

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By CHAIRMAN BOB GILBERT, on April 1, 1993, at
7:30 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: None
Executive Action: SB 429 Be Concurred In
SB 396 Be Concurred In
SB 427 Tabled

EXECUTIVE ACTION ON SENATE BILL 429

Motion: REP. FOSTER MOVED SB 429 BE CONCURRED IN.

Discussion: REP. FELAND said the bill would provide the Board of Oil and Gas Conservation with the means to develop long range planning programs for reclamation.

REP. REAM asked if the bill would affect any projects slated for this biennium.

CHAIRMAN GILBERT said nothing scheduled for the current biennium would be affected.

Vote: Motion that SB 429 Be Concurred In passed unanimously.

EXECUTIVE ACTION ON SENATE BILL 396

Motion: REP. DRISCOLL MOVED SB 396 BE CONCURRED IN.

Discussion: REP. MARIAN HANSON said Powder River County has used the decrease in valuation to double taxes. The values decreased, the taxes went up, and the tax bill doubled.

REP. DRISCOLL said this bill is different because it addresses valuation that is increasing after having dropped. If the dollar amount has reached 95% at the maximum millage, the mills can then be raised to reach the 100% level. Because of differing mill values over the course of time, a discrepancy can occur between the number of mills and the amount of money they will raise.

REP. HANSON said when mills are raised to collect the same amount of money that was previously collected, taxes are increased.

REP. BOHLINGER asked if the bill is intended to raise the same amount of money as was raised in 1986 for the operation of government.

REP. ELLIOTT said the trigger for levying additional mills to get back to the dollar cap is a 5% drop in assessed property values. Current law indicates that as soon as the valuation goes above 95%, extra mills cannot be levied. SB 396 allows local governments to reach the 100% before the cap is in place. Levying at 100% still keeps them within the limits of I-105.

CHAIRMAN GILBERT said that under this law everyone will be protected at 100% of their dollar level.

REP. ELLIOTT said all local governments want is to be where they were when this went into effect in 1986.

Vote: Motion that SB 396 Be Concurred In passed on a roll call vote.

EXECUTIVE ACTION ON SENATE BILL 427

Motion: REP. REAM MOVED SB 427 BE CONCURRED IN.

Discussion: REP. BOHLINGER said an SID is much like a bank loan. When it is paid off, there is no longer an obligation to keep making payments. SB 427 attempts to continue the obligation beyond the pay-off point. He felt the bill is a bad piece of legislation.

REP. REAM said an SID revolving fund is different than an SID. He said realtors have created the problem the bill seeks to address. In the early 1980's, a Missoula realtor subdivided a large parcel of land into lots. SIDs for water, sewer, and street lights amounted to \$20,000 per lot. A short time later the real estate market plunged, the developer left town, and the city was left with the lots which it sold for less than \$15,000 each. The revolving fund reimbursed the city for the loss.

REP. FOSTER said once an SID is paid, it should be finished. To use the revolving fund to keep funds at a level that local governments want is not fair to the taxpayers.

REP. DRISCOLL said Billings has had three SIDs go unfunded and money had to be taken out of the general fund because there was no revolving fund. The city is having to sell the lots at a loss because they cannot increase millage to cover the loss to the general fund. He noted two Attorney Generals have not been able to determine the intent of the current law. This bill limits the levy amount to the 1986 level and for deposit to the revolving fund only.

REP. HARPER said the point of the bill is made in the title. If the taxing jurisdiction included the SID revolving fund in the 1986 limitation, it will have to live with that level. It also has the benefit of being able to levy up to that limitation amount.

Vote: Motion that SB 427 Be Concurred In failed on a roll call vote.

Motion/Vote: REP. FOSTER MOVED TO TABLE SB 427. The vote was reversed and the motion carried.

ADJOURNMENT

Adjournment: The meeting was adjourned at 9:00 a.m.

Mike Foster (Vice-Chair)
BOB GILBERT, CHAIRMAN

Jill Romyans
JILL ROMYANS, Secretary

BG/jdr

HOUSE OF REPRESENTATIVES

TAXATION

COMMITTEE

ROLL CALL

DATE

4/1/93

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

April 1, 1993

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Mr. Speaker: We, the committee on Taxation report that Senate Bill 429 (third reading copy -- blue) be concurred in .

Signed: Bob Gilbert
Bob Gilbert, Chair

Carried by: Rep. Feland

Committee Vote:
Yes ☐ , No ☐ .

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HOUSE STANDING COMMITTEE REPORT

April 1, 1993

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Mr. Speaker: We, the committee on Taxation report that Senate Bill 396 (third reading copy -- blue) be concurred in.

Signed: Bob Gilbert
Bob Gilbert, Chair

Carried by: Rep. Driscoll

Committee Vote:
Yes , No .

730945SC.Hss

HOUSE OF REPRESENTATIVES

TAXATION

COMMITTEE

ROLL CALL VOTE

DATE 4/1/93 BILL NO. HB 396 NUMBER

MOTION: by Rep. Russell that SB 396
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 4/1/93 BILL NO. SB 427 NUMBER _____

MOTION: by Rep. Ream that SB ~~446~~ 427
Be Concurred In

Failed

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 4/1/93 BILL NO. SB477 NUMBER

MOTION: by Rep. Foster that SB 477 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	✓	