

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 63rd LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON TAXATION

**Call to Order:** Chair Mike Miller, on February 22, 2013 at 8:00 AM, in Room 152 Capitol

#### ROLL CALL

**Members Present:**

Rep. Mike Miller, Chair (R)  
Rep. Kelly Flynn, Vice Chair (R)  
Rep. JP Pomnichowski, Vice Chair (D)  
Rep. Douglas Coffin (D)  
Rep. Wylie Galt (R)  
Rep. Brian Hoven (R)  
Rep. Tom Jacobson (D)  
Rep. Steve Lavin (R)  
Rep. Ed Lieser (D)  
Rep. Mary McNally (D)  
Rep. Lee Randall (R)  
Rep. Alan Redfield (R)  
Rep. Nicholas Schwaderer (R)  
Rep. Kerry White (R)  
Rep. Kathleen Williams (D)  
Rep. Nancy Wilson (D)  
Rep. Daniel Zolnikov (R)

**Members Excused:** Rep. Kris Hansen (R)  
Rep. Austin Knudsen (R)  
Rep. Edith (Edie) McClafferty (D)

**Members Absent:** None

**Staff Present:** Megan Moore, Legislative Branch  
Rebecca Shaw, 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 230, 2/8/2013; HB 361, 2/8/2013, HB 472, 2/14/2013  
Executive Action: HB 332, HB 480, HB 373, HB 393

**HEARING ON HB 472****Opening Statement by Sponsor:**

00:09:01 Rep. Gerald (Jerry) Bennett (R), HD 1, opened the hearing on HB 472, Reduce business equipment taxes by increasing the exemption.

**EXHIBIT(tah40a01)**

00:09:10 Rep. McClafferty and Rep. Hansen entered.

**Proponents' Testimony:**

00:12:52 Glenn Oppel, Government Relations Director, Montana Chamber of Commerce

**EXHIBIT(tah40a02)**

00:19:58 Nicole Rolf, Eastern Montana Regional Manager, Montana Farm Bureau Federation (MFBF)

**EXHIBIT(tah40a03)**

00:25:32 Nancy Schlepp, President, Montana Tax Payers Association

00:26:04 John Stemple, Montana Grain Growers Association

00:26:32 Barry "Spook" Stang, Executive Vice President, Motor Carriers of Montana

00:27:27 Dustin Stewart, Executive Director, Montana Building Industry Association

00:28:13 Bob Gilbert, Montana Tow Truck Association

00:28:59 Jay Bodner, Montana Stock Growers Association

00:29:42 Mike Murphy, Executive Director, Montana Water Resources Association

00:30:16 Ed Bartlett, Billings Area Chamber of Commerce

00:30:38 Rhonda Wiggers, Helena Chamber of Commerce and Great Falls Chamber of Commerce

00:31:02 Riley Johnson, State Director, National Federation of Independent Business

00:31:18 Donya Parrish, Citizen

**Opponents' Testimony: None****Informational Testimony:**

00:32:16 Linda McCulloch, Secretary of State (SOS)

00:32:54 Jim Standaert, Senior Fiscal Analyst, Legislative Services Division (LSD)

00:33:09 Ed Caplis, Director of Tax Policy Research, Department of Revenue (DOR)

**Questions from Committee Members and Responses:**

00:33:37 Rep. Pomnichowski

00:33:54 Nicole Rolf, MFBF

00:34:45 Jim Standaert, LSD

00:36:16 Glenn Oppel, Montana Chamber of Commerce

00:37:04 Rep. Pomnichowski

00:37:59 Glenn Oppel, Montana Chamber of Commerce

00:38:08 Rep. Pomnichowski

00:39:26 Rep. Coffin

00:41:40 Glenn Oppel, Montana Chamber of Commerce

00:43:11 Rep. Coffin

00:43:18 Glenn Oppel, Montana Chamber of Commerce

00:43:59 Rep. Jacobson

00:44:27 Glenn Oppel, Montana Chamber of Commerce

00:45:53 Rep. Jacobson

00:46:00 Glenn Oppel, Montana Chamber of Commerce

00:47:32 Rep. Jacobson  
00:48:29 Glenn Oppel, Montana Chamber of Commerce  
00:51:00 Rep. Williams  
00:51:57 Rep. Knudsen entered.  
00:52:50 Glenn Oppel, Montana Chamber of Commerce  
00:53:51 Rep. Lieser  
00:55:11 Glenn Oppel, Montana Chamber of Commerce  
00:56:57 Rep. Wilson  
00:57:04 Glenn Oppel, Montana Chamber of Commerce  
00:59:01 Rep. Wilson  
00:59:07 Glenn Oppel, Montana Chamber of Commerce  
00:59:24 Rep. Coffin  
01:00:37 Nicole Rolf, MFBF  
01:02:18 Rep. Coffin  
01:02:25 Rep. Bennett  
01:03:43 Rep. Hoven  
01:04:43 Ed Caplis, DOR  
01:04:47 Rep. Hoven  
01:04:53 Ed Caplis, DOR  
01:04:58 Rep. McNally  
01:05:04 Glenn Oppel, Montana Chamber of Commerce  
01:06:44 Rep. Flynn  
01:07:21 Rep. Bennett  
01:07:46 Rep. Flynn  
01:09:03 Nancy Schlepp, Montana Tax Payers Association

**Closing by Sponsor:**

01:09:33 Rep. Bennett

**HEARING ON HB 361**

**Opening Statement by Sponsor:**

01:12:56 Rep. Chuck Hunter (D), HD 79, opened the hearing on HB 361, Providing a property tax rebate.

