

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON TAXATION**

**Call to Order:** By **VICE CHAIR REPRESENTATIVE BOB LAKE**, on April 11, 2005 at 8:00 A.M., in Room 152 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Gary Branae, Vice Chairman (D)  
Rep. Bob Lake, Vice Chairman (R)  
Rep. Norma Bixby (D)  
Rep. Edward B. Butcher (R)  
Rep. Margaret H. Campbell (D)  
Rep. Jill Cohenour (D)  
Rep. Tom Facey (D)  
Rep. Wanda Grinde (D)  
Rep. George G. Groesbeck (D)  
Rep. Dennis Himmelberger (R)  
Rep. Carol Lambert (R)  
Rep. Dave McAlpin (D)  
Rep. Jim Peterson (R)  
Rep. Holly Raser (D)  
Rep. John (Jack) W. Ross (R)  
Rep. Brady Wiseman (D)

**Members Excused:** Rep. Karl Waitschies, Chairman (R)

**Members Absent:** Rep. John Balyeat (R)  
Rep. Scott Sales (R)  
Rep. Bill Warden (R)

**Staff Present:** Jeff Martin, Legislative Branch  
Debra Polhemus, 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: SB 48, 4/4/2005; SB 509, 4/4/2005;  
SB 501, 4/4/2005; SB 442, 4/4/2005;  
SB 115, 4/4/2005; SB 511, 4/4/2005

Executive Action:

**HEARING ON SB 501**

**Opening Statement by Sponsor:**

00:01:43 SEN. DAN MCGEE (R), SD 29, opened the hearing on SB 501, Tax credit for employers of national guard and reserve.

**Proponents' Testimony:**

00:02:40 Roger A. Hagen, Officer and Enlisted Associations, Montana National Guard  
00:06:28 Ronda Carpenter-Wiggers, representing Great Falls and Helena Chamber of Commerce  
00:07:22 Tina Whitaker, Montana Committee of the Employers Support of the Guard and Reserve  
00:08:37 Riley Johnson, National Federation of the Independent Businesses

**Opponents' Testimony:** None.

**Informational Testimony:**

00:09:16 Jim McKeon, Montana Department of Revenue

**Questions from Committee Members and Responses:**

00:09:37 REP. ROSS  
00:10:17 REP. RASER  
00:13:01 REP. WISEMAN

**Closing by Sponsor:**

00:14:54 SEN. DAN MCGEE (R), closed the hearing on SB 501.

**HEARING ON SB 442**

**Opening Statement by Sponsor:**

00:16:16 SEN. MIKE COONEY (D), SD 40, opened the hearing on SB 442, Repeal POINTS replacement fee.

**Proponents' Testimony:**

00:18:59 Steve Austin, Montana Department of Revenue

**Opponents' Testimony:** None.

**Informational Testimony:** None.

**Questions from Committee Members and Responses:**

00:19:35 REP. WISEMAN  
00:23:29 REP. PETERSON  
00:27:47 REP. HIMMELBERGER  
00:30:36 REP. PETERSON

**Closing by Sponsor:**

00:31:52 SEN. MIKE COONEY (D) closed the hearing on SB 442.

**HEARING ON SB 48**

**Opening Statement by Sponsor:**

00:35:22 SEN. DAN HARRINGTON (D), SD 38, opened the hearing on SB 48, Stop class 8 property tax reduction.

00:37:09 CHAIRMAN WAITSCHIES arrived at Committee Hearing.

[EXHIBIT\(tah77a01\)](#)

[EXHIBIT\(tah77a02\)](#)

[EXHIBIT\(tah77a03\)](#)

[EXHIBIT\(tah77a04\)](#)

**Proponents' Testimony:**

00:45:10 Evan Barrett, Governor's Office of Economic Development

00:49:07 Bill Penn, Butte SilverBow Economic Development

[EXHIBIT\(tah77a05\)](#) Jim Smitham, Executive Director, Butte Local Development Corporation via letter

00:51:00 L. Harold Blattie, Montana Association of Counties

[EXHIBIT\(tah77a06\)](#) Dennis Hoyem via letter

00:53:41 Linda Gryczan, Montana League of Women's Voters

00:54:58 Don Judge, representing Teamsters Local #190

00:56:48 Dan Bucks, Director, Montana Department of Revenue

[EXHIBIT\(tah77a07\)](#)

[EXHIBIT\(tah77a08\)](#)

01:05:38 Tom Bilodeau, Research Director, MEA/MFT

01:05:57 Jerry Driscoll, Montana AFL-CIO

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**Opponents' Testimony:**

01:06:41 Webb Brown, Montana Chamber of Commerce also  
speaking for the Montana Taxpayers Association  
01:12:01 Gary Forrester, representing Montana Contractors  
Association  
01:12:34 Riley Johnson, National Federation of Independent  
Businesses also speaking for Great Falls and  
Helena Chamber of Commerce  
01:17:43 Steve Snezek, representing Montana Grain Growers  
Association also speaking for Montana Farm Bureau  
Federation

**EXHIBIT**(tah77a09) Jeffrey A. Love, King Avenue Video, Billings  
via letter

**EXHIBIT**(tah77a10) Doug Aita, President, Tape King, Inc.,  
Bozeman via letter

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**Informational Testimony:** None.

