

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 60th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Chairman Bob Lake, on February 21, 2007 at 8:00 A.M., in Room 152 Capitol.

ROLL CALL

Members Present:

Rep. Bob Lake, Chairman (R)
Rep. Jill Cohenour, Vice Chairman (D)
Rep. Jon Sonju, Vice Chairman (R)
Rep. Norma Bixby (D)
Rep. Mark Blasdel (R)
Rep. Edward B. Butcher (R)
Rep. Ron Erickson (D)
Rep. Wanda Grinde (D)
Rep. Robin Hamilton (D)
Rep. Edward Hilbert (R)
Rep. Mike Jopek (D)
Rep. Carol Lambert (R)
Rep. Gary MacLaren (R)
Rep. Dave McAlpin (D)
Rep. Bill Nooney (R)
Rep. JP Pomnichowski (D)
Rep. John (Jack) W. Ross (R)
Rep. Chas Vincent (R)

Members Excused: None.

Members Absent: None.

Staff Present: Jeff Martin, Legislative Branch
Debra Polhemus, Committee Secretary

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 682, 2/15/2007; HB 685,
2/14/2007; HB 746, 2/14/2007;
HB 748, 2/15/2007
Executive Action: HB 635; HB 675; HB 529; HB 748
HB 599

HEARING ON HB 746

Opening Statement by Sponsor:

00:02:52 Rep. Ron Erickson (D), HD 93, opened the hearing on HB 746, Allow tax credit for capital construction donations to tax-exempt organizations.

Proponents' Testimony:

00:08:17 Michael Halligan, Director of Corporate and Government Relations, Washington Companies, also Director of Development, Washington Foundations, Missoula

00:11:09 Jerry Kuhl, representing Foundation for the Diocese of Helena

00:12:37 Gail Abercrombie, representing Montana Contractors Association

00:14:35 Janie McCall, representing Montana Children's Initiative Provider Association and Billings Clinic Foundation

00:16:06 Charlie Briggs, representing Montana Association of Community Disability Services

00:17:15 Peter Sullivan, Sullivan Financial Group

[EXHIBIT \(tah39a01\)](#)

[EXHIBIT \(tah39a02\)](#)

00:22:42 Russ Ritter, previous Helena Mayor

[EXHIBIT \(tah39a03\)](#)

00:24:32 Terry Chaney, Development Director, Montana Intermountain Children's Home

00:25:31 James W. Duffy, President, Ft. Harrison Museum Foundation

[EXHIBIT \(tah39a04\)](#)

00:28:09 Mike Munck, Executive Vice President, St. Peter's Hospital Foundation

00:29:50 Betsey War, Helena resident and active donor

00:30:41 Jim Ahrens, President, Montana Hospital Association

Opponents' Testimony:

00:31:06 Linda Reed, President and CEO, Montana Community Foundation

Informational Testimony:

00:34:43 Derek Bell, Council, Department of Revenue

Questions from Committee Members and Responses:

00:36:11 Rep. Hilbert

00:37:40 Rep. Cohenour

Closing by Sponsor:

00:38:55 Rep. Ron Erickson

HEARING ON HB 682

Opening Statement by Sponsor:

00:40:52 Rep. Walter McNutt (R), HD 37, opened the hearing on HB 682, Revise wholesale electric transmission tax.

Proponents' Testimony:

00:42:21 John Fitzpatrick, representing Northwestern Energy

[EXHIBIT](#)(tah39a05)

[EXHIBIT](#)(tah39a06)

Opponents' Testimony:

00:52:05 Dave Hoffman, PPL Montana

[EXHIBIT](#)(tah39a07)

Informational Testimony:

00:56:07 Gene Walborn, Department of Revenue

Questions from Committee Members and Responses:

00:56:30 Rep. Erickson

00:57:28 Rep. Hamilton

00:58:18 John Fitzpatrick

00:59:54 Gene Walborn

Closing by Sponsor:

01:02:49 Rep. Walter McNutt

HEARING ON HB 685

Opening Statement by Sponsor:

01:03:36 Rep. Dave McAlpin (D), HD 94, opened the hearing on HB 685, Local option tax.

