

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 62nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Chair Mark Blasdel, on March 23, 2011 at 8:00 AM, in Room 152 Capitol

ROLL CALL

Members Present:

Rep. Mark Blasdel, Chairman (R)
Rep. Dick Barrett, Vice Chairman (D)
Rep. Mike Miller, Vice Chairman (R)
Rep. Steve Fitzpatrick (R)
Rep. Kelly Flynn (R)
Rep. Alan Hale (R)
Rep. Brian Hoven (R)
Rep. Austin Knudsen (R)
Rep. Steve Lavin (R)
Rep. Mary McNally (D)
Rep. Jerry O'Neil (R)
Rep. Mike Phillips (D)
Rep. Wayne Stahl (R)
Rep. Max Yates (R)

Members Excused: None

Members Absent: Rep. Sue Malek (D)
Rep. Edith (Edie) McClafferty (D)
Rep. Lee Randall (R)
Rep. Janna Taylor (R)
Rep. Kathleen Williams (D)

Staff Present: Lisa Adams, Committee Secretary
Jeff Martin, Legislative Branch

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 596, 3/21/2011; HB 616, 3/21/2011; HB 618, 3/21/2011

Executive Action: HJ 2

00:01:12 Rep. Randall arrived.
00:01:15 Rep. Williams arrived.
00:01:18 Rep. Flynn left.

HEARING ON HB 596

Opening Statement by Sponsor:

00:01:24 Rep. Tom McGillvray (R), HD 50, opened the hearing on HB 596, Abolish income tax with replacement sales tax.

[EXHIBIT\(tah65a01\)](#)

[EXHIBIT\(tah65a02\)](#)

[EXHIBIT\(tah65a03\)](#)

00:01:25 Rep. Stahl left.
00:02:23 Rep. Malek arrived.
00:04:25 Rep. Flynn, Rep. McClafferty, and Rep. Stahl arrived.
00:06:55 Rep. Stahl left.
00:10:25 Rep. Phillips and Rep. Williams left.

Proponents' Testimony:

00:20:38 Sen. Balyeat, SD 34

[EXHIBIT\(tah65a04\)](#)

[EXHIBIT\(tah65a05\)](#)

[EXHIBIT\(tah65a06\)](#)

00:23:16 Rep. Williams arrived.
00:30:37 Rep. Phillips arrived.
00:32:17 Rep. Taylor arrived.

Opponents' Testimony: None

Informational Testimony:

00:33:51 Dan Dodds, Tax Policy Analyst, Montana Department of Revenue (DOR)

Questions from Committee Members and Responses:

00:34:05 Rep. Phillips
00:34:18 Rep. McGillvray
00:35:10 Rep. Phillips
00:35:43 Rep. McGillvray
00:36:03 Chairman Blasdel
00:36:08 Rep. Barrett
00:37:11 Rep. McGillvray
00:38:35 Rep. Barrett
00:38:49 Rep. McGillvray
00:38:56 Vice Chairman Miller
00:39:54 Rep. McGillvray
00:40:34 Vice Chairman Miller
00:40:51 Rep. McGillvray
00:41:01 Rep. Flynn
00:41:31 Sen. Balyeat

Closing by Sponsor:

00:43:40 Rep. McGillvray

HEARING ON HB 616**Opening Statement by Sponsor:**

00:46:45 Rep. Lee Randall (R), HD 39, opened the hearing on HB 616, Correct erroneous agriculture land values, provide remedy, create ag. Committee.

00:46:47 Rep. Flynn left.

00:47:01 Rep. Williams left.

Proponents' Testimony:

00:51:57 Nancy Schlepp, Montana Taxpayers Association

[EXHIBIT\(tah65a07\)](#)

[EXHIBIT\(tah65a08\)](#)

00:53:15 Rep. Fitzpatrick left.

00:54:52 Rep. Malek left.

00:58:01 Rep. Flynn arrived.

00:58:06 Rep. Knudsen left.

01:00:17 Nicole Rolf, Montana Farm Bureau Federation (MFBF)

01:00:39 Rep. Fitzpatrick arrived.

01:00:46 Rep. Williams arrived.

01:01:07 Rep. Phillips left.

01:02:53 Rep. Knudsen arrived.

01:03:54 Rep. Taylor left.

01:07:21 Rep. Taylor arrived.

