

## **MINUTES**

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

#### **COMMITTEE ON TAXATION**

**Call to Order:** By Chairman Mike Halligan, on April 12, 1993, at 8:00 a.m.

#### **ROLL CALL**

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

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

**Members Excused:** None.

**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: SJR 33  
Executive Action: SJR 33, HB 92, HB 616, HB 643, HB 670,  
HB 688

#### **HEARING ON SJR 33**

##### **Opening Statement by Sponsor:**

Senator Sue Bartlett, Senate District 23, presented SJR 33 which is a resolution to request that during the interim the Revenue Oversight Committee (ROC) conduct a study of improvement district financing and different methods to secure such financing. Senator Bartlett said since this Committee held a hearing on SB 426, they are familiar with the background and the Court case involved with SIDs and RSIDs. Regardless of what happens to HB 426, Senator Bartlett believes this study should be

held and it is time for the Legislature to take an over-all look at this issue, including checking with other states which have different mechanisms for securing improvement district financing. SB 426 may wind up being the best available answer, but she doesn't feel the state knows that at this point. She would appreciate a do pass recommendation on this bill so a more comprehensive look can be taken during the interim.

**Proponents' Testimony:**

Gene Huntington, Dain Bosworth, spoke in support of SJR 33. He said when SB 426 was being considered, he talked with the local government groups, Montana Association of Counties (MACO), and the League of Cities and Towns, and found there was a lot of concerns and confusion about the way the SIDs work. He thinks the study would be timely and he supports it.

**Opponents' Testimony:**

None.

**Informational Testimony:**

None.

**Questions From Committee Members and Responses:**

None.

**Closing by Sponsor:**

Senator Bartlett offered no further remarks on closing.

**EXECUTION ACTION ON SJR 33**

**DISCUSSION:**

Senator Gage pointed out that Page 2, Line 22, needs an "s" added to "it". (sj003301.ajm)

**MOTION/VOTE:**

Senator Harp moved SJR 33 DO PASS with the technical amendment. The motion CARRIED UNANIMOUSLY on oral vote. (801316SC.San)

**EXECUTIVE ACTION ON HB 92**

**DISCUSSION:**

Amendments requested by Senator Yellowtail were distributed with a copy attached to these minutes as Exhibit No. 1.

Senator Yellowtail said this set of amendments are designed to clean up the bill. He explained that amendment number 1 places the public agency in a position where they have to speculate on what is going to be the affect on the community, and thinks that might be incendiary in some cases. Senator Yellowtail explained the remainder of the amendments he proposes. He thinks these amendments will allow genuine negotiations to take place.

**MOTION:**

Senator Yellowtail moved adoption of the amendments to HB 92. (hb009202.ajm)

**DISCUSSION:**

Senator Halligan asked if, by striking "or a separate tribal account" from Page 8, Line 3, it would then require that all money be deposited in a state special revenue account by a public agency, and that, no matter what happens under the agreement, even the Tribe's share has to come to the state first and then out again. Senator Yellowtail proposed that it read, on Page 8, beginning on Line 1, following "collected, add "by a public agency". Senator Yellowtail said if the DOR collects the revenue, they should deposit it into a state special revenue account, and disburse it, subject to the terms of the State-Tribal agreement. If the Tribe collects the revenue, the Tribe would propose some accounting mechanism.

Jeff Martin, Legislative Council Staff, said "a public agency" also includes a local government.

Senator Yellowtail proposed amendment Page 8, Line 2 and 3, by striking "a state", and adding "separate", and striking "account", and adding "accounts".

Senator Halligan thinks (h) should be left in the bill, referring to amendment number 6, because that is general contract language.

Senator Yellowtail said amendment number 6 should only strike (f) and (g), not (h).

Senator Gage said the whole thrust of HB 2 is to preclude and eliminate double taxation, and he thinks to take "g" out of HB 92 will weaken the bill. Senator Yellowtail said the present law has nothing to preclude both the State and the Tribe from levying separate duplicative taxes on individuals. He suggested "g" be left in the amendments, and stricken from the bill.

**VOTE:**

The motion to adopt the amendments CARRIED UNANIMOUSLY on oral vote. (hb009202.ajm)

**MOTION/VOTE:**

Senator Van Valkenburg moved to amend Page 3, Line 22, following "agreement", strike "the director of the agency" and insert "the Governor or his or her designee". The motion CARRIED UNANIMOUSLY on oral vote.

**MOTION/VOTE:**

Senator Gage moved HB 92 BE CONCURRED IN AS AMENDED. The motion CARRIED on oral vote with Senator Harp voting "NO". (801330SC.San) Senator Gage will carry the bill on the Senate floor.

**EXECUTIVE ACTION ON HB 616**

Amendments to HB 616, dated April 12, 1993, were presented. These amendments were requested by the bill's sponsor, Rep. Jerry Driscoll, and were strongly opposed by Rep. Royal Johnson.

**MOTION:**

Senator Gage moved for adoption of the amendments requested by the DOR, dated April 5, 1993.

**DISCUSSION:**

Senator Gage said he recalled these amendments were recommended by the DOR so they would not lose the interest off the earnings and they wouldn't have to transfer the funds until such time as the funds were needed.

Senator Brown asked if those amendments would have the affect of striking the amendments that were placed in HB 616 on the House floor by Rep. Johnson. DOR Director Mick Robinson said that is not the case. That amendment is a response to an audit criticism. The present language requires the DOR to maintain a certain balance in the account, and they have never received sufficient notice as to when the expenditures would flow out of the account. This amendment allows the DOR to respond to the Department of Natural Resources and Conservation (DNRC) in terms of their need for dollars in that account, rather than maintain a certain balance.

Senator Eck said there was no opposition to that amendment during the hearing.

**VOTE:**

The motion to adopt the amendments dated April 5, 1993, CARRIED UNANIMOUSLY on oral vote.

**MOTION:**

Senator Harp moved for adoption of the amendments requested by Rep. Driscoll. (hb061610.ajm)

**DISCUSSION:**

Senator Towe remarked that these amendments would restore the bill to its original form and take off Rep. Johnson's amendments. Senator Harp agreed.

Senator Eck said the question Rep. Johnson presented was addressing the interest that would be lost.

Senator Towe said he vigorously disagrees with some of these amendments, the main one being where it says, "total interest may not exceed \$25 million". He thinks if this language is included in the bill, it would be a subsidy and Rep. Johnson is correct in his opinion.

**SUBSTITUTE MOTION:**

Senator Towe moved to segregate amendments numbered 2 and 5.

