

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 61st LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Chairman Bob Lake, on March 19, 2009 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. Janna Taylor, Vice Chairman (R)
Rep. Dick Barrett (D)
Rep. Mark Blasdel (R)
Rep. Edward B. Butcher (R)
Rep. Wanda Grinde (D)
Rep. Robin Hamilton (D)
Rep. Brian Hoven (R)
Rep. Mike Jopek (D)
Rep. Dave McAlpin (D)
Rep. Mike Miller (R)
Rep. Art Noonan (D)
Rep. Lee Randall (R)
Rep. J. David Roundstone (D)
Rep. Wayne Stahl (R)
Rep. Chas Vincent (R)

Members Excused: Rep. JP Pomnichowski (D)
Rep. Jon Sonju (R)
Rep. Brady Wiseman (D)

Members Absent: None

Staff Present: Jeff Martin, Legislative Branch
Jennifer O'Loughlin, 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 650, 3/16/2009;
HB 652, 3/16/2009

Executive Action: HB 476, HB 562, HB 494, HB 640,
HB 484, SB 280, SB 198, SB 292,
SB 353, SB 361, SB 430

HEARING ON HB 652

Opening Statement by Sponsor:

00:02:26 Rep. Dave McAlpin (D), HD 94, opened the hearing on
HB 652, Prohibit insurance stuffing by specifying
dividends-received deduction.

Proponents' Testimony:

00:06:35 Dan Bucks, Director, Department of Revenue (DOR)

[EXHIBIT\(tah61a01\)](#)

00:21:44 Chairman Lake left the room.

00:21:53 Brian Staley, Corporation Unit Tax Manager, DOR

Opponents' Testimony:

00:27:49 Jaqueline Lenmar, American Insurance Association,
American Council of Life Insurers

00:34:36 Bruce Spencer, Property Casualty Insurance of America

00:44:45 Aimee Grmoljez, Montana Bankers Association

00:45:24 Webb Brown, Montana Chamber of Commerce

00:45:40 Holly Franz, Montana Society of CPAs

Informational Testimony:

00:46:01 John Mudd, Executive Council, State Auditor's Office

Questions from Committee Members and Responses:

00:48:42 Rep. Miller

00:49:44 Mr. Spencer

00:50:31 Rep. Hamilton

00:50:56 Mr. Staley

00:51:29 Rep. Hoven

00:51:54 Mr. Bucks

00:55:11 Rep. Hoven

00:55:43 Ms. Franz

00:57:01 Rep. Lake
 00:57:58 Rep. McAlpin
 00:58:10 Rep. Lake
 00:58:14 Mr. Staley
 00:58:50 Rep. Lake
 00:59:31 Mr. Staley
 00:59:48 Vice Chairman Taylor
 01:00:22 Steve Matthews, State Auditor's office
 01:00:32 Vice Chairman Taylor
 01:00:56 Mr. Matthews
 01:01:14 Vice Chairman Taylor
 01:01:29 Mr. Staley
 01:01:57 Vice Chairman Taylor
 01:02:01 Mr. Staley
 01:02:14 Vice Chairman Taylor
 01:02:17 Mr. Staley
 01:02:28 Rep. Cohenour
 01:03:29 Mr. Spencer
 01:04:47 Rep. Cohenour
 01:05:15 Mr. Bucks
 01:08:08 Rep. Cohenour
 01:08:55 Mr. Matthews

Closing by Sponsor:

01:09:28 Rep. McAlpin
 01:11:33 Vice Chairman Taylor closed the hearing and Rep. Lake resumed as Chairman.
 01:11:39 Chairman Lake
 01:11:59 Break
 01:21:24 Reconvene

HEARING ON HB 650

Opening Statement by Sponsor:

01:21:49 Rep. Julie French (D), HD 36, opened the hearing on HB 650, Mineral lease conveyance backup withholding tax.