**Proponents' Testimony:**

01:15:47 Ali Bovingdon, Deputy Chief of Staff, Office of the Governor (GOV)

[EXHIBIT\(tah40a04\)](#)

**Opponents' Testimony:** None

**Informational Testimony:**

01:18:34 Ryan Evan, Finance Manager, Office of Budget and Program Planning (GOV)

01:18:59 Ed Caplis, DOR

**Questions from Committee Members and Responses:**

01:19:20 Rep. Schwaderer

01:20:15 Ed Caplis, DOR

01:20:53 Rep. Schwaderer

01:21:10 Ed Caplis, DOR

01:21:22 Rep. Coffin  
01:22:01 Ali Bovingdon, GOV  
01:22:41 Rep. Coffin  
01:23:15 Ali Bovingdon, GOV  
01:23:31 Rep. Coffin  
01:23:44 Ralph Franklin, Lead Revenue Analyst, Office of Budget and Program Planning (GOV)  
01:24:51 Rep. Coffin  
01:25:10 Ed Caplis, DOR  
01:25:23 Rep. Hoven  
01:25:32 Ali Bovingdon, GOV  
01:26:25 Rep. Redfield  
01:26:40 Ed Caplis, DOR  
01:27:20 Chairman Miller  
01:27:36 Ed Caplis, DOR  
01:28:01 Chair Miller  
01:28:13 Rep. Zolnikov  
01:28:26 Ali Bovingdon, GOV  
01:29:58 Rep. Zolnikov  
01:30:16 Ali Bovingdon, GOV  
01:31:17 Rep. Schwaderer  
01:32:22 Rep. Hunter  
01:32:30 Chair Miller  
01:32:35 Ed Caplis, DOR

**Closing by Sponsor:**

01:34:54 Rep. Hunter

**HEARING ON HB 230****Opening Statement by Sponsor:**

01:36:06 Rep. Scott Reichner (R), HD 9, opened the hearing on HB 230, Generally revise property tax laws.

**Proponents' Testimony:**

01:40:51 Joe Roberts, Montana Association of Realtors (MAR)

**Opponents' Testimony:**

01:42:46 Ali Bovingdon, GOV

**EXHIBIT(tah40a05)**

01:45:29 Madeline Quinlan, Chief of Staff, Office of Public Instruction (OPI)  
01:48:41 Tara Veasey, Executive Director, Montana Budget and Policy Center (MPBC)  
01:49:23 Eric Burke, Montana Education Association - Montana Federation of Teachers (MEA-MFT)

**Informational Testimony:**

01:50:07 Jim Standaert, LSD  
01:50:30 Ryan Evans, OBPP  
01:50:39 Ed Caplis, DOR

**Questions from Committee Members and Responses:**

01:50:54 Rep. McNally  
01:51:33 Jim Standaert, LSD  
01:52:08 Ryan Evans, OBPP  
01:52:19 Rep. Coffin  
01:52:44 Ali Bovingdon, GOV  
01:53:19 Rep. Schwaderer  
01:54:18 Jim Standaert, LSD  
01:54:21 Rep. Galt  
01:54:26 Jim Standaert, LSD  
01:55:03 Rep. Galt  
01:55:27 Jim Standaert, LSD  
01:55:31 Rep. Pomnichowski  
01:56:52 Rep. Reichner  
01:58:15 Rep. Pomnichowski  
01:58:21 Rep. Reichner  
01:58:43 Rep. Pomnichowski  
01:58:54 Rep. Reichner  
02:01:35 Rep. Pomnichowski  
02:03:28 Rep. Reichner  
02:05:32 Rep. Pomnichowski  
02:05:45 Madeline Quinlan, OPI  
02:08:36 Rep. Pomnichowski  
02:08:43 Madeline Quinlan, OPI  
02:09:58 Chair Miller  
02:10:14 Ali Bovingdon, GOV  
02:10:44 Rep. Williams  
02:10:57 Madeline Quinlan, OPI  
02:12:21 Rep. Hansen  
02:12:32 Rep. Reichner  
02:14:38 Rep. Hansen  
02:15:04 Rep. Reichner  
02:15:37 Rep. Hansen  
02:16:13 Rep. Reichner  
02:16:56 Rep. McNally  
02:17:06 Rep. Reichner  
02:18:48 Rep. McNally  
02:19:44 Rep. Reichner  
02:20:28 Rep. McNally  
02:20:55 Rep. Reichner  
02:22:55 Rep. McNally  
02:23:21 Rep. Reichner  
02:23:43 Rep. Wilson  
02:24:05 Tara Veasey, MPBC  
02:24:42 Rep. Wilson  
02:24:59 Tara Veasey, MPBC  
02:25:12 Rep. Wilson  
02:25:18 Tara Veasey, MPBC  
02:25:26 Rep. Wilson  
02:26:12 Rep. Jacobson

