

## MINUTES

### MONTANA SENATE 62nd LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON TAXATION

**Call to Order:** Chair Bruce Tutvedt, on March 28, 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. Ron Erickson (D)  
Sen. Jeff Essmann (R)  
Sen. Kim Gillan (D)  
Sen. Art Wittich (R)

**Members Excused:**

Sen. Gary Branae (D)  
Sen. Christine Kaufmann (D)  
Sen. Jim Peterson (R)  
Sen. Kendall Van Dyk (D)  
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: SB 427, 3/24/2011

Executive Action: SB 427 ~ Tabled  
SB 426 ~ Do Pass  
SB 214 ~ Do Pass As Amended

**HEARING ON SB 427****Opening Statement by Sponsor:**

00:02:48 Sen. Jason Priest (R), SD 30, opened the hearing on SB 427, Revise taxation of underground mines.

[EXHIBIT\(tas69a01\)](#)

[EXHIBIT\(tas69a02\)](#)

[EXHIBIT\(tas69a03\)](#)

[EXHIBIT\(tas69a04\)](#)

**Proponents' Testimony:**

00:07:32 John DeMichiei, President and C.E.O., Signal Peak Energy

00:15:36 Leo Berry, representing Great Northern Properties, Helena

00:18:11 Jessie Luther, representing Coal Mountain Mining Company

**Opponents' Testimony:**

00:18:44 Sue Olson, Musselshell County Commissioner

00:21:00 Bob Gilbert, representing Musselshell County and City of Roundup

00:25:39 Willie Duffield, representing Montana Association of Oil and Gas Producing Counties (MAOGC)

00:28:01 Anne Hedges, Montana Environmental Information Center (MEIC)

00:31:17 Clayton Elliott, representing Northern Plains Resource Council (NPRC)

**Informational Testimony:**

00:17:25 Tom Kaiserski, Energy Promotion Development Department, Department of Commerce (DOC) (Note: spoke during Proponents' Testimony)

**Questions from Committee Members and Responses:**

00:34:32 Chairman Tutvedt

00:34:45 Sen. Priest

00:36:42 Sen. Gillan

00:37:50 Sen. Priest

00:40:37 Sen. Gillan

00:41:17 Sen. Priest

00:42:18 Sen. Arthun

00:42:26 Sen. Gillan assumed the responsibility as Chair as Sen. Tutvedt left the committee meeting

00:42:37 Sen. Priest

00:43:21 Sen. Wittich

00:43:53 Sen. Priest

00:44:20 Sen. Wittich

00:45:18 Sen. Priest

00:45:24 Sen. Erickson

00:46:01 Sen. Priest  
00:46:43 Sen. Erickson  
00:47:13 Sen. Priest  
00:47:48 Tom Kaiserski, DOC  
00:48:08 Sen. Erickson  
00:48:26 John DeMichiei, Signal Peak  
00:49:28 Sen. Gillan  
00:49:43 John DeMichiei  
00:50:52 Sen. Gillan  
00:50:59 John DeMichiei  
00:51:10 Sen. Wittich  
00:51:46 Sen. Priest  
00:52:58 Sen. Arthun  
00:53:15 Bob Gilbert  
00:54:10 Sen. Gillan  
00:54:23 Bob Gilbert  
00:56:29 Sen. Wittich  
00:56:49 Bob Gilbert  
00:57:31 Sen. Wittich  
00:57:50 Sen. Priest  
00:58:41 Sen. Gillan  
00:59:01 Sue Olson, Commissioner

00:59:37 Senator Tutvedt returned to committee hearing and resumed as Chair of the committee.

