

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 62nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Chair Mark Blasdel, on April 5, 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. Sue Malek (D)
Rep. Edith (Edie) McClafferty (D)
Rep. Mary McNally (D)
Rep. Jerry O'Neil (R)
Rep. Mike Phillips (D)
Rep. Lee Randall (R)
Rep. Max Yates (R)

Members Excused: Rep. Mike Miller, Vice Chairman (R)

Members Absent: Rep. Alan Hale (R)
Rep. Wayne Stahl (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: SB 358, 4/1/2011; SB 406, 4/1/2011; SJ 17, 4/1/2011

Executive Action: SB 295; SB 371; SB 372

00:00:39 Rep. Williams arrived.

HEARING ON SB 406

Opening Statement by Sponsor:

00:00:57 Sen. Jeff Essmann (R), SD 28, opened the hearing on SB 406, Central assessment mediation instead of dispute review or tax appeal board.

00:02:09 Rep. Taylor arrived.

Proponents' Testimony:

00:08:31 Nancy Schlepp, Montana Taxpayers Association

00:10:34 Tom Ebzery, Attorney, Puget, Portland General Electric, PacifiCorp, and Avista

00:11:44 Rep. Stahl arrived.

00:14:33 David Gibson, Century Link

00:16:11 Aimee Grmoljez, Verizon Wireless

Opponents' Testimony:

00:17:05 Dan Bucks, Director, Montana Department of Revenue (DOR)

[EXHIBIT\(tah76a01\)](#)

[EXHIBIT\(tah76a02\)](#)

[EXHIBIT\(tah76a03\)](#)

00:25:26 Rep. Flynn left.

00:25:55 Rep. Flynn arrived.

00:28:58 Rep. Randall left.

00:29:05 Rep. Knudsen left.

00:29:44 Vice Chairman Miller arrived.

00:32:16 C.A. Daw, Chief Legal Councilor, DOR

Informational Testimony:

00:36:25 Karen Powell, Chairwoman, Montana State Tax Appeal Board (STAB)

Questions from Committee Members and Responses:

00:36:52 Rep. Barrett

00:37:05 Chairman Blasdel left.

00:37:44 Chairman Blasdel arrived.

00:37:53 Dir. Bucks

00:39:33 Mr. Daw

00:40:19 Rep. Barrett

00:40:30 Chairman Blasdel left.

00:41:05 Mr. Daw

00:42:20 Rep. Barrett

00:42:52 Mr. Daw

00:43:19 Rep. Barrett

00:43:31 Sen. Essmann

00:43:46 Rep. Williams

00:44:21 Dir. Bucks

00:44:38 Chairman Blasdel arrived.

00:45:18 Rep. Williams

00:45:33 Mr. Daw

00:45:38 Rep. Knudsen arrived.
00:46:16 Rep. Williams
00:46:28 Mr. Daw
00:46:42 Rep. Williams
00:47:11 Ms. Powell
00:47:36 Rep. Phillips and Rep. Stahl left.
00:48:23 Rep. Williams
00:48:41 Ms. Powell
00:51:57 Rep. Hoven
00:52:17 Sen. Essmann
00:52:40 Rep. Hoven
00:52:50 Sen. Essmann
00:53:06 Rep. Flynn
00:53:45 Mr. Daw
00:53:50 Rep. Williams left.
00:53:52 Rep. McClafferty left.
00:56:14 Rep. Flynn
00:56:34 Sen. Essmann
00:57:38 Rep. Flynn
00:58:00 Sen. Essmann
00:58:37 Rep. Malek
00:59:10 Mr. Ebzery
00:59:16 Rep. McClafferty arrived.
00:59:56 Rep. Williams arrived.
01:00:39 Rep. Malek
01:00:50 Mr. Ebzery
01:01:52 Rep. Malek
01:01:56 Ms. Powell
01:03:24 Rep. Malek
01:03:42 Ms. Powell
01:05:58 Rep. Fitzpatrick
01:06:20 Mr. Daw
01:08:44 Rep. Fitzpatrick
01:09:13 Mr. Daw
01:10:14 Rep. Fitzpatrick
01:10:57 Dir. Bucks
01:13:31 Vice Chairman Miller left.
01:15:24 Rep. Fitzpatrick
01:15:28 Rep. Malek left.
01:15:48 Dir. Bucks
01:16:52 Rep. O'Neil
01:17:12 Mr. Ebzery
01:18:12 Rep. O'Neil
01:18:29 Mr. Ebzery
01:18:43 Rep. O'Neil
01:18:51 Vice Chairman Miller arrived.
01:19:44 Rep. O'Neil
01:19:50 Rep. Yates left.
01:20:23 Ms. Powell
01:20:43 Rep. O'Neil

