

## MINUTES

### MONTANA SENATE 62nd LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON TAXATION

**Call to Order:** Vice Chairman Bob Lake, on March 24, 2011 at 9:00 A.M., in Room 405 Capitol

#### ROLL CALL

##### **Members Present:**

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. Kendall Van Dyk (D)  
Sen. Art Wittich (R)

##### **Members Excused:**

Sen. Bruce Tutvedt, Chair (R)  
Sen. Jeff Essmann (R)  
Sen. Jim Peterson (R)  
Sen. Chas Vincent (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:**

Executive Action: Do Pass As Amended: SB 94 ~ SB 411 ~ SB 413  
Be Concurred In As Amended: HB 107  
Tabled: SB 274 ~ SB 395 ~ SB 396 ~ SB 398 ~ SB 408 ~ SB 407  
Amendment Added: SB 401

**EXECUTIVE ACTION ON SB 94**

00:01:18 **Motion:** Sen. Erickson moved that **SB 94 DO PASS.**

00:01:32 **Motion:** Sen. Erickson moved that **SB 94 BE AMENDED.**  
**EXHIBIT**(tas66a01)

00:04:22 **Substitute Motion:** Sen. Erickson made a substitute motion that **SB 94 BE AMENDED WITH A CONCEPTUAL AMENDMENT** to remove text relating to 80/20.

**Discussion:**

00:04:41 Lee Heiman, Legislative Services Division, LSD

00:05:00 Sen. Kaufmann

00:05:18 Sen. Erickson

00:06:02 **Vote:** Motion carried 7-1 by voice vote of those present and voting with Sen. Kaufmann voting no.

00:06:17 **Motion:** Sen. Erickson moved that **SB 94 DO PASS AS AMENDED.**

**Discussion:**

00:06:37 Sen. Gillan

00:06:47 Sen. Erickson

00:06:56 Sen. Lake

00:07:10 **Vote:** Motion carried 8-0 by voice vote of those present and voting.

**EXECUTIVE ACTION ON HB 107**

00:07:58 **Motion:** Sen. Gillan moved that **HB 107 BE CONCURRED IN.**

**Discussion:**

00:08:11 Lee Heiman, LSD

00:08:31 **Motion:** Sen. Gillan moved that **HB 107 BE AMENDED.** (Amendment distributed to the committee on March 22, 2011.)

**Discussion:**

00:09:46 Tom Schultz, Administrator, Trust Land Management Division, Department of Natural Resources and Conservation (DNRC), without objection

00:13:33 Sen. Wittich

00:15:15 Tom Schultz, DNRC

00:15:37 Sen. Wittich

00:16:51 Tom Schultz  
00:18:05 Sen. Gillan  
00:18:17 Tom Schultz  
00:18:37 Sen. Gillan  
00:21:50 Sen. Lake  
00:22:12 Tom Schultz  
00:22:41 Sen. Lake  
00:22:52 Sen. Wittich  
00:23:05 Tom Schultz  
00:23:32 Sen. Lake  
00:24:29 Sen. Wittich  
00:24:58 Sen. Lake  
00:25:05 Sen. Wittich  
00:25:30 Tom Schultz  
00:26:00 Sen. Kaufmann  
00:26:22 Sen. Wittich  
00:26:35 Sen. Gillan  
00:27:07 Sen. Kaufmann  
00:27:31 Sen. Lake

00:27:40 **Vote:** Motion carried 8-0 by voice vote of those present and voting.

00:27:49 **Motion/Vote:** Sen. Wittich moved that **HB 107 BE CONCURRED IN AS AMENDED**. Motion carried 8-0 by voice vote. Sen. Gillan will carry the bill.

#### **EXECUTIVE ACTION ON SB 274**

00:29:21 **Motion:** Sen. Lake moved that **SB 274 DO PASS AS AMENDED**.

