

**BUSINESS REPORT**

**MONTANA SENATE  
61st LEGISLATURE - REGULAR SESSION**

**SENATE TAXATION COMMITTEE**

**Date:** Tuesday, March 24, 2009  
**Place:** Capitol

**Time:** 8:30 am  
**Room:** 405

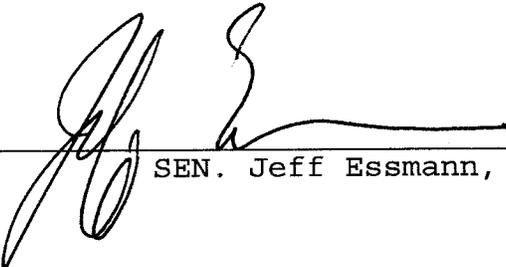
**BILLS and RESOLUTIONS HEARD:**

None

**EXECUTIVE ACTION TAKEN:**

SB 507 ~ DO PASS AS AMENDED  
SB 490 ~ DO PASS AS AMENDED  
SB 315 ~ TABLED  
SB 342 ~ TABLED  
SB 459 ~ TABLED  
SB 465 ~ DO PASS AS AMENDED  
SB 489 ~ DO PASS AS AMENDED  
SB 503 ~ DO PASS AS AMENDED  
SB 506 ~ DO PASS AS AMENDED  
SB 509 ~ DO PASS AS AMENDED  
SB 510 ~ DO PASS AS AMENDED

**COMMENTS:**

  
\_\_\_\_\_  
SEN. Jeff Essmann, Chairman

MONTANA STATE SENATE  
ROLL CALL  
TAXATION COMMITTEE

DATE: March 24, 2009

NAME	PRESENT	ABSENT/ EXCUSED
Chairman Jeff Essmann	✓	
Vice Chair Taylor Brown	✓	
Senator Jerry Black	✓	
Senator Gary Branae	✓	
Senator Ron Erickson	✓	
Senator Kelly Gebhardt	✓	
Senator Kim Gillan	✓	
Senator Bradley Maxon Hamlett	✓	
Senator Christine Kaufmann	✓	
Senator Robert Story, Jr.	✓	
Senator Bruce Tutvedt	✓	

ROLL CALL VOTE  
TAXATION COMMITTEE  
MONTANA STATE SENATE

Date: 3.24.09

Bill No.: SB507

Motion: be amended

NAME <i>(11 Members)</i>	AYE	NO	Proxy
Vice Chair, Taylor Brown	✓		
Senator Ron Erickson		✓	
Senator Bradley Maxon Hamlett	✓		
Senator Kelly Gebhardt	✓		
Senator Bruce Tutvedt	✓		
Senator Christine Kaufmann		✓	
Senator Kim Gillan	✓		
Senator Jerry Black	✓		
Senator Robert Story, Jr.	✓		
Senator Gary Branae	✓		
Chairman Jeff Essmann	✓		

VOTE: 9-2

ROLL CALL VOTE  
TAXATION COMMITTEE  
MONTANA STATE SENATE

Date: 3/24/09

Bill No.: SB 507

Motion: do pass as amended

NAME <i>(11 Members)</i>	AYE	NO	Proxy
Vice Chair, Taylor Brown	✓		
Senator Ron Erickson	✓		
Senator Bradley Maxon Hamlett	✓		
Senator Kelly Gebhardt	✓		
Senator Bruce Tutvedt	✓		
Senator Christine Kaufmann		✓	
Senator Kim Gillan		✓	
Senator Jerry Black	✓		
Senator Robert Story, Jr.	✓		
Senator Gary Branae	✓		
Chairman Jeff Essmann	✓		

VOTE: 9-2

ROLL CALL VOTE  
TAXATION COMMITTEE  
MONTANA STATE SENATE

Date: 3/24/09

Bill No.: SB490

Motion: Do Pass As Amended

NAME <i>(11 Members)</i>	AYE	NO	Proxy
Vice Chair, Taylor Brown	✓		
Senator Ron Erickson		✓	
Senator Bradley Maxon Hamlett	✓		
Senator Kelly Gebhardt	✓		
Senator Bruce Tutvedt	✓		
Senator Christine Kaufmann		✓	
Senator Kim Gillan	✓		
Senator Jerry Black	✓		
Senator Robert Story, Jr.	<del>_____</del>		
Senator Gary Branae		✓	
Chairman Jeff Essmann	✓		

