

**MINUTES**

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

**COMMITTEE ON TAXATION**

**Call to Order:** By Senator Mike Halligan, Chairman, on April 13, 1991, at 12:00 noon.

**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)  
Fred Van Valkenburg (D)  
Bill Yellowtail (D)

**Members Excused:**

Thomas Towe (D)

**Staff Present:** Jeff Martin (Legislative Council).

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

**Announcements/Discussion:** None

**EXECUTIVE ACTION ON HOUSE BILL 781**

**Motion:**

Senator Thayer moved to reconsider action on HB 781.

The motion CARRIED.

**Amendments, Discussion, and Votes:**

Jeff Martin presented amendments requested by Senator Halligan for consideration by the committee (Exhibit #1).

Senator Halligan moved adoption of the amendments. The purpose of the amendments is to add the language in which the legislature authorizes the activities and appropriates the funds for the activities (studies) and then the DHES can do the special assessment studies. Senator Halligan introduced the amendments in the hope that extensive floor fights could be avoided over the bill as it currently stands.

John Alke, MDU, said the cost of the study could possibly be as high as \$2 million for the biennium.

Senator Doherty asked why the language was stricken in the bill.

Mr. Alke said the difficulty with the area studies is the main problem. The pollution point may not be in the affected area.

Senator Thayer said this language ensures that DHES is not being given an open checkbook to circumvent the appropriation process.

The motion to adopt the amendments CARRIED.

Recommendation and Vote:

Senator Thayer moved HB 781 Be Concurred In As Amended.

The motion CARRIED unanimously.

EXECUTIVE ACTION ON HOUSE BILL 93

Amendments, Discussion, and Votes:

Senator Harp moved HB 93 be amended as per Exhibit #2.

The motion CARRIED.

Senator Eck moved to adopt amendments as per Exhibit #3 which would include all medicaid providers in a 5% tax by July 1, 1993.

The motion FAILED with only Senator Eck voting aye.

Julia Robinson, Director, SRS, reminded the committee the bill needed to be amended to remove the sunset provision.

Senator Thayer moved to amend the bill by striking Section 23.

The motion CARRIED.

Recommendation and Vote:

Senator Harp moved HB 93 Be Concurred In As Amended.

The motion CARRIED.

EXECUTIVE ACTION ON HOUSE BILL 809

Discussion:

Beth Baker, Department of Justice, said the bill would generate approximately \$160,000 per year to be used for a special revenue account to fund the Fire Marshall activities of the Department of Justice. The impact on the general fund would be \$100,000 per year after the tax appropriation is subtracted for a total of \$250,000 per year which would go to the Fire Marshall Bureau.

Senator Thayer expressed concern that the person buying insurance is going to end up paying for this.

Senator Doherty noted there has been no increase in this fund since 1911. The Fire Marshall needs the money to do the job.

Amendments, Discussion, and Votes:

Senator Doherty moved HB 93 Be Concurred In.

Senator Gage made a substitute motion to amend HB 93 so that the tax revenue would to the general fund rather than the special revenue account.

The motion CARRIED.

Recommendation and Vote:

Senator Doherty moved HB 93 Be Concurred In As Amended.

The motion CARRIED with Senator Gage voting no.

ADJOURNMENT

Adjournment At: 1:05 p.m.

  
\_\_\_\_\_  
SENATOR MIKE HALLIGAN, Chairman

  
\_\_\_\_\_  
JILL D. ROHYANS, Secretary

MH/jdr

ROLL CALL

SENATE TAXATION COMMITTEE

DATE 4/13

52<sup>nd</sup> LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SEN. HALLIGAN	X		
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	X		
SEN. YELLOWTAIL	X		

Each day attach to minutes.

