

MINUTES

MONTANA SENATE 59th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **SEN. KEN TOOLE**, on April 12, 2005 at 8 A.M.,
in Room 405 Capitol.

ROLL CALL

Members Present:

Sen. Jim Elliott, Chairman (D)
Sen. Jerry W. Black (R)
Sen. Jeff Essmann (R)
Sen. Kelly Gebhardt (R)
Sen. Kim Gillan (D)
Sen. Dan Harrington (D)
Sen. Sam Kitzenberg (R)
Sen. Bob Story Jr. (R)
Sen. Ken Toole (D)

Members Excused: Sen. Jon Ellingson (D)
Sen. Trudi Schmidt (D)

Members Absent: None.

Staff Present: Kathleen Ely, Committee Secretary
Lee Heiman, Legislative Branch

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 802, 4/5/2005; HB 776, 4/5/2005;
HB 756, 4/5/2005;
Executive Action: HB 410, HB 529, HB 584, HB 667,
HB 689, HB 716, HB 756, HB 758, HB
HB 776, HB 802, HB 475,

00:00:14

HEARING ON HB 802

Opening Statement by Sponsor:

REP. ALAN OLSON (R), HD 45, opened the hearing on HB 802, Eliminate annual permit surcharge fee for video gambling machines.

Proponents' Testimony:

00:00:38 Rich Miller

0:01:55 Ronda Carpenter-Wiggers, MCMOA

Opponents' Testimony: None.

Informational Testimony:

00:03:04 Gene Huntington, Department of Justice

Questions from Committee Members and Responses: None.

00:03:25

Closing by Sponsor:

00:04:57

HEARING ON HB 776

Opening Statement by Sponsor:

REP. HOLLY RASER (D), HD 98, opened the hearing on HB 776, Revise law on taxation of biodiesel and provide incentives.

Proponents' Testimony:

00:21:15 SEN. DANIEL MCGEE, SD 29

00:25:37 Art Compton, Department of Environmental Quality

00:27:40 Nancy Schlepz, Montana Farm Bureau

00:28:19 Barry "Spook" Stang, Montana Motor Carriers
Association

00:29:59 Chris Christiaens, Montana Farmers Union

00:31:21 Gail Abercrombie, Montana Petroleum Association

00:33:19 Ronda Alexander, Montana Petroleum Marketers
Association

00:35:37 Nancy Lien Griffin, Madison Lumber Company

EXHIBIT(tas78a01)

00:39:07 SEN. JIM ELLIOTT arrives.

00:44:16 Barbara Grover, Women Involved in Farm Economics

00:44:32 Richard Owen, Montana Graingrowers Association

00:45:04 David Max, Sustainable Systems LLC

EXHIBIT (tas78a02)

00:49:17 Michele Reinhart, Northern Plains Resource Center

00:49:34 Leslie McClean, Montana Environmental Information
Center

00:49:59 SEN. TOOLE ruled that the hearings on HB 776 and
HB 757 would be combined.

00:51:06

HEARING ON HB 756

Opening Statement by Sponsor:

REP. GAIL GUTSCHE (D), HD 99, opened the hearing on HB 756,
Encourage production and use of biodiesel.

Proponents' Testimony:

00:53:43 Art Compton, Department of Environmental Quality

00:54:31 Nancy Schlepz, Montana Farm Bureau, Montana Grain
Growers, Montana Farm?

00:54:55 Barry "Spook" Stang, Montana Motor Carriers
Association

00:55:10 Leslie McClean, Montana Environmental Information
Center

00:55:15 Michele Reinhart, Northern Plains Resource Center

00:55:21 David Max, Sustainable Systems LLC

Opponents' Testimony: None.

Informational Testimony:

00:55:58 Showna McHugh, Department of Revenue

00:56:16 Bob Turner, Department of Transportation

00:56:35

Questions from Committee Members and Responses:

01:06:03

Closing by Sponsor: REP. GAIL GUTSCHE, HD 99

01:07:17

Closing by Sponsor: REP. HOLLY RASER, HD 98

01:09:13 Recess

01:16:11

HEARING ON HB 703

Opening Statement by Sponsor:

REP. BOB BERGREN (D), HD 33, opened the hearing on **HB 703**, Revise method of determining value of railroad systems for property tax purposes.

EXHIBIT(tas78a03)

EXHIBIT(tas78a04)

Proponents' Testimony:

01:23:53 Richard Owen, Montana Grain Growers
01:26:15 Dave McClure, Montana Farm Bureau
01:29:07 Chris Christiaens, Montana Farm Union
01:31:25 Jim Mular, Retired Burlington Northern Employer

Opponents' Testimony:

01:36:02 Pat Keim, Burlington Northern Santa Fe Railroa

EXHIBIT(tas78a05)

01:53:51 Alec Vincent, General Director of Taxes, BNSF
Railway Company

EXHIBIT(tas78a06)

EXHIBIT(tas78a07)

01:58:17 Mary Whittinghill, Montana Taxpayers Association
02:00:53 Ed Bartlett, Union Pacific Railroad

Informational Testimony:

02:01:57 Gene Walborn, Department of Revenue

02:03:29

Questions from Committee Members and Responses:

02:38:54

Closing by Sponsor:

[EXHIBIT](#)(tas78a08)

02:47:04

HEARING ON HB 584

Opening Statement by Sponsor:

REP. CHRISTOPHER HARRIS (D), HD 66, opened the hearing on HB 584, Promote growth of film and other media in Montana.

