

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN BOB GILBERT** on March 10, 1993, at 8:15 a.m.

ROLL CALL

Members Present:

Rep. Bob Gilbert, Chairman (R)
Rep. Mike Foster, Vice Chairman (R)
Rep. Dan Harrington, Minority Vice Chairman (D)
Rep. Shiell Anderson (R)
Rep. John Bohlinger (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: None

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: SB 269
Executive Action: SB 269 Be Concurred In
SB 168 Be Concurred In
HB 467 Do Pass As Amended
HB 658 Do Pass As Amended
SB 228 Be Concurred In As Amended
HB 523 Tabled

HEARING ON SENATE BILL 269Opening Statement by Sponsor:

SEN. J. D. LYNCH, S.D. 35, Butte, said the bill is intended to allow federal retirees to make monthly tax payments instead of a lump sum payment once a year. He said they are the only group of taxpayers in the state that do not have that option. The cost of the bill will be approximately \$5000 for informational mailings.

Proponents' Testimony:

Ed Sheehy, retired federal employee, said Congress passed a bill in 1981 allowing state and local withholding from federal pensions. Montana never instituted those provisions. This bill would make it easier for retirees to pay their taxes in a timely method and avoid penalties.

Mickey McGrath, Butte Silverbow liaison for the National Association of Retired Federal Employees, said his organization represents over 9000 people in Montana. He said the bulk of the work will be done by the federal government. He urged the Committee to pass the bill.

Opponents' Testimony: There were no opponents.

Questions From Committee Members and Responses:

REP. ELLIOTT asked for an opinion on the bill from the Department of Revenue (DOR).

Judy Rippingale, Deputy Director, DOR, said the bill is a good idea. She said it would cost a minimum of \$4225 to implement and \$913 per year to maintain. DOR would need to have the money appropriated to implement the withholding program. She estimated only 8% - 16% of the retirees will participate in the program.

REP. HANSON asked if participation is voluntary.

SEN. LYNCH said it would be a voluntary program with the same provisions as the state retirement program. Retirees could choose either a one-time yearly payment or monthly payments of their taxes.

Closing by sponsor: SEN. LYNCH closed.

EXECUTIVE ACTION ON SENATE BILL 269

Motion/Vote: REP. RANEY MOVED SB 269 BE CONCURRED IN. The motion carried with REP. ELLIOTT and REP. NELSON voting no.

EXECUTIVE ACTION ON SENATE BILL 168

Motion: REP. FOSTER MOVED SB 168 BE CONCURRED IN.

Discussion: Lee Heiman, Legislative Council Staff, presented information compiled by DOR which had been requested by the Committee EXHIBITS 1 and 2. Judy Rippingale reviewed the phase-in figures with the Committee members.

REP. RANEY said Park County figures show an increase of 12.7% the first year. The total amount of increase is 12.7% which indicates there is no phase-in for Park County.

Ms. Rippingale replied that Senate amendments increasing farmsteads to 3.86% raised a significant amount of money. Depending on the mix of property in the county, some parcels increase, some decrease. Therefore, the net effect appears to be a one-time increase.

REP. ELLIOTT asked how much of the increase is accounted for in the farmstead increase.

Ms. Rippingale replied that almost all of the increase is in the taxable value of farmsteads.

REP. McCAFFREE said Chouteau County is down 10%. He asked why it is the only county that dropped.

SEN. BECK replied Chouteau County is almost totally dry land.

REP. ELLIOTT requested information listing the number of farmsteads in each county, their taxable value, and the taxable value of productive agricultural land.

Ms. Rippingale said specific figures for dry land and irrigated land are combined in the summation figures on a by-county average. The increase extremes are mitigated by that averaging. She said she would provide more specific information for the committee.

REP. ELLIOTT pointed out that I-105 prohibits an increase in millage; however, this bill increases the rate, which increases the tax. He said this is a curious situation.

REP. HIBBARD said one of the reasons for the phase-in was to try to treat the irrigators as fairly as possible as it became very apparent that their increases were more significant than any other segment.

SEN. BECK said some water costs are included in the bill with the irrigated land figures. The phase-in provided an opportunity to study water costs in some depth. He noted this bill is built on compromise. The Senate Taxation Committee added the farmstead taxes as a balancing measure.

REP. TUNBY pointed out that all the agriculture groups testified in favor of the bill when it was heard in committee. He said it should be all right if they are all in agreement.

REP. RANEY said in 1987, when property values went up, the state reappraised commercial and residential property which was a significant revenue enhancement to the counties. He asked why the effort is being made to make agricultural land revenue neutral when those property values have also increased.

REP. HANSON said the bill is not based on market value. It is production value based. Production values in 1987 were basically the same as they were in 1992.

Vote: Motion carried unanimously.

EXECUTIVE ACTION ON HOUSE BILL 467

Motion: REP. DRISCOLL MOVED HB 467 DO NOT PASS.

Discussion: REP. FELAND said he intended to vote against the bill after the hearing, but has since changed his mind. He said he does business on the Blackfoot Reservation and has double taxation problems. There are differing methods of taxation on the other reservations in the state.

REP. McCAFFREE asked if the bill, as written, would stand up to a court challenge.

Dave Woodgerd, Chief Counsel, Department of Revenue, said he felt it would. He said Chris Tweeten, Assistant Attorney General, agreed the bill is substantiated by the decision in the case, Cotton Petroleum Corporation, Et Al. v. New Mexico Et Al. (No. 87-1327). In 1988, the 9th Circuit Court of Appeals said the Montana severance tax, which at the time was 30%, was unconstitutional. In 1989, the U. S. Supreme Court considered the Cotton Petroleum Corporation, Et Al. v. New Mexico Et Al., concerning the constitutionality of oil and gas severance tax in New Mexico. New Mexico prevailed and in a footnote to the case

the Supreme Court said it would not reverse its refusal to hear the 9th Circuit Court of Appeals case concerning the Crow coal severance tax because the Montana tax was 30% as opposed to the New Mexico tax of 8%. In HB 467, the taxes are lower than the rate in the Cotton Petroleum Corporation, Et Al. v. New Mexico Et Al. case. Therefore, the Attorney General and Department of Revenue believe this bill will pass constitutional muster.

REP. DRISCOLL said he would have voted for the bill in past sessions. However, he said the Crow Tribe is doing very well and using their money wisely. They have instituted a new government, have provided many jobs for their members, and reduced the welfare rolls significantly. There is sure to be a lawsuit filed if the bill passes and, as a result, there will be no income for this biennium at least. If Montana wins the suit, Big Horn County will lose. Tribal programs will be drastically cut, and tribal members will be back on the welfare rolls because there are no jobs in that areas of the state. A great deal of money will be expended in lawyer fees and court costs, not to mention escalating welfare costs. Passage of the bill would bring an end to the permanent trust fund negotiations and further motivate the tribe to press the \$200 million suit against the State of Montana.

Motion: REP. FOSTER MADE A SUBSTITUTE MOTION THAT HB 467 DO PASS.

Motion/Vote: REP. FOSTER MOVED TO ADOPT THE AMENDMENTS (as per the attached standing committee report). The first amendment reflects the changes in federal law and the second amendment defines "Indian lands." Motion carried unanimously.

Motion/Vote: REP. FOSTER MOVED HB 467 DO PASS AS AMENDED. He said the bill should be passed to the floor for discussion. DOR is currently addressing resource taxes and this bill represents an attempt to resolve a consistency problem in the resource tax area. Motion carried on a roll call vote 11-9. CASE LAW ATTACHED EXHIBIT 2A.

EXECUTIVE ACTION ON HOUSE BILL 658

Motion: REP. ELLIOTT MOVED HB 658 DO PASS.

Motion/Vote: REP. HANSON MOVED TO ADOPT AMENDMENTS #4 AND #5 AS PER THE ATTACHED STANDING COMMITTEE REPORT. The motion carried.