01:20:59 Ms. Powell
 01:21:22 Rep. Malek arrived.
 01:21:41 Rep. Barrett
 01:22:00 Ms. Powell
 01:22:15 Rep. Barrett
 01:22:20 Ms. Powell
 01:23:08 Rep. Hoven
 01:23:19 Rep. Knudsen left.
 01:23:27 Mr. Daw
 01:24:14 Rep. Williams
 01:24:22 Rep. Randall arrived.
 01:24:46 Ms. Powell
 01:25:11 Rep. Williams
 01:25:27 Ms. Powell
 01:27:00 Rep. Yates arrived.
 01:27:23 Rep. Phillips arrived.

Closing by Sponsor:

01:27:34 Sen. Essmann

01:30:25 Vice Chairman Miller and Rep. Malek left.
 01:30:39 Rep. Malek and Vice Chairman Miller arrived.

HEARING ON SJ 17

Opening Statement by Sponsor:

01:31:15 Sen. Bruce Tutvedt (R), SD 3, opened the hearing on SJ 17, Interim study of valuing centrally assessed property for tax purposes.

Proponents' Testimony:

01:32:08 Nancy Schlepp, Montana Taxpayers Association
 01:32:58 Tom Ebzery, Attorney, Puget, Portland General Electric, PacifiCorp, and Avista
 01:33:54 Aimee Grmoljez, Verizon Wireless
 01:34:36 David Gibson, Century Link

Opponents' Testimony: None

Informational Testimony:

01:35:03 Gene Walborn, DOR

Questions from Committee Members and Responses: None

Closing by Sponsor:

01:35:24 Sen. Tutvedt
 01:35:44 Rep. McNally left.
 01:36:54 Recessed
 01:50:08 Resumed with Rep. Williams, Rep. Flynn, Rep. Malek, Rep. Taylor, Rep. Hale, Rep. Randall, Rep. Phillips, Rep. Knudsen, and Rep. McClafferty not present.

HEARING ON SB 358**Opening Statement by Sponsor:**

01:50:25 Sen. Edward Buttrey (R), SD 13, opened the hearing on SB 358, Generally revise tax increment financing districts.

01:51:53 Chairman Blasdel left.

01:52:07 Rep. Flynn arrived.

01:53:19 Rep. Phillips arrived.

01:54:13 Rep. Taylor arrived.

01:54:27 Rep. Williams arrived.

01:54:32 Chairman Blasdel arrived.

Proponents' Testimony:

01:54:51 Joe Briggs, Cascade County Commissioner, Montana Association of County Officials, and Community Economic Development and Labor Committee

EXHIBIT(tah76a04)

01:58:32 Linda Stoll, Consultant, Missoula County

01:59:33 Rep. Fitzpatrick left.

02:00:30 Rep. Malek arrived.

02:01:06 Harold Blattie, Executive Director, Montana Association of Counties (MACo)

02:02:33 Chairman Blasdel left.

02:03:15 Alec Hansen, Montana League of Cities and Towns

02:03:30 Rep. Randall arrived.

02:04:10 Rep. McClafferty arrived.

02:05:02 Chairman Blasdel arrived.

02:05:05 Rep. Fitzpatrick arrived.

02:05:50 Ronda Wiggers, Great Falls Chamber of Commerce

02:05:55 Rep. Stahl arrived.

02:09:15 Evan Barrett, Chief Business Development Officer, Governor's Office of Economic Development (GOV)

Opponents' Testimony:

02:15:56 Kevin Nelson, self, Billings

EXHIBIT(tah76a05)**Informational Testimony:**

02:25:16 Ed Caplis, Tax Policy and Research, DOR

EXHIBIT(tah76a06)**Questions from Committee Members and Responses:**

02:27:51 Rep. Barrett

02:28:44 Sen. Buttrey

02:28:57 Mr. Briggs

02:30:36 Rep. Barrett

02:30:44 Mr. Caplis

02:31:43 Rep. O'Neil

02:32:18 Mr. Caplis

02:32:59 Rep. O'Neil

02:33:11 Mr. Caplis
02:33:14 Rep. O'Neil
02:33:22 Mr. Caplis
02:34:05 Rep. Williams
02:34:39 Sen. Buttrey
02:35:03 Rep. Williams
02:35:07 Rep. Randall left.
02:35:11 Sen. Buttrey
02:35:17 Rep. Williams
02:35:21 Sen. Buttrey
02:35:27 Rep. McNally
02:36:12 Mr. Barrett
02:36:48 Rep. McNally
02:36:56 Mr. Barrett
02:37:12 Rep. McNally
02:37:20 Rep. Flynn
02:38:28 Mr. Caplis
02:38:51 Sen. Buttrey
02:39:17 Rep. Randall arrived.
02:40:19 Rep. Hoven
02:40:58 Mr. Briggs
02:41:07 Rep. Fitzpatrick left.
02:41:41 Rep. Hoven
02:41:55 Mr. Briggs
02:42:13 Rep. Stahl
02:42:41 Mr. Caplis
02:43:15 Rep. Fitzpatrick arrived.
02:43:22 Rep. Stahl
02:43:36 Mr. Caplis
02:43:42 Rep. Stahl
02:44:20 Mr. Caplis
02:44:29 Rep. Stahl
02:44:45 Mr. Caplis
02:44:52 Rep. Barrett
02:45:42 Ms. Stoll
02:47:13 Rep. Barrett
02:48:16 Mr. Caplis
02:48:31 Rep. Stahl
02:48:41 Rep. Barrett
02:48:50 Rep. Stahl
02:49:13 Mr. Barrett
02:50:33 Rep. Stahl
02:50:48 Mr. Barrett
02:52:21 Rep. Stahl
02:53:07 Mr. Barrett
02:54:21 Rep. Stahl
02:55:08 Rep. O'Neil
02:55:39 Rep. Malek

Closing by Sponsor:

02:55:58 Sen. Buttrey

EXECUTIVE ACTION ON SB 295

02:57:54 **Motion:** Rep. Miller moved that **SB 295 BE CONCURRED IN.**

02:58:26 **Motion:** Rep. Miller moved that **SB 295 BE AMENDED.**

EXHIBIT(tah76a07)

Discussion:

02:59:05 Rep. O'Neil

02:59:09 Rep. Barrett

03:00:44 Rep. Flynn left.

03:01:10 Rep. O'Neil

03:01:17 Rep. Barrett

03:01:59 **Vote:** Motion carried 15-1 by voice vote with Rep. Yates voting no, present and voting.

03:02:18 **Motion:** Rep. Miller moved that **SB 295 BE CONCURRED IN AS AMENDED.**

Discussion:

03:02:30 Rep. Phillips

03:02:55 Rep. Knudsen arrived.

03:03:30 Rep. Barrett

03:03:34 Rep. Knudsen left.

03:03:39 Rep. Yates left.

03:05:22 Rep. Stahl

03:06:02 Rep. Hoven

03:06:55 Mr. Martin

03:07:30 Rep. O'Neil

03:08:00 Rep. Barrett

03:08:25 Mr. Martin

03:08:50 Rep. Yates arrived.

03:09:00 Rep. Barrett

03:09:07 Mr. Martin

03:09:34 Rep. Barrett

03:09:50 Chairman Blasdel

03:10:18 Rep. Phillips

03:11:25 Rep. Barrett

03:12:16 Rep. Phillips

03:12:20 Rep. Barrett

03:13:38 Rep. Phillips

03:13:53 Rep. Knudsen arrived.

03:14:18 Rep. Knudsen left.

03:14:23 Rep. Barrett

03:14:55 Rep. Hoven

03:14:58 Rep. Flynn left.

03:15:16 Rep. Flynn arrived.

03:15:28 Vice Chairman Miller

03:15:42 Rep. Williams

03:16:12 Rep. Barrett

03:16:30 Rep. Taylor

03:17:11 **Vote:** Motion carried 18-0 by voice vote, present and voting. Rep. Knudsen voted by proxy. Rep. Taylor will carry the bill.

EXECUTIVE ACTION ON SB 371

03:17:49 **Motion:** Rep. Miller moved that **SB 371 BE CONCURRED IN.**

03:18:30 **Motion:** Rep. Miller moved that **SB 371 BE AMENDED.**

EXHIBIT(tah76a08)

Discussion:

03:18:35 Chairman Blasdel

03:18:45 Mr. Martin

03:22:40 Rep. McNally

03:23:10 Mr. Martin

03:23:39 Rep. McNally

03:23:48 Mr. Martin

03:24:07 Rep. Barrett

03:25:14 Rep. Phillips

03:25:56 Vice Chairman Miller

03:26:07 Rep. Phillips

03:26:17 Rep. Flynn

03:26:33 Rep. Phillips

03:27:35 Rep. Barrett

03:28:15 Rep. Williams

03:28:29 Rep. Barrett

03:28:45 Rep. Williams

03:29:18 Rep. Fitzpatrick

03:30:14 Rep. Williams

03:30:38 Rep. Randall

03:31:16 Rep. Fitzpatrick

03:31:59 **Vote:** Motion carried 10-8 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 did not vote. Rep. Knudsen voted by proxy.

