

**MINUTES**

**MONTANA SENATE  
60th LEGISLATURE - REGULAR SESSION**

**COMMITTEE ON TAXATION**

**Call to Order:** By **CHAIRMAN JIM ELLIOTT**, on February 23, 2007 at 7:00 A.M., in Room 405 Capitol.

**ROLL CALL**

**Members Present:**

Sen. Jim Elliott, Chairman (D)  
Sen. Jerry W. Black (R)  
Sen. Jeff Essmann (R)  
Sen. Kelly Gebhardt (R)  
Sen. Kim Gillan (D)  
Sen. Dan Harrington (D)  
Sen. Christine Kaufmann (D)  
Sen. Sam Kitzenberg (D)  
Sen. Jim Peterson (R)  
Sen. Bob Story Jr. (R)

**Members Excused:** Sen. Trudi Schmidt (D)

**Members Absent:** None.

**Staff Present:** Lee Heiman, Legislative Branch  
Lois O'Connor, 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: None.  
Executive Action: SB 533, SB 483, SB 496, SB 514, SB 378, SB 220, SB 539

00:00:00

EXECUTIVE ACTION ON SB 533

00:01:56 **Motion:** SEN. GEBHARDT moved that SB 533 DO PASS.

00:02:43 **Motion/Vote:** SEN. BLACK moved to amend SB 533 with amendment #SB053301.ALH. Motion carried unanimously by voice vote. SEN. SCHMIDT was excused.

EXHIBIT (tas41a01)

00:03:24 **Motion:** SEN. GEBHARDT moved that SB 533 DO PASS AS AMENDED.

**Discussion:**

00:03:42 Sen. Robert Story

00:05:33 Sen. Jim Peterson

00:05:46 Sen. Jeff Essmann to Sen. Story

00:06:36 Sen. Black to Sen. Story

00:08:53 Sen. Jim Elliott to Sen. Story

00:09:34 Sen. Peterson

00:10:21 Sen. Black

00:10:51 **Vote:** Motion that SB 533 DO PASS AS AMENDED carried 8-2 by voice vote with SEN. ELLIOTT and SEN. STORY voting no. SEN. SCHMIDT voted aye by proxy. SEN. HARRINGTON was excused.

EXECUTIVE ACTION ON SB 483

00:12:24 **Motion:** SEN. ELLIOTT moved that SB 483 DO PASS.

**Discussion:**

00:13:02 Sen. Gebhardt to Sen. Elliott

00:15:55 Sen. Elliott

00:16:38 Sen. Peterson to Sen. Elliott

00:18:24 Sen. Story

00:22:22 Sen. Dan Harrington  
00:23:17 Sen. Essmann to Sen. Story  
00:24:15 Sen. Gebhardt  
00:25:22 Sen. Elliott  
00:25:49 Sen. Kim Gillan  
00:28:16 Sen. Elliott  
00:28:55 **Vote:** Motion that SB 483 DO PASS carried 6-5 by voice vote with SEN. ESSMANN, SEN. GILLAN, SEN. HARRINGTON, SEN. STORY and SEN. PETERSON voting no. SEN. SCHMIDT voted no by proxy.

**EXECUTIVE ACTION ON SB 496**

00:31:01 **Motion:** SEN. STORY moved that SB 496 DO PASS.  
**Discussion:**  
00:31:31 Sen. Peterson  
00:32:18 Sen. Gebhardt to Sen. Peterson  
00:32:38 Sen. Story  
00:34:22 **Substitute Motion/Vote:** SEN. KAUFMANN made a substitute motion that SB 496 BE TABLED. Substitute motion carried unanimously by voice vote. SEN. SCHMIDT was excused.

**EXECUTIVE ACTION ON SB 514**

00:35:56 **Motion:** SEN. GEBHARDT moved that SB 514 DO PASS.  
00:36:39 **Motion:** SEN. GEBHARDT moved to amend SB 514 with amendment #SB051401.AKJ.

**EXHIBIT (tas41a02)**

**Discussion:**

00:37:17 Lee Heiman, Staff Attorney, Legislative Services Division (LSD)

00:38:21 Sen. Essmann

00:39:07 Sen. Story

00:39:47 Sen. Kaufmann to Sen. Story

00:40:44 **Vote:** Motion that #SB051401.AKJ be adopted carried unanimously by voice vote. SEN. SCHMIDT was excused.