Amendments to House Bill No. 781  
Third Reading Copy

Requested by Senator Halligan  
For the Committee on Taxation

Prepared by Jeff Martin  
April 13, 1991

1. Title, line 13.

Following: "PERMITS;"

Insert: "ALLOWING FEE ASSESSMENTS TO FUND DEPARTMENTAL AIR  
QUALITY ACTIVITIES FOR PARTICULAR GEOGRAPHIC AREAS IF THE  
LEGISLATURE AUTHORIZES THE ACTIVITIES AND APPROPRIATES THE  
FUNDS FOR THE ACTIVITIES;"

2. Page 3.

Following: line 23

Insert: "This bill also allows for the assessment of those fees  
necessary to fund activities of the department that are  
intended to address specific air quality problems in the  
state if the legislature authorizes the activities and  
appropriates the funds for the activities. For example, it  
may be necessary to conduct additional ambient monitoring in  
a particular geographic area in order to determine the  
compliance status of that area with applicable ambient air  
quality standards. The legislature intends that this  
provision be used only to fund those activities that examine  
specific problems in particular geographical areas. The  
assessments for funding should be levied in an equitable  
fashion and only upon those sources whose emissions are both  
of the type being focused upon and thought to impact the  
geographical area."

3. Page 8.

Following: line 4.

Insert: "(5) In addition to the fee required under subsection  
(4), the board may order the assessment of additional fees  
required to fund specific activities of the department that  
are directed at a particular geographic area if the  
legislature authorizes the activities and appropriates the  
funds for the activities, including emissions or ambient  
monitoring, modeling analysis or demonstrations, or  
emissions inventories or tracking. Additional assessments  
may be levied only on those sources that are within or are  
believed by the department to be impacting the geographical  
area, ~~and whose emissions are of the type within the focus~~  
~~of the activities to be funded.~~ Before the board may  
require the assessments, it shall first determine, after  
opportunity for hearing, that the activities to be funded  
are necessary for the administration or implementation of  
this chapter, ~~and that the assessments apportion the~~  
~~required funding in a equitable manner, and the department~~  
shall obtain the legislative authorization for the  
expenditure and the necessary appropriation."

ROLL CALL VOTE

SENATE COMMITTEE ON TAXATION

Date 4/13 HB Bill No. 781 Time

NAME	YES	NO
SEN. HALLIGAN	X	
SEN. BROWN	X	
SEN. ECK		X
SEN. GAGE	X	
SEN. VAN VALKENBURG	X	
SEN. HARP		X
SEN. YELLOWTAIL		X
SEN. THAYER	X	
SEN. TOWE		
SEN. KOEHNKE	X	
SEN. DOHERTY		X

Bill Koehnke  
Secretary

Sen. Mike Halligan  
Chairman

Motion: by Sen. Halligan to amend  
HB 781 (Exhibit #1)

Amendments to House Bill No. 93  
Third Reading Copy  
Senator Harp

In the Senate Taxation Committee  
April 13, 1991

1. Title, lines 13 and 14.

Following: "GENERAL FUND"

Strike: "USED FOR CERTAIN MEDICAID REIMBURSEMENTS"

Insert: "DEPOSITED IN THE GENERAL FUND"

2. Page 14, lines 11 through 13.

Following: "GENERAL FUND"

Strike: "AN ACCOUNT IN THE STATE SPECIAL REVENUE FUND TO BE USED  
FOR MEDICAID REIMBURSEMENT TO NURSING FACILITIES"

Insert: "the state general fund"

3. Page 14, line 23.

Following: "{SECTION 13}"

Strike: "FROM THE ACCOUNT ESTABLISHED IN (SECTION 13)"

4. Page 15, line 4.

Strike: "STATE SPECIAL REVENUE FUNDS                      \$923,626"

Insert: "state general fund                                      \$923,626"

5. Page 15, line 10.

Strike: "STATE SPECIAL REVENUE FUNDS                      \$1,465,300"

Insert: "state general fund                                      \$1,465,300"



SENATE TAXATION

EXHIBIT NO. 3

DATE 7/13/91

FILE NO. 11/3/95

Amendments to House Bill No. 93  
Third Reading Copy as amended

Requested by Senator Towe  
For the Committee on Taxation

Prepared by Greg Petesch  
April 12, 1991

1. Title, line 9.

Following: " ; "

Insert: "TO IMPOSE A FEE UPON ALL MEDICAID PROVIDERS EQUAL TO 5  
PERCENT OF THE STATE SHARE OF MEDICAID PAYMENTS TO THAT  
PROVIDER FOR SERVICES PROVIDED IN FISCAL YEAR 1994 ;"

