

**MINUTES**

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

**COMMITTEE ON TAXATION**

**Call to Order:** By **CHAIRMAN JIM ELLIOTT**, on March 28, 2007 at 8:00 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. Dan Harrington (D)  
Sen. Christine Kaufmann (D)  
Sen. Sam Kitzenberg (D)  
Sen. Jim Peterson (R)  
Sen. Bob Story Jr. (R)

**Members Excused:** None.

Sen. Kim Gillan (D)  
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 563, 3/22/2007; SB 564,  
3/22/2007; SB 562, 3/22/2007; SB  
561, 3/22/2007  
Executive Action: SB 563, SB 564

00:04:31

**HEARING ON SB 563**

**Opening Statement by Sponsor:**

00:05:10 SEN. JIM ELLIOTT (D), SD 7, opened the hearing on SB 563, Revise tax laws by providing income tax checkoff for Special Olympics Montana.

**Proponents' Testimony:** None.

**Opponents' Testimony:** None.

**Informational Testimony:**

00:06:26 Brian Olsen, Montana Department of Revenue (DOR)

**Questions from Committee Members and Responses:**

00:06:40 Sen. Robert Story to Mr. Olsen, DOR

**Closing by Sponsor:**

00:07:20 Sen. Elliott

**HEARING ON SB 564**

**Opening Statement by Sponsor:**

00:07:43 SEN. JIM ELLIOTT (D), SD 7, opened the hearing on SB 564, Exclude 95 school mills from new TIFs.

**Proponents' Testimony:** None.

**Opponents' Testimony:**

00:08:58 Greg Kruger, Downtown Billings Partnership

[EXHIBIT \(tas66a01\)](#)

[EXHIBIT \(tas66a02\)](#)

00:14:53 Jani McCall, City of Billings

00:16:31 Charles Brooks, Billing Area Chamber of Commerce

00:20:55 Sheldon Bartel, Montana Business Assistance Corporation (MBAC)

00:21:44 Sheryl Wood, Associate Director, Montana Association of Counties (MACo)

**Informational Testimony:** None.

**Questions from Committee Members and Responses:**

00:22:35 Sen. Story to Sen. Elliott

**Closing by Sponsor:**

00:24:20 Sen. Elliott

00:28:04 Break

00:42:18 Reconvene

**HEARING ON SB 562**

**Opening Statement by Sponsor:**

00:42:24 **SEN. JESSE LASLOVICH (D), SD 43**, opened the hearing on **SB 562**, Provide tax incentives for renewable energy and energy conservation.

**Proponents' Testimony:**

00:48:56 Evan Barrett, Office of Economic Development, Office of the Honorable Governor Brian Schweitzer (Governor's Office)

**[EXHIBIT \(tas66a03\)](#)**

**[EXHIBIT \(tas66a04\)](#)**

01:04:33 Ken Morrison, TransCanada

**[EXHIBIT \(tas66a05\)](#)**

**[EXHIBIT \(tas66a06\)](#)**

01:10:27 John Alke, TONBRIDGE Power, Inc., Montana-Alberta Tie Line (MATL)

**[EXHIBIT \(tas66a07\)](#)**

01:16:57 Bill Pascol, Great Northern Properties

01:19:43 Dave Galt, Montana Petroleum Association (MPA)

- 01:20:29 Jerome Anderson, Encore Acquisition Company
- 01:21:44 Willie Duffield, Executive Director, Montana Association of Oil, Gas, and Coal Producing Counties
- 01:23:20 Dan Flynn, International Brotherhood of Electrical Workers (IBEW)

**Opponents' Testimony:** None.

**Informational Testimony:**

- 01:24:31 Joel Silverman, Montana Department of Revenue (DOR)
- 01:25:01 Dean Roberts, Administrator, Motor Vehicle Division, Montana Department of Justice (DOJ)

**Questions from Committee Members and Responses:**

- 01:25:21 Sen. Sam Kitzenberg to Mr. Barrett, Governor's Office
- 01:31:14 Sen. Jerry Black to Mr. Silverman, DOR, rereferred to Gene Walborn, Montana Department of Revenue, (DOR)
- 01:33:22 Sen. Black to Mr. Alke, MATL
- 01:35:04 Sen. Kelly Gebhardt to Mr. Barrett, Governor's Office
- 01:36:50 Sen. Story to Mr. Barrett, Governor's Office
- 01:42:01 Sen. Gebhardt to Mr. Barrett, Governor's Office
- 01:46:01 Sen. Story to Mr. Morrison, TransCanada
- 01:47:01 Sen. Elliott to Mr. Morrison, TransCanada
- 01:47:45 Sen. Black to Mr. Morrison, TransCanada
- 01:48:37 Sen. Story to Mr. Flynn, IBEW
- 01:50:02 Sen. Black to Mr. Alke, MATL, rereferred John van't Hof, CEO, TONBRIDGE Power Inc. (MATL)
- 01:55:26 Sen. Elliott to Mr. van't Hof, MATL
- 01:56:21 Sen. Jeff Essmann to Mr. Barrett, Governor's Office
- 01:58:56 Sen. Story to Mr. Barrett, Governor's Office

