MINUTES

MONTANA SENATE
57th LEGISLATURE - REGULAR SESSION
COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN BOB DEPRATU**, on March 6, 2001 at 8:00 A.M., in Room 405 Capitol.

ROLL CALL

Members Present:
- Sen. Bob DePratu, Chairman (R)
- Sen. Alvin Ellis Jr., Vice Chairman (R)
- Sen. John C. Bohlinger (R)
- Sen. Mack Cole (R)
- Sen. Pete Ekegren (R)
- Sen. Jon Ellingson (D)
- Sen. Bill Glaser (R)
- Sen. Dan Harrington (D)
- Sen. Emily Stonington (D)

Members Excused: None.

Members Absent: None.

Staff Present: Greg Petesch, Legislative Branch
Deb Thompson, Committee Secretary

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

Committee Business Summary:
Hearing(s) & Date(s) Posted: Senate Bill 374, 2/6/2001; Senate Bill 462, 2/20/2001
Executive Action: Senate Bill 462 Pass 7-0; Senate Bill 374 Hold; Senate Bill 134 Pass as amended 6-2; Senate Bill 220 Pass 9-0; Senate Bill 388 Table 9-0; Senate Bill 316 Table 5-3

HEARING ON SENATE BILL 374

Sponsor: **SENATOR MIKE TAYLOR**, SD 37, Proctor

<u>Proponents</u>: Jim Stack, representing Flathead County Residents; Doug Follett, resident

<u>Opponents</u>: Al Littler, Billings Association of Realtors; Ed Hudson, Real Estate Agent

<u>Opening Statement by Sponsor</u>: SENATOR TAYLOR presented the bill. He distributed a diagram which demonstrated what the bill would address. **EXHIBIT(tas51a01)** He described various people who had purchased property that has become highly valuable, such as river and lake properties. A lot of out of state people had purchased property that they considered cheap, compared to where they came from. Senate Bill 184 tried to slow these out of control values but this was ruled unconstitutional because the values could only go up 2% or down 2%. Now there is a very serious problem. There are property owners that have a limited income and limited resources and their property taxes are going to go up 2, 3 and 4 times in the next few years. He cited an example of a homeowner on an acre and a half, on a fixed income, who was paying $1,500. That is going to $6,000. This person is on fixed income. There are many people all over the state that this will affect. This is a property bill that deals with any value that has been driven up to a high value, affecting the person living next door. He explained an average Montana salary was $75,000 a year and they would be eligible under this bill. People who have owned property for a long time, passed it down to their kids are those who would have protection. He pointed out this bill related only to the primary residence. He explained the flow chart. He explained a need for an amendment. **EXHIBIT(tas51a02)** The amendment would extend the cap. During the Special Session, the cap was extended temporarily, through the end of this year. The amendment would extend the cap for two more years on the properties. HB 616 proposes a taxation study during the Interim. Even though there has been past studies, this study would specifically look at minimizing the property tax burden on residential property. Issues studied may include eliminating residential property taxes or substituting a flat fee for property taxes. ***{Tape : 1; Side : A; Approx. Time Counter : 0 - 9.7}***

<u>Proponents' Testimony</u>: Jim Stack, representing the residents from Flathead County, and Chairman of the Whitefish Lakeshore Protection Committee, testified in support of the bill. He said he was appointed by the County Commissioners and City Council to apply the lakeshore regulations in order to protect several of the area lakes for future generations. He distributed two handouts, one a group of letters and the other from the Whitefish Lake & Lakeshore Protection Committee. **EXHIBIT(tas51a03)** **EXHIBIT(tas51a04)** He noted their concerns in watching what was happening with the tax trend. He wondered who we were protecting the area lakes for. If the current trend continues or accelerates, which it will do unless something is done, we are basically protecting the lakes for out of state property owners. He highlighted points made by the residents who were mostly on fixed incomes that would be affected by a tax increase and thereby forced off their land. The **Hartman's**, retired teachers and permanent Whitefish lake residents, stated that one out of every six paychecks, after taxes, went to pay their property taxes. They feared being taxed out of their property. The next letter was a retired timber worker, second generation lake shore property owner, who had his home for fifty years. He wanted to be able to pass his property on to his children. The next letter was from a single mother with a son in college. Her home was built by her parents. She asked if it was fair that people were being pushed off their property for trying to protect this land for what is turning out to be not Montanans. The "worth" of properties (those sold on the market) influenced the appraisal value of those properties NOT on the market. As noted by **Mr. And Mrs. Solberg**, their property has remained unchanged since 1966 with no additions or improvements other than regular maintenance. Because of the wants and desires of well-to-do investors around the lake, their lakeside property is viewed as ripe for reappraisal and tax increase.

