

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN CHASE HIBBARD**, on March 7, 1995, at 8:00 A.M.

ROLL CALL

Members Present:

Rep. Chase Hibbard, Chairman (R)
Rep. Marian W. Hanson, Vice Chairman (Majority) (R)
Rep. Robert R. "Bob" Ream, Vice Chairman (Minority) (D)
Rep. Peggy Arnott (R)
Rep. John C. Bohlinger (R)
Rep. Jim Elliott (D)
Rep. Daniel C. Fuchs (R)
Rep. Hal Harper (D)
Rep. Rick Jore (R)
Rep. Judy Murdock (R)
Rep. Thomas E. Nelson (R)
Rep. Scott J. Orr (R)
Rep. John "Sam" Rose (R)
Rep. William M. "Bill" Ryan (D)
Rep. Roger Somerville (R)
Rep. Robert R. Story, Jr. (R)
Rep. Emily Swanson (D)
Rep. Jack Wells (R)
Rep. Kenneth Wennemar (D)

Members Excused:

Rep. Bob Raney (D)

Members Absent: None.

Staff Present: Lee Heiman, Legislative Council
Donna Grace, Committee Secretary

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

Committee Business Summary:

Hearing: HB 558
HB 562
Executive Action: HB 569 - Do Pass as Amended
SB 197 - Tabled
HJR 9 - Do Pass as Amended
HB 524 - Do Pass as Amended

HEARING ON HB 558Opening Statement by Sponsor:

REP. BONNIE MARTINEZ, House District 17, Billings, opened the hearing by stating that HB 558 would prevent the elderly from losing their homes because they are no longer able to pay the taxes. The generation that is elderly now are people who worked hard for what they have and have earned some consideration. Under this legislation, a retired couple with a home valued at \$65,000 or less would not pay taxes. The couple must be retired, living in the home, with retirement benefits the only income. She said other states have similar programs with great success.

Proponents' Testimony:

None.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

REP. STORY asked if there would be income requirements. REP. MARTINEZ said the only income had to be from retirement benefits.

REP. SWANSON asked about the program that allowed the elderly to defer payment of taxes. Judy Paynter, DOR, said the Task Force had looked at a program managed by the Housing Bureau in the Department of Commerce. If someone was unable to pay taxes, they could get a loan from the state and after ten years or the death of the homeowner, the state would sell the property to repay the loan. She said the program is almost never used.

REP. WENNEMAR asked if retirees moving to Montana from out-of-state would be eligible for the tax break. REP. MARTINEZ said it might be a good idea to amend the bill to prevent that from happening. The bill does specify that the taxpayer must live in the house for ten months out of the year.

REP. HARPER noted that there was an age limit of 62 in the bill and asked how important that was. REP. MARTINEZ said she would have no objection to changing it to 65.

Closing by Sponsor:

REP. MARTINEZ reminded the Committee that the people who would receive this benefit were hard-working people who had paid taxes all their lives. She said Montana has many programs that give to the young and healthy who should be working and now is the time for the elderly to be given consideration.

HEARING ON HB 562**Opening Statement by Sponsor:**

REP. KEN WENNEMAR, House District 71, said HB 562 would allow property upon which sod, ornamental, nursery, or horticultural crops are raised, grown, or produced, that produce not less than \$5,000 in annual gross income, to be classified as agricultural land. The statute previously stated that the property had to be at least ten acres.

Proponents' Testimony:

Greg Chadwick, Vice Chairman, Montana Nursery Association, said he was working to get nurserymen recognized as an industry in the state. He spoke in favor of the bill.

Bob Hooper, Montana Nursery Association, Kalispell, distributed a document which illustrates the confusion the small growers have with taxation. EXHIBIT 1. He explained that in 1991 the Legislature addressed the issue of whether the nursery business should be considered agricultural. The issue was passed under HB 869. The problem with that bill was that it had the ten-acre minimum stipulation on it for a nursery-greenhouse operation. There are 82 operators in Montana that do not have agricultural designation because they have less than ten acres. **Mr. Hooper** said his operation in Kalispell is five acres and he has 28 employees. The business has to be concentrated to make a viable living in the state. He said his operation is carried out the same as any other farmer. If they had less than ten acres where they raised Christmas trees, they would be designated as agricultural but, because they do bedding plants and nursery stock, they don't get that designation. The ten-acre stipulation is highly discriminatory. He said he hoped the Committee would support HB 562 because the tax appraiser's office is the only place where nurserymen are not recognized as agricultural. If they must remain under the commercial designation, the property will become so high in value the small nurserymen will not be able to continue to operate. He said he did have agricultural designation before 1991 and, when the law changed the designation to commercial, his taxes went up six-fold. He said he would appreciate the Committee's support.

Wes Delaney, Delaney's Landscape, Polson, and Member of the Board of Directors of the Montana Nursery Association, said his business is licensed and regulated by the Department of Agriculture. Nurserymen grow their crops on small parcels of property and sell directly to the consumer. He said the current statute discriminates against the small growers. He noted that he had recently purchased a three-acre alfalfa field and, when he starts growing plants in that field, the designation will go from agricultural to commercial and his taxes will go up significantly.

Harold McGaughey, Earth & Wood Landscaping, Missoula, and President of the Montana Association of Nurserymen, said he does recognize that he has commercial property that will be taxed in that category as it should be; however, he stressed that his growing areas should be classed as agricultural land. He said he would appreciate the Committee's support of HB 562.