[EXHIBIT\(tah39a08\)](#)

[EXHIBIT\(tah39a09\)](#)

Proponents' Testimony:

01:09:37 Darryl James, HKM Engineering

01:10:58 Chris Kukluski, City Manager, Bozeman

[EXHIBIT\(tah39a10\)](#)

[EXHIBIT\(tah39a11\)](#)

[EXHIBIT\(tah39a12\)](#)

01:16:18 Alec Hanson, Montana League of Cities and Towns

[EXHIBIT\(tah39a13\)](#)

01:23:28 Janie McCall, representing City of Billings

[EXHIBIT\(tah39a14\)](#)

01:25:12 John Engen, Mayor, City of Missoula

01:26:30 Harold Blattie, Executive Director, Montana Association of Counties

01:26:50 Joe Mazurek, representing City of Great Falls

01:27:37 Anna Rosenberry, Finance Director, City of Bozeman

01:29:20 Mike McGinley, Beaverhead County Commissioner

01:30:00 Jay Skoog, Executive Director, American Council of Engineering Companies of Montana

Opponents' Testimony:

01:31:26 Mary Whittinghill, Montana Taxpayers Association

01:36:57 Nancy Schlepp, representing Farm Bureau Federation

01:39:11 Webb Brown, representing Montana Chamber of Commerce

01:39:54 Errol Rice, representing Montana Stock Growers Association

Informational Testimony: None

Questions from Committee Members and Responses:

01:40:52 Rep. Butcher

01:41:15 Rep. McAlpin

[EXHIBIT\(tah39a15\)](#)

01:45:26 Rep. Nooney

01:46:35 Rep. Ross

01:48:48 Rep. Erickson

01:50:15 Rep. Jopek

Questions from Committee Members and Responses: (Con't)

01:55:25 Rep. McAlpin
01:56:09 Rep. Jopek
01:56:55 Alec Hanson
01:57:50 Rep. Jopek
01:58:35 Chairman Lake
01:58:50 Rep. Jopek
01:59:07 Rep. Hilbert
02:01:12 Rep. Lambert
02:02:23 Rep. Ross
02:05:00 Chairman Lake
02:08:14 Rep. Grinde

Closing by Sponsor:

02:08:54 Rep. Dave McAlpin

02:10:12 Break
02:24:20 Reconvene

HEARING ON HB 748

Opening Statement by Sponsor:

02:24:44 Rep. Jon Sonju (R), HD 7, opened the hearing on HB 748,
Directing Department of Revenue to revise energy tax
credit rules.

[EXHIBIT\(tah39a16\)](#)

Proponents' Testimony:

02:31:53 Patrick Judge, Montana Environmental Information Center

Opponents' Testimony: None

Informational Testimony:

02:33:11 Brian Olsen, Department of Revenue

[EXHIBIT\(tah39a17\)](#)

02:35:40 Brian Green, Department of Environmental Quality

Questions from Committee Members and Responses:

02:35:59 Rep. Lambert
02:39:02 Rep. Cohenour
02:40:52 Jeff Martin
02:42:20 Rep. Jopek
02:43:40 Chairman Lake
02:44:12 Rep. Jopek
02:45:04 Brian Green
02:47:21 Rep. Lambert
02:48:03 Brian Olsen
02:48:22 Rep. Cohenour

Closing by Sponsor:

02:49:47 Rep. Jon Sonju

02:50:59 Rep. McAlpin

EXECUTIVE ACTION ON HB 599

02:53:53 **Motion:** Rep. Cohenour moved that **HB 599 DO PASS.**

02:54:24 **Motion:** Rep. Cohenour moved that **HB 599 BE AMENDED.**
EXHIBIT(tah39a18)

Discussion:

02:54:39 Jeff Martin
02:56:11 Rep. Cohenour
02:56:48 Jeff Martin
02:57:00 Rep. McAlpin
02:57:33 Rep. Erickson
02:57:54 Rep. Lambert
02:59:42 Rep. Ross
03:00:25 Jeff Martin

03:00:59 **Vote:** **MOTION CARRIED** 16-2 by voice vote with Reps.
Lambert and Ross voting no.

03:01:34 **Motion:** Rep. Cohenour moved that **HB 599 DO PASS AS**
AMENDED.

Discussion:

03:01:42 Rep. Erickson
03:02:19 Jeff Martin
03:03:02 Rep. Erickson
03:03:19 Chairman Lake
03:04:02 Jeff Martin
03:04:34 Chairman Lake
03:05:01 Jeff Martin
03:05:12 Chairman Lake
03:05:27 Rep. Cohenour

03:06:13 **Motion:** Rep. Erickson moved that **HB 599 BE AMENDED**
with a conceptual amendment.

Discussion:

03:06:26 Rep. Lambert

03:06:38 **Vote:** **MOTION CARRIED** unanimously by voice vote.

Discussion:

03:07:06 Jeff Martin

03:07:14 **Motion:** Rep. Cohenour moved that **HB 599 DO PASS AS**
AMENDED.