VOTE: 7-3

ROLL CALL VOTE  
TAXATION COMMITTEE  
MONTANA STATE SENATE

Date: 3/24/09  
Bill No.: SB342

Motion: Pass As Amended

NAME <i>(11 Members)</i>	AYE	NO	Proxy
Vice Chair, Taylor Brown	✓		
Senator Ron Erickson		✓	
Senator Bradley Maxon Hamlett		✓	
Senator Kelly Gebhardt	✓		
Senator Bruce Tutvedt	✓		
Senator Christine Kaufmann		✓	
Senator Kim Gillan		✓	
Senator Jerry Black		✓	
Senator Robert Story, Jr.	<del>—</del>	<del>—</del>	
Senator Gary Branae		✓	
Chairman Jeff Essmann	✓		

Gebhardt -  
New.  $\frac{1}{3}$  table

VOTE: 4-6 fails

ROLL CALL VOTE  
TAXATION COMMITTEE  
MONTANA STATE SENATE

Date: 3.24.09  
Bill No.: SB459

Motion: Be Tabled

NAME <i>(11 Members)</i>	AYE	NO	Proxy
Vice Chair, Taylor Brown	✓		
Senator Ron Erickson		✓	
Senator Bradley Maxon Hamlett		✓	
Senator Kelly Gebhardt	✓		
Senator Bruce Tutvedt	✓		
Senator Christine Kaufmann		✓	
Senator Kim Gillan		✓	
Senator Jerry Black	✓		
Senator Robert Story, Jr.	✓		✓
Senator Gary Branae		✓	
Chairman Jeff Essmann	✓		

VOTE: 6-5

ROLL CALL VOTE  
TAXATION COMMITTEE  
MONTANA STATE SENATE

Date: 3.24.09  
Bill No.: SB489

Motion: Be Amended

NAME <i>(11 Members)</i>	AYE	NO	Proxy
Senator Bruce Tutvedt		✓	
Senator Robert Story, Jr.		✓	✓
Senator Christine Kaufmann	✓		
Senator Bradley Maxon Hamlett	✓		
Senator Kim Gillan		✓	
Senator Kelly Gebhardt		✓	
Chairman Jeff Essmann		✓	
Senator Ron Erickson	✓		
Vice Chair Taylor Brown		✓	
Senator Gary Branae	✓		
Senator Jerry Black	✓		

VOTE: 5-6 fails

ROLL CALL VOTE  
TAXATION COMMITTEE  
MONTANA STATE SENATE

Date: 3.24.09  
Bill No.: SB489

Motion: Do Pass As Amended

NAME <i>(11 Members)</i>	AYE	NO	Proxy
Senator Bruce Tutvedt	✓		
Senator Robert Story, Jr.	✓		✓
Senator Christine Kaufmann		✓	
Senator Bradley Maxon Hamlett	✓		
Senator Kim Gillan	✓		
Senator Kelly Gebhardt	✓		
Chairman Jeff Essmann	✓		
Senator Ron Erickson		✓	
Vice Chair Taylor Brown	✓		
Senator Gary Branae		✓	
Senator Jerry Black	✓		

VOTE: 8-3

ROLL CALL VOTE  
TAXATION COMMITTEE  
MONTANA STATE SENATE

Date: 3.24.09

Bill No.: SB506

Motion: Be Amended

NAME <i>(11 Members)</i>	AYE	NO	Proxy
Vice Chair, Taylor Brown		✓	
Senator Ron Erickson		✓	
Senator Bradley Maxon Hamlett		✓	
Senator Kelly Gebhardt	✓		
Senator Bruce Tutvedt		✓	
Senator Christine Kaufmann		✓	
Senator Kim Gillan	✓		
Senator Jerry Black		✓	
Senator Robert Story, Jr.	<del>—————</del>		
Senator Gary Branae		✓	
Chairman Jeff Essmann	✓		

VOTE: 3-7 fails

ROLL CALL VOTE  
TAXATION COMMITTEE  
MONTANA STATE SENATE

Date: 3.24.09

Bill No.: SB 506

Motion: Pass & Amend

NAME <i>(11 Members)</i>	AYE	NO	Proxy
Vice Chair, Taylor Brown		✓	
Senator Ron Erickson	✓		
Senator Bradley Maxon Hamlett		✓	
Senator Kelly Gebhardt	✓		
Senator Bruce Tutvedt		✓	
Senator Christine Kaufmann	✓		
Senator Kim Gillan	✓		
Senator Jerry Black		✓	
Senator Robert Story, Jr.		✓	✓
Senator Gary Branae	✓		
Chairman Jeff Essmann	✓		

VOTE: 6-5



**SENATE STANDING COMMITTEE REPORT**

**March 24, 2009**

**Page 1 of 2**

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 507** (first reading copy -- white) **do pass as amended.**

Signed: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "JEFF ESSMANN", written over a horizontal line.