00:41:12 **Motion:** SEN. GEBHARDT moved that SB 514 DO PASS AS AMENDED.

00:41:23 **Motion/Vote:** SEN. STORY moved to further amend SB 514 with a CONCEPTUAL AMENDMENT. Motion carried unanimously by voice vote. SEN. SCHMIDT was excused.

00:41:50 **Motion:** SEN. GEBHARDT moved that SB 514 DO PASS AS AMENDED.

**Discussion:**

00:42:32 Sen. Story

**EXHIBIT (tas41a03)**

00:43:24 Sen. Gebhardt to Sen. Story

00:44:28 Sen. Kaufmann to Sen. Story

00:44:53 Sen. Gillan to Dan Bucks, Director, Montana Department of Revenue (DOR)

00:48:47 **Motion:** SEN. ESSMANN moved to further amend SB 514 with a CONCEPTUAL AMENDMENT.

**Discussion:**

00:50:13 Sen. Gillan to Director Bucks, DOR

00:50:50 Sen. Kaufmann to Director Bucks, DOR

00:51:07 Sen. Story

00:51:32 **Vote:** Motion that the CONCEPTUAL AMENDMENT be adopted carried unanimously by voice vote. SEN. SCHMIDT was excused.

00:52:05 **Motion/Vote:** SEN. GEBHARDT moved that SB 514 DO PASS AS AMENDED. Motion carried unanimously by voice vote. SEN. SCHMIDT voted aye by proxy.

**EXECUTIVE ACTION ON SB 378**

00:53:13 **Motion:** SEN. GILLAN moved that SB 378 DO PASS.

00:53:32 **Motion:** SEN. GILLAN moved to amend SB 378 with amendment #SB037803,ALH.

**EXHIBIT** (tas41a04)

**Discussion:**

00:54:21 Sen. Gillan

00:56:37 **Vote:** Motion that #SB037803.ALH be adopted carried unanimously by voice vote. SEN. SCHMIDT was excused.

00:56:48 **Motion:** SEN. GILLAN moved that SB 378 DO PASS AS AMENDED.

**Discussion:**

00:57:07 Sen. Elliott

00:57:43 Sen. Gillan

00:57:52 Sen. Peterson

00:58:33 Sen. Essmann

00:59:13 Sen. Elliott to Sen. Gillan

01:00:32 Sen. Gillan

01:01:36 Sen. Kaufmann to Director Bucks, DOR

01:03:33 **Vote:** Motion that SB 378 DO PASS AS AMENDED carried unanimously by voice vote. SEN. SCHMIDT voted aye by proxy.

01:08:09 Break

01:12:19 Reconvene

EXECUTIVE ACTION ON SB 220

01:13:37 Motion: SEN. ELLIOTT moved that SB 220 DO PASS.

01:13:57 Motion/Vote: SEN. GILLAN moved to amend SB 220 with amendment #SB022005.ALH. Motion carried on a unanimous voice vote. SEN. SCHMIDT was excused.

EXHIBIT (tas41a05)

01:15:36 Motion: SEN. GILLAN moved to further amend SB 220 with amendment #SB022006.ALH.

EXHIBIT (tas41a06)

Discussion:

01:16:46 Sen. Elliott

01:17:27 Sen. Peterson

01:17:37 Sen. Gillan

01:18:15 Sen. Kaufmann to Sen. Elliott

01:19:52 Vote: Motion that #SB022006.ALH be adopted carried unanimously by voice vote. SEN. SCHMIDT was excused.

01:20:06 Motion: SEN. GILLAN moved to further amend SB 220 with amendment #SB022007.ALH.

EXHIBIT (tas41a07)

Discussion:

01:20:51 Sen. Story

01:22:08 Sen. Gillan

01:22:51 Sen. Peterson

01:23:50 Sen. Elliott

01:23:59 Vote: Motion that #SB022007.ALH be adopted carried unanimously by voice vote. SEN. SCHMIDT was excused.

01:24:11 **Motion:** SEN. GILLAN moved to further amend SB 220 with amendment #SB022008.ALH.