Mark O'Keefe, State Auditor and former member of the House Taxation Committee, said he was the legislator who had added the ten-acre stipulation to the statutes in 1991. At that time, he explained that because of his interest in agriculture, he wanted to see the bill passed and what happened in the shuffle before transmittal was that no one was sure about how to handle land valuation for the nurseries. He said he had a large nursery in his district which is one of the ten nurseries in the state that has more than ten acres in production. When the Committee reached the point where the bill would either be amended or die, he said he added the ten-acre limitation in order to get the bill out. At that time, no one presented the dollar option and the Committee did not want everyone who participated in a farmers' market, for instance, to be able to claim that their residence was agricultural property. **Mr. O'Keefe** said he would support the option the sponsor and the nurserymen have worked out because it is a reasonable approach. A dollar amount is a much better way on which to base the production taking place on small areas of land by the 82 operators who cannot get the agricultural designation they are entitled to.

Dwight Walton, Florence, said he has a small container nursery on five acres of land. He said the \$5,000 limit was something he could live with.

Nancy Beach, President, Sanders County Development Board, testified on behalf of small business owners. She said the nursery business is "intensive farming" and, in terms of economic growth, this is one bill that should be passed because nurserymen are a viable business and are "up and coming" in the State of Montana.

REP. JIM ELLIOTT, House District 72, Trout Creek, said that he had sponsored this legislation in 1991. Prior to that time there was a great deal of discrepancy on how nurseries were taxed and HB 869 was brought forward to remedy that.

{Tape: 1; Side: B.}

REP. ELLIOTT stated that at that time there were not a large number of small nurseries. He said he would support this bill.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

REP. ROSE asked the sponsor how he would address the situation where all the produce is raised in greenhouses. **REP. WENNEMAR** said it was brought to his attention from the nurserymen that they can produce \$5,000 on one acre with a greenhouse. The land could be classified as agricultural and the greenhouse could be classified as commercial. **REP. ROSE** said there had been a reference to farmers' market. He asked if \$1,500 was adequate. **REP. WENNEMAR** said Sen. Mesaros has a number of bills dealing with the farmers' market issue and he was not qualified to answer the question. **REP. ROSE** asked about combination businesses such as a greenhouse and a retail outlet. **Mr. Hooper** said the nurserymen were talking about growing plants. The retail operation would not be included. He said if he had a small retail store, he could not expect it to be classified as agricultural. **REP. ROSE** asked what the situation would be if the retail outlet was in the greenhouse. **Mr. Hooper** said he did not see a problem with selling his product through his operation. **REP. ROSE** said he did not agree because that would be a business. **Mr. Hooper** said that in his operation, growing a bedding plant crop is so intense, they spend eleven months growing a crop that is sold in one month of operation. Whether he sells it retail or wholesale should not make much difference. **REP. ROSE** said he was trying to separate the store from the growing operation because the store could not be considered a part of the growing operation. **Mr. Hooper** said that the buildings are taxed as commercial and that is not the problem. They are trying to get the land the building sits on classified as agricultural.

REP. REAM said he remembered the discussion on this bill from the 1991 session. He asked why this bill was necessary because it appeared to him that anyone who made \$1,500, no matter what the acreage, would be classified as agricultural. **Randy Wilke, DOR,** said the reasons the nurseries are having difficulty is that they have to meet two qualifications -- \$1,500 and ten acres. The production must come from the land and a greenhouse sitting on the land is treated as commercial because the land itself is not producing.

REP. STORY asked if the land the greenhouses are located on was agricultural to begin with. **Mr. Hooper** said there wasn't any particular designation in 1974. In 1980 he asked the appraiser why he wasn't designated agricultural and he was told that was the way his land should have been classified. In 1991 he lost that designation because he did not have ten acres.

REP. SWANSON asked if, under this proposal, the \$5,000 income proof would be exclusive of the greenhouse. **Mr. Hooper** said it would incorporate the greenhouse because it is part of the agricultural production of his operation. **REP. SWANSON** then asked how they would distinguish between what was commercial and what was agricultural. **Mr. Hooper** said the land under the

greenhouses would be considered agricultural and the building would be commercial.

REP. STORY asked if the ten acres was an additional requirement for an agricultural designation because many small greenhouses could produce \$1,500 in a very limited area. **REP. ELLIOTT** said the bill was originally requested by one of the largest nurseries in the state and his recollection was that, at that time, he was not particularly interested in granting small nurserymen an agricultural tax status. The greenhouse production problem was also discussed at that time. It was and is a complicated problem.

REP. ELLIOTT said he understood that SB 207, passed by the Senate, had created some of the fears felt by nurserymen. **Mr. Chadwick** said that many nurseries are becoming surrounded by subdivisions and ranchettes. Under SB 207, without agricultural status, if they make noise, odors, dust or "they just don't like us," the operation could be shut down because it is classified as commercial. He said they are the only agricultural industry that has been discriminated against because they do not have agricultural status on the land.

REP. ROSE said he would be carrying SB 207 in the house. He asked if there was a grandfather clause in the bill. **Mr. Chadwick** said there is and that is why they want to be sure they have the agricultural status. He said many nurseries are on the edge of town and when the towns envelope them, if they do not have the agricultural status, they will not be able to operate.

CHAIRMAN HIBBARD asked Ms. Paynter to explain some of the confusion about the bill. He asked if it was conceivable that a greenhouse with nothing outside, and which produces \$1,500, could be classified as agricultural. **Ms. Paynter, DOR,** said this question was the crux of the issue. The problem is the designation of land under a greenhouse and whether the crop is being produced from the land or whether it is some other kind of commercial operation. She compared the greenhouse operation to a cattle feedlot operation. The question that is not clear is what should be agriculture and what should be commercial and how to assure that every operation is classified consistently. She said that is where the problem will be in the administration of this bill.