Motion: REP. HARPER MOVED TO ADOPT THE NON-REFUNDABILITY AMENDMENTS #1, #2, AND #3 AS PER EXHIBIT #3.

Discussion: REP. ANDERSON said he thought the severability clause would cover the refundability provision.

Lee Heiman, Committee Staff, said coverage would depend on what was severed.

REP. ELLIOTT said he supported the amendments because REP. SCHWINDEN said they would make the bill constitutional.

Vote: Motion to adopt amendments #1, #2, and #3 carried.

Motion/Vote: REP. ELLIOTT MOVED HB 658 DO PASS AS AMENDED.
Motion carried unanimously.

EXECUTIVE ACTION ON SENATE BILL 228

Motion: REP. RANEY MOVED SB 228 BE CONCURRED IN.

Motion: REP. HARPER MOVED TO ADOPT THE AMENDMENT AS PER EXHIBIT #4. He said the amendment lowers the trigger to \$4 million which would allow consideration of claims within the next 90 days. He said it is estimated the lower trigger will be reached no later than June which would allow the tax to be in place for taxation of tourist gas purchases.

CHAIRMAN GILBERT asked if this would trigger based on anticipated or actual claims filed but not acted upon.

REP. HARPER said he was unsure of the mechanics, but that the lowering of the trigger would serve the purpose the Committee intended.

CHAIRMAN GILBERT said it is almost assured that the petroleum tank release cleanup fund will trigger in June which will make it destitute by next April because of the increasing number of claims. The amendment will ensure that the money is available 90 days prior to the fund reaching the \$4 million limit.

Vote: Motion to adopt the amendment carried.

Motion/Vote: REP. FELAND MOVED SB 228 BE CONCURRED IN AS AMENDED.
Motion carried with REP. HANSON and REP. ANDERSON voting no.

EXECUTIVE ACTION ON HOUSE BILL 523

Motion: REP. ELLIOTT MOVED HB 523 DO NOT PASS.

Discussion: Wayne Kedish, Legislative Auditor's Office, reviewed flow charts contrasting the current and proposed distribution systems. EXHIBITS 5 and 5a He said the bill would change the distribution of national forest monies by placing 25% into counties and 75% into schools. All the Taylor Grazing monies would go to schools and 75% of Bankhead Jones and refuge revenue sharing monies would go to schools and 25% to counties. A larger amount of money is distributed to schools under HB 523 with a net general fund savings of \$1.9 million after payments are made to the counties. The bill would take effect in 1995 with counties remaining whole as they are under current legislation.

REP. ELLIOTT said a previous report from the Legislative Auditor's Office said nine counties would suffer a net loss under provisions of HB 523 with a projected income of only \$2 million to the state. He said the bill is not worth the readjustments that would have to be made.

REP. DRISCOLL said the federal money amounts to \$11.8 million. Under provisions of HB 523 the distributions total \$11.8 million. He asked how there would be a net gain of \$2 million.

Mr. Kedish replied that money which goes directly to schools is not subtracted from the PILT payments. Therefore, the PILT payment increases by \$1.9 million.

REP. McCAFFREE said 14 western states worked long and hard on the PILT legislation. He said that changes of this sort could very well result in the loss of all PILT money to the state.

Motion: REP. FOSTER MADE A SUBSTITUTE MOTION THAT HB 523 DO PASS.

Motion: REP. FOSTER MOVED THE ADOPTION OF THE AMENDMENTS (as per EXHIBIT 6).

Discussion: Curt Nichols, Office of Budget and Program Planning, said the amendments clarify that the reimbursement is for net loss to local governments from the combination of PILT and federal land payments. Amendment #4 guarantees that the payments will be made within 15 days of the date upon which the payment would have been made under current law.

Vote: The motion to adopt the amendments carried unanimously.

REP. ELLIOTT read a portion of a letter from a Lincoln County Commissioner who was skeptical of the state's ability to keep the counties whole. Lincoln County receives the largest amount of federal money in the state. He said there is no reason to pass the bill if there is little or no financial advantage and no guarantee that the counties will remain whole.

Motion/Vote: REP. ELLIOTT MOVED HB 523 BE TABLED. Motion carried 16 to 4 on a roll call vote.

DOR INFORMATION ON HB 168

Judy Rippingale, DOR Deputy Director, responded to a previous request by the Committee regarding the farmstead provisions of HB 168. She said that a farmstead of 20 acres and above that cannot show \$1500 of agricultural income should be assessed the 3.86% rate and not the 3.088% rate. She said it appears there has been some inconsistent application of those rates.

CHAIRMAN GILBERT said that inconsistency is corrected in HB 168.

ADJOURNMENT

Adjournment: The meeting adjourned at 10:15 a.m.



BOB GILBERT, CHAIRMAN



JILL ROHYANS, Secretary

BG/jdr

HOUSE OF REPRESENTATIVES

TAXATION

COMMITTEE

ROLL CALL

DATE

3/10/93

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

March 10, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that Senate Bill 269 (third reading copy -- blue) be concurred in .

Signed: Bob Gilbert
Bob Gilbert, Chair

Carried by: Rep. Harrington

Committee Vote:
Yes ____, No ____.

541151SC.Hss

HOUSE STANDING COMMITTEE REPORT

March 10, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that Senate Bill 168 (third reading copy -- blue) be concurred in .

Signed: _____

Bob Gilbert

Bob Gilbert, Chair

Carried by: Rep. M. Hanson

Committee Vote:
Yes ____, No ____.

541202SC.Hss

HOUSE STANDING COMMITTEE REPORT

March 10, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that House Bill 467 (first reading copy -- white) do pass as amended .

Signed: Bob Gilbert
Bob Gilbert, Chair

And, that such amendments read:

1. Page 8, line 1.

Following: "(1983))"

Insert: "or the Indian Mineral Development Act of 1982 (25 U.S.C. 2101 through 2108 (1983))"

2. Page 9, lines 5 through 10.

Strike: ":" on line 5 through "that" on line 10

Insert: "that are owned by an Indian tribe or tribal member or held in trust for an Indian tribe or tribal member by the United States and that are located within the tribes's or tribal member's reservation or otherwise considered part of the"

Committee Vote:
Yes __, No __.

541155SC.Hss

HOUSE STANDING COMMITTEE REPORT

March 10, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that House Bill 658 (first reading copy -- white) do pass as amended .

Signed: Bob Gilbert

Bob Gilbert, Chair

And, that such amendments read:

1. Title, lines 9 and 10.

Strike: "PROVIDING THAT THE ASSESSMENT IS NONREFUNDABLE"

Insert: "DELETING THE PROVISION THAT ALLOWED A REFUND OF ASSESSMENTS"

2. Page 3, line 14.

Strike: "-- refund -- nonrefundability"

3. Page 5, lines 6 through 18.

Strike: subsection (4) in its entirety

4. Page 5, line 22.

Following: "act]"

Insert: "or to preclude entry into an agreement for collection of the wheat and barley assessment after [the effective date of this act]"

5. Page 5.

Following: line 22

Insert: "NEW SECTION. Section 4. Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications."

Renumber: subsequent section

Committee Vote:
Yes , No .

541158SC.Hss

HOUSE STANDING COMMITTEE REPORT

March 10, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that Senate Bill 228 (third reading copy -- blue) be concurred in as amended .

Signed: Bob Gilbert
Bob Gilbert, Chair

And, that such amendments read:

Carried by: Rep. Gilbert

1. Page 8, line 8.

Following: "balance"

Insert: ", less claims anticipated for board approval within the next 90 days,"

Committee Vote:
Yes ____, No ____.

