

MINUTES

**MONTANA SENATE
61st LEGISLATURE - REGULAR SESSION**

COMMITTEE ON TAXATION

Call to Order: Chairman Jeff Essmann, on March 11, 2009 at
8:00 A.M., in Room 405 Capitol

ROLL CALL

Members Present:

Sen. Jeff Essmann, Chairman (R)
Sen. Taylor Brown, Vice Chairman (R)
Sen. Gary Branae (D)
Sen. Ron Erickson (D)
Sen. Kelly Gebhardt (R)
Sen. Bradley Hamlett (D)
Sen. Christine Kaufmann (D)
Sen. Bruce Tutvedt (R)

Members Excused: Sen. Jerry W. Black (R)
Sen. Kim Gillan (D)
Sen. Bob Story Jr. (R)

Members Absent: None

Staff Present: Lee Heiman, 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 489, 2/18/2009; SB 465,
2/17/2009; SB 501, 2/25/2009

Executive Action: SB 244 ~ DO PASS AS AMENDED
SB 264 ~ DO PASS AS AMENDED

Committee Business:

00:00:36 Chairman Essmann

EXECUTIVE ACTION ON SB 244

00:01:41 Lee Heiman, Legislative Services Division (LSD)
EXHIBIT (tas54a01)

00:02:27 **Motion:** Sen. Tutvedt moved that **SB 244 DO PASS.**

00:02:38 **Motion/Vote:** Sen. Tutvedt moved that **SB 244 BE AMENDED.** (See Exhibit 1) Motion carried by voice vote of those present and voting.

00:03:43 **Motion/Vote:** Sen. Tutvedt moved that **SB 244 DO PASS AS AMENDED.** Motion carried 10-1 by voice vote with Sen. Erickson voting no and Sens. Story, Gillan and Black voting by proxy.

00:05:10 Sen. Gillan and Sen. Black arrive at meeting

EXECUTIVE ACTION ON SB 264

00:05:17 **Motion:** Sen. Gebhardt moved that **SB 264 DO PASS.**

00:05:45 **Motion:** Sen. Gebhardt moved that **SB 264 BE AMENDED.**
EXHIBIT (tas54a02)

Discussion:

00:05:48 Lee Heiman, LSD

00:06:27 **Vote:** Motion carried unanimously by voice vote of those present and voting.

00:07:00 **Motion/Vote:** Sen. Gebhardt moved that **SB 264 DO PASS AS AMENDED.** Motion carried unanimously by voice vote with Sen. Story voting by proxy.

HEARING ON SB 465**Opening Statement by Sponsor:**

00:08:05 Sen. Bradley Hamlett (D), SD 10, opened the hearing on SB 465, Clarify ownership of streambeds concerning property taxation.

Proponents' Testimony:

00:20:17 Krista Lee Evans, representing Association of Gallatin
Agricultural Irrigators (AGAI) and also Senior
Water Rights Coalition

EXHIBIT (tas54a03)

EXHIBIT (tas54a04)

00:27:40 John Youngberg, representing Montana Farm Bureau
Federation (MFBF)

00:32:22 Mike Murphy, representing Montana Water Resources
Association (MWRA)

00:33:39 Dan Freeman, Broken O Ranch, Augusta

00:36:53 Jay Bodner, representing Montana Stockgrowers
Association

00:38:40 Jeff Tiberi, Executive Director, Montana Association of
Conservation Districts

Opponents' Testimony: None

Informational Testimony:

00:39:28 Dr. Chuck Willey, Law School Professor, University of
Montana (UofM)

EXHIBIT (tas54a05)

EXHIBIT (tas54a06)

00:48:18 Randy Wilke, Department of Revenue (DOR)

EXHIBIT (tas54a07)

EXHIBIT (tas54a08)

EXHIBIT (tas54a09)

00:55:57 Tom Schultz, Administrator, Trust Land Management
Division, Department of Natural Resources and
Conservation (DNRC)

01:03:25 C. A. Daw, Chief Legal Counsel, DOR

01:05:51 Dr. Chuck Willey, UofM

Questions from Committee Members and Responses:

01:06:22 Sen. Tutvedt

01:07:09 Randy Wilke, DOR

01:08:00 Sen. Story

01:09:03 Randy Wilke

01:12:39 Sen. Erickson

01:13:37 Sen. Hamlett (Sponsor)

01:14:04 Sen. Erickson

01:14:22 Krista Lee Evans, AGAI

01:15:35 Sen. Story

01:16:42 Tom Schultz, DNRC

01:17:05 Monte Mason, Minerals Management Bureau Chief, DNRC

01:18:48 Sen. Story

Questions from Committee Members and Responses: (Con't)

01:19:12 Monte Mason, DNRC
01:19:37 Sen. Kaufmann
01:20:38 Tom Schultz
01:21:54 Sen. Kaufmann
01:22:21 Sen. Hamlett
01:22:33 Gregory J. Petesch, Code Commissioner, Legislative
Services Division, LSD
01:23:26 Sen. Brown
01:24:11 John Youngberg, MFBF
01:27:34 Sen. Brown
01:27:46 Dan Freeman, Augusta
01:29:04 Sen. Story
01:29:33 Tom Schultz
01:36:18 Sen. Story
01:36:53 Dr. Chuck Willey, UofM
01:39:49 Sen. Tutvedt
01:40:23 Dr. Chuck Willey
01:43:53 Sen. Brown
01:44:38 Tom Schultz
01:48:24 Sen. Story
01:48:54 C. A. Daw, DOR
01:55:49 Chairman Essmann
01:56:06 C. A. Daw
01:58:29 Chairman Essmann
01:58:45 C. A. Daw
02:00:32 Sen. Gebhardt
02:00:58 Tom Schultz

Closing by Sponsor:

02:03:54 Sen. Hamlett

02:09:15 Break

02:15:49 Reconvene ~ Vice Chairman Taylor Brown, as
Chairman.

