

## MINUTES

### MONTANA SENATE 62nd LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON TAXATION

**Call to Order:** Chair Bruce Tutvedt, on February 15, 2011 at 8:00 AM, in Room 405 Capitol

#### ROLL CALL

**Members Present:**

Sen. Bruce Tutvedt, Chair (R)  
Sen. Bob Lake, Vice Chair (R)  
Sen. Ron Arthun (R)  
Sen. Gary Branae (D)  
Sen. Ron Erickson (D)  
Sen. Kim Gillan (D)  
Sen. Christine Kaufmann (D)  
Sen. Kendall Van Dyk (D)  
Sen. Art Wittich (R)

**Members Excused:**

Sen. Jeff Essmann (R)  
Sen. Jim Peterson (R)  
Sen. Chas Vincent (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: HB 107, 2/5/2011  
SB 266, 2/4/2011

**HEARING ON HB 107**

**Opening Statement by Sponsor:**

00:00:26 Rep. Galen Hollenbaugh (D), HD 81, opened the hearing on HB 107, Authorize collection of interest payments on unpaid coal royalties.

**Proponents' Testimony:**

00:01:38 Mary Sexton, Director, Department of Natural Resources and Conservation (DNRC)

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

00:04:29 Sen. Lake  
00:04:54 Rep. Hollenbaugh  
00:05:05 Dir. Sexton  
00:05:34 Sen. Lake  
00:05:41 Dir. Sexton  
00:05:59 Sen. Lake  
00:06:23 Monty Mason, Minerals Management Bureau Chief, DNRC  
00:07:13 Sen. Wittich  
00:07:53 Monty Mason, DNRC  
00:08:22 Sen. Gillan  
00:08:40 Monty Mason  
00:09:08 Sen. Gillan  
00:09:14 Monty Mason  
00:09:27 Sen. Lake  
00:10:05 Monty Mason  
00:10:23 Sen. Arthun  
00:10:38 Monty Mason  
00:11:07 Sen. Gillan  
00:11:57 Monty Mason  
00:12:18 Sen. Gillan  
00:12:35 Monty Mason  
00:12:46 Sen. Erickson  
00:13:10 Dir. Sexton  
00:13:37 Monty Mason

**Closing by Sponsor:**

00:14:16 Rep. Hollenbaugh

**HEARING ON SB 266**

**Opening Statement by Sponsor:**

00:15:04 Sen. Alan Olson (R), SD 23, opened the hearing on SB 266, Revise local coal tax gross proceeds tax abatement.

**Proponents' Testimony:**

00:18:05 Harold Blattie, Executive Director, Montana Association of Counties (MACo)

**Opponents' Testimony:**

00:19:01 Clayton Elliott, representing Northern Plains Resource Council (NPRC)

**Informational Testimony:**

00:21:20 Bud Clinch, representing Montana Coal Council (MCC)

**Questions from Committee Members and Responses:**

00:22:01 Sen. Lake  
00:22:39 Clayton Elliott, NPRC  
00:23:02 Sen. Lake  
00:23:14 Clayton Elliott  
00:23:25 Sen. Lake  
00:23:38 Sen. Olson  
00:23:45 Sen. Kaufmann  
00:24:04 Sen. Olson  
00:24:27 Sen. Erickson  
00:25:26 Sen. Olson  
00:26:52 Sen. Wittich  
00:27:36 Sen. Olson  
00:29:02 Sen. Van Dyk  
00:29:13 Sen. Olson  
00:29:25 Sen. Kaufmann  
00:29:50 Clayton Elliott  
00:30:01 Sen. Erickson  
00:30:36 Sen. Olson  
00:31:12 Sen. Erickson  
00:31:28 Chairman Tutvedt

00:31:41 Bud Clinch, MCC  
00:34:23 Chairman Tutvedt  
00:34:44 Bud Clinch  
00:35:16 Chairman Tutvedt  
00:35:25 Sen. Olson  
00:36:37 Chairman Tutvedt  
00:36:44 Harold Blattie, MACo  
00:37:44 Chairman Tutvedt  
00:38:13 Harold Blattie  
00:38:28 Chairman Tutvedt  
00:38:38 Sen. Olson  
00:39:09 Chairman Tutvedt  
00:39:28 Sen. Gillan  
00:40:02 Sen. Olson  
00:40:15 Chairman Tutvedt  
00:40:27 Sen. Van Dyk  
00:40:53 Harold Blattie  
00:42:14 Sen. Van Dyk  
00:42:31 Harold Blattie  
00:42:41 Sen. Erickson