541205SC.Hsx

HOUSE OF REPRESENTATIVES

TAXATION

COMMITTEE

ROLL CALL VOTE

DATE 3/10/93 BILL NO. SB 168 NUMBER _____

MOTION: by Rep. Foster that SB 168
Be Concurred In

NAME	AYE	NO
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	✓	
REP. GILBERT	✓	

HOUSE OF REPRESENTATIVES

TAXATION

COMMITTEE

ROLL CALL VOTE

DATE 3/10/93 BILL NO. HB 467 NUMBER

MOTION: by Rep Foster that do Pass
As Amended

NAME	AYE	NO
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	✓	
REP. GILBERT	✓	

HOUSE OF REPRESENTATIVES

TAXATION

COMMITTEE

ROLL CALL VOTE

DATE 3/10/93 BILL NO. HB 523 NUMBER

MOTION: by Rep. Elliott that HB 523
be tabled

NAME	AYE	NO
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	✓	
REP. GILBERT	✓	

Change in County Total Taxable Value --- 1st Year Phase in (25%) 3/10/93
 Impact to County Total Taxable Value
 Current vs. SB 168

DATE 3/10/93
 SB 168

County	Impact to County Total Taxable Value			
	Current	SB 168 (25% Phase in)	Taxable Value Change	Percent Change
Beaverhead	15,922,182	16,377,153	454,971	2.9%
Big Horn	26,681,354	26,961,804	280,450	1.1%
Blaine	13,892,940	14,221,774	328,834	2.4%
Broadwater	14,226,141	14,407,544	181,403	1.3%
Carbon	17,903,295	18,298,764	395,469	2.2%
Carter	7,357,469	7,557,719	200,250	2.7%
Cascade	95,846,935	96,335,173	488,238	0.5%
Chouteau	25,358,497	25,131,266	(227,232)	-0.9%
Custer	14,584,111	14,847,018	262,907	1.8%
Daniels	6,294,803	6,473,924	179,121	2.8%
Dawson	18,257,665	18,536,430	278,765	1.5%
Deer Lodge	8,769,899	8,824,288	54,389	0.6%
Fallon	10,278,478	10,428,421	149,943	1.5%
Fergus	21,943,967	22,206,456	262,489	1.2%
Flathead	103,059,904	104,150,006	1,090,102	1.1%
Gallatin	80,995,369	81,650,546	655,177	0.8%
Garfield	5,393,469	5,616,633	223,164	4.1%
Glacier	19,630,260	19,682,235	51,975	0.3%
Golden Valley	5,153,869	5,265,389	111,520	2.2%
Granite	7,655,867	7,754,097	98,230	1.3%
Hill	29,941,411	30,297,636	356,225	1.2%
Jefferson	23,342,749	23,485,865	143,116	0.6%
Judith Basin	8,952,652	9,116,476	163,824	1.8%
Lake	31,437,674	32,175,108	737,434	2.3%
Lewis And Clark	69,016,382	69,340,908	324,526	0.5%
Liberty	9,568,354	9,772,162	203,808	2.1%
Lincoln	27,564,167	27,782,266	218,099	0.8%
Madison	20,791,628	21,238,832	447,204	2.2%
McCone	7,801,726	8,046,141	244,415	3.1%
Meagher	8,154,786	8,316,925	162,139	2.0%
Mineral	8,080,300	8,143,249	62,949	0.8%
Missoula	126,303,291	126,761,592	458,301	0.4%
Musselshell	6,878,626	7,048,238	169,612	2.5%
Park	24,316,869	24,693,344	376,475	1.5%
Petroleum	1,904,786	1,972,280	67,494	3.5%
Phillips	20,295,327	20,541,738	246,411	1.2%
Pondera	14,988,037	15,155,257	167,220	1.1%
Powder River	6,368,160	6,564,635	196,475	3.1%
Powell	12,458,281	12,696,155	237,874	1.9%
Prairie	4,358,142	4,493,878	135,736	3.1%
Ravalli	32,043,712	33,105,548	1,061,836	3.3%
Richland	21,745,758	22,136,391	390,633	1.8%
Roosevelt	24,801,194	25,032,761	231,567	0.9%
Rosebud	182,854,693	183,114,065	259,372	0.1%
Sanders	24,882,163	25,189,076	306,913	1.2%
Sheridan	12,018,054	12,263,558	245,504	2.0%
Silver Bow	50,333,573	50,413,918	80,345	0.2%
Stillwater	19,753,669	20,030,839	277,170	1.4%
Sweet Grass	8,288,052	8,554,814	266,762	3.2%
Teton	15,427,359	15,741,504	314,145	2.0%
Toole	17,683,716	17,850,674	166,958	0.9%
Treasure	4,983,890	5,094,072	110,182	2.2%
Valley	25,737,184	26,052,004	314,820	1.2%
Wheatland	7,780,858	7,919,012	138,154	1.8%
Wibaux	4,073,266	4,147,772	74,506	1.8%
Yellowstone	198,486,026	199,076,297	590,271	0.3%
Statewide	\$1,632,622,989	\$1,648,091,620	\$15,468,631	0.9%

TABLE B-County TV

Change in County Total Taxable Value --- 2nd Year Phase In (50%)
Impact to County Total Taxable Value
Current vs. SB 168

<u>County</u>	Impact to County Total Taxable Value			
	<u>Current</u>	<u>SB 168 (50% Phase in)</u>	<u>Taxable Value Change</u>	<u>Percent Change</u>
Beaverhead	15,922,182	16,566,160	643,978	4.0%
Big Horn	26,681,354	27,011,870	330,516	1.2%
Blaine	13,892,940	14,306,077	413,137	3.0%
Broadwater	14,226,141	14,438,795	212,654	1.5%
Carbon	17,903,295	18,339,994	436,699	2.4%
Carter	7,357,469	7,641,997	284,528	3.9%
Cascade	95,846,935	96,233,613	386,678	0.4%
Chouteau	25,358,497	24,350,067	(1,008,430)	-4.0%
Custer	14,584,111	14,961,603	377,492	2.6%
Daniels	6,294,803	6,491,049	196,246	3.1%
Dawson	18,257,665	18,618,521	360,856	2.0%
Deer Lodge	8,769,899	8,848,196	78,297	0.9%
Fallon	10,278,478	10,478,969	200,491	2.0%
Fergus	21,943,967	22,114,929	170,962	0.8%
Flathead	103,059,904	104,192,944	1,133,040	1.1%
Gallatin	80,995,369	81,661,885	666,516	0.8%
Garfield	5,393,469	5,725,562	332,093	6.2%
Glacier	19,630,260	19,552,323	(77,937)	-0.4%
Golden Valley	5,153,869	5,288,256	134,387	2.6%
Granite	7,655,867	7,783,608	127,741	1.7%
Hill	29,941,411	30,223,705	282,294	0.9%
Jefferson	23,342,749	23,518,556	175,807	0.8%
Judith Basin	8,952,652	9,081,319	128,667	1.4%
Lake	31,437,674	32,303,966	866,292	2.8%
Lewis And Clark	69,016,382	69,370,184	353,802	0.5%
Liberty	9,568,354	9,708,709	140,355	1.5%
Lincoln	27,564,167	27,791,200	227,033	0.8%
Madison	20,791,628	21,298,737	507,109	2.4%
McCone	7,801,726	8,073,971	272,245	3.5%
Meagher	8,154,786	8,366,398	211,612	2.6%
Mineral	8,080,300	8,146,253	65,953	0.8%
Missoula	126,303,291	126,786,758	483,467	0.4%
Musselshell	6,878,626	7,071,799	193,173	2.8%
Park	24,316,869	24,693,609	376,740	1.5%
Petroleum	1,904,786	2,004,653	99,867	5.2%
Phillips	20,295,327	20,587,883	292,556	1.4%
Pondera	14,988,037	14,983,837	(4,201)	-0.0%
Powder River	6,368,160	6,614,552	246,392	3.9%
Powell	12,458,281	12,770,191	311,910	2.5%
Prairie	4,358,142	4,548,162	190,020	4.4%
Ravalli	32,043,712	33,150,821	1,107,109	3.5%
Richland	21,745,758	22,252,300	506,542	2.3%
Roosevelt	24,801,194	25,014,017	212,823	0.9%
Rosebud	182,854,693	183,219,043	364,350	0.2%
Sanders	24,882,163	25,216,563	334,400	1.3%
Sheridan	12,018,054	12,254,518	236,464	2.0%
Silver Bow	50,333,573	50,424,198	90,625	0.2%
Stillwater	19,753,669	20,021,884	268,215	1.4%
Sweet Grass	8,288,052	8,581,124	293,072	3.5%
Teton	15,427,359	15,638,828	211,469	1.4%
Toole	17,683,716	17,701,632	17,916	0.1%
Treasure	4,983,890	5,151,124	167,234	3.4%
Valley	25,737,184	26,075,327	338,143	1.3%
Wheatland	7,780,858	7,952,668	171,810	2.2%
Wibaux	4,073,266	4,155,675	82,409	2.0%
Yellowstone	198,486,026	199,134,964	648,938	0.3%
Statewide	\$1,632,622,989	\$1,648,495,535	\$15,872,546	1.0%

