

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON TAXATION**

**Call to Order:** By CHAIRMAN BOB GILBERT, on January 14, 1993, at 9:00 a.m.

#### **ROLL CALL**

##### **Members Present:**

Rep. Bob Gilbert, Chair (R)  
Rep. Mike Foster, Vice Chair (R)  
Rep. Dan Harrington, Minority Vice Chair (D)  
Rep. Shiell Anderson (R)  
Rep. Ed Dolezal (D)  
Rep. Jerry Driscoll (D)  
Rep. Jim Elliott (D)  
Rep. Gary Feland (R)  
Rep. Marian Hanson (R)  
Rep. Hal Harper (D)  
Rep. Chase Hibbard (R)  
Rep. Vern Keller (R)  
Rep. Ed McCaffree (D)  
Rep. Bea McCarthy (D)  
Rep. Tom Nelson (R)  
Rep. Scott Orr (R)  
Rep. Bob Raney (D)  
Rep. Bob Ream (D)  
Rep. Rolph Tunby (R)

**Members Excused:** Rep. Bohlinger

**Members Absent:** None

**Staff Present:** Lee Heiman, Legislative Council  
Jill Rohyans, Committee Secretary

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

##### **Committee Business Summary:**

Hearing: HB 119  
Executive Action: HB 8 Do Pass As Amended  
HB 47 Do Pass  
HB 103 Do Pass  
HB 119 Do Pass As Amended

HEARING ON HOUSE BILL 119Opening Statement by Sponsor:

REP. MARIAN HANSON, Dist. 100, sponsor, said the bill was submitted at the request of the Department of Revenue (DOR). The bill implements clarifying language changes regarding beer and wine tax allocations recommended by the Legislative Auditor.

Proponents' Testimony:

Gary Blewett, Administrator, Liquor Division, DOR, said the bill is amended to allow beer and wine tax distributions to cities, towns, and counties based on estimated census reports. The distributions have been made on the decennial census count base. The Legislative Auditor's Office recommends using revised census estimates which are designated as official counts. The estimates are made periodically whereas the decennial figure changes only once every ten years. He noted in the 1980's as many as four towns were shortchanged in their distributions because the estimates were not used. License quotas are based on the estimated census, therefore DOR feels the estimates should be used in the beer and wine distributions also.

Roger Tippy, Beer and Wine Wholesalers, said there are 37 beer and wine wholesalers in the state who submit monthly taxes for distribution. He said his group does not object to the bill and recommended it do pass.

Opponents' Testimony: There were no opponents.

Questions From Committee Members and Responses:

REP. ELLIOTT asked if there would be increased administrative costs associated with the bill.

Mr. Blewett replied there would not.

REP. ELLIOTT asked for further information regarding the cities that were shortchanged in tax distributions.

Mr. Blewett said in 1989 and 1990, \$22,000 could have gone to two cities if the estimate base had been used. Total distributions were \$1.3 million.

Closing by Sponsor:

REP. HANSON closed by saying this is a simple clean-up bill and recommended it do pass.

EXECUTIVE ACTION ON HOUSE BILL 8

Motion: REP. HARRINGTON moved to adopt the amendments as per Exhibit #1.

Vote: The motion CARRIED unanimously.

Motion: REP. HARRINGTON moved HB 8 Do Pass As Amended.

Vote: The motion CARRIED unanimously.

EXECUTIVE ACTION ON HOUSE BILL 47

Motion: REP. ELLIOTT moved HB 47 Do Pass.

Discussion:

REP. HARPER requested the Revenue Oversight Committee not compile a report if there is no need for one.

REP. RANEY wondered if the report language should be amended out of the bill if there is no need for it.

REP. GILBERT said the duties and responsibilities of the Coal Tax Oversight Committee are simply moved into the Revenue Oversight Committee. The enabling language "may" is permissive, therefore reports would not have to be compiled if there was no need for them. He cautioned there may be an occasion when such a report is needed and recommended keeping the report provision in the bill.

REP. HARPER noted the title of the bill says it is an act to "transfer" not to "amend" the duties of the Coal Tax Trust Oversight Committee.

REP. GILBERT said the bill saves money and time. If there is need for the Committee to meet, they can do so during a Revenue Oversight meeting which saves staff and travel time and money.

Vote: The motion CARRIED unanimously.

EXECUTIVE ACTION ON HOUSE BILL 103

Motion:

REP. DRISCOLL moved HB 103 Do Pass.

Discussion:

REP. NELSON asked if the 30 day appeal process should be extended to 60 days.

REP. FOSTER said there is no need to extend the time period as the appellant need only file a notice of appeal during that 30 days, not the full appeal itself.

Vote:

The motion CARRIED with REP. McCAFFREE voting no.

