

MINUTES

**MONTANA SENATE
60th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN JIM ELLIOTT**, on February 22, 2007 at 8:00 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. Christine Kaufmann (D)
Sen. Sam Kitzenberg (D)
Sen. Jim Peterson (R)
Sen. Bob Story Jr. (R)

Members Excused: Sen. Trudi Schmidt (D)

Members Absent: None.

Staff Present: Lee Heiman, Legislative Branch
Lois O'Connor, 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 483, 2/15/2007; SB 525, 2/15/07;
SB 514, 2/15/2007; SB 487, 2/15/07
Executive Action: SB 174, SB 492, SB 525, SB 487, SB
514

00:00:01

HEARING ON SB 483

Opening Statement by Sponsor:

00:03:55 **SEN. JIM ELLIOTT (D), SD 7**, opened the hearing on **SB 483**, Reduce scope of tax increment financing to just urban renewal.

Proponents' Testimony: None.

Opponents' Testimony:

00:09:56 Linda Stoll, Missoula County

EXHIBIT (tas40a01)

EXHIBIT (tas40a02)

00:12:14 Alec Hansen, Montana League of Cities and Towns (MLCT)

00:18:24 Aaron Rudio, D.A. Davidson

00:19:20 Albert Batterman, Fallon County Attorney

Informational Testimony: None.

Questions from Committee Members and Responses:

00:28:04 Sen. Robert Story to Mr. Hansen, MLCT

00:31:39 Sen. Story to Ms. Stahl, Missoula County, rereferred to Mr. Rudio, D.A. Davidson

00:36:26 Sen. Kim Gillan to Mr. Rudio, D.A. Davidson

00:38:19 Sen. Jim Peterson to Mr. Hansen, MLCT

00:41:02 Sen. Story to Mr. Hansen, MLCT

00:42:37 Sen. Story to Mr. Batterman, Fallon County Attorney

00:45:58 Sen. Gillan

Closing by Sponsor:

00:46:26 Sen. Elliott

HEARING ON SB 525

Opening Statement by Sponsor:

00:55:26 **SEN. JIM ELLIOTT (D), SD 7**, opened the hearing on **SB 525**, Clarify duties of state treasurer regarding deposit of tax and fees.

Proponents' Testimony:

00:56:11 Katie Genadek, Office of Budget and Program Planning (OBPP)

00:59:11 Paul Christofferson, Montana Department of Administration (DOA)

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses:

01:00:12 Sen. Story to Ms. Genadek, OBPP

01:01:02 Sen. Gillan to Ms. Genadek, OBPP

01:01:30 Sen. Kelly Gebhardt to Sen. Elliott rereferred to Ms. Genadek, OBPP

01:04:27 Sen. Story to Mr. Christofferson, DOA, rereferred to Ms. Genadek, OBPP

01:05:58 Sen. Story to Mr. Christofferson, DOA

Closing by Sponsor:

01:06:44 Sen. Elliott

HEARING ON SB 514

Opening Statement by Sponsor:

01:07:19 **SEN. JOE BALYEAT (R), SD 34**, opened the hearing on **SB 514**, Revise individual income tax related to interest, penalty, & federal tax refunds.

EXHIBIT (tas40a03)

Proponents' Testimony:

01:14:50 George Olsen, Montana Society of Certified Public
Accounts (MSCPA)

01:20:06 Holly Franz, Montana Society of CPAs

EXHIBIT (tas40a04)

01:20:42 Mary Willinghamill, Montana Taxpayers Association
(MonTax)

Opponents' Testimony: None.

Informational Testimony:

01:21:18 Gene Walborn, Montana Department of Revenue (DOR)

EXHIBIT (tas40a05)

Questions from Committee Members and Responses:

01:28:00 Sen. Gebhardt to Mr. Walborn, DOR

01:31:19 Sen. Story to Mr. Walborn, DOR

Closing by Sponsor:

01:34:27 Sen. Balyeat

HEARING ON SB 487

Opening Statement by Sponsor:

01:39:26 **SEN. BOB STORY (R), SD 30**, opened the hearing on **SB
487**, Require tax information agents report certain real
estate transactions.

Proponents' Testimony:

01:41:15 William Gowen, Helena Abstract and Title Company

01:43:14 Holly Franz, Montana Society of Certified Public
Accountants (MSCPA)

01:43:44 Mary Wittinghill, Montana Taxpayers Association
(MonTax)

01:44:19 Joe Roberts, Montana Association of Realtors

01:44:47 David Hunter, Deputy Director, Montana Department of Revenue (DOR)

Opponents' Testimony: None.

