

**MINUTES**

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

**COMMITTEE ON TAXATION**

**Call to Order:** By **CHAIRMAN JIM ELLIOTT**, on March 21, 2007 at 9:00 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: SB 556, 3/14/2007  
Executive Action: HB 469, SB 174

00:02:24

**HEARING ON SB 556**

**Opening Statement by Sponsor:**

00:03:12 **SEN. JIM ELLIOTT (D), SD 7**, opened the hearing on **SB 556**, Revise applicability of premium tax laws.

[EXHIBIT \(tas60a01\)](#)

[EXHIBIT \(tas60a02\)](#)

[EXHIBIT \(tas60a03\)](#)

**Proponents' Testimony:** None.

**Opponents' Testimony:**

00:19:51 Tanya Ask, Blue Cross Blue Shield of Montana (BCBSMT)

[EXHIBIT \(tas60a04\)](#)

[EXHIBIT \(tas60a05\)](#)

[EXHIBIT \(tas60a06\)](#)

[EXHIBIT \(tas60a07\)](#)

00:49:01 Angela Huschka, New West Health Services

00:57:00 Frank Cote, America's Health Insurance Plans (AHIP)

01:06:24 Eric Schindler, Vice President, Blue Cross Blue Shield of Montana (BCBSMT)

**Informational Testimony:**

01:08:22 Steve Mathews, Office on the Honorable Insurance Commissioner John Morrison (SAO)

**Questions from Committee Members and Responses:**

01:08:52 Sen. Christine Kaufmann to Ms. Ask, BCBSMT

01:10:46 Sen. Kaufmann to Chris Manger, BCBSMT

01:15:00 Sen. Kaufmann to Ms. Ask, BCBSMT

01:16:05 Sen. Kelly Gebhardt to Sen. Elliott

01:18:41 Sen. Jim Peterson to Mr. Mathews, SAO

01:21:07 Sen. Gebhardt to Mr. Mathews, SAO

01:23:02 Sen. Robert Story to Mr. Mathews, SAO

01:24:32 Sen. Kaufmann to Mr. Mathews, SAO

01:25:24 Sen. Story to Mr. Mathews, SAO

01:27:31 Sen. Story to Ms. Ask, BCBSMT

01:29:50 Sen. Story to Mr. Schindler, BCBSMT

**Closing by Sponsor:**

01:30:46 Sen. Elliott

[EXHIBIT \(tas60a08\)](#)

[EXHIBIT \(tas60a09\)](#)

01:43:40 Break

01:56:33 Reconvene

**General Discussion:**

02:00:50 Sen. Elliott

02:01:20 Sen. Gebhardt

**EXECUTIVE ACTION ON HB 469**

02:01:32 **Motion:** SEN. STORY moved that HB 469 BE CONCURRED IN.

**Discussion:**

02:02:06 Lee Heiman, Staff Attorney, Legislative Services  
Division (LSD)

02:02:25 Dan Bucks, Director, Montana Department of Revenue  
(DOR)

[EXHIBIT \(tas60a10\)](#)

[EXHIBIT \(tas60a11\)](#)

[EXHIBIT \(tas60a12\)](#)

02:14:18 Sen. Jeff Essmann to Director Bucks, DOR

02:17:46 Sen. Sam Kitzenberg to Mike Strand, Montana Independent  
Telecommunications Systems (MITS)

02:19:26 Sen. Kitzenberg to Margaret Morgan, ATell

02:20:15 Sen. Story to Director Bucks, DOR

02:23:28 **Motion: SEN. ELLIOTT moved to amend HB 469 with DOR amendments that leave all cellphones in property classes 4 and 8 at a 3% tax rate.**

**Discussion:**

02:26:34 Sen. Elliott

02:28:28 Sen. Story

02:32:56 Sen. Kitzenberg

02:36:40 Sen. Peterson

02:39:03 Sen. Elliott

02:41:33 **Vote: Motion failed 4-7 by roll call vote with SEN. HARRINGTON, SEN. KAUFMANN, and SEN. ELLIOTT voting aye. SEN. SCHMIDT voted aye by proxy.**