TABLE C-County TV

Change in County Total Taxable Value --- 3rd Year Phase In (75%)
Impact to County Total Taxable Value
Current vs. SB 168

County	Impact to County Total Taxable Value			
	Current	SB 168 (75% Phase in)	Taxable Value Change	Percent Change
Beaverhead	15,922,182	16,755,166	832,984	5.2%
Big Horn	26,681,354	27,061,936	380,582	1.4%
Blaine	13,892,940	14,390,379	497,439	3.6%
Broadwater	14,226,141	14,470,046	243,905	1.7%
Carbon	17,903,295	18,381,224	477,929	2.7%
Carter	7,357,469	7,726,275	368,806	5.0%
Cascade	95,846,935	96,132,053	285,118	0.3%
Chouteau	25,358,497	23,568,869	(1,789,629)	-7.1%
Custer	14,584,111	15,076,188	492,077	3.4%
Daniels	6,294,803	6,508,174	213,371	3.4%
Dawson	18,257,665	18,700,612	442,947	2.4%
Deer Lodge	8,769,899	8,872,104	102,205	1.2%
Fallon	10,278,478	10,529,517	251,039	2.4%
Fergus	21,943,967	22,023,402	79,435	0.4%
Flathead	103,059,904	104,235,881	1,175,977	1.1%
Gallatin	80,995,369	81,673,224	677,855	0.8%
Garfield	5,393,469	5,834,492	441,023	8.2%
Glacier	19,630,260	19,422,412	(207,848)	-1.1%
Golden Valley	5,153,869	5,311,123	157,254	3.1%
Granite	7,655,867	7,813,118	157,251	2.1%
Hill	29,941,411	30,149,773	208,362	0.7%
Jefferson	23,342,749	23,551,247	208,498	0.9%
Judith Basin	8,952,652	9,046,162	93,510	1.0%
Lake	31,437,674	32,432,824	995,150	3.2%
Lewis And Clark	69,016,382	69,399,459	383,077	0.6%
Liberty	9,568,354	9,645,256	76,902	0.8%
Lincoln	27,564,167	27,800,134	235,967	0.9%
Madison	20,791,628	21,358,642	567,014	2.7%
McCone	7,801,726	8,101,802	300,076	3.8%
Meagher	8,154,786	8,415,872	261,086	3.2%
Mineral	8,080,300	8,149,257	68,957	0.9%
Missoula	126,303,291	126,811,924	508,633	0.4%
Musselshell	6,878,626	7,095,360	216,734	3.2%
Park	24,316,869	24,693,874	377,005	1.6%
Petroleum	1,904,786	2,037,026	132,240	6.9%
Phillips	20,295,327	20,634,028	338,701	1.7%
Pondera	14,988,037	14,812,417	(175,621)	-1.2%
Powder River	6,368,160	6,664,469	296,309	4.7%
Powell	12,458,281	12,844,226	385,945	3.1%
Prairie	4,358,142	4,602,445	244,303	5.6%
Ravalli	32,043,712	33,196,095	1,152,383	3.6%
Richland	21,745,758	22,368,209	622,451	2.9%
Roosevelt	24,801,194	24,995,272	194,078	0.8%
Rosebud	182,854,693	183,324,021	469,328	0.3%
Sanders	24,882,163	25,244,050	361,887	1.5%
Sheridan	12,018,054	12,245,478	227,424	1.9%
Silver Bow	50,333,573	50,434,478	100,905	0.2%
Stillwater	19,753,669	20,012,929	259,260	1.3%
Sweet Grass	8,288,052	8,607,434	319,382	3.9%
Teton	15,427,359	15,536,152	108,793	0.7%
Toole	17,683,716	17,552,589	(131,127)	-0.7%
Treasure	4,983,890	5,208,176	224,286	4.5%
Valley	25,737,184	26,098,650	361,466	1.4%
Wheatland	7,780,858	7,986,323	205,465	2.6%
Wibaux	4,073,266	4,163,577	90,311	2.2%
Yellowstone	198,486,026	199,193,630	707,604	0.4%
Statewide	\$1,632,622,989	\$1,648,899,450	\$16,276,461	1.0%

TABLE D-County TV

**Change in County Total Taxable Value --- 4th Year Phase In (100%)
Impact to County Total Taxable Value
Current vs. SB 168**

DATE 3-10-93

SR-168

County	Impact to County Total Taxable Value			
	Current	SB 168 (100% Phase in)	Taxable Value Change	Percent Change
Beaverhead	15,922,182	16,944,173	1,021,991	6.4%
Big Horn	26,681,354	27,112,002	430,648	1.6%
Blaine	13,892,940	14,474,682	581,742	4.2%
Broadwater	14,226,141	14,501,296	275,155	1.9%
Carbon	17,903,295	18,422,454	519,159	2.9%
Carter	7,357,469	7,810,553	453,084	6.2%
Cascade	95,846,935	96,030,493	183,558	0.2%
Chouteau	25,358,497	22,787,670	(2,570,827)	-10.1%
Custer	14,584,111	15,190,774	606,663	4.2%
Daniels	6,294,803	6,525,299	230,496	3.7%
Dawson	18,257,665	18,782,703	525,038	2.9%
Deer Lodge	8,769,899	8,896,012	126,113	1.4%
Fallon	10,278,478	10,580,065	301,587	2.9%
Fergus	21,943,967	21,931,876	(12,092)	-0.1%
Flathead	103,059,904	104,278,819	1,218,915	1.2%
Gallatin	80,995,369	81,684,563	689,194	0.9%
Garfield	5,393,469	5,943,422	549,953	10.2%
Glacier	19,630,260	19,292,501	(337,759)	-1.7%
Golden Valley	5,153,869	5,333,990	180,121	3.5%
Granite	7,655,867	7,842,629	186,762	2.4%
Hill	29,941,411	30,075,841	134,430	0.4%
Jefferson	23,342,749	23,583,938	241,189	1.0%
Judith Basin	8,952,652	9,011,005	58,353	0.7%
Lake	31,437,674	32,561,682	1,124,008	3.6%
Lewis And Clark	69,016,382	69,428,735	412,353	0.6%
Liberty	9,568,354	9,581,803	13,449	0.1%
Lincoln	27,564,167	27,809,069	244,902	0.9%
Madison	20,791,628	21,418,547	626,919	3.0%
McCone	7,801,726	8,129,632	327,906	4.2%
Meagher	8,154,786	8,465,345	310,559	3.8%
Mineral	8,080,300	8,152,261	71,961	0.9%
Missoula	126,303,291	126,837,090	533,799	0.4%
Musselshell	6,878,626	7,118,921	240,295	3.5%
Park	24,316,869	24,694,140	377,271	1.6%
Petroleum	1,904,786	2,069,399	164,613	8.6%
Phillips	20,295,327	20,680,174	384,847	1.9%
Pondera	14,988,037	14,640,997	(347,041)	-2.3%
Powder River	6,368,160	6,714,385	346,225	5.4%
Powell	12,458,281	12,918,262	459,981	3.7%
Prairie	4,358,142	4,656,729	298,587	6.9%
Ravalli	32,043,712	33,241,368	1,197,656	3.7%
Richland	21,745,758	22,484,118	738,360	3.4%
Roosevelt	24,801,194	24,976,527	175,333	0.7%
Rosebud	182,854,693	183,428,999	574,306	0.3%
Sanders	24,882,163	25,271,537	389,374	1.6%
Sheridan	12,018,054	12,236,437	218,383	1.8%
Silver Bow	50,333,573	50,444,758	111,185	0.2%
Stillwater	19,753,669	20,003,974	250,305	1.3%
Sweet Grass	8,288,052	8,633,744	345,692	4.2%
Teton	15,427,359	15,433,476	6,117	0.0%
Toole	17,683,716	17,403,547	(280,170)	-1.6%
Treasure	4,983,890	5,265,228	281,338	5.6%
Valley	25,737,184	26,121,973	384,789	1.5%
Wheatland	7,780,858	8,019,979	239,121	3.1%
Wibaux	4,073,266	4,171,480	98,214	2.4%
Yellowstone	198,486,026	199,252,296	766,270	0.4%
Statewide	\$1,632,622,989	\$1,649,303,365	\$16,680,376	1.0%

