

HOUSE BILL NO. 761

INTRODUCED BY MOORE, HANSEN, LYNCH, CONNELLY, GIACOMETTO,
SIMON, KOEHNKE, COBB, IVERSON, MEYER, GRADY, CODY,
COHEN, PIPINICH, BROOKE, O'CONNELL, O'KEEFE,
KIMBERLEY, HARPER

IN THE HOUSE

MARCH 7, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON APPROPRIATIONS.
MARCH 8, 1989	FIRST READING.
MARCH 18, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 20, 1989	PRINTING REPORT.
MARCH 22, 1989	PASSED CONSIDERATION UNTIL THE 68TH LEGISLATIVE DAY.
MARCH 29, 1989	SECOND READING, DO PASS.
MARCH 30, 1989	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 76; NOES, 22.
	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 31, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON LOCAL GOVERNMENT.
	FIRST READING.
APRIL 6, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
APRIL 10, 1989	SECOND READING, CONCURRED IN.
APRIL 12, 1989	THIRD READING, CONCURRED IN. AYES, 44; NOES, 5.

RETURNED TO HOUSE.

IN THE HOUSE

APRIL 12, 1989

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *House* BILL NO. *761* *Synch*
 2 INTRODUCED BY *ant Moore*
 3 *Connelly* *Dianna* *Soren* *Koch*
 4 A BILL FOR AN ACT ENTITLED: *AN ACT ESTABLISHING AN INCOME*
 5 *Tax* VOLUNTARY CHECKOFF TO PROVIDE FUNDS FOR SEARCH AND
 6 RESCUE OPERATIONS; DESIGNATING THAT THE DEPARTMENT OF
 7 JUSTICE USE THE CHECKOFF REVENUE TO SUPPLEMENT FUNDING OF
 8 SEARCH AND RESCUE OPERATIONS CONDUCTED UNDER THE SUPERVISION
 9 OF COUNTY SHERIFFS' OFFICES; ESTABLISHING A SEARCH AND
 10 RESCUE ACCOUNT; APPROPRIATING MONEY FROM THE GENERAL FUND TO
 11 THE SEARCH AND RESCUE ACCOUNT; AND AMENDING SECTION
 12 7-32-235, MCA."

13
 14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 NEW SECTION. Section 1. Search and rescue account --
 16 administration. (1) There is a search and rescue account in
 17 the state special revenue fund provided for in 17-2-102.

18 (2) All money collected under [section 2] must be
 19 deposited in the account.

20 (3) Funds in the account must be used by the
 21 department of justice to defray costs of search and rescue
 22 missions conducted by units established or recognized under
 23 7-32-235, at a maximum of \$1,000 for each mission.

24 NEW SECTION. Section 2. Voluntary checkoff for search
 25 and rescue operations. (1) Each individual taxpayer who is

1 required to file an income tax return under Title 15,
 2 chapter 30, may contribute to the funding of search and
 3 rescue operations in Montana by marking the appropriate box
 4 on the state income tax return.

5 (2) The department of revenue shall include on each
 6 Montana state individual income tax return form a clear and
 7 conspicuous provision by which the taxpayer may indicate a
 8 contribution to search and rescue operations. The provision
 9 must be in substantially the following form:

10 Montana search and rescue funding. Check the
 11 appropriate blank if you wish to contribute 50 cents of your
 12 tax refund or add 50 cents to your tax payment to fund
 13 search and rescue operations in Montana. If a joint return,
 14 check the appropriate blank if your spouse wishes to
 15 contribute 50 cents for the same purpose.

16 (3) Money received under this section must be
 17 deposited in the search and rescue account established by
 18 [section 1].

19 **Section 3.** Section 7-32-235, MCA, is amended to read:

20 "7-32-235. Search and rescue units authorized -- under
 21 control of county sheriff -- optional funding. (1) A county
 22 may establish or recognize one or more search and rescue
 23 units within the county.

