

## **MINUTES**

### **MONTANA SENATE 61st LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON TAXATION**

**Call to Order:** Chairman Jeff Essmann, on March 5, 2009 at  
8:00 A.M., in Room 350 Capitol

#### **ROLL CALL**

**Members Present:**

Sen. Jeff Essmann, Chairman (R)  
Sen. Taylor Brown, Vice Chairman (R)  
Sen. Jerry W. Black (R)  
Sen. Gary Branae (D)  
Sen. Ron Erickson (D)  
Sen. Kim Gillan (D)  
Sen. Bradley Hamlett (D)  
Sen. Christine Kaufmann (D)  
Sen. Bob Story Jr. (R)  
Sen. Bruce Tutvedt (R)

**Members Excused:** Sen. Kelly Gebhardt (R)

**Members Absent:** None

**Staff Present:** Lee Heiman, 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: SB 462, 2/13/2009; SB 467,  
2/13/2009; SB 490, 2/18/2009

Executive Action: SB 377 ~ Do Pass As Amended  
SB 259 ~ Tabled SB 274 ~ Tabled  
SB 282 ~ Tabled SB 284 ~ Tabled  
SB 301 ~ Tabled SB 362 ~ Tabled  
SB 317 ~ Partial Action

**HEARING ON SB 462**

**Opening Statement by Sponsor:**

00:00:36 Sen. Donald Steinbeisser (R), SD 19, opened the hearing on SB 462, Create lien on oil and gas proceeds for owners of interest.

**Proponents' Testimony:**

00:02:53 Ed Bartlett, representing Northern Alliance of Oil and Gas Producers

00:07:17 Patrick Montalban, representing Northern Montana Oil and Gas Association (NMOGA)

00:12:54 Dave Galt, Executive Director, Montana Petroleum Association (MPA)

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

00:14:28 Sen. Taylor Brown

00:14:49 Dave Galt, MPA

**EXHIBIT (tas49a01)**

00:16:44 Chairman Essmann

00:16:51 Dave Galt

00:17:07 Sen. Brown

00:17:36 Patrick Montalban, NMOGA

00:19:48 Sen. Brown

00:19:59 Patrick Montalban

00:21:26 Sen. Tutvedt

**Closing by Sponsor:**

00:21:44 Sen. Steinbeisser

**HEARING ON SB 467**

**Opening Statement by Sponsor:**

00:23:20 Sen. Joe Balyeat (R), SD 34, opened the hearing on SB 467, Revise notice provisions for tax deed process.

**EXHIBIT (tas49a02)**

**Proponents' Testimony:** None

**Opponents' Testimony:**

00:27:57 Ronda Wiggers, representing Montana County Treasurers' Association (MCTA)

**Informational Testimony:**

00:32:25 William Gowen, Owner, Montana Land Title Company

**Questions from Committee Members and Responses:**

00:32:53 Chairman Essmann

00:34:03 Sen. Balyeat

**Closing by Sponsor:**

00:35:54 Sen. Balyeat

00:36:14 Recess

00:40:26 Reconvene

**HEARING ON SB 490**

**Opening Statement by Sponsor:**

00:40:37 Sen. Roy Brown (R), SD 25, opened the hearing on SB 490, Increase class eight business equipment tax exemption.

[EXHIBIT \(tas49a03\)](#)

[EXHIBIT \(tas49a04\)](#)

**Proponents' Testimony:**

00:49:36 Jon Bennion, representing Montana Chamber of Commerce

00:53:57 Mary Whittinghill, Montana Taxpayers Association (MTA)

[EXHIBIT \(tas49a05\)](#)

[EXHIBIT \(tas49a06\)](#)

[EXHIBIT \(tas49a07\)](#)

01:00:30 Jason Todhunter, representing Montana Logging Association also speaking for Ellen Simpson, Montana Wood Products Association

01:01:19 Barry Stang, Executive Vice President, Montana Motor Carriers Association (MMCA)