{Tape: 2; Side: A.}

REP. REAM asked how a poultry farm, which is a concentrated agricultural operation which takes place on a small piece of ground would be classified. **Ms. Paynter** said it would be a commercial operation.

Closing by Sponsor:

REP. WENNEMAR said he had closed.

EXECUTIVE ACTION ON HJR 9

Motion:

REP. REAM MOVED THAT HJR 9 DO PASS.

Discussion:

CHAIRMAN HIBBARD called on Terry Johnson, Legislative Fiscal Analyst, to explain the amendment. EXHIBIT 2. Mr. Johnson said that, based on the most current information, the ending fund balance as of the end of 1994 was \$32,592,000. In terms of year-to-date revenues, some categories are doing better than anticipated and some are not doing as well but the bottom line is in a good range. He said he had collaborated with Mr. Bender from the Governor's Office in reaching these conclusions.

Motion/Vote:

REP. REAM MOVED THAT THE AMENDMENT BE ADOPTED. On a voice vote, the motion passed unanimously.

Motion/Vote:

REP. REAM MOVED THAT HJR 9 AS AMENDED DO PASS. On a voice vote the motion passed unanimously.

EXECUTIVE ACTION ON HB 524

CHAIRMAN HIBBARD advised that HB 524 had been re-referred to the Taxation Committee to resolve a problem that had arisen on the House floor. He said he did not intend to open a hearing on the bill. However, he said he would allow the sponsor of the amendments an opportunity to explain the amendments and equal time would be given to the sponsor of the bill to address the amendments. CHAIRMAN HIBBARD requested, without objection, that the sponsor of the bill and the sponsor of the amendments remain in the room to answer questions.

REP. REAM said one of the amendments clarifies the double taxation of agency liquor stores. EXHIBIT 3.

Motion:

REP. REAM MOVED THAT THE AMENDMENT BE ADOPTED.

Discussion:

REP. REAM said it was his understanding from the Committee hearing that when a tavern bought liquor from an agency liquor

store, they wouldn't be taxed because it was a wholesale transaction. This amendment would clarify that issue.

Mr. Heiman said the amendment takes agency liquor stores out of the listing of businesses that sell alcoholic beverages and puts them in a new classification and provides that sales are taxable except when sold to a retail licensee for the purpose of resale.

REP. ELLIOTT said he thought this was a part of the issue Rep. Larson's amendment addressed. **REP. REAM** said his amendment did not address this issue but there was considerable debate on the issue.

Vote:

On a voice vote, the amendment passed unanimously.

Discussion:

CHAIRMAN HIBBARD called on Rep. Larson to speak to his proposed amendments. EXHIBIT 4.

REP. DON LARSON, House District 58, Seeley Lake, said HB 524 raises the population cap from 2,000 to 5,500 to qualify as a resort community and changes the requirement so that a community may derive a secondary part of its economic activities from tourism. What this does is make every class three city and town in Montana eligible for a resort community designation. The amendments would (1) require that the sales tax be levied on all retail establishments except those specifically exempted on the ballot and (2) require that the categories of business and services to be taxed be identified on the ballot. **Rep. Larson** said that if he was going to be paying a sales tax, he wanted to know what it would be on, because local people, as well as tourists, would be paying the tax. He said that HB 524 is a major tax bill.

Mona Jamison, representing the City of Whitefish, said Rep. Larson had implied that every city in Montana with a population between 2,000 and 5,500 would qualify as a resort community and she suggested that even though a lot of people would like that to happen, it is simply not the case. She said that wherever there is a hospital, a university, college, railroad or other business, she could assure that, in addition to what the base of the income is in a particular community, tourism would not be the second basis of income to every community in the state. Every community in Montana under 5,500 will not be able to demonstrate that its primary or secondary source of economic wellbeing is tourism. In speaking to the amendments, she said they would affect the process and procedure which has been in place and worked well since 1985. The citizens in each community have the ability to come together, hash it out, fight about it, reach consensus. It is democracy at its best, practiced by government at the primary level. One of the amendments would add all retail

establishments other than those specifically exempted by category to the public election tax ballot. The bill, as it has been implemented, is a tax on all goods and services sold at or provided by establishments that sell luxuries. The statutes limits the number of words that can appear on a ballot to 100 words. She said it is very difficult to meet all the criteria of what must appear on the ballot with the word limitation. It would be very difficult to include a list of exempted establishments on the ballot. It would also destroy the beauty of the existing statute which is to allow the people to come together and, under existing law, determine through an administrative ordinance what exactly would be taxed as a luxury and what would be exempt. The amendment would preempt that input. The tax has been voted on in a number of communities in the state and Red Lodge voted it down. There are public hearings and two readings so there is a lot of public opportunity to comment on where the tax will be placed. She asked the Committee if they really wanted to change the process and procedure which has worked well in other communities. She said the people asking for HB 524 had not asked the Legislature to change the process. She encouraged the Committee to vote against the amendments and allow the development of what is to be taxed as a luxury to the community. If the citizens don't want it, they will vote it down.

REP. SWANSON asked to have the amendments separated so they could be discussed and voted on separately. Amendments 2, 6 and 7 were designated Amendment A, and amendments 1, 3, 4 and 5 were designated Amendment B.