*Senator Jeff Essmann, Chair*

**And, that such amendments read:**

1. Page 1, line 21.

**Strike:** "the full market value is paid for the use of the riverbed"

**Insert:** "statutory provisions are met"

2. Page 1, line 27.

**Strike:** "and"

3. Page 1, line 29.

**Following:** "riverbed"

**Insert:** "; and"

(f) the department has not consistently required payment for riverbed uses over time"

4. Page 2, line 8.

**Strike:** "of adjacent property"

**Insert:** "as determined by rule or statute"

5. Page 3, line 2.

**Following:** "board."

**Insert:** "The authorization must be approved if the requirements of this section are met."

6. Page 3, line 14.

**Strike:** "or"

**Committee Vote:**

**Yes 9, No 2**

Fiscal Note Required

SB0507001SC.sdr

*OR*

7. Page 3, line 16.

**Following:** "act]"

**Insert:** "; or"

(d) associated with a power site regulated pursuant to Title 77, chapter 4, part 2"

8. Page 3, line 29.

**Following:** "factors."

**Insert:** "There is no presumption of navigability because an entity has applied for or received a lease, license, or easement."

9. Page 4, line 10.

**Following:** the second "footprint"

**Insert:** "and the applicant has the appropriate state or federal permits"

10. Page 4, line 14.

**Following:** "that"

**Insert:** "the department asserts"

11. Page 4, line 21.

**Insert:** "(5) Rules must be adopted under this section pursuant to Title 2, chapter 4, but any appeal of the location of navigable rivers is not a contested case or subject to judicial review under Title 2, chapter 4, part 7. An appeal must be filed in district court for a trial de novo for determination of navigability for title purposes. A determination by the board pursuant to subsection (1) is not considered a presumption of navigability."

12. Page 5, line 22.

**Following:** "state"

**Insert:** "or are not school trust lands"

- END -



SENATE STANDING COMMITTEE REPORT

March 24, 2009

Page 1 of 2

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 490** (first reading copy -- white) **do pass as amended.**

Signed: \_\_\_\_\_

*Senator Jeff Essmann, Chair*

**And, that such amendments read:**

1. Title, line 6.

**Strike:** "\$5 MILLION"

**Insert:** "\$20,000"

**Following:** "LESS"

**Insert:** "AND ONE-THIRD OF THE MARKET VALUE BETWEEN \$20,000 AND \$5 MILLION"

2. Title, line 8.

**Strike:** "\$5 MILLION"

3. Page 5, line 18.

**Strike:** "\$5 million"

**Insert:** "\$20,000"

4. Page 5, line 20.

**Following:** "taxation"

**Insert:** "[and 33 1/3% of market value between \$20,000 and \$5 million is exempt from taxation]"

5. Page 6, line 22.

**Strike:** "first \$5 million or less of"

6. Page 15, line 26 through line 29.

**Strike:** "If" on line 26 through "void." on line 29

**Insert:** "If House Bill No. 2 is passed and approved and does not

**Committee Vote:**

**Yes 7, No 3**

Fiscal Note Required \_\_\_

SB0490001SC.sdr

*JE*

March 24, 2009

Page 2 of 2

contain a line item appropriation designating funding for the reimbursement of the exemption provided in the bracketed language in [section 3] amending 15-6-138(4), then the bracketed language is void."