Discussion:

03:07:26 Rep. Hilbert
03:08:31 Rep. Sonju
03:08:44 Rep. Cohenour
03:10:06 Rep. Butcher
03:11:34 Rep. Ross
03:12:00 Rep. Erickson
03:13:11 Rep. Grinde
03:13:34 Rep. McAlpin
03:13:49 Rep. MacLaren

03:14:06 **Vote:** **MOTION FAILED** 9-9 by roll call vote with Reps.
Bixby, Cohenour, Erickson, Grinde, Hamilton, Jopek,
MacLaren, McAlpin, and Pomnichowski voting aye.

EXECUTIVE ACTION ON HB 635

03:15:45 **Motion:** Rep. Cohenour moved that **HB 635 DO PASS.**

Discussion:

03:15:57 Rep. Pomnichowski

03:16:43 Rep. Sonju

03:17:19 Rep. Cohenour

03:19:03 Chairman Lake

03:19:39 **Substitute Motion/Vote:** Rep. Sonju made a substitute motion that **HB 635 BE TABLED. SUBSTITUTE MOTION CARRIED** 10-8 by roll call vote with Reps. Bixby, Cohenour, Erickson, Grinde, Hamilton, Jopek, McAlpin, and Pomnichowski voting no.

EXECUTIVE ACTION ON HB 675

03:22:53 **Motion:** Rep. Sonju moved that **HB 675 DO PASS.**

03:23:14 **Substitute Motion/Vote:** Rep. Sonju made a substitute motion that **HB 675 BE TABLED. SUBSTITUTE MOTION CARRIED** unanimously by voice vote.

03:23:36 Rep. Ross left the hearing

EXECUTIVE ACTION ON HB 529

03:23:47 **Motion/Vote:** Rep. Sonju moved to **REMOVE HB 529 FROM THE TABLE. MOTION CARRIED** 10-8 by roll call vote with Reps. Bixby, Cohenour, Erickson, Grinde, Hamilton, Jopek, McAlpin, and Pomnichowski voting no and Rep. Ross voting by proxy.

03:25:21 **Motion:** Rep. Sonju moved that **HB 529 DO PASS.**

Discussion:

03:25:26 Rep. Jopek

03:25:41 Rep. Cohenour

03:26:06 Recess

03:33:21 Reconvene

Discussion: (Con't)

03:33:30 Chairman Lake
03:33:46 Jeff Martin
03:34:13 Rep. Cohenour
03:34:34 Jeff Martin

03:36:00 **Motion:** Rep. Sonju moved that **HB 529 BE AMENDED.**
EXHIBIT (tah39a19)

Discussion:

03:36:25 Rep. Erickson

03:36:30 **Vote:** **MOTION CARRIED** unanimously by voice vote with
Rep. Ross voting by proxy.

03:36:43 **Motion:** Rep. Sonju moved that **HB 529 DO PASS AS**
AMENDED.

Discussion:

03:37:02 Rep. Cohenour
03:37:38 Rep. MacLaren
03:38:16 Rep. Erickson
03:38:43 Rep. Sonju
03:40:09 Rep. Bixby
03:40:43 Rep. Nooney
03:41:23 Rep. Jopek
03:42:42 Rep. Erickson
03:43:25 Rep. Butcher

03:44:22 **Vote:** **MOTION CARRIED** 10-8 by roll call vote with Reps.
Bixby, Cohenour, Erickson, Grinde, Hamilton, Jopek,
McAlpin, and Pomnichowski voting no and Rep. Ross
voting by proxy.

Discussion:

03:45:22 Rep. Cohenour

EXECUTIVE ACTION ON HB 748

03:45:46 **Motion:** Rep. Sonju moved that **HB 748 DO PASS.**

03:45:56 Rep. Lambert left the hearing

03:46:32 **Motion:** Rep. Cohenour moved that **HB 748 BE AMENDED** with a conceptual amendment.

Discussion:

03:47:06 Jeff Martin

03:47:29 Rep. Sonju

03:47:36 Jeff Martin

03:48:00 Rep. Sonju

03:48:28 **Vote:** **MOTION CARRIED** unanimously by voice vote by with Reps. Lambert and Ross voting by proxy.

03:48:39 **Motion/Vote:** Rep. Sonju moved that **HB 748 DO PASS AS AMENDED. MOTION CARRIED** unanimously by voice vote with Reps. Lambert and Ross voting by proxy.

Additional Exhibits:

EXHIBIT(tah39a20)

Conceptual amendment to HB 748

ADJOURNMENT

Adjournment: 12:00 P.M.

REP. BOB LAKE, Chairman

DEBRA POLHEMUS, Secretary

BL/dp

Additional Exhibits:

EXHIBIT ([tah39aad.pdf](#))