REP. ELLIOTT said the reasons for re-referral of the bill was to save time on the House floor. He asked for assurance from the amendment sponsor that, if the amendments do not pass the Committee, he would not offer them on the floor. **REP. LARSON** said he would leave it to the wisdom of the Committee and would not propose the amendments on the floor.

REP. SWANSON spoke against Amendment A because there is an process already established on the issue. It would not be practical to list all goods and services. The present process makes sense.

REP. NELSON said that if the ballot is limited to 100 words, there is a practical limitation. He would oppose the amendment.

REP. BOHLINGER also opposed the amendments because the existing language establishes an option for the community to decide what luxury items are to be taxed. Local consideration is what should drive the issue.

Motion:

REP. ORR MOVED THAT AMENDMENT A BE ADOPTED.

Discussion:

REP. ORR said he would echo Rep. Larson's comment that HB 524 is a major tax change. The ordinance procedure was set up for smaller communities where tourism is the primary impact. This is being changed to a larger population and primary and secondary impacts and the procedure set up in law now may not work. He said the amendments were good for applying the tax as proposed.

REP. NELSON said he missed the point because he didn't see that the bill was a major tax policy change. **REP. ORR** said the difference is that the legislation was enacted to help small communities close to a tourism activity and they were specifically impacted by tourism and they were given the opportunity to spread the tax on the people coming through. HB 524 will cover larger communities and includes tourism as the secondary source of income. Therefore, it changes the focus of the legislation.

REP. BOHLINGER reminded the Committee that Whitefish, with a population of 3,500, is inundated with as many as 30,000 people on a weekend, and they have found that they can't fund infrastructure improvements from the existing tax base. He said it is up to the Legislature to give them a vehicle to solve their problems and he opposed the amendments.

REP. STORY suggested that perhaps there was another way to let people know what would be taxed before they went to vote. He said he thought that was the intent of Rep. Larson's amendment. He said he would support the amendment and suggested that there might be some other way to disseminate the information other than printing it on the ballot.

REP. SWANSON said she had a copy of the West Yellowstone ordinance which was worked out after the vote. She said it contains a general definition of luxury items and then goes on to specifically list the individual items to be taxed. The question is, at what point in the process should that level of detail be decided. She said she thought it should be done after the people have decided whether or not they want the tax.

REP. ELLIOTT said there was also a larger question of who should decide the level of detail. He commented that everyone talks about local control being the best form of government, yet the Legislature consistently imposes restrictions on the actions local governments may take. If a local government, or a group of petitioners, wishes to impose a resort sales tax and they think it is a good idea to list on a resolution or petition the items to be taxed, it should be left up to them.

REP. FUCHS said the Committee should remain focused on what they were trying to do in regard to consistency. There are communities where the process is working and he would oppose the

amendment based on that. If this kind of legislation is allowed, should be done the same way it was done in the past.

Vote:

On a roll call vote, Amendment A failed to pass, 16 - 4.

Motion:

REP. ORR MOVED TO ADOPT AMENDMENT B.

Discussion:

REP. ORR explained that the amendment would provide that unless the retail establishments are specifically exempted on the ballot, the tax would apply.

REP. REAM said he was confused by the amendment and asked for an example of who might be exempted by category. REP. LARSON said the amendment would allow the local government to draw into the taxation scheme any retailer it wanted to and exempt those that it didn't want to. *{Comment: Noise in background made transcription difficult at this point.}*

REP. HARPER said this amendment would open the bill up to make it an all-encompassing retail sales tax on a community.

REP. ELLIOTT said one of the problems he saw with the amendment was that it talks about "all retail establishments other than those specifically exempted by category." He said any retail establishment can sell luxury and non-luxury items. So many stores are multi-item retail establishments, this would be very difficult to work with.

{Tape: 3; Side: A.}

REP. LARSON said all retail businesses would be collecting the tax but, under the terms of the bill, it looks as if a shirt shop would not be collecting the tax whereas a lodging or camping facility might be. That is what the amendment would do away with.

REP. BOHLINGER said his understanding would be that the amendment would be an expansion and departure from what is in existing law. The tax is presently working and it should not be changed; therefore, he opposed the amendment.

REP. REAM said the danger he saw was that it could split the community because of pressures from groups on whoever was passing the ordinance.

Vote:

On a roll call vote, the motion to adopt Amendment B failed, 19 - 1.

Motion/Vote:

REP. REAM MOVED THAT HB 524 AS AMENDED DO PASS. On a voice vote, the motion passed 17 - 3.

EXECUTIVE ACTION ON SB 197

CHAIRMAN HIBBARD said there were amendments to SB 197. EXHIBIT 5. Mr. Heiman said the first amendment says, if the bill passes, and the appropriation is \$265,000 or less, the money would be distributed according to the formula in present law. The second amendment says that when the appropriation is more than \$265,000, that amount would be distributed according to present law and everything in excess would be distributed according to the new law.

Motion:

REP. STORY MOVED THAT THE SECOND AMENDMENT BE ADOPTED.

Discussion:

REP. STORY said the amendment was more inclusive and would allow for distribution to all counties.

REP. HARPER said the amendments were an attempt to salvage the bill. In order for the amendments to come into play, there would have to be an extra amount of money appropriated from the general fund. The language clutters up the statutes and there is no reason for it.

REP. ELLIOTT said he did not sense a large sentiment for passing the bill either with or without the amendment.

Substitute Motion/Vote:

REP. ELLIOTT MOVED THAT SB 197 BE TABLED. On a voice vote, the motion passed, 19 - 1.