Proponents' Testimony:

02:54:11 Evan Barrett, Governor's Office of Economic
Development
02:55:48 Patrick Markey, Film Producer
02:56:56 Bob Ebinger, City of Livingston, Livingston
Chamber of Commerce

[EXHIBIT](#)(tas78a09)

02:59:05 Stan Iverson

[EXHIBIT](#)(tas78a10)

[EXHIBIT](#)(tas78a11)

[EXHIBIT](#)(tas78a12)

[EXHIBIT](#)(tas78a13)

03:01:25 Troy Bertelson

[EXHIBIT](#)(tas78a14)

03:05:08 Robert Kollar
03:08:30 Sean Becker, Fiscal Analyst
03:11:11 Mary Ann Connard
03:12:23 J.P. Gabriel

[EXHIBIT](#)(tas78a15)

03:14:33 Diane Camp Campbell
03:18:50 Brian Markey
03:23:04 Carl Kochman, Montana Ambassadors, Tourism
Advisory Board, Montana Chamber of Commerce
03:23:35 Megan Dumas, Associated Students of Montana State
University

03:23:58 Chris Mangano, Montana State University film
student
03:24:50 Kathy Conover, Commissioner of Higher Education,
Montana State University
03:25:51 Mart Bara, Montana Innkeepers Association
03:26:28 Aimee Grmllej, Montana Tourism Board?
03:27:07 Cagder Thompson, Montana State University film
student

Opponents' Testimony:

Informational Testimony:

03:28:35 Gene Walborn, Department of Revenue
03:28:47 Dave Ohler, Department of Revenue

03:29:02

Questions from Committee Members and Responses:

03:41:54

Closing by Sponsor:

[EXHIBIT](#)(tas78a16)

[EXHIBIT](#)(tas78a17)

03:44:56 SEN. HARRINGTON in the Chair.
HEARING ON HB 569

Opening Statement by Sponsor:

REP. WALTER MCNUTT (R), HD 37, opened the hearing on HB 569,
Clarify classification and valuation of oil and gas pipelines.

Proponents' Testimony:

03:45:47 John Alke, Fidelity Exploration and Production Co.

[EXHIBIT](#)(tas78a18)

03:55:45 Gail Abercrombie, Montana Petroleum Association
03:57:50 Jerome Anderson, Encore Acquisition Company
03:58:57 Mary Whittinghill, Montana Taxpayers Association
04:00:34 Patrick Montalban, Northern Montana Gas and Oil
Producers

Opponents' Testimony:

04:01:54 Gene Walborn, Department of Revenue

04:05:27 Willy Duffield, Montana Association of Coal, Oil
 and Gas Counties

Informational Testimony: None.

Questions from Committee Members and Responses: None.

04:08:21

Closing by Sponsor:

12:22 p.m. Recess.

4:03 p.m. Reconvened. SEN. ELLIOTT in the Chair.

04:11:05

EXECUTIVE ACTION ON HB 410

Motion: SEN. TOOLE moved that HB 410 BE CONCURRED IN.

Substitute Motion/Vote: SEN. STORY made a substitute motion that HB 410 BE TABLED. Substitute motion carried 6-5 by roll call vote with SEN. ELLINGSON, SEN. GILLAN, SEN. HARRINGTON, SEN. KITZENBERG, and SEN. TOOLE voting no. SEN. BLACK and SEN. SCHMIDT voting aye by proxy. SEN. ELLINGSON voting no by proxy.

04:14:09

EXECUTIVE ACTION ON HB 529

Motion: SEN. TOOLE moved that HB 529 BE CONCURRED IN.

Motion/Vote: SEN. TOOLE moved that HB 529 BE AMENDED. Motion carried unanimously by voice vote.

[EXHIBIT](#)(tas78a19)

Motion/Vote: SEN. TOOLE moved that HB 549 BE CONCURRED IN AS AMENDED. Motion carried unanimously by voice vote. SEN. GILLAN will carry the bill.

04:18:26

EXECUTIVE ACTION ON HB 584

Motion: SEN. TOOLE moved that HB 584 BE CONCURRED IN.

Motion/Vote: SEN. TOOLE moved that HB 584 BE AMENDED. Motion carried 7-4 by roll call vote. SEN. ELLIOTT, SEN. GEBHARDT, SEN. GILLAN, and SEN. STORY voting no. SEN. BLACK, SEN. ELLINGSON, and SEN. SCHMIDT voting aye by proxy.