Proponents' Testimony:

01:26:25 Dan Bucks, Director, DOR
[EXHIBIT\(tah61a02\)](#)

01:34:20 Gene Walborn, Bureau Chief, Business and Income Taxes
Division, DOR

Opponents' Testimony:

01:40:33 Dave Galt, Montana Petroleum Association
01:45:41 Patrick Montalban, Northern Montana Oil and Gas
Association
01:52:54 Bruce Williams, Fidelity Exploration and Production
Company
01:58:49 Dan Clancy, Title Examiner
02:02:35 Steven Granzow, Title Examiner, Meadowlark Search
02:07:53 Tom Ebzery, Devon Energy
02:11:30 Debbie Shea, Montana Mining Association
02:12:44 Cory Swanson, Encore
02:14:06 Webb Brown, Montana Chamber of Commerce
02:14:20 Bruce Spencer, Montana Taxpayers Association

Informational Testimony: None

Questions from Committee Members and Responses:

02:17:11 Rep. Cohenour
02:17:46 Mr. Walborn
02:18:42 Rep. Cohenour
02:18:56 Mr. Walborn
02:19:05 Rep. Butcher
02:20:59 Mr. Walborn
02:21:08 Mr. Bucks
02:22:48 Chairman Lake
02:23:05 Rep. Butcher
02:23:13 Rep. Cohenour
02:23:18 Rep. Butcher
02:23:22 Chairman Lake
02:23:36 Rep. Butcher
02:24:32 Rep. McAlpin
02:24:41 Chairman Lake
02:24:47 Rep. Butcher
02:24:53 Mr. Bucks
02:28:05 Rep. Butcher
02:28:29 Mr. Clancy
02:30:28 Rep. Hamilton
02:31:00 Mr. Bucks
02:31:52 Rep. Miller
02:32:15 Mr. Walborn
02:33:02 Rep. Miller
02:33:21 Mr. Walborn
02:33:50 Rep. Miller
02:34:02 Mr. Walborn
02:34:14 Rep. Taylor

02:34:54 Mr. Walborn
02:35:57 Rep. Taylor
02:36:25 Mr. Walborn
02:37:39 Chairman Lake
02:38:26 Mr. Walborn
02:39:09 Chairman Lake
02:39:43 Mr. Walborn

Closing by Sponsor:

02:40:55 Rep. French
02:43:07 Chairman Lake closed the hearing.
02:43:32 Rep. Jopek and Rep. Stahl left the room.

EXECUTIVE ACTION ON HB 476

02:44:18 **Motion:** Rep. Taylor moved that **HB 476 DO PASS.**
02:44:32 **Substitute Motion/Vote:** Rep. Cohenour made a substitute motion that **HB 476 BE TABLED.** Substitute motion carried unanimously by voice vote. Rep. Jopek, Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

EXECUTIVE ACTION ON HB 562

02:45:42 **Motion:** Rep. Taylor moved that **HB 562 DO PASS.**
02:46:20 **Motion:** Rep. Cohenour moved that **HB 562 BE AMENDED.**
EXHIBIT(tah61a03)

Discussion:

02:46:35 Rep. Cohenour
02:46:40 Mr. Martin, Legislative Fiscal Division
02:46:59 Rep. Jopek returned to the room.
02:49:36 Rep. Cohenour
02:50:21 Mr. Martin
02:50:57 **Vote:** Motion carried 19-1 by voice vote with Rep. Miller voting no. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

02:51:21 **Motion/Vote:** Rep. Cohenour moved that **HB 562 DO PASS AS AMENDED**. Motion carried 19-1 by voice vote with Rep. Miller voting no. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

EXECUTIVE ACTION ON HB 494

02:52:27 **Motion:** Rep. Taylor moved that **HB 494 DO PASS**.

02:52:35 **Substitute Motion/Vote:** Rep. Cohenour made a substitute motion that **HB 494 BE TABLED**. Substitute motion carried unanimously by voice vote. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

EXECUTIVE ACTION ON HB 640

02:53:32 **Motion:** Rep. Noonan moved that **HB 640 DO PASS**.

