

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By CHAIRMAN CHASE HIBBARD, on March 10, 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. Bob Raney (D)
Rep. John "Sam" Rose (R)
Rep. William M. "Bill" Ryan (D)
Rep. Roger Somerville (R)
Rep. Robert R. Story, Jr. (R)
Rep. Jack Wells (R)
Rep. Kenneth Wennemar (D)

Members Excused:

Rep. Thomas E. Nelson (R)
Rep. Scott J. Orr (R)
Rep. Emily Swanson (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 586

Executive Action: HB 545 - Do Pass as Amended
HB 562 - Do Pass as Amended
SB 75 - Tabled
SB 393 - Be Concurred In
HB 586 - Tabled

{Tape: 1; Side: A.}

HEARING ON HB 586

Opening Statement by Sponsor:

REP. DIANA WYATT, House District 43, Great Falls, brought HB 586 before the Committee, a bill which would limit certain county mill levies to the taxable value of property located outside of incorporated cities and towns. It would separate the depopulated areas of the county from the cities in terms of taxation and would provide an appropriation from the general fund to the Department of Justice to be used in the legal services division to provide expanded and expedited services to counties, cities, and towns relating to interlocal agreements. She said the Legislature did away with interlocal agreements in 1991, but would be necessary if this piece of legislation was enacted. Her contention was that HB 586 is a fairness bill. She said taxpayers in cities now pay taxes for services they do not need or use. EXHIBIT 1. The bill would provide an opportunity for the Legislature to give the most people in the State of Montana a reasonable cut in property taxes and she asked the Committee to consider it carefully.

Proponents' Testimony:

REP. WYATT said that John Lawton, City of Great Falls, had asked her to express his support of the bill.

Opponents' Testimony:

Gordon Morris, Montana Association of Counties (MACO), said he could not treat the bill seriously. He advised that he had received a flood of calls from across the state indicating opposition to the bill. He provided copies of letters from County Commissioners of Carbon County, Sanders County, Stillwater County, Missoula County, Teton County, and Phillips County. EXHIBIT 2. He said the bill had no merit and, to assume that city residents receive no services in terms of the county general fund is ludicrous. He proceeded to list the number of services the county provides to city residents. Mr. Morris said he hoped the Committee would deal quickly and expeditiously with the bill.

SEN. KEN MESAROS, Senate District 25, said he represented the large rural area around Great Falls in Cascade County. He said the bill is an inappropriate measure and he encouraged the Committee to vote no.

Ed Blackman, Fiscal Officer, Gallatin County, presented a letter from the Gallatin County Commissioners expressing opposition to HB 586. EXHIBIT 3.

Barry Michelotti, Cascade County Sheriff, said the affect would be disastrous to county sheriffs' departments. He enumerated the

services the Cascade County Sheriff provides to residents of the City of Great Falls. He said the bill would place a tremendous financial burden on taxpayers outside of incorporated cities and towns, and the result would be massive layoffs.

James S. Freeman, Weed Supervisor, Cascade County Weed and Mosquito Management District, strongly opposed the bill and urged the Committee to vote no on HB 586. A copy of his testimony is attached. EXHIBIT 4.

Bob Stephens, Montana Grain Growers, rose in opposition to the bill.

John Bloomquist, Montana Stockgrowers, said that for all the reasons previously presented, he would oppose HB 586.

John Strandell, Cascade County Under-Sheriff, said that if this bill were to pass, it would effectively kill the Cascade County jail bond issue which was recently passed. The entire cost of the jail would be placed on rural residents which would be unacceptable. He said the bill would promote consolidation and he urged the Committee not to pass legislation supporting that issue because it should be left to the local voters.

Letters in opposition to HB 586 were received from **Bill Rappold, Chairman, Pondera County Commissioners**, and **Ronald Mason, Finance Director, City of Missoula**. EXHIBITS 5 and 6.

Questions From Committee Members and Responses:

REP. HARPER said some of the opponents had labeled the bill a "slap in the face" and he didn't think that was fair because the bill should be put into context with what Rep. Wyatt was trying to do. He said her intent was to raise the issue of fairness between taxpayers in cities and counties and often the only way issues can be raised is in the context of a bill. Without objection, he asked Mr. Hanson to comment on what he thought would be a true balance between services received and taxes paid by city dwellers and county dwellers. **Alec Hanson, Executive Director, Montana League of Cities and Towns**, said a similar bill was presented to the Legislature in 1981 and 19 county sheriffs appeared at the hearing in opposition to the bill. He said there was an element of fairness in the bill because city taxpayers do pay for a lot of county services that they don't receive. A consolidation of city and county law enforcement would be one solution. The services provided to city dwellers sometimes are not worth the price they must pay and the issue should be discussed.

REP. RANEY said he thought the bill had merit and complimented Rep. Wyatt for bringing it forward. He asked who paid for streets and bridges in a city.

{Tape: 1; Side: B.}

Mr. Morris replied that city dwellers do not pay for county roads but do pay for bridges because the county has the responsibility to maintain all bridges within a county, including those within a city.

REP. RANEY asked for clarification on police and sheriff departments' responsibilities. **Mr. Morris** said that area is more difficult to break down but city people do receive services directly from the sheriff's department such as services to the courts, jails, felony investigations, patrol and investigations in general. He said this is the area that needs the most investigation by way of interlocal agreements and cooperation in terms of the overall public safety issue. He said cities don't provide jail services, court bailiff services, process serving, and many other services that are provided by the county.

REP. RANEY asked what services were paid for by city residents that could be considered unfair. **Mr. Hanson** said law enforcement was the biggest issue. For example, Cascade County sued the City of Great Falls to require the city to pay the county for the use of the county jail, when the majority of the money for the county jail budget is collected in the City of Great Falls. Rural people do use city services, they spend their money in the cities which the cities appreciate, but at the same time, the people who live inside the city are paying more than they reasonably need for county services. There is an equity and fairness issue and that is why there have been so many annexation bills. People don't fight annexation because they don't like the idea of living in the city -- they fight it because they don't want to pay the taxes.

REP. JORE asked if the problem could be that government has been allowed to become "all things for all people" and government should not be involved because they could be better served by the private sector. **REP. WYATT** said she believed that Montanans want to pay for services they need and they are willing to debate whether those services are quality and efficiently delivered, but they also want accountability. She said HB 586 may go too far in order to make a point. She said she was not interested in consolidating city and county law enforcement and that was not her intent in sponsoring the bill. She said she wanted it understood that city residents pay for services they don't need, don't want, or don't receive. Privatization could address some issues, and that has happened in several instances. She said this is not a ludicrous bill. It is an issue that 128 cities and towns and all the people who live in them need to think about.

REP. ELLIOTT asked **Mr. Morris** to address city-county consolidation. **Mr. Morris** said his experience had been with law enforcement and the departments were brought together under the terms of an interlocal agreement which would contain the command structure, supervisory role of the city and the county, and the funding mechanism. He said that under a Montana statute rarely used, the counties do have the authority to provide public safety

services throughout the county by way of a public safety department. This method has been used in two instances in Montana and eliminates the need for municipal public safety services.

REP. ARNOTT asked if it was true that the rural areas were paying a disproportionate amount of tax in order to fund urban schools. Mr. Morris said he would agree that it was true.

{Tape: 2; Side: A.}

REP. REAM asked if the bridges across the Clark Fork River in Missoula were maintained by the county. Mr. Hanson said most of them are on state highways.

Discussion followed relative to the effects of city-county consolidation, annexation, and/or interlocal agreements on law enforcement, bridges, fire service, garbage disposal, and water and sewer issues.

In response, REP. WYATT stated that there are a lot of problems, not only in Missoula and Great Falls. What must be determined is the symbiotic relationship between the counties and cities.

REP. WELLS asked if the Montana Taxpayers' Association received many complaints from people living in cities paying county taxes. Dennis Burr, Montana Taxpayers Association, said that, personally, he gets a lot of complaints from the City of Helena because the citizens of Jefferson County use its facilities and don't pay for them. However, the citizens of Jefferson County also complain when the citizens of Lewis and Clark County use their services. He said he had not testified on the bill and did not wish to comment further.

Closing by Sponsor:

REP. WYATT thanked the Committee for a good hearing. Again, she reminded the Committee that the bill would provide a \$50-\$70 tax return to the people of the 128 incorporated cities, representing the majority of the people residing in the State of Montana.

EXECUTIVE ACTION ON HB 545

Motion:

REP. HANSON MOVED THAT HB 545 DO PASS.

Discussion:

Mr. Heiman said there were amendments to the bill, requested by the Department of Revenue, which would start the property tax exemption for handicapped improvements at the beginning of the tax year and changes the bill so that it would apply to both new

and existing buildings where there is a specific improvement associated with handicap access. EXHIBIT 7.

REP. STORY said that technically there might be a tax impact.

REP. ELLIOTT said the American Disabilities Act was the most expensive thing this country has ever undertaken for the benefit of the least number of people. He said disabled persons should have access and adding it to a building does add value to the property. The entire philosophy is that property should be taxed on its value. He said he was in a "conundrum" about this bill.

REP. STORY said it was a nice idea to give the tax credit and some of the improvements might make it easier for the handicapped, but they would also make the building more accessible for everyone else and could be a good business investment.

Motion/Vote:

REP. MURDOCK MOVED THAT THE AMENDMENTS BE ADOPTED. The motion passed unanimously.

Motion\Vote:

REP. HANSON MOVED THAT HB 545 AS AMENDED DO PASS.

Discussion:

REP. WENNEMAR said he would support the bill. Handicap access is a federal mandate on business and the value of widening a door or adding a ramp do not add a lot of value to a building.

Vote:

On a voice vote, the motion passed 16 - 4.

EXECUTIVE ACTION ON 562

Motion:

REP. WENNEMAR MOVED THAT HB 562 DO PASS.

Discussion:

REP. WENNEMAR said there were amendments to the bill. EXHIBIT 8. He said it would be necessary to segregate the amendments because to pass them all would be contradictory. He said the first amendment was a technical correction.

Motion/Vote:

REP. WENNEMAR MOVED TO ADOPT THE TECHNICAL AMENDMENT. The motion passed unanimously.

Discussion:

REP. WENNEMAR said that during the hearing there were questions relative to how the land under a greenhouse and the greenhouse should be treated for taxation purposes. He said three amendments had been prepared as indicated in EXHIBIT 8 and the choices would be: (1) greenhouse and land under the greenhouse would be "agricultural land"; (2) just the land under the greenhouse would be "agricultural land"; (3) neither the land under the greenhouse or the greenhouse would be considered "agricultural land."

REP. ELLIOTT said the fundamental problem was identifying agricultural activity. He referred to SB 207 which identifies agricultural activities as "the condition of activities that occurs on land classified as agricultural land for taxation purposes and occurs in connection with commercial production of farm products and includes, but is not limited to. . . plant, nursery, and commercial greenhouse activities." He said he had been asked to carry the bill in 1991 because a nurseryman in Sanders County had many different tax classifications on his land. He asked if, under existing law, any building is classed as agriculture. Randy Wilke, DOR, said that if there was a commercial enterprise, regardless of the acreage, the building would be segregated out as commercial.

REP. STORY spoke against all three version of the amendment for the reasons alluded to in the testimony. He compared a greenhouse to a feed lot and commented that even the land a farmer's house is on is not classified as agricultural. He said the main reason the proponents of the bill came in was not because of tax policy but more to do with getting an agricultural classification so they could be included as an agricultural property to protect them from zoning regulations.

{Tape: 2; Side: B.}

Motion:

REP. SOMERVILLE MOVED TO ADOPT THE SECOND AMENDMENT WHICH WOULD CLASSIFY THE LAND UNDER THE GREENHOUSE AS AGRICULTURAL LAND.

Discussion:

REP. SOMERVILLE said this amendment would put the classification back to where it was prior to 1991. With the growth of cities toward rural areas, this classification would provide some protection for nurserymen who do not have agricultural status.

He said this would help to maintain a viable Montana industry that could not be forced out of a city.

In response to an inquiry from Rep. Elliott, **CHAIRMAN HIBBARD** agreed that it would be difficult to discuss the amendment without also discussing the bill because the amendments will affect the bill and, for that reason, he said it would be appropriate to discuss both.

REP. ELLIOTT asked why the nurserymen were not able to take advantage of the existing law if they produce more than \$1,500. **Mr. Wilke** said that under existing law they must produce more than \$1,500 and own at least 10 acres. **REP. ELLIOTT** said he would suggest restricting the language to the actual production of crops in the soil on the land.

REP. REAM asked if the ten-acre restriction were struck from the bill, if the land would be classified as agricultural. **Mr. Wilke** said he believed it would. **REP. REAM** said if there was a problem, it was the \$1,500 income level and it would be up to the Committee to decide what the income level should be. The nursery people should not be treated differently.

REP. ROSE said he agreed that the income level was the problem. He said he would prefer the third option which would not classify either the greenhouse or the land as agricultural.

REP. WENNEMAR said that in considering the definition, the Committee should take into consideration Montana's short growing season and the difficulty the nurserymen have in competing with growers in Oregon where the growing season is twice as long and and they have an agricultural tax designation.

REP. BOHLINGER said he would favor identifying the land under the greenhouse as agricultural land. There is historical evidence that many of these greenhouses were engaged in agriculture and the cities have grown around them.

REP. ELLIOTT said he thought the reason the ten acres was included in the bill was at the request of the sod farms.

Motion:

REP. ELLIOTT MOVED TO STRIKE SECTION 8 FROM THE BILL.

Discussion:

REP. REAM said he would favor this amendment. He asked how the greenhouses would be classified with this amendment. **Mr. Wilke** said the greenhouse and the land would be classified as commercial.

REP. ELLIOTT said he would modify the amendment to include striking "except as provided in sub-section 8" on page 2, line 4, and the title.

REP. SOMERVILLE said he liked the idea but he still thought the land the greenhouse sits on should be considered agricultural.

REP. ARNOTT said she was not sure what the implication of the amendment would be. She said this would allow agricultural status to those with under ten acres if they produced over \$1,500. She said there are individuals with 140 acres who cannot get the same status because they cannot produce that amount of income.

CHAIRMAN HIBBARD explained that the bill applies only to ornamental, nursery, or horticultural crops and the limitations have been debated at length. Whether the level is correct is the subject of another debate.

REP. HANSON said all of Rep. Wennemar's concerns are addressed in SB 207 because it includes a definition of farm crops and HB 562 was unnecessary.

REP. STORY said SB 207 would be codified in the section of the law dealing with zoning so the definitions would not appear in tax law. He said he agreed with Rep. Elliott's amendment.

REP. WENNEMAR said he would agree with the amendment. The major reason he was carrying the bill was that there was no consistency in the appraisers' offices. If all nurseries were brought into compliance under the tax structure, there would be a more honest competition between nurseries.

{Tape: 3; Side: A.}

Vote:

On a voice vote, the Elliott amendment was adopted unanimously.

Motion:

REP. REAM MOVED THAT HB 562 AS AMENDED DO PASS.

Discussion:

REP. ELLIOTT asked if the Committee wanted to discuss the \$1,500 income level. CHAIRMAN HIBBARD said he believed any change in that figure would require another hearing. He then asked the representative of the DOR what the affect of the bill, as amended, would be on a greenhouse that did not own any additional land.

Mr. Wilke said the greenhouse and the land under it would be classified as commercial.

REP. STORY said Rep. Wennemar's concern was that there was discrepancy in the appraiser's office on classification.

REP. ELLIOTT said that in a conversation with some of the nurserymen, they had indicated that they understood the reasons greenhouses were classified as commercial property.

Vote:

On a voice vote, the do pass as amended motion passed, 17 - 3.

EXECUTIVE ACTION ON SB 75

CHAIRMAN HIBBARD announced that SB 75 had been held in the Committee in anticipation of receiving other health care bills which might have tax implications. He said he had been informed that those bills would not be rereferred to the Taxation Committee and SB 75 would be dealt with on its own merit.

Motion:

REP. ARNOTT MOVED THAT SB 75 DO PASS.

Discussion:

REP. REAM said the bill should be considered separately from any other health care bills. The bill clarifies language.

REP. RANEY said that HB 85, now in the Health Care Committee, would cover the provisions proposed in SB 75.

REP. WENNEMAR said the bill was too narrowly focused.

REP. HANSON commented that the bill was targeted for low income people who probably would not pay income tax and, since the bill provides an income tax deduction, it would not be of any help to those individuals.

REP. SOMERVILLE said that the people he had talked with who were faced with the problem of costs for oxygen did not pay income tax.

REP. HARPER said the reason this bill is different from the other health care bills is that it relates to something that is necessary every second for the people to survive.

Substitute Motion/Vote:

REP. ROSE MOVED TO TABLE SB 75. On a voice vote, the motion passed 18 - 2.