01:07:46 Jeanne Charter, Bull Mountain Land Alliance

[EXHIBIT\(tah65a09\)](#)

01:09:14 Vice Chairman Miller left.

01:11:08 John Semple, Montana Grain Growers Association

01:11:44 Harold Blattie, self

01:12:17 Vice Chairman Miller arrived.

01:12:47 Rep. Phillips arrived.

01:17:08 Ellen Pfister, self

[EXHIBIT\(tah65a10\)](#)

01:19:24 Rep. Yates left.

01:19:43 Mike Murphy, Montana Water Resources Association

01:20:57 Ronda Wiggers, Montana County Treasurers' Association

01:25:24 Jay Bodner, Montana Stock Growers Association (MSGA)

Opponents' Testimony:

01:27:10 Alan Peura, Deputy Director, DOR

[EXHIBIT\(tah65a11\)](#)

01:28:50 Rep. Flynn left.

01:29:27 Rep. Yates arrived.

01:29:36 Rep. Malek arrived.

01:31:45 Rep. McClafferty left.

01:35:15 Vice Chairman Miller left.

01:36:07 Rep. Stahl arrived.

01:39:21 Vice Chairman Miller arrived.
01:42:24 Rep. Hale left.
01:43:13 Rep. Fitzpatrick left.
01:45:50 Rep. Knudsen
01:51:19 Rep. McNally left.
01:52:31 Dallas Reese, Management Analyst, Property Assessment Division, DOR
01:53:34 Rep. Fitzpatrick arrived.
01:56:36 Rep. McNally and Rep. McClafferty arrived.
02:01:23 Rep. Hale arrived.
02:02:25 Rep. Knudsen left.
02:02:02 Dan Bucks, Director, DOR

Informational Testimony:

02:08:06 Myles Watts, Economist, Montana State University (MSU)
02:08:23 Rep. Knudsen arrived.

Questions from Committee Members and Responses:

02:08:53 Rep. Barrett
02:10:37 Mr. Reese
02:11:00 Rep. Barrett
02:12:12 Mr. Reese
02:14:21 Rep. Barrett
02:14:51 Mr. Reese
02:14:56 Rep. Barrett
02:15:06 Ms. Schlepp
02:15:37 Rep. Barrett
02:15:44 Vice Chairman Miller
02:16:12 Ms. Schlepp
02:16:17 Vice Chairman Miller
02:16:28 Ms. Schlepp
02:17:18 Rep. Hoven
02:18:10 Mr. Peura
02:19:42 Rep. Hoven
02:20:06 Mr. Peura
02:20:17 Mr. Reese
02:23:22 Rep. Hoven
02:23:58 Mr. Reese
02:24:38 Rep. Barrett
02:25:42 Mr. Reese
02:25:49 Vice Chairman Miller
02:26:10 Ms. Schlepp
02:27:10 Rep. Taylor
02:27:51 Mr. Reese
02:28:06 Rep. Taylor
02:28:28 Mr. Reese
02:28:43 Rep. Fitzpatrick left.
02:29:08 Rep. Taylor
02:29:39 Ms. Schlepp
02:30:54 Rep. Taylor
02:31:58 Mr. Peura

02:33:43 Rep. Phillips left.
02:34:01 Rep. Barrett
02:35:11 Mr. Reese
02:35:27 Rep. Barrett
02:36:01 Mr. Reese
02:36:37 Rep. Barrett
02:37:34 Mr. Watts, MSU
02:38:32 Rep. Hoven
02:39:52 Mr. Reese
02:40:33 Chairman Blasdel left.
02:43:01 Chairman Blasdel and Rep. Fitzpatrick arrived.
02:43:25 Chairman Blasdel left.
02:44:37 Rep. McNally
02:45:24 Ms. Charter
02:47:15 Rep. McNally
02:47:41 Mr. Reese
02:47:45 Rep. Fitzpatrick left.
02:48:57 Rep. Fitzpatrick arrived.
02:48:58 Rep. Flynn arrived.
02:50:53 Rep. McNally
02:51:11 Mr. Reese
02:51:20 Rep. Phillips arrived.
02:51:56 Rep. Malek left.
02:52:54 Rep. McNally
02:53:00 Chairman Blasdel arrived.
02:53:02 Rep. McClafferty left.
02:53:09 Rep. Hoven
02:53:52 Mr. Reese
02:54:33 Rep. McClafferty arrived.
02:54:43 Rep. Taylor left.
02:54:58 Rep. Hoven
02:55:24 Mr. Semple
02:56:08 Vice Chairman Miller left.
02:56:15 Rep. McClafferty left.
02:56:38 Rep. Hoven
02:56:44 Mr. Semple
02:56:47 Rep. O'Neil
02:57:06 Vice Chairman Miller arrived.
02:57:40 Mr. Peura
02:59:32 Rep. Stahl
02:59:42 Rep. Taylor arrived.
02:59:54 Rep. Flynn left.
03:00:44 Mr. Peura
03:01:19 Rep. Stahl
03:02:56 Rep. Williams left.
03:03:02 Mr. Reese
03:03:14 Rep. McNally left.
03:03:15 Rep. Taylor left.
03:03:47 Rep. Stahl
03:03:57 Mr. Reese

