

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN BOB GILBERT**, on February 17, 1993, at
8:15 a.m.

ROLL CALL

Members Present:

Rep. Bob Gilbert, Chair (R)
Rep. Mike Foster, Vice Chair (R)
Rep. Dan Harrington, Minority Vice Chair (D)
Rep. Shiell Anderson (R)
Rep. John Bohlinger (R)
Rep. Ed Dolezal (D)
Rep. Jerry Driscoll (D)
Rep. Gary Feland (R)
Rep. Marian Hanson (R)
Rep. Hal Harper (D)
Rep. Chase Hibbard (R)
Rep. Vern Keller (R)
Rep. Ed McCaffree (D)
Rep. Bea McCarthy (D)
Rep. Tom Nelson (R)
Rep. Scott Orr (R)
Rep. Bob Raney (D)
Rep. Bob Ream (D)
Rep. Rolph Tunby (R)

Members Excused: None

Members Absent: Rep. Jim Elliott

Staff Present: Lee Heiman, Legislative Council
Jill Rohyans, Committee Secretary
Louise Sullivan, Transcriber

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

Committee Business Summary:

Hearing: HB 626, HB 592, HB 627, HB 588,
Executive Action: None

HEARING ON HOUSE BILL 626Opening Statement by Sponsor:

REP. BILL BOHARSKI, House District 4, Kalispell, said the bill would tie state revenue to population and Consumer Price Index (CPI). It would fix state expenditures at 1991 dollars and per capita. He distributed a handout indicating state expenditures.

EXHIBIT 1 If the Legislature adheres to HR 2, government services will be cut by \$100 million and taxes will be raised by \$100 million. He said the Legislature will have to make substantial cuts and eliminate programs this session. **REP. BOHARSKI** said the sales tax proposal probably will not pass because of public distrust of the Legislature.

This bill would require a two-thirds majority of the legislature in order to exceed the 1991 limit. HB 626 would limit the amount of revenue under which government could operate by limiting it to population growth and the CPI. School districts have been subject to this type of cap since 1989. The cap can also work for other local government entities and the Legislature. He presented proposed amendments setting effective and applicability dates **EXHIBIT 1**.

Proponents' Testimony:

Riley Johnson, National Federation of Independent Businesses (NFIB), said he considers HB 626 a keystone bill for the 1993 Legislature and for the 1993 tax reform package. He said it is good business and it is reasonable. It allows for growth through the CPI and population and also for growth beyond I-105. He said without a flexible cap of some kind on spending the complete circle of tax reform has not been accomplished. A poll of the NFIB membership indicated that they favored the governmental spending and tax limits this bill provides.

Letters in support of HB 626 were submitted by FAX. **EXHIBITS 2a, 2b and 2c**

Tom Hopgood, Montana Association of Realtors, said people want to know if the Legislature is going to do anything this session. He said HB 626 is an important step and gives a signal to the people of Montana that the legislature is going to do something. He urged the Committee to pass the bill.

Wes Higgins, United We Stand America of Montana, presented his testimony in support of the bill. **EXHIBIT 3**

John Youngberg, Montana Farm Bureau, said he travels all over Montana and all the counties have indicated they want caps on spending and a reduction in income and property taxes. HB 626 would alleviate the fear that every time the Legislature meets they will increase spending.

Bob Henkel, Helena businessman, said HB 626 would help ensure fiscal responsibility in government spending. He said it is not a radical bill and it is not a freeze or elimination of taxes. It makes sense and requires government to live within its means. It is a reasonable bill.

Opponents' Testimony:

Dennis Burr, Montana Taxpayers Association, said HB 626 is the best limitation bill he has seen. Limiting state government just gets passed down to local government. Montanans want the Legislature to live within its means. This bill would simply take the Legislature off the hook for this session by putting it on the ballot. He said the tax reform coalition had looked at this proposal and determined it would not work as there are ways around any limitation. Passing this bill freezes the current tax system, which is totally inequitable and out of balance. There would be no possibility of tax reform if the bill were to pass. There are times when tax increases are necessary and proper, although this bill would not be in the best interest of the state.

Eric Feaver, Montana Education Association, MEA, agreed with the previous testimony. The bill is anti-government and anti-public schools. He agreed with **Mr. Burr** that this would likely be the end of any government restructuring. Tax reform and health care reform would be stalled and no progress or reform would ever be accomplished.. He urged the committee to oppose HB 626.

Questions From Committee Members and Responses:

REP. HARPER said the bill allows for growth beyond I-105 which makes it an I-105 breaker. He asked **Riley Johnson** if NFIB had any position on I-105. **Mr. Johnson** said they did not. He said members, as individuals, said they voted for I-105 because they felt it was some kind of cap, but they would be willing to replace I-105 with the cap in HB 626.

REP. HARPER asked **Wes Higgins** the same question. **Mr. Higgins** replied that I-105 is nearly broken with the number of I-105 breakers introduced in the last two sessions. He said his group sees this as a replacement cap for I-105. With this bill, voters would be more likely to support local levies.

REP. HARPER said throughout the bill there are provisions for proportional allocation of the revenue limit if governmental responsibilities are shifted among government entities. He asked REP. BOHARSKI who would impose the limit. REP. BOHARSKI said that would be left to the legislature.

Closing Statement by Sponsor:

REP. BOHARSKI said the reason for the bill is to give the Legislature a chance to get a tax reform plan passed. This bill is the cornerstone of tax reform and without this type of cap the taxpayer will not vote for tax reform. If federal money is available for Montana, with state matching funds, this bill is not absolute. The limit could also be expanded by a two-thirds vote of the Legislature. Federal monies could be accessed with matching money which would allow for further expansion of the limitation. He said there must be constitutional barriers and the public understands barriers like this.

HEARING ON HOUSE BILL 592

Opening Statement by Sponsor:

REP. WAYNE GRIMES, HD 75, Clancy, said the bill was introduced at the request of the Department of Health and Environmental Sciences (DHES). A portion of the fees for facility permitting would be transferred to the applicant. The public is concerned that DHES doesn't have the capability to monitor or properly permit hazardous waste incinerators. This bill would create three classes of facilities with a maximum fee of \$150,000 for the largest commercial facility, \$100,000 for a medium-sized facility, and \$25,000 for smaller sites. These maximums are based on the assumption of increased manpower and commitment from DHES in the permitting and monitoring processes. The bill also establishes a special revenue account for the deposit of fees collected for use in the administration of the Department's hazardous waste program. He the bill addresses a legitimate public concern.

Proponents' Testimony

Dan Vidrine, Manager of the Hazardous Waste Program, DHES, presented his testimony in support of the bill EXHIBIT 4.

Tom Daubert, Ash Grove Cement, Montana City, said industry is concerned that DHES may not have the resources necessary to do the job of permitting and monitoring to ensure public safety. This bill addresses those concerns. Ash Grove Cement has always tried to assure its neighbors that they have every intention of supporting enforcement of the environmental statutes. He said

they have some concerns with the bill and would like to work with the department on their proposed amendments. He suggested adjusting the fees for the three classes of facilities on page 7, lines 6-11, by reducing the \$100,000 fee and increasing the \$25,000 fee. He said the special revenue account referred to on page 9, lines 10-11, does not guarantee the fees would be used specifically and solely for the permit application review. He agreed it was a good idea to earmark a portion of this money for local counties; however, it may unnecessarily restrict the counties. He suggested that once the county has a sufficient hazardous waste program in place, they should be allowed to use the funds for related needs in the county.

