

MINUTES

MONTANA SENATE 62nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Chair Bruce Tutvedt, on March 18, 2011 at 9:00 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)

Members Excused:

Sen. Jeff Essmann (R)
Sen. Jim Peterson (R)
Sen. Chas Vincent (R)
Sen. Art Wittich (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 467, 3/12/2011

Executive Action:

Do Concur ~ HB 467, HB 333
Do Concur As Amended ~ HB 111
Do Pass ~ SJ 17
Do Pass As Amended ~ SB 371, SB 382, SB 358
Tabled ~ SB 346, SB 393

HEARING ON HB 467**Opening Statement by Sponsor:**

00:00:34 Rep. Randy Brodehl (R), HD 7, opened the hearing on HB 467, Allow tax credits to community, tribal, technical, college endowments.

Proponents' Testimony:

00:02:10 Jane Karas, President, Flathead Valley Community College, Kalispell, also speaking for Jeffrey Lewis, Attorney, Lakeside

EXHIBIT(tas61a01)

00:03:01 Stefani Hicswa, President, Miles Community College

00:03:27 Jim Cargill, President, Dawson Community College

00:03:47 Sheila Stearns, Commissioner of Higher Education

00:04:21 Aidan Myhre, representing Kalispell Chamber of Commerce

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

00:05:09 Chairman Tutvedt

00:05:20 Sheila Stearns, Commissioner

00:05:43 Sen. Kaufmann

00:06:21 Sheila Stearns

00:06:38 Lee Heiman, Legislative Services Division (LSD)

00:07:11 Sen. Kaufmann

00:07:27 Lee Heiman, LSD

00:07:34 Sen. Erickson

Closing by Sponsor:

00:07:58 Rep. Randy Brodehl

EXECUTIVE ACTION ON HB 467

00:08:50 **Motion/Vote:** Sen. Erickson moved that **HB 467 BE CONCURRED IN**. Motion carried 8-0 by voice vote of those present and voting. Sen. Tutvedt will carry the bill.

EXECUTIVE ACTION ON HB 111

00:09:58 Steve Austin, Division Administrator, Department of Revenue (DOR)

EXHIBIT(tas61a02)

00:13:19 **Motion:** Sen. Lake moved that **HB 111 BE CONCURRED IN**.

00:13:26 **Motion:** Sen. Lake moved that **HB 111 BE AMENDED**.

Discussion:

00:13:35 Sen. Erickson
00:13:42 Steve Austin, DOR
00:14:27 Chairman Tutvedt
00:14:45 Steve Austin
00:14:55 Sen. Kaufmann
00:15:19 Steve Austin

00:15:26 Senator Wittich arrived at the committee meeting

00:15:54 Sen. Lake
00:16:09 Steve Austin

00:16:29 **Vote:** Motion carried 9-0 by voice vote of those present and voting.

00:16:41 **Motion/Vote:** Sen. Lake moved that **HB 111 BE CONCURRED IN AS AMENDED**. Motion carried unanimously by voice vote of those present and voting. Sen. Erickson will carry the bill.

EXECUTIVE ACTION ON HB 107

00:17:42 **Motion:** Sen. Lake moved that **HB 107 BE CONCURRED IN**.

Discussion:

00:18:16 Sen. Wittich
[EXHIBIT\(tas61a03\)](#)

00:19:53 **Motion:** Sen. Lake moved that **HB 107 BE AMENDED**.

Discussion:

00:20:02 Sen. Wittich
00:20:27 Lee Heiman
00:20:59 Sen. Wittich
00:21:13 Lee Heiman
00:21:24 Sen. Wittich
00:22:03 Sen. Lake
00:22:32 Sen. Wittich
00:23:46 Sen. Gillan
00:25:01 Lee Heiman
00:26:01 Sen. Gillan
00:26:27 Sen. Erickson
00:27:14 Sen. Gillan
00:27:25 Sen. Wittich
00:28:12 Chairman Tutvedt
00:28:22 Sen. Wittich
00:29:06 Chairman Tutvedt
00:29:38 Sen. Gillan

00:29:52 Sen. Kaufmann
00:30:37 Chairman Tutvedt

00:31:34 Sen. Lake **WITHDREW MOTION TO AMEND HB 107.**

00:31:40 Sen. Lake **WITHDREW MOTION HB 107 BE CONCURRED IN.**

EXECUTIVE ACTION ON HB 333

00:32:18 **Motion:** Sen. Lake moved that **HB 333 BE CONCURRED IN.**

Discussion:

00:32:31 Sen. Lake

00:33:03 **Motion:** Sen. Wittich moved that **HB 333 BE AMENDED.**

EXHIBIT(tas61a04)

Discussion:

00:33:14 Sen. Wittich
00:34:22 Sen. Erickson
EXHIBIT(tas61a05)
EXHIBIT(tas61a06)
00:36:29 Chairman Tutvedt
00:37:08 Sen. Lake
00:38:47 Chairman Tutvedt
00:39:25 Sen. Wittich

00:40:36 Senator Van Dyk left the committee meeting

00:41:01 Chairman Tutvedt
00:41:08 Sen. Wittich
00:42:35 Sen. Kaufmann
00:43:57 Sen. Wittich
00:45:47 Sen. Lake

00:46:54 **Vote:** Motion failed 4-8 by roll call vote with Sen. Arthun, Sen. Peterson, Sen. Vincent and Sen. Wittich voting aye. Sen. Essmann, Sen. Peterson, Sen. Van Dyk and Sen. Vincent voted by proxy.