**EXHIBIT** (tas41a08)

**Discussion:**

01:25:24 Sen. Story

01:26:04 **Vote:** Motion that #SB022008.ALH be adopted carried unanimously by voice vote. SEN. SCHMIDT was excused.

01:26:19 **Motion/Vote:** SEN. GILLAN moved to further amend SB 220 with amendment #SB022009.ALH. Motion carried unanimously by voice vote. SEN. SCHMIDT was excused.

**EXHIBIT** (tas41a09)

01:27:30 **Motion:** SEN. GILLAN moved to further amend SB 220 with amendment #SB022010.ALH.

**EXHIBIT** (tas41a10)

**Discussion:**

01:28:18 Sen. Elliott to Director Bucks, DOR

01:32:59 Sen. Story

01:34:19 **Vote:** Motion that #SB022010.ALH be adopted carried unanimously by voice vote. SEN. SCHMIDT was excused.

01:35:10 **Motion:** SEN. GILLAN moved to further amend SB 220 with amendment #SB022015.ALH.

**EXHIBIT** (tas41a11)

**Discussion:**

01:36:06 Sen. Gillan to Director Bucks, DOR

01:43:22 Sen. Elliott to Director Bucks, DOR

01:44:40 Sen. Story to Director Bucks, DOR

01:48:15 Sen. Harrington to Director Bucks, DOR

01:49:51 Sen. Gillan to Director Bucks, DOR

01:52:29 **SEN. GILLAN withdrew amendment #SB022015.ALH.**

01:52:51 **Motion: SEN. GILLAN moved to further amend SB 220 with amendment #SB022016.ALH.**

**EXHIBIT**(tas41a12)

**Discussion:**

01:53:11 Sen. Story

01:53:36 Sen. Gillan

01:54:44 Director Bucks, DOR

01:57:10 Sen. Story to Director Bucks, DOR

01:58:39 Sen. Essmann to Director Bucks, DOR

02:00:00 **SEN. GILLAN withdrew amendment #sb022016.ALH.**

02:00:25 **Motion: SEN. GILLAN moved to further amend SB 220 with amendment #SB022017.ALH.**

**EXHIBIT**(tas41a13)

**Discussion:**

02:01:45 **Motion: SEN. GILLAN moved to segregate and adopt #1 of amendment #SB022017.alh. Motion carried unanimously by voice vote. SEN. SCHMIDT was excused.**

02:02:15 **Motion: SEN. GILLAN moved to further amend SB 220 with amendment #SB022018.ALH.**

**EXHIBIT**(tas41a14)

**Discussion:**

02:03:30 Sen. Gillan to Director Bucks, DOR

02:09:16 Sen. Story to Director Bucks, DOR

02:09:58 **SEN. GILLAN withdrew amendment #SB022018.ALH.**

02:10:07 **Motion: SEN. GILLAN moved to further amend SB 220 with a CONCEPTUAL AMENDMENT.**

**Discussion:**

02:10:29 Sen. Story to Mr. Heiman, LSD  
02:12:08 Director Bucks, DOR  
02:12:59 Mr. Heiman, LSD  
02:13:24 **Vote: Motion that the CONCEPTUAL AMENDMENT be adopted carried unanimously by voice vote. SEN. SCHMIDT was excused.**  
02:13:41 **Motion: SEN. ELLIOTT moved that SB 220 DO PASS AS AMENDED.**

**Discussion:**

02:14:00 Sen. Elliott  
02:15:58 Sen. Gillan  
02:17:21 Sen. Story  
02:20:54 Sen. Harrington  
02:21:49 Sen. Peterson  
02:24:10 Sen. Essmann  
02:26:40 Sen. Gebhardt  
02:27:06 Sen. Elliott  
02:31:43 **Vote: Motion that SB 220 DO PASS AS AMENDED carried 6-5 by roll call vote with SEN. BLACK, SEN. ESSMANN, SEN. GEBHARDT, SEN. PETERSON, and SEN. STORY voting no. SEN. SCHMIDT voted aye by proxy.**

**EXECUTIVE ACTION ON SB 539**

**Discussion:**

02:34:25 Sen. Elliott

**EXHIBIT (tas41a15)**

02:35:28 Recess

02:44:17 Reconvene

02:44:59 **Motion:** SEN. KAUFMANN moved that SB 539 DO PASS.