Opponents' Testimony: None.

Questions From Committee Members and Responses: None.

Closing Statement by Sponsor:

REP. GRIMES said given tight fiscal situation in which the state finds itself, this bill is critical for the proper handling of hazardous wastes. The bill will alleviate the fears of the public. He commended Ash Grove Cement for working with the community. He asked the Department to submit their amendments to the Committee.

HEARING ON HOUSE BILL 627

Opening Statement by Sponsor:

REP. TOM NELSON, HD 95, Billings, said the bill was introduced at the request of a constituent who purchased real estate at a tax deed sale on four separate occasions and experienced a problem when requesting a deed. A tax deed does not prove ownership of property and the purchaser must take steps to obtain a deed to the property. He must contact the previous owner and request a Quit Claim Deed to the property. If the previous owner does not sign the deed, the new owner must go through the quiet title process in court to receive a Warranty Deed which can cost \$500-\$1,000. He said he worked with Lee Heiman drafting the bill. Section 1 of the bill contains the provisions for correcting this problem.

REP. NELSON submitted written testimony from Dan Farmer, Billings. EXHIBIT 5

Proponents' Testimony: None.

Opponents' Testimony:

Bill Gowan, President, Helena Abstract and Title Company, opposed the bill saying it opens up more problems than it cures. He said the problem should be addressed in the tax deed statutes. A demand for a Quit Claim Deed could cause a problem if it comes down to a quiet title action. He said he did not believe HB 627 was the best way to solve the problem.

Questions From Committee Members and Responses: None.

Closing Statement by Sponsor:

REP. NELSON closed.

HEARING ON HB 588**Opening Statement by Sponsor:**

REP. ROLPH TUNBY, HD 24, Plevna, read the title of the bill which allows supervisors of a conservation district to levy, with voter approval, an annual special administrative assessment for administrative costs and expenses of the district, provide for the reduction or repeal of the assessment, excluding all conservation assessments from I-105.

Proponents' Testimony:

Mike Volesky, Executive Vice President of Montana Association of Conservation Districts, submitted written testimony. EXHIBITS 6 and 7

Steve Schmitz, Department of Natural Resources and Conservation (DNRC), expressed support for HB 588 from the standpoint of conservation district workloads. He said DNRC is in daily contact with the districts and have seen a dramatic increase in the districts' workloads over the years. Conservation districts have become the vehicle for the delivery of both state and federal programs. The districts are having difficulty providing services administratively. Not only have the permits increased but the complexities have also increased. Many of the duties are required by law, e.g., stream access and water reservations. He said the conservation districts deserve and need this support.

Jamie Doggett, Supervisor, Meagher County Conservation District, White Sulphur Springs, said she prefers that control remain with local people which this bill provide. The county and supervisors could decide if they need more money and could go to the people for a vote. She urged support for HB 588.

Cliff Cox, Supervisor, Broadwater County Conservation District, Winston, expressed support for HB 588.

Opponents' Testimony: None.

Questions From Committee Members and Responses: None.

Closing Statement by Sponsor:

REP. TUNBY said he was acquainted with the conservation districts and believed they did a lot of good work on a limited budget.

ADJOURNMENT

Adjournment: The meeting adjourned at 11:00 a.m.

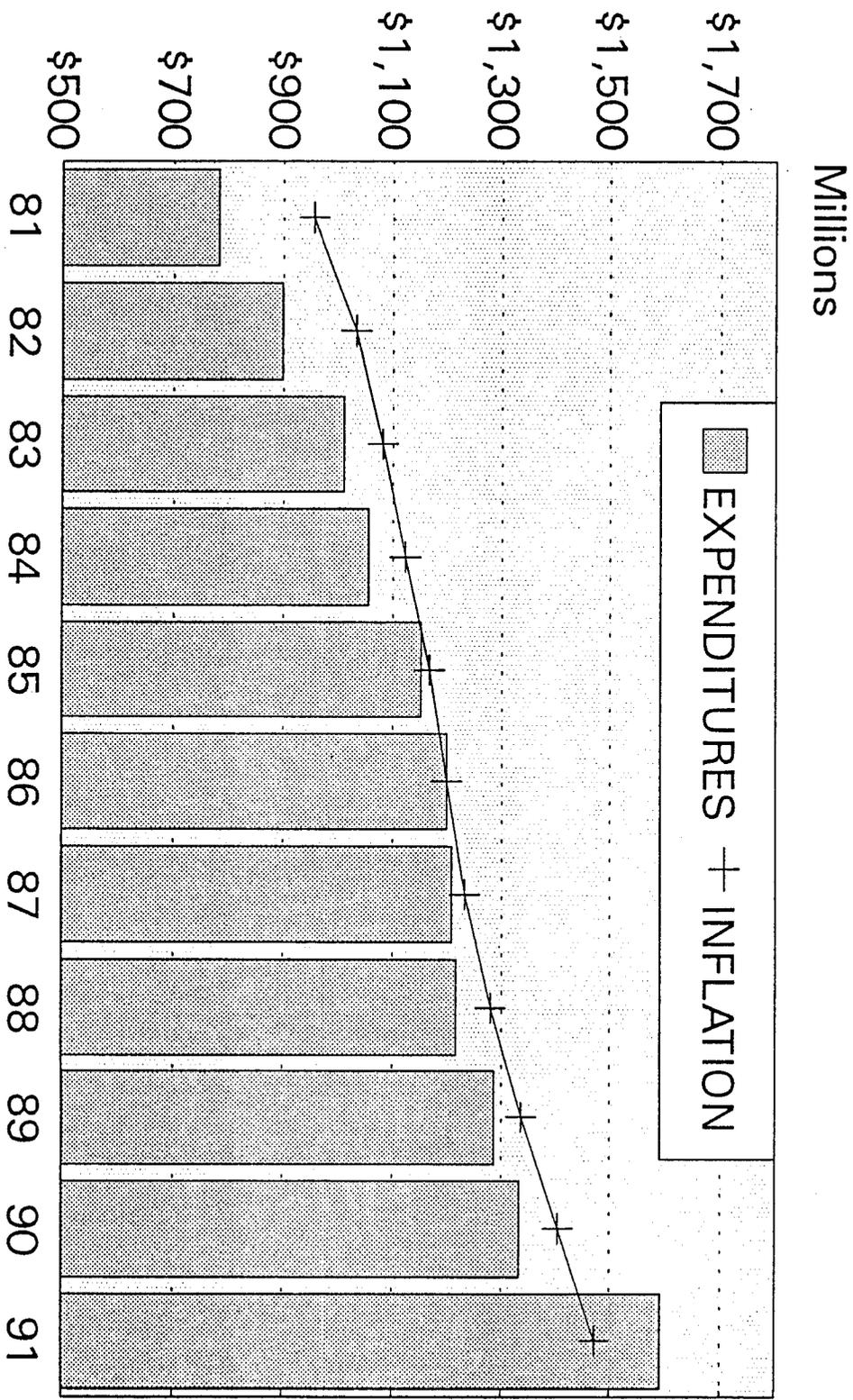

REP. BOB GILBERT, Chairman


JILL ROHYANS, Secretary

The minutes were written by Louise Sullivan and edited and proofed for content by Jill Rohyans.

