

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
61st LEGISLATURE - REGULAR SESSION**

COMMITTEE ON TAXATION

Call to Order: Chairman Bob Lake, on April 6, 2009 at 9:00 A.M.,
in Room 152 Capitol

ROLL CALL

Members Present:

Rep. Bob Lake, Chairman (R)
Rep. Jill Cohenour, Vice Chairman (D)
Rep. Janna Taylor, Vice Chairman (R)
Rep. Dick Barrett (D)
Rep. Mark Blasdel (R)
Rep. Edward B. Butcher (R)
Rep. Wanda Grinde (D)
Rep. Robin Hamilton (D)
Rep. Brian Hoven (R)
Rep. Mike Jopek (D)
Rep. Dave McAlpin (D)
Rep. Mike Miller (R)
Rep. Art Noonan (D)
Rep. JP Pomnichowski (D)
Rep. Lee Randall (R)
Rep. J. David Roundstone (D)
Rep. Wayne Stahl (R)
Rep. Chas Vincent (R)
Rep. Brady Wiseman (D)

Members Excused: Rep. Jon Sonju (R)

Members Absent: None

Staff Present: Jeff Martin, Legislative Branch
Jennifer O'Loughlin, 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 260, 3/26/2009; SB 489,
3/26/2009; SB 499, 3/26/2009;
SB 503, 3/26/2009; SB 509,
3/26/2009

Executive Action: None

HEARING ON SB 509**Opening Statement by Sponsor:**

00:02:33 Sen. Kelly Gebhardt (R), SD 23, opened the hearing on SB 509, Revise contract sales price of underground mined coal.

Proponents' Testimony:

00:03:52 Jon Demichiei, CEO, Signal Peak Energy
00:04:50 Evan Barrett, Chief Development Officer, Governor's Office

EXHIBIT (tah75a01)

00:07:22 Bob Gilbert, Musselshell County, City of Roundup
00:09:56 Bud Clinch, Montana Coal Council
00:10:36 Don Allen, Western Environmental Trade Association

Opponents' Testimony: None

Informational Testimony:

00:11:26 Lee Baerlocher, Bureau Chief, Business Tax, Department of Revenue (DOR)

Questions from Committee Members and Responses:

00:11:47 Rep. Pomnichowski
00:12:16 Mr. Baerlocher
00:12:55 Rep. Pomnichowski
00:13:25 Mr. Baerlocher
00:13:40 Chairman Lake
00:14:04 Mr. Baerlocher
00:14:13 Sen. Gebhardt
00:15:39 Rep. Pomnichowski
00:16:02 Sen. Gebhardt
00:16:11 Rep. Cohenour
00:16:32 Sen. Gebhardt
00:17:53 Rep. Barrett

00:18:40 Sen. Gebhardt
00:19:24 Rep. Barrett
00:19:34 Sen. Gebhardt
00:19:51 Rep. Wiseman
00:20:29 Mr. Barrett
00:22:05 Rep. Wiseman
00:22:25 Mr. Barrett

Closing by Sponsor:

00:23:43 Sen. Gebhardt
00:24:37 Chairman Lake closed the hearing.

HEARING ON SB 260

Opening Statement by Sponsor:

00:24:59 Sen. Kim Gillan (D), SD 24, opened the hearing on SB 260, Revise tax on publicly traded partnerships.

Proponents' Testimony:

00:29:00 Lindsey Sanders, Association of Publicly Traded Partnerships
00:33:34 Dave Galt, Montana Petroleum Association
00:33:57 Mary Whittinghill, Montana Taxpayers Association

Opponents' Testimony:

00:34:57 David Ewer, Budget Director, Office of Budget and Program Planning

Informational Testimony:

00:36:40 Gene Walborn, Bureau Chief, Business and Income Taxes Division, DOR

Questions from Committee Members and Responses:

00:37:13 Rep. Cohenour
00:37:52 Mr. Walborn
00:39:18 Rep. Cohenour
00:39:34 Mr. Walborn
00:40:04 Rep. Cohenour
00:40:20 Mr. Walborn
00:41:29 Rep. Cohenour
00:41:37 Mr. Walborn

00:42:16 Rep. Wiseman
00:42:51 Mr. Walborn
00:44:30 Rep. Stahl
00:44:39 Ms. Sanders
00:47:44 Rep. Hoven
00:48:12 Mr. Walborn
00:51:36 Rep. Wiseman
00:52:11 Mr. Walborn
00:52:27 Rep. Wiseman
00:52:32 Mr. Walborn
00:53:11 Ms. Sanders
00:56:23 Rep. McAlpin
00:56:41 Ms. Sanders
00:56:56 Tim Blake, Association of Publicly Traded Partnerships
00:57:54 Rep. McAlpin
00:58:04 Mr. Blake
00:58:25 Rep. Butcher
00:59:05 Mr. Blake

Closing by Sponsor:

00:59:30 Sen. Gillan
[EXHIBIT \(tah75a02\)](#)

01:02:40 Chairman Lake closed the hearing.