Mr. Stack stressed the degree of tax increases that had already incurred on the inflated value property. Ten years ago, most lakeshore property was already assessed at far more than the average house. Over the last decade, lakeshore property taxes and valuations have soared by two to three times what the average increase is in property valuations in the state. Many of the lakeshore property owners have already seen their taxes double and triple over the past decade. Just a small minimum, 75 foot lot on Whitefish Lake today is assessed at over $200 thousand dollars. It is nearing a crisis stage because when SB 184 sunsets at the end of this year, their taxes are going to jump. What is really scary is what happens on the next assessment. The current valuation is running around $2,000- $2,500 per frontage foot. The current sales prices are between $7,000 and $10,000 per frontage foot. He pointed out there was no logic to this. Out of state interests are coming in and will pay anything to get what they want. The property looks cheap to them. What is happening in Flathead County is going to happen in other counties. Flathead County may be at the leading edge of the influx but this will happen on any prime property that could be considered vacation or recreation property. The residents that sent the letters need tax protection. They want to avoid being pushed off property that they have held for decades or generations. SB 184 that sunsets, was not a tax windfall. It was tax relief. For most property owners, it only rolled back a small portion of the increase that they had seen over the previous decade. It is necessary to focus legislation on those who need it most. Partial tax relief on the huge increase in assessments of the past decade is vital. He felt that SB 374 would not meet these objectives as it would only give a small incremental tax break while ignoring long term protection. He stressed that in the next assessment, if your property taxes go up two to three hundred percent, an incremental 10% cut off the top will have little meaning if you are forced to sell your property. The bill would also have the effect of raising taxes for 30% for those Montana residents who have owned their property for less than ten years. The amendment is an improvement to the bill. He described misconceptions about SB 184 (land cap) and the need to protect against the next upcoming reassessment to avoid forcing Montanans from being taxed off their properties. (See Exhibit 4, page 2) ***{Tape : 1; Side : A; Approx. Time Counter : 9.7 - 24.7}***

Doug Follett, a resident of Whitefish Lake, presented written testimony. **EXHIBIT(tas51a05)** He described his teaching career and salary having gone up eight times and his taxes having gone up 230 times since 1952. Since his retirement, he worked summer jobs to make sure he can pay his property taxes, but worried about his age at 77 and his ability to continue to do so. He has been working on trying to get some protection for all property owners from the effect of market value controlled tax appraisals, which make all property owners victims of the influx of people into Montana who seem to have unlimited funds. He described his experience with the Governor's special tax committee seven years ago. He said the result of that tax study was really nothing, except SB 184, that made any practical advance. He said he was representing more than just lakeshore property. The need is for protection for all property owners in the state from the effect of market value of controlled tax appraisals. It isn't just lakeshore people anymore. **Mr. Follett** stated: "if you have river frontage it is the same. If you have frontage on Cow Creek, it is the same. If you have frontage on a golf course, it is the same. If you can see a tree it is the same. If you can see over the tree and see a mountain, God help you." He urged the committee extend SB 184 at least until they found a better solution. ***{Tape : 1; Side : B; Approx. Time Counter : 0 - 6}***

<u>**Opponents' Testimony**</u>: **Al Littler**, from Billings and member of the Montana Association of Realtors, spoke against the bill. He said this problem did not just concern recreational property or Flathead area property but was in Red Lodge, Missouri Breaks, Bozeman and commercial property. Anytime the market dynamics creates a supply and demand equation there are price increases.