02:28:16 Rep. Reichner  
02:29:02 Rep. Hoven  
02:29:22 Rep. Reichner  
02:30:04 Rep. Zolnikov  
02:30:43 Rep. Reichner  
02:31:48 Rep. Coffin  
02:31:53 Ryan Evans, OBPP  
02:34:19 Rep. Coffin  
02:34:24 Rep. Reichner  
02:35:31 Rep. Coffin  
02:35:43 Rep. Reichner  
02:36:34 Rep. Coffin  
02:37:15 Rep. Reichner  
02:38:45 Rep. Schwaderer  
02:39:07 Madeline Quinlan, OPI  
02:39:45 Rep. Williams  
02:40:34 Rep. Reichner  
02:40:47 Rep. Flynn  
02:41:47 Rep. Reichner

**Closing by Sponsor:**

02:42:03 Rep. Reichner  
  
02:43:40 Recessed  
03:00:46 Reconvened with all members present.

**EXECUTIVE ACTION ON HB 332**

03:01:32 **Motion:** Rep. McNally moved that **HB 332 DO PASS.**

**Discussion:**

03:03:04 Rep. Randall  
  
03:03:30 **Vote:** Motion failed 9-11 by roll call vote with Rep. Coffin, Rep. Jacobson, Rep. Lieser, Rep. McClafferty, Rep. McNally, Rep. Pomnichowski, Rep. Schwaderer, Rep. Williams and Rep. Wilson voting aye.  
  
03:04:39 **Motion/Vote:** Rep. Flynn moved that **HB 332 BE TABLED AND THE VOTE REVERSED.** Motion carried unanimously by voice vote.

**EXECUTIVE ACTION ON HB 480**

03:04:58 **Motion:** Rep. Flynn moved that **HB 480 DO PASS.**

03:05:02 Megan Moore, Legislative Research Analyst, Legislative Services Division (LSD)  
**EXHIBIT(tah40a06)**

03:06:00 **Motion/Vote:** Rep. Miller moved that **HB 480 BE AMENDED.** Motion carried 19-1 by voice vote with Rep. Zolnikov voting no.

03:06:43 **Motion:** Rep. Flynn moved that **HB 480 DO PASS AS AMENDED.**

**Discussion:**

03:06:48 Rep. Hoven  
03:08:44 Rep. Coffin  
03:10:04 Rep. Lieser  
03:10:49 Rep. Jacobson  
03:11:53 Rep. Hansen  
03:12:18 Rep. Schwaderer  
03:14:05 Rep. Flynn  
03:14:20 Rep. Williams  
03:15:30 Rep. Pomnichowski  
03:16:27 Rep. McClafferty

03:16:45 **Vote:** Motion failed 10-10 by roll call vote with Rep. Coffin, Rep. Jacobson, Rep. Lieser, Rep. McClafferty, Rep. McNally, Rep. Pomnichowski, Rep. Redfield, Rep. Schwaderer, Rep. Williams and Rep. Wilson voting aye.

03:18:45 **Motion/Vote:** Rep. Hansen moved that **HB 480 BE TABLED AND THE VOTE REVERSED.** Motion carried unanimously by voice vote.

**EXHIBIT(tah40a07)**

**EXECUTIVE ACTION ON HB 373**

03:18:28 **Motion:** Rep. Flynn moved that **HB 373 DO PASS.**

**Discussion:**

03:19:02 Rep. Coffin  
03:19:19 Rep. Pomnichowski  
03:20:02 Rep. Williams

03:20:15 **Vote:** Motion carried 14-6 by roll call vote with Rep. Jacobson, Rep. Lieser, Rep. McClafferty, Rep. McNally, Rep. Pomnichowski and Rep. Wilson voting no.

**EXECUTIVE ACTION ON HB 393**

03:21:49     **Motion:** Rep. Hoven moved that **HB 393 DO PASS.**

**Discussion:**

03:22:10     Rep. Hansen

03:22:34     Rep. Hoven

03:22:59     Rep. Pomnichowski

03:24:53     Chair Miller

03:24:57     Rep. Coffin

03:25:47     Chair Miller

03:25:57     Rep. Schwaderer

03:26:35     **Vote:** Motion carried 13-7 by roll call vote with Rep. Coffin, Rep. Jacobson, Rep. Lieser, Rep. McClafferty, Rep. Pomnichowski, Rep. Williams and Rep. Wilson voting no.

03:28:03     Chair Miller

**ADJOURNMENT**

Adjournment: 03:29:13

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Rebecca Shaw, Secretary

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Additional Documents:

**EXHIBIT([tah40aad.pdf](#))**