

MINUTES
MONTANA SENATE
68th LEGISLATURE - REGULAR SESSION
COMMITTEE ON (S) TAXATION

Call to Order: Chair Greg Hertz-R, on March 29, 2023 at 8:32 AM, in 405

ROLL CALL

Members Present: Sen. Greg Hertz, Chair (R)
Sen. Becky Beard (R)
Sen. Mary Ann Dunwell (D)
Sen. Denise Hayman (D)
Sen. Edith (Edie) McClafferty (D)
Sen. Wendy McKamey (R)
Sen. Brad Molnar (R)
Sen. Russel (Russ) Tempel (R)
Sen. Jeremy Trebas (R)

Members Excused: Sen. Jason Ellsworth (R)
Sen. Shannon O'Brien (D)
Sen. Daniel Zolnikov (R)

Staff Present: Jaret Coles, Research Analyst
Lorna Mason, 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 189 03/23/2023
HB 225 03/23/2023
SB 517 03/27/2023
SB 550 03/27/2023

Executive Action:

SB 449 TO TABLE
SB 502 TO TABLE
SB 508 TO TABLE
SB 513 DO PASS AS AMENDED
SB 514 TO TABLE
SB 519 TO TABLE
SB 532 TO TABLE
SB 537 TO TABLE

SB 540 DO PASS
SB 517 TO TABLE
SB 550 DO PASS

HEARING ON HB 225 - Establish adoption tax credit

Opening Statement:

08:32:29 Rep. Courtenay Sprunger (R), HD 7, opened the hearing on HB 225, Establish adoption tax credit.

Proponent Testimony:

08:34:30 Glenn Oppel, Policy Director, Governor's Office

[EXHIBIT\(230329TASa1\)](#)

08:34:51 Stephanie Knapp, self

08:37:07 Jason Knapp, self

08:38:27 Garrett Turner, self

08:40:53 Tony Dean, self

08:42:39 Katelyn Ruch, self

08:45:26 Erica Johnston, Department of Health Service (DHS)

08:46:19 Jeff Laszloffy, Montana Family Foundation

08:47:35 Matthew Brower, Montana Catholic Conference

08:48:49 Mark Taylor, self

Opponent Testimony:

08:50:40 Allen Lloyd, Montana Society of CPAs (MSCPA)

Informational Witness Testimony:

08:51:53 Jason Bell, Department of Revenue (DOR)

08:52:04 Aaron McNay, Department of Revenue (DOR)

Questions from Committee:

08:52:32 Sen. Jeremy Trebas

08:52:40 Erica Johnson, DHS

08:53:47 Sen. Wendy McKamey

08:55:06 Erica Johnston, DHS
08:55:23 Sen. Brad Molnar
08:55:27 Glenn Oppel, Governor's Office
08:57:28 Sen. Jeremy Trebas
08:57:43 Glenn Oppel, Governor's Office

Closing Statement:

08:58:22 Rep. Courtenay Sprunger (R), HD 7, closed the hearing on HB 225.

HEARING ON HB 189 - Revise property tax assistance program

Opening Statement:

09:01:05 Rep. George Nikolakakos (R), HD 26, opened the hearing on HB 189, Revise property tax assistance program.

Proponent Testimony:

09:03:24 Glenn Oppel, Policy Director, Governor's Office
[EXHIBIT\(230329TASa2\)](#)
09:04:33 Charles Robison, Montana Chamber of Commerce (COC)
09:04:53 Scott Richner, American Association Retired Persons (AARP)
09:05:52 Sam Sill, Montana Association of Realtors (MAR)
09:06:01 Jason Riddle, Montana Association of Counties (MACo)
09:06:22 Kory Hofland, Department of Revenue (DOR)
09:07:30 Thomas Jodoin, Montana League of Cities and Towns (MTLCT)
09:07:54 Darryl James, Montana Infrastructure Coalition (MIC)
09:08:58 Jake Brown, Shelter Whitefish

Opponent Testimony:

None

Informational Witness Testimony:

09:11:21 Dylan Cole, Department of Revenue (DOR)

Questions from Committee:

09:10:25 Sen. Jeremy Trebas
09:10:29 Dylan Cole, DOR
09:15:54 Vice Chair Daniel Zolnikov
09:15:59 Jason Riddel, Governor's Office
09:19:12 Sen. Mary Ann Dunwell
09:19:19 Dylan Cole, DOR
09:20:10 Kory Hofland, DOR
09:22:50 Sen. Jeremy Trebas
09:22:57 Rep. George Nikolakakos-R
09:24:49 Chair Greg Hertz
09:25:12 Rep. George Nikolakakos-R
09:25:21 Sen. Jeremy Trebas
09:25:38 Rep. George Nikolakakos-R
09:25:57 Sen. Mary Ann Dunwell
09:26:09 Glenn Oppel, Governor's Office
09:27:26 Kory Hofland, DOR

Closing Statement:

09:27:59 Rep. George Nikolakakos (R), HD 26, closed the hearing on HB 189.

