

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 67th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Chair Becky Beard, on March 31, 2021 at 7:30 AM, in Room 152 Capitol

ROLL CALL

Members Present:

Rep. Becky Beard, Chair (R)
Rep. Dave Fern, Vice Chair (D)
Rep. Tom Welch, Vice Chair (R)
Rep. Kim Abbott (D)
Rep. Larry Brewster (R)
Rep. Alice Buckley (D)
Rep. Mary Ann Dunwell (D)
Rep. Scot Kerns (R)
Rep. Rhonda Knudsen (R)
Rep. Marty Malone (R)
Rep. Marilyn Marler (D)
Rep. Braxton Mitchell (R)
Rep. Lola Sheldon-Galloway (R)
Rep. Mark Thane (D)
Rep. Jeremy Trebas (R)

Members Excused:

Rep. Paul Fielder (R)
Rep. Caleb Hinkle (R)
Rep. Joshua Kassmier (R)

Members Absent: None

Staff Present:

Megan Moore, Legislative Branch
Jacquie Simmons, Remote Meeting Coordinator
Kathy Sangray, 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 661, 3/25/2021; HB 667, 3/25/2021; HB 672, 3/25/2021; HB 675, 3/25/2021; HB 682, 3/25/2021; HB 683, 3/25/2021; HB 690, 3/25/2021
Executive Action: HB 340, HB 638, SB 355, HB 661, HB 667, HB 672, HB 675, HB 682, HB 683, HB 690, HB 650, HB 631

07:31:00 Recessed
07:48:31 Reconvened

EXECUTIVE ACTION ON HB 340

07:49:02 **Motion:** Rep. Welch moved that **HB 340 DO PASS.**

07:49:12 **Motion:** Rep. Fern moved that **HB 340 BE AMENDED.**
EXHIBIT(tah63a01)

Discussion:

07:49:45 Megan Moore, Legislative Services Division (LSD)
07:53:13 Vice Chair Fern
07:55:09 Rep. Dunwell
07:55:32 Vice Chair Fern
07:55:36 Rep. Malone
07:56:11 Vice Chair Fern

07:57:31 **Vote:** Motion carried unanimously by roll call vote. Rep. C. Hinkle voted by proxy.

07:58:54 **Motion:** Rep. Kerns moved that **HB 340 BE AMENDED.**
EXHIBIT(tah63a02)

Discussion:

07:59:00 Megan Moore, LSD
08:00:07 Rep. Kerns
08:00:58 Vice Chair Fern
08:02:50 Rep. Thane
08:03:10 Rep. Kerns
08:03:15 Megan Moore, LSD

08:03:39 **Vote:** Motion failed 5-13 by roll call vote with Rep. Fielder, Rep. Kerns, Rep. R. Knudsen, Rep. Mitchell and Rep. Sheldon-Galloway voting aye. Rep. C. Hinkle voted by proxy.

08:05:02 **Motion/Vote:** Rep. Fern moved that **HB 340 DO PASS AS AMENDED.** Motion failed 8-10 by roll call vote with Rep. Dunwell, Rep. Fern, Rep. C. Hinkle, Rep. Kassmier, Rep. Malone, Rep. Thane, Rep. Trebas and Rep. Welch voting aye. Rep. C. Hinkle voted by proxy.

08:07:14 **Motion/Vote:** Rep. Fern moved that **HB 340 BE TABLED.** Motion carried unanimously by voice vote. Rep. C. Hinkle voted by proxy.

EXECUTIVE ACTION ON HB 638

08:08:02 Vice Chair Fern
08:08:21 Megan Moore, LSD

08:08:25 **Motion:** Rep. Fern moved that **HB 638 DO PASS AS AMENDED.**

Discussion:

08:08:37 Vice Chair Fern

08:09:12 Megan Moore, LSD

08:09:37 **Vote:** Motion failed 7-11 by roll call vote with Rep. Abbott, Rep. Buckley, Rep. Dunwell, Rep. Fern, Rep. Kassmier, Rep. Marler and Rep. Thane voting aye. Rep. C. Hinkle voted by proxy.