01:02:42 David Smith, President and CEO, Bozeman Chamber of Commerce

**Proponents' Testimony: (Con't)**

01:03:20 Jessie Luther, representing Montana Contractors Association (MCA)  
 01:03:50 Riley Johnson, representing National Federation of Independent Business (NFIB)  
 01:04:51 Errol Rice, representing Montana Stockgrowers Association  
 01:05:53 Ronda Wiggers, representing Great Falls and Helena Chambers of Commerce also speaking for Margaret Morgan with Independent Electrical Contractors

**Opponents' Testimony:**

01:07:10 Bob Decker, The Policy Institute, Helena  
 01:12:32 Tom Bilodeau, representing MEA/MFT  
 01:19:05 John MacDonald, City of Missoula

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

01:21:15 Sen. Tutvedt  
 01:22:09 Sen. Roy Brown  
 01:22:24 Sen. Erickson  
 01:23:41 Sen. Roy Brown  
 01:28:06 Sen. Kaufmann  
 01:28:46 Bob Decker, The Policy Institute  
 01:30:43 Sen. Gillan  
 01:30:56 Sen. Roy Brown  
 01:31:35 Sen. Taylor Brown  
 01:32:47 Bob Decker  
 01:35:18 Sen. Taylor Brown  
 01:36:04 Bob Decker  
 01:36:52 Sen. Story  
 01:37:20 Bob Decker  
 01:37:31 Sen. Gillan  
 01:39:13 Mary Whittinghill, MTA  
 01:40:14 Sen. Erickson  
 01:40:45 Mary Whittinghill  
 01:44:00 Sen. Erickson  
 01:44:30 Mary Whittinghill  
 01:44:49 Sen. Tutvedt  
 01:46:29 Jon Bennion, Montana Chamber of Commerce  
 01:48:17 Sen. Tutvedt  
 01:48:42 Jon Bennion  
 01:49:44 Sen. Kaufmann  
 01:50:42 Sen. Roy Brown  
 01:52:04 Sen. Kaufmann

**Questions from Committee Members and Responses: (Con't)**

01:52:29 Sen. Roy Brown  
01:52:39 Chairman Essmann  
01:56:55 Bob Decker

**Closing by Sponsor:**

02:00:20 Sen. Brown  
  
02:03:33 Recess  
  
02:21:58 Reconvene ~ All Taxation Committee members present

**EXECUTIVE ACTION ON SB 284**

02:23:40 **Motion:** Sen. Tutvedt moved that **SB 284 DO PASS.**

**Discussion:**

02:24:30 Sen. Tutvedt  
02:24:59 Sen. Black  
02:25:39 Sen. Erickson  
02:26:44 Sen. Gillan  
02:27:14 Chairman Essmann

02:28:47 **Substitute Motion/Vote:** Sen. Gebhardt made a substitute motion that **SB 284 BE TABLED.** Substitute motion carried 10-1 by voice vote with Sen. Kaufmann voting no.

**EXECUTIVE ACTION ON SB 362**

02:29:38 **Motion:** Sen. Tutvedt moved that **SB 362 DO PASS.**

**Discussion:**

02:30:00 Sen. Tutvedt  
02:30:28 Sen. Story  
02:32:09 Sen. Gillan

02:33:04 **Substitute Motion/Vote:** Sen. Gebhardt made a substitute motion that **SB 362 BE TABLED.** Substitute motion carried 10-1 by voice vote with Sen. Brown voting no.

**EXECUTIVE ACTION ON SB 274**

02:33:58 **Motion:** Sen. Tutvedt moved that **SB 274 DO PASS.**

**Discussion:**

02:34:06 Sen. Tutvedt

02:34:28 Sen. Erickson

02:35:00 **Substitute Motion/Vote:** Sen. Erickson made a substitute motion that **SB 274 BE TABLED.** Substitute motion carried unanimously by voice vote.