24 (2) Except in time of martial rule as provided in
 25 10-1-106, search and rescue units and their officers are

1 under the operational control and supervision of the county
2 sheriff having jurisdiction.

3 (3) A search and rescue unit established or recognized
4 under subsection (1) may apply to the department of justice
5 for funds from the account established under [section 1] to
6 defray costs of search and rescue operations, at a maximum
7 of \$1,000 for each search and rescue mission.

8 ~~{3}~~(4) A county may, after approval by a majority of
9 the people voting on the question at an election held
10 throughout the county, levy an annual tax of not more than 1
11 mill on each dollar of taxable value of all taxable property
12 within the county to support one or more search and rescue
13 units established or recognized under subsection (1)."

14 NEW SECTION. Section 4. Appropriation. There is
15 appropriated from the general fund for the biennium ending
16 June 30, 1991, \$25,000 to the department of justice to the
17 credit of the search and rescue account established in
18 [section 1]. All funds in the account are appropriated to
19 the department to defray costs of search and rescue missions
20 conducted by units established or recognized under 7-32-235.

21 NEW SECTION. Section 5. Extension of authority. Any
22 existing authority to make rules on the subject of the
23 provisions of [this act] is extended to the provisions of
24 [this act].

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB761, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An Act establishing an income tax voluntary checkoff to provide funds for search and rescue operations; designating that the Department of Justice use the checkoff revenue to supplement funding of search and rescue operations conducted under the supervision of county sheriffs' offices; establishing a search and rescue account; appropriating money from the General Fund to the Search and Rescue Account.

DEPARTMENT OF REVENUEASSUMPTIONS:

1. Approximately 1,800 individuals will use the checkoff in each year of the biennium. (Department of Revenue)
2. Each contribution will be \$0.50.
3. The proposal will increase Department of Revenue administrative expenditures \$16,697 in FY90, and \$2,187 in FY91.

FISCAL IMPACT:

	Current	FY90		Current	FY91	
	Law	Proposed	Difference	Law	Proposed	Difference
<u>Revenue Impact:</u>						
Search and Rescue Checkoff	\$ -0-	\$ 900	\$ 900	\$ -0-	\$ 900	\$ 900
<u>Expenditure Impact: (General Fund)</u>						
Personal Services	\$ -0-	\$ 11,407	\$ 11,407	\$ -0-	\$ 1,417	\$ 1,417
Operating Expenses	-0-	5,290	5,290	-0-	770	770
Total	\$ -0-	\$ 16,697	\$ 16,697	\$ -0-	\$ 2,187	\$ 2,187

TECHNICAL NOTE:

Currently, the Income Tax System is set up to collect only whole dollar amounts.

DEPARTMENT OF JUSTICEASSUMPTIONS:

1. There are 35 recognized search and rescue units in the state; and they perform 330 missions per year at an average cost of \$250 per mission.
2. Administrative costs for the Department of Justice would increase \$1,000 annually.

Dave Lewis

DATE 3/15/89

DAVE LEWIS, BUDGET DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING

Janet Moore

DATE 3-15-89

JANET MOORE, PRIMARY SPONSOR

Fiscal Note for HB761, as introduced

HB 761

Fiscal Note Request, HB761 as introduced
Form BD-15
Page 2

<u>FISCAL IMPACT:</u>						
	<u>Current</u>	<u>FY90</u>		<u>Current</u>	<u>FY91</u>	
<u>Expenditures:</u>	<u>Law</u>	<u>Proposed</u>	<u>Difference</u>	<u>Law</u>	<u>Proposed</u>	<u>Difference</u>
Search and Rescue Operations						
	\$ -0-	\$83,500	\$83,500	\$ -0-	\$83,500	\$83,500
<u>Funding:</u>						
General Fund Appropriation						
	\$ -0-	\$12,500	\$12,500	\$ -0-	\$12,500	\$12,500
Special Revenue Account						
Search and Rescue	\$ -0-	\$ 900	\$ 900	\$ -0-	\$ 900	\$ 900
Total	\$ -0-	\$13,400	\$13,400	\$ -0-	\$13,400	\$13,400

(NOTE: The above estimated search and rescue expenditures represent total costs assuming unlimited funding. However, actual expenditures would only be to the extend of available funding.)

