SENATE TAXATION
EXHIBIT NO. 15
DATE 2-23-07
SB-539

MONTANA ASSOCIATION OF COUNTIES

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DATE: February 23, 2007

FROM: L. Harold Blattie, Executive Director
Montana Association of Counties

TO: Members of the Senate Taxation Committee

Senator Jim Elliott, Chair
Senator Jeff Essmann
Senator Kim Gillan
Senator Christine Kaufmann
Senator Jim Peterson
Senator Trudi Schmidt
Senator Jerry W Black
Senator Kelly Gebhardt
Senator Dan Harrington
Senator Sam Kitzenberg
Senator Jim Peterson
Senator Bob Story

RE: Senate Bill 539 - Revise property tax appeal and create property tax protest reserve fund.

On Tuesday, February 20, 2007 during the hearing for SB 539 I appeared before you as an informational witness to advise the committee that because of the short time the text of the bill had been available, MACo was unable to review the bill sufficiently to be able to take a position on the bill.

In the intervening time, the MACo Executive Committee and some members have given very careful consideration to this bill and wish to advise the committee that MACo now would like to go on the record as a strong supporter of Senate Bill 539. We have been working with Department of Revenue Director, Dan Bucks, who will propose amendments to address areas of the bill that were not clear or may have given us some concern.

We believe the bill will address the very real and significant problem that many local governments are faced with related to protested property taxes. In many jurisdictions, these amounts are of such significance that the ability to properly fund operations is becoming seriously impaired. The "insurance" provisions of SB 539 will allow local governments to have access to 90% of the protested amounts to fund their programs and needs, while allowing the Department of Revenue sufficient time to properly work through the appeal process without undue pressure to settle the appeal from local governments who are in desperate need of the protested proceeds to fund essential services.

The Montana Association of Counties respectfully request that you pass Senate Bill 539 and allow local governments the option of participating in the "insurance" program created in this bill.