03:04:01 Rep. Stahl
03:04:38 Mr. Reese
03:05:26 Rep. Stahl
03:05:34 Rep. Fitzpatrick left.
03:05:41 Mr. Reese
03:06:06 Rep. Stahl
03:06:24 Rep. Williams arrived.
03:06:53 Mr. Watts

Closing by Sponsor:

03:09:21 Rep. Randall

03:09:34 Rep. Fitzpatrick arrived.
03:11:01 Rep. McNally and Rep. Taylor arrived.

03:12:02 Recessed
03:22:13 Resumed with all present except Rep. Hoven, Rep. Stahl, Rep. Randall and Rep. McClafferty.

HEARING ON HB 618**Opening Statement by Sponsor:**

03:22:27 Rep. Carolyn Pease-Lopez (D), HD 42, opened the hearing on HB 618, Exempt certain tribally owned property from taxation.

[EXHIBIT\(tah65a12\)](#)

[EXHIBIT\(tah65a13\)](#)

03:23:49 Rep. Randall arrived.
03:23:50 Rep. McNally left.
03:23:59 Rep. McNally and Rep. Hoven arrived.

Proponents' Testimony:

03:29:16 Sen. Augare, SD 8
03:30:17 E.T. Bud Moran, Chairman, Tribal council, Confederated Salish and Kootenai Tribes (CSKT)

[EXHIBIT\(tah65a14\)](#)

03:34:12 Dan Bucks, Director, DOR
03:35:09 Rep. Hale left.
03:38:05 Henry Butterfly, Council Member, Blackfeet Tribe
03:39:00 Rep. Hale arrived.
03:40:43 Terry Pitts, Council Member, CSKT

[EXHIBIT\(tah65a15\)](#)

03:43:40 Michael DesRosier, County Commissioner, Glacier County Commissioners
03:45:35 Rep. Stahl arrived.
03:45:37 Vice Chairman Miller left.
03:46:01 Majel Russell, Attorney, Blackfeet Nation
03:49:28 Rep. Phillips left.
03:50:38 Teresa Wall-McDonald, Department Head, CSKT

[EXHIBIT\(tah65a16\)](#)

[EXHIBIT\(tah65a17\)](#)

03:53:40 Vice Chairman Miller arrived.
03:54:02 Chairman Blasdel and Rep. Stahl left.
03:54:30 Rep. Dan Salomon, HD 12
03:55:25 Cynthia Monteau Moore, Administrator, Property Assessment Division, DOR
03:55:55 Rep. Frank Smith, HD 31
03:56:21 Chairman Blasdel and Rep. Stahl arrived.
03:56:30 Rep. Phillips arrived.
03:56:41 Rep. Jerry O'Neil, HD 3
03:56:59 Rep. Janna Taylor, HD 11

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

03:57:26 Rep. Pease-Lopez

EXECUTIVE ACTION ON HJ 2

03:59:22 Rep. Barrett
04:00:05 Mr. Martin

04:00:38 **Motion:** Rep. Miller moved that **HJ 2 DO PASS.**

04:01:11 **Motion:** Rep. Di. Barrett moved that **HJ 2 BE AMENDED.**

EXHIBIT(tah65a18)

Discussion:

04:05:05 Rep. Phillips
04:05:55 Mr. Martin
04:06:11 Rep. Phillips
04:06:15 Mr. Martin
04:06:51 Rep. Barrett
04:07:11 Rep. Stahl
04:10:27 Rep. Phillips
04:11:21 Vice Chairman Miller
04:11:37 Rep. Phillips
04:11:42 Rep. Malek
04:12:14 Rep. Stahl
04:12:30 Rep. Malek
04:12:35 Rep. Stahl
04:14:00 Rep. Malek
04:14:12 Rep. Stahl
04:14:22 Rep. Barrett
04:15:01 Vice Chairman Miller left.
04:15:52 Rep. O'Neil
04:16:27 Rep. Barrett

04:16:43 Rep. Williams
 04:16:56 Vice Chairman Miller arrived.
 04:17:40 Rep. Hoven
 04:18:11 Rep. Hale
 04:18:25 Rep. Taylor
 04:18:55 Vice Chairman Miller
 04:19:34 Rep. Barrett

04:21:03 **Vote:** Motion failed 6-13 by roll call vote with Rep. Barrett, Rep. Malek, Rep. McClafferty, Rep. McNally, Rep. Phillips and Rep. Williams voting aye. Rep. McClafferty voted by proxy.

04:22:00 **Motion:** Rep. Miller moved that **HJ 2 BE AMENDED.**
EXHIBIT(tah65a19)

Discussion:

04:22:24 Mr. Martin
 04:23:53 Rep. Phillips
 04:24:02 Mr. Martin
 04:24:54 Rep. Phillips
 04:25:05 Mr. Martin
 04:25:34 Chairman Blasdel

04:26:10 **Vote:** Motion carried 13-6 by roll call vote with Rep. Fitzpatrick, Rep. Knudsen, Rep. O'Neil, Rep. Randall, Rep. Stahl and Rep. Taylor voting no. Rep. McClafferty voted by proxy.

04:27:05 **Motion/Vote:** Rep. Miller moved that **HJ 2 DO PASS AS AMENDED.** Motion carried 14-5 by roll call vote with Rep. Knudsen, Rep. O'Neil, Rep. Randall, Rep. Stahl and Rep. Taylor voting no. Rep. McClafferty voted by proxy.

EXECUTIVE ACTION ON HB 240

04:29:35 **Motion:** Rep. Flynn moved that **HB 240 DO PASS.**

Discussion:

04:30:43 Mr. Martin
 04:31:50 Rep. Phillips
 04:32:18 Mr. Martin
 04:32:42 Rep. Phillips
 04:32:45 Mr. Martin
 04:33:34 Rep. Phillips
 04:33:45 Mr. Martin
 04:33:47 Rep. Phillips
 04:33:52 Mr. Martin
 04:33:54 Rep. Phillips

04:33:58 Mr. Martin
04:34:13 Rep. Phillips
04:34:37 Mr. Martin
04:34:40 Vice Chairman Miller
04:34:55 Mr. Martin

04:35:16 **Motion:** Rep. Flynn moved that **HB 240 BE AMENDED.**
EXHIBIT(tah65a20)

Discussion:

04:39:14 Rep. Flynn
04:39:15 Rep. Hale left.
04:40:44 Rep. Fitzpatrick left.
04:42:52 Rep. Fitzpatrick arrived.
04:43:55 Chairman Blasdel
04:44:08 Rep. Randall
04:44:26 Rep. Hale arrived.
04:44:38 Rep. Flynn
04:46:02 Rep. Randall
04:46:16 Rep. Flynn
04:46:31 Rep. McNally
04:46:49 Rep. Flynn
04:46:56 Rep. Phillips
04:47:50 Rep. Flynn
04:48:22 Rep. Fitzpatrick
04:48:41 Rep. Flynn
04:49:55 Rep. Fitzpatrick
04:50:09 Rep. Flynn
04:51:15 Vice Chairman Blasdel
04:51:31 Rep. Barrett
04:52:34 Rep. Flynn withdrew motion for amendment on HB 240.
04:52:55 Rep. Flynn withdrew motion on HB 240.
04:53:32 Rep. Phillips

ADJOURNMENT

04:54:12 Adjournment: 12:55 p.m.

Lisa Adams, Secretary

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ADDITIONAL DOCUMENTS:
[EXHIBIT](#)(tah65a21)

Additional Documents:

EXHIBIT(**[tah65aad.pdf](#)**)