08:10:58 **Motion/Vote:** Rep. Fern moved that **HB 638 BE TABLED**. Motion carried unanimously by voice vote. Rep. C. Hinkle voted by proxy.

EXECUTIVE ACTION ON SB 355

08:11:36 **Motion:** Rep. Welch moved that **SB 355 DO PASS**.

08:11:45 Rep. Malone

08:12:10 Megan Moore, LSD

08:12:28 **Motion:** Rep. Malone moved that **SB 355 BE AMENDED**.
[EXHIBIT\(tah63a03\)](#)

Discussion:

08:12:57 Megan Moore, LSD

08:13:13 Rep. Malone

08:13:32 **Vote:** Motion carried unanimously by voice vote. Rep. C. Hinkle voted by proxy.

08:14:10 **Motion:** Rep. Fern moved that **SB 355 BE AMENDED**.
[EXHIBIT\(tah63a04\)](#)

Discussion:

08:14:38 Megan Moore, LSD

08:15:23 Vice Chair Fern

08:16:29 **Vote:** Motion carried unanimously by roll call vote. Rep. C. Hinkle voted by proxy.

08:17:55 **Motion/Vote:** Rep. Welch moved that **SB 355 BE CONCURRED IN AS AMENDED**. Motion carried 12-6 by roll call vote with Rep. Abbott, Rep. Beard, Rep. C. Hinkle, Rep. Kerns, Rep. Marler and Rep. Sheldon-Galloway voting no. Rep. C. Hinkle voted by proxy. Rep. Knudsen will carry the bill.

HEARING ON HB 661**Opening Statement by Sponsor:**

08:20:35 Rep. Joshua Kassmier (R), HD 27, opened the hearing on HB 661, Revise taxation of stripper oil and gas wells.

Proponents' Testimony:

08:22:30 Patrick Montalban, Northern Montana Oil and Gas Association (NMOGA);
National Stripper Well Association (NSWA); Domestic Energy Producers Alliance
(DEPA)

EXHIBIT(tah63a05)

08:25:32 Mac McDermott, MCR, LLC
08:27:16 Bo Woods, A.B. Energy
08:28:12 Matt Enneberg, Enneberg Excavation, LLC
08:29:05 Alan Olsen, Montana Petroleum Association, (MPA)
08:30:19 Ed Bartlett, Continental Resource

Opponents' Testimony:

08:33:28 Shelby DeMars, Montana Association of Oil, Gas and Coal Counties (MAOGCC)

EXHIBIT(tah63a06)**EXHIBIT(tah63a07)****EXHIBIT(tah63a08)**

08:38:31 Jason Rittal, Montana Association of Counties (MACo)
08:39:46 Bob Gilbert, Phillips and Musselshell County
08:41:42 Derf Johnson, Montana Environmental Information Center (MEIC)

Informational Testimony:

08:44:22 Lee Baerlocher, Montana Department of Revenue (DOR)

Questions from Committee Members and Responses:

08:44:44 Vice Chair Fern
08:45:33 Lee Baerlocher, DOR
08:46:33 Vice Chair Fern
08:47:00 Rep. Thane
08:47:22 Lee Baerlocher, DOR
08:47:37 Rep. Malone
08:48:07 Rep. Kassmier
08:48:19 Rep. Sheldon-Galloway
08:48:49 Patrick Montalban, NMOGA; NSWA; DEPA
08:50:34 Rep. Malone
08:50:51 Patrick Montalban, NMOGA; NSWA; DEPA
08:51:26 Chair Beard
08:51:44 Patrick Montalban, NMOGA; NSWA; DEPA
08:53:10 Vice Chair Fern
08:54:08 Patrick Montalban, NMOGA; NSWA; DEPA
08:56:08 Rep. Sheldon-Galloway
08:56:41 Patrick Montalban, NMOGA; NSWA; DEPA
08:57:02 Rep. Thane
08:57:31 Patrick Montalban, NMOGA; NSWA; DEPA

Closing by Sponsor:

08:58:24 Rep. Kassmier

HEARING ON HB 690**Opening Statement by Sponsor:**

08:59:34 Rep. Steven Galloway (R), HD 24 opened the hearing on HB 690, Provide an exemption for certain owner-occupied residential property.