02:06:01 Sen. Christine Kaufmann to Mr. Barrett, Governor's Office

02:07:13 Sen. Kaufmann to Sen. Laslovich

02:10:08 Sen. Story to Mr. Barrett, Governor's Office

02:14:08 Sen. Elliott to Mr. van't Hof, MATL

02:22:12 Sen. Black to Mr. van't Hof, MATL

02:26:12 Sen. Elliott to Mr. van't Hof, MATL

02:28:09 Sen. Elliott to Mr. Morrison, Trans-Canada

02:28:32 Sen. Elliott to Mr. Alke, MATL

02:32:57 Sen. Kitzenberg to Mark Lambrecht, PPL Montana

02:38:08 Sen. Jim Peterson to Mr. van't Hof

**Closing by Sponsor:**

02:42:43 Sen. Laslovich

02:46:12 Break

02:56:37 Reconvene

**HEARING ON SB 561**

**Opening Statement by Sponsor:**

02:56:51 **SEN. CHRISTINE KAUFMANN (D), SD 41**, opened the hearing on **SB 561**, Revise oil and gas production tax holiday.

**Proponents' Testimony:**

03:04:24 Anne Hedges, Montana Environmental Information Center (MEIC)

**EXHIBIT (tas66a08)**

**Opponents' Testimony:**

03:07:33 Dave Galt, Executive Director, Montana Petroleum Association (MPA)

[EXHIBIT \(tas66a09\)](#)

[EXHIBIT \(tas66a10\)](#)

[EXHIBIT \(tas66a11\)](#)

03:10:43 Tom Hauptman, Independent Oil Producer, Billings

[EXHIBIT \(tas66a12\)](#)

[EXHIBIT \(tas66a13\)](#)

[EXHIBIT \(tas66a14\)](#)

[EXHIBIT \(tas66a15\)](#)

03:19:13 Willie Duffield, Executive Director, Montana Association of Oil, Gas, and Coal Producing Counties

03:21:16 Bob Gilbert, Rosebud County Commissioners

03:25:55 Jerome Anderson, Encore Acquisition Company

[EXHIBIT \(tas66a16\)](#)

03:32:11 Patrick Montalban, Northern Montana Oil and Gas Association

[EXHIBIT \(tas66a17\)](#)

03:42:35 Ed Bartlett, Northern Alliance of Oil and Gas Producer

[EXHIBIT \(tas66a18\)](#)

03:44:02 Tom Ebzery, Nance Petroleum

03:46:41 Jon Metropoulos, Fidelity Exploration and Production Company

03:50:36 Don Allen, Western Environmental Trade Association (WETA)

**Informational Testimony:**

03:51:48 Lee Baerlocker, Montana Department of Revenue (DOR)

**Questions from Committee Members and Responses:**

03:52:08 Sen. Gebhardt to Sen. Kaufmann

03:53:21 Sen. Elliott

**Closing by Sponsor:**

03:53:51 Sen. Kaufmann

**EXECUTIVE ACTION ON SB 563**

03:57:08 **Motion:** SEN. ELLIOTT moved that SB 563 DO PASS.

**Discussion:**

03:57:23 Sen. Gebhardt to Sen. Elliott

03:58:02 Sen. Black to Sen. Elliott

03:58:47 **Substitute Motion/Vote:** SEN. GEBHARDT made a substitute motion that SB 563 BE TABLED. Substitute motion carried 7-1 by voice vote with SEN. ELLIOTT voting no. SEN. GILLAN, SEN. KITZENBERG, and SEN. SCHMIDT were excused.

**EXECUTIVE ACTION ON SB 564**

03:59:37 **Motion/Vote:** SEN. ELLIOTT moved that SB 564 BE TABLED. Motion carried unanimously by voice vote. SEN. GILLAN, SEN. KITZENBERG, and SEN. SCHMIDT were excused.

**General Discussion:**

04:01:01 Sen. Elliott

04:01:12 Sen. Story to Sen. Elliott

04:02:19 Sen. Essmann to Sen. Elliott

04:02:54 Sen. Black to Holly Franz, Montana Society of Certified Public Accounts (MSCPAs)

04:03:45 Sen. Story

**ADJOURNMENT**

Adjournment: 12:15 P.M.

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SEN. JIM ELLIOTT, Chairman

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LOIS O'CONNOR, Secretary

JE/lo

Additional Exhibits:

**EXHIBIT ([tas66aad.pdf](#))**