The state of Montana operates on two basic taxes, income and property taxes. In taxing income, we tax wealth. In taxing property, we tax wealth. There has been an inability to structure a balance where we tax consumption. As a result, we keep overtaxing property and income. There is no question that the people on the Flathead have a serious problem with the property tax, just as other areas do around the state. The answer to the tax structure is not to go after the out of state person. This is not good tax policy. It would create a special class of people and does not work constitutionally. ***{Tape : 1; Side : B; Approx. Time Counter : 5.2 - 10.8}***

Ed Hudson, a recreational property owner and real estate agent, spoke against the bill. He pointed out a lot of the recreational property was bought in the 60's and 70's and the value has increased. He felt the bill was confusing and would not address the issue. ***{Tape : 1; Side : B; Approx. Time Counter : 10.8 - 14.3}***

<u>Questions from Committee Members and Responses</u>: SENATOR HARRINGTON pointed out that much of the property was valued in the millions of dollars. He acknowledged there was a problem as the incomes of the residents were not high. ***{Tape : 1; Side : B; Approx. Time Counter : 14.3 - 16.3}***

SENATOR TAYLOR reminded the committee that people really care about their homes and money is not the whole object. He asked if the state of Montana really wanted to drive people out of their homes, if they don't want to go, because they can't afford to stay there. The money doesn't come to them until they sell it. People don't want to have to mortgage their property to pay their taxes. They should make their decisions based on their feelings and not because of economics. People's homes are their castle and they should not be forced to sell to pay their taxes just because the property is worth a lot of money. If the person wants to sell and make the money, then the next person that buys it - they know what they are paying for it and will know what the property tax value will be. ***{Tape : 1; Side : B; Approx. Time Counter : 16.3 - 19.9}***

SENATOR BOHLINGER asked for a response regarding Mr. Littler's concern about basing property taxes based on one's income and the constitutional implications. **SENATOR TAYLOR** described the low income housing tax relief plan that are on the books. The reason for the amendment was to study the issue further and solve this problem.

SENATOR COLE asked how 130 percent figure was reached. **SENATOR TAYLOR** replied that would be moot after the amendment was accepted. The percent was based on what he felt was reasonable based on people who were not primary owners of their home. Referring to the chart, if you fall in that category, you would pay 30% higher property taxes if it was not a primary residence. ***{Tape : 1; Side : B; Approx. Time Counter : 19.9 - 24}***

SENATOR COLE asked **Mr. Littler** about his reference to poor tax policy whether the lower values in Eastern Montana property could be inflated by someone coming in and paying a higher price. **Mr. Littler** described a ranch property in the Yellowstone Valley where the rancher was barely making a living. A Californian pays $2,000 per acre. As ranch property, if you pay more than $750 per acre you cannot make an income raising sugar beets and come out ahead. Then a property owner who wants to sell it to the farmer won't sell it for less than $2,000 an acre. It is not just recreational land that is being targeted for this increase in value. The land values in Montana are based on supply and demand in the market. The rise in values are happening in Yellowstone County on a 40 acre beet property as well as a 75 foot lake frontage. He stated the dynamics of our tax structure on income and property will always reflect this market value. He said a tax on consumption would give some relief. This land valuation problem occurs statewide. He commented that because of the attention placed on the Missouri River Breaks, those values may be rising in the future as well. ***{Tape : 1; Side : B; Approx. Time Counter : 24 - 27.3}***

SENATOR ELLINGSON said he was trying to understand what the bill as amended would do. As he understood, the amendment would simply put back into current law what was struck in the Special Session. **SENATOR TAYLOR** said this would extend the cap for two more years. He stressed the need for a study on comprehensive tax relief. ***{Tape : 1; Side : B; Approx. Time Counter : 27.3 - 30.5}***

SENATOR ELLIS noted that the same types of dwellings in different parts of the state were not taxed the same. That is because of the dynamics of the market. He asked what would happen if the property taxes were reduced by one half. **Mr. Littler** replied it would help, however an example of a small house on Rock Creek in Red Lodge and the same size house on the 75 foot of lake frontage would have two different values. One person would pay more tax because the tax values are based on supply and demand. There is a need to deal with the whole package to slow down the tax hits, and come with another tax source. **SENATOR ELLIS** pointed out the unfairness of the higher taxes on valuable property and the fact that the upcoming reappraisal would be another hurdle, especially for those on fixed incomes. ***{Tape : 2; Side : A; Approx. Time Counter : 0 - 3.8}***

Closing by Sponsor: **SENATOR TAYLOR** stressed the need to put the cap back on so people were not run out of their homes, at least until the problem could be solved. He said a vote against this cap and this amendment was a vote against Montanans. If the property was sold, maybe an 8% consumption tax on top of that could give it back to the property owners for property tax relief. Maybe if the value of the home hasn't gone up, tax relief could be targeted so it could help them pay for their income taxes. There are many ideas that should be considered. SB 184 had the start but it only addressed values that go down 2%. This issue should be revisited. He asked the committee if they wanted to run people who could not afford property taxes out of their house. He recommended putting the cap on, studying the issue for two more years and come up with a solution to solve the problem. ***{Tape : 2; Side : A; Approx. Time Counter : 3.8 - 6.4}***