Proponents' Testimony: None**Opponents' Testimony:**

09:02:48 Sam Sill, Montana Association of Realtors, (MAR)

09:04:13 Bob Story, Montana Taxpayers Association (MontTax)

Informational Testimony:

09:07:51 Bryce Kaatz, Montana Department of Revenue (DOR)

Questions from Committee Members and Responses:

09:08:22 Vice Chair Fern

09:08:59 Bob Story, MonTax

09:10:12 Rep. Kerns

09:10:49 Rep. Galloway

09:12:16 Rep. Malone

09:12:47 Bryce Kaatz, DOR

09:13:47 Rep. Thane

09:14:42 Bob Story, MonTax

Closing by Sponsor:

09:15:26 Rep. Galloway

HEARING ON HB 667**Opening Statement by Sponsor:**

09:17:04 Rep. Ron Marshall (R), HD 87, opened the hearing on HB 667, Revise tobacco tax allocation for state veterans' nursing homes.

Proponents' Testimony:

09:18:40 Roger Hagan, Montana Department of the American Legion, Officer Association of the National Guard of Montana (OANGMT); Enlisted Association of the National Guard of Montana (EANGMT)

Opponents' Testimony: None**Informational Testimony:**

09:23:38 Lee Baerlocher, Montana Department of Revenue (DOR)

Questions from Committee Members and Responses:

09:23:54 Rep. Dunwell

09:24:19 Lee Baerlocher, DOR

09:25:25 Rep. Sheldon-Galloway

09:26:04 Rep. Kern

09:27:12 Roger Hagan, American Legion, OANGMT; EANGMT

Closing by Sponsor:

09:29:31 Rep. Marshall

HEARING ON HB 675**Opening Statement by Sponsor:**

09:30:36 Rep. Edward Buttrey (R), HD 21, opened the hearing on HB 675, Revise taxpayer integrity fee under the HELP Act.

Proponents' Testimony:

09:33:25 Kristan Barbour, Montana Department of Revenue (DOR)

09:38:20 Caroline Falconer, self

Opponents' Testimony: None**Informational Testimony:**

09:45:37 Lee Baerlocher, Montana Department of Revenue (DOR)

09:45:58 Aaron McNay, Montana Department of Revenue (DOR)

Questions from Committee Members and Responses:

09:46:19 Vice Chair Fern

09:46:42 Rep. Buttrey

09:47:08 Rep. Trebas

09:47:25 Rep. Buttrey

09:49:40 Rep. Dunwell

09:50:20 Caroline Falconer, self

09:51:39 Rep. Dunwell

09:52:19 Lee Baerlocher, DOR

Closing by Sponsor:

09:52:50 Rep. Buttrey

09:54:59 Recessed

10:07:00 Reconvened

HEARING ON HB 672**Opening Statement by Sponsor:**

10:07:09 Rep. Jim Hamilton (D), HD 61, opened the hearing on HB 672, Provide for property tax circuit breaker funded by revised capital gains credit.

Proponents' Testimony: None**Opponents' Testimony:**

10:19:06 Bob Story, Montana Taxpayers Association (MonTax)

[EXHIBIT\(tah63a09\)](#)

10:23:34 Bridger Mahlum, Montana Chamber of Commerce

10:25:04 Nicole Rolf, Montana Farm Bureau Federation (MFBF)

Informational Testimony:

10:26:40 Lee Baerlocher, Montana Department of Revenue (DOR)

Questions from Committee Members and Responses:

10:27:02 Rep. Trebas
10:27:32 Bob Story, MonTax
10:27:50 Rep. Trebas
10:28:11 Lee Baerlocher, DOR

Closing by Sponsor:

10:29:49 Rep. Hamilton

HEARING ON HB 682**Opening Statement by Sponsor:**

10:37:47 Rep. Mark Noland (R), HD 10, opened the hearing on HB 682, Provide for property tax relief income tax credit.