Discussion:

00:47:55 Sen. Erickson
00:49:29 Chairman Tutvedt
00:50:55 Sen. Erickson
00:51:05 Chairman Tutvedt
00:51:49 Sen. Wittich
00:53:10 Sen. Kaufmann
00:53:44 Lee Heiman

00:54:36 Senator Van Dyk returned to committee hearing

00:54:55 Sen. Kaufmann
00:55:23 Chairman Tutvedt
00:56:32 Sen. Kaufmann
00:56:58 Sen. Wittich
00:58:36 Sen. Lake
00:59:08 Sen. Gillan
01:01:43 Chairman Tutvedt
01:03:03 Sen. Gillan
01:03:45 Chairman Tutvedt

01:04:16 **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. Sen. Lake will carry the bill.

EXECUTIVE ACTION ON SJ 17

01:05:27 **Motion:** Sen. Lake moved that **SJ 17 DO PASS.**

01:05:49 **Motion:** Sen. Erickson moved that **SJ 17 BE AMENDED.**
EXHIBIT(tas61a07)

Discussion:

01:06:07 Sen. Erickson
01:06:43 Sen. Gillan
01:07:21 Chairman Tutvedt
01:07:46 Sen. Erickson
01:08:04 Chairman Tutvedt
01:08:31 Sen. Wittich
01:09:06 Sen. Erickson
01:10:00 Sen. Wittich
01:10:40 Sen. Erickson
01:10:46 Chairman Tutvedt
01:11:13 Sen. Van Dyk
01:11:45 Chairman Tutvedt
01:12:00 Sen. Lake

01:12:38 **Vote:** Motion carried 8-1 by voice vote of those present and voting with Sen. Wittich voting no.

01:13:03 **Motion:** Sen. Lake moved that **SJ 17 DO PASS AS AMENDED.**

Discussion:

01:13:12 Sen. Gillan
01:13:38 Sen. Erickson

01:13:50 **Vote:** Motion carried 9-0 by voice vote of those present and voting.

DISCUSSION ON SB 406

01:14:53 Chairman Tutvedt
01:15:26 Sen. Wittich
01:16:03 Chairman Tutvedt
01:16:06 Sen. Erickson

EXECUTIVE ACTION ON SB 371

01:16:47 **Motion:** Sen. Lake moved that **SB 371 DO PASS.**

01:16:56 **Motion:** Sen. Lake moved that **SB 371 BE AMENDED.**
EXHIBIT(tas61a08)

Discussion:

01:17:45 Lee Heiman
01:17:57 Sen. Kaufmann
01:18:07 Sen. Van Dyk
01:18:33 Sen. Lake
01:19:18 Chairman Tutvedt
01:19:30 Sen. Wittich
01:20:30 Chairman Tutvedt
01:20:37 Lee Heiman
01:21:58 Sen. Wittich
01:22:39 Sen. Kaufmann
01:23:15 Sen. Erickson, amend

01:24:36 **Vote:** Motion carried 7-5 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Kaufmann, Sen. Van Dyk and Sen. Wittich voting no. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy.

01:25:52 **Motion/Vote:** Sen. Kaufmann moved that **SB 371 BE TABLED.** Motion failed 5-7 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting aye. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy.

01:27:15 **Motion:** Sen. Lake moved that **SB 371 DO PASS AS AMENDED.**

01:27:57 **Motion:** Sen. Lake moved that **SB 371 BE AMENDED.**
EXHIBIT(tas61a09)

Discussion:

01:28:19 Sen. Wittich
01:28:26 Chairman Tutvedt
01:28:47 Sen. Wittich
01:29:00 Lee Heiman

01:29:14 **Vote:** Motion carried 9-3 by roll call vote with Sen. Erickson, Sen. Kaufmann and Sen. Wittich voting no. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy.

01:30:17 **Motion:** Sen. Lake moved that **SB 371 BE AMENDED.**
[EXHIBIT\(tas61a10\)](#)

Discussion:

01:30:36 Sen. Lake
01:30:46 Chairman Tutvedt
01:30:53 Sen. Erickson
01:31:22 Chairman Tutvedt
01:31:29 Sen. Lake

01:31:36 **Vote:** Motion carried 6-3 by voice vote of those present and voting with Sen. Erickson, Sen. Kaufmann and Sen. Wittich voting no.