**DISCUSSION:**

Senator Eck asked about the possibility of the State not receiving any interest and losing the money loaned, and if that loss would be covered by a bond. Senator Towe said the possibility of the State losing interest is almost a certainty because of the time frame for which this money will be extended. There is always a risk of the possibility of losing principal over and above that interest, but the way it is built in now, the State would get repaid from the generation of electricity and, eventually, the generation of electricity will pay it off. The State would be fairly well protected. Under normal circumstances, because they put in the electricity sale as a further possibility for servicing the debt, Senator Towe thinks the State is in pretty good shape so it shouldn't have a very serious risk. The interest loss is almost a certainty; the State will be subsidizing substantial amounts of interest.

**VOTE:**

The motion to approve all amendments except 2 and 5 CARRIED UNANIMOUSLY on oral vote.

**DISCUSSION:**

Senator Harp said there have been other bills that have been subsidized before, and he thinks the merits of the over-all program need to be weighed, by looking at what the benefits are to Yellowstone County and potentially Butte.

Senator Van Valkenburg asked if there is a subsidy, will the bill require a 3/4 vote. Senator Towe said there was a 3/4 vote when this project was authorized, but there was no subsidy contemplated at that time. No one could answer this question.

**VOTE:**

The motion to approve amendments 2 and 5 FAILED 7-4 on Roll Call Vote (#1). (hb061610.ajm)

**DISCUSSION:**

Senator Doherty asked why the money that is being appropriated to Eastern Montana College from the local impact account, and the \$250,000 to the DNRC for the loan, and the \$250,000 loan to the Corette project, on Pages 23 and 24 of HB 616, is included in this bill. Senator Halligan explained those were in the 1991 Session laws. Senator Doherty asked if the money has not been spent yet. Senator Towe said those were going to end June 30, 1993, and they are being extended to 1995, because the money hasn't all been used. There was a \$500,000 appropriation for this depository and it is just being re-appropriated so they will get the full \$500,000. It is Senator Towe's understanding there is no new money involved.

**MOTION/VOTE:**

Senator Towe moved HB 616 BE CONCURRED IN AS AMENDED. The motion CARRIED on oral vote with Senators Yellowtail and Eck voting "NO". (801457SC.Sma) Senator Towe will carry the bill on the Senate floor.

**EXECUTIVE ACTION ON HB 643**

**DISCUSSION:**

There was discussion to add portions of Senator Grosfield's SB 435 into HB 643. Senator Grosfield said there are a couple of possibilities, and that would be one of them. However, because his bill got so little support in the House, he thinks this bill could be amended but then wouldn't go anywhere back in the House. Or, the Committee could pass it the way it is and possibly add on a study resolution for the ROC to look at it.

Senator Eck said she would at least like to see an amendment in HB 643 that would cover acreages over 160 acres. There is no agricultural definition in HB 643. Senator Grosfield said it was not in the bill, but was in the statute.

Senator Towe asked for further clarification of the multiplier. Senator Grosfield said SB 435 had a 10 multiplier, but it passed out of the Senate at 5. HB 643 uses a 7 multiplier for 20 to 160 acres; SB 435 used a multiplier of 5 above 160

acres. From 20 acres to 160 acres, SB 435 phased the land into Class 4.

Senator Towe suggested using the concept of a 7 multiplier for 20 to 160 acres, and building all the remainder of SB 435 into HB 643. Senator Grosfield said it would be necessary to strike wherever it says "over 160 acres". The House looked at four bills on this subject and failed them all except what is in HB 643.

Senator Doherty said he thinks SB 435 has some very laudable characteristics which would improve HB 643. However, he thinks if HB 643 is amended, it will die in the House.

Senator Eck said this bill as it is written will hit all of the new 20 acre plots. If the acreage is over 160 acres, they have some distinct tax advantages in that they can barely meet the agricultural definition and they can be taxed much less. This may be an incentive to re-combine all of those subdivisions.

Senator Towe said he is in favor of leaving the language on Page 5, and take the language on Page 4 and substituting in SB 435 for both over and under 160 acres. Then the conference committee would be appointed to work out the details. If the 4-year phase-out isn't put into Class 4 in HB 643, it will never be taken up in a conference committee.

#### MOTION:

Senator Towe moved that the concept of SB 435 be introduced in lieu of the language on Page 4, Lines 7-11, both under 160 acres and over 160 acres, and the language on Page 5 would remain unchanged.

#### DISCUSSION:

Senator Grosfield said in order to go this way, the language on Page 5 would need to be changed as well. In order to put SB 435 into HB 643, HB 643 will almost need to be junked. The two bills treat 20 to 160 acreages in completely different manners.

Jeff Martin said the difference is on Page 4 (6), Senator Grosfield would have valued the land based on its agricultural productivity, notwithstanding grazing land, and the rate would be 7 times that amount. If this part is pulled out, it might fit.

Senator Eck suggested dealing with land that is just over 160 acres under Senator Grosfield's proposal.

Senator Stang suggested striking everything out but the enacting clause, putting SB 435 in HB 643, and let Senator Grosfield to go conference committee and fix it.

Senator Gage suggested striking "less than 160 acres" from HB 643, and the bill would then just refer to parcels over 20 acres, if they don't qualify for agricultural lands, to be taxed at 7 times the grazing fee. Senator Grosfield said this suggestion might be acceptable.

Senator Towe withdrew his motion.

**MOTION/VOTE:**

Senator Doherty moved to amend HB 643 to strike language "less than 160 acres" and insert "of 20 acres or more" everywhere in the bill and title. The motion CARRIED on oral vote with Senators Harp and Brown voting "NO". (hb064301.ajm)

**DISCUSSION:**

Senator Gage said he does not like the language on Page 5, starting with "For" on Line 9, and ending with "land" on Line 13. He thinks the bill is setting up two sets of criteria with this language; a person meets the ag test but he still doesn't qualify for ag use. It needs to be determined what the predominant use of the land is.

Senator Grosfield said there are two ways to handle that: either strike that sentence, or strike the language, "even though it may produce more income than any other use of the land".

**MOTION/VOTE:**

Senator Gage moved to amend HB 643 by striking the whole sentence, starting with "For" on Line 9, and ending with "land" on Line 13. The Motion CARRIED on oral vote with Senators Yellowtail, Doherty, Towe, and Halligan voting "NO". (hb064301.ajm)

Amendments to HB 643 were presented. (hb064301.ajm)

**MOTION/VOTE:**

Senator Towe moved HB 643 BE CONCURRED IN AS AMENDED. The motion CARRIED 7-4 on Roll Call Vote (#2). (801832SC.Sma) Senator Grosfield will carry the bill on the Senate floor.

