

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 60th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Chairman Bob Lake, on March 27, 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 826, 3/19/2007; HB 832,
3/19/2007; HB 834, 3/15/2007
Executive Action: SB 161; HB 488; HB 823; HB 680
HB 826; HB 801; HB 463

HEARING ON HB 832

Opening Statement by Sponsor:

00:02:36 Rep. Jon Sesso (D), HD 76, opened the hearing on HB 832, Revise tax increment financing laws - targeted economic development.

EXHIBIT (tah65a01)

Proponents' Testimony:

00:11:11 Evan Barrett, Governor's Office of Economic Development
00:15:29 Russ Cannole, Economic Development Director, Butte Silverbow County
00:16:20 Karen Byrnes, Director, Urban Revitalization Agency, Butte

EXHIBIT (tah65a02)

00:17:02 J.D. Lynch, representing Butte Silverbow County
00:17:20 Linda Stoll, representing The Montana Association of Planners also speaking for Janet Cornish, Treasurer, The Montana Association of Planners

EXHIBIT (tah65a03)

00:21:36 Greg Krueger, Executive Director, Downtown Billings Partnership
00:25:04 Bruce McCandless, Deputy City Administrator, City of Billings
00:28:33 Alec Hanson, League of Cities and Towns
00:33:37 Chris Behan, Missoula Redevelopment Agency

Opponents' Testimony:

00:37:23 Charles Brooks, representing Billings Area Chamber of Commerce
00:41:56 Willy Duffield, Executive Director, Montana Association of Oil and Gas Producing Counties

Informational Testimony:

00:42:35 Frank Crowley, Attorney, Helena, speaking for Albert R. Batterman, Fallon County Attorney and Fallon County Commissioners

EXHIBIT (tah65a04)

00:47:56 Mae Nan Ellingson, Attorney, Dorsey & Whitney Law Firm, Missoula

00:48:35 Debbie Jurcich, Department of Revenue

Questions from Committee Members and Responses:

00:49:15 Rep. Lambert
00:50:00 Rep. Sesso
00:51:21 Rep. Lambert
00:51:38 Rep. Sesso
00:52:24 Rep. Lambert
00:52:54 Rep. Sesso
00:53:33 Rep. Erickson
00:54:07 Rep. Sesso
00:55:10 Rep. Hilbert
00:55:42 Rep. Sesso
00:59:05 Rep. Nooney
00:59:49 Rep. Sesso
01:02:42 Rep. Pomnichowski
01:03:45 Rep. Sesso
01:06:15 Rep. Pomnichowski
01:06:41 Rep. Sesso
01:07:30 Rep. Pomnichowski
01:07:59 Debbie Jurcich
01:08:08 Evan Barrett
01:10:56 Rep. Vincent
01:11:15 Debbie Jurcich
01:11:54 Evan Barrett
01:15:13 Rep. Butcher
01:19:02 Rep. Erickson
01:19:40 Mae Nan Ellingson
01:22:19 Rep. MacLaren
01:22:54 Mae Nan Ellingson
01:25:47 Rep. Hilbert
01:26:09 Evan Barrett
01:26:44 Chairman Lake
01:27:14 Debbie Jurcich

Closing by Sponsor:

01:28:20 Rep. Jon Sesso

HEARING ON HB 826

Opening Statement by Sponsor:

01:33:31 Rep. Bill McChesney (D), HD 40, opened the hearing on
HB 826, Study protested taxes.

Proponents' Testimony:

01:35:23 John Fitzpatrick, representing Northwestern Energy

EXHIBIT (tah65a05)

01:42:55 Ronda Wiggers, speaking for County Treasurers

01:47:17 Sheryl Wood, Associate Director, Montana Association of
Counties

01:47:48 Mary Whittinghill, Montana Taxpayers Association

01:49:45 Willie Duffield, Executive Director, Montana
Association of Oil and Gas Producing Counties

Opponents' Testimony:

01:50:40 Dan Bucks, Director, Department of Revenue

Informational Testimony: None

Questions from Committee Members and Responses:

02:02:46 Rep. Jopek

02:03:25 Ronda Wiggers

02:05:25 Rep. Jopek

02:07:24 Rep. Sonju

02:09:00 Dan Bucks

02:11:10 Rep. Sonju

02:11:54 Dan Bucks

02:13:41 Rep. McAlpin

02:14:10 Ronda Wiggers

02:14:41 Rep. Cohenour

02:16:33 Dan Bucks

02:20:21 Rep. Ross

02:20:56 Dan Bucks

02:22:51 Rep. Vincent

02:23:43 Ronda Wiggers

Closing by Sponsor:

02:24:33 Rep. Bill McChesney

02:27:02 Break

02:38:11 Reconvene

HEARING ON HB 834

Opening Statement by Sponsor:

02:38:25 Rep. Jill Cohenour (D), HD 78, opened the hearing on HB 834, Decouple state income tax from certain federal provisions.

