

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 66th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Chair Alan Redfield, on March 28, 2019 at 8:00 A.M., in Room 152
Capitol

ROLL CALL

Members Present:

Rep. Alan Redfield, Chair (R)
Rep. Becky Beard, Vice Chair (R)
Rep. Kim Abbott (D)
Rep. Mary Ann Dunwell (D)
Rep. Dave Fern (D)
Rep. John Fuller (R)
Rep. Joshua Kassmier (R)
Rep. Emma Kerr-Carpenter (D)
Rep. Rhonda Knudsen (R)
Rep. Marilyn Marler (D)
Rep. Lola Sheldon-Galloway (R)
Rep. Bridget Smith (D)
Rep. Kerry White (R)

Members Excused: Rep. Zach Brown, Vice Chair (D)
Rep. Wylie Galt (R)
Rep. Greg Hertz (R)
Rep. Tom Welch (R)
Rep. Daniel Zolnikov (R)

Members Absent: None

Staff Present: Chris Bushnell, Committee Secretary
Megan Moore, 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: HB 702, 3/22/2019; HB 703, 3/22/2019; HB 709, 3/21/2019; HB
740, 3/25/2019; HB 742, 3/25/2019; HB 770, 3/26/2019

Executive Action: HB 702, HB 703, HB 709, HB 740, HB 742, HB 770

HEARING ON HB 702**Opening Statement by Sponsor:**

08:02:48 Rep. Joel Krautter (R), HD 35, opened the hearing on HB702, Establish angel investor/venture capital and business income tax credits.

EXHIBIT(tah64a01)

08:02:54 Rep. Welch entered the meeting.

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

08:06:31 Rep. Dunwell

08:06:54 Rep. Krautter

08:08:29 Rep. Sheldon-Galloway

08:09:26 Rep. Krautter

08:10:07 Rep. White

08:10:57 Rep. Krautter

08:11:15 Rep. White

08:11:33 Rep. Krautter

08:12:19 Vice Chair Z. Brown entered the meeting.

08:12:48 Rep. White

08:13:23 Rep. Krautter

08:14:15 Rep. White

08:15:15 Rep. Krautter

08:16:05 Rep. Kassmier

08:16:24 Rep. Krautter

08:16:29 Rep. Kassmier

08:16:40 Rep. Krautter

08:17:06 Rep. Kerr-Carpenter

08:17:15 Rep. Krautter

Closing by Sponsor:

08:17:40 Rep. Krautter

HEARING ON HB 703**Opening Statement by Sponsor:**

08:18:28 Rep. Christopher Pope (D), HD 65, opened the hearing on HB703, Revise laws related to taxation of electrical generation facilities.

EXHIBIT(tah64a02)

08:20:35 Vice Chair Z. Brown left the meeting.

08:20:54 Chair Redfield left the meeting.
08:20:53 Vice Chair Beard assumed the Chair.

Proponents' Testimony:

08:23:19 Jeff Fox, Renewable Northwest

08:24:00 Rep. Redfield entered the meeting and resumed the Chair.

08:27:47 Alan Haight Montana American Federation of Labor-Congress of Industry
(Montana AFL-CIO)
08:28:27 Jake Brown, Montana Conservation Voters (MCV)
08:29:14 Brian Fadie, Montana Environmental Information Center (MEIC)

Opponents' Testimony:

08:30:34 Doug Hardy, Montana Liquor Cooperatives Association

Informational Testimony:

08:33:54 Dan Lloyd, Montana Department of Environmental Quality (DEQ)

Questions from Committee Members and Responses:

08:34:16 Rep. Dunwell
08:35:00 Alan Haight, AFL-CIO
08:35:40 Rep. Dunwell
08:35:58 Dan Lloyd, DEQ
08:36:24 Vice Chair Beard
08:36:55 Rep. Pope
08:37:45 Vice Chair Beard
08:38:15 Doug Hardy, Montana Liquor Cooperatives Association
08:38:43 Rep. Sheldon-Galloway
08:39:08 Doug Hardy, Montana Liquor Cooperatives Association
08:40:30 Rep. Sheldon-Galloway
08:40:35 Doug Hardy, Montana Liquor Cooperatives Association
08:41:01 Rep. White
08:41:37 Rep. Pope
08:42:08 Rep. White
08:42:40 Dan Lloyd, DEQ
08:42:57 Rep. White
08:43:46 Dan Lloyd, DEQ
08:44:32 Rep. Fern
08:45:42 Rep. Pope
08:46:24 Rep. Fern
08:46:51 Rep. Pope
08:47:57 Chair Redfield
08:48:28 Rep. Pope
08:49:50 Chair Redfield
08:50:00 Rep. Pope
08:50:43 Chair Redfield
08:51:05 Rep. Pope