**EXECUTIVE ACTION ON HB 670**

**DISCUSSION:**

Senator Van Valkenburg feels it is premature to use the tax codes to adopt a policy on health care prior to the health care authority coming up with recommendations for a health care system in Montana, and there is a National health care proposal going on that may well establish a funding mechanism for health care.



**MOTION:**

Senator Van Valkenburg moved HB 670 BE TABLED.

**DISCUSSION:**

Senator Eck said she agrees in part with Senator Van Valkenburg, but HB 670 is a concept, and as it has been amended, there is not a large fiscal impact. It has valuable information which could be used to see whether this kind of an approach is feasible. Montana is not the only state looking at this possibility. The concept has a lot of personal appeal, even though it may not address all of the state's major health care needs.

Senator Halligan has a concern that the employer may potentially create the individual medical savings account without the consent, approval, or discussion with employees, and reduce wages in order to accomplish that, since there is nothing in the bill to prevent this.

Senator Harp suggested inserting language to recognize any type of bargaining agreements. He is intrigued with the medical savings accounts and the potential that would have on cost containment and other areas. He does not feel this bill is premature.

Senator Yellowtail agreed with Senator Van Valkenburg. SB 285, Senator Franklin's health care bill, just passed the Senate and will create an authority charged with studying the entire scope in a comprehensive manner of health care insurance covered in this state. HB 670 is a laudable purpose and ought to be rolled into that entire study for consideration by the next Legislature.

Senator Towe questioned the withdrawal listed at the bottom of Page 7 and all of Page 8 in HB 670. He asked if a person could withdraw funds for bona fide medical care expense at any time, either principal or interest, without a penalty. If anything else is withdrawn, there is a penalty. However, there are exceptions to that and, apparently, money can be withdrawn for post-secondary education, or first time purchase of a single family dwelling, without incurring a penalty. Senator Towe thinks this appears inconsistent and if it is a medical care account, it should remain as such.

Senator Doherty reported that a lot of primary care physicians think this idea is a way to make sure that the high tech specialties continue their high income streams, and that it would primarily be pushed by neurologists, anesthesiologists, and orthopedists who are going to get paid buck for buck no matter what happens. He doesn't think the medical community is unanimous in its support for the concept of HB 670. To that extent, he agrees with Senator Van Valkenburg's comments.

**VOTE:**

The motion to TABLE HB 670 FAILED 6-5 on Roll Call Vote (#3).

**MOTION:**

Senator Towe moved to delete Section 4 (5)(A)(B), Page 8, and Section 3 (9)(a)(b), Page 6, and any other corresponding sections, from HB 670.

**DISCUSSION:**

The bill's sponsor, Rep. Boharski, said for clarification, this is a contingency section and the Committee may want to strike them all. Similar language appears on Page 6, number (9), and the bill has three or four identical sections that will need to be stricken.

**VOTE:**

The motion CARRIED 6-4 on Roll Call Vote (#4).  
(hb067001.ajm)

**DISCUSSION:**

Senator Eck asked what is intended to do about the language on Page 4 relative to Workers' Compensation (WC). In the long term, she thinks it could be a useful tool for WC, but she is not sure there is enough language here to cover the needs.

Senator Towe suggested looking at the language in Section 13 on Page 31 which refers to WC. Senator Halligan said that applies if the IMC account has been created for an employee; what is the effect if the account is for just management.

Senator Doherty asked what connection a medical savings account would have with WC. Standing alone, the medical plan has merit and he would like the health care authority to take a look at it. He thinks this bill will have significant repercussions with WC in it.

Senator Halligan said he has fears that this bill is unconstitutional; he has some concerns about putting WC in with a health care bill. If these issues are separated out in two years because of a study by health care authorities, that is the appropriate place to do this. However, he is afraid this bill may be taken to court because it has WC in it.

**MOTION:**

Senator Eck moved that the sections that address Workers' Compensation be stricken from HB 670.

**DISCUSSION:**

Senator Eck said she believes that eventually this is could be a very interesting approach for WC, and it would add some cost-savings benefits, but she doesn't think it is the proper time to do that now. There are a number of people who see this working in modification with Medicaid, but it is not the proper time for that either.

Senator Gage said this may cause some difficulties down the road, but what HB 670 is saying is that to the extent a person has this medical savings account established, it, in effect, is a deductible from his WC claims, and he doesn't see anything wrong with that.

Senator Doherty asked if the Legislature hasn't already done some deductibles for WC. Senator Harp said there is a limited co-payment division, and there is a deductible in current law for employers up to \$500 on any claim.

**VOTE:**

The motion to strike Workers' Compensation from HB 670  
CARRIED 6-5 on Roll Call Vote (#5). (hb067001.ajm)

**DISCUSSION:**

Senator Halligan said he would like some appropriate language inserted into HB 670 that the employer will not reduce wages in order to create the individual medical savings account without an agreement between the employee and employer.

Senator Harp said this language should read that the employer be prohibited from reducing wages in order to create the individual medical savings account, because there are many employees who are not under a collective bargaining agreement. He thinks that collective bargaining should be allowed to be part of negotiations, but when there is no collective bargaining, the employer should be prohibited from reducing wages in order to create individual medical savings accounts.

Senator Grosfield said reducing wages is one thing, but what if an employer wants to do an annual increase in salary and do it along these lines [by starting an individual medical savings account], and the employee agrees to it, this should be allowed. Senator Harp responded that that procedure would be part of collective bargaining.

Senator Doherty said Pages 4 and 5 of HB 670 talk about percentage of contribution that may be excluded; if an employee has less than \$20,000 Montana adjusted gross income, \$2,000 can be excluded. He asked if there is any estimate about the number of people with that kind of disposable income who are actually going to sign up for an individual medical savings account.

MOTION/VOTE:

Senator Towe moved the following proposed language be inserted on Page 4, following Line 18: "Employers are prohibited from reducing the salary or wages of any employee as a result of the contribution to the individual medical care savings account except as provided in a collective bargaining agreement." The motion CARRIED UNANIMOUSLY on oral vote. (hb067001.ajm)

MOTION/VOTE:

Senator Harp moved HB 670 BE CONCURRED IN AS AMENDED. The motion CARRIED 8-3 on Roll Call Vote (#6). (801829SC.Sma)  
Senator Eck will carry the bill on the Senate floor.

