

## MINUTES

### MONTANA SENATE 62nd LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON TAXATION

**Call to Order:** Chair Bruce Tutvedt, on February 10, 2011 at 8:00 AM, in Room 405 Capitol

#### ROLL CALL

**Members Present:**

Sen. Bruce Tutvedt, Chair (R)  
Sen. Bob Lake, Vice Chair (R)  
Sen. Ron Arthun (R)  
Sen. Gary Branae (D)  
Sen. Ron Erickson (D)  
Sen. Kim Gillan (D)  
Sen. Christine Kaufmann (D)  
Sen. Art Wittich (R)

**Members Excused:**

Sen. Jim Peterson (R)  
Sen. Kendall Van Dyk (D)  
Sen. Chas Vincent (R)  
Sen. Jeff Essmann (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: HB 132, 2/3/2011; SB 273, 2/5/2011; SB 274, 2/5/2011

Executive Action: HB 21 ~ Do Concur  
SB 110 ~ Do Pass As Amended

**HEARING ON HB 132****Opening Statement by Sponsor:**

00:00:38 Rep. Brian Hoven (R), HD 24, opened the hearing on HB 132, Improve, clarify, and make property tax administration more effective.

**Proponents' Testimony:**

00:02:49 Alan Peura, Deputy Director, Department of Revenue, (DOR)

**Opponents' Testimony:**

00:12:20 Ronda Wiggers, representing Montana County Treasurers' Association (MCTA) also testifying for Paulette, Lewis & Clark County

00:14:49 Fred Johnson, rancher, Shepherd

[EXHIBIT\(tas33a01\)](#)

[EXHIBIT\(tas33a02\)](#)

00:21:37 Vera-Beth Johnson, Shepherd

[EXHIBIT\(tas33a03\)](#)

00:31:00 Chairman Tutvedt

00:31:19 Vera-Beth Johnson

[EXHIBIT\(tas33a04\)](#)

[EXHIBIT\(tas33a05\)](#)

00:35:42 Ellen Pfister, Rancher, Yellowstone County

[EXHIBIT\(tas33a06\)](#)

00:39:14 Hank Cantrell, Rancher, Yellowstone County

[EXHIBIT\(tas33a07\)](#)

00:43:39 Nicole Rolf, representing Montana Farm Bureau Federation (MFBF)

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

00:45:32 Sen. Erickson

00:46:11 Alan Peura, DOR

00:49:41 Sen. Erickson

00:49:54 Alan Peura

00:50:07 Dallas Reese, DOR, without objection from the committee

00:51:05 Sen. Erickson

00:51:22 Dallas Reese

00:52:19 Sen. Arthun

00:53:02 Dallas Reese

00:54:41 Sen. Arthun

00:55:05 Rep. Hoven

00:55:22 Sen. Wittich

00:56:39 Nancy Schlepp, Montana Taxpayers Association (MTA), without objection from the committee

00:57:27 Sen. Wittich

00:58:19 Alan Peura

00:58:36 Dallas Reese  
00:59:49 Sen. Wittich  
01:00:01 Dallas Reese  
01:01:55 Sen. Wittich  
01:02:42 Alan Peura  
01:04:13 Sen. Kaufmann  
01:04:33 Dallas Reese  
01:04:52 Sen. Kaufmann  
01:05:06 Nicole Rolf, MFBF  
01:06:57 Sen. Lake  
01:07:12 Sen. Gillan  
01:08:21 Dallas Reese  
01:09:25 Sen. Gillan  
01:10:09 Dallas Reese  
01:11:33 Sen. Lake  
01:11:51 Ronda Wiggers, MCTA  
01:12:32 Sen. Lake  
01:12:54 Sen. Gillan  
01:13:13 Vera-Beth Johnson  
01:16:32 Sen. Erickson  
01:17:50 Alan Peura  
01:20:00 Chairman Tutvedt  
01:20:37 Dallas Reese  
01:24:35 Chairman Tutvedt  
01:25:27 Dallas Reese  
01:29:24 Sen. Kaufmann  
01:30:00 Alan Peura  
01:32:45 Chairman Tutvedt  
01:33:14 Alan Peura  
01:34:01 Chairman Tutvedt

**Closing by Sponsor:**

01:34:26 Rep. Hoven  
01:37:29 Chairman Tutvedt

**HEARING ON SB 273**

**Opening Statement by Sponsor:**

01:42:23 Sen. Carol Williams (D), SD 46, opened the hearing on SB 273, Extend statute of limitations for corporate tax assessments and refunds.

**Proponents' Testimony:**

01:45:48 Dan Bucks, Director, Department of Revenue (DOR)  
01:58:41 Sarah Wilhelm, Montana Budget and Policy Center  
01:59:16 Olivia Riutta, Outreach Director, Montana Women Vote  
02:00:32 Kim Abbott, Human Rights Network  
02:01:13 Diane Fladmo, MEA/MFT

**Opponents' Testimony:**

02:01:54 Holly Franz, representing Montana Society of CPAs  
02:07:36 Nancy Schlepp, representing Montana Taxpayers Association (MTA)  
[EXHIBIT\(tas33a08\)](#)  
[EXHIBIT\(tas33a09\)](#)  
02:09:29 Jon Bennion, representing Montana Chamber of Commerce  
02:11:15 Aimee Grmoljez, representing Montana State and Federally Chartered Banks