Proponents' Testimony: None

Opponents' Testimony:

02:42:42 Holly Franz, representing Montana Society of CPA's, the Montana Taxpayers Association and Montana Chambers of Commerce

Informational Testimony:

02:46:28 Brenda Gilmer, Department of Revenue

Questions from Committee Members and Responses:

02:46:43 Rep. Erickson
02:47:30 Brenda Gilmer
02:49:23 Rep. Erickson
02:50:04 Rep. Cohenour

Closing by Sponsor:

02:52:42 Rep. Jill Cohenour

EXECUTIVE ACTION ON HB 826

02:55:29 **Motion:** Rep. Sonju moved that **HB 826 DO PASS.**

02:55:35 **Motion:** Rep. Sonju moved that **HB 826 BE AMENDED WITH A CONCEPTUAL AMENDMENT.**

Discussion:

02:55:54 Jeff Martin
02:56:04 Chairman Lake

02:56:18 Without objection, Rep. Sonju withdrew the motion that **HB 826 BE AMENDED.**

Discussion:

02:56:31 Rep. Cohenour
02:59:11 Chairman Lake
02:59:20 Rep. Butcher
03:01:15 Rep. Sonju
03:02:06 Rep. Ross
03:03:02 Rep. MacLaren
03:03:39 Rep. Jopek

03:05:59 **Vote:** **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 463

03:07:25 **Motion:** Rep. Cohenour moved that **HB 463 BE RECONSIDERED. MOTION CARRIED** unanimously by voice vote.

03:08:01 **Motion:** Rep. Cohenour moved that **HB 463 DO PASS.**

03:08:30 **Motion:** Rep. Cohenour moved that **HB 463 BE AMENDED. EXHIBIT(tah65a06)**

Discussion:

03:08:42 Jeff Martin

03:09:10 **Vote:** **MOTION CARRIED** unanimously by voice vote.

03:09:27 **Motion:** Rep. Cohenour moved that **HB 463 DO PASS AS AMENDED.**

03:09:47 **Motion:** Rep. Cohenour moved that **HB 463 BE AMENDED. EXHIBIT(tah65a07)**

Discussion:

03:09:59 Jeff Martin

03:15:05 **Vote:** **MOTION CARRIED** unanimously by voice vote.

03:15:26 Rep. Cohenour moved that **HB 463 DO PASS AS AMENDED.**

03:15:44 Rep. Cohenour moved that **HB 463 BE AMENDED. EXHIBIT(tah65a08)**

Discussion:

03:15:56 Jeff Martin
03:17:24 Rep. MacLaren
03:17:40 Jeff Martin

03:19:08 **Vote: MOTION CARRIED** unanimously by voice vote.

03:19:26 Rep. Cohenour moved that **HB 463 DO PASS AS AMENDED.**

03:20:08 **Motion:** Rep. Sonju moved that **HB 463 BE AMENDED. EXHIBIT (tah65a09)**

Discussion:

03:20:30 Jeff Martin
03:20:58 Chairman Lake

03:21:19 **Vote: MOTION CARRIED** 10-8 by roll call vote with Reps. Bixby, Cohenour, Erickson, Grinde, Hamilton, Jopek, McAlpin, and Pomnichowski voting no.

03:22:09 **Motion:** Rep. Cohenour moved that **HB 463 DO PASS AS AMENDED.**

Discussion:

03:22:28 Jeff Martin
03:24:40 Rep. Cohenour
03:24:54 Jeff Martin
03:25:02 Rep. Jopek
03:25:52 Jeff Martin
03:26:18 Rep. Jopek
03:26:33 Jeff Martin
03:27:14 Rep. Jopek
03:28:11 Jeff Martin

03:28:50 **Vote: MOTION CARRIED** 15-3 by roll call vote with Reps. Bixby, Erickson, and Jopek voting no.

EXECUTIVE ACTION ON HB 680

03:29:52 **Motion:** Rep. Cohenour moved that **HB 680 DO PASS.**

Discussion:

03:30:10 Rep. Cohenour

03:30:52 **Vote:** **MOTION CARRIED** 17-1 by voice vote with Rep. Sonju voting no.

CONTINUED EXECUTIVE ACTION ON HB 801

03:31:38 **Motion:** Rep. MacLaren moved that **HB 801 DO PASS AS AMENDED**. (Previous executive action: March 27, 2007)

Discussion:

03:32:04 Jeff Martin

03:32:30 **Motion/Vote:** Rep. MacLaren moved to **RECONSIDER THE ACTION OF ADDING THE AMENDMENT TO HB 801**. (March 27, 2007) **MOTION CARRIED** unanimously by voice vote.

03:33:36 **Motion/Vote:** Rep. Cohenour moved to **REMOVE THE AMENDMENT PREVIOUSLY PLACED ON HB 801**. **MOTION CARRIED** unanimously by voice vote.

03:34:48 **Motion:** Rep. MacLaren moved that **HB 801 DO PASS**.