HEARING ON SENATE BILL 462

Sponsor: **SENATOR ALVIN ELLIS**, SD 12, Red Lodge

Proponents: **Gordon Morris, MACO**

Opponents: None

Opening Statement by Sponsor: **SENATOR ELLIS** distributed an article regarding Red Lodge Mountain who could not pay their taxes thus affecting the Luther School District.
EXHIBIT(tas51a06) He said this bill addressed a problem specific to the Red Lodge Mountain situation but has occurred in other areas in the state, such as Jefferson County when the Sunlight Mine declared bankruptcy. This bill addressed the situation where a single taxpayer was a significant part of the tax base of a local government, in this case over 10%. Because they are delinquent in their taxes, the local government becomes delinquent as far as revenues are concerned and have to resort to either registering warrants or borrowing money from the Board of Investments. This bill says if they do have to borrow money from the Board of Investments they can do it for a longer period of time. Before they could sell revenue bonds for twelve months and it could be extended for a month. A delinquent taxpayer can be delinquent for three years before that tax is actually due. Then he only has to pay that first year and he is no longer threatened with a tax sale, even though he is still delinquent. This bill would allow the Board of Investments to loan money for a longer period of time and at such time as those revenue bonds are sold, the penalty and interest is increased by one half. The reason for this, in this particular case of the ski hill, was the large capital outlay done by the ski hill by about eight million

dollars. This included two high speed lifts plus a lot of snow making equipment. They borrowed a lot of money against the ski hill. They had trouble paying principal and interest and as a result, a 10% interest plus 2% penalty assessed by the county looks attractive. This 2% occurs one time, so in effect there is a 10 2/3% interest charge against that money. Any business that is leveraged like the ski hill would have to borrow money at about 11%. The county money becomes the cheapest they can borrow. That is the reason for this bill to give them an incentive to pay their taxes first, over their lender. If a tax sale is done, the first in line is the IRS, the second is the county tax collector and then the mortgage holder. This bill is really aimed at the mortgage holder to keep local government whole until such time as the problem is resolved. ***{Tape : 2; Side : A; Approx. Time Counter : 6.4 - 12.7}***

Proponents' Testimony: **Gordon Morris** went on record in support of the bill.

Opponents' Testimony: None

Questions from Committee Members and Responses: **SENATOR ELLINGSON** asked why the Red Lodge Mountain ski area owners were not present at the hearing since this bill specifically described their situation. **SENATOR ELLIS** replied this was not aimed at them specifically but rather state policy. This would allow local governments to have a funding source until the delinquent taxes were paid. It would not be profitable to use the counties as the bank. ***{Tape : 2; Side : A; Approx. Time Counter : 12.7 - 15.4}***

SENATOR EKEGREN commented that he did not understand why a major industry, such as Red Lodge Mountain that paid 10% of the tax base, would be treated any different than someone who was paying less. **SENATOR ELLIS** replied the reason for doing that was to save the other taxpayers in that district from waiting for that taxpayer to pay their taxes, since they need a way to borrow money to do so. He would not recommend issuing registered warrants and not paying the school teachers until the delinquent taxpayer paid their taxes. Somebody has to meet the shortfall and it should be the lender, in the case of Red Lodge Mountain, that lent them the eight million dollars.

Closing by Sponsor: **SENATOR ELLIS** closed. ***{Tape : 2; Side : A; Approx. Time Counter : 15.4 - 27}***

EXECUTIVE ACTION ON SENATE BILL 462

SENATOR ELLIS MOVED DO PASS. The question was called. The motion **PASSED** unanimously.

EXECUTIVE ACTION ON SENATE BILL 374

SENATOR ELLIS noted there was no termination date and he wondered how the amendment would address this. **Mr. Petesch** replied there would be a new section 3 that would terminate the bill on December 31, 2003. He said another issue raised by **SENATOR TAYLOR** that wasn't in the amendment, if the property was sold that was subject to this during that time frame, it would go to full market value. ***{Tape : 2; Side : A; Approx. Time Counter : 27 - 30.2}***

CHAIRMAN DEPRATU asked that this bill be held until the amendments could be drafted.

