

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 62nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Chair Mark Blasdel, on March 25, 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. Steve Fitzpatrick (R)
Rep. Kelly Flynn (R)
Rep. Brian Hoven (R)
Rep. Austin Knudsen (R)
Rep. Steve Lavin (R)
Rep. Edith (Edie) McClafferty (D)
Rep. Mary McNally (D)
Rep. Jerry O'Neil (R)
Rep. Mike Phillips (D)
Rep. Lee Randall (R)
Rep. Janna Taylor (R)

Members Excused: None

Members Absent: Rep. Mike Miller, Vice Chairman (R)
Rep. Alan Hale (R)
Rep. Sue Malek (D)
Rep. Wayne Stahl (R)
Rep. Kathleen Williams (D)
Rep. Max Yates (R)

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: HJ 24, 3/21/2011; HB 630, 3/21/2011; HB 640, 3/21/2011; HB 641, 3/21/2011

Executive Action: HB 595; HB 340; HB 325; HB 308; HB 397; HB 596; HB 614; HB 616; HB 618; HB 626; HB 630; HB 640; HB 641

00:01:00 Vice Chairman Miller arrived.

HEARING ON HJ 24

Opening Statement by Sponsor:

00:02:09 Rep. Joanne Blyton (R), HD 59, opened the hearing on HJ 24, Interim study on property tax and options to replace with other revenue.

00:03:49 Rep. Knudsen left.

00:04:20 Rep. Williams arrived.

00:04:48 Vice Chairman Miller left.

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

00:04:50 Rep. Blyton

HEARING ON HB 640

Opening Statement by Sponsor:

00:05:09 Rep. Gordon Hendrick (R), HD 14, opened the hearing on HB 640, Suspending the tax lien process for certain class four property.

00:06:28 Rep. Knudsen arrived.

00:07:10 Rep. Fitzpatrick left.

Proponents' Testimony:

00:07:37 Patty Lovaas, self

[EXHIBIT\(tah67a01\)](#)

00:08:07 Vice Chairman Miller arrived.

Opponents' Testimony:

00:12:57 Ronda Wiggers, Montana County Treasurers' Association

00:16:13 Rep. Stahl arrived.

00:16:45 Harold Blattie, Montana Association of Counties (MACo)

Informational Testimony: None

Questions from Committee Members and Responses:

00:17:11 Rep. Barrett

00:17:59 Ms. Wiggers

00:18:02 Rep. Barrett

00:18:46 Rep. Knudsen left.

00:18:56 Ms. Wiggers

00:19:36 Rep. Barrett
00:19:42 Rep. Malek arrived.
00:19:45 Ms. Wiggers

Closing by Sponsor:

00:19:57 Rep. Hendrick

HEARING ON HB 641

Opening Statement by Sponsor:

00:21:32 Rep. Betsy Hands (D), HD 99, opened the hearing on HB 641, Review tax expenditures.

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

00:26:12 Rep. Taylor
00:26:48 Rep. Hands
00:27:19 Vice Chairman Miller
00:27:27 Rep. Hands
00:27:33 Rep. Hoven
00:27:41 Rep. Hands
00:28:15 Rep. Hoven
00:28:18 Rep. Hands
00:28:40 Rep. O'Neil
00:28:56 Rep. Hands

Closing by Sponsor:

00:29:47 Rep. Hands

EXECUTIVE ACTION ON HB 595

Voted previous day, March 24th, on the amendment HB059501.akj.

00:32:47 **Motion:** Rep. Stahl moved that **HB 595 DO PASS AS AMENDED.**

Discussion:

00:33:01 Rep. Stahl
00:36:24 Rep. Barrett
00:38:28 Rep. Hoven
00:41:32 Rep. Barrett
00:43:57 Rep. McNally
00:44:39 Rep. Stahl
00:45:04 Rep. Williams
00:45:39 Rep. Stahl
00:45:50 Rep. Flynn left.

00:45:56 Rep. Knudsen arrived.
00:46:12 Rep. Hoven
00:46:38 Chairman Blasdel

00:47:46 **Vote:** Motion carried 16-3 by roll call vote with Rep. Hoven, Rep. Knudsen and Rep. Randall voting no. Rep. Flynn, Rep. Hale and Rep. Yates voted by proxy.