**Closing by Sponsor:**

00:43:13 Sen. Alan Olson  
00:45:27 Chairman Tutvedt  
00:45:43 Recess  
00:51:31 Reconvene

**INFORMATIONAL DISCUSSION ON SB 261**

00:53:18 Chairman Tutvedt  
00:53:28 Sen. Kaufmann  
00:54:20 Chairman Tutvedt  
00:54:52 Lee Heiman, Legislative Service

**EXHIBIT(tas37a01)**

00:55:26 Chairman Tutvedt  
00:56:02 Sen. Kaufmann  
00:56:47 Sen. Arthun  
00:57:00 Chair Tutvedt  
00:57:14 Sen. Wittich  
00:58:07 Chair Tutvedt  
00:58:42 Sen. Kaufmann  
00:59:02 Sen. Erickson  
00:59:53 Chair Tutvedt

01:01:04 Sen. Kaufmann  
01:01:19 Chairman Tutvedt  
01:01:39 Sen. Kaufmann  
01:01:55 Chairman Tutvedt  
01:02:22 Sen. Branae  
01:03:02 Sen. Lake  
01:04:24 Chairman Tutvedt

**EXECUTIVE ACTION ON SB 1**

01:04:44 **Motion:** Sen. Lake moved that **SB 1 DO PASS.**

01:05:13 **Motion:** Sen. Lake moved that **SB 1 BE AMENDED.**  
**EXHIBIT(tas37a02)**

**Discussion:**

01:05:32 Harold Blattie, MACo  
01:08:22 Chairman Tutvedt  
01:09:27 Harold Blattie  
01:10:42 Sen. Wittich  
01:11:20 Harold Blattie  
01:13:45 Sen. Wittich  
01:14:12 Harold Blattie  
01:14:38 Sen. Gillan  
01:15:09 Harold Blattie  
01:15:53 Sen. Gillan  
01:16:17 Harold Blattie

01:16:35 **Vote:** Motion carried unanimously by voice vote of those present and voting.

01:17:13 **Motion:** Sen. Lake moved that **SB 1 DO PASS AS AMENDED.**

**Discussion:**

01:17:20 Sen. Wittich  
01:19:07 Chairman Tutvedt  
01:19:21 Sen. Lake  
01:19:32 Harold Blattie

01:19:56 **Vote:** Motion carried 11-1 by roll call vote with Sen. Wittich voting no. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy.

**EXECUTIVE ACTION ON SB 199**

01:21:02 Chairman Tutvedt

01:21:23 **Motion:** Sen. Arthun moved that **SB 199 DO PASS.**

**Discussion:**

01:21:37 Sen. Erickson

01:22:36 Chairman Tutvedt

01:22:39 Sen. Arthun

01:23:24 **Vote:** Motion carried 7-5 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting no. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy.

**COMMITTEE BILL**

01:24:17 **Motion:** Sen. Erickson moved to have the committee authorize the drafting of a **COMMITTEE BILL.**

**Discussion:**

01:24:20 Sen. Erickson

01:26:26 Sen. Kaufmann

01:26:34 Sen. Gillan

01:26:49 Chairman Tutvedt

01:26:57 Lee Heiman

01:27:09 Sen. Erickson

01:27:18 Sen. Kaufmann

01:27:28 Lee Heiman

01:27:59 Sen. Lake

01:28:06 Lee Heiman

01:28:18 **Vote:** Motion carried unanimously by voice vote of those present and voting.

**Discussion:**

01:28:46 Sen. Kaufmann

01:28:55 Chairman Tutvedt

**EXECUTIVE ACTION ON SB 219**

01:29:28 **Motion:** Sen. Branae moved that **SB 219 DO PASS.**

01:29:52 **Motion:** Sen. Branae moved that **SB 219 BE AMENDED.**  
[EXHIBIT\(tas37a03\)](#)

**Discussion:**

01:30:24 Sen. Branae  
 01:30:30 Lee Heiman  
 01:33:06 Sen. Kaufmann  
 01:33:14 Sen. Lake  
 01:33:39 Chairman Tutvedt

01:33:50 **Vote:** Motion carried unanimously by voice vote of those present and voting.