HEARING ON SB 489**Opening Statement by Sponsor:**

02:16:01 Sen. Jeff Essmann (R), SD 28, opened the hearing on
SB 489, Revise taxation laws related to pipelines.

EXHIBIT (tas54a10)

Proponents' Testimony:

02:29:55 John Alke, Attorney, Helena, representing Williston Basin Interstate Pipeline Company and Fidelity Exploration & Production Company and Bitter Creek

EXHIBIT (tas54a11)

02:41:25 Don Hoffman, representing Montana Taxpayers Association
02:42:49 Dave Galt, Executive Director, Montana Petroleum Association (MPA)
02:44:26 Dan Bermingham, representing Omimex Canada, Ltd.
02:50:01 Patrick Montalban, representing North Montana Oil and Gas Companies
02:55:07 Kevin Treadway, Executive Vice President, Encore Acquisition
02:56:36 Cole Chandler, NFR Energy, LLC
02:58:07 Tom Ebzery, representing Devon Energy Production Co., LP
03:00:06 Bruce Williams, representing Fidelity Exploration & Production Company

Opponents' Testimony:

03:01:39 Gene Walborn, Department of Revenue (DOR)

EXHIBIT (tas54a12)

03:13:06 Richard Dunbar, Commissioner, Phillips County

EXHIBIT (tas54a13)

03:21:21 Don Rieger, Fallon County Commissioner
03:23:14 Darin Cummings, Superintendent, Whitewater School District
03:24:07 Tom Bilodeau, Research Director, MEA/MFT
03:27:04 Dave Puyear, Montana Rural Schools Association (MRA)
03:29:51 Russ Tempel, Liberty County Commissioner
03:31:12 William Duffield, Executive Director, Montana Association of Oil, Gas & Coal Counties, Inc. (MAOGC)

Informational Testimony:

03:34:08 Mike Pichette, representing NorthWestern Energy

Questions from Committee Members and Responses:

03:34:51 Sen. Tutvedt
03:35:23 William Duffield, MAOGC
03:36:35 Sen. Erickson
03:37:46 Sen. Essmann (Sponsor)
03:38:26 Sen. Gillan
03:38:47 Tom Bilodeau, MEA/MFT

Closing by Sponsor:

03:40:15 Sen. Essmann

HEARING ON SB 501**Opening Statement by Sponsor:**

03:46:24 Sen. Christine Kaufmann (D), SD 41, opened the hearing on SB 501, State tax on servings of alcohol for local scholarships and prevention.

EXHIBIT (tas54a14)

Proponents' Testimony:

03:51:41 Dan Haffey, Addictions Counselor
03:53:47 Former State Senator Dan Harrington
03:55:45 Jim Kilmer, concerned citizen, Butte-Silver Bow police officer
03:58:12 Markus Proxell, Senior, Anaconda High School

EXHIBIT (tas54a15)

04:00:54 Austin Ouellette, student
04:03:25 Frank Rozan, concerned citizen, Butte Silver Bow
04:04:54 Cody York, Anaconda High School
04:07:04 Brittney Zeier, Senior, Anaconda High School
04:09:18 Nathan Coley, student
04:09:29 Kris Minard
04:09:36 Raymond Hetherigham
04:09:42 Gina Evans, Butte

Opponents' Testimony:

04:10:03 Mona Jamison, representing WINE Institute
04:12:49 Chris Gallus, representing Montana Tavern Association
04:15:04 Neil Peterson, representing Gaming Industry Association of Montana

EXHIBIT (tas54a16)

04:17:48 Brad Griffin, representing Montana Restaurant Association (MRA)
04:19:26 Kriti Blazer, representing Montana Beer & Wine Distributors
04:20:41 Aimee Grmoljez, representing Anheuser-Busch, Inc.

EXHIBIT (tas54a17)

EXHIBIT (tas54a18)

EXHIBIT (tas54a19)

04:22:31 Ronda Wiggers, representing Montana Coin Machine Operators Association
04:24:30 Tony Herbert, Montana Brewers Association

Informational Testimony: None

Questions from Committee Members and Responses:

04:25:18 Sen. Erickson
04:25:31 Brad Griffin, MRA
04:28:00 Sen. Gillan
04:28:50 Austin Ouellette, student
04:30:16 Sen. Gebhardt
04:30:56 Sen. Kaufmann

Closing by Sponsor:

04:32:08 Sen. Kaufmann

ADJOURNMENT

Adjournment: 12:45 P.M.

Debra Polhemus, Secretary

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Additional Documents:

EXHIBIT ([tas54aad.pdf](#))