#### **Discussion:**

00:30:03 Sen. Erickson  
00:30:12 Sen. Lake  
00:30:42 Sen. Erickson  
00:31:25 Sen. Kaufmann  
00:31:33 Sen. Lake

00:31:39 **Vote:** Motion failed 4-8 by roll call vote with Sen. Lake, Sen. Peterson, Sen. Vincent and Sen. Wittich voting aye. Sen. Peterson, Sen. Tutvedt and Sen. Vincent voted by proxy. Without objection, Sen. Lake requested that SB 274 be tabled.

#### **EXECUTIVE ACTION ON SB 395**

00:33:18 **Motion:** Sen. Wittich moved that **SB 395 DO PASS AS AMENDED**.  
(Amendment added to bill March 16, 2011)

**Discussion:**

00:33:30 Sen. Wittich  
00:34:30 Sen. Kaufmann  
00:34:42 Sen. Wittich  
00:35:22 Sen. Van Dyk  
00:36:47 Sen. Erickson

00:37:06 **Vote:** Motion failed 4-8 by roll call vote with Sen. Arthun, Sen. Lake, Sen. Tutvedt and Sen. Wittich voting aye. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy. Without objection, Sen. Lake requested SB 395 **BE TABLED.**

**EXECUTIVE ACTION ON SB 214****Discussion:**

00:39:03 Sen. Gillan  
**EXHIBIT(tas66a02)**  
00:40:24 Sen. Wittich  
00:40:52 Sen. Lake  
00:42:24 Sen. Gillan  
00:42:42 Bob Vogel, representing Montana School Boards Association, without objection

**EXECUTIVE ACTION ON SB 396**

00:44:36 **Motion:** Sen. Gillan moved that **SB 396 DO PASS.**

00:46:56 **Motion/Vote:** Sen. Gillan moved that **SB 396 BE AMENDED.** Motion carried 8-0 by voice vote of those present and voting.

**EXHIBIT(tas66a03)**

00:47:57 **Motion:** Sen. Gillan moved that **SB 396 DO PASS AS AMENDED.**

00:48:06 **Motion/Vote:** Sen. Gillan moved that **SB 396 BE AMENDED.** Motion carried 8-0 by voice vote of those present and voting.

**EXHIBIT(tas66a04)**

00:49:54 **Motion/Vote:** Sen. Gillan moved that **SB 396 DO PASS AS AMENDED.** 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. Tutvedt and Sen. Vincent voted by proxy. Sen. Lake requested SB 396 **BE TABLED.** Motion carried 5-3 by voice vote of those present and voting with Sen. Kaufmann, Sen. Erickson, and Sen. Gillan voting no.

**EXECUTIVE ACTION ON SB 398**

00:51:58 **Motion:** Sen. Kaufmann moved that **SB 398 DO PASS.**

00:52:14 **Motion:** Sen. Kaufmann moved that **SB 398 BE AMENDED.**  
**EXHIBIT(tas66a05)**

**Discussion:**

00:52:44 Sen. Kaufmann

00:54:14 Sen. Gillan

00:54:31 Sen. Kaufmann

00:54:46 Sen. Erickson

00:56:05 **Vote:** Motion carried 8-0 by voice vote of those present and voting.

00:56:18 **Motion:** Sen. Kaufmann moved that **SB 398 DO PASS AS AMENDED.**

**Discussion:**

00:56:36 Sen. Gillan

00:57:30 Sen. Kaufmann

00:58:15 Sen. Lake

00:58:35 **Vote:** 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 and Sen. Tutvedt voted by proxy. Sen. Lake requested SB 398 **BE TABLED.** Motion carried 6-2 by voice vote of those present and voting with Sen. Kaufmann and Sen. Erickson voting no.

**EXECUTIVE ACTION ON SB 411**

00:59:53 **Motion:** Sen. Erickson moved that **SB 411 DO PASS.**

**Discussion:**

01:00:19 Sen. Erickson

01:00:41 Sen. Kaufmann

01:01:16 **Motion/Vote:** Sen. Erickson moved that **SB 411 BE AMENDED.** Motion carried 8-0 by voice vote of those present and voting.