- END -



SENATE STANDING COMMITTEE REPORT

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Page 1 of 5

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 465** (first reading copy -- white) **do pass as amended.**

Signed: \_\_\_\_\_

*Senator Jeff Essmann, Chair*

**And, that such amendments read:**

1. Title, line 10.

**Following:** "SECTIONS"

**Insert:** "61-8-371,"

2. Page 1, line 13.

**Insert:** "WHEREAS, the Department of Natural Resources and Conservation has asserted regulatory jurisdiction over the beds of various rivers and streams based on the premise that the streams are navigable and that the state therefore owns the riverbeds and streambeds; and

WHEREAS, very few Montana rivers or streams have been adjudicated as navigable, either in whole or in part; and

WHEREAS, it is not economically feasible for either the Department of Revenue or the Department of Natural Resources and Conservation to obtain judicial determinations of riverbed or streambed ownership by statewide quiet title actions, yet that ownership determination may not be made legally by unilateral administrative decisions; and

WHEREAS, if the Department of Natural Resources and Conservation wishes to assert regulatory control over the bed of a river or stream that has not been adjudicated to be navigable, it is required to provide written notice of the claim of state ownership to the affected property owners; and

WHEREAS, because the present claims of state ownership of riverbeds and streambeds is contrary to longstanding administrative practice and because the test for navigability depends upon evidence concerning the log floating capability of a

**Committee Vote:**

**Yes 9, No 1**

Fiscal Note Required

SB0465001SC.sdr

*JK*

stream at the time of statehood, there is no presumption of correctness attached to a navigability claim made by any state agency."

3. Page 1, line 16.

**Insert:** "NEW SECTION. **Section 1. Findings.** The legislature finds that:

(1) for 120 years since the admission of Montana as a state in 1889, the department of revenue and its predecessor agencies have taxed landowners whose property abuts a river or stream on the assumption that each riparian landowner owns the property to the middle of the river or stream;

(2) in *Montana v. United States*, 450 U.S. 544 (1981), the United States supreme court recognized that if a river or stream is not navigable, the abutting riparian landowners own the land in the bed of the stream to the middle of the stream, but if a river or stream is navigable, the state owns the bed of the river or stream, having acquired ownership from the United States when the state was admitted to the union, and therefore Montana owns the bed of the Bighorn River where it flows through the Crow reservation;

(3) for the purpose of determining the ownership of a riverbed or streambed, the test of navigability is whether logs could be floated in the stream at the time of statehood as stated in *Montana Coalition for Stream Access v. Curran*, 210 Mont. 38, 682 P.2d 163 (1984), based upon *The Montello*, 87 U.S. 430 (1874), *Sierra Pacific Power Co. v. Federal Energy Regulatory Commission*, 681 F.2d 1134 (9th Cir. 1982), and *State of Oregon v. Riverfront Protection Association*, 672 F.2d 792 (9th Cir. 1982);

(4) beginning with tax assessments that were effective January 1, 2008, the lien date for real property taxes, the department of revenue reassessed the property of riparian landowners whose land abuts various rivers and streams by reducing the amount of land assessed based upon the premise that the landowners did not own to the middle of the river or stream because the river or stream was navigable and these reassessments, if correct, have enormous impact upon the riparian landowners because they affect land titles, acreage owned, qualification for various conservation and price support programs, and ownership of water diversion facilities and other structures that the riparian landowners have constructed for water usage;

(5) the 2008 reassessments were made by simply sending out tax bills without any notice that they were based upon a claim of state ownership of the riverbeds or streambeds and some riparian landowners have paid the first installment of 2008 real property taxes based upon the reassessments without realizing that a claim of state ownership of the riverbeds and streambeds was the basis for the reassessments;

(6) procedural due process requires that if a claim of change in ownership is involved, the state agency involved shall

afford the affected property owners both notice of the claim and the opportunity to be heard;

(7) the 2008 real property tax assessments based upon claims of state ownership did not comply with the constitutional requirement for procedural due process and under that circumstance payment by the property owners of taxes based on the reassessment does not constitute acquiescence in the underlying state ownership claim;

(8) if the department of revenue wishes to use the appeal mechanisms available through the county tax appeal boards and the state tax appeal board to determine whether riverbeds and streambeds are taxable to the abutting riparian landowners, it is required to provide written notice to the affected property owners of the state's claim of ownership so that the affected property owners have a fair opportunity to be heard and to dispute the government's claim."

**Renumber:** subsequent sections

4. Page 1, line 16.

**Following:** "property"

**Insert:** "-- presumption of taxability"

**Following:** "property."

**Insert:** "(1)"

5. Page 1.

**Following:** line 19

**Insert:** "(2) In the absence of adjudication of the ownership of the bed of any river or stream, it is the policy of the state that the department shall assess all land that is part of the bed and banks of a river or stream to the owner of record of the property."