**Discussion:**

02:45:20 Sen. Gillan to Brenda Gilmer, Attorney, Montana  
Department of Revenue (DOR)

02:47:04 Director Bucks, DOR

02:52:51 Sen. Gebhardt

02:56:38 Director Bucks, DOR

03:02:16 Recess

03:28:21 Reconvene

**Discussion:**

03:28:41 Sen. Gebhardt

03:30:22 Sen. Story

03:33:30 Sen. Essmann

03:34:50 Sen. Elliott to Sen. Essmann

03:35:45 Sen. Gillan to Director Bucks, DOR

03:38:29 Sen. Story to Director Bucks, DOR

03:39:52 Sen. Gillan to Director Bucks, DOR

03:40:48 Sen. Black to Director Bucks, DOR

03:41:49 Sen. Black

03:41:57 Sen. Story

03:42:04 Sen. Gebhardt

03:42:18 Sen. Elliott to Director Bucks, DOR

03:43:02 Sen. Elliott to Harold Blattie, Executive Director,  
Montana Association of Counties (MACo)

03:44:02 Sen. Elliott

03:44:24 Director Bucks, DOR

03:46:15 Sen. Gebhardt

03:46:30 Sen. Elliott

03:46:47 Sen. Kaufmann to Sen. Elliott

03:47:44 Sen. Gebhardt

03:48:07 Sen. Elliott

03:52:46 **Motion: SEN. ELLIOTT moved to amend SB 539 with a CONCEPTUAL AMENDMENT.**

**Discussion:**

03:54:14 Sen. Story to Director Bucks, DOR

03:55:53 Sen. Elliott to Director Bucks, DOR

03:57:06 Sen. Story to Ron Devlin, former member, State Tax Appeal Board (STAB)

03:58:45 Sen. Elliott to Mr. Devlin

03:59:54 Sen. Story to Mr. Devlin

04:01:43 Sen. Elliott to Mr. Devlin

04:04:08 Mr. Heiman to Sen. Elliott

04:05:06 Director Bucks, DOR

04:05:48 Sen. Black to Sen. Elliott

04:06:54 **Vote: Motion that the CONCEPTUAL AMENDMENT be adopted carried unanimously by voice vote.**

04:07:21 **Motion: SEN. ELLIOTT moved that SB 539 DO PASS AS AMENDED.**

04:07:38 **Motion: SEN. ESSMANN moved to further amend SB 539 with a CONCEPTUAL AMENDMENT.**

**Discussion:**

04:08:30 Sen. Gillan

04:09:08 Sen. Gillan to Gene Walborn, Montana Department of Revenue (DOR)

04:10:29 Sen. Story to Mr. Walborn, DOR

04:10:56 Sen. Black to Sen. Gillan

04:11:09 Sen. Essmann

04:11:51 Sen. Elliott

04:15:03 Mr. Walborn, DOR

04:16:19 Sen. Gillan to Mr. Walborn, DOR

04:17:45 Sen. Elliott

04:18:03 **Vote: Motion that CONCEPTUAL AMENDMENT be adopted failed 4-7 by roll call vote with SEN. ESSMANN, SEN. PETERSON, and SEN. STORY voting aye. SEN. GEBHARDT voted aye by proxy. SEN. HARRINGTON, SEN KAUFMANN, and SEN. SCHMIDT voted no by proxy.**

**Discussion:**

04:19:37 Sen. Story

04:20:59 Sen. Elliott to Mr. Walborn, DOR

04:22:37 Director Bucks, DOR

04:24:20 **Vote: Motion that SB 539 DO PASS AS AMENDED carried 6-5 by roll call vote with SEN. BLACK, SEN. ESSMANN, SEN. PETERSON, and SEN. STORY voting no. SEN. GEBHARDT voted no by proxy. SEN. HARRINGTON, SEN. KAUFMANN, and SEN. SCHMIDT voted aye by proxy.**

**ADJOURNMENT**

Adjournment: 11:30 P.M.

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SEN. JIM ELLIOTT, Chairman

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LOIS O'CONNOR, Secretary

JE/lo

Additional Exhibits:

**EXHIBIT ([tas41aad.pdf](#))**