EXECUTIVE ACTION ON HB 569

Motion:

REP. ORR MOVED THAT HB 569 DO PASS.

Discussion:

Mr. Heiman explained that the DOR had proposed an amendment which would coordinate this bill with SB 46 which has been signed by the Governor. It would incorporate the provisions of SB 46 into HB 569 so that the tax amounts accurately reflect both bills. EXHIBIT 6.

Motion/Vote:

REP. ORR MOVED THAT THE AMENDMENTS BE ADOPTED. On a voice vote, the motion passed unanimously.

Discussion:

CHAIRMAN HIBBARD said Rep. Wiseman had also proposed an amendment.

REP. REAM said the Wiseman amendment would drop renewable resources grants to \$500,000 and reclamation grants to \$1 million.

REP. NELSON said this sounded like work for the Appropriations Committee.

REP. ORR distributed a chart showing allocation of RIT proceeds and interest for the 1997 biennium as reflected in HB 569. EXHIBIT 7.

CHAIRMAN HIBBARD asked if anyone wished to move the proposed Wiseman amendments. There was no response.

Motion:

REP. ELLIOTT MOVED THAT HB 569 AS AMENDED DO PASS.

Discussion:

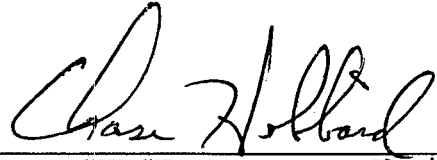
REP. ORR said the chart which was distributed was updated to show the results of HB 46 which reduces the Metalliferous Mine Tax to 13.3% and the heavy lines on the chart indicate the changes to be accomplished by HB 569. The bill corrects omissions from HB 608 during the last session and the affect would be less money going into the trust. If the bill is passed, it would delay by one year the date on which the trust would reach \$100 million.

Vote:

On a roll call vote, the motion passed, 19 - 1.

ADJOURNMENT

Adjournment: 10:55 a.m.



CHASE HIBBARD, Chairman



DONNA GRACE, Secretary

CH/dg

HOUSE OF REPRESENTATIVES

Taxation

ROLL CALL

DATE March 7, 1995

NAME	PRESENT	ABSENT	EXCUSED
Rep. Chase Hibbard, Chairman	✓		
Rep. Marian Hanson, Vice Chairman, Majority	✓		
Rep. Bob Ream, Vice Chairman, Minority	✓		
Rep. Peggy Arnott	✓		
Rep. John Bohlinger	✓		
Rep. Jim Elliott	✓		
Rep. Daniel Fuchs	✓		
Rep. Hal Harper	✓		
Rep. Rick Jore	✓		
Rep. Judy Rice Murdock	✓		
Rep. Tom Nelson	✓		
Rep. Scott Orr	✓		
Rep. Bob Raney			✓
Rep. Sam Rose	✓		
Rep. Bill Ryan	✓		
Rep. Roger Somerville	✓		
Rep. Robert Story	✓		
Rep. Emily Swanson	✓		
Rep. Jack Wells	✓		
Rep. Ken Wennemar	✓		



HOUSE STANDING COMMITTEE REPORT

March 7, 1995

Page 1 of 2

Mr. Speaker: We, the committee on Taxation report that House Bill 569 (first reading copy -- white) do pass as amended.

Signed: _____

Chase Hibbard
Chase Hibbard, Chair

And, that such amendments read:

1. Title, line 8.

Following: "UNIVERSITY-NORTHERN;"

Insert: "INSERTING LANGUAGE RELATING TO THE GROUND WATER
ASSESSMENT ACCOUNT TO CONFORM TO SENATE BILL NO. 48, WHICH
WAS ENACTED AS CHAPTER 31, LAWS OF 1995;"

2. Page 1, line 21.

Strike: "9.4%"

Insert: "7.2%"

3. Page 1.

Following: line 21

Insert: "(d) to the ground water assessment account established
in 85-2-905, 2.2% of total collections each year;"

Renumber: subsequent subsections

4. Page 2, line 3.

Strike: "(1)(f)(i)"

Insert: "(1)(g)(i)"

5. Page 2, line 12.

Page 7, line 13.

Page 8, line 12.

Page 8, line 22.

Strike: "(1)(f)"

Insert: "(1)(g)"

Committee Vote:

Yes 19, No 1.

531231SC.Hbk

6. Page 2, line 15.
Strike: "(1) (f)" in both places
Insert: "(1) (g)"

7. Page 6, line 4.
Strike: "(1) (d)"
Insert: "(1) (e)"

8. Page 7, line 3.
Strike: "(1) (e)"
Insert: "(1) (f)"

-END-

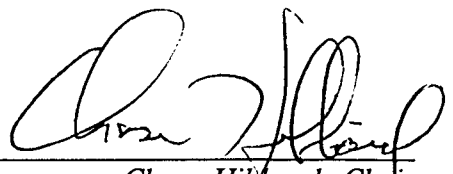


HOUSE STANDING COMMITTEE REPORT

March 7, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that House Joint Resolution 9 (first reading copy -- white) do pass as amended.

Signed: 
Chase Hibbard, Chair

And, that such amendments read:

1. Page 2, line 15.
Strike: "\$32,771,000"
Insert: "\$32,592,000"

-END-

Committee Vote:
Yes 19, No 0.

531233SC.Hbk



HOUSE STANDING COMMITTEE REPORT

March 7, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that House Bill 524 (first reading copy -- white) do pass as amended.