HB 761

APPROVED BY COMMITTEE
ON APPROPRIATIONS

HOUSE BILL NO. 761

INTRODUCED BY MOORE, HANSEN, LYNCH, CONNELLY, GIACOMETTO,
SEVERSON, KOEHNKE, COBB, IVERSON, MEYER, GRADY, CODY,
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A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING AN INCOME
TAX VOLUNTARY CHECKOFF TO PROVIDE FUNDS FOR SEARCH AND
RESCUE OPERATIONS; DESIGNATING THAT THE DEPARTMENT OF
JUSTICE USE THE CHECKOFF REVENUE TO SUPPLEMENT FUNDING OF
SEARCH AND RESCUE OPERATIONS CONDUCTED UNDER THE SUPERVISION
OF COUNTY SHERIFFS' OFFICES; ESTABLISHING A SEARCH AND
RESCUE ACCOUNT; APPROPRIATING MONEY FROM THE GENERAL FUND
CHECKOFF FUNDS TO THE SEARCH-AND-RESCUE--ACCOUNT DEPARTMENT
OF JUSTICE; AND AMENDING SECTION 7-32-235, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Search and rescue account --
administration. (1) There is a search and rescue account in
the state special revenue fund provided for in 17-2-102.

(2) All money collected under [section 2] must be
deposited in the account.

(3) Funds in the account must be used by the
department of justice to defray costs of search and rescue
missions conducted by units established or recognized under

7-32-235, at a maximum of \$1,000 for each mission.

NEW SECTION. Section 2. Voluntary checkoff for search
and rescue operations. (1) Each individual taxpayer who is
required to file an income tax return under Title 15,
chapter 30, may contribute to the funding of search and
rescue operations in Montana by marking the appropriate box
on the state income tax return.

(2) The department of revenue shall include on each
Montana state individual income tax return form a clear and
conspicuous provision by which the taxpayer may indicate a
contribution to search and rescue operations. The provision
must be in substantially the following form:

Montana search and rescue funding. Check the
appropriate blank if you wish to contribute 50-cents \$1 of
your tax refund or add 50-cents \$1 to your tax payment to
fund search and rescue operations in Montana. If a joint
return, check the appropriate blank if your spouse wishes to
contribute 50-cents \$1 for the same purpose.

(3) Money received under this section must be
deposited in the search and rescue account established by
[section 1].

Section 3. Section 7-32-235, MCA, is amended to read:
"7-32-235. Search and rescue units authorized -- under
control of county sheriff -- optional funding. (1) A county
may establish or recognize one or more search and rescue

1 units within the county.

2 (2) Except in time of martial rule as provided in
3 10-1-106, search and rescue units and their officers are
4 under the operational control and supervision of the county
5 sheriff having jurisdiction.

6 (3) A WITH WRITTEN APPROVAL OF ITS COUNTY SHERIFF, A
7 search and rescue unit established or recognized under
8 subsection (1) may apply to the department of justice for
9 funds from the account established under [section 1] to
10 defray costs of search and rescue operations, at a maximum
11 of \$1,000 for each search and rescue mission.

12 ~~(3)~~(4) A county may, after approval by a majority of
13 the people voting on the question at an election held
14 throughout the county, levy an annual tax of not more than 1
15 mill on each dollar of taxable value of all taxable property
16 within the county to support one or more search and rescue
17 units established or recognized under subsection (1)."

18 NEW SECTION. Section 4. Appropriation. There is
19 appropriated from the general fund SEARCH AND RESCUE STATE
20 SPECIAL REVENUE ACCOUNT for the biennium ending June 30,
21 1991, \$25,000 to the department of justice to the credit of
22 the search and rescue account established in {section 1}.
23 All funds in the account are appropriated to the department
24 to defray costs of search and rescue missions conducted by
25 units established or recognized under 7-32-235.

1 NEW SECTION. Section 5. Extension of authority. Any
2 existing authority to make rules on the subject of the
3 provisions of [this act] is extended to the provisions of
4 [this act].

-End-

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20 SPECIAL REVENUE ACCOUNT for the biennium ending June 30,
21 1991, \$25,000 to the department of justice to-the-credit--of
22 the--search--and--rescue-account-established-in-{section-1}:
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25 units established or recognized under 7-32-235.

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9 funds from the account established under [section 1] to
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11 of \$1,000 for each search and rescue mission.

12 {3}(4) A county may, after approval by a majority of
13 the people voting on the question at an election held
14 throughout the county, levy an annual tax of not more than 1
15 mill on each dollar of taxable value of all taxable property
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17 units established or recognized under subsection (1)."

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19 appropriated from the general fund SEARCH AND RESCUE STATE
20 SPECIAL REVENUE ACCOUNT for the biennium ending June 30,
21 1991, \$25,000 to the department of justice to-the-credit--of
22 the--search--and--rescue-account-established-in-{section-i}-
23 All-funds-in-the-account-are-appropriated-to-the--department
24 to defray costs of search and rescue missions conducted by
25 units established or recognized under 7-32-235.

1 NEW SECTION. Section 5. Extension of authority. Any
2 existing authority to make rules on the subject of the
3 provisions of [this act] is extended to the provisions of
4 [this act].

-End-

State of Montana
Office of the Governor
Helena, Montana 59620
406-444-3111

STAN STEPHENS
GOVERNOR

April 20, 1989

The Honorable John Vincent
Speaker of the House
State Capitol
Helena, MT 59620

The Honorable Jack Galt
President of the Senate
State Capitol
Helena, MT 59620

Dear Representative Vincent and Senator Galt:

In accordance with the power vested in me as Governor by the Constitution and laws of the State of Montana, I hereby veto the adoption of House Bill 761, "AN ACT ESTABLISHING AN INCOME TAX VOLUNTARY CHECKOFF TO PROVIDE FUNDS FOR SEARCH AND RESCUE OPERATIONS; DESIGNATING THAT THE DEPARTMENT OF JUSTICE USE THE CHECKOFF REVENUE TO SUPPLEMENT FUNDING OF SEARCH AND RESCUE OPERATIONS CONDUCTED UNDER THE SUPERVISION OF COUNTY SHERIFFS' OFFICES; ESTABLISHING A SEARCH AND RESCUE ACCOUNT; APPROPRIATING CHECKOFF FUNDS TO THE DEPARTMENT OF JUSTICE; AND AMENDING SECTION 7-32-235, MCA." for the following reasons.

On April 14, 1989, I vetoed House Bill 444, an income tax checkoff for the Legacy Legislature. In that veto message I stated that to further expand the individual income tax checkoff for fund raising activity as an alternative to the legislative appropriations is not wise. The result extends the length of an already complex tax return form. It creates additional taxpayer frustrations at income tax time. The State's tendency to expand tax alternatives must be curtailed.

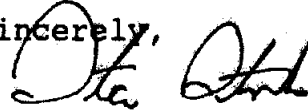
It is estimated that this income tax checkoff will raise less than \$2,000 in the biennium. The administrative costs of processing this checkoff could potentially cost more than \$18,000. This is a bad tax policy. This is an example of growth in government spending without a demonstrated benefit.

HB 761

The Honorable John Vincent
The Honorable Jack Galt
April 20, 1989
Page Two

I realize again that there are numerous worthy programs that would seek an opportunity for further tax checkoff privileges. However, a compelling public policy interest has not been demonstrated to me to allow further governmental expansion in this money raising procedure. The search and rescue operations will maintain the optional funding provided to counties as provided in Section 7-32-235, MCA.

Sincerely,

A handwritten signature in dark ink, appearing to read "Stan Stephens", written over the word "Sincerely,".

STAN STEPHENS
Governor