**EXHIBIT(tas66a06)**

01:01:49 **Motion:** Sen. Erickson moved that **SB 411 DO PASS AS AMENDED.**

01:01:57 **Motion:** Sen. Erickson moved that **SB 411 BE AMENDED.**

**EXHIBIT(tas66a07)**

**Discussion:**

01:02:23 Lee Heiman  
01:02:33 Sen. Erickson  
01:02:50 Dan Bucks, Director, Department of Revenue (DOR)  
01:02:56 Gene Walborn, Administrator, Business and Income Taxes Division, (DOR)  
01:08:37 Sen. Wittich  
01:09:11 Gene Walborn, DOR

01:09:47 **Vote:** Motion carried 8-0 by voice vote of those present and voting.

01:10:08 **Motion/Vote:** Sen. Erickson moved that **SB 411 DO PASS AS AMENDED.**  
Motion carried 8-0 by voice vote of those present and voting.

**Discussion:**

01:10:36 Sen. Kaufmann  
01:11:11 Sen. Lake

**EXECUTIVE ACTION ON SB 413**

01:11:55 **Motion:** Sen. Kaufmann moved that **SB 413 DO PASS.**

01:12:11 **Motion:** Sen. Arthun moved that **SB 413 BE AMENDED.**  
[EXHIBIT\(tas66a08\)](#)

**Discussion:**

01:12:30 Lee Heiman  
01:14:14 Sen. Wittich  
01:14:38 Dan Bucks

01:15:21 **Vote:** Motion carried 8-0 by voice vote of those present and voting.

01:15:35 **Motion:** Sen. Van Dyk moved that **SB 413 DO PASS AS AMENDED.**

**Discussion:**

01:15:49 Sen. Gillan  
01:16:10 Sen. Lake

01:16:15 **Vote:** Motion carried 8-0 by voice vote of those present and voting.

**DISCUSSION ON SB 360**

01:16:47 Sen. Kaufmann  
01:17:19 Sen. Gillan  
01:17:27 Sen. Kaufmann

**EXECUTIVE ACTION ON SB 399**

01:17:53 **Motion:** Sen. Kaufmann moved that **SB 399 DO PASS.**

**Discussion:**

01:20:09 Sen. Gillan  
01:20:34 Sen. Kaufmann  
01:21:11 Sen. Gillan  
01:22:00 Sen. Kaufmann  
01:22:17 Dan Bucks  
01:23:29 Sen. Kaufmann  
01:24:07 Dan Bucks

01:24:48 Sen. Kaufmann **WITHDREW MOTION SB 399 DO PASS.**

**EXECUTIVE ACTION ON SB 401**

01:25:20 **Motion:** Sen. Erickson moved that **SB 401 DO PASS.**

01:25:44 **Motion:** Sen. Erickson moved that **SB 401 BE AMENDED.**  
**EXHIBIT**(tas66a09)

**Discussion:**

01:26:18 Sen. Erickson  
01:26:53 Sen. Van Dyk  
01:27:16 Sen. Erickson  
01:28:27 Sen. Gillan  
01:28:55 Sen. Erickson  
01:30:04 Sen. Gillan  
01:30:55 Sen. Erickson  
01:31:41 Sen. Kaufmann  
01:18:04 Sen. Kaufmann  
01:31:57 Sen. Erickson  
01:32:30 Sen. Wittich  
01:32:42 Sen. Erickson  
01:33:10 Sen. Wittich  
01:33:27 Sen. Erickson  
01:34:21 Gene Walborn, DOR, without objection  
01:34:48 Sen. Erickson  
01:34:58 Lee Heiman  
01:35:04 Sen. Van Dyk  
01:36:33 Sen. Erickson  
01:37:02 Sen. Van Dyk  
01:37:30 Sen. Erickson  
01:38:18 Sen. Wittich  
01:39:28 Sen. Erickson

01:39:49 **Vote:** Motion carried 7-1 by voice vote of those present and voting with Sen. Wittich voting no.