TABLE A-Tax

Change in Estimated Taxes Paid* --- 1st Year Phase In (25%)
Impact to Ag Land and Farmstead Estimated Taxes Paid
Current vs. SB 168

EXHIBIT 2
 3/10/93
 SB 168

County	Impact to Ag Land and Farmstead Estimated Taxes Paid*			
	Current	SB 168 (25% Phase in)	Taxes Paid Change	Percent Change
Beaverhead	1,082,679	1,227,811	145,132	13.4%
Big Horn	921,915	981,172	59,258	6.4%
Blaine	1,293,747	1,381,151	87,404	6.8%
Broadwater	389,121	432,478	43,357	11.1%
Carbon	1,084,793	1,204,903	120,110	11.1%
Carter	607,848	663,724	55,875	9.2%
Cascade	2,664,949	2,843,278	178,329	6.7%
Chouteau	4,735,109	4,663,386	(71,722)	-1.5%
Custer	1,068,284	1,171,544	103,260	9.7%
Daniels	1,095,672	1,160,620	64,948	5.9%
Dawson	1,349,495	1,447,796	98,301	7.3%
Deer Lodge	158,691	183,134	24,443	15.4%
Fallon	299,349	326,010	26,661	8.9%
Fergus	2,461,856	2,548,960	87,105	3.5%
Flathead	2,020,602	2,406,586	385,984	19.1%
Gallatin	1,707,115	1,915,832	208,717	12.2%
Garfield	903,669	965,576	61,907	6.9%
Glacier	966,090	978,666	12,576	1.3%
Golden Valley	367,154	394,877	27,724	7.6%
Granite	234,155	263,604	29,449	12.6%
Hill	2,335,821	2,433,131	97,310	4.2%
Jefferson	270,795	309,894	39,099	14.4%
Judith Basin	1,148,874	1,196,245	47,371	4.1%
Lake	1,067,572	1,280,241	212,669	19.9%
Lewis And Clark	959,837	1,073,138	113,301	11.8%
Liberty	1,367,813	1,426,729	58,916	4.3%
Lincoln	268,180	329,792	61,612	23.0%
Madison	889,443	998,985	109,542	12.3%
McCone	1,353,467	1,430,058	76,590	5.7%
Meagher	443,984	483,249	39,265	8.8%
Mineral	105,502	127,399	21,898	20.8%
Missoula	833,097	1,007,474	174,377	20.9%
Musselshell	483,516	522,331	38,815	8.0%
Park	810,726	913,350	102,624	12.7%
Petroleum	297,292	317,875	20,583	6.9%
Phillips	938,521	991,333	52,813	5.6%
Pondera	1,897,117	1,947,466	50,349	2.7%
Powder River	769,069	832,557	63,488	8.3%
Powell	472,701	550,331	77,630	16.4%
Prairie	390,297	426,940	36,643	9.4%
Ravalli	1,548,159	1,867,943	319,784	20.7%
Richland	1,064,961	1,156,109	91,148	8.6%
Roosevelt	1,145,099	1,200,443	55,344	4.8%
Rosebud	473,797	509,392	35,595	7.5%
Sanders	384,873	465,019	80,146	20.8%
Sheridan	1,061,887	1,119,082	57,196	5.4%
Silver Bow	198,173	231,805	33,632	17.0%
Stillwater	924,601	996,602	72,001	7.8%
Sweet Grass	690,379	770,554	80,175	11.6%
Teton	2,132,514	2,230,143	97,628	4.6%
Toole	1,538,427	1,578,738	40,311	2.6%
Treasure	258,771	288,253	29,481	11.4%
Valley	1,904,922	2,005,493	100,571	5.3%
Wheatland	495,447	534,835	39,388	7.9%
Wibaux	283,090	298,170	15,080	5.3%
Yellowstone	1,779,515	1,960,139	180,623	10.2%
Statewide	\$58,400,530	\$62,972,345	\$4,571,815	7.8%

* Estimated taxes paid for State, County, and Local School purposes.

TABLE B-Tax

**Change in Estimated Taxes Paid* --- 2nd Year Phase In (50%)
Impact to Ag Land and Farmstead Estimated Taxes Paid
Current vs. SB 168**

<u>County</u>	Impact to Ag Land and Farmstead Estimated Taxes Paid*			
	Current	SB 168 (50% Phase in)	Taxes Paid Change	Percent Change
Beaverhead	1,082,679	1,288,102	205,423	19.0%
Big Horn	921,915	991,751	69,836	7.6%
Blaine	1,293,747	1,403,558	109,811	8.5%
Broadwater	389,121	439,947	50,826	13.1%
Carbon	1,084,793	1,217,425	132,632	12.2%
Carter	607,848	687,240	79,391	13.1%
Cascade	2,664,949	2,806,183	141,234	5.3%
Chouteau	4,735,109	4,416,813	(318,296)	-6.7%
Custer	1,068,284	1,216,549	148,265	13.9%
Daniels	1,095,672	1,166,829	71,158	6.5%
Dawson	1,349,495	1,476,744	127,249	9.4%
Deer Lodge	158,691	193,879	35,188	22.2%
Fallon	299,349	334,997	35,649	11.9%
Fergus	2,461,856	2,518,588	56,732	2.3%
Flathead	2,020,602	2,421,789	401,187	19.9%
Gallatin	1,707,115	1,919,444	212,329	12.4%
Garfield	903,669	995,793	92,125	10.2%
Glacier	966,090	947,232	(18,858)	-2.0%
Golden Valley	367,154	400,562	33,408	9.1%
Granite	234,155	272,451	38,296	16.4%
Hill	2,335,821	2,412,935	77,114	3.3%
Jefferson	270,795	318,826	48,031	17.7%
Judith Basin	1,148,874	1,186,079	37,205	3.2%
Lake	1,067,572	1,317,402	249,830	23.4%
Lewis And Clark	959,837	1,083,359	123,522	12.9%
Liberty	1,367,813	1,408,386	40,573	3.0%
Lincoln	268,180	332,316	64,136	23.9%
Madison	889,443	1,013,659	124,216	14.0%
McCone	1,353,467	1,438,779	85,311	6.3%
Meagher	443,984	495,230	51,245	11.5%
Mineral	105,502	128,444	22,943	21.7%
Missoula	833,097	1,017,049	183,952	22.1%
Musselshell	483,516	527,723	44,207	9.1%
Park	810,726	913,422	102,696	12.7%
Petroleum	297,292	327,748	30,455	10.2%
Phillips	938,521	1,001,224	62,703	6.7%
Pondera	1,897,117	1,895,852	(1,265)	-0.1%
Powder River	769,069	848,687	79,618	10.4%
Powell	472,701	574,493	101,792	21.5%
Prairie	390,297	441,594	51,298	13.1%
Ravalli	1,548,159	1,881,577	333,418	21.5%
Richland	1,064,961	1,183,154	118,193	11.1%
Roosevelt	1,145,099	1,195,963	50,864	4.4%
Rosebud	473,797	523,799	50,002	10.6%
Sanders	384,873	472,197	87,324	22.7%
Sheridan	1,061,887	1,116,976	55,090	5.2%
Silver Bow	198,173	236,109	37,935	19.1%
Stillwater	924,601	994,276	69,675	7.5%
Sweet Grass	690,379	778,462	88,083	12.8%
Teton	2,132,514	2,198,233	65,719	3.1%
Toole	1,538,427	1,542,752	4,326	0.3%
Treasure	258,771	303,518	44,747	17.3%
Valley	1,904,922	2,012,944	108,022	5.7%
Wheatland	495,447	544,430	48,983	9.9%
Wibaux	283,090	299,770	16,680	5.9%
Yellowstone	1,779,515	1,978,090	198,575	11.2%
Statewide	\$58,400,530	\$63,061,334	\$4,660,804	8.0%