03:34:38 **Motion/Vote:** Rep. Miller moved that **SB 371 BE CONCURRED IN AS AMENDED.** Motion carried 12-6 by roll call vote with Rep. Barrett, Rep. Malek, Rep. McClafferty, Rep. McNally, Rep. Phillips and Rep. Williams voting no, Rep. Hale did not vote. Rep. Knudsen will carry the bill.

EXECUTIVE ACTION ON SB 372

03:34:47 **Motion:** Rep. Miller moved that **SB 372 BE CONCURRED IN.**

03:35:17 **Motion:** Rep. Miller moved that **SB 372 BE AMENDED.**

EXHIBIT(tah76a09)**Discussion:**

03:35:39 Mr. Martin
03:35:43 Chairman Blasdel
03:35:53 Rep. Barrett
03:36:02 Chairman Blasdel
03:36:45 Rep. Malek
03:36:58 Mr. Martin
03:37:12 Rep. Malek
03:27:28 Mr. Martin
03:37:40 Rep. Flynn

03:38:08 **Vote:** Motion carried 17-1 by voice vote with Rep. Malek voting no, present and voting. Rep. Knudsen voted by proxy.

03:38:40 **Motion:** Rep. Miller moved that **SB 372 BE CONCURRED IN AS AMENDED.**

03:39:29 **Motion:** Rep. Miller moved that **SB 372 BE AMENDED.**

EXHIBIT(tah76a10)**Discussion:**

03:38:34 Rep. Randall left.
03:38:35 Chairman Blasdel
03:39:35 Mr. Martin
03:40:52 Rep. Randall arrived.
03:43:21 Rep. Malek
03:43:40 Mr. Martin
03:44:35 Rep. Malek
03:44:40 Rep. Williams
03:44:59 Mr. Martin
03:45:20 Rep. Williams
03:45:31 Rep. Barrett
03:46:19 Rep. Williams
03:46:35 Mr. Martin
03:46:44 Rep. McNally
03:47:11 Rep. Barrett
03:48:13 Rep. Williams
03:48:34 Mr. Martin
03:48:51 Rep. Williams
03:48:58 Rep. Phillips
03:49:08 Mr. Martin
03:49:35 Vice Chairman Miller
03:49:48 Mr. Martin
03:50:10 Rep. Malek
03:51:54 Rep. Barrett
03:53:15 Mr. Martin
03:53:59 Rep. McNally left.
03:54:13 Rep. McClafferty

03:54:47 Rep. Stahl
03:55:31 Mr. Martin
03:56:36 Rep. Stahl
03:57:43 Rep. McNally arrived.
03:58:18 Mr. Martin
03:58:57 Rep. Williams
03:59:29 Rep. Stahl
03:59:43 Rep. Barrett
04:00:39 Chairman Blasdel
04:00:44 Rep. Stahl
04:00:52 Mr. Martin
04:02:04 Rep. Barrett
04:03:10 Chairman Blasdel
04:03:35 Rep. Barrett
04:04:07 Mr. Martin
04:06:44 Rep. Barrett
04:06:48 Chairman Blasdel
04:07:21 Rep. Barrett
04:07:46 Rep. Phillips
04:07:55 Rep. McNally
04:08:08 Mr. Martin
04:09:01 Rep. McNally
04:09:16 Chairman Blasdel
04:09:43 Rep. Barrett
04:09:59 Rep. Taylor
04:10:15 Chairman Blasdel
04:10:40 Rep. Taylor
04:10:57 Vice Chairman Miller
04:11:34 Chairman Blasdel
04:12:29 Rep. Malek

04:12:59 **Vote:** Motion carried 15-3 by roll call vote with Rep. Malek, Rep. McClafferty and Rep. Stahl voting no, Rep. Hale did not vote. Rep. Knudsen voted by proxy.

04:14:01 **Motion:** Rep. Miller moved that **SB 372 BE CONCURRED IN AS AMENDED.**

Discussion:
04:14:36 Rep. Barrett

04:16:55 **Vote:** Motion carried 11-7 by roll call vote with Rep. Barrett, Rep. Malek, Rep. McClafferty, Rep. McNally, Rep. Phillips, Rep. Stahl and Rep. Williams voting no, Rep. Hale did not vote. Rep. Knudsen voted by proxy.

04:18:25 Chairman Blasdel

ADJOURNMENT

04:18:47 Adjournment: 12:20 p.m.

Lisa Adams, Secretary

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ADDITIONAL EXHIBITS:

[EXHIBIT](#)(tah76a11)

Additional Documents:

EXHIBIT(**[tah76aad.pdf](#)**)