

MINUTES OF THE HOUSE COMMITTEE ON TAXATION..

The meeting was called to order by Chairperson Phill Kline at 12:35 p.m. on April 29, 1996 in Room 519-S of the Capitol.

All members were present except: roll call not taken - all counted as present

Committee staff present: Chris Courtwright, Legislative Research Department  
Tom Severn, Legislative Research Department

Conferees appearing before the committee: None

Others attending: No record

Chair opened for action on:

**HCR 5031 - Constitutional amendment allowing exemption of certain oil and gas properties**

Moved by Representative Hayzlett, seconded by Representative Krehbiel, that HCR 5031 be recommended for passage. On voice vote, the motion carried.

Chairman opened the floor for amendment, discussion and action on:

**HCR 5044 - Constitutional amendment limiting spending increases by the state, county and city governments**

Moved by Representative Lawrence, seconded by Representative Mays, to amend HCR 5044 by removing all references to limits on local governments. On voice vote, the motion carried.

Moved by Representative Lawrence, seconded by Representative Aurand, to clarify the intent of the part of the resolution limiting growth in government spending by substituting the term "percentage point." For instance, 3 percent growth in state personal income would permit growth of 2 percent in spending; 6 percent growth in personal income would permit growth of 5 percent in spending, and so forth. On voice vote, the motion carried.

Moved by Representative Lawrence, seconded by Representative Pottorff, to create an additional exemption for spending for capital improvements. On voice vote, the motion carried.

Staff noted an ambiguity on line 39 of page 1. The Chairman ruled that a technical amendment seemed necessary and offered a motion to request the revisor to reconcile the ambiguity. The motion was seconded by Representative Lawrence. On voice vote, the motion carried unanimously.

Moved by Representative Larkin, seconded by Representative Pettey, to amend the resolution so that any balance in excess of 7.5 percent would not be refunded but would instead be used to reduce the 35 mills by whatever amount possible. Following a question about the advisability of putting a reference to the 35 mill levy into the Constitution, Representative Larkin amended his motion, with the consent of the second, to provide that the Legislature should use the fund to reduce property tax in a manner to be determined by statute. On voice vote, the motion carried.

Moved by Representative Wempe, seconded by Representative Larkin, to amend the resolution to create an exception for state moneys used to directly replace local property tax revenue. On division, the vote was tied 7 - 7. The Chairman voted "no" and the motion failed..

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON TAXATION, ROOM 519-S Statehouse, at 9:00 a.m. on April 29, 1996.

Moved by Representative Larkin , seconded by Representative Wempe, to create an exemption for state expenditure to reduce local property tax dollar for dollar. On voice vote, the motion carried.

Moved by Representative Powell, seconded by Representative Aurand, for the first four years the resolution is effective, to limit the permissible growth in spending to 2 percent with excess money returned to taxpayers in the manner as provided in the bill. In response to a question Representative Aurand said that the exceptions already adopted would be in effect. On division, the motion failed 5 - 10, with Representatives Mays, Lawrence, Powell, and Krehbiel voting "yes."

Moved by Representative Lawrence seconded by Representative Pottorff, to recommend **HCR 5044**, as amended, favorably for passage. On voice vote, the motion carried.

The next meeting is scheduled on call of the chair.

Adjournment.