

MINUTES

**MONTANA SENATE
53rd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON TAXATION

Call to Order: By Senator Mike Halligan, on January 6, 1993, at 8:05 a.m.

ROLL CALL

Members Present:

Senator Mike Halligan, Chair (D)
Senator Dorothy Eck, Vice Chair (D)
Senator Bob Brown (R)
Senator Steve Doherty (D)
Senator Delwyn Gage (R)
Senator Lorents Grosfield (R)
Senator John Harp (R)
Senator Spook Stang (D)
Senator Tom Towe (D)
Senator Bill Yellowtail (D)

Members Excused: Senator Fred Van Valkenburg

Members Absent: None.

Staff Present: Jeff Martin, Legislative Council
Bonnie Stark, Committee Secretary

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

Committee Business Summary:

Hearing: SB 38

Executive Action: None.

HEARING ON SB 38

Opening Statement by Sponsor:

Senator Gary Aklestad, representing Senate District #6, presented Senate Bill 38. This bill will require a 2/3 vote in the house of origination before a taxation or fee proposal could be increased. Senator Aklestad stated the purpose of this bill is that the people of the State of Montana are demanding more responsible legislation and spending reform. He considers this

bill a start toward more responsible government which will let the general public know the Legislature is willing to look more closely before increasing tax revenues.

Proponents' Testimony:

Riley Johnson, spoke as a representative of the National Federation of Independent Businesses (NFIB). The NFIB supports this bill by a mandated vote of its members. Mr. Johnson told the Committee NFIB members are fearful of, and not willing to accept, taxes that are generated, and particularly increased, without some kind of a safeguard. He stated they want to have some type of system that would make it tougher to assess and increase taxes.

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

Senator Gage asked Senator Aklestad if the 2/3 or greater vote would apply to the third reading vote. Senator Aklestad replied he is thinking of second and third reading floor votes in the originating house.

Senator Gage asked Senator Aklestad if the effective date would be October 1st, to which Senator Aklestad replied, correct.

Senator Towe asked Senator Aklestad if he thinks this bill would stimulate and encourage the use of the initiative process if it takes a 2/3 vote to get a bill out of the house or senate. Senator Aklestad said he does not know, but feels this bill will illustrate some responsibility toward the general public.

Senator Towe asked Senator Aklestad if Senate Bill 38 is passed, would any bill containing increases and decreases in taxes require a 2/3 vote? Senator Aklestad replied that the original bill which dealt with increases and decreases in taxes would take a 2/3 vote.

Senator Towe asked Senator Aklestad if any time anyone's taxes would increase, would it require a 2/3 vote, to which Senator Aklestad replied that any time there is a tax measure or fee within a piece of legislation that would increase, it would take a 2/3 vote.

Senator Halligan asked Senator Aklestad about the issue of a minority ruling in a democracy founded on a majority rule, and the possibility of winding up having a minority dictating the public policy on taxation or fees. Senator Aklestad replied that there presently exists a 3/4 vote on the coal tax; Art. XI, Sec. 8 of the Montana Constitution requires a 2/3 vote; and several articles in the Constitution require a super majority vote. He feels a tax on a piece of mineral should not be more important than a tax on the livelihood of the people of the state of Montana.

Senator Doherty asked Senator Aklestad if letting an existing tax continue would be considered an increase, or would letting an existing tax expire be considered a decrease? Would not letting an existing tax expire when it is scheduled to expire be continuing the status quo? Senator Aklestad responded it is his impression that the piece of legislation which is on the books and which would just need a requirement to continue it would not be covered by this bill. That instance would not be an increase in taxes.

Senator Towe asked Senator Aklestad if his intent is to have the super majority vote on the second reading or only on the final vote on the third reading. Did the sponsor want to have the final vote on the conference committee report also to have the super majority? This Committee would have to amend the bill to include the 2nd reading. Senator Aklestad said he wasn't asking for the super majority of the committee, but is asking the super majority in the house sponsoring the tax or fee increase. If this committee desires to clarify that as far as third reading, he would have no objection; he has no problem going with third reading only.

Closing by Sponsor:

Senator Aklestad feels Senate Bill 38 is just a start in what the general public is asking for in legislative reform, that the Legislature has to develop an atmosphere of trust between the Legislature and the general public. He asks this committee to seriously consider Senate Bill 38, work out technicalities, and pass it.

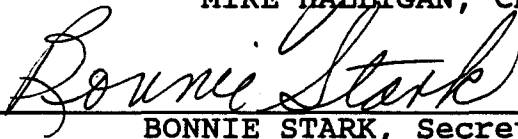
ADJOURNMENT

Adjournment:

The meeting was adjourned at 8:45 a.m.



MIKE HALLIGAN, Chair



BONNIE STARK, Secretary

MH/bjs

ROLL CALL

SENATE COMMITTEE TAXATION

DATE 1-6-93

[illegible]

FC8

Attach to each day's minutes

DATE 1/6/93

SENATE COMMITTEE ON TAXATION

BILLS BEING HEARD TODAY: SB 38

Name	Representing	Bill No.	Check One	
			Support	Oppose
RILEY JOHNSON	NFIB	SB 38	✓	
HELEN TAFFS	MSCPA	SB38	undecided	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY