

MINUTES

MONTANA SENATE 55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By CHAIRMAN GERRY DEVLIN, on January 14, 1997, at 8:00 a.m., in Room 415.

ROLL CALL

Members Present:

Sen. Gerry Devlin, Chairman (R)
Sen. Mike Foster, Vice Chairman (R)
Sen. Mack Cole (R)
Sen. Bob DePratu (R)
Sen. Dorothy Eck (D)
Sen. Wm. E. "Bill" Glaser (R)
Sen. Mike Sprague (R)
Sen. Barry "Spook" Stang (D)
Sen. Fred R. Van Valkenburg (D)

Members Excused: None

Members Absent: None

Staff Present: Jeff Martin, Legislative Services Division
Renée Podell, Committee Secretary

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

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB26 and SB57
Executive Action: None

HEARING ON SB 26

Sponsor: SEN. MACK COLE, SD 4 HYSHAM

Proponents: Patricia Cook, Montana County Treasurers
Sharon Ferguson, Department of Revenue
Carl Schweitzer, Montana Contractor's Association

Opponents: None

Opening Statement by Sponsor:

SEN. MACK COLE, SD 4, HYSHAM, explains SB 26 revises the classification and taxation of certain trailers, campers and truck toppers imposing a fee in lieu of ad valorem taxes on all trailers, pole trailers, and semitrailers having a declared

weight of less than 26,000 pounds. He states this is a method for simplifying and streamlining the licensing process bringing equity into place.

Proponents' Testimony:

Carl Schweitzer, Montana Contractor's Association, favors this legislation and requests the support of the committee.

Patricia Cook, Montana County Treasurers Association, states this legislation will improve services on the county level and is supported by the association.

Sharon Ferguson, Property Assessment Division, Department of Revenue, presents written testimony in support of this bill (EXHIBIT #1).

(Tape recorder froze-no recording available)

Opponents' Testimony: None

Questions From Committee Members and Responses:

SEN. MIKE FOSTER questions SEN COLE on why the effective date of January 1, 1998 was chosen.

SEN. COLE invites Ms. Ferguson to respond. Ms. Ferguson responds that this date allows the department to put everything into place.

SEN. DOROTHY ECK asks Ms. Ferguson why mobile homes are not included. Ms. Ferguson responds that mobile homes are already on the fee in lieu of taxes.

SEN. FOSTER points out that language found on Page 7 (Rules) needs to include the word "administration". SEN. COLE states it is his intent to have this wording in the statute.

SEN. COLE closes the hearing asking for support for SB 26.

HEARING ON SB 57

Sponsor: MIGNON WATERMAN, SD 26, HELENA

Proponents: Larry Finch, Research Division, Department of Revenue
David A. Galt, Montana Department of Transportation
Dan Wirak, Merganthaler Transfer
Bob Gilbert, Montana Tow Truck Association
Ben G. Havdahl, Montana Motor Carriers Association
Bob Stephens, Montana Grain Growers
Steve Turkiavic, Montana Auto Dealers Association
Gordon Morris, Montana Association of Counties

Dean Roberts, Department of Justice, Motor Vehicle
Division
Carl Schweitzer, Montana Contractor's Association
Patricia Cook, Montana Treasurer's Association
Sharon Ferguson, Department of Revenue

Opponents: Dennis Burr, MONTAX

Opening Statement by Sponsor:

SEN. MIGNON WATERMAN, SD 26, HELENA, presents this bill as an alternative approach to taxing light cars and trucks. She explains it is designed specifically to optimize property tax revenue neutrality overall for the combined revenue from both the new car sales tax and the property tax on used vehicles. SEN. WATERMAN states this bill will make it easier to license a vehicle by simplifying the process.

Larry Finch, Department of Revenue (DOR), offers (EXHIBIT #2 AND EXHIBIT #3) on SB 57 from the DOR office of research and information.

David A. Galt, Administrator, Motor Carrier Services Division, Department of Transportation, introduces (EXHIBIT #4).

Bob Gilbert, Montana Tow Truck Association, announces this is a fair bill giving the tax process certainty.

Gordon Morris, Montana Association of Counties (MACO), echoes the counties support for SB 57.

Ben G. Havdahl, Executive Vice President, Montana Motor Carriers Association, presents written testimony (EXHIBIT #5).

Bob Stephens, Montana Grain Growers, supports the time saving aspect of the bill.

Steve Turkiavic, Montana Auto Dealers Association, urged passage of SB 57.

Patricia Cook, Montana Treasurer's Association, reports that customers will no longer be required to go to multiple offices in the courthouse to license a vehicle. She states the process will be simplified when the DOR is not required to value motor vehicles for tax purposes.

Sharon Ferguson, Tax Appraisal Specialist, Property Assessment Division, Department of Revenue, presents (EXHIBIT #6).

Opponents' Testimony:

Dennis Burr, MONTAX, states SB 57 exempts trucks from the fee schedule. He feels the blue book is the best method of evaluation and its use should be continued. Mr. Burr contends

this bill is only for governmental administrative convenience and it does nothing for the taxpayers.

Questions From Committee Members and Responses:

CHAIRMAN DEVLIN questions Ms. Cook in regard to if her county commissioners are opposed to this bill. Ms. Cook states they are not opposed to it.

CHAIRMAN DEVLIN asks SEN. WATERMAN if the Revenue Oversight Committee meetings on this proposal were well attended and if any county commissioners attended. SEN. WATERMAN comments the meetings were well attended and that MACO representatives attended in the commissioners absences.

Closing by Sponsor:

SEN. WATERMAN closes the hearing on SB 57 stating government is people and when the process is streamlined, government is streamlined.

ADJOURNMENT

Adjournment: 9:26 a.m.


SEN. GERRY DEVLIN, Chairman


RENEE PODELL, Secretary

GD/RP