2. Title, line 10.

Strike: "FEE"

Insert: "FEES"

3. Title, line 11.

Strike: "FEE"

Insert: "FEES"

4. Title, line 12.

Strike: "FEE"

Insert: "FEES"

5. Title, line 15.

Strike: " , "

Insert: "AND"

6. Title, lines 16 and 17.

Following: "~~DATE~~" on line 16

Strike: remainder of line 16 through "DATE" on line 17

7. Page 2, line 10.

Strike: "~~FEE~~"

Insert: "fees"

8. Page 3, line 11.

Strike: "fee"

Insert: "fees"

9. Page 3, line 17.

Strike: "fee"

Insert: "fees"

10. Page 4, line 19.

Following: line 18

Insert: "(4) "Medicaid provider" means a health care facility,  
as defined in 50-5-101, providing services under Title 53,  
chapter 6."

(5) "Medicaid utilization fee" means the fee imposed

in [section 2(2)]."

Renumber: subsequent subsections

11. Page 5, line 12.

Following: "2"

Insert: "(1)"

12. Page 5, line 14.

Following: "facilities"

Insert: "-- medicaid utilization fee"

Following: "."

Insert: "(1)"

13. Page 5, line 19.

Following: line 18

Insert: "(2) Each medicaid provider shall pay to the department a fee equal to 5% of the state share of all payments received under the medicaid program for services provided during fiscal year 1994."

14. Page 6, line 3.

Following: "2"

Insert: "(1)"

15. Page 6, line 8.

Following: line 7

Insert: "(3) A medicaid provider shall report to the department, following the end of each calendar quarter, the amount of payments received under the medicaid program during the quarter. The report must be in the form prescribed by the department and is due on or before the last day of the month following the close of each calendar quarter. The report must be accompanied by a payment in an amount equal to the medicaid utilization fee to be paid under [section 2(2)].

(4) At the end of each calendar quarter, the department of social and rehabilitation services shall provide the department with a list of all medicaid providers participating in the medicaid program during the calendar quarter."

16. Page 6, line 10.

Following: "facility"

Insert: "or medicaid provider"

17. Page 6, line 11.

Following: "fee"

Insert: "or medicaid utilization fee"

18. Page 6, line 12.

Following: "facility"

Insert: "or medicaid provider"

19. Page 6, line 15.

Following: "fee"

Insert: "or medicaid utilization fee"

20. Page 7, line 10.

Following: line 9

Insert: "(4) A medicaid provider shall maintain and make available for inspection by the department sufficient records and other documentation to demonstrate the amount of payments received under the medicaid program. The medicaid provider shall maintain these records for a period of at least 5 years from the date the report is due."

21. Page 7, line 14.

Following: "FEE"

Insert: "or medicaid utilization fees"

22. Page 7, line 19.

Following: "FEE"

Insert: "or medicaid utilization fee"

Following: "FACILITY"

Insert: "or medicaid provider"

23. Page 7, line 20.

Following: "FEE"

Insert: "or medicaid utilization fee"

24. Page 8, line 2.

Following: "FACILITY"

Insert: "or medicaid provider"

25. Page 8, line 4.

Following: "FACILITY"

Insert: "or medicaid provider"

26. Page 8, line 22.

Following: "FACILITY"

Insert: "or the medicaid utilization fee for any medicaid provider"

27. Page 8, line 24.

Following: "AMOUNT"

Strike: "OF THE FEE"

28. Page 9, line 2.

Following: "2"

Insert: "(1)"

Following: "1"

Insert: "or medicaid utilization fee due under [section 2(2)]"

29. Page 9, line 19.

Following: "FACILITY"

Insert: "or medicaid provider"

30. Page 9, line 21.

Following: "FACILITY"

Insert: "or the medicaid utilization fee due from the medicaid provider"

31. Page 9, line 25.  
Following: "FACILITY"  
Strike: "WHERE"  
Insert: "or medicaid payments to a medicaid provider when"

32. Page 10, line 7.  
Following: "FACILITY"

Insert: "or medicaid provider"