HEARING ON SB 517 - Establish graduated fee on short term rentals with money going to housing

Opening Statement:

09:29:50 Sen. Denise Hayman (D), SD 66, opened the hearing on SB 517, Establish graduated fee on short term rentals with money going to housing.

Proponent Testimony:

09:37:26 Ann Schwend, Montana Environmental Information Center (MEIC)
[EXHIBIT\(230329TASa3\)](#)
09:42:22 Ethan Hanley, Associated Students, University of Montana
09:43:15 Jason Kuntz, Habitat for Humanity
09:45:07 Robin Turner, City of Whitefish
09:46:19 Bob Oaks, North-Missoula Community Development Corporation
09:49:45 Chair Greg Hertz left the meeting.

Opponent Testimony:

09:50:39 Bryan Wells, self
09:53:55 Sam Sill, Montana Association of Realtors (MAR)
09:56:51 John Metropolis, Airbnb
09:57:35 Kim Kaiser, self

Informational Witness Testimony:

10:00:34 Russ Christianson, Department of Revenue (DOR)
10:00:37 Finn McMichael, Department of Revenue (DOR)

Questions from Committee:

10:01:38 Sen. Jeremy Trebas
10:01:45 Sen. Denise Hayman-D
10:06:33 Sen. Mary Ann Dunwell
10:06:40 Finn McMichael, DOR
10:09:29 Sen. Russel (Russ) Tempel
10:09:41 Finn McMichael, DOR
10:09:47 Chair Greg Hertz joined the meeting.
10:11:09 Sen. Russel (Russ) Tempel

10:11:27 Sen. Denise Hayman-D
10:12:08 Chair Greg Hertz
10:12:40 Sen. Denise Hayman-D
10:14:02 Sen. Jeremy Trebas
10:14:39 Sen. Denise Hayman-D
10:17:29 Sen. Wendy McKamey
10:17:56 Sen. Denise Hayman-D
10:19:09 Russ Christianson, DOR
10:20:25 Sen. Mary Ann Dunwell
10:20:34 Jason Kuntz, HFH
10:21:59 Sen. Jeremy Trebas
10:22:24 Sen. Denise Hayman-D
10:23:32 Sen. Becky Beard
10:23:38 Sam Sill, MAR

Closing Statement:

10:26:06 Sen. Denise Hayman (D), SD 66, closed the hearing on SB 517.

HEARING ON SB 550 - Generally revise income tax laws and clarify income tax reform provisions

Opening Statement:

10:27:48 Chair Greg Hertz (R), SD 6, opened the hearing on SB 550, Generally revise income tax laws and clarify income tax reform provisions.

Proponent Testimony:

10:31:46 Kendall Cotton, Frontier Institute
10:33:51 Glenn Oppel, Policy Director, Governor's Office

Opponent Testimony:

None

Informational Witness Testimony:

10:35:17 Aron McNay, Department of Revenue (DOR)

10:35:31 Brian Olsen, Department of Revenue (DOR)

Questions from Committee:

10:35:53 Sen. Jeremy Trebas

10:36:04 Sen. Greg Hertz-R

Closing Statement:

10:36:57 Chair Greg Hertz (R), SD 6, closed the hearing on SB 550.

10:39:59 **Recessed**

11:11:14 **Reconvened**

EXECUTIVE ACTION ON SB 449 - Limit tax collection to 2 years

11:11:27 **Motion:** Sen. Becky Beard moved that **SB 449 DO PASS.**

11:11:44 **Motion:** Sen. Wendy McKamey moved that **SB 449 BE AMENDED.**

Discussion:

11:12:14 Jaret Coles

11:15:42 Danielle Pennington, Department of Revenue (DOR)

11:11:44 **Vote:** Motion carried 9 - 3 by voice vote with Sen. Hayman, Sen. McClafferty, Sen. O'Brien, voting no.
Sen. O'Brien, By Proxy

11:17:00 **Motion:** Sen. Becky Beard moved that **SB 449 DO PASS AS AMENDED.**

Discussion:

11:17:22 Sen. Edith (Edie) McClafferty

11:17:35 Sen. Wendy McKamey

11:17:36 Chair Greg Hertz

11:17:00 **Vote:** Motion failed 8 - 4 by roll call vote with Sen. Ellsworth, Sen. Hertz, Sen. Molnar, Sen. Trebas, voting yes.
Sen. Ellsworth, By Proxy

11:18:55 **Motion:** Sen. Becky Beard moved that **SB 449 TO TABLE.**

11:18:55 **Vote:** Motion carried 11 - 1 by voice vote with Sen. Molnar, voting no.