EXECUTIVE ACTION ON HB 340

Previous action, bill failed on March 24th.

00:49:09 **Motion/Vote:** Rep. Stahl moved that **HB 340 BE TABLED**. Motion carried unanimously by voice vote, present and voting.

HEARING ON HB 630

Opening Statement by Sponsor:

00:50:26 Rep. Austin Knudsen (R), HD 36, opened the hearing on HB 630, Revise school funding laws using oil and gas revenues.

[**EXHIBIT\(tah67a02\)**](#)

[**EXHIBIT\(tah67a03\)**](#)

00:50:50 Chairman Blasdel left.
00:51:43 Rep. Stahl left.
00:52:06 Rep. McClafferty left.
00:52:12 Rep. Randall left.
00:55:13 Rep. Randall arrived.
00:55:55 Rep. Stahl arrived.
00:56:43 Rep. Flynn arrived.
01:05:34 Rep. Stahl left.

Proponents' Testimony:

01:07:24 Dennis Nelson, Chairman, Bainville School District Number 64
01:09:23 Renee Rasmussen, Superintendent, Wibaux Public Schools
01:15:09 Rep. Malek left.
01:16:02 Rep. Flynn left.
01:16:18 Doug Smith, self, Bainville
01:17:38 Rep. Barrett left.
01:18:39 Rep. Taylor left.
01:21:13 Scott Aspenlieder, self, Helena
01:23:50 Gary MacDonald, Roosevelt County Commissioner, Roosevelt County
01:24:10 Rep. McClafferty arrived.
01:24:52 Rep. Fitzpatrick arrived.
01:26:50 Rep. Barrett arrived.
01:28:29 Sylvia Harmon, self, Bainville
01:30:18 Dean Harmon, self, Bainville
01:31:13 Bill Hanson, self, Helena

01:31:26 Garth Harmon, Board Member, Bainville Public Schools

[EXHIBIT\(tah67a04\)](#)

[EXHIBIT\(tah67a05\)](#)

[EXHIBIT\(tah67a06\)](#)

01:34:29 Dana Berwick, self, Bainville

01:35:15 Scott Panasuk, self, Bainville

01:35:35 Vance Anderson, self, Bainville

01:37:43 Rep. Randall left.

01:38:16 Gordan Hahn, Superintendent Saco Schools, Saco

01:39:03 Willie Duffield, Montana Association of Oil, Gas and Coal Counties

Opponents' Testimony:

01:39:46 Dan Villa, Governor's Education Policy Advisor, Board of Education, (GOV)

[EXHIBIT\(tah67a07\)](#)

[EXHIBIT\(tah67a08\)](#)

[EXHIBIT\(tah67a09\)](#)

[EXHIBIT\(tah67a10\)](#)

01:41:33 Rep. Randall arrived.

01:45:29 Rep. Malek arrived.

01:45:36 Vice Chairman Miller left.

01:45:46 Vice Chairman Miller arrived.

01:51:04 Madelyn Quinlan, Chief of Staff, Office of Public Instruction (OPI)

01:54:21 Rep. Phillips left.

Informational Testimony:

01:54:56 Jim Standaert, Legislative Fiscal Division (LFD)

Questions from Committee Members and Responses:

01:55:26 Rep. Stahl

01:58:59 Mr. Villa, GOV

01:59:04 Rep. Stahl

01:59:25 Mr. Villa

02:00:40 Rep. Stahl

02:01:09 Rep. Fitzpatrick left.

02:01:52 Mr. Villa

02:02:05 Rep. Barrett left.

02:02:39 Rep. Stahl

02:03:33 Rep. Phillips arrived.

02:03:52 Rep. Barrett arrived.

02:03:59 Mr. Villa

02:05:00 Rep. Stahl

02:05:05 Mr. Villa

02:05:45 Rep. Stahl

02:05:55 Mr. Villa

02:06:29 Rep. Lavin left.

02:06:53 Rep. Randall

02:07:15 Mr. Villa

02:07:40 Rep. Randall

02:08:48 Mr. Villa

02:10:49 Rep. Malek

02:11:00 Mr. Villa
02:12:07 Rep. Malek
02:12:12 Rep. Lavin arrived.
02:12:23 Mr. Villa
02:12:26 Rep. Malek
02:13:00 Mr. Villa
02:13:30 Rep. Malek
02:13:59 Mr. Villa
02:14:02 Rep. Randall left.
02:14:41 Rep. Malek
02:14:50 Rep. Phillips
02:15:17 Rep. O'Neil
02:16:00 Mr. Villa
02:16:46 Rep. Hoven
02:17:24 Mr. Villa

EXHIBIT(tah67a11)

02:17:28 Rep. Stahl left.

Closing by Sponsor:

02:19:44 Rep. Knudsen

02:21:08 Rep. Stahl arrived.

02:27:31 Recessed.

02:39:48 Resumed all present except Rep. Fitzpatrick, Rep. McNally, Rep. Hoven, Rep. Malek, Rep. Hale, Rep. Yates and Rep. Flynn

02:39:55 Chairman Blasdel

02:40:43 Rep. Hoven arrived.

02:41:10 Chairman Blasdel

02:41:13 Rep. McNally arrived.

02:41:25 Rep. Fitzpatrick arrived.

EXECUTIVE ACTION ON HB 325

02:41:53 **Motion:** Rep. Miller moved that **HB 325 DO PASS.**

Discussion:

02:42:03 Rep. Barrett

02:42:52 Rep. Phillips

02:43:09 Rep. Stahl

02:43:35 Rep. Barrett

02:44:32 Vice Chairman Miller

02:44:53 **Substitute Motion/Vote:** Rep. Miller moved that **HB 325 BE TABLED.**

Substitute Motion carried 14-5 by voice vote with Rep. Fitzpatrick, Rep. Lavin, Rep. O'Neil, Rep. Randall and Rep. Taylor voting no. Rep. Flynn, Rep. Hale and Rep. Yates voted by proxy.

EXECUTIVE ACTION ON HB 308

02:45:47 **Motion:** Rep. Miller moved that **HB 308 DO PASS.**

02:46:00 **Motion:** Rep. Blasdel moved that **HB 308 BE AMENDED.**
EXHIBIT(tah67a12)

Discussion:

02:46:14 Chairman Blasdel

02:47:41 Rep. Barrett

02:48:16 **Vote:** Motion carried 13-6 by voice vote with Rep. Barrett, Rep. Malek, Rep. McNally, Rep. Phillips, Rep. Stahl and Rep. Williams voting no. Rep. Flynn, Rep. Hale and Rep. Yates voted by proxy.

02:49:11 **Motion:** Rep. Blasdel moved that **HB 308 DO PASS AS AMENDED.**

Discussion:

02:49:24 Rep. O'Neil

02:50:06 Rep. Barrett

02:50:56 Rep. Randall

02:52:12 Vice Chairman Miller

02:52:39 Rep. Phillips

02:53:14 Rep. McNally

02:53:54 **Vote:** Motion failed 5-14 by roll call vote with Rep. Blasdel, Rep. Hale, Rep. Lavin, Rep. Miller and Rep. Taylor voting aye. Rep. Flynn, Rep. Hale and Rep. Yates voted by proxy.

02:54:58 **Motion/Vote:** Rep. Miller moved that **HB 308 BE TABLED AND THE VOTE REVERSED.** Motion carried unanimously by voice vote, present and voting.

EXECUTIVE ACTION ON HB 397

See previous vote on March 9, 2011.

02:55:41 Rep. Flynn arrived.

02:55:47 Mr. Martin

02:56:28 Rep. Knudsen

02:56:32 Mr. Martin

02:56:55 Rep. Philips

02:58:06 **Motion/Vote:** Rep. Miller moved to **RECONSIDER THE MOTION** on **HB 397.** Motion carried 17-2 by voice vote with Rep. Malek and Rep. McClafferty voting no, present and voting.

Discussion:

02:58:51 Mr. Martin

02:58:55 Rep. Phillips

03:00:02 Mr. Martin
 03:00:14 Chairman Blasdel
 03:01:04 Rep. Phillips
 03:01:15 Mr. Martin

03:02:12 **Motion:** Rep. Miller moved that **HB 397 DO PASS AS AMENDED.**
 (Exhibit refers to amendment passed on March 9th.)

EXHIBIT(tah67a13)

Discussion:

03:03:15 Rep. Williams
 03:03:44 Vice Chairman Miller
 03:04:42 Chairman Blasdel

EXHIBIT(tah67a14)

03:04:45 Rep. Barrett
 03:05:17 Rep. Knox
 03:07:52 Pat Wagman, Montana Family Foundation
 03:09:00 Rep. McNally
 03:10:17 Rep. Knox
 03:10:41 Rep. Barrett
 03:10:46 Rep. Hoven
 03:11:09 Mr. Martin
 03:11:29 Rep. Randall left.
 03:11:34 Rep. Hoven
 03:11:38 Mr. Martin
 03:11:41 Rep. Hoven
 03:11:44 Rep. Barrett
 03:11:50 Rep. Randall arrived.
 03:13:23 Rep. Taylor

03:15:02 **Vote:** Motion carried 12-7 by roll call vote with Rep. Barrett, Rep. Malek, Rep. McClafferty, Rep. McNally, Rep. Phillips, Rep. Williams and Rep. Yates voting no. Rep. Hale and Rep. Yates voted by proxy.

EXECUTIVE ACTION ON HB 596

03:15:23 **Motion:** Rep. Miller moved that **HB 596 DO PASS.**

Discussion:

03:15:29 Rep. Barrett
 03:16:34 Rep. Phillips

03:17:23 **Motion/Vote:** Rep. Miller moved that **HB 596 BE TABLED.** Motion carried 13-4 by voice vote with Rep. Hoven, Rep. Lavin, Rep. O'Neil and Rep. Taylor voting no, present and voting.

EXECUTIVE ACTION ON HB 614

03:18:05 **Motion:** Rep. Miller moved that **HB 614 DO PASS.**

Discussion:

03:18:28 Rep. Phillips

03:18:57 Vice Chairman Miller

03:20:00 Chairman Blasdel

03:20:04 **Vote:** Motion carried 14-5 by roll call vote with Rep. Barrett, Rep. Malek, Rep. McClafferty, Rep. McNally and Rep. Phillips voting no. Rep. Hale and Rep. Yates voted by proxy.

03:21:10 Rep. Knudsen left.

EXECUTIVE ACTION ON HB 616

03:21:21 **Motion:** Rep. Randall moved that **HB 616 DO PASS.**

03:21:36 **Motion:** Rep. Randall moved that **HB 616 BE AMENDED.**
EXHIBIT(tah67a15)

Discussion:

03:22:12 Mr. Martin

03:24:12 Rep. Taylor

03:24:30 Mr. Martin

03:24:49 **Vote:** Motion carried 17-0 by voice vote, present and voting. Rep. Knudsen voted by proxy.

03:24:58 **Motion:** Rep. Randall moved that **HB 616 DO PASS AS AMENDED.**

Discussion:

03:25:32 Rep. Barrett

03:28:56 Rep. Flynn left.

03:29:33 Rep. Stahl

03:29:50 Rep. Flynn arrived.

03:31:02 Rep. Malek

03:31:14 Rep. Knudsen arrived.

03:32:37 Rep. Barrett

03:34:52 Rep. Hoven

03:35:15 Rep. Barrett

03:35:36 Rep. Hoven

03:35:57 Rep. Randall

03:36:58 Rep. Stahl

03:41:05 Rep. McNally

03:41:56 Rep. Philips arrived.

03:42:29 **Vote:** Motion carried 13-6 by roll call vote with Rep. Barrett, Rep. Malek, Rep. McClafferty, Rep. McNally, Rep. Phillips and Rep. Williams voting no. Rep. Hale and Rep. Yates voted by proxy.

03:44:01 Rep. Barrett

EXECUTIVE ACTION ON HB 618

03:45:00 **Motion:** Rep. Miller moved that **HB 618 DO PASS**.

03:45:11 **Motion:** Rep. Miller moved that **HB 618 BE AMENDED**.
EXHIBIT(tah67a16)

Discussion:

03:45:53 Mr. Martin

03:47:03 Rep. Barrett left.

03:47:51 Rep. Barrett arrived.

03:48:01 **Vote:** Motion carried 17-0 by voice vote, present and voting.

03:48:13 **Motion/Vote:** Rep. Miller moved that **HB 618 DO PASS AS AMENDED**. Motion carried 19-0 by voice vote, present and voting. Rep. Hale and Rep. Yates voted by proxy.

03:49:31 Chairman Blasdel

03:49:35 Rep. Phillips

EXECUTIVE ACTION ON HB 626

03:50:20 **Motion:** Rep. Miller moved that **HB 626 DO PASS**.

03:51:07 **Substitute Motion/Vote:** Rep. O'Neil moved that **HB 626 BE TABLED**. Motion carried 13-6 by roll call vote with Rep. Barrett, Rep. Malek, Rep. McClafferty, Rep. McNally, Rep. Phillips and Rep. Williams voting no. Rep. Hale and Rep. Yates voted by proxy.

EXECUTIVE ACTION ON HB 630

Committee report was not completed because fiscal note was not received. Consequently, bill was referred to Appropriations Committee on March 26, 2011.

03:52:55 **Motion:** Rep. Knudsen moved that **HB 630 DO PASS**.

Discussion:

03:53:13 Vice Chairman Miller

03:53:35 Rep. Knudsen

03:54:00 Vice Chairman Miller

03:54:02 Rep. Randall

03:55:17 Rep. Malek

03:56:40 Rep. Williams

03:56:58 Rep. Knudsen
 03:57:31 Rep. Williams
 03:57:55 Rep. Knudsen
 03:58:21 Rep. Stahl
 03:58:44 Rep. Taylor
 03:59:26 Rep. Knudsen
 03:59:50 Rep. Hoven
 04:00:23 Rep. Fitzpatrick and Rep. Barrett left.
 04:00:33 Rep. Stahl
 04:00:46 Rep. Phillips
 04:00:56 Rep. Fitzpatrick arrived.
 04:01:56 Rep. Hoven
 04:02:49 Rep. Stahl
 04:04:43 Rep. Knudsen

04:05:12 **Vote:** Motion carried 11-8 by roll call vote with Rep. Barrett, Rep. Fitzpatrick, Rep. Hoven, Rep. Malek, Rep. McClafferty, Rep. McNally, Rep. Phillips and Rep. Williams voting no. Rep. Hale and Rep. Yates voted by proxy.

EXECUTIVE ACTION ON HB 640

04:06:33 **Motion:** Rep. Miller moved that **HB 640 DO PASS.**

Discussion:

04:06:54 Rep. Stahl
 04:07:13 Vice Chairman Miller
 04:07:32 Rep. Barrett
 04:09:06 Rep. Hoven

04:09:47 **Vote:** Motion failed 2-17 by roll call vote with Rep. Fitzpatrick and Rep. Taylor voting aye. Rep. Hale and Rep. Yates voted by proxy.

04:10:51 **Motion/Vote:** Rep. Miller moved that **HB 640 BE TABLED AND THE VOTE REVERSED.** Motion carried 17-0 by voice vote, present and voting.

EXECUTIVE ACTION ON HB 641

04:11:20 **Motion:** Rep. Miller moved that **HB 641 DO PASS.**

Discussion:

04:11:29 Rep. Barrett
 04:12:19 Rep. Fitzpatrick
 04:12:47 Rep. Randall
 04:13:17 Rep. Barrett
 04:13:24 Rep. Hoven
 04:13:58 Chairman Blasdel

04:14:02 Rep. Barrett
04:14:23 Rep. McNally
04:14:49 Rep. Williams
04:15:15 Rep. Phillips
04:15:37 Rep. McNally
04:15:51 Vice Chairman Miller
04:16:00 **Vote:** Motion carried 13-6 by roll call vote with Rep. Fitzpatrick, Rep. Hale, Rep. Knudsen, Rep. O'Neil, Rep. Randall and Rep. Taylor voting no. Rep. Hale and Rep. Yates voted by proxy.

04:17:20 Chairman Blasdel

ADJOURNMENT

04:17:33 Adjournment: 12:19 p.m.

Lisa Adams, Secretary

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Additional Documents:

EXHIBIT([tah67aad.pdf](#))