EXECUTIVE ACTION ON HB 688DISCUSSION:

Chairman Halligan said the Committee has some questions remaining unanswered on HB 688 relating to environmental impacts of the extended depth auger mining on aquifers and ground water, and the safety elements relating to cave-ins and subsidence. John North, Chief Legal Counsel, Department of State Lands, and Neil Harrington, Reclamation Supervisor, Coal and Uranium Bureau, Department of State Lands, were present to answer questions. Mr. Harrington prefaced his remarks with the statement that there is no experience in the state with auger mining, and any of his responses would be purely speculative. Mr. Harrington guesses that auger mining could have impacts similar to underground mining in terms of seam removal. There could be subsidence effects similar to underground mining. All this could be entirely dependent upon site-specific conditions.

Senator Brown reviewed the situation. When coal mining reaches a certain depth, it apparently becomes hard to justify economically going down further, either because of the sides sloughing in, or having too much overburden to get down to it. HB 688 would give miners an option, at a lower tax rate, of being able to use augers to tunnel into the side of the coal seam once a certain level is reached by strip mining. He asked what difference it makes in the aquifer whether there is damage done through pursuing the seam in the first instance, or from boring into the side of the seam. Mr. Harrington said strip mining up to the point of where mining is terminated could have certain impacts on ground water. Any further mining by auger mining methods could expand or broaden the impacts from what they would be if the mine company stopped strip mining at a certain level. Senator Brown thought if damage is done, it would be done by the strip mine, itself. Mr. Harrington said this is true, although in a lot of cases, a coal seam is a major aquifer and if more of the seam is removed, the potential impacts to the aquifer are increased.

Senator Harp asked Leo Berry, Intech representative, if he would venture to say that auguring is more expensive than open cut mining that is currently in progress in Rosebud County. Mr. Berry said he has had not any experience in auger mining, but Intech has looked at this mining method and has considered it in the past. They found the expense is one of the prohibiting factors. A company now thinks they have improved technology to the point where it is economically feasible. What basically takes effect is that at the end of a coal mining activity, where the overburden does get too high, a box cut remains in the highwall. They stop mining there, and the coal seam is generally the aquifer that carries the water. They would then bore back into that seam and recover as much as possible through the auger mining method. Mr. Berry said there is another law in Montana called the Coal Conservation Act where as much of the coal is supposed to be recovered as possible. What the Department would end up doing would be to balance the potential impacts of the additional auguring versus recovering as much coal as possible.

Senator Towe presented Exhibit No. 2 to these minutes, which are amendments that would split the tax rate difference 50/50 between the proposed 4% and the current tax rate of 15%. He explained the main effects of the amendments are on page 2. If the coal is under 7,000 BTU, 15% tax rate is on surface mining; 4% is the underground tax rate. His proposal is to put in 10% for extended depth auger mining which is defined in the bill. This is offered as a compromise, and pointed out there is no reduced tax rate in Wyoming or Colorado.

#### MOTION:

Senator Towe moved adoption of amendments to HB 688.  
(hb068801.ajm)

#### DISCUSSION:

Chairman Halligan suggested changing the percentage to 7 1/2%, which would be going 50% with the industry.

Senator Yellowtail reiterated that the economics proposed here is that the industry strip mine up to a certain point. It then becomes economical to auger mine. Senator Yellowtail said it would appear to him that the economics are very near even at that point, so to argue that there is such greater costs doesn't add up to him. He thinks 10% is no less arbitrary than 7 1/2%; but it is closer to the existing 15% proposal.

#### VOTE:

The vote ended in a 5-5 tie Roll Call Vote (#7). Chairman Halligan will leave the vote open until the next meeting when another vote could be taken with a full Committee present.

**SUBSTITUTE MOTION:**

Senator Yellowtail moved HB 688 BE TABLED.

**DISCUSSION:**

Senator Yellowtail said HB 688 is purely speculative. None of this mining is presently taking place in the state, and none is planned in the near future. He thinks the state can benefit by learning more about the process in the next two years, then have the 1995 Legislature take a look at it at that time.

Senator Brown said he is in mild opposition to the motion. There are people who believe auger mining would do less destruction to the aquifer, etc. Rather than have new strip mines put a scar in the Earth in some new place to get down to the coal seam, it might be a more intelligent way to use the coal, once there is a strip mine, to just auger as much coal out of it as can be extracted rather than create a whole new strip mine opening. He thinks there may be less environmental harm by a course like this than would otherwise be the case.

**VOTE:**

The motion FAILED 6-4 on Roll Call Vote (#8).

**ADJOURNMENT**

**Adjournment:** The meeting adjourned at 9:54 a.m.

  
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MIKE HALLIGAN, Chair  
\_\_\_\_\_  
BONNIE STARK, Secretary

NH/bjs

# ROLL CALL

SENATE COMMITTEE TAXATION DATE 4-12-93

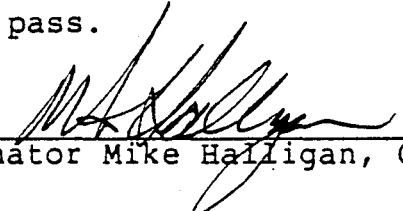
NAME	PRESENT	ABSENT	EXCUSED
Sen. Halligan, Chair	✓		
Sen. Eck, Vice Chair	✓		
Sen. Brown	✓		
Sen. Doherty	✓		
Sen. Gage	✓		
Sen. Grosfield	✓		
Sen. Harp	✓		
Sen. Stang	✓		
Sen. Towe	✓		
Sen. Van Valkenburg	✓		
Sen. Yellowtail	✓		

SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
April 12, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration Senate Joint Resolution No. 33 (first reading copy -- white), respectfully report that Senate Joint Resolution No. 33 be amended as follows and as so amended do pass.

Signed: 

Senator Mike Halligan, Chair

That such amendments read:

1. Page 2, line 22.

Strike: "it"

Insert: "its"

-END-

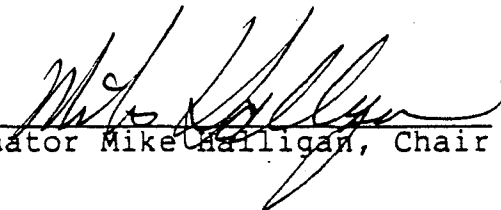


SENATE STANDING COMMITTEE REPORT

Page 1 of 2  
April 12, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 92 (third reading copy -- blue), respectfully report that House Bill No. 92 be amended as follows and as so amended be concurred in.