EXECUTIVE ACTION ON SB 393

Motion:

REP. ELLIOTT MOVED THAT SB 393 BE CONCURRED IN.

Discussion:

REP. ELLIOTT said the proposal seemed fair. If a person is going to join a class action suit, the person should have filed a protest along with paying the tax.

REP. FUCHS said the bill would require that everyone send a letter with their tax payment saying they are filing a protest "just in case" a class action is filed.

REP. WENNEMAR said the bill establishes a procedure and he would support the bill. The bill would close a loophole.

REP. ELLIOTT said the reasons the bill was brought forward was to clarify who could be a member of a class action suit and brings all taxpayers into conformity, and it provides that protested taxes are deposited in an escrow account to be used in the event the protester wins and settlements would not have to be made from the general fund of the taxing jurisdiction.

REP. REAM commented that someone had remarked that in the Great Falls case that prompted this legislation, the only person who came out well was the attorney who was paid \$673,000.

Vote:

On a voice vote, the be concurred in motion passed, 15 - 5.

EXECUTIVE ACTION ON HB 586

CHAIRMAN HIBBARD asked if there were any objections to executive action on HB 586 heard earlier in the meeting. There were no objections.

Motion:

REP. BOHLINGER MOVED THAT HB 586 DO PASS.

Discussion:

REP. BOHLINGER said Rep. Wyatt had brought forth an idea that needs exploration. There are serious questions about what is fair and he did not think the entire list she had suggested should be tax exempt but there should be discussion.

REP. SOMERVILLE spoke in favor of the concept contained in the bill. There are tax inequities between the cities and counties in certain areas. He said that after listening to testimony he could see good reasons for consolidation of police and sheriffs' departments, as well as other county services in some areas. He said he could not vote for the bill but there are many issues that need discussion.

REP. STORY spoke against the bill because it addresses issues that should be resolved locally. It would be very difficult to determine how to apportion who pays for a service and who uses the service.

REP. HANSON said the bill would divide the rural and the urban and she could not support it.

REP. MURDOCK opposed the bill and said many things they do in her county are cooperative and there are things that might not get done because neither the city or the county would take the responsibility.

REP. WELLS said the basic motive was good but there is a lot of unfairness in taxing. For instance, he said he pays a lot of taxes to educate the neighbor's kids. His district is half urban and half rural and he could see no way to separate the taxes. The system is not perfect but this legislation would not improve it.

Substitute Motion/Vote:

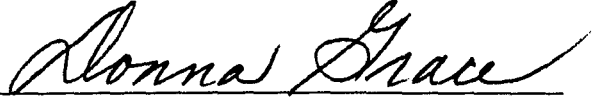
REP. ELLIOTT MOVED TO TABLE THE BILL. On a voice vote, the motion passed 16 - 4.

ADJOURNMENT

Adjournment: 10:55 a.m.



CHASE HIBBARD, Chairman



DONNA GRACE, Secretary

CH/dg

HOUSE OF REPRESENTATIVES

Taxation

ROLL CALL

DATE March 10, 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 10, 1995

Page 1 of 2

Mr. Speaker: We, the committee on Taxation report that House Bill 545 (first reading copy -- white) do pass as amended.

Signed: _____

A handwritten signature in dark ink, appearing to read "Chase Hibbard", is written over a horizontal line.

Chase Hibbard, Chair

And, that such amendments read:

1. Title, line 5.

Strike: "EXISTING"

2. Title, lines 6 and 7.

Strike: "; AND" on line 6 through "DATE" on line 7

3. Page 1, line 12.

Strike: "Improvements"

Insert: "Any additional value associated with specific improvements"

Following: "existing"

Insert: "or new"

Following: "building"

Insert: ", after December 31, 1995,"

4. Page 1, lines 13 and 14.

Strike: "be used to"

5. Page 1, line 15.

Following: "section"

Insert: "by March 1 of the tax year for which the exemption is sought"

6. Page 1, line 26 through 30.

Strike: subsection (4) in its entirety

Committee Vote:

Yes 16, No 4.

561235SC.Hbk

7. Page 2, lines 5 through 7.
Strike: section 3 in its entirety

-END-



HOUSE STANDING COMMITTEE REPORT

March 10, 1995

Page 1 of 1

Mr. Speaker: We, the committee on **Taxation** report that **House Bill 562** (first reading copy -- white) do pass as amended.

Signed: _____

Chase Hibbard, Chair

And, that such amendments read:

1. Title, line 4.

Strike: "CHANGING"

Insert: "DELETING"

2. Title, lines 5 and 6.

Strike: "FROM" on line 5

Insert: "THAT REQUIRED"

Strike: "TO" on line 5 through "FROM" on line 6

Insert: "IN"

3. Page 2, line 4.

Strike: "Except as provided in subsection (8), contiguous"

Insert: "Contiguous"

4. Page 2, line 28 through page 3, line 3.

Strike: subsection (8) in its entirety

-END-

Committee Vote:

Yes 17, No 3

561233SC.Hbk




HOUSE STANDING COMMITTEE REPORT

March 10, 1995

Page 1 of 1

Mr. Speaker: We, the committee on **Taxation** report that **Senate Bill 393** (third reading copy -- blue) be concurred in.

Signed: 
Chase Hibbard, Chair

Carried by: Rep. Sommerville

Committee Vote:
Yes 15, No 5.

561403SC.Hbk

HOUSE OF REPRESENTATIVES

ROLL CALL VOTE

DATE 3/10/95 BILL NO. 562 NUMBER

MOTION: _____

NAME	YES	NO
Vice Chairman Marian Hanson		
Vice Chairman 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 DEBATE

3/10/95 - FRIDAY

I LEAVE MY PROXY WITH REP.
JORE ON ALL BILLS AND
AMENDMENTS.