BG/jdr/ls

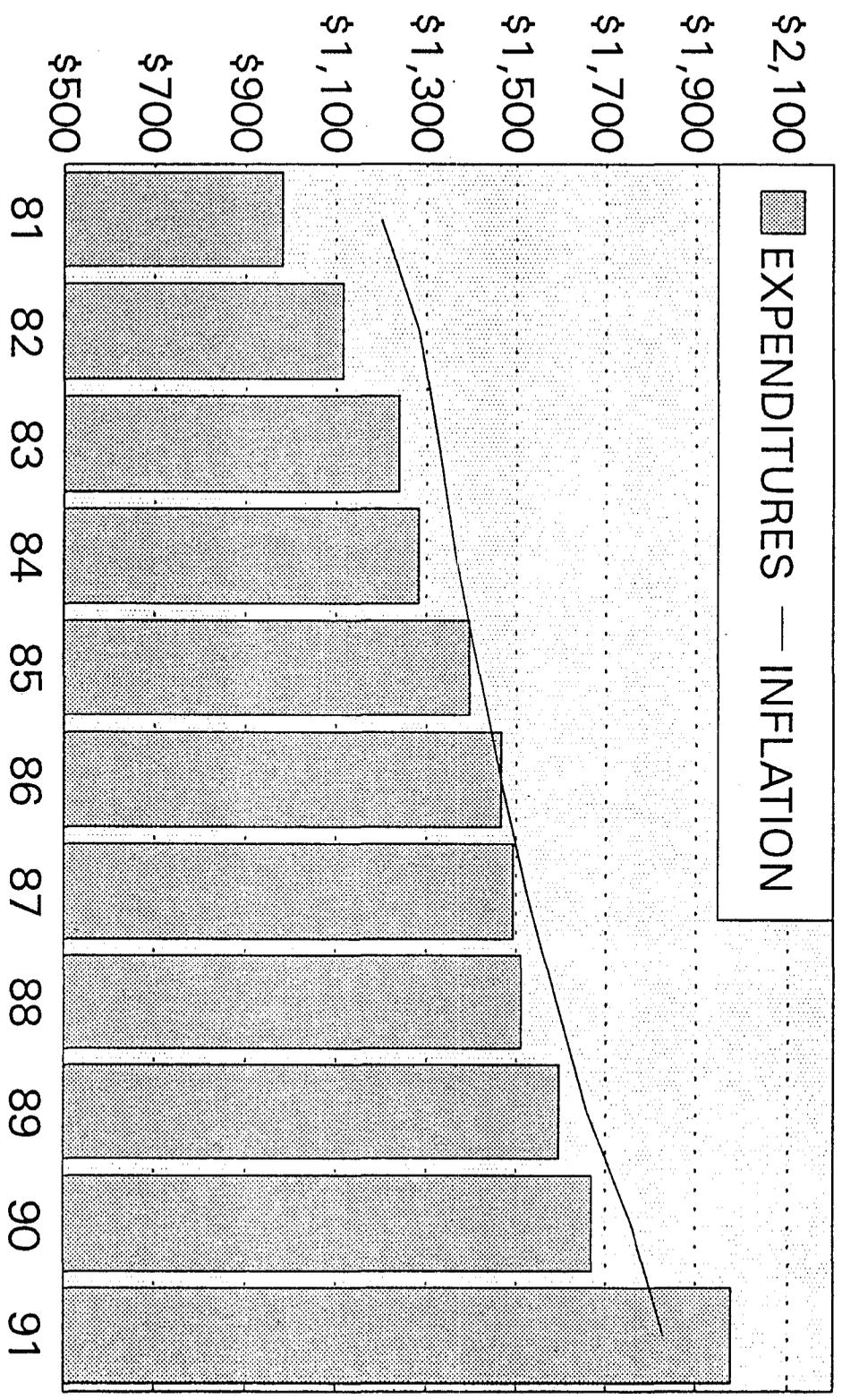
TOTAL STATE EXPENDITURES MONTANA



EXP = TOTAL - FED REVENUE - INTEREST - DUPLICATED
INFLATION = CPI INDEX (1986 = 100)

STATE EXPENDITURES PER CAPITA MONTANA

2



EXPENDITURES = TOTAL - FED REVENUE - INTEREST - DUPLICATED
 INFLATION = CPI INDEX (1986 = 100)

STATE EXPENDITURES PER \$100 DOLLARS OF INCOME

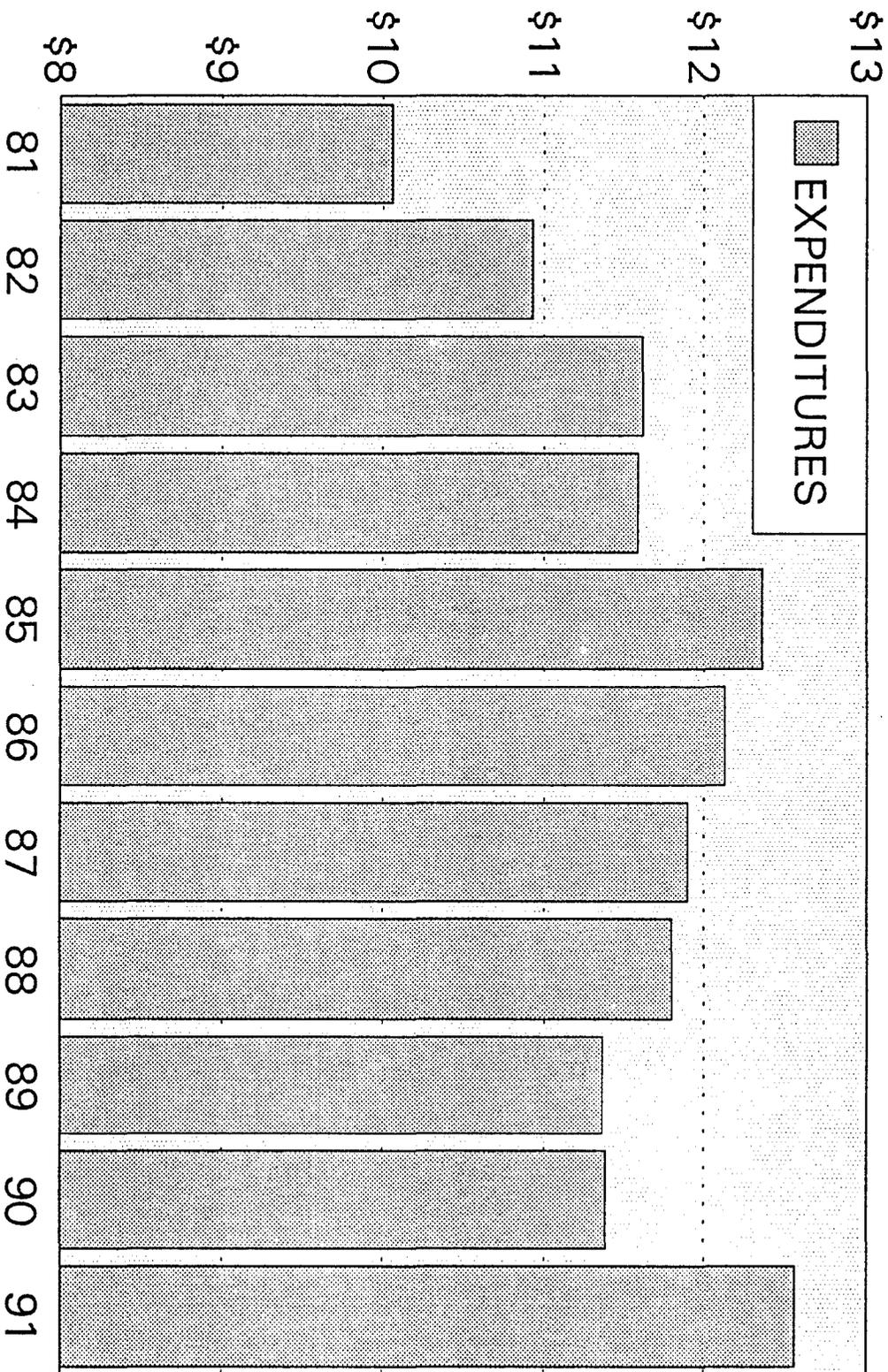
MONTANA

EXHIBIT # 1

3

DATE 8-14-93

BY H.B.-626

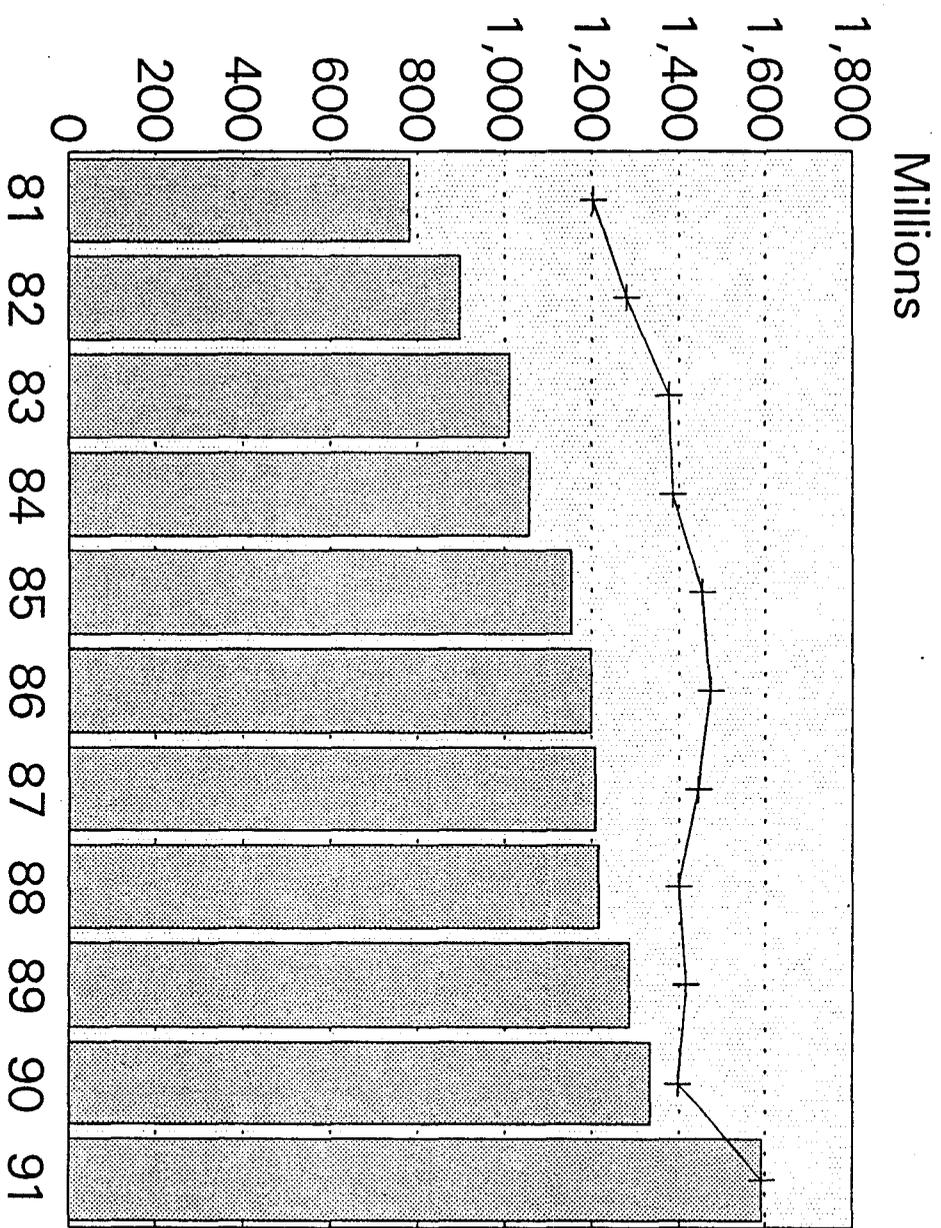


EXPENDITURES = TOTAL - FED REVENUE - INTEREST - DUPLICATED
INCOME = MONTANA PERSONAL INCOME

TOTAL STATE EXPENDITURES

MONTANA

4



NOMINAL
 + REAL (CPI)

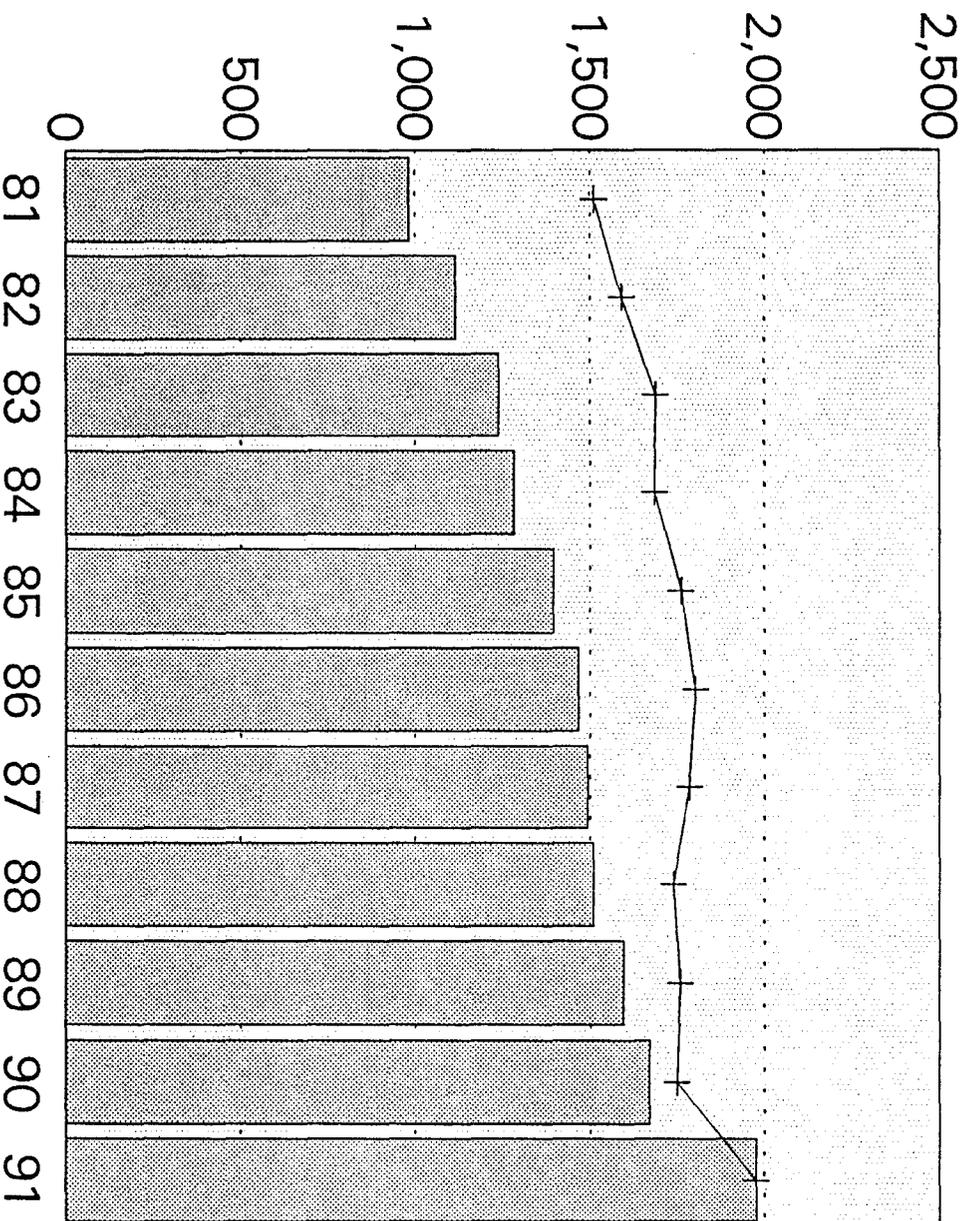
INDEX: 1991
 = 100

EXP = TOTAL - FED REVENUE - INTEREST - DUPLICATED

STATE EXPENDITURES PER CAPITA

MONTANA

5



■ NOMINAL
+ REAL (CPI)

INDEX: 1991
= 100

EXP = TOTAL - FED REVENUE - INTEREST - DUPLICATED

Amendments to House Bill No. 626
First Reading Copy

Requested by Representative Boharski
For the Committee on Taxation

Prepared by Greg Petesch
February 16, 1993

1. Title, line 7.

Following: "COLLECTIONS"

Insert: "; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY
DATE"

2. Page 2, line 14.

Strike: "and"

3. Page 2, line 15.

Following: line 14

Insert: "(viii) grants for infrastructure repair, replacement,
or development; and"

Renumber: subsequent subsection

4. Page 4, line 24.

Following: line 23

Insert: "

NEW SECTION. Section 3. Effective date -- applicability.

This amendment is effective January 1, 1995, and applies to
spending and tax collections for the fiscal year commencing July
1, 1995."

Renumber: subsequent section

EXHIBIT #1
DATE 2-17-93
H/B-626

TOTAL P. 01
EXHIBIT 20
DATE 2/17/93
HB 626



ADKINS TRACTOR SALVAGE CO.
RT. 1 BOX 70 • JOLIET, MT 59041
PHONE 1-406-962-3461 FAX: 1-406-962-3998

FAX COVER SHEET

DATE: 2-16-93
TO: TFIB
FROM: Bob Adkins

____ PAGES SHOULD BE RECEIVED WHICH INCLUDES THIS PAGE.

MESSAGE: I Support HB 626.
Let it Pass.
Thomas
R. L. Adkins

NOTE: IF ALL PAGES ARE NOT RECEIVED IN GOOD CONDITION, PLEASE ADVISE AT YOUR EARLIEST CONVENIENCE.

PHONE: 1-406-962-3461 FAX: 1-406-962-3998

REPLY: _____

APPRAISERS INTERNATIONAL

EXHIBIT 26

DATE 2/12/93

HB 626

FAX MESSAGE

TO: HOUSE FAX NUMBER - STATE CAPITOL

ATTN: BILL BOHARSKI

HOUSE FAX NO. 444-4105

FAX NUMBER: NFIB FAX NO. 442-2107 DATE: FEB. 16, 1993

FROM: DAVID WASS & UNDERSIGNED STAFF

OF PAGES TWO (including this cover page) YES

MESSAGE: RE FAX ATTACK #2 - RE URGENT FAX ATTACHED

THE UNDERSIGNED "SUPPORT" HB626 "CONSTITUTIONAL AMENDMENT TO PLACE A LIMIT ON GOVERNMENTAL SPENDING AND TAX COLLECTION"

DAVE WASS

JOANNE WASS

MARC WASS

JUDY LESSER

DAVE MOEN

MARLENE JACKSON

MIKE FARMER

TONY ROGERS

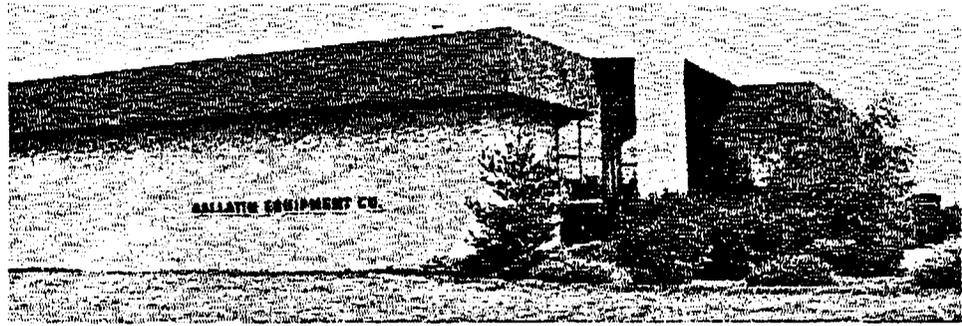
MARY MELCHER

APPRAISERS INTERNATIONAL INC.
100 NORTH 27TH STREET
SUITE 400
BILLINGS, MONTANA 59101
Phone (406)256-3240
Fax (406)256-2382



EXHIBIT 2c
DATE 2/12/93
HB 626

Gallatin Equipment Co.



"We would rather explain our quality, than apologize for anything less."

16 FEBRUARY 1993

HOUSE OF REPRESENTATIVES
TAXATION COMMITTEE

PLEASE SUPPORT AND RECOMMEND "DO PASS" HOUSE BILL #626.

DUANE BURKENPAS

EXHIBIT 3
DATE 2/17/93
HB 626

STATEMENT TO THE HOUSE TAXATION COMMITTEE
OF THE MONTANA STATE LEGISLATURE

RE: HB 626 REVENUE AND SPENDING CAP REFERENDUM

by WES HIGGINS, UNITED WE STAND AMERICA (MONTANA)

AS YOU KNOW, IN THE PAST DECADE, GOVERNMENT SPENDING IN MONTANA HAS MORE THAN DOUBLED. THE NUMBER OF STATE EMPLOYEES HAS INCREASED FROM 10,800 IN 1980 TO 22,000 IN 1991. DURING THIS SAME PERIOD WE HAVE SEEN A DECLINE IN THE POPULATION OF MONTANA. THE CITIZEN OUTCRY CONCERNING THE TREMENDOUS TAX BURDEN CREATED BY THIS INEQUITY HAS BROUGHT ABOUT A STEADY STREAM OF CITIZEN INITIATIVES, BEGINNING WITH CI-27 AND I-105 IN 1986, CI-55 IN 1990 AND CI-65 IN 1992.

UNITED WE STAND AMERICA (MONTANA) SPEAKS FOR A FAIRLY REPRESENTATIVE CROSS-SECTION OF THE CONCERNED CITIZENS OF MONTANA, WITH CLOSE TO 10,000 ACTIVE MEMBERS TO-DATE. THESE MEMBERS REPRESENT BOTH THE PUBLIC AND PRIVATE SECTOR AND BUSINESS, ALL OF WHOM WANT TO SEE THE MONTANA ECONOMY GROW AND CREATE JOBS, WHICH IN TURN WILL EXPAND THE TAX BASE. SINCE 1980 MONTANA HAS LOST 2800 MINING JOBS, 3300 CONSTRUCTION JOBS, 2500 MANUFACTURING JOBS AND 2100 TRANSPORTATION AND UTILITIES JOBS (DOL statistics). ADDITIONALLY, THE 109,000 MONTANA VOTERS WHO CAST THEIR BALLOT FOR ROSS PEROT IN NOVEMBER SENT A MESSAGE THAT WE MUST GET CONTROL OF SPENDING ON BOTH THE STATE AND FEDERAL LEVEL.

SIMILAR, BUT MORE STRINGENT MEASURES THAN THE PROPOSED CONSTITUTIONAL REVENUE AND SPENDING CAP (HB 626) WERE PASSED THIS LAST YEAR IN COLORADO, OKLAHOMA AND ARIZONA. STRONG MOVEMENTS ARE UNDER WAY IN A NUMBER OF OTHER STATES BESIDE MONTANA, INCLUDING CALIFORNIA, NEBRASKA AND IDAHO.

THIS PROPOSED CONSTITUTIONAL CHANGE IS NOT A "CUT THEM OFF AT THE KNEES" APPROACH, CONTRASTED TO THE OKLAHOMA AMENDMENT REQUIRING THAT ANY

NEW REVENUE BILL PROPOSED MUST BE APPROVED BY A VOTE OF THE PEOPLE AT THE NEXT GENERAL ELECTION OR BY A THREE-FOURTHS VOTE OF BOTH HOUSES. THE INFLATION OR POPULATION PROVISION TO ALLOW INCREASES IN HB 626 IS A WORKABLE COMPROMISE BETWEEN TAXPAYERS AND GOVERNMENT WITHOUT PLACING A HARDSHIP ON EITHER. IT SIMPLY REQUIRES THAT OUR GOVERNMENT OPERATE UNDER THE SAME PARAMETERS THAT HOUSEHOLDS OR BUSINESSES ARE ECONOMICALLY FORCED TO LIVE BY.

HB 626 WOULD TAKE THE PRESSURE OFF COUNTY GOVERNMENT THAT HAS BEEN IMPOSED BY I-105. IT IS FLEXIBLE ENOUGH TO ALLOW STATE AND LOCAL GOVERNMENTS TO REACT OR ADJUST TO ECONOMIC OR INFLATIONARY CONDITIONS.

MONTANA'S TAXPAYERS HAVE BEEN ASKING THE LEGISLATURE FOR TAX REFORM FOR THE PAST 8-10 YEARS. BY HELPING TO PUT A REVENUE AND SPENDING CAP IN PLACE YOU WILL BE TAKING THE FIRST STEP TOWARD TRUE TAX REFORM, AND WILL ASSURE THE MONTANA TAXPAYERS THAT ANY TAX REFORM ENACTED WILL BE REVENUE NEUTRAL.

WE ARE ASKING ONLY THAT YOU VOTE TO PLACE THE REFERENDUM ON THE NEXT GENERAL ELECTION BALLOT AND LET THE MONTANA VOTERS DECIDE. PASSAGE OF THIS MEASURE BY THE LEGISLATURE WILL RESTORE MUCH LOST CONFIDENCE IN THE LEGISLATIVE PROCESS BY THE VOTERS AND TAXPAYERS OF MONTANA. WHETHER IT PASSES OR FAILS IN THE ELECTION, YOU, THE ELECTED REPRESENTATIVES OF THE PEOPLE OF MONTANA WILL COME OUT A WINNER BECAUSE THE FINAL DECISION WAS MADE BY THE ELECTORATE.

THE SAME MEASURE, HOUSE BILL 850 WAS INTRODUCED IN THE 1991 SESSION, BUT WAS HIGHLY POLITICIZED AND FELL VICTIM TO PARTISAN POLITICS AND WAS KILLED IN COMMITTEE. WE ASK THAT YOU CONTINUE WITH THE SPIRIT OF COOPERATION EXHIBITED IN THE PAST SIX WEEKS WITH BIPARTISAN SUPPORT OF HOUSE BILL 626, AND WE THANK YOU FOR THAT SUPPORT.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA THAT THE FOLLOWING LAW BE ADOPTED WHICH SHALL READ AS FOLLOWS:

Section 33. A. All bills for raising revenue shall originate in the House of Representatives. The Senate may propose amendments to revenue bills.

B. No revenue bill shall be passed during the five last days of the session.

C. Any revenue bill originating in the House of Representatives shall not become effective until it has been referred to the people of the state at the next general election held throughout the state and shall become effective and be in force when it has been approved by a majority of the votes cast on the measure at such election and not otherwise, except as otherwise provided in subsection D of this section.

D. Any revenue bill originating in the House of Representatives may become law without being submitted to a vote of the people of the state if such bill receives the approval of three-fourths (3/4) of the membership of the House of Representatives and three-fourths (3/4) of the membership of the Senate and is submitted to the Governor for appropriate action. Any such revenue bill shall not be subject to the emergency measure provision authorized in Section 58 of this Article and shall not become effective and be in force until ninety days after it has been approved by the Legislature, and acted on by the Governor.

Proposition 108

PROPOSITION 108
OFFICIAL TITLE

AN INITIATIVE MEASURE

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, CONSTITUTION OF ARIZONA, BY ADDING SECTION 22; RELATING TO PUBLIC DEBT, REVENUE, AND TAXATION.

TEXT OF PROPOSED AMENDMENT

Be it enacted by the People of the State of Arizona:

The following amendment of Article IX, Constitution of Arizona, by adding Section 22, is proposed to become valid when approved by a majority of the qualified electors voting thereon and on proclamation of the Governor:

Section 22. Vote required to increase state revenues; application; exceptions
(A) An act that provides for a net increase in state revenues, as described in Subsection B is effective on the affirmative vote of two-thirds of the members of each house of the legislature. If the act receives such an affirmative vote, it becomes effective immediately on the signature of the governor as provided by Article IV, Part 1, Section 1. If the governor vetoes the measure, it shall not become effective unless it is approved by an affirmative vote of three-fourths of the members of each house of the legislature.

(B) The requirements of this section apply to any act that provides for a net increase in state revenues in the form of:

1. The imposition of any new tax.
2. An increase in a tax rate or rates.
3. A reduction or elimination of a tax deduction, exemption, exclusion, credit or other tax exemption feature in computing tax liability.
4. An increase in a statutorily prescribed state fee or assessment or an increase in a statutorily prescribed maximum limit for an administratively set fee.
5. The imposition of any new state fee or assessment or the authorization of any new administrative set fee.
6. The elimination of an exemption from a statutorily prescribed state fee or assessment.
7. A change in the allocation among the state, counties or cities of Arizona transaction privilege, severance, jet fuel and use, rental occupancy, or other taxes.
8. Any combination of the elements described in paragraphs 1 through 7.

(C) This section does not apply to:

1. The effects of inflation, increasing assessed valuation or any other similar effect that increases state revenue but in not caused by an affirmative act of the legislature.
2. Fees and assessments that are authorized by statute, but are not prescribed by formula, amount or limit, and are set by a state officer or agency.
3. Taxes, fees or assessments that are imposed by counties, cities, towns and other political subdivisions of this state.

(D) Each act to which this section applies shall include a separate provision describing the requirements for enactment prescribed by this section.

EXHIBIT 4
DATE 2/12/93
HB 592

DHES TESTIMONY IN SUPPORT OF HB 592

The Department regulates the management of hazardous waste from the point of generation to the point of final disposition. Facilities that treat, store or dispose of hazardous waste are required to obtain a permit from the Department. Businesses that generate hazardous waste but do not treat or dispose of those hazardous waste on-site or store hazardous waste for long periods of time are not required to be permitted (although they are subject to regulatory controls). Permit applications for hazardous waste treatment, storage or disposal facilities undergo exhaustive review to insure that the permit applicant has developed a clear and comprehensive plan which complies with all applicable hazardous waste management requirements for the life of the facility and for its eventual closure. Permitted facilities are currently inspected at least annually to insure that they are complying with permit conditions. Compliance with these requirements provides protection of public health and the environment from the harmful effects of improperly managed hazardous waste.

During its recent adoption of rules pertaining to the burning of hazardous waste in industrial boilers and furnaces, the Department received considerable public comment covering many aspects of hazardous waste management in the state that were outside of the scope of that rule-making process. Included were over 30 comments expressing an expectation that the Department would provide an increased level of oversight of burners of hazardous waste and a belief that facilities subject to permitting should bear a greater cost associated with permit processing and

oversight. HB 592 addresses both of those public comments as they apply to all hazardous waste management facilities.

The Department currently has rules which establish a schedule of fees for hazardous waste management facility permits and for the registration of hazardous waste generators. HB 592 clarifies the current statutory language to specifically include authority to assess fees for hazardous waste facility permit application review, reissuance and modification, establishes a schedule of fees for review of new permit applications, and gives the Department additional authority to assess fees on operating commercial hazardous waste facilities. Hazardous waste facility permitting activities are very time consuming and resource intensive. In cases of complex and controversial new commercial facilities, several years may be required to complete technical reviews of applications, fulfill public participation requirements and issue permits. The Hazardous Waste Program anticipates receiving at least two permit applications to operate commercial hazardous waste management facilities before the end of this fiscal year. HB 592 would allow the Department to assess fees to new permit applicants which would be commensurate with costs associated with permit application review and processing. These fees would be used to fund the resources necessary to adequately review hazardous waste management facility permit applications and to make final decisions associated with permit issuance or denial within reasonable time frames. HB 592 would have the effect of transferring much of the cost associated with permit application processing from the Hazardous Waste Program to the permit applicant.

EXHIBIT # 4
DATE 2-17-93
HB-592

The provision in the bill which requires owners or operators of hazardous waste management facilities that are primarily commercial in nature to submit to the Department a fee of \$8 per ton on all hazardous waste received at the facility would provide funding for additional resources to enable the Hazardous Waste Program to increase and enhance compliance monitoring at commercial facilities thereby fulfilling Department responsibilities and meeting public expectations. The counties in which these commercial facilities are located will benefit from receipt of 15% of fees collected by the Department for use in implementing their hazardous material or hazardous waste monitoring and response programs.

An essential element of this bill is the provision for the creation of a special revenue account for deposit of fees collected under the provisions of this bill for use in the administration of the Department's Hazardous Waste Program.

In conclusion, the provisions of this bill would assist the Department in executing its responsibilities associated with permitting and oversight of hazardous waste management facilities by providing an additional revenue source to fund the Hazardous Waste Program. The Department requests your favorable consideration of this bill.

EXHIBIT 5
DATE 2/12/93
HB 627

248-1598

382 Stewart Court
Billings, MT 59105
January 2, 1993

Representative Tom Nelson
1116 Moon Valley Road
Billings, MT 59105

RE: Bill Draft Request

Dear Tom,

Presently, the purchaser of tax delinquent property receives a "Tax Deed" for the property he has purchased. To acquire good title from the previous tax delinquent owner he must then obtain either a quitclaim deed from this previous owner or go through a "Quiet Title" process in State court. This process can be expensive, time consuming, and a general nuisance for the new purchaser. The tax delinquent owner has already had numerous notices and opportunities to redeem his property.

I propose legislation be enacted to change this "Tax Deed" such that it cancels the tax delinquent owner's rights of redemption at the time of the tax deed sale.

The advantages of this change would be that tax delinquent owners would be a little more inclined to keep their taxes current and tax sale buyers would be willing to pay more to obtain a "Tax Deed." The courts would also not be burdened with "Quiet Title" actions.

To obtain some more professional opinions on this matter I will also ask Mike Matthew, Kevan Bryan, and Mert Klundt to forward their comments to you.

Best wishes in the upcoming session.

Sincerely,



Dan Farmer

cc: Mike Matthew
Kevan Bryan
Mert Klundt



EXHIBIT 6
DATE 2/17/83
HB 586

MONTANA

Association of Conservation Districts

501 North Sanders
Helena, MT 59601

(406) 443-5711

CONSERVATION DISTRICTS

In the early 1930's, mounting problems resulting from soil erosion, floods, and dust storms led to Congress passing Public Law 46 in 1935. This law declared soil and water conservation and wise land use a public policy, and in 1937 the president recommended that governors pass state legislation allowing landowners to form soil and water conservation districts. The result was the formation of 2950 conservation districts, representing all 50 states, the Virgin Islands, and Puerto Rico.

MONTANA'S CONSERVATION DISTRICTS

The state of Montana contains 59 conservation districts which were formed in accordance with the Montana Soil Conservation District Law passed by the 26th General Assembly in 1939. Montana's conservation districts are political subdivisions of state government, responsible under state law for natural resource management and conservation within their boundaries.

The purpose of Montana's conservation districts is to develop and carry out long-range programs that will result in the conservation and development of soil and water resources; to provide assistance in the planning and application of conservation measures; and to encourage maximum participation by the general public and all local public and private agencies to fulfill this purpose.

In doing this, districts provide one-on-one technical assistance in planning and implementation of land management systems, vegetative practices, and necessary engineering structures. Conservation districts also conduct a variety of community programs where widespread resource problems require group action for solutions. Districts are managed by local citizens who are familiar with the problems in their area, resulting in an excellent example of local citizenry participating in government.

Montana's conservation districts are involved in many projects and programs that benefit the state and its people. Districts include the entire state of Montana, except for some areas in Custer and Prairie Counties. They represent over 15,000 cooperators totalling 43,600,000 acres of farm and ranch land. Approximately 8,000 cooperators are serviced yearly, which encompasses approximately 20 million acres. Conservation districts provide assistance to approximately 430 units of state and local government each year. Two concepts key to conservation districts' strong statewide support are the desire for

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decentralized government and the need to wisely manage Montana's natural resources.

A list of subjects that conservation districts administer or are involved with follows:

- offstream storage
- soil survey development
- watershed projects
- Resource Conservation and Development projects
- water quality activities
- rangeland resources management
- saline seep
- streambank erosion control projects
- timber management
- youth camps
- conservation education programs
- conservation activity tours
- City-County Planning Board coordination
- coordinated resource management planning
- mining impacts
- water reservations
- wilderness studies
- Forest Service/BLM management plans
- weed control
- urban activities
- coordination and cooperation with federal, state, and local governments
- economic development
- riparian management
- wetland restoration and preservation
- farm plans
- sediment and flood control
- tree planting
- habitat development and enhancement projects
- groundwater assessments
- stream inventories
- Natural Streambed and Land Preservation Act administration

Especially notable is the fact that Montana's conservation districts were given the additional responsibility of administering the Natural Streambeds and Land Preservation Act (SB 310 of 1975). Under this law, anyone planning an activity between the high-water marks of a perennial stream must apply to and receive approval from the local conservation district. Districts receive no funding to carry out this responsibility, and may receive as many as ten permit applications per month requiring approximately ten work hours each process. No permit fee is charged, and supervisors (volunteers) often spend six hours or more in special meetings due to permit volume. Adjudication processes require additional time and money as well.

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CONSERVATION DISTRICT FUNDING

Montana is one of the few states where district supervisors have the authority, through county commissioners, to levy taxes. By law, this tax may not exceed 1.5 mills on all real property within the district. Currently, mill levies are frozen at 1986 levels due to the passage of SB 71 in 1987. This, coupled with the devaluation of real property, has left many districts on the brink of closure. The only other source of funding available to districts' administration comes in the form of small administrative grants from the DNRC.

45 CONSERVATION DISTRICTS
WHOSE CURRENT LEVY GENERATES LESS THAN \$20,000

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DISTRICT	CURRENT LEVY \$	ESTIMATED LEVY NEEDED FOR \$20,000	ADMIN. GRANT REC'D FY 92
Beaverhead	\$9,499	3.29	-----
Big Horn	\$14,753	2.03	-----
Big Sandy	\$7,327	4.10	2900
Blaine	\$11,151	2.69	2400
Broadwater	\$4,185	7.17	3500
Carbon	\$17,552	1.71	1900
Carter	\$3,669	8.18	3500
Choteau	\$16,540	1.81	-----
Custer	\$11,984	2.50	900
Daniels	\$7,034	4.26	1400
Dawson	\$10,570	2.84	3000
Deer Lodge Valley	\$16,658	1.80	-----
Eastern Sanders	\$3,972	7.55	3400
Garfield	\$5,376	5.58	2900
Glacier	\$17,944	1.67	900
Granite	\$8,408	3.57	3000
Green Mountain	\$11,815	2.54	2000
Jefferson Valley	\$12,003	2.50	-----
Judith Basin	\$7,071	4.24	2500
Lincoln	\$19,089	1.57	900
Little Beaver	\$5,297	5.66	900
Lower Musselshell	\$8,418	3.56	2400
Madison	\$9,930	3.02	-----
McCone	\$6,734	4.45	3500
Meagher	\$4,214	7.12	4000
Mineral	\$9,689	3.10	-----
North Powell	\$1,526	19.65	-----
Park	\$14,129	2.12	4000
Petroleum	\$2,470	12.14	3300
Phillips	\$8,293	3.62	3400
Pondera	\$11,702	2.56	-----
Powder River	\$4,429	6.77	2600
Prairie	\$4,519	6.64	3100
Richland	\$13,269	2.66	900
Roosevelt	\$10,881	2.76	900
Ruby Valley	\$4,278	7.01	4000
Sheridan	\$9,442	3.18	2500
Stillwater	\$12,453	2.14	-----
Sweet Grass	\$2,389	12.56	4000
Teton	\$13,606	2.00	3500
Toole	\$13,188	2.77	1900
Treasure	\$6,052	4.96	-----
Upper Musselshell	\$9,320	3.22	3200
Valley	\$11,890	2.52	-----
Wibaux	\$2,654	11.30	3000

Intermittently, conservation districts receive various state and federal grant monies for special project purposes. These figures are not represented above.

45 CONSERVATION DISTRICT MILL LEVY DOLLAR VALUES

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 HS \$14,000 - HO 588
 19,089

\$ 0 - 4,999 \$ 5,000 - 9,999 \$ 10,000 - 13,999

Broadwater	Big Sandy	Beaverhead	Big Horn
Carter	Daniels	Blaine	Carbon
Eastern Sanders	Garfield	Custer	Choteau
Meagher	Judith Basin	Dawson	Deer Lodge Valley
North Powell	Little Beaver	Green Mountain	Glacier
Petroleum	Lower Musselshell	Jefferson Valley	Lincoln
Prarie	McCone	Madison	Park
Ruby Valley	Phillips	Mineral	
Sweet Grass	Treasure	Pondera	
Wibaux		Richland	
		Roosevelt	
		Sheridan	
		Stillwater	
		Teton	
		Toole	
		Upper Musselshell	
		Valley	

TOTALS: 11 10 17 7

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8 SAMPLE CONSERVATION DISTRICTS' ESTIMATED INCREASE PER PROPERTY UNIT
1998

DISTRICT	ESTIMATED LEVY NEEDED FOR \$20,000	DIFFERENCE BETWEEN EST. LEVY AND CURRENT 1.5 MILL LEVY	ESTIMATED INCREASE PER AVERAGE PROPERTY UNIT
Big Sandy	4.10	2.60	\$3.33 per \$50,000 household
Carbon	1.71	0.21	\$0.39 per \$50,000 household \$0.20 per 60 acres
Glacier	1.67	0.17	\$0.50 per \$50,000 household
Judith Basin	4.24	2.74	\$0.60 per 60 acres
Petroleum	12.14	10.64	\$2.00 per household now paying \$0.20 \$4.04 per household now paying \$0.57
Phillips	3.62	2.12	\$3.99 per \$50,000 household
Sheridan	3.18	1.68	\$1.94 per \$30,000 household
Teton	2.20	0.70	\$2.40 per \$40,000 household

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

HB 626
HB 592
HB 588
HB 627

Name Deputy

COMMITTEE

BILL NO.

HB 627

DATE 2/17/93

SPONSOR(S) BOHARSKI, GRIMES, TUNBY, T. NELSON

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Bob Henkel	United We Stand America #B626	X	
Riley Johnson	NFIB HB 626	X	
Eric Lawer	MFA HB 626		2
Steve Schmitz	DNRC HB 588	X	
Wes Higgins	United We Stand	X	
Rod Madson	United We Stand Montana	X	
Mike Volesky	Mt. Assoc. Cons. Dist.	588 X	
JAMIE DODGETT	Meagher Co Cons. District	588	
William F. Gowen	Montana Land Title Assn	627	✓
Tom Hoggood	Mt. Assoc. Realtors	627	
Walt Dupes	Self	X 627	
Denno Burr	mt taxpayers		627
Jerry Morrow	MFT / MFSE		626
John Hunt	Self	X 627	

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HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

HB 626
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House Taxation COMMITTEE BILL NO. _____
DATE 2/17/93 SPONSOR(S) BOHARSKI, GRIMES, TUNNEY, T. NELSON
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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Don Vidrine	DHES	X	
John Youngberg	MT Ferns Bureau HB 622	X	
Cliff Cox	BROAD CTRY CONS DIST	X	
Roger Thorvilson	DHES 598	X	
John Lewis (626)	Salt and Patrick McCurdy	X 626	

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