Signed: _____

Chase Hibbard, Chair

And, that such amendments read:

1. Title, line 7.

Following: "OF"

Insert: "CERTAIN"

2. Page 2, line 19.

Strike: "agency liquor stores,"

3. Page 2, line 20.

Strike: "and"

4. Page 2, line 21.

Following: line 20

Insert: "(iv) agency liquor stores, except when sold to a retail licensee for the purpose of resale; and "

Renumber: subsequent subsection

5. Page 2, line 26.

Following: "1995"

Insert: ", if House Bill No. 574 is passed and approved"

Following: "."

Insert: "If House Bill No. 574 is not passed and approved, then [section 2] is void."

-END-

Committee Vote:

Yes 17, No 3.

531234SC.Hbk

HOUSE OF REPRESENTATIVES

ROLL CALL VOTE

DATE 3/7/95 BILL NO. 569 NUMBER

MOTION: As Pass as Amended

NAME	YES	NO
Vice Chairman Marian Hanson	✓	
Vice Hairman Bob Ream	✓	
Rep. Peggy Arnott	✓	
Rep. John Bohlinger	✓	
Rep. Jim Elliott	✓	
Rep. Daniel Fuchs	✓	
Rep. Hal Harper	✓	
Rep. Rick Jore		✓
Rep. Judy Rice Murdock	✓	
Rep. Tom Nelson	✓	
Rep. Scott Orr	✓	
Rep. Bob Raney	✓	
Rep. Sam Rose	✓	
Rep. Bill Ryan	✓	
Rep. Roger Somerville	✓	
Rep. Robert Story	✓	
Rep. Emily Swanson	✓	
Rep. Jack Wells	✓	
Rep. Ken Wennemar	✓	
Chairman Chase Hibbard	✓	

HOUSE OF REPRESENTATIVES

ROLL CALL VOTE

DATE 3/7/95 BILL NO. HB524 NUMBER

MOTION: No Pass Amendment A

NAME	YES	NO
Vice Chairman Marian Hanson		✓
Vice Hairman Bob Ream		✓
Rep. Peggy Arnott		✓
Rep. John Bohlinger		✓
Rep. Jim Elliott		✓
Rep. Daniel Fuchs		✓
Rep. Hal Harper		✓
Rep. Rick Jore	✓	
Rep. Judy Rice Murdock		✓
Rep. Tom Nelson		✓
Rep. Scott Orr	✓	
Rep. Bob Raney		✓
Rep. Sam Rose		✓
Rep. Bill Ryan		✓
Rep. Roger Somerville		✓
Rep. Robert Story	✓	
Rep. Emily Swanson		✓
Rep. Jack Wells	✓	
Rep. Ken Wennemar		✓
Chairman Chase Hibbard		✓

HOUSE OF REPRESENTATIVES

ROLL CALL VOTE

DATE 3/7/95 BILL NO HB 524 NUMBER

MOTION: Do Pass Amendment B

NAME	YES	NO
Vice Chairman Marian Hanson		✓
Vice Hairman Bob Ream		✓
Rep. Peggy Arnott		✓
Rep. John Bohlinger		✓
Rep. Jim Elliott		✓
Rep. Daniel Fuchs		✓
Rep. Hal Harper		✓
Rep. Rick Jore		✓
Rep. Judy Rice Murdock		✓
Rep. Tom Nelson		✓
Rep. Scott Orr	✓	
Rep. Bob Raney		✓
Rep. Sam Rose		✓
Rep. Bill Ryan		✓
Rep. Roger Somerville		✓
Rep. Robert Story		✓
Rep. Emily Swanson		✓
Rep. Jack Wells		✓
Rep. Ken Wennemar		✓
Chairman Chase Hibbard		✓

From: Robin L. Childers To: Bob Hooper

Date: 3/6/95 Time: 07:17:32

EXHIBIT 1

DATE 3/7/95

Page 1 of 1

FACSIMILE COVER PAGE

HB 562

To: Bob Hooper
From: Robin L. Childers
Pages (including cover): 1

Time: 07:17:18
Date: 03/06/95

MONTANA ASSOCIATION OF NURSERYMEN

Bob,

As you may already be aware, I mailed a survey out to all nursery licensees in the state asking for a variety of information, including the number of acres in their operation and their current tax designation.

I am still receiving replies, but to date I have 35 surveys with a breakdown as follows:

Size

- 20 operate on 0-2 acres
- 5 operate on 3-5 acres
- 5 operate on 11-20 acres
- 3 operate on 50 acres or more

Tax designation

- 9 are classified as residential
- 4 are classified as rural commercial
- 7 are classified as commercial
- 13 are classified as agricultural

I will try to update you again later today. Hopefully, I will have more surveys back in the mail.

Robin Childers, Executive Director

EXHIBIT 2
DATE 3/7/95
HB HJR 9

Amendments to House Joint Resolution No. 9
First Reading Copy

Requested by LFA
For the Committee on Taxation

Prepared by Lee Heiman
March 6, 1995

1. Page 2, line 15.
Strike: "\$32,771,000"
Insert: "\$32,592,000"

EXHIBIT 3
DATE 3/7/95
HB 524

Amendments to House Bill No. 524
Second Reading Copy

For the Committee on Taxation

Prepared by Greg Petesch
March 4, 1995

1. Title, line 7.

Following: "OF"

Insert: "CERTAIN"

2. Page 2, line 19.

Strike: "agency liquor stores,"

3. Page 2, line 20.

Strike: "and"

4. Page 2, line 21.

Following: line 20

Insert: "(iv) agency liquor stores, except when sold to a retail
licensee for the purpose of resale; and "

Renumber: subsequent subsection

5. Page 2, line 26.

Following: "1995"

Insert: ", if House Bill No. 574 is passed and approved"

Following: "."