Sf On

Proxy for 3/10/95
House Gay Cmt.

Vote me with
Marion Hansen, if
she is present; other-
wise Chase Hibbard.

Rep. Sam Nelson

Proposed Law

DATE

3/10/95

HB

586

		Tax Liability for County and City		
		\$50,000	\$80,000	\$100,000
		Home	Home	Home
<i>In Great Falls</i>				
	<u>TY94 Mills</u>			
County Mills				
General Fund	0.00	\$0.00	\$0.00	\$0.00
Bridge	0.00	\$0.00	\$0.00	\$0.00
Recreation for Elderly	0.00	\$0.00	\$0.00	\$0.00
Parks, Museums,.....	0.00	\$0.00	\$0.00	\$0.00
Ag Extension	0.00	\$0.00	\$0.00	\$0.00
Insect Pest Control	0.00	\$0.00	\$0.00	\$0.00
Noxious Weeds	0.00	\$0.00	\$0.00	\$0.00
Other	31.48	\$60.76	\$97.21	\$121.51
TOTAL COUNTY	31.48	\$60.76	\$97.21	\$121.51
City Mills		88.83	\$171.44	\$274.31
TOTAL CITY AND COUNTY	120.31	\$232.20	\$371.52	\$464.40
<i>In Ulm</i>				
	<u>TY94 Mills</u>			
County Mills				
Mills paid by City/Town Propety	69.68	\$134.48	\$215.17	\$268.96
Road	17.48	\$33.74	\$53.98	\$67.47
Library	5.12	\$9.88	\$15.81	\$19.76
Planning	1.53	\$2.95	\$4.72	\$5.91
Health	4.50	\$8.69	\$13.90	\$17.37
TOTAL COUNTY	98.31	\$189.74	\$303.58	\$379.48
City Mills		0.00	\$0.00	\$0.00
TOTAL CITY AND COUNTY	98.31	\$189.74	\$303.58	\$379.48

This analysis assumes that the affected mill levies remain unchanged even though the tax bases for the mill levies may have decreased.

County of Carbon

Red Lodge, Montana

EXHIBIT 2
DATE 3/10/95
HB 586

TO: Rep. Chase Hibbard, Chair, (H) Taxation

FROM: Mona Nutting
Chairman, Carbon Co. Commissioners

RE: HB 586 Rep. Wyatt, Sponsor

When I read HB 586, my hair stood straight on end!!!

Will the county treasurer only license vehicles for residents outside incorporated cities/towns?

Will the Clerk & Recorder record deeds only for county residents?

Will the Sheriff's deputies stop at the incorporated boundaries when called to back up city/town law enforcement?

And on and on and on.

Our county evaluation presently is \$19,496, 695.
Carving out the evaluations for Red Lodge, Bridger, Joliet and Fromberg would be \$4,357,481.-----leaving a reduction of approx. 22%.

This is ludicrous and we urge you to vote NO on HB 586.

Mona Nutting, Chair

Bon Taylor, Member

John Prinkki, Member

Sanders County

State of Montana



March 9, 1995

TO: House Taxation Committee

ATTENTION: Chase Hibbard, Chairman


Regarding House Bill 586 introduced by Representative Diana Wyatt....This is a PRACTICAL JOKE, right?

Sincerely,

BOARD OF COUNTY COMMISSIONERS
Sanders County, Montana


Cherie Hooten, Chairman


Stephen D. Wheat, Member


Carol Brooker, Member



County of Stillwater State of Montana

BOARD OF COUNTY COMMISSIONERS

P.O. Box 147

Columbus, Montana 59019

House Taxation Committee
Capitol Station
Helena, MT 59620

March 9, 1995

RE: **OPPOSE HB 586**

Members of House Taxation Committee:

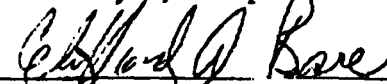
THIS IS THE MOST IRRESPONSIBLE BILL WE HAVE REVIEWED THIS SESSION !

Proposed changes contained in HB 586, represent a significant departure from the long standing methods of county taxation of properties located in municipalities. These proposed changes will have a significant fiscal impact to counties. Using current figures, this would be a loss of \$139,550 annually in Stillwater County and adversely impact a variety community services including hospital maintenance, fire control, law enforcement, district court, justice court, county attorney, commissioners, clerk & recorder, treasurer, planning, sanitarian, mental health, library, bridges, and civil defense. Please vote no on HB 586.

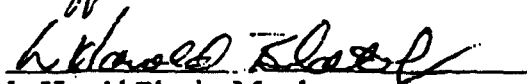
Sincerely,

BOARD OF COUNTY COMMISSIONERS

Vicki J. Hyatt, Chairperson



Clifford A. Bare, Member



L. Harold Blattie, Member

OPPOSE HB 586!

MAR 09 '95 12:37PM MSLA COUNTY
MISSOULA
COUNTYBOARD OF COUNTY COMMISSIONERS
200 W BROADWAY ST
MISSOULA MT 59802-4292BCC 95-105
March 9, 1995

(406) 721-5700

Representative Chase Hibbard, Chairman
House Taxation Committee
Montana State Legislature
Helena, MT 59620

Dear Representative Hibbard and Committee Members,

We are writing in opposition to HB 586 which limits certain County mill levies to the taxable value of property located outside of incorporated cities and towns.


This legislation would cripple Missoula County and all other Montana counties with large incorporated cities. If this bill becomes law we see a very real possibility of rampant, widespread development and need for infrastructure and services for which we would be unable to provide. The reason we know this would occur is because the tax rate would be less in the outlying areas.

