MINUTES

MONTANA SENATE
58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN BOB DEPRATU**, on March 18, 2003 at
8:02 A.M., in Room 405 Capitol.

<u>ROLL CALL</u>

Members Present:
Sen. Bob DePratu, Chairman (R)
Sen. Bob Story Jr., Vice Chairman (R)
Sen. Jerry W. Black (R)
Sen. John C. Bohlinger (R)
Sen. Jon Ellingson (D)
Sen. Jim Elliott (D)
Sen. Bill Glaser (R)
Sen. Dan Harrington (D)
Sen. Walter McNutt (R)
Sen. Mike Taylor (R)
Sen. Ken Toole (D)

Members Excused: None.

Members Absent: None.

Staff Present: Lee Heiman, Legislative Branch
Shirley Herrin, Committee Secretary

Video-taped Committee: These minutes are in outline form only.
They provide a list of participants and a record of official
action taken by the committee. A video-taped recording of the
meeting is available from the Montana Historical Society.

Committee Business Summary:
Hearing & Date Posted: HB 441, 2/27/2003; HB 642,
3/11/2003; SB 463, 2/27/2003
Executive Action: SB 11 Indefinitely Postponed
SB 296 Do Pass as Amended
SB 301 Indefinitely Postponed
SB 332 Indefinitely Postponed
SB 338 Indefinitely Postponed
SB 351 Indefinitely Postponed
SB 353 Indefinitely Postponed

HEARING ON HB 441

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Opening Statement by Sponsor:
8:03   **REP. LARRY CYR, HD 37, Butte** "Proration of taxes on
          centrally assessed property in subdivision".

Proponents' Testimony:
8:06   Mike Pichette, North Western Energy

Opponents' Testimony: None.

Informational Witnesses:
8:08   Dolores Cooney, Department of Revenue

Questions from Committee Members and Responses:
8:09   Begin
8:10   Ended
1 min   Time elapsed.

Closing by Sponsor:
8:10   **REP. CYR** closed on HB 441.

HEARING ON HB 642

Opening Statement by Sponsor:
8:11   **REP. RON DEVLIN, HD 3, Terry** "Track certain utility
          expenses for rate making".

Proponents' Testimony:
8:14   Pat Corcoran, NW Energy, presented amendments
          EXHIBIT(tas57a01)
8:18   Bill Penn, MT Dakota Utility Company

Opponents' Testimony: None.

Informational Witnesses:
8:19   Greg Jergeson, Public Service Commission
          EXHIBIT(tas57a02)
8:20   Mary Wright, Attorney, MT Consumer Council

Questions from Committee Members and Responses:
8:23   Begin
8:43   Ended
20 min   Time elapsed.

Closing by Sponsor:
8:43   **REP. DEVLIN** closed on HB 642.

HEARING ON SB 463

Opening Statement by Sponsor:
8:56   **SEN. JERRY BLACK, SD 44, Shelby** "Reduce capital gains
          for employee owned stock". He presented amendments
          EXHIBIT(tas57a03)

Proponents' Testimony:
9:03   Greg Gionforte, CEO/Pres., Right Now Technologies,
          Bozeman **EXHIBIT(tas57a04)**
9:10   Steve Daines, Right Now Technologies, Bozeman
9:14   Alicia Bradshaw, Gallatin Development Corp., Bozeman.
          She submitted letters from Michael McCue, Chairman,
          CEO, LIGOCYTE Pharmaeutials **EXHIBIT(tas57a05)** and John
          O'Donnell, Executive Director, TechRanch
          EXHIBIT(tas57a06)
9:20   Joe Mazurek, DA Davidson **EXHIBIT(tas57a07)**

Opponents' Testimony: None.

Questions from Committee Members and Responses:
9:24   Begin - **SEN. BOB STORY** questioned Larry Finch, Dept. of
          Revenue.
9:46   Ended
22 min   Time elapsed.

Closing by Sponsor:
9:46   **SEN. BLACK** closed on SB 463.

9:49   **CHAIRMAN DEPRATU** called a short recess.