6. Page 1, lines 28 and 29.

**Following:** "property of the" on line 28

**Insert:** "original"

**Following:** "owner" on line 28

**Strike:** remainder of line 28 through "built" on line 29

**Insert:** "or the original owner's successors in interest or assignees"

7. Page 2, line 5.

**Insert:** "Section 5. Section 61-8-371, MCA, is amended to read:

**"61-8-371. Operation of motor vehicle or off-highway vehicle below high-water mark on certain state or federal lands prohibited -- exceptions.** (1) Except as provided in 77-1-111(3), 77-1-806(4), and subsections (2) and (3) of this section, a person may not operate a motor vehicle or an off-highway vehicle below the ordinary high-water mark, as defined in 23-2-301, of class I or class II waters, as defined in 23-2-301, that occurs on state or federal lands or below the ordinary high-water mark

of class I waters flowing through private lands, within that portion of the streambed that is covered with water.

(2) A motor vehicle or an off-highway vehicle may be operated below the ordinary high-water mark on state or federal lands on an established road or trail that enters or crosses a stream, but the stream crossing must be by the shortest practical or designated route to the road or trail on the opposite bank.

(3) The prohibition in subsection (1) does not apply to:

(a) off-highway or motor vehicle use that occurs on state or federal land that is designated for off-highway or motor vehicle use below the ordinary high-water mark if the use is in accordance with the requirements of the authorization;

(b) off-highway or motor vehicle use conducted on state or federal land pursuant to and in accordance with a specific written authorization from the appropriate land management agency for that use below the ordinary high-water mark; and

(c) operation of an off-highway vehicle by a nonambulatory person who is using the vehicle for recreational use, as defined in 23-2-301, as long as operation of the vehicle is prudent and minimizes destruction.

(4) The state may authorize the use of a motor vehicle or off-highway vehicle on state property below the ordinary high-water mark only when the state has determined that the use will have a minimal impact on the streambed and on the fish and wildlife ecology of the stream or river. Federal land management agencies are requested to apply the same criteria when authorizing use of federal land."

**Renumber:** subsequent sections

8. Page 4, line 30.

**Strike:** "3"

**Insert:** "4"

9. Page 5, line 15.

**Strike:** "3"

**Insert:** "4"

10. Page 5, line 25.

**Strike:** "3"

**Insert:** "4"

11. Page 5, line 29.

**Strike:** "3"

**Insert:** "4"

12. Page 7, line 4.

**Strike:** "3"

**Insert:** "4"

13. Page 7, line 8.

**Strike:** "3"  
**Insert:** "4"

14. Page 7, line 11.  
**Strike:** "3"  
**Insert:** "4"

15. Page 7, line 19.  
**Strike:** "3"  
**Insert:** "4"

16. Page 8, line 22.  
**Strike:** "3"  
**Insert:** "4"

17. Page 8, line 29.  
**Strike:** "1"  
**Insert:** "2"

18. Page 9, line 1.  
**Strike:** "1"  
**Insert:** "2"

19. Page 9, line 2.  
**Strike:** "2"  
**Insert:** "3"

20. Page 9, line 3.  
**Strike:** "2"  
**Insert:** "3"

21. Page 9, line 4.  
**Strike:** "3"  
**Insert:** "4"

22. Page 9, line 5.  
**Strike:** "3"  
**Insert:** "4"

- END -



SENATE STANDING COMMITTEE REPORT

March 24, 2009

Page 1 of 2

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 489** (first reading copy -- white) **do pass as amended.**

Signed: \_\_\_\_\_

*Senator Jeff Essmann, Chair*

**And, that such amendments read:**

1. Page 2, line 19.

**Strike:** "injection" through "natural gas"

**Insert:** "interconnection with a common carrier pipeline as defined in 69-13-101, a pipeline carrier as defined in 49 U.S.C. 15102(2), or a rate-regulated natural gas transmission"

2. Page 2, line 26.

**Following:** line 25

**Insert:** "(6) The gas gathering facilities of a stand-alone gas gathering company providing gas gathering services to third parties on a contractual basis, owning more than 500 miles of gas gathering lines in Montana, and centrally assessed in tax years prior to 2009 must be treated as a natural gas transmission pipeline subject to central assessment under 15-23-101. For purposes of this subsection, the gas gathering line ownership of all affiliated companies, as defined in section 1504(a) of the Internal Revenue Code, 26 U.S.C. 1504(a), must be aggregated for purposes of determining the 500-mile threshold."