Closing by Sponsor:

08:51:53 Rep. Pope

HEARING ON HB 709

Opening Statement by Sponsor:

08:53:30 Rep. Jim Hamilton (D), HD 61, opened the hearing on HB709, Generally revise first-time home buyer savings account.

[EXHIBIT\(tah64a03\)](#)

Proponents' Testimony:

08:56:30 Aimee Grmoljez, Montana Bankers Association (MBA)

08:57:11 Sam Sill, Montana Association of Realtors (MAR)

08:57:54 Peggy Trenk, Montana Housing Coalition (MHC)

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

08:58:42 Rep. Welch

08:59:10 Rep. Hamilton

08:59:54 Rep. Redfield

Closing by Sponsor:

09:00:08 Rep. Hamilton

09:00:48 Rep. Sheldon-Galloway left the meeting.

09:01:50 Rep. Smith left the meeting.

HEARING ON HB 740

Opening Statement by Sponsor:

09:01:01 Rep. Christopher Pope (D), HD 65, opened the hearing on HB740, Provide for local option sales tax.

[EXHIBIT\(tah64a04\)](#)

Proponents' Testimony:

09:06:41 Cyndy Andrus, Mayor of Bozeman

09:10:10 Rep. White left the meeting.

09:11:50 Brian Popiel, Southwest Montana Building Association

09:13:07 Aimee Grmoljez, City of Billings

09:15:24 Vice Chair Z. Brown entered the meeting.

09:17:09 John MacDonald, City of Missoula

[EXHIBIT\(tah64a05\)](#)

09:19:01 Tim Burton, Montana League of Cities and Towns (MLCT)
09:20:49 Darryl James, Montana Infrastructure Coalition (MIC)

Opponents' Testimony:

09:22:12 Brad Griffin, Montana Retail Association

EXHIBIT(tah64a06)

09:23:00 Rep. Smith entered the meeting.
09:23:52 Rep. White entered the meeting.

09:24:12 Riley Johnson, National Federation of Independent Businesses (NFIB)
09:25:38 Liv Stavick, Montana Farm Bureau

Informational Testimony: None

Questions from Committee Members and Responses:

09:26:37 Rep. Dunwell
09:27:15 John MacDonald, City of Missoula
09:27:26 Rep. Dunwell
09:27:39 Rep. Fuller
09:28:23 Rep. Pope
09:30:38 Chair Redfield
09:31:18 Mayor Andrus, Bozeman
09:31:34 Rep. Redfield
09:31:53 Mayor Andrus, Bozeman
09:32:02 Rep. Redfield
09:32:36 Mayor Andrus, Bozeman
09:33:14 Rep. Redfield
09:33:32 Rep. Pope
09:35:47 Rep. White
09:36:10 Rep. Pope
09:36:15 Rep. White
09:36:48 Rep. Pope
09:38:12 Rep. White
09:38:39 Rep. Pope
09:39:08 Rep. Kassmier
09:39:21 Rep. Pope

Closing by Sponsor:

09:40:37 Rep. Pope

09:44:00 Recessed.
09:56:39 Reconvened with Rep. Fern and Rep. White excused.

HEARING ON HB 742

Opening Statement by Sponsor:

09:56:52 Rep. Tom Woods (D), HD 62, opened the hearing on HB742, Revise individual income tax and reduce school property taxes.