01:31:54 **Motion:** Sen. Lake moved that **SB 371 DO PASS AS AMENDED.**

Discussion:

01:32:01 Sen. Kaufman
01:32:36 Sen. Van Dyk

01:32:59 **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.

EXECUTIVE ACTION ON SB 346

01:34:38 **Motion/Vote:** Sen. Lake moved that **SB 346 BE TABLED.** Motion carried 8-1 by voice vote of those present and voting with Sen. Wittich voting no.

EXECUTIVE ACTION ON SB 382

01:35:19 **Motion:** Sen. Gillan moved that **SB 382 DO PASS.**

01:35:58 **Motion:** Sen. Gillan moved that **SB 382 BE AMENDED.**
[EXHIBIT\(tas61a11\)](#)

Discussion:

01:40:17 Sen. Wittich
01:40:51 Lee Heiman
01:40:58 Chairman Tutvedt
01:41:04 Nancy Schlepp, representing Montana Taxpayers Association (MTA), without objection

01:41:27 **Motion/Vote:** Sen. Lake moved that **SB 382 BE AMENDED WITH ENTIRE AMENDMENT BUT SEGREGATE #7**. Motion carried 9-0 by voice vote of those present and voting.

01:41:47 **Motion:** Sen. Lake moved that **SB 382 BE AMENDED WITH #7, BUT CONCEPTUALLY CHANGE THE TEXT TO READ "5%" RATHER THAN "20%"**.

Discussion:

01:42:29 Sen. Lake

01:44:17 Alan Peura, Deputy Director, Department of Revenue (DOR), without objection

01:44:57 Chairman Tutvedt

01:45:06 Nancy Schlepp, MTA

01:45:34 Sen. Gillan

01:46:41 **Substitute Motion/Vote:** Sen. Erickson made a substitute motion that **SB 382 BE AMENDED WITH A CONCEPTUAL AMENDMENT TO CHANGE THE TEXT TO READ "15%" RATHER THAN "20%"**. Substitute Motion carried 8-4 by roll call vote with Sen. Arthun, Sen. Lake, Sen. Peterson and Sen. Wittich voting no. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy.

01:49:08 **Motion/Vote:** Sen. Gillan moved that **SB 382 DO PASS AS AMENDED**. Motion carried 8-1 by voice vote of those present and voting with Sen. Lake voting no.

EXECUTIVE ACTION ON SB 393

01:51:30 **Motion:** Sen. Van Dyk moved that **SB 393 DO PASS**.

Discussion:

01:51:39 Sen. Van Dyk

01:53:55 Sen. Lake

01:54:19 Sen. Erickson

01:54:38 Chairman Tutvedt

01:55:29 Sen. Kaufmann

01:56:59 **Vote:** Motion failed 5-7 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting aye. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy. Without objection from the committee, Sen. Lake requested that SB 393 be tabled.

EXECUTIVE ACTION ON SB 358

01:58:40 **Motion:** Sen. Lake moved that **SB 358 DO PASS**.

01:58:56 **Motion:** Sen. Lake moved that **SB 358 BE AMENDED**.
EXHIBIT(tas61a12)

Discussion:

01:59:19 Sen. Erickson
01:59:29 Lee Heiman
02:00:23 Sen. Kaufmann
02:00:32 Sen. Erickson
02:00:53 Lee Heiman
02:01:10 Chairman Tutvedt
02:01:18 Sen. Kaufmann
02:01:42 Harold Blattie, Executive Director, Montana Association of Counties (MACo),
without objection
02:03:58 Chairman Tutvedt
02:04:05 Lee Heiman
02:04:45 Chairman Tutvedt
02:05:02 Sen. Branae
02:05:39 Lee Heiman
02:06:34 Sen. Erickson

02:06:50 **Vote:** Motion carried 8-1 by voice vote of those present and voting with Sen.
Wittich voting no.

02:07:09 **Motion:** Sen. Lake moved that **SB 358 DO PASS AS AMENDED.**

Discussion:

02:07:19 Sen. Kaufmann
02:08:02 Chairman Tutvedt
02:08:39 Lee Heiman
02:08:46 Sen. Arthun
02:08:52 Chairman Tutvedt
02:09:05 Sen. Branae
02:09:20 Harold Blattie, MACo

02:10:02 Sen. Van Dyk left the meeting

02:11:34 Alec Hansen, Montana League of Cities and Towns, without objection (MLCT)
02:12:32 Chairman Tutvedt
02:12:42 Sen. Wittich
02:13:14 Lee Heiman

02:13:31 **Vote:** Motion carried 11-1 by roll call vote with Sen. Wittich voting no. Sen.
Essmann, Sen. Peterson and Sen. Vincent voted by proxy.

ADJOURNMENT

Adjournment: 11:20 A.M.

Debra Polhemus, Secretary

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Additional Documents:

EXHIBIT([tas61aad.pdf](#))