Informational Testimony:

Questions from Committee Members and Responses:

01:55:39 Sen. Essmann to Mr. Hunter, DOR

01:59:07 Sen. Peterson to Mr. Hunter, DOR

02:01:57 Sen. Peterson to Mr. Gowan, Helena Abstract and Title Company

02:02:55 Sen. Elliott to Mr. Gowan, Helena Abstract and Title Company

02:03:33 Sen. Gillan to Mr. Gowan, Helena Abstract and Title Company

02:06:13 Sen. Gillan to Mr. Hunter, DOR, rereferred to Mr. Walborn, DOR

Closing by Sponsor:

02:08:43 Sen. Story

02:12:33 break

02:31:27 Reconvene

EXECUTIVE ACTION ON SB 174

02:34:44 **Motion:** SEN. ELLIOTT moved that SB 174 DO PASS.

Discussion:

02:35:16 Sen. Elliott

02:38:33 **Motion:** SEN. ELLIOTT moved to amend SB 174 with amendment #SB017404.

EXHIBIT (tas40a06)

Discussion:

02:40:53 Lee Heiman, Staff Attorney, Legislative Services
Division (LSD)

02:41:58 Sen. Essmann to Mr. Heiman, LSD

02:45:53 Sen. Peterson to Mr. Heiman, LSD

02:43:16 Sen. Elliott

02:44:14 Sen. Essmann to Sen. Elliott

02:44:44 Sen. Story

02:45:21 Sen. Story to Mr. Walborn, DOR

02:45:42 Sen. Elliott

02:42:59 Sen. Story to Mr. Walborn, DOR

02:47:35 Sen. Essmann

02:48:03 Mr. Heiman, LSD, to Mr. Walborn, DOR

02:50:31 Sen. Elliott to Dan Bucks, Director, Montana Department
of Revenue (DOR)

02:52:21 Sen. Gillan to Director Bucks, DOR

02:53:33 Sen. Elliott to Director Bucks, DOR

02:54:36 Sen. Gillan

02:54:52 Sen. Elliott

02:55:14 Sen. Gillan to Sen. Elliott

02:55:31 **SEN. ELLIOTT withdrew the motion on #SB017404.ALH.**

Discussion:

02:57:06 Mr. Heiman, LSD, to Sen. Elliott

02:57:54 **Motion: SEN. ELLIOTT moved to amend SB 174 with
amendment #SB017405.ALH.**

EXHIBIT (tas40a07)

Discussion:

02:58:21 Sen. Gillan to Ms. Franz, MSCPA
02:58:38 Sen. Story
02:59:12 Sen. Story to Mr. Heiman, LSD
03:00:13 Sen. Peterson to Sen. Story
03:01:52 **Vote: Motion that #SB017405.ALH be approved carried unanimously by voice vote. SEN. SCHMIDT was excused.**
03:02:20 **Motion: SEN. ELLIOTT moved to further amend SB 174 with amendment #SB017406.ALH.**

EXHIBIT (tas40a08)

Discussion:

03:03:11 Mr. Walborn, DOR
03:04:44 Sen. Gillan to Mr. Walborn, DOR
03:05:04 Sen. Christine Kaufmann
03:05:49 Sen. Story to Mr. Walborn, DOR
03:06:54 **Vote: Motion that #SB017406 be approved carried unanimously by voice vote. SEN. SCHMIDT was excused.**
03:08:37 **Motion: SEN. ELLIOTT moved to further amend SB 174 with amendment #SB017403.ALH.**

EXHIBIT (tas40a09)

Discussion:

03:09:06 Director Bucks, DOR
03:10:18 Sen. Story to Mr. Heiman, LSD
03:10:54 **Vote: Motion that #SB017403.ALH be approved carried unanimously by voice vote. SEN. SCHMIDT was excused.**
03:11:49 **Motion: SEN. ELLIOTT moved to amend amendment #SB017404.ALH.**

Discussion:

03:11:57 Mr. Walborn, DOR

03:13:14 Sen. Gillan to Mr. Walborn, DOR, rereferred to Mr. Heiman, LSD

03:14:02 Sen. Story

03:14:47 Sen. Story to Mr. Walborn, DOR

03:15:25 **Vote: Motion to amend amendment #SB017404.ALH carried unanimously by voice vote. SEN. SCHMIDT was excused.**

03:15:00 **Motion: SEN. ELLIOTT moved that #SB017404.ALH be approved as amended.**

Discussion:

03:16:01 Sen. Story to Sen. Elliott

03:17:22 Sen. Story to Sen. Elliott rereferred to Mr. Walborn, DOR

03:20:00 Sen. Story to Mr. Walborn, DOR

03:21:22 Sen. Peterson to Mr. Walborn, DOR

03:22:07 Sen. Essmann to Mr. Walborn, DOR

03:22:52 Sen. Gebhardt to Mr. Walborn, DOR

03:26:19 Sen. Story to Mr. Walborn, DOR

03:27:42 Sen. Gebhardt to Mr. Walborn, DOR

03:27:54 Sen. Essmann to Mr. Walborn, DOR

03:28:31 **Vote: Motion that #SB017404.ALH be approved as amended carried unanimously by voice vote. SEN. SCHMIDT was excused.**

03:28:47 **Motion/Vote: SEN. ESSMANN moved to further amend SB 174 with a CONCEPTUAL AMENDMENT DO PASS. Motion carried unanimously by voice vote.**

03:29:44 **Motion:** SEN. ELLIOTT moved to further amend SB 174 with amendment #SB017401.ALH.

EXHIBIT (tas40a10)

Discussion:

03:32:23 Mr. Walborn, DOR

03:32:59 Sen. Kaufmann

03:33:42 Sen. Story

03:34:24 Sen. Walborn, DOR to Mr. Heiman, LSD

03:35:28 **Substitute Motion/Vote:** SEN. ESSMANN made a substitute motion that amendments #3 and #6 of #SB017401.ALH be approved. Substitute motion carried unanimously by voice vote. SEN. SCHMIDT was excused.

03:35:58 **Motion:** SEN. ELLIOTT moved that SB 174 DO PASS AS AMENDED.

Discussion:

03:36:13 Sen. Story to Mr. Walborn, DOR

03:39:43 Sen. Essmann

03:40:12 Sen. Gillan

03:40:50 Sen. Essmann

03:41:06 SEN. ELLIOTT requested a gray bill on SB 174

03:41:42 SEN. ELLIOTT withdrew the DO PASS AS AMENDED motion on SB 174. No further action was taken.

EXECUTIVE ACTION ON SB 492

03:42:54 **Motion:** SEN. GEBHARDT moved that SB 492 DO PASS.

03:43:59 **Motion:** SEN. GEBHARDT moved to amend SB 492 with amendment #SB049201.ALH.

EXHIBIT (tas40a11)

Discussion:

03:44:57 Mr. Heiman, LSD

03:46:02 Sen. Story

03:46:54 Sen. Gebhardt to Sen. Story

03:48:01 **Vote:** Motion that #SB049201.ALH be approved carried unanimously by voice vote. SEN. SCHMIDT was excused.

03:48:14 **Motion/Vote:** SEN. GEBHARDT moved that SB 492 DO PASS AS AMENDED. Motion carried unanimously by voice vote. SEN. SCHMIDT was excused.

EXECUTIVE ACTION ON SB 525

03:49:13 **Motion:** SEN. ELLIOTT moved that SB 525 DO PASS.

03:49:38 **Motion/Vote:** SEN. ELLIOTT moved to amend SB 525 with a CONCEPTUAL AMENDMENT. Motion carried unanimously by voice vote. SEN. SCHMIDT was excused.

03:49:58 **Motion/Vote:** SEN. ELLIOTT moved that SB 525 DO PASS AS AMENDED. Motion carried unanimously by voice vote. SEN. SCHMIDT was excused.

EXECUTIVE ACTION ON SB 487

03:50:45 **Motion/Vote:** SEN. STORY moved that SB 487 DO PASS. Motion carried unanimously by voice vote. SEN. SCHMIDT was excused.

EXECUTIVE ACTION ON SB 514

03:52:28 **Motion:** SEN. GEBHARDT moved that SB 514 DO PASS.

03:53:44 **Motion:** SEN. GEBHARDT moved to amend SB 514 with amendment #SB051401.AKJ.

EXHIBIT (tas40a12)

Discussion:

03:53:50 Sen. Story

03:54:31 **SEN. GEBHARDT** withdrew the **DO PASS** motion on **SB 514**. No further action was taken.

Discussion:

03:55:28 Sen. Story

03:56:49 Sen. Elliott

03:57:55 Sen. Story

03:58:06 Sen. Peterson

03:58:16 Sen. Elliott

04:00:04 Sen. Elliott to Sen. Story

04:00:26 Sen. Elliott

ADJOURNMENT

Adjournment: 12:05 A.M.

SEN. JIM ELLIOTT, Chairman

LOIS O'CONNOR, Secretary

JE/lo

Additional Exhibits:

EXHIBIT ([tas40aad.pdf](#))