03:34:59 **Motion:** Rep. Ross moved that **HB 801 BE AMENDED**. **EXHIBIT**(tah65a10)

Discussion:

03:35:28 Rep. Ross

03:36:09 Rep. Jopek

03:36:22 Jeff Martin

03:37:08 Rep. Cohenour

03:37:22 Rep. MacLaren

03:37:54 Rep. Ross

03:38:27 Rep. Butcher

03:39:04 Chairman Lake

03:39:10 Rep. MacLaren

03:39:20 Rep. Butcher

03:40:14 **Vote:** **MOTION FAILED** 5-13 by roll call vote with Reps. Blasdel, Lake, Ross, Sonju, and Vincent voting aye.

Discussion:

03:41:28 Rep. Cohenour

03:42:04 Rep. Butcher

03:42:14 Chairman Lake

03:42:27 Jeff Martin

03:42:52 Rep. Cohenour

03:43:13 Chairman Lake

03:43:29 **Motion:** Rep. MacLaren moved that **HB 801 BE AMENDED.**
EXHIBIT(tah65a11)

Discussion:

03:44:39 Jeff Martin

03:47:11 **Vote:** **MOTION CARRIED** unanimously by voice vote.

03:47:33 **Motion:** Rep. MacLaren moved that **HB 801 DO PASS AS AMENDED.**

Discussion:

03:47:48 Chairman Lake

03:48:06 Rep. MacLaren

03:48:33 Rep. Sonju

03:48:39 Rep. Ross

03:49:28 **Motion:** Rep. Ross moved that **HB 801 BE AMENDED WITH A CONCEPTUAL AMENDMENT.**

Discussion:

03:49:38 Rep. Jopek

03:49:44 Rep. Ross

03:50:02 Rep. Jopek

03:50:23 Rep. MacLaren

03:51:21 Rep. Ross

03:51:53 Rep. Hamilton

03:52:31 **Vote:** **MOTION FAILED** 5-13 by roll call vote with Reps. Blasdel, Hilbert, Ross, Sonju, and Vincent voting aye.

03:53:48 **Vote:** **MOTION CARRIED** 12-6 by roll call vote with Reps. Blasdel, Hilbert, Lake, Ross, Sonju, and Vincent voting no.

EXECUTIVE ACTION ON HB 823

03:55:09 **Motion:** Rep. Sonju moved that **HB 823 DO PASS.**

Discussion:

03:55:27 Rep. Sonju

03:56:25 Rep. Lambert

03:56:45 Chairman Lake

03:57:14 Rep. Erickson

03:57:40 Chairman Lake

03:57:51 **Vote:** **MOTION CARRIED** 17-1 by voice vote with Rep. Ross voting no.

EXECUTIVE ACTION ON SB 161

03:58:51 **Motion:** Rep. McAlpin moved that **SB 161 BE CONCURRED IN.**

03:59:34 **Motion/Vote:** Rep. Sonju moved that **SB 161 BE AMENDED. MOTION CARRIED** 13-5 by voice vote with Reps. McAlpin, Cohenour and Erickson voting no.

EXHIBIT (tah65a12)

04:00:55 **Motion:** Rep. McAlpin moved that **SB 161 BE CONCURRED IN AS AMENDED.**

Discussion:

04:01:03 Rep. Sonju
04:01:23 Rep. Cohenour
04:02:13 Rep. Sonju
04:02:35 Chairman Lake
04:03:04 Rep. Ross
04:03:26 Rep. Butcher

04:03:56 **Vote:** **MOTION CARRIED** 13-5 by roll call vote with Reps. Blasdel, Butcher, Hilbert, Sonju, and Vincent voting no. Rep. Lake will carry SB 161.

EXECUTIVE ACTION ON HB 488

04:06:31 **Motion:** Rep. Jopek moved that **HB 488 DO PASS.**

Discussion:

04:06:47 Rep. Jopek
04:07:37 Chairman Lake
04:07:57 Rep. Butcher
04:08:10 Rep. Erickson
04:08:33 Rep. Cohenour
04:09:15 Rep. MacLaren
04:09:34 Rep. Cohenour
04:09:54 Rep. Lambert
04:10:28 Rep. Ross
04:10:55 Rep. Jopek

04:13:18 **Vote:** **MOTION CARRIED** 10-8 by roll call vote with Reps. Blasdel, Butcher, Hilbert, Lake, Nooney, Ross, Sonju, and Vincent voting no.

Additional Exhibits:

EXHIBIT(tah65a13)

Pertaining to SB 332 heard in Committee on March 20, 2007

EXHIBIT(tah65a14)

Pertaining to SB 284 heard in Committee on March 22, 2007

EXHIBIT(tah65a15)

Pertaining to HB 832 heard in Committee on March 27, 2007

ADJOURNMENT

Adjournment: 12:20 P.M.

REP. BOB LAKE, Chairman

DEBRA POLHEMUS, Secretary

BL/dp

Additional Exhibits:

EXHIBIT ([tah65aad.pdf](#))