01:00:29 Chairman Tutvedt  
01:01:04 Bob Gilbert  
01:01:46 Chairman Tutvedt  
01:02:02 Bob Gilbert  
01:02:42 Chairman Tutvedt  
01:02:55 Sue Olson  
01:04:13 Sen. Wittich  
01:04:49 Sen. Priest  
01:05:44 Sen. Wittich  
01:06:39 Lee Heiman, Legislative Services Division (LSD)  
01:07:05 Sen. Wittich  
01:07:34 Sen. Gillan  
01:08:26 Sen. Arthun  
01:08:40 John DeMichiei

**Closing by Sponsor:**

01:08:54 Sen. Jason Priest

**Continued Discussion on SB 427:**

01:12:19 Sen. Gillan  
01:12:39 Sen. Priest  
01:12:56 Chairman Tutvedt

01:13:10 Lee Heiman  
01:13:29 Chairman Tutvedt  
01:13:35 Gene Walborn, Administrator, Business and Income Taxes Division, Department of Revenue (DOR), without objection  
01:14:19 Chairman Tutvedt  
01:14:35 Gene Walborn, DOR  
01:14:45 Sen. Gillan  
01:15:16 Gene Walborn  
01:16:09 Chairman Tutvedt

**EXECUTIVE ACTION ON SB 426**

01:16:58 **Motion/Vote:** Sen. Lake moved to **RECONSIDER PREVIOUS ACTION ON SB 426**. Motion carried 4-3 by roll call vote of those present and voting with Sen. Erickson, Sen. Gillan and Sen. Kaufmann voting no.

01:18:50 **Motion:** Sen. Lake moved that **SB 426 DO PASS**.

01:19:11 **Motion:** Sen. Lake moved that **SB 426 BE AMENDED**.

[EXHIBIT\(tas69a05\)](#)

[EXHIBIT\(tas69a06\)](#)

**Discussion:**

01:19:24 Sen. Gillan  
01:20:18 Sen. Kaufmann  
01:20:49 Sen. Gillan  
01:21:11 Chairman Tutvedt

01:21:22 **Vote:** Motion failed 0-7 by voice vote of those present and voting.

**Discussion:**

01:21:51 Sen. Gillan  
01:22:10 Sen. Balyeat, without objection  
01:23:41 Sen. Gillan  
01:24:27 Sen. Balyeat  
01:26:00 Sen. Wittich  
01:26:37 Sen. Balyeaet  
01:28:16 Sen. Erickson

01:29:16 **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. Branae, Sen. Essmann, Sen. Peterson, Sen. Van Dyk and Sen. Vincent voted by proxy.

**EXECUTIVE ACTION ON SB 427**

01:30:21 Sen. Wittich  
01:30:56 Chairman Tutvedt

01:31:21 **Motion/Vote:** Sen. Lake moved that **SB 427 BE TABLED**. Motion carried 8-4 by roll call vote with Sen. Arthun, Sen. Gillan, Sen. Peterson and Sen. Wittich voting no. Sen. Branae, Sen. Essmann, Sen. Peterson, Sen. Van Dyk and Sen. Vincent voted by proxy.

01:33:38 Chairman Tutvedt

#### **EXECUTIVE ACTION ON SB 214**

01:34:23 **Motion/Vote:** Sen. Gillan moved to **RECONSIDER THE MOTION** on **SB 214**. Motion carried 6-1 by voice vote of those present and voting with Sen. Lake voting no.

#### **Discussion:**

01:34:55 Bob Vogel, representing Montana School Boards Association (MTSBA), without objection

01:36:09 Sen. Gillan

01:36:47 Chairman Tutvedt

01:37:11 Bob Vogel, MTSBA

01:37:58 **Motion:** Sen. Lake moved that **SB 214 DO PASS**.

01:38:20 **Motion/Vote:** Sen. Lake moved that **SB 214 BE AMENDED**. Motion carried 7-0 by voice vote of those present and voting.

01:38:42 **Motion/Vote:** Sen. Gillan moved that **SB 214 DO PASS AS AMENDED**. Motion carried 7-0 by voice vote.

**ADJOURNMENT**

Adjournment: 9:45 A.M.

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Debra Polhemus, Secretary

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Additional Documents:

**EXHIBIT([tas69aad.pdf](#))**