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**Questions from Committee Members and Responses:**

01:19:23 REP. BRANAE  
01:23:36 REP. COHENOUR  
01:29:53 REP. WISEMAN  
01:32:48 CHAIRMAN WAITSCHIES  
01:33:28 REP. BUTCHER  
01:40:06 REP. HIMMELBERGER  
01:45:42 CHAIRMAN WAITSCHIES  
01:50:14 REP. ROSS  
01:54:05 REP. GROESBECK

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**Closing by Sponsor:**

01:57:33 SEN. DAN HARRINGTON (D) closed the hearing on SB  
48.

**EXHIBIT**(tah77a11) letter of support from Dick King, President,  
Montana Economic Developers Association

02:01:41 Break  
02:11:27 Resume

**HEARING ON SB 509**

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**Opening Statement by Sponsor:**

02:11:33 SEN. DAN HARRINGTON (D), SD 38, opened the hearing  
on SB 509, Graduated minimum payment of corporate  
license tax.

**EXHIBIT**(tah77a12)

**EXHIBIT**(tah77a13)

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**Proponents' Testimony:** None.

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**Opponents' Testimony:**

02:17:29 Bruce Spencer, Montana Automobile Dealers  
Association  
02:21:10 Riley Johnson, National Federation of Independent  
Businesses  
02:27:58 Frank Cote, representing American's Health  
Insurance Plans and Farmers Union Health Insurance  
Company  
02:25:38 Greg Van Horssen, State Farm Insurance Company

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**Informational Testimony:**

02:26:05 Larry Finch, Montana Department of Revenue

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**Questions from Committee Members and Responses:**

02:26:28 REP. LAKE  
02:28:00 REP. BUTCHER  
02:31:18 REP. GROESBECK  
02:36:19 REP. BUTCHER

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**Closing by Sponsor:**

02:37:36 SEN. DAN HARRINGTON (D) closed the hearing on SB  
509.

**HEARING ON SB 115**

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**Opening Statement by Sponsor:**

02:40:11 SEN. JON TESTER (D), SD 15, opened the hearing on  
SB 115, Equitable taxation of wind energy  
facilities.

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**Proponents' Testimony:**

02:41:37 Art Compton, Montana Department of Environmental  
Quality

02:43:00 Bob Quinn, Organic Farmer, Big Sandy, Wind Park  
Solutions of America

[EXHIBIT\(tah77a14\)](#)

[EXHIBIT\(tah77a15\)](#)

[EXHIBIT\(tah77a16\)](#)

[EXHIBIT\(tah77a17\)](#)

02:50:42 Richard Moe, Chair, Wheatland County Board of  
Commissioners

02:52:28 Greg Jergeson, Chairman, Montana Public Service  
Commission

02:54:24 **SEN. DAVE LEWIS, SD 42**

02:56:32 **REP. JIM PETERSON, HD 30**

02:58:12 Steve Snezek, representing Montana Grain Growers  
Association and the Montana Farm Bureau Federation

02:58:58 Mike Pichette, Northwestern Energy

02:59:23 Patrick Judge, Montana Environmental Information  
Center

03:00:34 **REP. ED BUTCHER, HD 29**

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**Opponents' Testimony:**

03:02:25 **REP. JIM KEANE, HD 75**

03:05:09 Jerry Driscoll, Montana AFL-CIO

03:09:35 Dan Flynn, IBW Local #44

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**Informational Testimony:**

03:11:12 Gene Walborn, Montana Department of Revenue

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**Questions from Committee Members and Responses:**

03:11:36 **REP. WISEMAN**

03:13:55 **REP. GROESBECK**

03:19:53 **REP. COHENOUR**

03:20:58 **REP. RASER**

03:22:47 **REP. FACEY**

03:23:58 **CHAIRMAN WAITSCHIES**

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**Closing by Sponsor:**

03:29:15 **SEN. JON TESTER (D)** closed the hearing on **SB 115.**

03:31:01 Break

03:32:00 Resume

**HEARING ON SB 511**

**Opening Statement by Sponsor:**

03:32:14      **SEN. JEFF MANGAN (D), SD 12**, opened the hearing on **SB 511**, Allow deduction of stock capital gains from qualified start-up corporations.

**Proponents' Testimony:**

03:35:38      Cameron Lewis, Equitas Management, Victor  
03:39:20      Brenda Jurgens, Western Montana resident  
03:43:47      Joe Mazurek, representing D. A. Davidson & Company  
03:44:49      Webb Brown, Montana Chamber of Commerce  
03:45:28      Robert Heffner, Business Lender and Business  
                 Financing Advisor, Missoula

**EXHIBIT** (tah77a18)

**Opponents' Testimony:**

03:55:20      Dan Bucks, Director, Montana Department of Revenue

**Informational Testimony:** None.

**Questions from Committee Members and Responses:**

04:08:22      **REP. WISEMAN**  
04:10:54      **REP. FACEY**  
04:14:11      **REP. RASER**

**Closing by Sponsor:**

04:15:03      **SEN. JEFF MANGAN (D)** closed the hearing on **SB 511**.

**ADJOURNMENT**

Adjournment: 12:30 P.M.

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REP. KARL WAITSCHIES, Chairman

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DEBRA POLHEMUS, Secretary

KW/dp

Additional Exhibits:

**EXHIBIT ([tah77aad0.PDF](#))**