EXECUTIVE ACTION ON SB 11

10:10   **Motion/Vote: SEN. STORY moved that SB 11 BE
               INDEFINITELY POSTPONED. Motion carried 7-4 with
               ELLINGSON, ELLIOTT, HARRINGTON, and TOOLE voting
               no.**

EXECUTIVE ACTION ON SB 296

10:12   **Motion: SEN. TAYLOR moved that SB 296 DO PASS.**

SEN. TAYLOR moved an amendment EXHIBIT(tas57a08). He explained the amendment.

Discussion:
10:15   Begin
10:16   Ended
1 min   Time elapsed.
10:16   **Vote**: **SEN. TAYLOR'S motion that SB 296 BE AMENDED carried 10-0.** **Motion**: **SEN. TAYLOR moved that SB 296 DO PASS AS AMENDED.**

Discussion:
10:17   Begin
           SEN. STORY questioned Dulcy Hubbert, Program Supervisor, Office of Commissioner of Political Practices. The committee offered a conceptual amendment SB029602.alh **EXHIBIT(tas57a09)** that would eliminate line 25 on page one. **Motion carried 11-0 with BOHLINGER and MCNUTT voting by proxy.**

10:22   **Motion/Vote: SEN. TAYLOR moved that SB 296 DO PASS AS AMENDED. Motion carried 10-1 with HARRINGTON voting no.**

EXECUTIVE ACTION ON SB 301

10:22   **Motion/Vote: SEN. TOOLE moved that SB 301 DO PASS.** He reviewed the bill.

Discussion:
10:25   Begin
10:28   Ended
3 min   Time elapsed.

10:28   The **motion failed 3-8 with BLACK, DEPRATU, ELLIOTT, GLASER, STORY, and TAYLOR voting no and BOHLINGER and MCNUTT voting no by proxy.**

10:29   **Motion/Vote**: **SEN. STORY moved that SB 301 BE INDEFINITELY POSTPONED AND THE VOTE REVERSED. Motion carried 8-3 with ELLINGSON, HARRINGTON, and TOOLE voting no.**

EXECUTIVE ACTION ON SB 332

10:30   **Motion: SEN. TOOLE moved that SB 332 DO PASS. He moved amendment SB033201.alh EXHIBIT(tas57a10) The motion**

carried unanimously with BOHLINGER and MCNUTT voting by proxy.

10:32   **Motion**: SEN. TOOLE moved that SB 332 DO PASS AS
         AMENDED.

Discussion:
10:33   Begin
10:47   Ended
14 min   Time elapsed.
10:48   **Vote**: Motion failed 4-7 with BLACK, DEPRATU, GLASER,
         **STORY, and TAYLOR voting no. BOHLINGER and MCNUTT voted
         by proxy.**

10:50   **Motion/Vote**: SEN. STORY moved that SB 332 BE
         **INDEFINITELY POSTPONED AND THE VOTE REVERSED. Motion
         carried 7-4 with ELLINGSON, ELLIOTT, HARRINGTON, and
         TOOLE voting no. BOHLINGER and MCNUTT voted by proxy.**

EXECUTIVE ACTION ON SB 338

10:50   **Motion/Vote**: SEN. STORY moved that SB 338 BE
         **INDEFINITELY POSTPONED. Motion carried unanimously
         with MCNUTT voting by proxy.**

EXECUTIVE ACTION ON SB 351

10:52   **Motion/Vote**: SEN. TAYLOR moved that SB 351 BE
         INDEFINITELY POSTPONED.

Discussion:
10:52   Begin
10:58   Ended
6 min   Time elapsed.

10:58   **Motion carried 7-4 with ELLINGSON, ELLIOTT, HARRINGTON,
         and TOOLE voting no and MCNUTT voting by proxy.**

EXECUTIVE ACTION ON SB 353

11:00   **Motion/Vote**: SEN. BOHLINGER moved that SB 353 BE
         INDEFINITELY POSTPONED.

Discussion:
11:01   Begin
11:09   Ended

8 min   Time elapsed.

11:09   **Motion carried unanimously with MCNUTT voting by proxy.**

<u>**ADJOURNMENT**</u>

Adjournment: 11:10 A.M.

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SEN. BOB DEPRATU, Chairman

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SHIRLEY HERRIN, Secretary

BD/SH

EXHIBIT**(tas57aad)**