**Informational Testimony:**

02:11:56 Brian Staley, Corporate Tax Unit Manager, DOR

**Questions from Committee Members and Responses:**

02:12:15 Sen. Branae  
02:12:48 Dan Bucks, DOR  
02:14:38 Sen. Wittich  
02:14:58 Dan Bucks  
02:16:01 Sen. Wittich  
02:16:23 Holly Franz  
02:16:59 Sen. Wittich  
02:17:21 Sen. Erickson  
02:18:20 Dan Bucks  
02:18:40 Sen. Erickson  
02:19:10 Chairman Tutvedt  
02:19:42 Dan Bucks  
[EXHIBIT\(tas33a10\)](#)  
02:23:34 Chairman Tutvedt  
02:24:04 Dan Bucks  
02:25:51 Chairman Tutvedt  
02:25:58 Nancy Schlepp

**Closing by Sponsor:**

02:26:17 Sen. Williams

**HEARING ON SB 274**

02:29:08 Chairman Tutvedt announced that due a late arriving fiscal note, the hearing for SB 274 would be moved to Wednesday, February 16, 2011. He invited testimony from those in attendance who would not be able to make the new hearing date. Nobody elected to provide testimony at this time.

**Committee Business:**

02:29:55 Sen. Erickson  
[EXHIBIT\(tas33a11\)](#)  
02:30:04 Recess

- 02:36:52 Senator Van Dyk arrived at meeting
- 02:37:13 Reconvene ~ Senators Essmann, Peterson, Vincent and Wittich absent

**EXECUTIVE ACTION ON HB 21**

- 02:38:47 **Motion/Vote:** Sen. Erickson moved that **HB 21 BE CONCURRED IN**. Motion carried 8-0 by voice vote of those present and voting. Sen. Erickson will carry HB 21.

**EXECUTIVE ACTION ON HB 111**

**Discussion:**

- 02:39:49 Terry Johnson, Legislative Fiscal Division (LFD)
- 02:41:05 Sen. Gillan
- 02:41:58 **Motion:** Sen. Arthun moved that **HB 111 BE TABLED**. Voice vote was uncertain, and Chairman Tutvedt asked for a roll call vote.

**Discussion:**

- 02:42:33 Sen. Lake
- 02:42:43 Terry Johnson, LFD
- 02:43:41 Sen. Lake
- 02:43:50 Sen. Arthun **WITHDREW MOTION TO TABLE HB 111**.
- 02:44:04 Chairman Tutvedt
- 02:44:42 Sen. Gillan

**EXECUTIVE ACTION ON SB 110**

- 02:45:35 **Motion:** Sen. Lake moved that **SB 110 DO PASS AS AMENDED**. (Amendment placed on SB 110 at February 1, 2011 meeting)
- 02:47:02 **Substitute Motion/Vote:** Sen. Erickson made a substitute motion that **SB 110 BE TABLED**. Substitute Motion failed 5-7 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting aye. Sen. Essmann, Sen. Peterson, Sen. Vincent and Sen. Wittich voted by proxy.

**Discussion:**

- 02:48:17 Chairman Tutvedt
- 02:48:24 Sen. Gillan
- 02:49:09 Chairman Tutvedt
- 02:49:49 Sen. Gillan
- 02:49:59 Chelsea Eklund, DOR
- 02:50:18 Chairman Tutvedt

02:50:26 Sen. Lake  
02:51:10 Chairman Tutvedt  
02:51:18 Sen. Lake  
02:52:00 Sen. Gillan  
02:53:08 Sen. Van Dyk  
02:53:44 Sen. Kaufmann

02:54:27 **Vote:** Motion carried 7-5 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting no. Sen. Essmann, Sen. Peterson, Sen. Vincent and Sen. Wittich voted by proxy.

#### **EXECUTIVE ACTION ON SB 199**

02:55:29 Sen. Erickson  
02:55:36 Sen. Arthun  
02:56:18 Chairman Tutvedt

#### **EXECUTIVE ACTION ON SB 219**

02:56:52 Sen. Branae  
02:57:28 Chairman Tutvedt  
02:58:07 Ronda Wiggers, County Treasurers  
02:58:25 Chairman Tutvedt  
02:58:36 Ronda Wiggers  
02:58:47 Chairman Tutvedt  
02:58:56 Ronda Wiggers  
02:59:43 Chairman Tutvedt  
02:59:58 Sen. Lake  
03:00:46 Chairman Tutvedt

#### **EXECUTIVE ACTION ON SB 261**

03:01:11 **Motion:** Sen. Arthun moved that **SB 261 DO PASS.**

#### **Discussion:**

03:01:28 Sen. Lake  
03:02:22 Sen. Arthun  
03:02:35 Sen. Van Dyk  
03:03:42 Sen. Kaufmann  
03:04:13 Sen. Erickson  
03:04:36 Chairman Tutvedt

03:04:53 Sen. Arthun **WITHDREW MOTION SB 261 DO PASS.**

#### **Committee Business:**

03:05:05 Chairman Tutvedt  
03:05:59 Sen. Erickson  
03:06:30 Chairman Tutvedt

**ADJOURNMENT**

Adjournment: 11:10 A.M.

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Debra Polhemus, Secretary

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Additional Documents:

**EXHIBIT([tas33aad.pdf](#))**