HEARING ON SB 503

Opening Statement by Sponsor:

01:03:06 Sen. Jeff Essmann (R), SD 28, opened the hearing on
SB 503, Montana Economic Stimulus Act.
[EXHIBIT \(tah75a03\)](#)

Proponents' Testimony:

01:16:06 Jon Bennion, Montana Chamber of Commerce
01:18:12 Mary Whittinghill, Montana Taxpayers Association
01:20:26 Nancy Schlepp, Montana Farm Bureau
01:21:00 Ronda Wiggers, Great Falls and Helena Chambers of
Commerce, Montana Coin Machine Operators
01:23:05 Aimee Grmoljez, Montana Innkeepers Association
01:24:21 Jesse Luther, Montana Contractors Association

Opponents' Testimony:

01:25:02 Bob Decker, The Policy Institute

01:29:38 Erik Burke, MEA-MFT

Informational Testimony: None

Questions from Committee Members and Responses:

01:30:48 Rep. Cohenour
01:31:33 Sen. Essmann
01:33:42 Rep. Cohenour
01:34:31 Sen. Essmann
01:35:57 Rep. Cohenour
01:36:21 Sen. Essmann
01:38:06 Rep. Barrett
01:39:51 Sen. Essmann
01:40:59 Rep. Barrett
01:41:27 Sen. Essmann
01:41:43 Rep. Barrett
01:42:19 Sen. Essmann
01:42:45 Rep. Hoven
01:43:06 Sen. Essmann
01:43:38 Rep. Hoven
01:44:00 Sen. Essmann
01:44:31 Rep. Wiseman
01:45:17 Sen. Essmann
01:45:43 Rep. Wiseman
01:46:06 Sen. Essmann
01:46:47 Rep. Wiseman
01:47:22 Sen. Essmann
01:47:28 Rep. Wiseman
01:48:38 Sen. Essmann
01:49:08 Rep. Wiseman
01:49:30 Sen. Essmann
01:49:38 Rep. Wiseman
01:50:29 Sen. Essmann
01:50:52 Rep. Wiseman
01:51:02 Sen. Essmann
01:52:26 Rep. Wiseman

Closing by Sponsor:

01:52:37 Sen. Essmann

01:53:49 Chairman Lake closed the hearing.

HEARING ON SB 499**Opening Statement by Sponsor:**

01:54:13 Sen. Jeff Essmann (R), SD 28, opened the hearing on SB 499, Reduce coal severance tax rates for new production for green facilities.

EXHIBIT (tah75a04)

Proponents' Testimony:

02:00:56 Leo Berry, Great Northern Properties, Great Northern Property Development
02:04:20 Bud Clinch, Montana Coal Council
02:06:46 Todd O'Hare, Rio Tinto Coal Energy
02:10:26 Willy Duffield, Montana Association of Oil, Gas, and Coal Producing Counties
02:12:06 Don Allen, Western Environmental Trade Association

Opponents' Testimony:

02:13:28 Werner Bertelson, Montanans for the Coal Trust
02:19:20 Ray Peck, Montana Association of Churches, Montanans for the Coal Trust
02:26:23 Archie Numm, Self
02:27:39 Evan Barrett, Chief Development Officer, Governor's Office

EXHIBIT (tah75a05)

02:34:36 Anne Hedges, Montana Environmental Information Center
02:35:54 Bob Decker, The Policy Institute

Informational Testimony:

02:40:06 Lee Baerlocher, DOR

Questions from Committee Members and Responses:

02:40:20 Rep. Barrett
02:40:35 Sen. Essmann
02:41:10 Rep. Barrett
02:41:42 Sen. Essmann
02:41:58 Rep. Barrett
02:42:06 Sen. Essmann
02:42:21 Rep. Barrett
02:43:01 Sen. Essmann
02:43:41 Rep. Barrett
02:43:51 Sen. Essmann
02:44:09 Rep. Vincent
02:44:54 Mr. O'Hare

02:45:24 Rep. Vincent
02:45:36 Mr. O'Hare
02:46:27 Rep. Cohenour
02:47:04 Sen. Essmann
02:47:22 Rep. Cohenour
02:47:51 Mr. Baerlocher
02:48:36 Rep. Cohenour

Closing by Sponsor:

02:48:53 Sen. Essmann

02:52:59 Chairman Lake closed the hearing.

HEARING ON SB 489

Opening Statement by Sponsor:

02:54:05 Sen. Jeff Essmann (R), SD 28, opened the hearing on SB 489, Revise taxation laws related to pipelines.

Proponents' Testimony:

03:02:30 Dave Galt, Montana Petroleum Association
03:04:24 Bruce Williams, MDU Resources Corporation (Fidelity Exploration, Bitter Creek Pipeline, and Williston Basin Pipeline Company)
03:09:44 Tom Ebzery, Devon Energy

EXHIBIT (tah75a06)

03:14:33 Dan Birmingham, Omnimex
03:18:31 Richard Dunbar, Phillips County Commissioner; President, Oil, Gas and Coal Counties
03:21:25 Eric Burke, MEA-MFT
03:21:51 Mary Whittinghill, Montana Taxpayers Association
03:22:40 Cory Swanson, Encore
03:22:58 Willy Duffield, Oil, Gas and Coal Producing Counties

Opponents' Testimony:

03:23:54 Bob Vogel, Montana School Boards Association
03:26:04 Dave Puyear, Montana Rural Education Association
03:28:19 Rep. Wayne Stahl, HD 35

Informational Testimony:

03:34:02 C.A. Daw, Chief Legal Counsel, Department of Revenue

Questions from Committee Members and Responses:

03:34:22 Rep. Cohenour

03:34:42 Mr. Daw

Closing by Sponsor:

03:36:18 Sen. Essmann

03:38:18 Chairman Lake closed the hearing.

ADJOURNMENT

03:38:48 Adjournment: 12:35 P.M.

Jennifer O'Loughlin, Secretary

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Additional Documents:

EXHIBIT ([tah75aad.pdf](#))