Insert: "If House Bill No. 574 is not passed and approved, then
[section 2] is void."

②

A- fair
B- fail



EXHIBIT 4
DATE 3/7/95
HB 524

HOUSE COMMITTEE OF THE WHOLE AMENDMENT

House Bill 524
Representative Larson

March 4, 1995 10:02 am
Page 1 of 3

Mr. Chairman: I move to amend House Bill 524 (second reading copy -- yellow).

Signed: _____
Representative Larson

And, that such amendments to House Bill 524 read as follows:

1. Title, line 7.
Following: "STORES"
Insert: "AND CERTAIN RETAIL ESTABLISHMENTS"
2. Title, line 8.
Strike: first "AND"
Insert: ", "
Following: "7-6-4463,"
Insert: "AND 7-6-4464,"
3. Page 2, line 20.
Strike: "and"
4. Page 2, line 21.
Following: "facilities"
Strike: "."
Insert: "; and"
5. Page 2.
Following: line 21
Insert: "(v) all retail establishments other than those
specifically exempted by category on the public election tax
ballot."
6. Page 2.
Following: line 22
Insert: Section 3. Section 7-6-4464, MCA, is amended to read:
"7-6-4464. Resort tax -- election required -- procedure."

ADOPT

AC ____

REJECT

511002CW.Hbk

(1) A resort community or area may not impose or, except as provided in 7-6-4465, amend or repeal a resort tax unless the resort tax question has been submitted to the electorate of the resort community or area and approved by a majority of the electors voting on the question.

(2) The resort tax question may be presented to the electors of:

(a) a resort community by a petition of the electors as provided by 7-1-4130, 7-5-132, and 7-5-134 through 7-5-137 or by a resolution of the governing body of the resort community; or

(b) a resort area by a resolution of the board of county commissioners, following receipt of a petition of electors as provided in 7-6-4468.

(3) If a resort area is in more than one county, the resort tax question must be presented to and approved by the electors in the resort area of each county.

(4) The petition or resolution referring the taxing question must state:

(a) the rate of the resort tax;

(b) the duration of the resort tax;

(c) the date when the tax becomes effective, which date may not be earlier than 35 days after the election; and

(d) the purposes that may be funded by the resort tax revenue; and

(e) the specific categories^e of goods or services to be taxed.

Bob fixed

(5) Upon receipt of an adequate petition, the governing body may:

(a) call a special election on the resort tax question; or

(b) have the resort tax question placed on the ballot at the next regularly scheduled election.

(6) The question of the imposition of a resort tax may not be placed before the electors more than once in any fiscal year.""

Renumber: subsequent section

7. Page 2, line 26.

Strike: "SECTION 1"

Insert: "Sections 1 and 3"

corrected by Bds



HOUSE COMMITTEE OF THE WHOLE AMENDMENT

House Bill 524
Representative Larson

March 4, 1995 11:41 am
Page 1 of 1

Mr. Chairman: I move to amend **House Bill 524** (second reading copy -- yellow).

Signed: _____
Representative Larson

And, that such amendments to House Bill 524 read as follows:

1. Title, line 7.
Following: "STORES"
Insert: "AND CERTAIN RETAIL ESTABLISHMENTS"
2. Page 2, line 20.
Strike: "and"
3. Page 2, line 21.
Following: "facilities"
Strike: "."
Insert: "; and"
4. Page 2.
Following: line 21
Insert: "(v) all retail establishments other than those
specifically exempted by category on the public election tax
ballot."

-END-

ADOPT

AC ____

REJECT

511141CW.Hbk

Amendments to Senate Bill No. 197
Third Reading Copy

Requested by Senator Gage
For the Committee on Taxation

Prepared by Jeff Martin
March 2, 1995

1. Title, line 6.

Following: "APPLY;"

Insert: "REQUIRING THAT THE FIRST \$265,000 ANNUAL APPROPRIATION
FOR STATE LAND EQUALIZATION PAYMENTS BE DISTRIBUTED AS THE
PAYMENTS WERE DISTRIBUTED UNDER THE PROVISIONS OF PRIOR
LAW;"

2. Page 2, line 17.

Following: line 16

Insert: "NEW SECTION. Section 4. Special provisions for state
land equalization payments. The first \$265,000 or less
appropriated for each year of the biennium for state land
equalization payments must be distributed as the payments
were distributed under Title 77, chapter 1, part 5, as those
laws read on December 31, 1994. The amount appropriated in
excess of \$265,000 for each year of the biennium for state
land equalization payments must be made as provided in [this
act]."

Renumber: subsequent sections

Amendments to House Bill No. 569
First Reading Copy

For the Committee on Taxation

Prepared by Lee Heiman
March 7, 1995

1. Title, line 8.

Following: "UNIVERSITY-NORTHERN;"

Insert: "INSERTING LANGUAGE RELATING TO THE GROUND WATER
ASSESSMENT ACCOUNT TO CONFORM TO SENATE BILL NO. 48, WHICH
WAS ENACTED AS CHAPTER 31, LAWS OF 1995;"

2. Page 1, line 21.

Strike: "9.4%"

Insert: "7.2%"

3. Page 1.

Following: line 21

Insert: "(d) to the ground water assessment account established
in 85-2-905, 2.2% of total collections each year;"

Renumber: subsequent subsections

4. Page 2, line 3.

Strike: "(1) (f) (i)"

Insert: "(1) (g) (i)"

5. Page 2, line 12.

Page 7, line 13.