Our responsibilities to maintain and provide for the public health, welfare and safety of our residents are not taken lightly in Missoula County. If we were only allowed to levy taxes on the part of the County *outside* the incorporated City of Missoula, we would lose more than half of our revenue, while still being mandated to continue to provide full service in the Treasurer's Office, collecting taxes for *all* jurisdictions, including those of the incorporated City; collecting fees for motor vehicle license plates; providing 9-1-1 operations; providing services from the Clerk and Recorder's Department; the Civil Department in the Sheriff's Office; paying for Elections, etc. All these services and more would continue to be required of the County with no reimbursement procedure from City residents for their use of mandated County Services. This bill encourages the use of Interlocal Agreements to provide the service, but provides no revenue to fund the service.

We urge you to vote "no" on this bill.

Sincerely,

BOARD OF COUNTY COMMISSIONERS


Barbara Evans, Chairman

Not Available for Signature
Fern Haft, Commissioner


Michael Kennedy, Commissioner

BCC/SS:ss
cc: MACo

BOARD OF COUNTY COMMISSIONERS

TETON COUNTY

STATE OF MONTANA

DISTRICT #2, CHOTEAU

C. ALBERT CARLSON

P.O. BOX 610

CHOTEAU, MONTANA 59422

466-2151 OFFICE LINE 466-2138 FAX LINE

DISTRICT #1, FAIRFIELD

ROBERT P. KRAUSE

DISTRICT #3, DUTTON

ADAM F. DAHLMAN

March 9, 1995

TO: MACo. - GORDON MORRIS, EXECUTIVE DIRECTOR
FAX No. 1-406-442-5238

FROM: TETON COUNTY COMMISSIONERS

RE: OPPOSE H.B. 586

Teton County is definitely opposed to House Bill 586! If this bill were to pass, our county would be forced to cease operations! Services would have to be provided to the public - but no funding would be available to furnish them.

Sincerely,

TETON COUNTY COMMISSIONERS

Robert Krause
Robert Krause, Chairman

C. Albert Carlson
C. Albert Carlson, Vice-Chairman

Adam F. Dahlman
Adam F. Dahlman, Member

COUNTY COMMISSIONERS

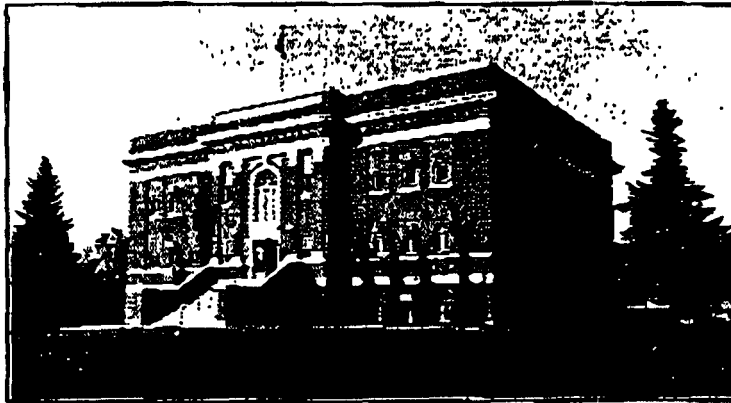
WAYNE C. STAHL
Saco, Montana

CAROL KIENENBERGER
Dodson, Montana

FRANCIS V. JACOBS
Malta, Montana

Clerk & Recorder
LAUREL N. HINES

Treasurer/Assessor
JEAN MAVENCAMP

PHILLIPS COUNTY

Malta, Montana 59538

Sheriff/Coroner
GENE PEIGNEUX

Clerk of Court
FRANCES WEBB

Superintendent of School
GARY A. BADEN

County Attorney
EDWARD A. AMESTOY

Justice of Peace
GAYLE STAHL

District Judge
JOHN C. McKEON

March 9, 1995

House Taxation Committee
Capitol Staton
Helena, Mt 59620

TO: HOUSE TAXATION COMMITTEE
REPRESENTATIVE CHASE HIBBARD, CHAIRMAN

FROM: PHILLIPS COUNTY COMMISSIONERS

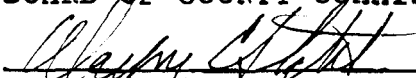
RE: OPPOSE HB 586

We totally oppose HB 586. This bill, which limits county mill levies to the taxable value of property located outside of incorporated cities and towns, is saying the citizens in those incorporated cities and towns are not part of the county and do not use any of the services provided by the county. This is absolutely wrong. No matter where they are located, the residents of a county use the services provided by all departments within the county, it includes law enforcement, senior citizens, weed control, library, sanitarian, planning, mental health, civil defense and many more.

In Phillips County, a rural county, this may be more evident than in urban counties. This bill would have a drastic effect on the funding of the county departments and likewise, the services all the citizens in rural areas need.

PLEASE VOTE NO ON HB 586.