* Estimated taxes paid for State, County, and Local School purposes.

TABLE C-Tax

**Change in Estimated Taxes Paid* --- 3rd Year Phase In (75%)
Impact to Ag Land and Farmstead Estimated Taxes Paid
Current vs. SB 168**

County	Impact to Ag Land and Farmstead Estimated Taxes Paid*			
	Current	SB 168 (75% Phase in)	Taxes Paid Change	Percent Change
Beaverhead	1,082,679	1,348,394	265,715	24.5%
Big Horn	921,915	1,002,330	80,415	8.7%
Blaine	1,293,747	1,425,966	132,219	10.2%
Broadwater	389,121	447,417	58,295	15.0%
Carbon	1,084,793	1,229,947	145,154	13.4%
Carter	607,848	710,756	102,907	16.9%
Cascade	2,664,949	2,769,088	104,139	3.9%
Chouteau	4,735,109	4,170,239	(564,870)	-11.9%
Custer	1,068,284	1,261,554	193,270	18.1%
Daniels	1,095,672	1,173,039	77,367	7.1%
Dawson	1,349,495	1,505,692	156,197	11.6%
Deer Lodge	158,691	204,624	45,933	28.9%
Fallon	299,349	343,985	44,636	14.9%
Fergus	2,461,856	2,488,216	26,360	1.1%
Flathead	2,020,602	2,436,992	416,390	20.6%
Gallatin	1,707,115	1,923,056	215,942	12.6%
Garfield	903,669	1,026,011	122,342	13.5%
Glacier	966,090	915,798	(50,292)	-5.2%
Golden Valley	367,154	406,247	39,093	10.6%
Granite	234,155	281,298	47,143	20.1%
Hill	2,335,821	2,392,739	56,918	2.4%
Jefferson	270,795	327,757	56,962	21.0%
Judith Basin	1,148,874	1,175,913	27,039	2.4%
Lake	1,067,572	1,354,564	286,991	26.9%
Lewis And Clark	959,837	1,093,580	133,743	13.9%
Liberty	1,367,813	1,390,044	22,231	1.6%
Lincoln	268,180	334,840	66,660	24.9%
Madison	889,443	1,028,332	138,890	15.6%
McCone	1,353,467	1,447,500	94,032	6.9%
Meagher	443,984	507,211	63,226	14.2%
Mineral	105,502	129,489	23,988	22.7%
Missoula	833,097	1,026,625	193,528	23.2%
Musselshell	483,516	533,115	49,599	10.3%
Park	810,726	913,494	102,768	12.7%
Petroleum	297,292	337,620	40,328	13.6%
Phillips	938,521	1,011,114	72,593	7.7%
Pondera	1,897,117	1,844,238	(52,879)	-2.8%
Powder River	769,069	864,817	95,748	12.4%
Powell	472,701	598,654	125,953	26.6%
Prairie	390,297	456,249	65,952	16.9%
Ravalli	1,548,159	1,895,212	347,053	22.4%
Richland	1,064,961	1,210,200	145,238	13.6%
Roosevelt	1,145,099	1,191,483	46,384	4.1%
Rosebud	473,797	538,206	64,409	13.6%
Sanders	384,873	479,375	94,502	24.6%
Sheridan	1,061,887	1,114,870	52,983	5.0%
Silver Bow	198,173	240,412	42,239	21.3%
Stillwater	924,601	991,950	67,349	7.3%
Sweet Grass	690,379	786,369	95,990	13.9%
Teton	2,132,514	2,166,324	33,810	1.6%
Toole	1,538,427	1,506,767	(31,660)	-2.1%
Treasure	258,771	318,784	60,012	23.2%
Valley	1,904,922	2,020,394	115,472	6.1%
Wheatland	495,447	554,025	58,578	11.8%
Wibaux	283,090	301,369	18,279	6.5%
Yellowstone	1,779,515	1,996,042	216,527	12.2%
Statewide	\$58,400,530	\$63,150,323	\$4,749,793	8.1%

* Estimated taxes paid for State, County, and Local School purposes.

TABLE D-Tax**Change in Estimated Taxes Paid* --- 4th Year Phase In (100%)****Impact to Ag Land and Farmstead Estimated Taxes Paid** **BIT #2****Current vs. SB 168****DATE 3-10-93****Impact to Ag Land and Farmstead Estimated Taxes Paid** **SB-168**

County	SB 168		Taxes Paid Change	Percent Change
	Current	(100% Phase in)		
Beaverhead	1,082,679	1,408,685	326,006	30.1%
Big Horn	921,915	1,012,908	90,994	9.9%
Blaine	1,293,747	1,448,373	154,626	12.0%
Broadwater	389,121	454,886	65,765	16.9%
Carbon	1,084,793	1,242,469	157,676	14.5%
Carter	607,848	734,272	126,423	20.8%
Cascade	2,664,949	2,731,993	67,045	2.5%
Chouteau	4,735,109	3,923,665	(811,443)	-17.1%
Custer	1,068,284	1,306,559	238,275	22.3%
Daniels	1,095,672	1,179,248	83,577	7.6%
Dawson	1,349,495	1,534,640	185,145	13.7%
Deer Lodge	158,691	215,369	56,678	35.7%
Fallon	299,349	352,973	53,624	17.9%
Fergus	2,461,856	2,457,843	(4,012)	-0.2%
Flathead	2,020,602	2,452,196	431,594	21.4%
Gallatin	1,707,115	1,926,668	219,554	12.9%
Garfield	903,669	1,056,229	152,560	16.9%
Glacier	966,090	884,364	(81,726)	-8.5%
Golden Valley	367,154	411,932	44,778	12.2%
Granite	234,155	290,145	55,990	23.9%
Hill	2,335,821	2,372,544	36,722	1.6%
Jefferson	270,795	336,688	65,893	24.3%
Judith Basin	1,148,874	1,165,747	16,873	1.5%
Lake	1,067,572	1,391,725	324,153	30.4%
Lewis And Clark	959,837	1,103,801	143,964	15.0%
Liberty	1,367,813	1,371,701	3,888	0.3%
Lincoln	268,180	337,364	69,184	25.8%
Madison	889,443	1,043,006	153,563	17.3%
McCone	1,353,467	1,456,221	102,753	7.6%
Meagher	443,984	519,191	75,207	16.9%
Mineral	105,502	130,535	25,033	23.7%
Missoula	833,097	1,036,200	203,103	24.4%
Musselshell	483,516	538,507	54,991	11.4%
Park	810,726	913,567	102,841	12.7%
Petroleum	297,292	347,493	50,200	16.9%
Phillips	938,521	1,021,004	82,483	8.8%
Pondera	1,897,117	1,792,624	(104,492)	-5.5%
Powder River	769,069	880,947	111,878	14.5%
Powell	472,701	622,816	150,115	31.8%
Prairie	390,297	470,903	80,607	20.7%
Ravalli	1,548,159	1,908,847	360,688	23.3%
Richland	1,064,961	1,237,245	172,284	16.2%
Roosevelt	1,145,099	1,187,003	41,904	3.7%
Rosebud	473,797	552,613	78,816	16.6%
Sanders	384,873	486,553	101,680	26.4%
Sheridan	1,061,887	1,112,764	50,877	4.8%
Silver Bow	198,173	244,715	46,542	23.5%
Stillwater	924,601	989,623	65,022	7.0%
Sweet Grass	690,379	794,277	103,897	15.0%
Teton	2,132,514	2,134,415	1,901	0.1%
Toole	1,538,427	1,470,781	(67,645)	-4.4%
Treasure	258,771	334,049	75,278	29.1%
Valley	1,904,922	2,027,845	122,923	6.5%
Wheatland	495,447	563,620	68,173	13.8%
Wibaux	283,090	302,968	19,878	7.0%
Yellowstone	1,779,515	2,013,994	234,479	13.2%
Statewide	\$58,400,530	\$63,239,312	\$4,838,782	8.3%