Proponents' Testimony:

10:44:01 Scott Reichner, American Association of Retirement Persons (AARP)

Opponents' Testimony: None**Informational Testimony:**

10:45:16 Eric Dale, Montana Department of Revenue (DOR)

Questions from Committee Members and Responses:

10:45:39 Vice Chair Fern
10:46:16 Rep. Noland

Closing by Sponsor:

10:47:11 Rep. Noland

10:48:53 Recessed
10:52:33 Reconvened

10:54:30 Chair Beard left the meeting
10:54:37 Vice Chair Welch assumed the chair

HEARING ON HB 683**Opening Statement by Sponsor:**

10:52:41 Rep. Bill Mercer (R), HD 46, opened the hearing on HB 683, Distribute recreational marijuana revenue to unfunded pension liability.

[EXHIBIT\(tah63a10\)](#)**Proponents' Testimony:**

11:06:00 Dore Schwinden, Montana Public Employee Retirement Administration (MPERA)
11:07:21 Shawn Graham, Montana Teachers Retirement System (TRS)

Opponents' Testimony:

11:08:56 Stephanie Prater, self

Informational Testimony:

11:10:08 Steven Gassenberger, Reason Foundation

11:12:42 Lee Baerlocher, Montana Department of Revenue (DOR)

Questions from Committee Members and Responses:

11:13:08 Rep. Kerns
11:14:08 Rep. Mercer
11:19:00 Vice Chair Fern
11:19:55 Dore Schwinden, MPERA
11:23:07 Rep. Abbott
11:23:37 Chair Beard joined the meeting
11:24:32 Rep. Mercer
11:26:02 Rep. Thane
11:26:21 Chair Beard resumed the chair
11:26:42 Rep. Mercer
11:28:43 Rep. Kerns
11:29:13 Rep. Mercer
11:29:27 Megan Moore, LSD
11:29:40 Rep. Mercer
11:30:34 Rep. Kerns
11:31:26 Rep. Mercer
11:31:44 Rep. Kerns
11:31:53 Dore Schwinden, MPERA
11:32:23 Rep. Sheldon-Galloway
11:32:54 Rep. Mercer
11:33:33 Vice Chair Fern
11:34:08 Rep. Mercer
11:35:25 Rep. Trebas
11:36:32 Rep. Mercer

Closing by Sponsor:

11:37:31 Rep. Mercer

11:39:00 Chair Beard

11:39:38 Recessed
12:08:00 Reconvened

EXECUTIVE ACTION ON HB 661

12:09:56 Chair Beard

12:11:00 **Motion:** Rep. Welch moved that **HB 661 DO PASS.**

12:11:05 **Motion:** Rep. Kassmier moved that **HB 661 BE AMENDED.**
EXHIBIT(tah63a11)

Discussion:

12:11:29 Megan Moore, LSD

12:12:28 **Vote:** Motion carried unanimously by voice vote.

12:13:10 **Motion/Vote:** Rep. Welch moved that **HB 661 DO PASS AS AMENDED**. Motion carried 12-6 by roll call vote with Rep. Abbott, Rep. Buckley, Rep. Dunwell, Rep. Fern, Rep. Marler and Rep. Thane voting no.

EXECUTIVE ACTION ON HB 667

12:14:36 **Motion/Vote:** Rep. Welch moved that **HB 667 DO PASS**. Motion carried unanimously by voice vote.

EXECUTIVE ACTION ON HB 672

12:15:17 **Motion:** Rep. Welch moved that **HB 672 DO PASS**.

12:15:31 **Substitute Motion/Vote:** Rep. Kassmier made a substitute motion that **HB 672 BE TABLED**. Substitute Motion carried 12-6 by roll call vote with Rep. Abbott, Rep. Buckley, Rep. Dunwell, Rep. Fern, Rep. Marler and Rep. Thane voting no.

EXECUTIVE ACTION ON HB 675

12:16:46 **Motion/Vote:** Rep. Welch moved that **HB 675 DO PASS**. Motion carried unanimously by voice vote.