EXECUTIVE ACTION ON SENATE BILL 134

SENATOR BOHLINGER MOVED DO PASS. CHAIRMAN DEPRATU MOVED THAT AMENDMENT #013401 BE ADOPTED. EXHIBIT(tas51a07) He explained the amendments would indicate that one half of the amount of power produced through generation from this new plant would have to be offered to the state entities first. Then if it wasn't taken by them they could sell it to the market.

SENATOR COLE noted this amendment would help the bill. **SENATOR HARRINGTON** asked if the counties could set the price. He asked if the price could be kept down. **CHAIRMAN DEPRATU** replied that it was his intention that the Public Service Commission would be involved and be able to determine the cost and the fair mark-up.

SENATOR BOHLINGER noted this would give the Public Service Commission regulatory oversight in establishing the price of power generated.

SENATOR COLE asked **Jim Mockler of the Coal Council** to respond to this idea. **Mr. Mockler** responded that he did not object to the idea. He felt that any power plant that would be built would be offered to the local people the closest to the power plant to have the best options for buying power. It would be the cheapest for them, especially when considering line loss and expenses. ***{Tape : 2; Side : B; Approx. Time Counter : 5 - 9}***

The question was called on the amendment. The amendment was **ADOPTED** unanimously.

SENATOR COLE MOVED THE BILL AS AMENDED. SENATOR BOHLINGER noted the incentives were attractive, would stimulate the economy by providing new jobs, adding value to a Montana product, taxed at one third of the prevailing rate - and would help provide a solution to the energy crisis. The amendment would allow one half of the power generated to be set aside for residents in Montana. It would be subjected to the scrutiny of the Public Service Commission for the purposes of establishing a fair rate. It felt this bill was important and would help relieve the energy crisis.

SENATOR ELLINGSON asked if there were any constitutional issues when one kind of coal production was taxed one way and another had a different rate. **Mr. Petesch** replied there is always an equal protection issue but this bill has no significant different from the "window of opportunity" issue that **Governor Schwinden** put forward when coal contracts at different time frames were taxed at different rates. This bill has similar mechanics. The amendment would require the producer to offer power in the state which would be the rational basis for the tax differential. That is all that is required in this case. No one has ever challenged the "window of opportunity".

SENATOR BOHLINGER pointed out the lower tax would bring a greater production of the coal reserves. We could anticipate considerable production activity and expansion of taxes collected.

SENATOR ELLIS noted that he had not heard about new coal fired generating facilities being built because of the regulatory difficulties and formidable hurdles that had to be crossed. However, these have not been regulated by the PSC but if they are going to sell power to regulated distributors this would be addressed. They could take advantage of this tax, as they are contemplating building a coal fired generator. They are not building in Montana because of the tax. They have approached the power crisis quite differently than the PSC. Instead of worrying about incremental increases that might occur if the new generation is put on line, they have accepted those and in the process had to pay for those facilities which requires long term contracts. As a result they have some long term contracts. This bill cannot happen soon enough to avoid the crunch we are facing now. Generation is being contemplated in California which is 19,000 plus megawatts and in Arizona it is 16,000 plus megawatts. In Arizona, once they meet environmental requirements, their MEPA process can only go 90 days. In Nevada it is less. As a result, they are more likely to get their plants built ahead of Montana. Our current economy depends so heavily on electricity that it is inconceivable that we don't provide an adequate supply. He was in favor of the bill as amended. ***{Tape : 2; Side : B; Approx. Time Counter : 9 - 20.9}***

SENATOR HARRINGTON noted that this bill was the best one he'd heard so far. However, every Session legislation is promoted that is purported to solve the energy problem. So far none have saved us. He doubted this bill would really be the answer.

SENATOR ELLINGSON asked about the two thirds production of coal produced in the state that was shipped out of state. He had heard that some of the facilities at Colstrip would need repairs and replacement. As old facilities came down and new ones went up, using the same amount of coal - they would be subject to a two thirds reduction of power production. **SENATOR COLE** replied that Number Three would be going down for major repairs for several months, which would affect the amount of power produced. However, the maintenance on the four plants had been done very well over the past twenty years.

The question was called on the bill. The vote was 6-2. **SENATORS HARRINGTON AND ELLINGSON** voted no.