* Estimated taxes paid for State, County, and Local School purposes.

*File on
Indian*

PAGE 1

COTTON PETROLEUM CORPORATION, ET AL., APPELLANTS

v.

NEW MEXICO ET AL.

No. 87-1327

The LEXIS pagination of this document is subject to change pending release of the final published version.

SUPREME COURT OF THE UNITED STATES

490 U.S. 163; 109 S. Ct. 1698; 1989 U.S. LEXIS 2133;

104 L. Ed. 2d 209; 57 U.S.L.W. 4445

Argued November 30, 1988

April 25, 1989

PRIOR HISTORY: [*1] ON APPEAL FROM THE COURT OF APPEALS OF NEW MEXICO SYLLABUS: Pursuant to authority granted by the Indian Mineral Leasing Act of 1938 (1938 Act), the Jicarilla Apache Tribe (Tribe) leased lands on its New Mexico reservation to appellant Cotton Petroleum Corp. (Cotton), a non-Indian company, for the production of oil and gas. Cotton's on-reservation production is subject to both a 6% tribal severance tax and appellee State's 8% severance taxes, which apply to all producers throughout the State. In 1982, Cotton paid its state taxes under protest and then brought an action in state court under, inter alia, the Commerce Clause of the Federal Constitution, contending that the state taxes were invalid on the basis of evidence tending to prove that the amount of such taxes imposed on reservation activity far exceeded the value of services the State provided in relation to such activity. The Tribe filed a brief amicus curiae arguing that a decision upholding the state taxes would substantially interfere with the Tribe's ability to raise its own tax rates and would diminish the desirability of on-reservation leases. The trial court upheld the state taxes, concluding, among other things, that the State [*2] provides substantial services to both the Tribe and Cotton, that the theory of public finance does not require that expenditures equal revenues, that the taxes' economic and legal burden falls on Cotton and has no adverse impact on tribal interests, and that the taxes are not pre-empted by federal law. The State Court of Appeals affirmed. This Court noted probable jurisdiction and invited the parties to brief and argue the additional question whether the Commerce Clause requires a tribe to be treated as a "State" for purposes of determining whether a state tax on nontribal activities conducted on a reservation must be apportioned to account for taxes the tribe imposed on the same activity. Held: The State may validly impose severance taxes on the same on-reservation production of oil and gas by non-Indian lessees as is subject to the Tribe's own severance tax. Pp. 8-27. (a) Under this Court's modern decisions, on-reservation oil and gas production by non-Indian lessees is subject to nondiscriminatory state taxation unless Congress has expressly or impliedly acted to pre-empt the state taxes. See, e. g., *Helvering v. Mountain Producers Corp.*, 303 U. S. 376, 386-387. Pp. 8-11. (b) The [*3] state taxes in question

The original is stored at the Historical Society at 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.

Amendments to House Bill No. 658
First Reading Copy

EXHIBIT 3
DATE 3/10/03
HB 658

For the Committee on Taxation

Prepared by Lee Heiman
March 9, 1993

Deletes Refund Provisions

1. Title, lines 9 and 10.

Strike: "PROVIDING THAT THE ASSESSMENT IS NONREFUNDABLE"

Insert: "DELETING THE PROVISION THAT ALLOWED A REFUND OF
ASSESSMENTS"

2. Page 3, line 14.

Strike: "-- refund -- nonrefundability"

3. Page 5, lines 6 through 18.

Strike: subsection (4) in its entirety

EXHIBIT 4
DATE 3/10/13
SB 228

Amendments to Senate Bill No. 228
Third Reading Copy

Requested by Rep. Harper
For the Committee on Taxation

Prepared by Lee Heiman
March 8, 1993

1. Page 8, line 8.

Following: "balance"

Insert: ", less claims anticipated for board approval within the
next 90 days,"