Sincerely,
BOARD OF COUNTY COMMISSIONERS


Wayne Stahl, Chairman


Carol Kienenberger, Member


Francis Jacobs, Member

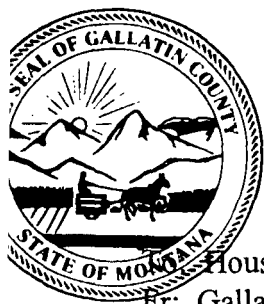


EXHIBIT 3
DATE 3/10/95
HB 586 County Commission

GALLATIN COUNTY

331 West Main, Rm. 301 • Bozeman, MT 59715

Kris Dunn
Jane Jelinski
Phil Olson

House Taxation Committee

Fr: Gallatin County Commissioners

Re: HB 586

Date: March 10, 1995

Phone (406) 582-3000

FAX (406) 582-3003

This is a letter of opposition to HB 586 which would exclude incorporated cities and towns from county tax levies. This bill ignores the multitude of services provided by counties to the cities in their jurisdiction. The county computes, collects, distributes and invests all taxes collected in all jurisdictions within the county. The county Clerk and Recorder maintains all records of property ownership, deeds, plats, liens, birth and death certificates and legal documents for all citizens. They conduct elections for all jurisdictions within the county. The Sheriff's department maintains the county jail for all convicted prisoners, dispatches for fire, ambulance and law enforcement and provides back-up and cooperation to city police. The County Attorney prosecutes all cases for the city and county. The District Courts try these cases. The County Clerk and Recorder maintains all marriage licenses, issues passports, and calls the juries for all court cases. The Youth Probation Office supervises all youth on probation and parole. The county Welfare Department services all citizens within the cities and county. The Justice Courts hear small claims not accepted for city residents and all civil cases. The Coroner investigates deaths of all persons. The Tax Appeal Board hears appeals for all residents. The Public Administrator administers the estates of all residents who die intestate. All bridges in cities and the county are maintained by the county bridge department. The Extension Agents serve all the citizens. Senior Citizens programs including Meals on Wheels, congregate meals and Senior Transportation serve all the citizens of the cities and county. The County Disaster and Emergency Services office provides planning and response to disasters to all citizens of the cities and county. The Motor Vehicle Department licenses all vehicles in the cities and county. The County Rest Home serves citizens of both cities and the county. City-County Health Departments inspect all restaurants inside and outside the city, immunize all children, administer state and federal health programs to all, license and inspect all septic systems, and investigate all cases of infectious diseases.

It is unreasonable and impossible to expect county residents to fund these essential government services which benefit all citizens in cities and counties. It is equally unreasonable to exempt city residents from financially contributing to these services which they utilize.

We urge you to defeat HB 586.

Respectfully submitted,

GALLATIN COUNTY COMMISSIONERS

Kris Dunn

Kris Dunn, Chairman

Jane Jelinski

Jane Jelinski, Member

Phil Olson

Phil Olson, Member

BEFORE THE HOUSE TAXATION COMMITTEE

3/10/1995

OPPOSITION TO H.B. 586

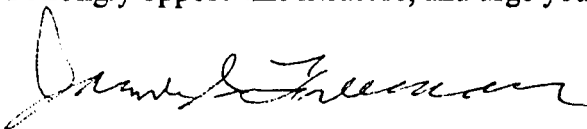
A good case could be made that passage of this bill would result in the mass dismantling of County government in Montana. A similar case could be made by each of the individual areas supported by the levies being considered for change in this bill. While I oppose the bill in its entirety, for the sake of time, I will only address the County Noxious Weed Fund specifically, while registering my opposition to changing any of the other funds addressed.

Superficially, it may appear to some that noxious weeds are strictly a rural problem. In fact, however, noxious weeds, regardless of where the plants may be located, are effecting each and every one of us through increased costs for food, fiber, and other products or activities that we require from the Earth. Noxious weeds decrease the productivity and usability of our lands, and they do not discriminate between urban, rural, public or private ownership. They decrease the opportunity for recreation just as effectively as they decrease the production in a crop. They present a constant threat to desirable vegetation in any situation whether it is a crop or a garden, a rangeland or a forest, an alley or a highway, a lawn or an endangered plant species.

Noxious weeds are spread from one area to another in many ways. Unfortunately the largest single identifiable carrier is people, and more specifically their movement and their equipment as they travel from place to place. The cities and towns in Montana are not free from noxious weeds, and movement of people and vehicles out of these areas is a continual source of infestation and reinfestation along our transportation routes and in and around their ultimate destinations.

To determine, as this bill seems to, that a problem which belongs to all of us, is increased by all of us, and is costing all of us in one way or another, should be controlled at the expense of a relative few of us, seems to me to be a lot less than fair and equitable government. Individuals living within the bounds of an incorporated city or town have every bit as much as responsibility for the control of noxious weeds as their rural neighbors.

I strongly oppose this measure, and urge you to vote no on House Bill 586.



James S. Freeman, Weed Supervisor
Cascade County Weed and Mosquito Management District

TO: REPRESENTATIVE CHASE HIBBARD, CHAIRMAN
HOUSE TAXATION COMMITTEE

MARCH 10, 1995

FM: BOARD OF COUNTY COMMISSIONERS
PONDERA COUNTY, MONTANA

SB: HOUSE BILL # 586

PONDERA COUNTY HAS REVIEWED THE ABOVE REFERENCED PIECE OF LEGISLATION AND WISHES TO GO "ON RECORD" AS OPPOSED TO ITS PASSAGE. OUR REASONS ARE AS FOLLOWS:

HOUSE BILL 586

A. GENERAL FUND

REMOVING THE GENERAL FUND FROM THE LEVY OF TAXES AGAINST RESIDENTS OF MUNICIPALITIES COULD MEAN THESE RESIDENTS OF THE COUNTY WOULD NOT HAVE ACCESS TO SUCH SERVICES AS THE CLERK AND RECORDER, TREASURER, JUSTICE OF THE PEACE, HEALTH SERVICES, OR LAW ENFORCEMENT. AS THE MUNICIPAL RESIDENTS ARE THE PRIMARY USERS OF THESE SERVICES HOW WOULD THEY PAY? WOULD COUNTIES THEN BILL CITIES AND TOWNS FOR THE SERVICES THEY PROVIDE? PERHAPS BASED UPON POPULATION?

B. SENIOR CITIZENS

THE RESIDENTS OF CITIES AND TOWNS ARE THE PRIMARY USERS OF THE SERVICES PROVIDED BY THE COUNTY.

C. LIBRARY

THE RESIDENTS OF CITIES AND TOWNS ARE THE PRIMARY USERS OF THE SERVICES PROVIDED BY THE COUNTY.