33. Page 10, line 14.  
Following: "FEES"  
Insert: "or medicaid utilization fees"

34. Page 10, line 15.  
Following: "FACILITY"  
Insert: "or medicaid provider"

35. Page 10, line 16.  
Following: "FEES"  
Insert: "or medicaid utilization fees"

36. Page 10, line 17.  
Following: "FACILITY"  
Insert: "or medicaid provider"

37. Page 10, line 19.  
Following: "FEES"  
Insert: "or medicaid utilization fees"

38. Page 10, line 22.  
Strike: "FEES"

39. Page 10, line 23.  
Following: "FEES"  
Insert: "or medicaid utilization fees"

40. Page 11, line 1.  
Following: "FACILITY"  
Insert: "or medicaid provider"

41. Page 11, line 2.  
Following: "FACILITY"  
Insert: "or medicaid provider"

42. Page 11, line 6.  
Following: "FACILITY"  
Insert: "or medicaid provider"

43. Page 11, line 7.  
Following: "FEES"  
Insert: "or medicaid utilization fees"

44. Page 11, line 9.  
Following: "FACILITY"

Insert: "or medicaid provider"

Following: "FEES"

Insert: "or medicaid utilization fees"

45. Page 11, line 13.

Following: "FEES"

Insert: "or medicaid utilization fees"

46. Page 11, line 15.

Following: "FEES"

Insert: "or medicaid utilization fees"

47. Page 11, line 20.

Following: "FACILITY" in two places

Insert: "or medicaid provider"

48. Page 11, line 21.

Following: "FEES"

Insert: "or medicaid utilization fees"

49. Page 12, line 11.

Following: "FEES"

Insert: "or medicaid utilization fees"

50. Page 12, line 13.

Following: "FEES"

Insert: "or medicaid utilization fees"

51. Page 12, line 14.

Following: "FACILITY"

Insert: "or medicaid provider"

52. Page 12, line 15.

Following: "FACILITY"

Insert: "or medicaid provider"

53. Page 12, line 20.

Following: "FEES"

Insert: "or delinquent medicaid utilization fees"

54. Page 13, line 1.

Following: "FACILITY"

Insert: "or medicaid provider"

55. Page 13, line 9.

Following: "FEE"

Insert: "or medicaid utilization fee"

56. Page 13, line 15.

Following: "FACILITY"

Insert: "or medicaid provider"

57. Page 13, line 18.

Following: "FACILITY"

Insert: "or medicaid provider"

58. Page 14, line 1.

Following: "fee"

Insert: "or medicaid utilization fee"

59. Page 14, line 6.

Strike: "fee"

Insert: "fees"

Following: "."

Insert: "(1)"

60. Page 14, line 14.

Following: line 13

Insert: "(2) All proceeds from the collection of medicaid utilization fees, including penalties and interest, must be deposited in the general fund."

61. Page 14, line 15.

Following: "."

Insert: "(1)"

62. Page 14, line 18.

Following: line 17

Insert: "(2) The medicaid utilization fee imposed under [section 2] is in addition to any other taxes and fees required by law to be paid by medicaid providers."

63. Page 16, line 7.

Following: "FACILITIES"

Insert: "or medicaid providers"

64. Page 16, line 8.

Following: "FACILITIES"

Insert: "or medicaid providers"

65. Page 16, line 9.

Following: "FEES"

Insert: "or medicaid utilization fees"

66. Page 16, line 14.

Following: "FEES"

Insert: "or medicaid utilization fees"

67. Page 16, line 17.

Following: "FEES"

Insert: "or medicaid utilization fees"

68. Page 17, line 8.

Following: "2"

Insert: "(1)"

69. Page 17, line 18.

Following: "1991"

Insert: ", and to all medicaid payments received for services provided on or after July 1, 1993"

70. Page 17, lines 21 and 22.  
Strike: section 23 in its entirety

SENATE STANDING COMMITTEE REPORT

Page 1 of 2  
April 13, 1991

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 781 (third reading copy -- blue), respectfully report that House Bill No. 781 be amended and as so amended be concurred in:

1. Title, line 13.

Following: "PERMITS;"