EXHIBIT 5
DATE 3/10/93
HB 523

PROPOSED DISTRIBUTION

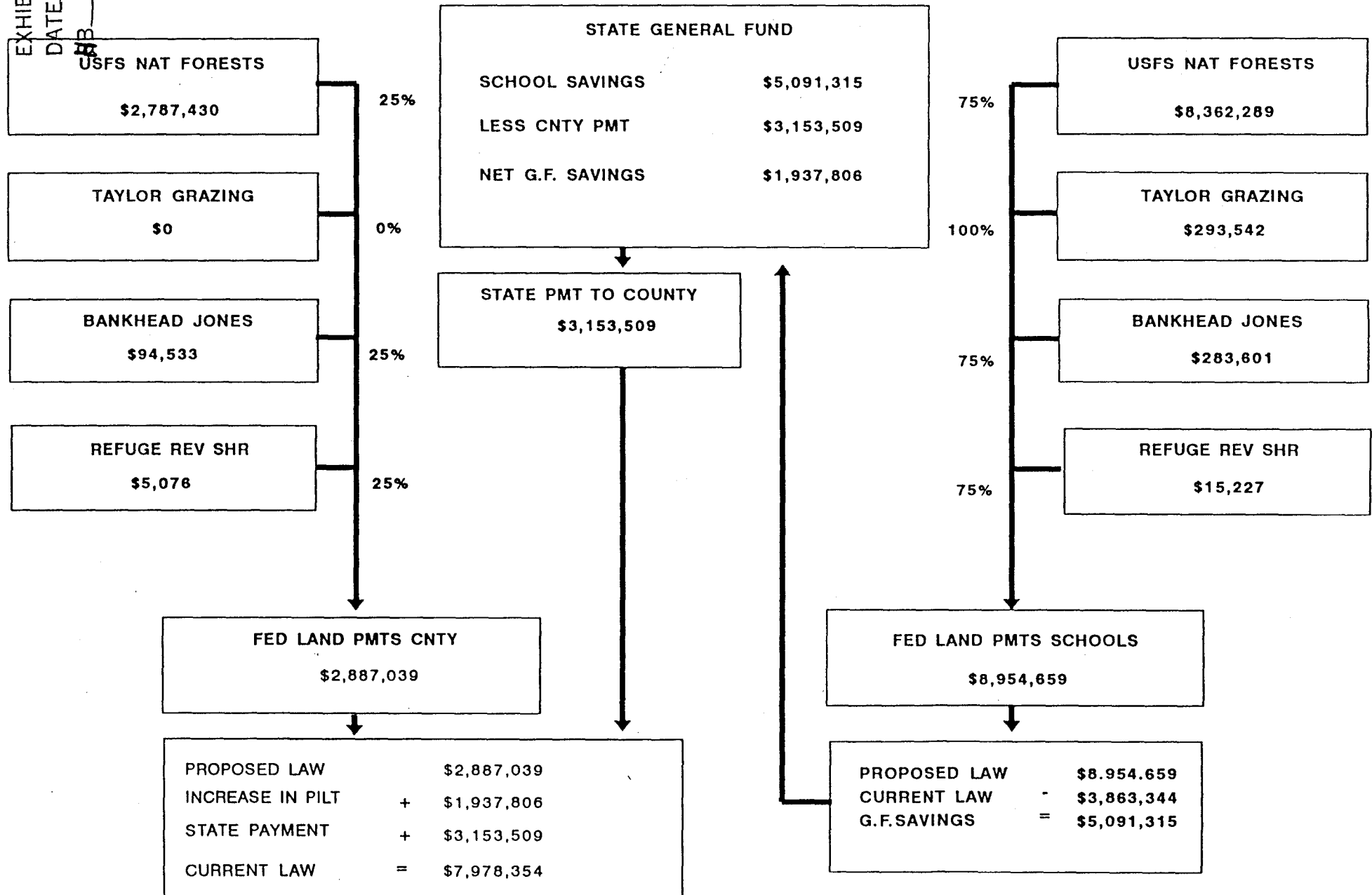
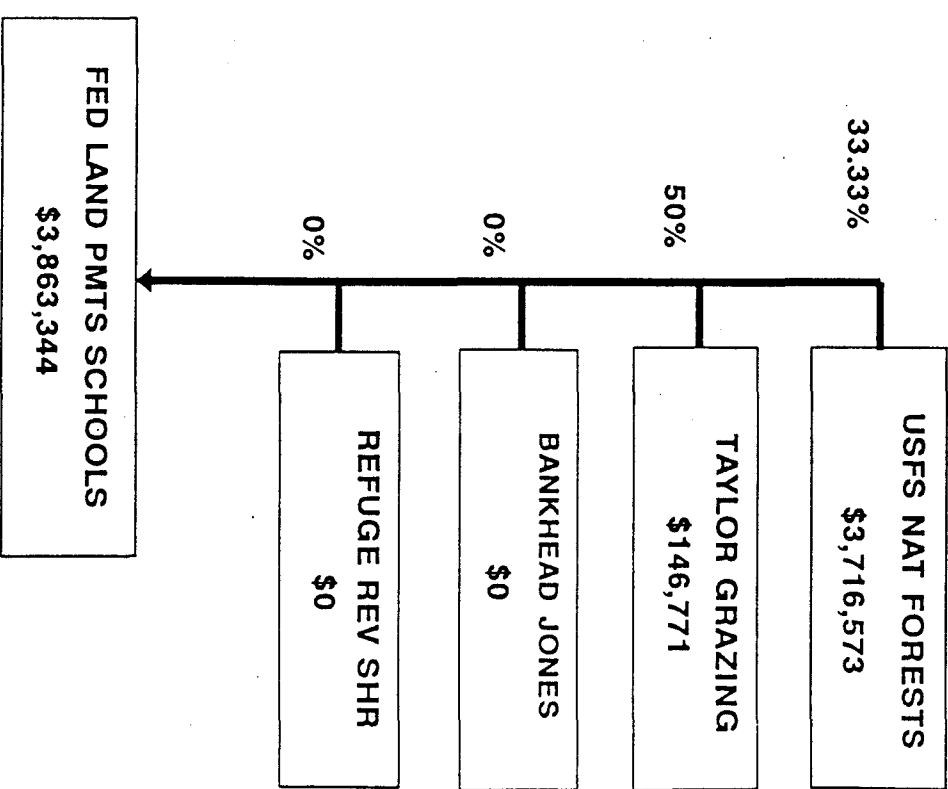
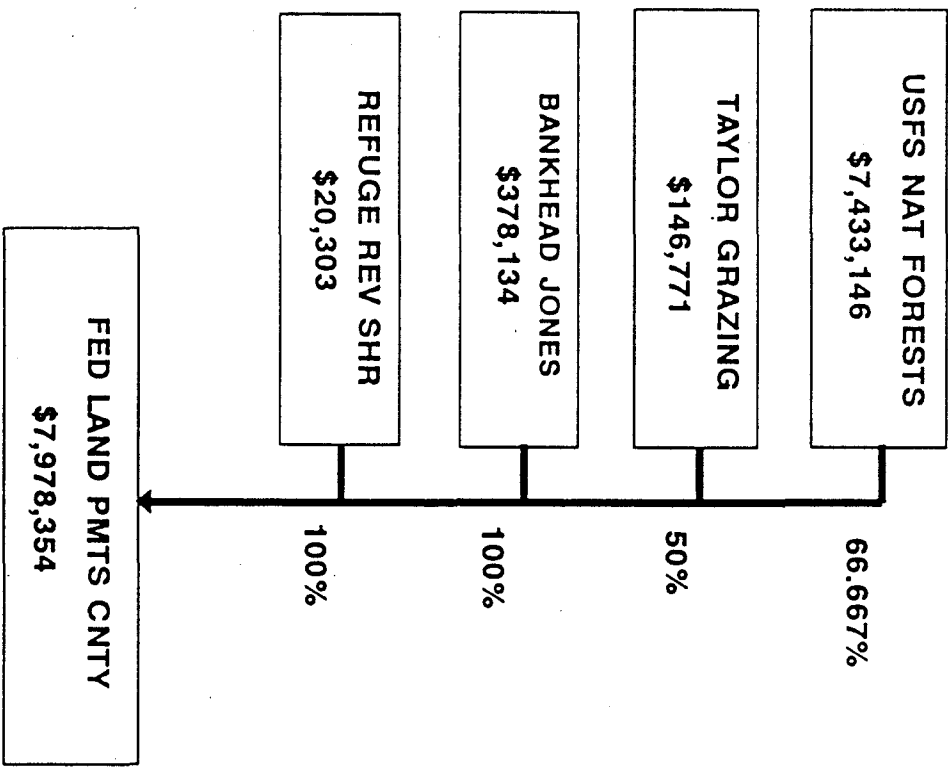


EXHIBIT 5a
DATE 3/10/95
HB 523

CURRENT LAW



Amendments to House Bill No. 523
First Reading Copy

EXHIBIT 6
DATE 3/10/93
AB 523

For the Committee on Appropriations

Prepared by Office of Budget and Program Planning
March 2, 1993

1. Page 11, Line 25.

Following: "received"

Strike: "as a"

Insert: "from the combination of the federal Payment in Lieu of
Taxes (PILT) Act found in 31 U.S.C. 6901-6907 and"

2. Page 12, Line 2.

Following: "county"

Insert: "general and road funds"

3. Page 12, Line 2.

Following: "1993,"

Strike: "directly to"

Insert: "payable directly to the"

4. Page 12, Line 3.

Following: "aid."

Insert: "account. The state payment will be made within 15 days
of the date upon which the PILT or land payment would
have been made."

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

HOUSE TAXATION COMMITTEE BILL NO. SB 269
DATE 3/10/93 SPONSOR(S) SEN. LYNCH

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
ED SLEETH/ HELENA	RETIRED FEDERAL EMPLOYEES	✓	
Lee Masters Butte	Retiree	✓	
BOB CONNORS BUTTE	2 FED RETIREE	✓	
VIM HOLLAND BUTTE	"	✓	
BOB HARAN BUTTE	"	✓	
MICK McGRATH BUTTE	NARFE	✓	

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