EXECUTIVE ACTION ON SB 502 - Provide for state income tax credit for privately paid nursing home costs

11:19:34 **Motion:** Sen. Becky Beard moved that **SB 502 DO PASS.**

11:19:57 **Motion:** Sen. Greg Hertz moved that **SB 502 BE AMENDED.**

Discussion:

11:20:09 Jaret Coles

11:21:32 Chair Greg Hertz

11:19:57 **Vote:** Motion carried unanimously by voice vote.

11:22:09 **Motion:** Sen. Becky Beard moved that **SB 502 DO PASS AS AMENDED.**

Discussion:

11:22:20 Sen. Jeremy Trebas

11:23:05 Sen. Brad Molnar

11:23:31 Sen. Becky Beard

11:23:39 Jaret Coles

11:22:09 **Vote:** Motion tied 6 - 6 roll call vote

11:25:12 **Motion:** Sen. Becky Beard moved that **SB 502 TO TABLE.**

11:25:12 **Vote:** Motion carried 7 - 5 by voice vote with Sen. Dunwell, Sen. Hayman, Sen. McClafferty, Sen. Molnar, Sen. O'Brien, voting no.
Sen. O'Brien, By Proxy

EXECUTIVE ACTION ON SB 508 - Reinvest in provision of biofuels for motorists

11:25:59 **Motion:** Sen. Becky Beard moved that **SB 508 DO PASS.**

11:26:06 **Motion:** Sen. Mary Ann Dunwell moved that **SB 508 BE AMENDED.**

11:26:06 **Vote:** Motion carried unanimously by voice vote.

11:27:42 **Motion:** Sen. Becky Beard moved that **SB 508 DO PASS AS AMENDED.**

Discussion:

- 11:28:05 Chair Greg Hertz
- 11:28:44 Sen. Mary Ann Dunwell
- 11:27:42 **Vote:** Motion tied 6 - 6 roll call vote
- 11:30:21 **Motion:** Sen. Becky Beard moved that **SB 508 TO TABLE.**
- 11:30:21 **Vote:** Motion carried 8 - 4 by voice vote with Sen. Dunwell, Sen. Hayman, Sen. McClafferty, Sen. O'Brien, voting no.
Sen. O'Brien, By Proxy

EXECUTIVE ACTION ON SB 513 - Revoke non-profit hospital property tax exemption

- 11:31:12 **Motion:** Sen. Becky Beard moved that **SB 513 DO PASS.**
- 11:32:06 **Motion:** Sen. Jeremy Trebas moved that **SB 513 BE AMENDED.**
- Discussion:**
- 11:32:29 Sen. Jeremy Trebas
- 11:32:55 Chair Greg Hertz
- 11:34:07 Jaret Coles
- 11:32:06 **Vote:** Motion carried unanimously by voice vote.
- 11:34:59 **Motion:** Sen. Becky Beard moved that **SB 513 DO PASS AS AMENDED.**
- 11:34:59 **Vote:** Motion carried 7 - 5 by roll call vote with Sen. Dunwell, Sen. Hayman, Sen. McClafferty, Sen. O'Brien, Sen. Tempel, voting no.
Sen. O'Brien, By Proxy

EXECUTIVE ACTION ON SB 514 - Provide for individual income tax refunds of surplus revenue

- 11:37:31 **Motion:** Sen. Becky Beard moved that **SB 514 DO PASS.**
- 11:37:54 **Motion:** Sen. Brad Molnar moved that **SB 514 BE AMENDED.**
- Discussion:**
- 11:39:35 Jaret Coles
- 11:37:54 **Vote:** Motion carried 11 - 1 by voice vote with Sen. Hayman, voting no.
- 11:40:05 **Motion:** Sen. Becky Beard moved that **SB 514 DO PASS AS AMENDED.**
- 11:40:05 **Vote:** Motion carried unanimously by voice vote.
- 11:40:20 **Substitute Motion:** Sen. Greg Hertz moved that **SB 514 TO TABLE.**

11:40:20 **Vote:** Substitute Motion carried 8 - 4 by roll call vote with Sen. Dunwell, Sen. Molnar, Sen. O'Brien, Sen. Trebas, voting no.
Sen. O'Brien, By Proxy

EXECUTIVE ACTION ON SB 519 - Revise laws related to maximum mill levies

11:41:33 **Motion:** Sen. Becky Beard moved that **SB 519 DO PASS.**

Discussion:

11:42:12 Sen. Brad Molnar

11:43:07 Chair Greg Hertz

11:43:08 Sen. Edith (Edie) McClafferty

11:41:33 **Vote:** Motion failed 10 - 2 by roll call vote with Sen. Molnar, Sen. Trebas, voting yes.