[EXHIBIT\(tah64a07\)](#)

[EXHIBIT\(tah64a08\)](#)

[EXHIBIT\(tah64a09\)](#)

[EXHIBIT\(tah64a10\)](#)

[EXHIBIT\(tah64a11\)](#)

Proponents' Testimony: None

Opponents' Testimony:

10:11:03 Bridger Mahlum, Montana Chamber of Commerce

Informational Testimony:

10:13:39 Paul Taylor, Montana Office of Public Instruction (OPI)

Questions from Committee Members and Responses:

10:14:03 Rep. Abbott
10:14:19 Rep. Woods
10:14:41 Rep. Abbott
10:14:47 Rep. Woods
10:15:19 Chair Redfield
10:15:24 Rep. Woods
10:15:36 Pad McCracken, Legislative Services Division (LSD)
10:16:57 Chair. Redfield
10:17:53 Pad McCracken, LSD
10:19:51 Chair Redfield
10:20:19 Rep. Woods
10:22:04 Vice Chair Brown
10:22:38 Rep. Woods
10:23:30 Vice Chair Brown
10:23:54 Rep. Woods
10:24:17 Vice Chair Brown
10:24:46 Rep. Woods
10:25:54 Vice Chair Brown
10:26:05 Rep. Woods
10:26:16 Chair Redfield
10:26:37 Paul Taylor, OPI
10:28:21 Rep. Kerr-Carpenter
10:29:03 Paul Taylor, OPI
10:30:05 Rep. Kerr-Carpenter
10:30:29 Paul Taylor, OPI

Closing by Sponsor:

10:31:14 Rep. Woods

HEARING ON HB 770

Opening Statement by Sponsor:

10:32:37 Rep. Thomas Winter (D), HD 96, opened the hearing on HB770, Provide for the legalization of recreational marijuana.

Proponents' Testimony:

10:36:55 Sam Orr, Self
10:37:58 C.B. Pearson, Self
10:39:19 Alex Gray, SD Consultants
10:41:25 Angela Goodhope, Self

Opponents' Testimony:

10:43:21 Jim Sanderson, Montana Highway Patrol (MHP)
10:55:26 Curt Sager, Montana Highway Patrol (MHP)

10:58:31 Rep. Sheldon-Galloway entered the meeting.

11:06:36 Brad Gremaux, Montana Department of Justice (DOJ)
11:06:58 Dave Galt, Montana Sheriffs and Peace Officers Association (MSPOA)

Informational Testimony:**Questions from Committee Members and Responses:**

11:07:13 Rep. Fuller
11:07:58 Rep. Winter
11:08:20 Rep. Fuller
11:08:31 Rep. Winter
11:08:56 Rep. Marler
11:10:18 Trooper Sanderson, MHP
11:10:49 Rep. Marler
11:11:08 Trooper Sanderson, MHP
11:11:15 Rep. Marler
11:11:30 Trooper Sanderson, MHP
11:11:41 Rep. Marler
11:12:00 Trooper Sanderson, MHP
11:12:18 Rep. Dunwell
11:13:04 Rep. Winter
11:16:03 Rep Dunwell
11:16:13 Rep. Winter
11:16:17 Rep. Kerr-Carpenter
11:16:31 Rep. Winter

11:17:44 Rep. Fern entered the meeting.

11:17:57 Rep. Kerr-Carpenter
11:18:18 Rep. Winter
11:18:35 Rep. R. Knudsen
11:18:54 Chair Redfield
11:19:08 Trooper Sanderson, MHP
11:19:25 Rep. Sheldon-Galloway
11:20:13 Rep. Winter
11:20:33 Rep. Sheldon-Galloway
11:21:01 Rep. Winter
11:22:23 Rep. Sheldon-Galloway
11:22:49 Rep. Winter

11:23:08 Brad Gremaux Montana Department of Justice (DOJ)
11:23:31 Rep. Smith
11:23:55 Chair Redfield
11:24:25 Trooper Sager
11:24:32 Chair Redfield
11:24:37 Trooper Sager
11:24:45 Chair Redfield
11:24:50 Trooper Sager
11:25:48 Chair Redfield
11:26:20 Rep. Winter

Closing by Sponsor:

11:27:23 Rep. Winter

11:28:03 Vice Chair Z. Brown entered the meeting.

11:31:19 Recessed
11:47:22 Reconvened with Rep. Fern, Rep. White and Rep. Zolnikov present.