Insert: "ALLOWING FEE ASSESSMENTS TO FUND DEPARTMENTAL AIR QUALITY ACTIVITIES FOR PARTICULAR GEOGRAPHIC AREAS IF THE LEGISLATURE AUTHORIZES THE ACTIVITIES AND APPROPRIATES THE FUNDS FOR THE ACTIVITIES;"

2. Page 3.

Following: line 23

Insert: "This bill also allows for the assessment of those fees necessary to fund activities of the department that are intended to address specific air quality problems in the state if the legislature authorizes the activities and appropriates the funds for the activities. For example, it may be necessary to conduct additional ambient monitoring in a particular geographic area in order to determine the compliance status of that area with applicable ambient air quality standards. The legislature intends that this provision be used only to fund those activities that examine specific problems in particular geographical areas. The assessments for funding should be levied in an equitable fashion and only upon those sources whose emissions are both of the type being focused upon and thought to impact the geographical area."

3. Page 8.

Following: line 4.

Insert: "(5) In addition to the fee required under subsection (4), the board may order the assessment of additional fees required to fund specific activities of the department that are directed at a particular geographic area if the legislature authorizes the activities and appropriates the funds for the activities, including emissions or ambient monitoring, modeling analysis or demonstrations, or emissions inventories or tracking. Additional assessments may be levied only on those sources that are within or are believed by the department to be impacting the geographical area. Before the board may require the assessments, it shall first determine, after opportunity for hearing, that the activities to be funded are necessary for the administration or implementation of this chapter, that the assessments apportion the required funding in a equitable



manner, and that department has obtained legislative authorization for the expenditure and the necessary appropriation."

Renumber: subsequent subsections

4. Page 9, line 13.

Strike: "(8)(A)"

Insert: "(9)(a)"

5. Page 9, line 17.

Strike: "(8)"

Insert: "(9)"

6. Page 10, line 6.

Strike: "(6)"

Insert: "(7)"

Strike: "(11)"

Insert: "(12)"

7. Page 10, line 19.

Strike: "(12)"

Insert: "(13)"

8. Page 11, line 5.

Strike: "(12)"

Insert: "(13)"

9. Page 11, line 24.

Strike: "(5)"

Insert: "(6)"

10. Page 12, line 4.

Strike: "(6)"

Insert: "(7)"

11. Page 12, line 13.

Strike: "(15)"

Insert: "(16)"

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

Mike Halligan, Chairman

4/13/91  
And. Coord.

SP 4/13 2:45  
Sec. of Senate

SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
April 13, 1991

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 93 (third reading copy -- blue), respectfully report that House Bill No. 93 be amended and as so amended be concurred in:

1. Title, lines 13 and 14.

Strike: "USED" on line 13 through "REIMBURSEMENTS" on line 14

Insert: "DEPOSITED IN THE GENERAL FUND"

2. Title, line 15.

Following: "AND"

Strike: "1"

Insert: "AND"

3. Title, lines 16 and 17.

Following: "DATE" on line 16

Strike: remainder of line 16 through "DATE" on line 17

4. Page 14, lines 11 through 13.

Strike: "AN" on line 11 through "FACILITIES" on line 13

Insert: "the state general fund"

5. Page 14, line 23.

Strike: "FROM" through "1"

6. Page 15, line 4.

Strike: "STATE SPECIAL REVENUE FUNDS"

Insert: "state general fund"

7. Page 15, line 10.

Strike: "STATE SPECIAL REVENUE FUNDS"

Insert: "state general fund"

8. Page 17, line 13.

Strike: "1, 23"

9. Page 17, lines 21 and 22.

Strike: section 23 in its entirety

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

Mike Halligan, Chairman

Am. Coord.

Sec. of Senate

SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
April 13, 1991

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 809 (third reading copy -- blue), respectfully report that House Bill No. 809 be amended and as so amended be concurred in:

1. Title, lines 7 through 10.

Strike: "CREATING" on line 7 through "JUSTICE;" on line 10

2. Page 2, lines 1 through 7.

Strike: "A" on line 1 through "justice." on line 10

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

Mike Halligan, Chairman

LR 4/13/91

Amd. Coord.

SP 4/13 3:45

Sec. of Senate