Signed: 

Senator Mike Halligan, Chair

That such amendments read:

1. Title, lines 13 and 14.

Following: "TAXATION" on line 13

Strike: the remainder of line 13 through "REGULATION" on line 14

2. Page 3, lines 22 and 23.

Following: "the" on line 22

Strike: the remainder of line 22 through "agency" on line 23

Insert: "governor or the governor's designee"

3. Page 4, lines 3 and 4.

Following: "TAXATION" on line 3

Strike: the remainder of line 3 through "REGULATION" on line 4

4. Page 4, lines 5 and 6.

Strike: "ON" on line 5 through "GOVERNMENT" on line 6

Insert: "at a location agreed to by the tribal government that"

5. Page 4, lines 9 and 10.

Following: "PROPOSED" on line 9

Strike: the remainder of line 9 through "COMMUNITY" on line 10

Insert: "AGREEMENT"

6. Page 6, line 12.

Following: "bonding"

Insert: ", if any,"

7. Page 6, line 14.

Following: "expenses"

Insert: ", if any,"

8. Page 6, line 21.

Following: ";

Insert: "and"

9. Page 6, line 22 through page 7, line 4.

Strike: subsections (f) and (g) in their entirety

Renumber: subsequent subsection



Amd. Coord.

Sec. of Senate

Gage

Senator Carrying Bill

801330SC.San

10. Page 7, line 14.  
Following: "expenses"  
Insert: ", if any,"

11. Page 7, line 17.  
Strike: "The administrative"  
Insert: "Administrative"

12. Page 7, line 25.  
Strike: "the"  
Strike: "amount"  
Insert: ", if any,"

13. Page 8, line 1.  
Strike: "the"  
Following: "collected"  
Insert: "by a public agency"

14. Page 8, line 2.  
Strike: "a state"  
Insert: "separate"

15. Page 8, line 3.  
Strike: the first "account"  
Insert: "accounts"  
Strike: "or a separate tribal account"

-END-

SENATE STANDING COMMITTEE REPORT

Page 1 of 4  
April 12, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 616 (third reading copy -- blue), respectfully report that House Bill No. 616 be amended as follows and as so amended be concurred in.

Signed:   
Senator Mike Halligan, Chair

That such amendments read:

1. Title, line 20.

Following: "AMENDING"

Insert: "SECTION 17-5-703, MCA, SECTION 11, CHAPTER 722, LAWS OF 1991, AND"

2. Page 5, line 1.

Strike: line 1 in its entirety

3. Page 7, lines 8 and 9.

Following: "as" on line 8

Strike: remainder of line 8 through "OF" on line 9

Insert: "same rate as"

4. Page 7, lines 11 and 12.

Following: "parties" on line 11

Strike: remainder of line 11 through "CREDITORS" on line 12

5. Page 8, line 1.

Strike: "(I)"

Following: "shall"

Insert: ", when there is sufficient cash flow after the appropriate allowance for the payment of taxes,"

6. Page 8, line 9.

Strike: "AS PART OF THE"

Insert: "upon the occurrence of any of the following:

(i) the beginning of the 17th year after the loan agreement is signed by the parties;

(ii)"

7. Page 8, line 10.

Following: "CREDITORS"

Insert: "have been satisfied;

(iii) changes in the price of electricity sold as a result of project operations, changes in expenses paid as a result of project operations, or changes in other financial factors cause net cash flow to be greater than that projected to be available

after making periodic payments to senior debt creditors and the appropriate allowance for taxes; or

(iv) the successful completion of the MHD technology demonstration"

8. Page 8, lines 18 through 20.

Strike: "(II)" on line 18

Insert: "(c)"

Following: "made" on line 18

Strike: remainder of line 18 through "\_" on line 20

Renumber: subsequent subsection

9. Page 9, line 8.

Following: line 7

Insert: "(e) The payment made upon completion of the MHD technology demonstration must be a minimum of \$250,000 per year, are owed only for a year in which the MHD technology operates at least 50% of the year, and must be paid in full by March 31 of the following year."

10. Page 11, line 20.

Strike: "are NOT subordinate to"

Insert: "do not impair"

11. Page 23, line 9.

Following: line 8

Insert: "Section 4. Section 17-5-703, MCA, is amended to read:

"17-5-703. Coal severance tax trust funds. (1) The trust established under Article IX, section 5, of the Montana constitution shall be composed of the following funds:

(a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal severance tax shall be deposited;

(b) a treasure state endowment fund;

(c) a clean coal technology demonstration fund;

(d) a coal severance tax permanent fund;

(e) a coal severance tax income fund; and

(f) a coal severance tax school bond contingency loan fund.

(2) The state treasurer shall determine the amount necessary to meet all principal and interest payments on bonds payable from the coal severance tax bond fund on the next two ensuing semiannual payment dates and retain that amount in the coal severance tax bond fund.

(3) (a) On January 21, 1992, and continuing as long as any school district bonds secured by state loans under 20-9-466 are outstanding, the state treasurer shall from time to time and as provided in subsection (3)(b) transfer from the coal severance tax bond fund to the coal severance tax school bond contingency

loan fund any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund.

(b) The state treasurer shall transfer the amount referred to in subsection (3)(a) until and unless the balance in the coal severance tax school bond contingency loan fund is equal to the amount due as principal of and interest on the school district bonds secured by state loans under 20-9-466 during the next following 12 months.

(4) Beginning July 1, 1991, and ending June 30, 1997, from any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of any amount that is required to be transferred by subsection (3), the state treasurer department of revenue shall, upon request from the department of natural resources and conservation, from time to time transfer an amount not exceeding up to \$5 million per fiscal year to the clean coal technology demonstration fund.

(5) Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall transfer to the treasure state endowment fund any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of amounts that are transferred pursuant to subsections (3) and (4).

(6) (a) Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall from time to time transfer to the coal severance tax permanent fund 50% of the principal transferred from the coal severance tax bond fund to the treasure state endowment fund in the preceding year.

(b) The state treasurer shall annually transfer to the treasure state endowment special revenue account the amount of interest earnings required to meet the obligations of the state that are payable from the account in accordance with 90-6-710. Interest earnings not transferred to the treasure state endowment special revenue account must be retained in the treasure state endowment fund."

Section 5. Section 11, Chapter 722, Laws of 1991, is amended to read:

"Section 11. Transfer of funds. There is transferred from the coal severance tax permanent fund up to \$25 million, upon request of the department of natural resources and conservation, to the clean coal technology demonstration fund for projects approved pursuant to the provisions of [sections 4 through 10]."  
Renumber: subsequent sections

12. Page 23, lines 12 and 13.

Following: "used"

Strike: remainder of line 12 through "1993," on line 13

Page 4 of 4  
April 12, 1993

13. Page 24, line 3.  
Strike: "(2)"  
Insert: "(3)"

-END-

SENATE STANDING COMMITTEE REPORT

Page 1 of 2  
April 12, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 643 (third reading copy -- blue), respectfully report that House Bill No. 643 be amended as follows and as so amended be concurred in.

Signed:   
Senator Mike Halligan, Chair

That such amendments read:

1. Title, line 5.

Strike: "LESS THAN 160 ACRES"

Insert: "OF 20 ACRES OR MORE"

2. Title, lines 8 and 9.

Strike: "BUT" on line 8 through "ACRES" on line 9

3. Page 2, lines 14 and 15.

Strike: "but" on line 14 through "acres" on line 15

4. Page 2, line 17.

Strike: "(2)"

Insert: "(1)"

5. Page 4, line 17.

Strike: "(3)"

Insert: "(2)"

6. Page 4, line 24.

Strike: "160"

Insert: "20"

7. Page 5, lines 4 through 7.

Strike: "." on line 4 through "IF" on line 7

Insert: "and that"

Renumber: subsequent subsections

8. Page 5, lines 9 through 13.

Strike: "For" on line 9 through "land." on line 13

9. Page 5, line 14.

Strike: "(9)"

Insert: "(8)"

10. Page 6, line 1.

Strike: "(3)(A)"

Insert: "(2)(a)"

11. Page 6, line 7.  
Strike: "THROUGH (3)"  
Insert: "and (2)"

12. Page 7, line 6.  
Strike: "(2), (3)(A)"  
Insert: "(1), (2)(a)"  
Strike: "(3)(B)"  
Insert: "(2)(b)"

-END-



SENATE STANDING COMMITTEE REPORT

Page 1 of 2  
April 12, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 670 (third reading copy -- blue), respectfully report that House Bill No. 670 be amended as follows and as so amended be concurred in.

Signed:   
Senator Mike Hayligan, Chair

That such amendments read:

1. Title, lines 18 through 22.

Following: "ACCOUNT;" on line 18

Strike: the remainder of line 18 through "COMPENSATION;" on line 22

2. Title, line 23.

Following: "15-30-121,"

Insert: "AND"

Following: "15-31-114,"

Strike: "AND 39-71-123,"

3. Page 2, line 25.

Strike: ", 12, AND 13"

4. Page 4, lines 15 through 18.

Strike: "ANY" on line 15 through "." on line 18

5. Page 6, lines 4 through 17.

Strike: subsections (9) and (10) in their entirety

Renumber: subsequent subsections

6. Page 7, lines 18 through 21.

Following: "ACCOUNT." on line 18

Strike: the remainder of line 18 through "ACCOUNT." on line 21

7. Page 8, lines 10 through 23.

Strike: subsections (5) and (6) in their entirety

Renumber: subsequent subsections

8. Page 27, line 17.

Following: "(9)"

Insert: "(a)"

9. Page 27, line 23.

Following: line 22

Insert: "(b) Contributions to employees' individual medical care savings accounts under subsection (9)(a) must be provided on a nondiscriminatory basis.

(c) An employer is prohibited from reducing an employee's wages as a result of a contribution to an employee's individual medical care savings account under subsection (9)(a) unless the reduction is part of a collective bargaining agreement."

10. Page 27, line 23 through page 31, line 24.  
Strike: sections 11 through 13 in their entirety  
Renumber: subsequent sections

11. Page 31, line 25.  
Strike: "(1)"

12. Page 32, lines 4 through 11.  
Strike: subsections (2) and (3) in their entirety

-END-

ROLL CALL VOTE # 1

SENATE COMMITTEE

TAXATION

BILL NO.

AD 616

DATE \_\_\_\_\_

4- 12-93

# TIME

S. H.

A.M

P.M.

NAME \_\_\_\_\_

YES

NO

[illegible]

Dennis Stark  
SECRETARY

SECRETARY

Tracie Halligan  
CHAIR

CHAIR

MOTION:

Fig. 1.  $\text{C}_{10}\text{H}_8$  by benzene

Answer 7-4 Final

ROLL CALL VOTE #2

SENATE COMMITTEE

## TAXATION

BILL NO. AB643

DATE \_\_\_\_\_

4-12-93

# TIME

8. 22

A.M

P.M.

NAME \_\_\_\_\_

YES

NO

[illegible]

*Donna Stark*  
SECRETARY

Mike Hallgren  
CHAIR

MOTION: Dr. Greenwald and Dr. [unclear]



ROLL CALL VOTE #4

SENATE COMMITTEE

## TAXATION

BILL NO. HR 670

DATE 4-12-93 TIME 8:08 A.M. P.M.

NAME \_\_\_\_\_

YES

NO

[illegible]

Dennis Stark  
SECRETARY

Mike Holman  
CHAIR

MOTION: Wills' description of duties not changed  
Carried 6-4



ROLL CALL VOTE # 6

SENATE COMMITTEE

## TAXATION

BILL NO. HR 670

DATE \_\_\_\_\_

4-12-93

# TIME

8:00

A.M.

P.M.

NAME \_\_\_\_\_

YES

NO

[illegible]

Benji Stark

SECRETARY

Mike Halpin

CHAIR

MOTION:

H. H. Brown and Dr. John A. Hall

Revised K-3







Amendments to House Bill No. 92  
Third Reading Copy

Requested by Senator Yellowtail  
For the Committee on Taxation

Prepared by Jeff Martin  
April 8, 1993

1  
4-12-93  
HB 92

1. Page 4, lines 9 and 10.  
Following: "PROPOSED" on line 9  
Strike: the remainder of line 9 through "COMMUNITY" on line 10  
Insert: "AGREEMENT"
2. Page 6, line 12.  
Following: "bonding"  
Insert: ", if any,"
3. Page 6, line 14.  
Following: "expenses"  
Insert: ", if any,"
4. Page 6, line 16.  
Following: "i"  
Insert: "and"
5. Page 6, line 21.  
Strike: "i"
6. Page 6, line 22 through page 7, line 8.  
Strike: subsections (f) through (h) in their entirety  
(g)
7. Page 7, line 14.  
Following: "expenses"  
Insert: ", if any,"
8. Page 7, line 17.  
Strike: "The administrative"  
Insert: "Administrative"
9. Page 7, line 25.  
Strike: "the"  
Strike: "amount"  
Insert: ", if any,"
10. Page 8, line 1.  
Strike: "the"  
Following: "collected"  
Insert: "by a public agency"
11. Page 8, line 3.  
Strike: "or a separate tribal account"

Amendments to House Bill No. 688  
Third Reading Copy

Requested by Senator Towe  
For the Committee on Taxation

Prepared by Jeff Martin  
April 8, 1993

SENATE TAXATION

EXHIBIT NO. 2

DATE 4-17-93

BILL NO. HB 688

1. Title, line 4.  
Strike: "INCLUDING"  
Insert: "PROVIDING THAT"

2. Title, line 5.  
Strike: "AS"  
Insert: "IS"  
Strike: "TYPE"  
Insert: "DISTINCT METHOD"  
Strike: "UNDERGROUND"

3. Title, line 7.  
Following: "PURPOSES;"  
Insert: "ESTABLISHING SEVERANCE TAX RATES FOR EXTENDED DEPTH  
AUGER MINING;"

4. Title, line 8.  
Strike: "SECTION"  
Insert: "SECTIONS"  
Following: "15-35-102"  
Insert: "and 15-35-103"

5. Page 5, lines 18 and 19.  
Following: "82-4-203." on line 18  
Strike: the remainder of line 18 through "mining." on line 19

6. Page 5.  
Following: line 19  
Insert: "Section 2. Section 15-35-103, MCA, is amended to read:  
"15-35-103. Severance tax -- rates imposed. (1) Subject to  
the provisions of 15-35-202 allowing a new coal production  
incentive tax credit, a severance tax is imposed on each ton of  
coal produced in the state in accordance with the following  
schedule:

(a) After June 30, 1988, and before July 1, 1990:

Heating quality	Surface	Underground
(Btu per pound	Mining	Mining
of coal):		

Under 7,000	17% of value	3% of value
7,000 and over	25% of value	4% of value

(b) After June 30, 1990, and before July 1, 1991:

Heating quality	Surface	Underground
(Btu per pound	Mining	Mining
of coal):		

Under 7,000	13% of value	3% of value
7,000 and over	20% of value	4% of value

(c) After June 30, 1991:

Heating quality (Btu per pound of coal):	Surface Mining	Underground Mining	<u>Extended Depth Auger Mining</u>
Under 7,000	10% of value	3% of value	<u>7% of value</u>
7,000 and over	15% of value	4% of value	<u>10% of value</u>

(2) "Value" means the contract sales price.

(3) The formula which yields the greater amount of tax in a particular case shall be used at each point on these schedules.

(4) A person is not liable for any severance tax upon 50,000 tons of the coal he produces in a calendar year, except that if he produces more than 50,000 tons of coal in a calendar year, he will be liable for severance tax upon all coal produced in excess of the first 20,000 tons.

(5) A new coal production incentive tax credit may be claimed on certain coal as provided in 15-35-202."

Renumber: subsequent section

DATE 4-12-93

SENATE COMMITTEE ON Taxation

BILLS BEING HEARD TODAY: SK33

Name	Representing	Bill No.	Check One	
			Support	Oppose

Steve Huntington

Dain Bosworth

SK33

☒

## VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

Amendments to Senate Joint Resolution No. 33  
First Reading Copy

For the Committee on Taxation

Prepared by Jeff Martin  
April 12, 1993

1. Page 2, line 22.  
Strike: "it"  
Insert: "its"

Amendments to House Bill No. 92  
Third Reading Copy

For the Committee on Taxation

Prepared by Jeff Martin  
April 12, 1993

1. Title, lines 13 and 14.

Following: "TAXATION" on line 13

Strike: the remainder of line 13 through "REGULATION" on line 14

2. Page 3, lines 22 and 23.

Following: "the" on line 22

Strike: the remainder of line 22 through "agency" on line 23

Insert: "governor or the governor's designee"

3. Page 4, lines 3 and 4.

Following: "TAXATION" on line 3

Strike: the remainder of line 3 through "REGULATION" on line 4

4. Page 4, lines 5 and 6.

Strike: "ON" on line 5 through "GOVERNMENT" on line 6

Insert: "at a location agreed to by the tribal government that"

5. Page 4, lines 9 and 10.

Following: "PROPOSED" on line 9

Strike: the remainder of line 9 through "COMMUNITY" on line 10

Insert: "AGREEMENT"

6. Page 6, line 12.

Following: "bonding"

Insert: ", if any,"

7. Page 6, line 14.

Following: "expenses"

Insert: ", if any,"

8. Page 6, line 21.

Following: "i"

Insert: "and"

9. Page 6, line 22 through page 7, line 4.

Strike: subsections (f) and (g) in their entirety

Renumber: subsequent subsection

10. Page 7, line 14.

Following: "expenses"

Insert: ", if any,"

11. Page 7, line 17.

Strike: "The administrative"

Insert: "Administrative"

12. Page 7, line 25.



Strike: "the"  
Strike: "amount"  
Insert: ", if any,"

13. Page 8, line 1.  
Strike: "the"  
Following: "collected"  
Insert: "by a public agency"

14. Page 8, line 2.  
Strike: "a state"  
Insert: "separate"

15. Page 8, line 3.  
Strike: the first "account"  
Insert: "accounts"  
Strike: "or a separate tribal account"

Amendments to House Bill No. 616  
Third Reading Copy

For the Committee on Taxation

Prepared by Jeff Martin  
April 12, 1993

1. Title, line 20.  
Following: "AMENDING"  
Insert: "SECTION 17-5-703, MCA, SECTION 11, CHAPTER 722, LAWS OF 1991, AND"
2. Page 5, line 1.  
Strike: line 1 in its entirety
3. Page 7, lines 8 and 9.  
Following: "as" on line 8  
Strike: remainder of line 8 through "OF" on line 9  
Insert: "same rate as"
4. Page 7, lines 11 and 12.  
Following: "parties" on line 11  
Strike: remainder of line 11 through "CREDITORS" on line 12
5. Page 8, line 1.  
Strike: "(I)"  
Following: "shall"  
Insert: ", when there is sufficient cash flow after the appropriate allowance for the payment of taxes,"
6. Page 8, line 9.  
Strike: "AS PART OF THE"  
Insert: "upon the occurrence of any of the following:  
(i) the beginning of the 17th year after the loan agreement is signed by the parties;  
(ii)"
7. Page 8, line 10.  
Following: "CREDITORS"  
Insert: "have been satisfied;  
(iii) changes in the price of electricity sold as a result of project operations, changes in expenses paid as a result of project operations, or changes in other financial factors cause net cash flow to be greater than that projected to be available after making periodic payments to senior debt creditors and the appropriate allowance for taxes; or  
(iv) the successful completion of the MHD technology demonstration"
8. Page 8, lines 18 through 20.  
Strike: "(II)" on line 18  
Insert: "(c)"  
Following: "made" on line 18  
Strike: remainder of line 18 through "1" on line 20

Renumber: subsequent subsection

9. Page 9, line 8.

Following: line 7

Insert: "(e) The payment made upon completion of the MHD technology demonstration must be a minimum of \$250,000 per year, are owed only for a year in which the MHD technology operates at least 50% of the year, and must be paid in full by March 31 of the following year."

