.

ROLL CALL

Members Present:

Mike Halligan, Chairman (D)
Dorothy Eck, Vice Chairman (D)
Robert Brown (R)
Steve Doherty (D)
Delwyn Gage (R)
John Harp (R)
Francis Koehnke (D)
Gene Thayer (R)
Thomas Towe (D)
Van Valkenburg (D)
Bill Yellowtail (D)

Members Excused: None

Staff Present: Jeff Martin (Legislative Council).

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

Announcements/Discussion: Committee members were in and out of the meeting due to bill hearings in other committees.

EXECUTIVE ACTION ON HOUSE BILL 982

Discussion:

Senator Van Valkenburg asked the committee to defer action on the bill to another day.

EXECUTIVE ACTION ON HOUSE BILL 883

Discussion:

Senator Eck asked Cort Harrington, Montana Treasurers' Association to comment on the bill.

Mr. Harrington said in instances when real property and personal property are taxed together on the same tax bill the property taxes are payable in November and May. If they are paid on personal property alone, the payment is due in the spring of the year. By taxing together, half the payment of the tax on the personal property is being delayed for up to a year. If the taxes go delinquent, they go through the tax deed process and there is a three year wait before the Treasurer can execute on the property. By that time, if the taxes have not been paid, the personal property is gone. The lienholder has filed to protect everything except the \$1000 of personal property and therefore the county loses the tax on that personal property as it has usually been sold.

The bill raises the \$1000 to \$10,000 which allows the county to collect on those delinquent taxes. The \$1000 limit was set in 1935 and has never been raised. The \$10,000 could amount to \$3500 in taxes the counties could recover, depending on the millage in the county. The bill also contains a requirement for the lienholder to file an annual notice to protect his security interest in the property and get the benefit of the \$10,000.

Senator Towe asked why the lienholder has to file every year.

Mr. Harrington replied if there is a prior lien the tax statement can be segregated and the property tax will be paid separately from the real property. This would give the Treasurer and the Assessor the right to request the separation to protect the lien on the personal property.

Recommendation and Vote:

Senator Yellowtail moved HB 883 Be Concurred In.

The motion CARRIED unanimously with Senators Harp, Brown, and Doherty away from the meeting.

ADJOURNMENT

Adjournment At: 8:35 a.m.



SENATOR DOROTHY ECK, Vice-Chairman


JILL D. ROYNAS, Secretary

ROLL CALL

SENATE TAXATION COMMITTEE

DATE 4/4

52nd LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SEN. HALLIGAN	✓		
SEN. ECK	X		
SEN. BROWN	X		
SEN. DOHERTY	X		
SEN. GAGE	X		
SEN. HARP	X		
SEN. KOEHNKE	X		
SEN. THAYER	X		
SEN. TOWE	X		
SEN. VAN VALKENBURG	✓		
SEN. YELLOWTAIL	X		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

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April 4, 1991

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 883 (third reading copy -- blue), respectfully report that House Bill No. 883 be concurred in:

Signed: _____
Mike Halligan, Chairman

MA 12-4-71

Asst. Coord.

SPB 4-4 2:20

Sec. of Senate