

SPECIAL COMMITTEE ON ASSESSMENT AND TAXATION

November 14, 1975

The meeting was called to order shortly after 9:00 a.m. by Chairman Gaar, with all members except Senators Chaney (conflict with another committee meeting) and Janssen present. Staff present: Arden Ensley, Mike Heim, Roy Johnson and Richard Ryan.

Minutes of Last Meeting

It was moved by Senator Simpson and seconded by Representative Wilkin that the minutes of the October 30 meeting be approved. Motion carried.

Proposal No. 5 - Motor Vehicle Taxation

Arden Ensley explained changes made in the bill draft to carry out previous Committee decisions.

It was moved by Representative Hineman and seconded by Representative Garrett that in the first line of new section 17 (p. 4), relating to administrative rules and regulations, the word "authorized" be changed to "directed." Motion carried.

Secretary of Revenue Kalb reported some apparent confusion as to the application of the proposal by Senator Christy, and that the bill as drafted would substantially increase the magnitude of the key punch operation and the possibility of errors. It was agreed by consensus that the bill be revised to provide that the latest available manual values (converted to full market value) be used to assign already registered vehicles to one of the 20 classes in the bill. The staff was instructed to prepare examples of the effect prior to the convening of the next session.

It was reported that the Legislative Coordinating Council had given general approval to an agreement with Johnson County for computer runs of the data from the 24-county sample survey, subject

to approval of the cost figures by the Legislative Coordinating Council Chairman. It also was reported that further contacts with Johnson County by the Department of Revenue indicated that a satisfactory arrangement can be worked out.

The Committee also agreed by consensus to a suggestion that, in view of the number of amendments developed by the Senate committee during the last session (but not formally adopted) and the further interim committee amendments, the bill be redrafted and submitted as a Senate Substitute for S.B. 52.

It was moved by Senator Christy and seconded by Representative Thiessen that the Committee report draft be approved, subject to possible revision to reflect the above decisions. Motion carried, with Representative Garrett voting "No."

Proposal No. 6 - Assessment Ratio Study

It was moved by Senator Christy and seconded by Senator Simpson that the Committee report draft be approved. Motion carried, with Representatives Garrett, Whittaker and Wilkin voting "No", the Chairman abstaining, and Senators Chaney and Janssen absent.

Proposal No. 7 - Job Expansion Act

Staff pointed out three changes made in the bill since the previous draft.

It was moved by Representative Stark and seconded by Representative Thiessen that the draft of Senate Substitute for H.B. 2153 be approved. Motion carried, with Senator Simpson and Representative Wilkin voting "No", the Chairman abstaining, and Senators Chaney and Janssen absent.

In the course of discussion of the draft of the Committee report it was moved by Representative Stark and seconded by Representative Hineman that the Committee action in approving the bill draft be reconsidered. Motion carried.

It was moved by Representative Garrett and seconded by Representative Wilkin that the bill be amended to require a minimum capital investment of \$51,000 to qualify for a credit under the bill. Motion failed, with Representatives Garrett and Wilkin and Senator Christy voting "Aye", Representatives Brooks, Stark, Whittaker, and Thiessen, and Senator Simpson voting "No", the Chairman abstaining, and Senators Chaney and Janssen absent.

It was moved by Representative Garrett and seconded by Senator Simpson that the exclusion of state regulated utilities from any credit under the bill be made in a separate subsection. Motion carried.

It was moved by Representative Stark and seconded by Representative Whittaker that the bill draft, as revised, be approved. Motion carried, with Senator Simpson and Representatives Garrett and Wilkin voting "No", the Chairman abstaining, and Senators Chaney and Christy absent.

It was moved by Representative Thiessen and seconded by Representative Brooks that the report draft, subject to any revision needed to conform to the above action, be approved. Motion carried, with Senator Simpson and Representatives Garrett and Wilkin voting "No", the Chairman abstaining, and Senators Chaney and Janssen absent.

Proposal No. 8 - Agricultural Use Value
Appraisal

It was moved by Senator Simpson and seconded by Representative Wilkin that a statement be added to the report to the effect that any conclusions included therein do not necessarily represent the views of members of the Committee, either collectively or individually. Motion carried.

It was moved by Representative Hineman and seconded by Representative Thiessen that in the first paragraph of the report and where appropriate throughout the report the word "assessment" be changed to "appraisal". Motion carried.

It was moved by Representative Hineman and seconded by Representative Thiessen that all references to the "circuit-breaker" concept on pages 4, 21 and 22 of the report be deleted. Motion failed. (The vote was 4 to 4, with the Chairman then voting "No".)

It was moved by Representative Hineman that the second, third and fourth paragraphs on page 4 of the report be deleted and other material substituted therefor. The motion died for lack of a second.

It was moved by Representative Hineman and seconded by Representative Thiessen that there be inserted on page 4 a statement to the effect that other objectives that have been stated include the achievement of greater uniformity of assessments through a system giving more emphasis to statistical input and less to judgment values, and offering more possibilities for automatic self-updating. Motion carried.

It was moved by Representative Thiessen and seconded by Representative Wilkin that the report draft, as amended, be approved. Motion carried, with Representative Hineman voting "No".

A suggestion by Senator Christy that a request for a reasonable supply of reprints be made to the Legislative Coordinating Council was approved by the Chairman in the absence of any objection.

Proposal No. 67 - Oil and Gas Incentives

It was moved by Representative Garrett and seconded by Representative Powell that the draft report be approved. Motion carried unanimously.

Miscellaneous

It was moved by Representative Garrett and seconded by Representative Brooks that the draft of a report recommending clarification of a sales tax provision relating to "structures" and of the taxable status of property leased by a profit-making corporation to a governmental unit or exempt entity such as a hospital be approved. Motion carried unanimously.

Prepared by Roy Johnson

Approved by Committee on:

Date