01:40:07 **Motion:** Sen. Erickson moved that **SB 401 DO PASS AS AMENDED.**

**Discussion:**

01:40:22 Sen. Wittich  
01:40:50 Sen. Van Dyk  
01:41:27 Sen. Lake  
01:42:08 Sen. Erickson  
01:42:43 Sen. Lake  
01:43:17 Sen. Erickson  
01:43:35 Lee Heiman  
01:44:56 Sen. Kaufmann  
01:45:12 Lee Heiman

01:45:25 Sen. Erickson **WITHDREW MOTION SB 401 DO PASS AS AMENDED.**

**EXECUTIVE ACTION ON SB 406**

01:45:56 **Motion:** Sen. Arthun moved that **SB 406 DO PASS.**

**Discussion:**

01:46:05 Sen. Erickson  
01:46:16 Lee Heiman

01:47:07 **Motion:** Sen. Wittich moved that **SB 406 BE AMENDED.**  
**[EXHIBIT\(tas66a10\)](#)**

**Discussion:**

01:47:30 Sen. Wittich  
01:48:08 Sen. Erickson  
01:48:32 Dan Bucks

01:49:15 **Vote:** Motion carried 8-0 by voice vote of those present and voting.

01:49:39 **Motion:** Sen. Erickson moved that **SB 406 DO PASS AS AMENDED.**

01:50:00 **Motion:** Sen. Erickson moved that **SB 406 BE AMENDED.**  
**[EXHIBIT\(tas66a11\)](#)**

**Discussion:**

01:50:21 Lee Heiman  
01:50:36 Sen. Van Dyk left committee meeting

01:51:41 Sen. Erickson  
01:51:55 Dan Bucks, without objection  
01:57:47 Sen. Erickson  
01:58:11 Sen. Lake  
  
01:58:39 **Vote:** 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. Tutvedt, Sen. Van Dyk and Sen. Vincent voted by proxy.

**Discussion:**

01:59:35 Sen. Erickson  
02:00:32 Sen. Gillan  
  
02:00:36 Sen. Van Dyk returned to committee meeting  
  
02:02:42 Sen. Kaufmann  
02:03:54 Sen. Branae  
02:04:25 Sen. Lake  
  
02:04:38 **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 and Sen. Vincent voted by proxy.

**EXECUTIVE ACTION ON SB 408**

02:05:32 **Motion:** Sen. Kaufmann moved that **SB 408 DO PASS.**

**Discussion:**

02:05:44 Sen. Kaufmann  
  
02:06:34 **Motion:** Sen. Kaufmann moved that **SB 408 BE AMENDED.**  
**EXHIBIT(tas66a12)**

**Discussion:**

02:07:00 Lee Heiman  
02:07:39 Sen. Kaufmann  
02:07:55 Lee Heiman  
  
02:08:24 Sen. Kaufmann **WITHDREW MOTION SB 408 BE AMENDED.**

**Discussion:**

02:08:44 Lee Heiman  
02:08:54 Sen. Wittich  
02:09:10 Sen. Gillan  
02:09:44 Sen. Kaufmann  
02:10:22 Sen. Gillan

02:10:40 Sen. Erickson  
02:11:20 Sen. Kaufmann

02:11:39 **Vote:** 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. Tutvedt and Sen. Vincent voted by proxy. Without objection from the committee, Sen. Lake requested that SB 408 **BE TABLED**.

*(Note: The following action occurred after the audio recording was stopped. The sponsor had requested the bill not be heard in committee, and the committee was required to table the bill to properly dispense of it.)*

**EXECUTIVE ACTION ON SB 407**

02:14:01 **Motion/Vote:** Sen. Lake moved that **SB 407 BE TABLED**. Motion carried 8-0 by voice vote of those present and voting.

**Additional Exhibit:**

**[EXHIBIT\(tas66a13\)](#)**

Information from Dan Bucks, Department of Revenue, relative to SB 406 heard in committee on March 17, 2011.

**ADJOURNMENT**

Adjournment: 11:20 a.m.

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Debra Polhemus, Secretary

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Additional Documents:

**EXHIBIT([tas66aad.pdf](#))**