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Revenue and Transportation Interim Committee

63rd Montana Legislature

SENATE MEMBERS

CHRISTINE KAUFMANN--Chair
DICK BARRETT
GREG JERGESON
JANNA TAYLOR
FRED THOMAS
ART WITTICH

HOUSE MEMBERS

NANCY BALLANCE--Vice Chair
CYDNIE (CARLIE) BOLAND
ROY HOLLANDSWORTH
CHUCK HUNTER
TOM JACOBSON
MIKE MILLER

COMMITTEE STAFF

MEGAN MOORE, Lead Staff
JARET COLES, Staff Attorney
FONG HOM, Secretary

MINUTES LOG

December 4 and 5, 2013
Room 137, Capitol Building
Helena, Montana

December 5, 2013

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. To the left of each section in these minutes is a time designation indicating the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side menu of the home page, select *Committees*, then *Interim*. Once on the page for *Interim Committees*, scroll down to the appropriate committee. The written minutes summary, along with the audio and video recordings, are listed by meeting date on the interim committee's web page.

Hard copies of the exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.

COMMITTEE MEMBERS PRESENT

SEN. CHRISTINE KAUFMANN, Chair
REP. NANCY BALLANCE, Vice Chair

SEN. DICK BARRETT
SEN. GREG JERGESON
SEN. FRED THOMAS

REP. CYDNIE (CARLIE) BOLAND
REP. ROY HOLLANDSWORTH
REP. CHUCK HUNTER
REP. TOM JACOBSON
REP. MIKE MILLER

COMMITTEE MEMBERS EXCUSED

SEN. JANNA TAYLOR
SEN. ART WITTICH

STAFF PRESENT

MEGAN MOORE, Lead Staff
JARET COLES, Staff Attorney
FONG HOM, Secretary

AGENDA & VISITORS' LIST

Agenda ([Attachment 1](#))
Visitors' list ([Attachment 2](#))

COMMITTEE ACTION

CALL TO ORDER AND ROLL CALL

00:02:25 Sen. Kaufmann reconvened the meeting at 8:03 a.m. The secretary called the roll. Senators Wittich and Taylor were excused. ([Attachment 3](#))

AGENDA

GENERAL FUND STATUS REPORT FROM LEGISLATIVE FISCAL DIVISION

00:03:37 Amy Carlson, Legislative Fiscal Division, gave an overview of the Legislative Fiscal Division's presentations. The committee was provided the General Fund Updated Revenue Trends Report ([Exhibit 27](#)).

- **2014 Year-to-Date Revenue Report**

00:08:40 Stephanie Morrison, Fiscal Analyst, gave a presentation on the FY 2014 Year-to-Date Revenue ([Exhibit 27](#), page 2).

Committee questions

00:24:17 Sen. Barrett

00:24:37 Ms. Morrison

00:25:36 Sen. Barrett

00:25:51 Ms. Morrison

00:27:26 Ms. Morrison gave a presentation on Fiscal Year Conversion ([Exhibit 27](#), page 7).

00:30:38 Ms. Morrison distributed a chart, "Method Comparison: Trended & Base Year Concept Collections vs. Prior Calendar Year Total Liability" ([Exhibit 28](#)).

Committee questions

00:33:31 Rep. Ballance

00:34:24 Ms. Morrison

00:34:35 Rep. Jacobson

00:34:48 Ms. Morrison

00:35:19 Rep. Jacobson

00:35:27 Ms. Morrison

00:35:51 Ms. Morrison gave a presentation on wage and retirement income growth and non-wage income growth ([Exhibit 27](#), page 7 and 8).

Committee questions

00:38:52 Rep. Miller
00:38:56 Ms. Morrison
00:39:24 Rep. Miller
00:40:37 Ms. Morrison
00:40:46 Rep. Hollandsworth
00:41:11 Ms. Morrison
00:42:11 Rep. Hollandsworth

00:42:58 Nick Brown, LFD, gave a presentation on Property Tax. (Exhibit 27, page 9)

00:45:36 Ms. Morrison gave a presentation on Corporation Income Tax. (Exhibit 27, page 10)

Committee questions

00:47:57 Rep. Miller
00:48:10 Ms. Morrison
00:48:32 Rep. Ballance
00:48:43 Ms. Morrison

00:48:52 Ms. Morrison gave a presentation on Error Analysis.

00:51:03 Sam Schaefer, LFD, gave a report on revenue collections from vehicle fees and taxes. (Exhibit 27, page 12)

00:52:53 Mr. Brown gave a report on oil and natural gas production tax collections. (Exhibit 27, page 13)

Committee questions

00:56:17 Sen. Thomas
00:56:28 Mr. Brown
00:56:31 Sen. Thomas
00:56:41 Sen. Barrett
00:57:54 Mr. Brown
00:59:09 Sen. Barrett
01:00:12 Mr. Brown

01:01:37 Cynthia Hollimon, LFD, reported on revenue collections from insurance taxes. (Exhibit 27, page 16)

Committee questions

01:07:15 Rep. Hunter
01:07:42 Ms. Hollimon
01:07:46 Sen. Thomas
01:08:09 Ms. Hollimon
01:08:34 Sen. Thomas
01:08:40 Ms. Hollimon
01:08:50 Sen. Thomas
01:09:15 Ms. Hollimon
01:09:21 Sen. Thomas

01:09:27 Ms. Hollimon
01:09:52 Sen. Thomas
01:10:39 Ms. Hollimon
01:11:05 Sen. Thomas
01:11:29 Ms. Hollimon
01:11:45 Sen. Thomas
01:12:14 Sen. Kaufmann
01:12:44 Sen. Thomas

01:13:37 Mr. Schaefer reported on tax revenue collections from the video gambling tax. (Exhibit 27, page 17)

01:15:11 Ms. Morrison discussed Investment License Fee, Lodging Facilities Sales Tax, Public Contractor's Tax, Railroad Car Tax, Rental Car Sales Tax, and Retail Telecommunications Excise Tax. (Exhibit 27, pages 18-21)

Committee questions

01:19:28 Sen. Jergeson
01:19:32 Ms. Morrison

01:20:02 Mr. Brown reported on other natural resource taxes: Coal Severance Tax, Electrical Energy Tax, Metalliferous Mines Tax, U.S. Mineral Royalties, and Wholesale Energy Transaction Tax. (Exhibit 27, pages 22-25)

Committee questions

01:23:44 Rep. Ballance
01:24:13 Mr. Brown
01:24:31 Rep. Ballance
01:24:53 Mr. Brown

01:26:03 Mr. Schaefer reported on trust earnings. (Exhibit 27, pages 25-29)

Committee questions

01:27:37 Rep. Ballance
01:28:01 Mr. Schaefer
01:28:35 Sen. Jergeson

01:29:58 Ms. Hollimon reported on other consumption taxes. (Exhibit 27, pages 26-32)

Committee questions

01:31:38 Sen. Jergeson
01:32:38 Ms. Hollimon
01:33:02 Sen. Jergeson
01:33:20 Ms. Hollimon
01:33:45 Ms. Morrison

01:34:33 Ms. Carlson discussed the impacts to Montana as a result of the federal shutdown.

Committee questions
01:37:28 Rep. Hollandsworth
01:37:44 Ms. Carlson
01:38:52 Sen. Kaufmann

Public Comment - none

ADJOURNMENT

01:40:05 With no further business before the committee, Sen. Kaufmann adjourned the meeting at 9:40 a.m.

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