EXECUTIVE ACTION ON HB 682

12:18:15 **Motion/Vote:** Rep. Welch moved that **HB 682 DO PASS**. Motion carried 10-8 by roll call vote with Rep. Abbott, Rep. Beard, Rep. Buckley, Rep. Dunwell, Rep. R. Knudsen, Rep. Marler, Rep. Thane and Rep. Trebas voting no.

EXECUTIVE ACTION ON HB 683

12:19:50 **Motion:** Rep. Welch moved that **HB 683 DO PASS**.

Discussion:

12:20:00 Vice Chair Fern

12:20:59 Rep. R. Knudsen

12:21:20 Chair Beard

12:22:20 **Vote:** Motion carried 11-7 by roll call vote with Rep. Abbott, Rep. Buckley, Rep. Dunwell, Rep. Fern, Rep. Kerns, Rep. Marler and Rep. Thane voting no.

EXECUTIVE ACTION ON HB 690

12:23:38 **Motion:** Rep. Welch moved that **HB 690 DO PASS**.

12:23:42 **Substitute Motion/Vote:** Rep. Sheldon-Galloway made a substitute motion that **HB 690 BE TABLED**. Substitute Motion carried unanimously by voice vote.

EXECUTIVE ACTION ON HB 650

12:24:37 **Motion:** Rep. Fern moved that **HB 650 BE REMOVED FROM TABLE**.

Discussion:

12:24:52 Megan Moore, LSD

12:25:15 **Vote:** Motion failed 8-10 by roll call vote with Rep. Abbott, Rep. Buckley, Rep. Dunwell, Rep. Fern, Rep. Malone, Rep. Marler, Rep. Mitchell and Rep. Thane voting aye.

EXECUTIVE ACTION ON HB 631

12:26:35 **Motion/Vote:** Rep. Fern moved that **HB 631 BE REMOVED FROM TABLE**. Motion failed 9-9 by roll call vote with Rep. Abbott, Rep. Buckley, Rep. Dunwell, Rep. Fern, Rep. Kassmier, Rep. Marler, Rep. Sheldon-Galloway, Rep. Thane and Rep. Welch voting aye.

EXECUTIVE ACTION ON HB 682

12:28:25 **Motion:** Rep. Kerns moved to **RECONSIDER THE MOTION** on **HB 682**.

Discussion:

12:28:35 Chair Beard

12:28:43 Megan Moore, LSD

12:29:18 Rep. Kerns

12:29:53 Chair Beard

12:30:03 Megan Moore, LSD

12:30:25 **Vote:** Motion failed 9-9 by roll call vote with Rep. Abbott, Rep. Brewster, Rep. Buckley, Rep. Kerns, Rep. R. Knudsen, Rep. Marler, Rep. Sheldon-Galloway, Rep. Thane and Rep. Trebas voting aye.

12:31:54 Vice Chair Fern

12:31:58 Brief Recess

12:32:45 Reconvened

EXECUTIVE ACTION ON HB 340

12:32:48 **Motion/Vote:** Rep. Kassmier moved to **RECONSIDER ACTION** on **HB 340**. Motion carried 12-6 by roll call vote with Rep. Abbott, Rep. Beard, Rep. C. Hinkle, Rep. Kerns, Rep. R. Knudsen and Rep. Sheldon-Galloway voting no.

12:34:29 Vice Chair Fern

12:34:35 Rep. Kerns

12:34:50 Megan Moore, LSD

12:35:11 **Motion:** Rep. Welch moved that **HB 340 DO PASS AS AMENDED.**

12:35:15 **Vote:** Motion carried 10-8 by roll call vote with Rep. Abbott, Rep. Beard, Rep. Brewster, Rep. Fielder, Rep. C. Hinkle, Rep. Kerns, Rep. R. Knudsen and Rep. Sheldon-Galloway voting no.

12:36:36 Vice Chair Welch

12:37:04 Vice Chair Fern

12:37:16 Chair Beard

ADJOURNMENT

Adjournment: 12:37:39

Kathy Sangray, Secretary

ks

Additional Documents:

EXHIBIT([tah63aad.pdf](#))