D. HOSPITAL

THE RESIDENTS OF CITIES AND TOWNS ARE THE PRIMARY USERS OF THE SERVICES PROVIDED BY THE COUNTY.

E. COUNTY PARKS


THE RESIDENTS OF CITIES AND TOWNS ARE THE PRIMARY USERS OF THE SERVICES PROVIDED BY THE COUNTY.


F. EXTENSION SERVICES

MANY OF THE PROGRAMS ARE DIRECTED TOWARD THE RESIDENTS OF THE CITIES AND TOWNS.

THESE ARE BUT A FEW EXAMPLES OF SERVICES USED BY MUNICIPAL RESIDENTS THAT WOULD HAVE TO BE DISCONTINUED OR DENIED. THE BILL MAKES NO PROVISION FOR THESE PEOPLE TO RECEIVE SERVICES PROVIDED BY THE COUNTY.

BOARD OF COUNTY COMMISSIONERS
PONDERA COUNTY, MONTANA


BILL RAPPOLD CHAIRMAN


BOB HOVDE, MEMBER



FINANCE/CITY CLERK OFFICE

435 RYMAN ST. • MISSOULA, MT 59802-4297 • (406) 523-4700
FAX (406) 728-6690

EXHIBIT 6
DATE 3/10/95
HB 586

FINANCE AND DEBT MANAGEMENT
BUDGET AND ANALYSIS
ACCOUNTING
CITY CLERK
UTILITY BILLING
RISK MANAGEMENT
GRANT ADMINISTRATION

March 9, 1995

The Honorable Chase Hibbard
Chairman of the House Taxation Committee
Montana State House of Representatives
P.O. Box 201702
Helena, MT 59620-1702

RE: HB 586

Dear Representative:

I am sending this letter in order to express my objections on HB 586 for the following reasons:

- ☞ Counties provide many non-duplicative services to cities, such as public services involving incarceration of prisoners arrested by city police and administrative services involving billing and collecting city taxes.
- ☞ Counties finance most of the services provided to cities via taxes levied on properties located within the cities.
- ☞ HB 586 would eliminate general fund and other taxes on properties located within cities; and consequently, the counties would be forced to reduce or eliminate services to the cities.
- ☞ If such services to cities are reduced or eliminated, then cities will have to underwrite the costs of such services while HB 586 makes no provision for cities to levy additional taxes.

The net effect of HB 586 would significantly degrade services within the cities and increase the fiscal stress that counties and cities are already experiencing.

If you should have any questions, please call me at 406-523-4604. Thank you for your consideration.

Sincerely,

Ronald K. Mason
Finance Director

RKM/rm

Amendments to House Bill 545
First Reading Copy

Prepared by Department of Revenue
3/ 8/95 3:12pm

REASONS FOR THE AMENDMENTS: These amendments make the bill effective in 1996 and make it apply to new buildings as well as existing buildings.

AMENDMENTS

1. Title, line 5.
Following: "MADE TO"
Strike: "EXISTING"
2. Title, line 6 and 7.
Following: "DISABILITIES"
Strike: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE"
3. Page 1, line 12.
Following: "(1)"
Strike: "Improvements made"
Insert: "Any additional value associated with specific improvements "
Following: "existing"
Insert: "or new"
Following: "building"
Insert: ", after December 31, 1995,"
4. Page 1, lines 13, and 14.
Following: "not" on line 13
Strike: "be used to"
5. Page 1, line 15.
Following: "section,"
Insert: "by March 1 of the tax year for which the exemption is sought,"
6. Page 1, lines 26 through 30.
Following: line 25
Strike: lines 26 through 30 in their entirety
7. Page 2, lines 5, 6 and 7.
Following: line 4
Strike: lines 5, 6 and 7.

Amendments to House Bill No. 562
First Reading Copy

For the Committee on Taxation

Prepared by Lee Heiman
March 7, 1995

Technical -- There is no class eleven property classification.

1. Page 3, lines 2 and 3.

Strike: "Improvements" on line 2 through "property." on line 3

Clarification of greenhouses -- pick one or leave unchanged (uses part of language struck by amendment 1.):

Greenhouse and land under the greenhouse is "agricultural land":

2. Page 3, lines 2 and 3.

Strike: "described" on line 2 through "property" on line 3

Insert: ", such as greenhouses and the property upon which they
are situated, are included as agricultural land under this
subsection"

Just the land under the greenhouse is "agricultural land":

3. Page 3, lines 2 and 3.

Strike: "Improvements" on line 2

Insert: "Land situated under improvements"

Strike: "described" on line 2 through "property" on line 3

Insert: ", such as greenhouses, are included as agricultural land
under this subsection"

*Neither the land under a greenhouse or the greenhouse are
considered "agricultural land":*

4. Page 3, lines 2 and 3.

Strike: "described" on line 2 through "property" on line 3

Insert: ", such as greenhouses and the property upon which they
are situated, may not be included as agricultural land under
this subsection"

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Location

COMMITTEE

BILL NO.

HB 586

DATE 3/10/95

SPONSOR(S)

Rep. Wyatt

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
JOHN STRANDELL	CASCADE COUNTY	586	*	
BARRY MICHELOTTI	CASCADE COUNTY SHERIFF	586	X	
Blake Wondal	Lewis & Clark Co.	586	X	
Gordon Morris	MA Co.	586	x	
JAMES S. FADEMAN	CASCADE CO. WREDS	586	X	
Bob Stephens	Mt. Grace Growers	586	X	
Edward S. Blackman	Gallatin Co.	586	X	
Jim Walsh	Whitefish	586		
John Stromquist	Mt. Stockgrowers	586	X	
Tony Harbaugh	Custer Co. Sheriff	586	X	
Bill Rappold	Pondera Co.	586	X	

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