EXECUTIVE ACTION ON HOUSE BILL 119

Motion: REP. HARPER moved HB 119 be amended as per Exhibit #2.

Discussion:

REP. HANSON said these amendments are strictly technical corrections submitted by the Department of Revenue.

Vote: The motion CARRIED unanimously.

Motion: REP. HARPER moved HB 119 Do Pass As Amended.

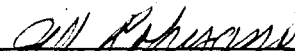
Vote: The motion CARRIED unanimously.

ADJOURNMENT

Adjournment: The meeting adjourned at 9:25 p.m.



REP. BOB GILBERT, Chair



JILL ROHYANS, Secretary

BG/jdr

# HOUSE OF REPRESENTATIVES

TAXATION

COMMITTEE

ROLL CALL

DATE

1/14/43

NAME	PRESENT	ABSENT	EXCUSED
REP. GILBERT, CHAIRMAN	✓		
REP. FOSTER	✓		
REP. HARRINGTON	✓		
REP. ANDERSON	✓		
REP. BOHLINGER			✓
REP. DOLEZAL	✓		
REP. DRISCOLL	✓		
REP. ELLIOTT	✓		
REP. FELAND	✓		
REP. HANSON	✓		
REP. HARPER	✓		
REP. HIBBARD	✓		
REP. KELLER	✓		
REP. McCAFFREE	✓		
REP. MCCARTHY	✓		
REP. NELSON	✓		
REP. ORR	✓		
REP. RANEY	✓		
REP. REAM	✓		
REP. TUNBY	✓		

HOUSE STANDING COMMITTEE REPORT

January 14, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that House Bill 103 (first reading copy -- white) do pass.

Signed:

Bob Gilbert

Bob Gilbert, Chair

*Handwritten initials and date:*  
J.S.  
1/14/93

HOUSE STANDING COMMITTEE REPORT

January 14, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that House Bill 47 (first reading copy -- white) do pass.

Signed:

Bob Gilbert  
Bob Gilbert, Chair

HOUSE STANDING COMMITTEE REPORT

January 14, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that House Bill 119 (first reading copy -- white) do pass as amended.

Signed: Bob Gilbert

Bob Gilbert, Chair

And, that such amendments read:

1. Page 1, line 19.

Strike: "state treasurer"

Insert: "department"

2. Page 3, line 1.

Strike: "state treasurer"

Insert: "department"



HOUSE STANDING COMMITTEE REPORT

January 14, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that House Bill 8 (first reading copy -- white) do pass as amended.

Signed: Bob Gilbert

Bob Gilbert, Chair

And, that such amendments read:

1. Page 3, line 18.

Strike: "Except for the purpose of determining"

Insert: "To determine"

2. Page 3, lines 19 through 21.

Following: "chapter," on line 19

Insert: "state levies applicable to"

Strike: "are" on line 19 through "including" on line 21

Insert: "include"

Following: "but" on line 21

Insert: "are"

3. Page 3, lines 23 and 24.

Strike: "; and" on line 23 through "levies" on line 24

4. Page 3.

Following: line 24

Insert: "(6) All taxes and fees collected on motor vehicle fleets under this chapter must be deposited and distributed as provided in 15-24-105."

Amendments to House Bill No. 8  
First Reading Copy

Requested by Legislative Auditor / DOR  
For the Committee on Taxation

Prepared by Lee Heiman  
January 14, 1993

EXHIBIT 1  
DATE 1/14/93  
HB 8

1. Page 3, line 18.

Strike: "Except for the purpose of determining"

Insert: "To determine"

2. Page 3, lines 19 through 21.

Following: "chapter," on line 19

Insert: "state levies applicable to"

Strike: "are" on line 19 through "including" on line 21

Insert: "include"

Following: "but" on line 21

Insert: "are"

3. Page 3, lines 23 and 24.

Strike: "; and" on line 23 through "levies" on line 24

4. Page 3.

Following: line 24

Insert: "(6) All taxes and fees collected on motor vehicle  
fleets under this chapter must be deposited and distributed  
as provided in 15-24-105."

EXHIBIT 2  
DATE 1/14/93  
HB 119

Amendments to House Bill 119  
Introduced Reading Copy

Prepared by Department of Revenue  
(1/12/93)

1. Page 1, line 19.  
Following: "in the"  
Strike: "state treasurer"  
Insert: "department"

2. Page 3, line 1.  
Following: page 2  
Strike: "state treasurer"  
Insert: "department"

Technical

Changes: On page 1, line 19 and page 3, line 1 the bill refers to the State Treasurer as the agency receiving the appropriation to distribute these funds to cities and counties. We suggest referring to the Department of Revenue since we have received this appropriation and done the distribution for many years.

In several places the bill refers to the State Treasurer as the depository for these funds. This reference is correct and does not need to be changed.