

MINUTES

MONTANA SENATE 55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN GERRY DEVLIN**, on April 15, 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)

Members Excused: Sen. Fred R. Van Valkenburg (D)

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: None
Executive Action: HB 597

EXECUTIVE ACTION ON HB 597

CHAIRMAN DEVLIN explained that HB 597 is tied into HB 195. If HB 195 was not passed, he would like to see HB 597 resurrected and at least protect the people who are looking at a 24% increase in grazing land taxes. They should be protected because all other lands did not go up that amount. Some went up 1/2% or 2% on dry land farming but this land runs up to 24%.

Motion: SEN. MACK COLE MOVED HB 597 BE CONCURRED IN.

Discussion:

SEN. COLE commented that irrigation land is 6% and dry land is 2 or 3%. Anything that comes through as relief on taxation will be tied to HB 195.

CHAIRMAN DEVLIN stated he spoke to **Jeff Martin** about an amendment wherein if it was declared invalid by the Court, it would go into force.

Amendments: hb059701.ajm - **EXHIBIT 1**

Mr. Martin explained that the amendments provide coordinating language with SB 300, which is a bill that came through this committee from **SEN. THOMAS** that the increase in the value of rental property wouldn't be subject to tax under class 4. It uses acquired costs so this is coordinating language.

Motion: **SEN. COLE** MOVED TO AMEND HB 579.

SEN. MIKE FOSTER contended that the amendment was harmless and if it needed to go back to the House for a conference committee, this amendment should handle that.

CHAIRMAN DEVLIN related that all he wanted to do was to protect this until the direction of HB 195 was established. If it was kept in committee, it would miss the deadline.

SEN. BILL GLASSER stated that on page 3, there is language about 4% to 2.47%. If in fact the increase is 24% statewide, that should say 3% instead 2.47%. The increase in the grazing land statewide is 23 plus percent. If that was changed to 3.04%, it would be a wash for the ag people.

Substitute Motion: **SEN. GLASER** MOVED TO AMEND HB 579.

CHAIRMAN DEVLIN explained the amendment. On page 3, line 7, the language would change from 2.47 to 3 percent.

SEN. GLASER WITHDREW HIS SUBSTITUTE MOTION.

Vote: THE MOTION TO AMEND HB 579 (hb059701.ajm) CARRIED with **SEN. STANG** voting no.

Motion: **SEN. GLASER** MOVED TO FURTHER AMEND HB 579.

SEN. GLASER explained this would change the language on page 2, line 3 from 2.47 to a straight 3 percent.

SEN. FOSTER explained that the insertion here is that 2.47% is an inaccurate percentage level and 3% is accurate. He would like the Department to verify that.

John Bloomquist explained the 2.47% number came from the Department of Revenue as an offset to bring Class 6 to that level to offset the increase in the grazing land. The 2.47 was to have neutrality.

SEN. FOSTER commented that **SEN. GLASER** is saying that that is not true.

SEN. COLE stated that maybe 2.47 was the correct figure.

CHAIRMAN DEVLIN explained that his sense of the committee is that they wanted to keep it neutral.

Vote: THE MOTION FAILED with a three to five vote.

SEN. BARRY STANG commented that the amendment probably should have gone on with coordinating instructions from another bill. What guarantees do we have that they will reject the amendments and hold up the bill? He felt that this would not only allow a reduction from HB 195, but also a reduction in their rate also. If we send this bill back it might be sent to the Governor's Office.

Amendments: hb059701.ajm - EXHIBIT 2

Motion: SEN. STANG MOVED TO FURTHER AMEND HB 597.

Vote: THE MOTION CARRIED WITH SEN. FOSTER voting no.

SEN. GLASER asked if ag grass land was in HB 195?

Mr. Martin stated that all ag land was in HB 195.

Motion: SEN. MIKE SPRAGUE MOVED HB 597 BE CONCURRED IN AS AMENDED.

Vote: THE MOTION CARRIED UNANIMOUSLY.

SEN. DOROTHY ECK commented that the committee had not acted on the mini resolution - EXHIBIT 3 (Revenue Oversight Committee monitor new restaurant beer and wine license.)

Mr. Martin explained that it was drafted but he hadn't received any response from the committee.

SEN. DEVLIN contended that it had been accepted by the committee. It received the 3/4 vote for drafting.

SEN. ECK expressed concern that it hadn't been introduced.

SEN. FOSTER asked Mr. Martin if this had been run by Dave Boyer?

Mr. Martin felt that rule did not apply to a study resolution because you could not make an appropriation in a resolution.

SEN. FOSTER questioned whether it stated "request" or "direct" that the Revenue Oversight Committee be assigned.

Mr. Martin explained that it stated "be resolved that the Revenue Oversight be assigned."

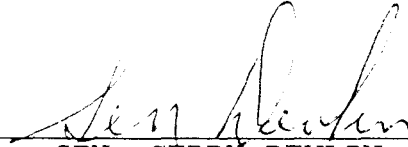
SEN. ECK stated they could use the word "requested".

SEN. FOSTER suggested it be put in terms of the Revenue Oversight Committee considering to do this study. If they have to do it and it is beyond their budget, we will have trouble.

Mr. Martin stated he could use the word "request".

ADJOURNMENT

Adjournment: The meeting adjourned at 8:30 a.m.



SEN. GERRY DEVLIN, Chairman



RENEE PODELL, Secretary



Transcribed by Judy J. Keintz

GD/RP