Page 8, line 12.

Page 8, line 22.

Strike: "(1) (f)"

Insert: "(1) (g)"

6. Page 2, line 15.

Strike: "(1) (f)" in both places

Insert: "(1) (g)"

7. Page 6, line 4.

Strike: "(1) (d)"

Insert: "(1) (e)"

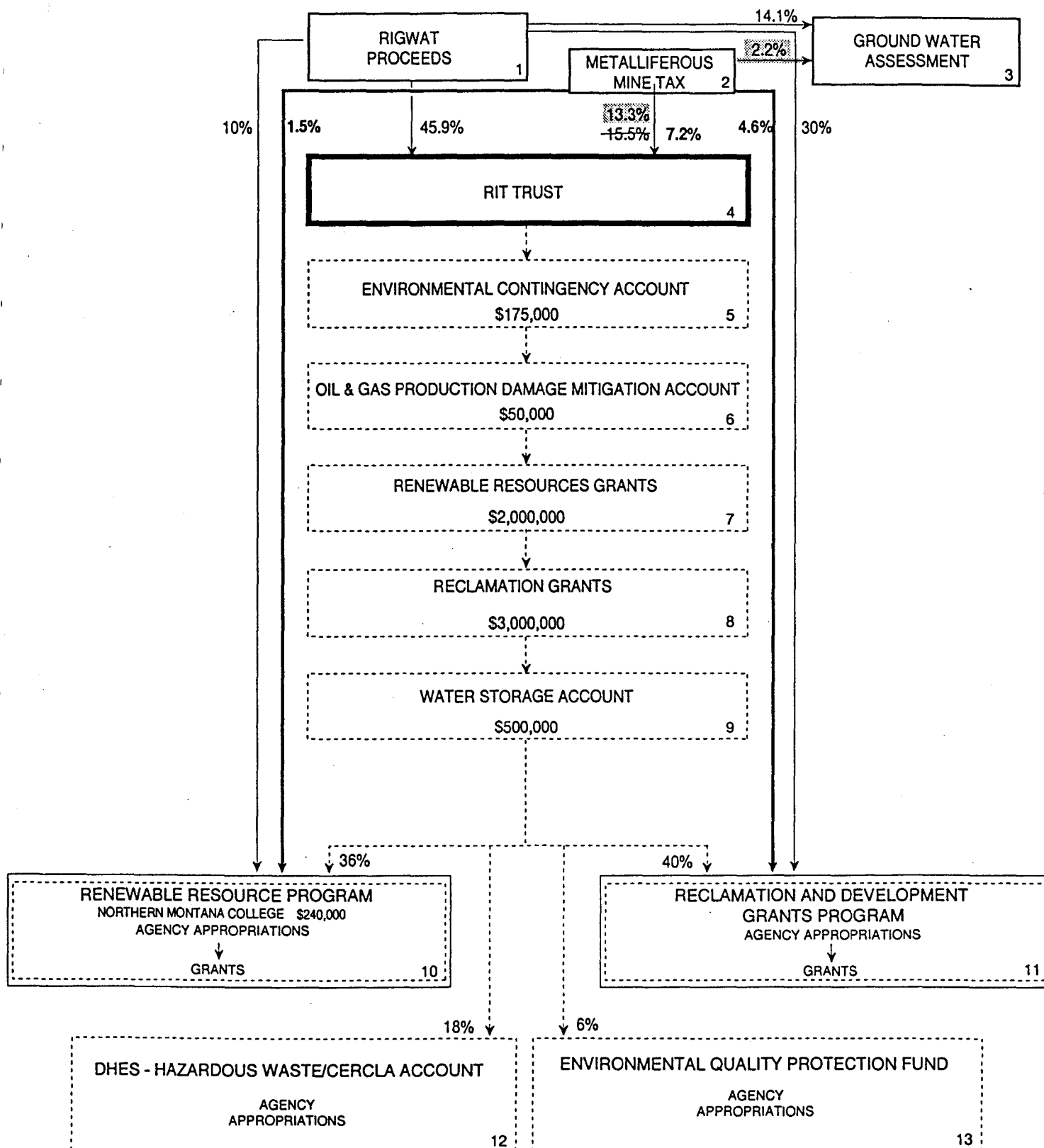
8. Page 7, line 3.

Strike: "(1) (e)"

Insert: "(1) (f)"

569

ALLOCATION OF RIT PROCEEDS AND INTEREST 1997 Biennium



HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Taxation COMMITTEE BILL NO. HB 558
 DATE 3/7/95 SPONSOR(S) Rep. Martinez

PLEASE PRINT

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
11 W James Kembel	City of Billings	HB558	Funding Concerns	

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

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Taxation

COMMITTEE

BILL NO.

HB 562DATE 3/7/95

SPONSOR(S)

Rep. Wennemar

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PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Harold M. Garghey	Earth & Wood-Mt. Nursery			✓
Mark Rufe	Self			✓
Greg Chabert	Mtn Nursery Assn			✓
Bob Hooper	Mt. Nursery Assoc.			✓
Wes Dehewey	MT Nursery Assoc.			✓
Dwight Walton	MT Nursery Assoc.			✓
CHERI HOOPER	MT NURSERY ASSN			✓

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