Discussion:

02:53:43 Rep. Noonan
02:54:09 Rep. Hoven
02:55:00 Rep. Butcher

02:55:58 **Vote:** Motion failed 10-10 by roll call vote with Rep. Barrett, Rep. Cohenour, Rep. Grinde, Rep. Hamilton, Rep. Jopek, Rep. McAlpin, Rep. Noonan, Rep. Pomnichowski, Rep. Roundstone and Rep. Wiseman voting aye. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

EXECUTIVE ACTION ON HB 484

02:57:50 **Motion:** Rep. Taylor moved that **HB 484 DO PASS**.

02:57:57 **Substitute Motion/Vote:** Rep. Cohenour made a substitute motion that **HB 484 BE TABLED**. Substitute motion carried 18-2 by voice vote with Rep. Butcher and Rep. Taylor voting no. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

EXECUTIVE ACTION ON SB 280

02:59:04 **Motion:** Rep. Taylor moved that **SB 280 BE CONCURRED IN.**

Discussion:

02:59:22 Chairman Lake

02:59:34 Rep. Cohenour

02:59:58 **Vote:** Motion carried unanimously by voice vote. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

03:00:27 Rep. Hoven will carry the bill.

EXECUTIVE ACTION ON SB 198

03:00:42 **Motion:** Rep. Taylor moved that **SB 198 BE CONCURRED IN.**

Discussion:

03:00:58 Rep. Jopek

03:01:08 Chairman Lake

03:01:33 **Vote:** Motion carried unanimously by voice vote. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

03:01:55 Chairman Lake will carry the bill.

EXECUTIVE ACTION ON SB 292

03:02:15 **Motion:** Rep. Taylor moved that **SB 292 BE CONCURRED IN.**

Discussion:

03:02:51 Rep. Cohenour

03:03:30 **Vote:** Motion carried unanimously by voice vote. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

03:04:16 Rep. Randall will carry the bill.

EXECUTIVE ACTION ON SB 353

03:04:36 **Motion:** Rep. Taylor moved that **SB 353 BE CONCURRED IN.**

Discussion:

03:04:49 Rep. Cohenour

03:05:05 **Vote:** Motion carried unanimously by voice vote. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

03:07:42 Rep. McAlpin will carry the bill.

EXECUTIVE ACTION ON SB 361

03:05:50 **Motion:** Rep. Taylor moved that **SB 361 BE CONCURRED IN.**

Discussion:

03:06:16 Rep. Cohenour

03:06:29 Rep. Miller

03:06:43 Chairman Lake

03:06:54 **Vote:** Motion carried unanimously by voice vote. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

03:07:22 Rep. Miller will carry the bill.

EXECUTIVE ACTION ON SB 132

03:08:15 **Motion:** Rep. Cohenour moved that **SB 132 BE CONCURRED IN.**

Discussion:

03:08:33 Rep. Cohenour

03:09:07 Rep. Butcher

03:09:34 Chairman Lake

03:10:01 Rep. Cohenour

03:10:48 Chairman Lake

03:11:10 Rep. Cohenour

03:12:24 Rep. Taylor
03:13:11 Rep. Miller
03:13:34 Rep. McAlpin

03:13:45 Rep. Cohenour withdrew the motion without objection.

EXECUTIVE ACTION ON SB 430

03:14:26 **Motion:** Rep. Cohenour moved that **SB 430 BE CONCURRED IN.**

Discussion:

03:14:44 Rep. Cohenour

03:15:14 **Vote:** Motion carried unanimously by voice vote. Rep. Pomnichowski, Rep. Sonju, Rep. Stahl, and Rep. Wiseman voted by proxy.

03:15:28 Rep. Sonju will carry the bill.

03:16:06 Chairman Lake outlined upcoming executive action and an informational hearing on the joint reappraisal committee to be held on Friday, March 23.

03:17:14 Rep. Jopek
03:17:20 Mr. Martin
03:17:29 Chairman Lake

ADJOURNMENT

03:17:38 Adjournment: 11:25 A.M.

Jennifer O'Loughlin, Secretary

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Additional Documents:

EXHIBIT ([tah61aad.pdf](#))