**EXECUTIVE ACTION ON SB 377**

02:35:36 **Motion:** Sen. Tutvedt moved that **SB 377 DO PASS.**

**Discussion:**

02:36:21 Lee Heiman, Legislative Services Division (LSD)

02:37:29 Chairman Essmann

02:38:13 Sen. Brown

02:38:24 **Motion:** Sen. Brown moved that **SB 377 BE AMENDED.**  
**EXHIBIT** (tas49a08)

**Discussion:**

02:38:35 Sen. Kaufmann

02:39:20 **Vote:** Motion carried 10-1 by voice vote with Sen. Gillan voting no.

02:39:49 **Motion:** Sen. Black moved that **SB 377 DO PASS AS AMENDED.**

**Discussion:**

02:40:08 Sen. Gillan

02:40:56 Chairman Essmann

02:44:08 Sen. Gillan

02:44:20 Chairman Essmann

02:45:08 Sen. Gillan

02:46:39 Sen. Brown

02:47:00 Sen. Kaufmann

02:47:37 Sen. Story

02:49:14 Sen. Gillan

02:50:04 Chairman Essmann

02:50:28 Sen. Tutvedt

**Discussion:** (Con't)

02:50:58 Sen. Story  
02:52:15 Sen. Kaufmann  
02:54:38 Sen. Black  
02:56:20 Sen. Erickson

02:56:46 **Vote:** Motion carried 6-5 by roll call vote with Sens. Branae, Erickson, Gillan, Hamlett, and Kaufmann voting no.

**EXECUTIVE ACTION ON SB 301**

02:58:08 **Motion:** Sen. Tutvedt moved that **SB 301 DO PASS.**

**Discussion:**

02:58:20 Sen. Kaufmann

03:00:05 **Substitute Motion/Vote:** Sen. Tutvedt made a substitute motion that **SB 301 BE TABLED.** Substitute motion carried 8-3 by voice vote with Sen. Erickson, Hamlett, and Kaufmann voting no.

**EXECUTIVE ACTION ON SB 282**

03:01:20 **Motion:** Sen. Tutvedt moved that **SB 282 DO PASS.**

**Discussion:**

03:01:37 Sen. Brown  
03:02:22 Sen. Gebhardt  
03:02:35 Sen. Erickson

03:03:32 **Substitute Motion/Vote:** Sen. Gebhardt made a substitute motion that **SB 282 BE TABLED.** Substitute motion carried 6-5 by voice vote with Sens. Branae, Erickson, Gillan, Hamlett, and Kaufmann voting no.

**EXECUTIVE ACTION ON SB 259**

03:04:53 **Motion:** Sen. Kaufmann moved that **SB 259 DO PASS.**

**Discussion:**

03:04:59 Sen. Kaufmann  
03:07:19 Sen. Erickson  
03:08:11 Sen. Tutvedt  
03:08:47 Sen. Story  
03:10:25 Chairman Essmann  
03:12:12 Sen. Kaufmann  
03:13:34 Sen. Story

03:15:14 **Substitute Motion/Vote:** Sen. Gebhardt made a substitute motion that **SB 259 BE TABLED.** Substitute motion carried 6-5 by roll call vote with Sens. Branae, Erickson, Gillan, Hamlett, and Kaufmann voting no.

**EXECUTIVE ACTION ON SB 317**

03:16:36 **Motion:** Sen. Kaufmann moved that **SB 317 DO PASS.**

**Discussion:**

03:16:45 Sen. Kaufmann  
03:21:17 Chairman Essmann  
  
03:21:36 Upon the request of Sen. Kaufmann and without objection from the committee, Chairman Essmann suspended Executive Action on SB 317.

**EXECUTIVE ACTION ON SB 377**

03:22:09 **Motion/Vote:** Sen. Kaufmann moved to **RECONSIDER THE EXECUTIVE ACTION** on **SB 377.** Motion failed 5-6 by roll call vote with Sens. Branae, Erickson, Gillan, Hamlett, and Kaufmann voting aye.



**ADJOURNMENT**

Adjournment: 11:30 A.M.

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Debra Polhemus, Secretary

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Additional Documents:

**EXHIBIT ([tas49aad.pdf](#))**