01:34:02 **Motion:** Sen. Lake moved that **SB 219 DO PASS AS AMENDED.**

**Discussion:**

01:34:10 Sen. Branae  
 01:34:36 Sen. Kaufmann  
 01:34:47 Sen. Branae

01:35:03 **Motion/Vote:** Sen. Branae moved that **SB 219 BE AMENDED.** Motion carried unanimously by voice vote of those present and voting.

[EXHIBIT\(tas37a04\)](#)

01:35:53 **Motion/Vote:** Sen. Lake moved that **SB 219 DO PASS AS AMENDED.** Motion carried unanimously by voice vote. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy.

**Discussion:**

01:36:30 Sen. Erickson

**EXECUTIVE ACTION ON HB 107**

01:36:47 **Motion:** Sen. Erickson moved that **HB 107 BE CONCURRED IN.**

**Discussion:**

01:36:55 Sen. Gillan  
 01:37:16 Sen. Wittich  
 01:38:23 Sen. Erickson withdrew motion.

**EXECUTIVE ACTION ON SB 266**

01:38:52 **Motion:** Sen. Lake moved that **SB 266 DO PASS.**

**Discussion:**

01:39:08 Chairman Tutvedt  
01:39:20 Sen. Erickson  
01:40:00 Sen. Gillan  
01:40:10 Sen. Lake  
01:40:42 Sen. Erickson  
01:41:15 Sen. Wittich  
01:41:41 Chairman Tutvedt  
01:41:47 Sen. Wittich

01:42:00 **Vote:** Motion carried 8-4 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Kaufmann and Sen. Van Dyk voting no. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy.

**Discussion:**

01:43:02 Sen. Van Dyk

**EXECUTIVE ACTION ON HB 132****Discussion:**

01:43:47 Lee Heiman  
01:43:53 Sen. Wittich

01:43:59 **Motion:** Sen. Lake moved that **HB 132 DO PASS.**

01:44:17 **Motion:** Sen. Wittich moved that **HB 132 BE AMENDED.**  
**EXHIBIT(tas37a05)**

**Discussion:**

01:44:41 Sen. Wittich  
01:45:51 Chairman Tutvedt  
01:46:00 Sen. Wittich  
01:46:30 Sen. Erickson

01:48:06 **Substitute Motion:** Sen. Kaufmann moved to **SEGREGATE THE AMENDMENT.**

**Discussion:**

- 01:48:58 Sen. Lake
- 01:49:06 Sen. Wittich withdrew motion to amend.
- 01:49:21 **Motion/Vote:** Sen. Wittich moved **TO CONCUR IN NO. 1 PORTION OF THE AMENDMENT.** Motion passed unanimously by voice vote of those present and voting.
- 01:49:51 **Motion:** Sen. Wittich moved **TO CONCUR IN NO. 2 PORTION OF THE AMENDMENT.**

**Discussion:**

- 01:50:10 Sen. Kaufmann
- 01:51:29 Sen. Arthun
- 01:52:30 Sen. Gillan
- 01:52:54 Lee Heiman
- 01:53:09 Chairman Tutvedt
- 01:53:35 Sen. Wittich
- 01:54:47 Sen. Lake
- 01:55:31 Sen. Erickson
- 01:56:09 Sen. Gillan
- 01:57:56 Chairman Tutvedt
- 01:58:49 Sen. Kaufmann
- 02:00:43 **Vote:** Motion passed 8-4 by roll call vote, with Sen. Kaufmann, Sen. Van Dyk, Sen. Vincent, and Sen. Tutvedt voting no, and Sen. Essmann, Sen. Peterson, and Sen. Vincent voting by proxy.
- 02:01:58 **Motion:** Sen. Lake moved that **HB 132 BE CONCURRED IN AS AMENDED.**

**Discussion:**

- 02:02:11 Sen. Gillan
- 02:03:13 Lee Heiman
- 02:03:58 Sen. Gillan
- 02:04:04 Sen. Erickson
- 02:04:49 Sen. Kaufmann
- 02:05:19 **Vote:** Motion carried 10-2 by roll call vote with Sen. Gillan and Sen. Wittich voting no. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy. Sen. Arthun will carry HB 132.  
(Note: After committee meeting, new information received resulted in this bill being held in committee pending further action)

**ADJOURNMENT**

Adjournment:

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Debra Polhemus, Secretary

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Additional Documents:

**EXHIBIT([tas37aad.pdf](#))**