EXHIBIT(tas78a20)

Motion/Vote: SEN. TOOLE moved that HB 584 BE AMENDED. Motion carried 6-5 by roll call vote. SEN. BLACK, SEN. ELLIOTT, SEN. GEBHARDT, SEN. GILLAN, and SEN. STORY voting no. SEN. ELLINGSON and SEN. SCHMIDT voting aye by proxy.

EXHIBIT(tas78a21)

Motion/Vote: SEN. TOOLE moved that HB 584 BE CONCURRED IN AS AMENDED. Motion failed 5-6 by roll call vote with SEN. ELLINGSON, SEN. HARRINGTON, SEN. KITZENBERG, SEN. SCHMIDT, and SEN. TOOLE voting aye. SEN. ELLINGSON, and SEN. SCHMIDT voting aye by proxy. SEN. BLACK voting no by proxy.

04:48:42

EXECUTIVE ACTION ON HB 667

Motion: SEN. TOOLE moved that HB 667 BE CONCURRED IN.

Motion/Vote: SEN. TOOLE moved that HB 667 BE AMENDED. Motion carried unanimously by voice vote.

Motion/Vote: SEN. ESSMANN moved that HB 667 BE AMENDED. Motion carried unanimously by voice vote.

EXHIBIT(tas78a22)

04:43:44

Erin McGowan, State Auditors Office

Motion/Vote: SEN. ELLIOTT moved that HB 667 BE CONCURRED IN AS AMENDED. Motion carried 6-2 by voice vote with SEN. ESSMANN and SEN. STORY voting no. SEN. GILLAN will carry the bill.

EXHIBIT(tas78a23)

05:03:25

EXECUTIVE ACTION ON HB 689

Motion: SEN. TOOLE moved that HB 689 BE CONCURRED IN.

Motion/Vote: SEN. STORY moved that HB 689 BE AMENDED. Motion carried unanimously by voice vote.

EXHIBIT(tas78a24)

Motion/Vote: SEN. TOOLE moved that HB 689 BE CONCURRED IN AS AMENDED. Motion carried unanimously by voice vote. SEN. ESSMANN will carry the bill.

05:05:21

EXECUTIVE ACTION ON HB 716

Motion/Vote: SEN. HARRINGTON moved that HB 716 BE TABLED. Motion carried 6-5 by roll call vote with SEN. BLACK, SEN. ESSMANN, SEN. GEBHARDT, SEN. KITZENBERG, and SEN. STORY voting no. SEN. ELLINGSON, and SEN. SCHMIDT voting aye by proxy. SEN. BLACK voting no by proxy.

05:07:01

EXECUTIVE ACTION ON HB 756

Motion/Vote: SEN. TOOLE moved that HB 756 BE CONCURRED IN. Motion carried unanimously by voice vote. SEN. MCGEE will carry the bill.

05:08:11

EXECUTIVE ACTION ON HB 758

Motion/Vote: SEN. TOOLE moved that HB 758 BE CONCURRED IN. Motion carried unanimously by voice vote. SEN. GEBHARDT will carry the bill.

05:09:07

EXECUTIVE ACTION ON HB 776

Motion/Vote: SEN. TOOLE moved that HB 776 BE CONCURRED IN. Motion carried unanimously by voice vote. SEN. MCGEE will carry the bill.

05:09:42

EXECUTIVE ACTION ON HB 802

Motion: SEN. STORY moved that HB 802 BE CONCURRED IN.

05:04:50

Ronda Carpenter-Wiggers, Montana Coin Machine Operators

Motion/Vote: SEN. TOOLE moved that HB 802 BE AMENDED. Motion failed 4-7 by roll call vote with SEN. ELLINGSON, SEN. ESSMANN, SEN. HARRINGTON, and SEN. TOOLE voting aye. SEN. ELLINGSON, and SEN. SCHMIDT voting aye by proxy. SEN. BLACK voting no by proxy.

Motion/Vote: SEN. GEBHARDT moved that HB 802 BE CONCURRED.
Motion passed 6-5 by roll call vote with SEN. ELLINGSON, SEN.
GILLAN, SEN. HARRINGTON, SEN. KITZENBERG, SEN. SCHMIDT, and SEN.
TOOLE voting aye. SEN. BLACK voting aye by proxy. SEN. ELLINGSON
and SEN. SCHMIDT voting no by proxy. SEN. GEBHARDT will carry the
bill.

05:23:21

EXECUTIVE ACTION ON HB 475

Motion/Vote: SEN. GILLAN moved to RECONSIDER ACTION on HB 475.
Motion carried 5-4 by voice vote with SEN. BLACK, SEN. ESSMANN,
SEN. KITZENBERG, and SEN. STORY voting no. SEN. BLACK voting no
by proxy.

SEN. GILLAN withdrew the motion.

ADJOURNMENT

Adjournment: 5:30 P.M.

SEN. JIM ELLIOTT, Chairman

KATHLEEN ELY, Secretary

JE/ke

Additional Exhibits:

EXHIBIT ([tas78aad0.PDF](#))