3. Page 3, line 12.

**Following:** "utilities,"

**Insert:** "rate-regulated"

**Following:** "gas"

**Insert:** "transmission"

**Committee Vote:**

Yes 8, No 3

Fiscal Note Required \_\_\_

SB0489001SC.sdr

DR

4. Page 3, line 13.

**Strike:** "or common carrier pipelines"

**Insert:** "a common carrier pipeline as defined in 69-13-101, a pipeline carrier as defined in 49 U.S.C. 15102(2), or the gas gathering facilities specified in 15-6-138(6) "

5. Page 4, line 2.

**Strike:** "consisting of"

**Insert:** "including but not limited to"

6. Page 4, line 4.

**Following:** "(b)"

**Insert:** "rate-regulated"

**Following:** "gas"

**Insert:** "transmission"

7. Page 4, line 6.

**Following:** "pipelines"

**Insert:** "as defined in 69-13-101 or a pipeline carrier as defined in 49 U.S.C. 15101(2) "

8. Page 4.

**Following:** line 7

**Insert:** "(e) the gas gathering facilities specified in 15-6-138(6);"

**Renumber:** subsequent subsections

9. Page 4, line 24.

**Following:** "a"

**Insert:** "rate-regulated"

**Following:** "gas"

**Insert:** "transmission"

**Following:** "oil"

**Insert:** "transmission"

10. Page 4, line 25.

**Following:** "pipeline"

**Insert:** "as defined in 69-13-101, a pipeline carrier as defined in 49 U.S.C. 15101(2) "

- END -



**SENATE STANDING COMMITTEE REPORT**

**March 24, 2009**

**Page 1 of 1**

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 503** (first reading copy -- white) **do pass as amended.**

Signed: \_\_\_\_\_

*Senator Jeff Essmann, Chair*

**And, that such amendments read:**

1. Page 2, line 5.

**Strike:** "November"

**Insert:** "January"

2. Page 6, line 18.

**Strike:** "of a Montana business, such as"

**Insert:** "held for investment or the production of income by a Montana farm, ranch, or business, whether organized as a C. corporation, S. corporation, partnership, limited liability company, other pass-through entity, trust, or sole proprietorship, including but not limited to"

- END -

**Committee Vote:**

**Yes 7, No 3**

Fiscal Note Required \_\_\_

SB0503001SC.sdr

DR



**SENATE STANDING COMMITTEE REPORT**

**March 24, 2009**

**Page 1 of 3**

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 506** (first reading copy -- white) **do pass as amended.**

Signed: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "Jeff Essmann".

*Senator Jeff Essmann, Chair*

**And, that such amendments read:**

1. Title, line 10.

**Following:** "COMMUNITIES"

**Insert:** ", "

**Strike:** "AND"

**Following:** "AREAS"

**Insert:** ", AND RESORT AREA DISTRICTS"

2. Page 2, line 6.

**Following:** "equipment"

**Strike:** " ; "

**Insert:** ". However, the rental of vehicles by insurance companies under policy coverages that include temporary vehicle replacement coverage is exempt from the tax."

3. Page 2, line 26.

**Strike:** "under"

**Insert:** "after an election conducted pursuant to the procedures set forth in [section 5] that submits to the voters the ballot question in"