11:44:20 **Motion:** Sen. Becky Beard moved that **SB 519 TO TABLE.**

11:44:20 **Vote:** Motion carried 11 - 1 by voice vote with Sen. Molnar, voting no.

EXECUTIVE ACTION ON SB 532 - Revise regulation and taxation of large emission sources

11:46:10 **Motion:** Sen. Becky Beard moved that **SB 532 DO PASS.**

Discussion:

11:46:27 Sen. Mary Ann Dunwell

11:46:10 **Vote:** Motion failed 8 - 4 by roll call vote with Sen. Dunwell, Sen. Hayman, Sen. McClafferty, Sen. O'Brien, voting yes.
Sen. O'Brien, By Proxy

11:47:27 **Motion:** Sen. Becky Beard moved that **SB 532 TO TABLE.**

11:47:27 **Vote:** Motion carried 8 - 4 by voice vote with Sen. Dunwell, Sen. Hayman, Sen. McClafferty, Sen. O'Brien, voting no.
Sen. O'Brien, By Proxy

EXECUTIVE ACTION ON SB 537 - Provide tax incentives for the sale of Montana-produced food

11:48:04 **Motion:** Sen. Becky Beard moved that **SB 537 DO PASS.**

Discussion:

11:48:49 Chair Greg Hertz

- 11:49:01 Sen. Wendy McKamey
- 11:48:04 **Vote:** Motion failed 8 - 4 by roll call vote with Sen. Dunwell, Sen. Hayman, Sen. McClafferty, Sen. O'Brien, voting yes.
Sen. O'Brien, By Proxy
- 11:52:33 **Motion:** Sen. Becky Beard moved that **SB 537 TO TABLE.**
- 11:52:33 **Vote:** Motion carried 8 - 4 by voice vote with Sen. Dunwell, Sen. Hayman, Sen. McClafferty, Sen. O'Brien, voting no.
Sen. O'Brien, By Proxy

EXECUTIVE ACTION ON SB 540 - Revise allowable state-funded tourism promotion laws

- 11:53:09 **Motion:** Sen. Becky Beard moved that **SB 540 DO PASS.**
- Discussion:**
- 11:54:26 Sen. Russel (Russ) Tempel
- 11:54:29 Sen. Mary Ann Dunwell
- 11:53:09 **Vote:** Motion carried unanimously by voice vote.

EXECUTIVE ACTION ON SB 517 - Establish graduated fee on short term rentals with money going to housing

- 11:55:08 **Motion:** Sen. Becky Beard moved that **SB 517 DO PASS.**
- 11:55:25 **Motion:** Sen. Denise Hayman moved that **SB 517 BE AMENDED.**
- Discussion:**
- 11:55:58 Sen. Denise Hayman
- 11:55:25 **Vote:** Motion carried unanimously by voice vote.
- 11:56:28 **Motion:** Sen. Becky Beard moved that **SB 517 DO PASS AS AMENDED.**
- Discussion:**
- 11:56:46 Chair Greg Hertz
- 11:56:28 **Vote:** Motion failed 7 - 5 by roll call vote with Sen. Dunwell, Sen. Hayman, Sen. McClafferty, Sen. O'Brien, Sen. Tempel, voting yes.
Sen. O'Brien, By Proxy
- 12:00:09 **Motion:** Sen. Becky Beard moved that **SB 517 TO TABLE.**
- 12:00:09 **Vote:** Motion carried 8 - 4 by voice vote with Sen. Dunwell, Sen. Hayman, Sen. McClafferty, Sen. O'Brien, voting no.
Sen. O'Brien, By Proxy

EXECUTIVE ACTION ON SB 550 - Generally revise income tax laws and clarify income tax reform provisions

12:00:59 **Motion:** Sen. Becky Beard moved that **SB 550 DO PASS.**

12:00:59 **Vote:** Motion carried 8 - 4 by voice vote with Sen. Dunwell, Sen. Hayman, Sen. McClafferty, Sen. O'Brien, voting no.
Sen. O'Brien, By Proxy

ADJOURNMENT

Adjournment: 12:03:59

Lorna Mason, Secretary

Additional Documents: [EXHIBIT\(230329TASaad\)](#)