EXECUTIVE ACTION ON HB 702

11:47:32 **Motion:** Rep. Beard moved that **HB 702 DO PASS.**

11:47:43 **Substitute Motion/Vote:** Rep. Kassmier made a substitute motion that **HB 702 BE TABLED.** Substitute Motion carried 16-2 by voice vote with Rep. Z. Brown and Rep. Dunwell voting no. Rep. Galt and Rep. Hertz voted by proxy.

EXECUTIVE ACTION ON HB 703

11:48:14 **Motion:** Rep. Beard moved that **HB 703 DO PASS.**

Discussion:
11:48:20 Rep. Marler
11:48:43 Rep. Dunwell

11:48:55 **Vote:** Motion failed 7-11 by roll call vote with Rep. Abbott, Rep. Z. Brown, Rep. Dunwell, Rep. Fern, Rep. Kerr-Carpenter, Rep. Marler and Rep. B. Smith voting aye. Rep. Galt and Rep. Hertz voted by proxy.

11:49:57 **Motion/Vote:** Rep. White moved that **HB 703 BE TABLED.** Motion carried unanimously by voice vote. Rep. Galt and Rep. Hertz voted by proxy.

EXECUTIVE ACTION ON HB 709

11:50:10 **Motion:** Rep. Beard moved that **HB 709 DO PASS.**

Discussion:
11:50:16 Rep. Brown

- 11:51:15 Rep. Welch
11:52:04 Rep. Dunwell
- 11:52:48 **Vote:** Motion failed 8-10 by roll call vote with Rep. Abbott, Rep. Z. Brown, Rep. Dunwell, Rep. Fern, Rep. Kerr-Carpenter, Rep. Marler, Rep. B. Smith and Rep. Welch voting aye. Rep. Galt and Rep. Hertz voted by proxy.
- 11:53:39 **Motion/Vote:** Rep. Kassmier moved that **HB 709 BE TABLED**. Motion carried unanimously by voice vote. Rep. Galt and Rep. Hertz voted by proxy.

EXECUTIVE ACTION ON HB 740

- 11:53:54 **Motion:** Rep. Beard moved that **HB 740 DO PASS**.

Discussion:

- 11:54:02 Rep. Abbott
11:54:50 Rep. Marler
11:55:34 Rep. Fern
11:56:17 Rep. R. Knudsen
11:57:21 Rep. White
- 11:58:27 **Substitute Motion/Vote:** Rep. White made a substitute motion that **HB 740 BE TABLED**. Substitute Motion carried 12-6 by roll call vote with Rep. Abbott, Rep. Z. Brown, Rep. Dunwell, Rep. Fern, Rep. Kerr-Carpenter and Rep. Marler voting no. Rep. Galt and Rep. Hertz voted by proxy.

EXECUTIVE ACTION ON HB 742

- 12:00:48 **Motion:** Rep. Beard moved that **HB 742 DO PASS**.

Discussion:

- 12:00:58 Rep Kerr-Carpenter
- 12:01:11 **Substitute Motion/Vote:** Rep. Fuller made a substitute motion that **HB 742 BE TABLED**. Substitute Motion carried 11-7 by roll call vote with Rep. Abbott, Rep. Z. Brown, Rep. Dunwell, Rep. Fern, Rep. Kerr-Carpenter, Rep. Marler and Rep. B. Smith voting no. Rep. Galt and Rep. Hertz voted by proxy.
- 12:02:28 Rep. White

EXECUTIVE ACTION ON HB 770

- 12:03:23 **Motion:** Rep. Beard moved that **HB 770 DO PASS**.

Discussion:

- 12:03:34 Rep. Dunwell
12:03:54 Rep. Fern

12:04:27 Rep. Z. Brown

12:06:25 **Substitute Motion/Vote:** Rep. Kassmier made a substitute motion that **HB 770 BE TABLED**. Substitute Motion carried 11-7 by roll call vote with Rep. Abbott, Rep. Z. Brown, Rep. Dunwell, Rep. Fern, Rep. Kerr-Carpenter, Rep. Marler and Rep. B. Smith voting no. Rep. Galt and Rep. Hertz voted by proxy.

12:07:45 Chair Redfield

12:08:05 Rep. White

12:08:11 Chair Redfield

ADJOURNMENT

Adjournment: 12:08:28

Chris Bushnell, Secretary

cb

Additional Documents:

EXHIBIT([tah64aad.pdf](#))