10. Page 11, line 20.

Strike: "are NOT subordinate to"

Insert: "do not impair"

11. Page 23, line 9.

Following: line 8

Insert: "Section 4. Section 17-5-703, MCA, is amended to read:

"17-5-703. Coal severance tax trust funds. (1) The trust established under Article IX, section 5, of the Montana constitution shall be composed of the following funds:

(a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal severance tax shall be deposited;

(b) a treasure state endowment fund;

(c) a clean coal technology demonstration fund;

(d) a coal severance tax permanent fund;

(e) a coal severance tax income fund; and

(f) a coal severance tax school bond contingency loan fund.

(2) The state treasurer shall determine the amount necessary to meet all principal and interest payments on bonds payable from the coal severance tax bond fund on the next two ensuing semiannual payment dates and retain that amount in the coal severance tax bond fund.

(3) (a) On January 21, 1992, and continuing as long as any school district bonds secured by state loans under 20-9-466 are outstanding, the state treasurer shall from time to time and as provided in subsection (3)(b) transfer from the coal severance tax bond fund to the coal severance tax school bond contingency loan fund any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund.

(b) The state treasurer shall transfer the amount referred to in subsection (3)(a) until and unless the balance in the coal severance tax school bond contingency loan fund is equal to the amount due as principal of and interest on the school district bonds secured by state loans under 20-9-466 during the next following 12 months.

(4) Beginning July 1, 1991, and ending June 30, 1997, from any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of any amount that is required to be transferred by subsection (3), the state treasurer department of revenue shall, upon request from the department of natural resources and conservation, from time to time transfer an amount ~~not exceeding up to~~ \$5 million per fiscal year to the clean coal

technology demonstration fund.

(5) Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall transfer to the treasure state endowment fund any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of amounts that are transferred pursuant to subsections (3) and (4).

(6) (a) Beginning July 1, 1993, and ending June 30, 2013, the state treasurer shall from time to time transfer to the coal severance tax permanent fund 50% of the principal transferred from the coal severance tax bond fund to the treasure state endowment fund in the preceding year.

(b) The state treasurer shall annually transfer to the treasure state endowment special revenue account the amount of interest earnings required to meet the obligations of the state that are payable from the account in accordance with 90-6-710. Interest earnings not transferred to the treasure state endowment special revenue account must be retained in the treasure state endowment fund."

**Section 5.** Section 11, Chapter 722, Laws of 1991, is amended to read:

"Section 11. **Transfer of funds.** There is transferred from the coal severance tax permanent fund up to \$25 million, upon request of the department of natural resources and conservation, to the clean coal technology demonstration fund for projects approved pursuant to the provisions of [sections 4 through 10]."  
Renumber: subsequent sections

12. Page 23, lines 12 and 13.

Following: "used"

Strike: remainder of line 12 through "1993," on line 13

13. Page 24, line 3.

Strike: "(2)"

Insert: "(3)"

Amendments to House Bill No. 643  
Third Reading Copy

For the Committee on Taxation

Prepared by Jeff Martin  
April 12, 1993

1. Title, line 5.  
Strike: "LESS THAN 160 ACRES"  
Insert: "OF 20 ACRES OR MORE"
2. Title, lines 8 and 9.  
Strike: "BUT" on line 8 through "ACRES" on line 9
3. Page 2, lines 14 and 15.  
Strike: "but" on line 14 through "acres" on line 15
4. Page 2, line 17.  
Strike: "(2)"  
Insert: "(1)"
5. Page 4, line 17.  
Strike: "(3)"  
Insert: "(2)"
6. Page 4, line 24.  
Strike: "160"  
Insert: "20"
7. Page 5, lines 4 through 7.  
Strike: "." on line 4 through "IF" on line 7  
Insert: "and that"  
ReNUMBER: subsequent subsections
8. Page 5, lines 9 through 13.  
Strike: "For" on line 9 through "land." on line 13
9. Page 5, line 14.  
Strike: "(9)"  
Insert: "(8)"
10. Page 6, line 1.  
Strike: "(3)(A)"  
Insert: "(2)(a)"
11. Page 6, line 7.  
Strike: "THROUGH (3)"  
Insert: "and (2)"
12. Page 7, line 6.  
Strike: "(2), (3)(A)"  
Insert: "(1), (2)(a)"  
Strike: "(3)(B)"  
Insert: "(2)(b)"

Amendments to House Bill No. 670  
Third Reading Copy

For the Committee on Taxation

Prepared by Jeff Martin  
April 12, 1993

1. Title, lines 18 through 22.  
Following: "ACCOUNT;" on line 18  
Strike: the remainder of line 18 through "COMPENSATION;" on line 22
2. Title, line 23.  
Following: "15-30-121,"  
Insert: "AND"  
Strike: "AND 39-71-123,"
3. Page 2, line 25.  
Strike: "12, AND 13"
4. Page 4, lines 15 through 18.  
Strike: "ANY" on line 15 through "." on line 18
5. Page 6, lines 4 through 17.  
Strike: subsections (9) and (10) in their entirety  
Renumber: subsequent subsections
6. Page 7, lines 18 through 21.  
Following: "ACCOUNT." on line 18  
Strike: the remainder of line 18 through "ACCOUNT." on line 21
7. Page 8, lines 10 through 23.  
Strike: subsections (5) and (6) in their entirety  
Renumber: subsequent subsections
8. Page 27, line 17.  
Following: "(9)"  
Insert: "(a)"
9. Page 27, line 23.  
Following: line 22  
Insert: "(b) Contributions to employees' individual medical care savings accounts under subsection (9)(a) must be provided on a nondiscriminatory basis.  
(c) An employer is prohibited from reducing an employee's wages as a result of a contribution to an employee's individual medical care savings account under subsection (9)(a) unless the reduction is part of a collective bargaining agreement."
10. Page 27, line 23 through page 31, line 24.  
Strike: sections 11 through 13 in their entirety  
Renumber: subsequent sections
11. Page 31, line 25.

Strike: "(1)"

12. Page 32, lines 4 through 11.

Strike: subsections (2) and (3) in their entirety