4. Page 2, line 29.

**Following:** "community"

**Insert:** ", "

**Strike:** "or"

5. Page 2, line 30.

**Committee Vote:**

**Yes 6, No 5**

Fiscal Note Required

SB0506001SC.sdr

DR

**Following:** "area"  
**Insert:** ", or a resort area district"

6. Page 3, line 2.

**Following:** "community"

**Insert:** ", "

**Strike:** "or"

**Following:** "area"

**Insert:** ", or resort area district"

7. Page 3, line 28.

**Following:** "to the"

**Insert:** "property tax offset"

8. Page 4, line 14.

**Strike:** "2%"

**Insert:** "4%"

9. Page 5, line 20.

**Following:** "community"

**Insert:** ", "

**Strike:** "or"

**Following:** "area"

**Insert:** ", or resort area district"

10. Page 5, line 30.

**Following:** "community"

**Insert:** ", "

**Strike:** "or"

**Following:** "area"

**Insert:** ", or resort area district"

11. Page 6, line 15.

**Following:** "community"

**Insert:** ", "

**Strike:** "or"

**Following:** "area"

**Insert:** ", or resort area district"

12. Page 6, line 17.

**Following:** "revenue"

**Insert:** "available after distribution pursuant to [sections  
3(1)(a) and 8]"

13. Page 6.

**Following:** line 24

**Insert:** "(2) The distribution to municipalities under subsection  
(1) must be used as provided in [section 3(2)]."

**ReNUMBER:** subsequent subsections

14. Page 6, line 25.

**Following:** "community"

**Insert:** ", "

**Strike:** "or"

**Following:** "area"

**Insert:** ", or resort area district"

- END -



SENATE STANDING COMMITTEE REPORT

March 24, 2009

Page 1 of 1

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 509** (first reading copy -- white) **do pass as amended.**

Signed: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "Jeff Essmann".

*Senator Jeff Essmann, Chair*

**And, that such amendments read:**

1. Page 4, line 24 through line 26.

**Strike:** subsection (10) in its entirety

**Renumber:** subsequent subsections

2. Page 5, line 27 through line 28.

**Strike:** "being" on line 27 through "destination" on line 28

**Insert:** "primary and secondary crushing"

- END -

**Committee Vote:**

**Yes 7, No 3**

Fiscal Note Required \_\_\_

SB0509001SC.sdr

DR



**SENATE STANDING COMMITTEE REPORT**

**March 24, 2009**

**Page 1 of 2**

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 510** (first reading copy -- white) **do pass as amended.**

Signed: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "Jeff Essmann".

*Senator Jeff Essmann, Chair*

**And, that such amendments read:**

1. Title, line 5.

**Following:** "NEW"

**Insert:** "OR EXPANDING"

2. Title, line 6.

**Strike:** "5"

**Insert:** "10"

3. Title, line 7.

**Strike:** "APPROVAL"

**Insert:** "NOTIFICATION"

4. Page 1, line 13.

**Strike:** "and"

**Insert:** "or"

5. Page 1, line 14.

**Following:** "new"

**Insert:** "or expanding"

**Following:** "5"

**Insert:** "or 10"

6. Page 1, line 16.

**Strike:** "shall approve"

**Insert:** "must be notified of"

**Committee Vote:**

**Yes 9, No 1**

Fiscal Note Required \_\_\_

SB0510001SC.sdr

DR

7. Page 1, line 21 through line 22.

**Strike:** "or" on line 21

**Insert:** ", and upon expiration of that period,"

**Strike:** "be made" on line 21 through "and" on line 22

**Strike:** "up to 4 more consecutive tax years"

**Insert:** "one more 5-tax-year period"

8. Page 1, line 25.

**Insert:** "(4) (a) Production from a new underground mine is all production from a mine that in the year prior to tax year in which the first abatement will apply had production of less than 500,000 tons of coal and the production during the course of the abatement period is estimated to be and actually amounts to at least five times the preabatement production amount.

(b) Production from an expanding underground mine is that portion of the mine's production that exceeds the average production for the previous 3 years. To qualify for the abatement, the total of the prior average production and the new production may not decrease during the time of the abatement."

9. Page 2, line 2.

**Following:** "new"

**Insert:** "or expanding"

10. Page 2, line 25.

**Following:** "new"

**Insert:** "or expanding"

11. Page 2, line 27.

**Following:** "tax"

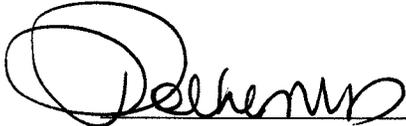
**Insert:** "subject to the abatement"

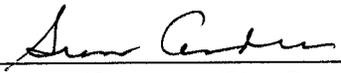
- END -

**COMMITTEE FILE COPY**

**TABLED BILL**

The **SENATE TAXATION COMMITTEE** TABLED **SB 315, SB 342, SB 459**, by motion, on **Tuesday, March 24, 2009**.

  
\_\_\_\_\_  
(For the Committee)

  
\_\_\_\_\_  
(Secretary of the Senate)

1:07 | 3/24  
(Time) (Date)

March 24, 2009

Debra L. Polhemus, Secretary

Phone: 4685

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