EXECUTIVE ACTION ON SENATE BILL 220

SENATOR BOHLINGER MOVED SB 220. He reminded the committee that the bill would provide an Earned Income Tax Credit to the 66,000 Montanans who would take advantage of the Federal Earned Income Tax Credit. A 10% Montana tax credit would be allowed of what the federal credit amounted to. The bill had a $9 million dollar fiscal note and this was too high to be able to provide this type of help. It was suggested that this bill be included with **SENATOR ELLINGSON'S** bill which would allow for the recipients of the credit to be those people who received TANF funds, the Temporary Assistance to Needy Families. The amendment addressed use of the TANF funds so there would be no hit on the General Fund. **SENATOR BOHLINGER MOVED THAT THE AMENDMENT BE ADOPTED. EXHIBIT(tas51a08)** The question was called on the amendment. The motion was **ADOPTED** unanimously. ***{Tape : 2; Side : B; Approx. Time Counter : 20.9 - 30}***

SENATOR BOHLINGER noted there was no fiscal impact because of the amendment. The question was called on bill as amended. The motion **PASSED** 9-0. ***{Tape : 3; Side : A; Approx. Time Counter : 0 - 3}***

EXECUTIVE ACTION ON SENATE BILL 388

SENATOR ELLIS MOVED TO TABLE THE BILL. The question was called. The motion **PASSED** unanimously.

EXECUTIVE ACTION ON SENATE BILL 316

SENATOR STONINGTON MOVED DO PASS. She distributed an amendment that would define employee health care benefits. **EXHIBIT(tas51a09) SENATOR STONINGTON MOVED TO ADOPT THE AMENDMENT.** The question was called. The motion was **ADOPTED** unanimously.

SENATOR STONINGTON noted this did include a $4 million dollar hit on the General Fund. She pointed out that due to state tax policy, money was short. A proposal like this would be difficult to pass this Legislature. She urged the committee to be thinking about tax policy. We have always looked at tax policy to see if it was fair, simple and balanced. When it comes down to it, politically, it does not mean much. We should really decide if the policy would promote savings, provide incentives for the kind of desirable growth. Tax policy does determine behavior. We want to try to promote those kinds of behaviors that the state needs. This bill tries to address the growing crisis in health care. Many people are working two jobs where the employers are small businesses and can't afford health insurance for their employees. This provides for some employers an avenue for them to get started. ***{Tape : 3; Side : A; Approx. Time Counter : 3 - 10.5}***

SENATOR GLASER pointed out that the credit is available to an employer who had not provided insurance for their employees for the last two years. He did not feel it was fair for those employers who had made it a priority to take care of their employees. This would be a competitive disadvantage when new people can get a break but the old businesses that did the right thing by providing insurance, would be hurt. ***{Tape : 3; Side : A; Approx. Time Counter : 10.5 - 12.8}***

SENATOR COLE said he would not vote for the bill because of the shortage of money. He said he did not like the two - nine employees as noted in the bill. There would be some problems if someone had ten employees.

SENATOR STONINGTON pointed out the cost of care has risen by 27% which was driven up by the uninsured who are using emergency rooms to get their health care and the cost shifting onto the rest of the premiums. This bill tries to address that issue to help insure more people. The insurance method is preventative rather than the emergency room solution of the uninsured. ***{Tape : 3; Side : A; Approx. Time Counter : 12.8 - 20.7}***

SENATOR ELLIS pointed out that about 5/6 of the cost shifts come from federal insurance, Medicaid and Medicare. Medicaid under pays providers and that is where the cost shifts occur. **SENATOR GLASER** said if lines 22 and 23 could be amended out, he would be in favor of the bill. When the employer can show health insurance as a deduction, then you get more businesses involved. This bill does not treat everybody in exactly the same situation fairly. You are particularly penalizing those employers who have done the right thing all along.

The question was called on the bill. The motion **FAILED** 3-5. **SENATOR COLE MOVED TO TABLE THE BILL.** The motion **PASSED** 5-3 with **SENATORS HARRINGTON, ELLINGSON AND STONINGTON** voting no.

ADJOURNMENT

Adjournment: 10:18 A.M.

____
SEN. BOB DEPRATU, Chairman

____
DEB THOMPSON, Secretary

BD/DT

EXHIBIT(tas51aad)