**Discussion:**

02:42:56 Sen. Gillan

02:45:42 Sen. Kaufmann

02:46:56 Sen. Peterson

02:48:39 Sen. Elliott

02:49:43 Sen. Essmann

02:51:50 Sen. Dan Harrington

02:52:49 Sen. Story

02:57:20 Sen. Gillan

02:58:22 **Vote: Motion that HB 469 BE CONCURRED IN carried 7-4 by roll call vote with SEN. ELLIOTT, SEN. HARRINGTON, and SEN. KAUFMANN voting no. SEN. SCHMIDT voted no by proxy.**

**EXECUTIVE ACTION ON SB 174**

02:59:52 Holly Franz, Montana Society of Certified Public Accountants

03:00:03 **Motion:** SEN. ELLIOTT moved that SB 174 DO PASS.

03:00:44 **Motion:** SEN. ELLIOTT moved to amend SB 174 with #SB017411.ALH.

**EXHIBIT** (tas60a13)**Discussion:**

03:01:48 Mr. Heiman, LSD

03:02:23 Sen. Kaufmann

03:02:47 **Vote:** Motion that #SB017411.ALH be approved carried unanimously by voice vote.

03:02:50 **Motion:** SEN. ELLIOTT moved that SB 174 DO PASS AS AMENDED.

**Discussion:**

03:03:14 Gene Walborn, Montana Department of Revenue (DOR)

03:04:51 Director Bucks, DOR

03:05:17 Sen. Gebhardt

03:06:50 **Motion:** SEN. ELLIOTT moved to further amend SB 174 with amendment #SB017409.ALH.

**EXHIBIT** (tas60a14)**Discussion:**

03:07:09 Sen. Story

03:07:51 **Vote:** Motion that #SB017409.ALH be approved carried 7-2 by voice vote with SEN. ESSMANN and SEN. GEBHARDT voting no. SEN. HARRINGTON voted aye by proxy. SEN. KITZENBERG and SEN. SCHMIDT were excused.

03:08:17 **Motion:** SEN. STORY moved to further amend SB 174 with amendment #SB017410.ALH.

**EXHIBIT** (tas60a15)

**Discussion:**

03:09:14 Ed Caplis, Montana Department of Revenue (DOR)

**EXHIBIT** (tas60a16)

**Discussion:**

03:14:45 Sen. Gebhardt

03:15:44 Sen. Kaufmann

03:16:36 Mr. Heiman, LSD

03:17:14 Sen. Elliott to Mr. Heiman, LSD

03:17:37 Sen. Gillan to Mr. Caplis, DOR

03:18:59 Mr. Heiman, LSD

03:19:37 Sen. Essmann

03:20:59 Director Bucks, DOR

03:22:20 **SEN. STORY** withdrew the approval of amendment #SB017410.ALH.

03:23:23 **Motion:** SEN. ELLIOTT moved to further amend SB 174 with amendment #SB017412.ALH.

**EXHIBIT** (tas60a17)

**Discussion:**

03:23:42 Mr. Walborn, DOR

03:25:50 **Vote:** Motion that #SB0174012.ALH be approved carried unanimously by voice vote.

03:26:03 **Motion:** SEN. ELLIOTT moved that SB 174 DO PASS AS AMENDED.

**Discussion:**

03:26:22 Sen. Story

03:27:14 **Vote: Motion that SB 174 DO PASS AS AMENDED carried 9-2 by voice vote with SEN. GEBHARDT and SEN. STORY voting no. SEN. HARRINGTON and SEN. SCHMIDT voted aye by proxy.**

**ADJOURNMENT**

Adjournment: 12:30 A.M.

---

SEN. JIM ELLIOTT, Chairman

---

LOIS O'CONNOR, Secretary

JE/lo

Additional Exhibits:

**EXHIBIT ([tas60aad.pdf](#))**