

**MINUTES**

**MONTANA SENATE  
60th LEGISLATURE - MAY 2007 SPECIAL SESSION**

**JOINT HOUSE AND SENATE COMMITTEES ON TAXATION**

**Call to Order:** By **CHAIRMAN JIM ELLIOTT**, on May 10, 2007 at 3:00 P.M., in Room 317 Capitol.

**ROLL CALL**

**Members Present:**

Sen. Jim Elliott, Chairman (D)  
Sen. Kim Gillan, Vice Chairman (D)  
Sen. Bob Story Jr., Vice Chairman (R)  
Sen. Jerry W. Black (R)  
Sen. Jeff Essmann (R)  
Sen. Kelly Gebhardt (R)  
Sen. Dan Harrington (D)  
Sen. Christine Kaufmann (D)  
Sen. Sam Kitzenberg (D)  
Sen. Jim Peterson (R)  
Sen. Trudi Schmidt (D)  
Rep. Bob Lake, Chairman (R)  
Rep. Jon Sonju, Vice Chairman (R)  
Rep. Jill Cohenour, Vice Chairman (D)  
Rep. Norma Bixby (D)  
Rep. Mark Blasdel (R)  
Rep. Ed Butcher (R)  
Rep. Ron Erickson (D)  
Rep. Wanda Grinde (D)  
Rep. Robin Hamilton (D)  
Rep. Edward Hilbert (R)  
Rep. Mike Jopek (D)  
Rep. Carol Lambert (R)  
Rep. Gary MacLaren (R)  
Rep. Dave McAlpin (D)  
Rep. Bill Nooney (R)  
Rep. PJ Pomnichowski (D)  
Rep. John Ross (R)  
Rep. Chas Vincent (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:**

Lee Heiman, Staff Attorney, Legislative Branch  
Jeff Martin, Research Analyst, Legislative Branch  
Lois O'Connor, Committee Secretary  
Nancy Kraft, 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 3, 5/7/2007; SB 3, 5/7/2007  
Executive Action: None.

00:00:01 Reconvene

**HEARING ON HB 3**

**Opening Statement by Sponsor:**

00:00:31 **REP. LLEW JONES (R), HD 27**, opened the hearing on **HB 3**, Tax incentives for energy development.

**Proponents' Testimony:**

00:06:54 Evan Barrett, Office of the Honorable Governor Brian Schweitzer (Governor's Office)

**EXHIBIT (tas01b01)**

00:20:30 Rick Edwards, President, Montana Economic Developers Association (MEDA)

**EXHIBIT (tas01b02)**

**EXHIBIT (tas01b03)**

00:23:38 Keith Kelly, Commissioner, Montana Department of Labor and Industry (DLI)

00:28:21 Ken Morrison, Trans-Canada

00:29:26 Leo Berry, Great Northern Power Development

00:30:23 Jason Miller, Montana State AFL-CIO

00:31:20 Jerome Anderson, Encore Acquisition

00:32:46 John Alke, Montana-Alberta Tie Line (MATL)

00:34:39 Jon Bennion, Montana Chamber of Commerce

00:35:36 Dave Galt, Executive Director, Montana Petroleum Association (MPA)

00:35:53 Bud Clinch, Montana Coal Council

00:36:22 Haley Beaudry, Columbia Falls Aluminum Company

00:36:59 Katie Kassmier, Montana Farm Bureau

00:37:44 Don Allen, Western Environmental Trade Association (WETA)

00:38:00 Dennis Lopach, REC Silicon  
00:39:28 Don Judge, Teamsters Local 190  
00:39:54 Todd O'Hair, RioTinto Energy

**Opponents' Testimony:**

00:40:40 Katrina Martin, Farmer  
00:41:41 Sen. Cory Stapleton, SD 27

**EXHIBIT (tas01b04)**

**Informational Testimony:**

00:47:24 Brad Molnar, Public Service Commissioner

**Questions from Committee Members and Responses:**

00:52:51 Rep. Bill Nooney to Mr. Miller, Montana AFL-CIO  
00:53:57 Rep. John Sonju to Rep. Jones  
00:57:40 Rep. Sonju to Sen. Stapleton  
01:01:05 Rep. Ed Butcher to Mr. Galt, MPA  
01:03:09 Rep. Butcher to Sen. Stapleton  
01:04:13 Rep. Ron Erickson to Mr. Barrett, Governor's Office  
01:06:49 Sen. Christine Kaufmann to Rep. Jones  
01:10:05 Sen. Kaufmann to Mr. Barrett, Governor's Office  
01:13:38 Sen. Jim Elliott to Mr. Alke, MATL  
01:25:01 Sen. Elliott to Mr. Barrett, Governor's Office  
01:29:24 Sen. Robert Story to Mr. Barrett, Governor's Office  
01:45:09 Rep. Bob Lake to Mr. Barrett, Governor's Office,  
rereferred to Sen. Essmann  
01:46:47 Rep. Lake to Sen. Essmann  
01:48:38 Rep. Edward Hilbert to Mr. Barrett, Governor's Office

01:50:25 Recess

02:25:53 Reconvene

**Continuation of Questions from the Committee**

02:26:15 Rep. Lake to Rep. Jones

02:27:48 Sen. Black to Johann van' Hof, Executive Director,  
Tonbridge

02:31:41 Rep. Carol Lambert to Rep. Jones

02:32:58 Rep. Lambert to Mr. Barrett, Governor's Office

02:35:01 Rep. Lambert to Rep. Jones

02:36:23 Rep. Lake

**Closing by Sponsor:**

02:37:08 Rep. Jones

**HEARING ON SB 3**

**Opening Statement by Sponsor:**

02:41:24 **SEN. JIM ELLIOTT (D), SD 7**, opened the hearing on **SB 3**,  
Education trust funded by real estate investment trust  
taxes.

**EXHIBIT (tas01b05)**

**Proponents' Testimony:**

02:50:52 Dan Bucks, Director, Montana Department of Revenue  
(DOR)

03:03:41 Joe Lamson, Office of Public Instruction (OPI)

03:06:00 Bob Ream

**EXHIBIT (tas01b06)**

03:08:34 Tom Burgess, MEA-MFT

03:09:39 Jim Murry

**Opponents' Testimony:**

- 03:11:35 Henry Ricklefs, Vice President, Plum Creek Northern Resource Group (Plum Creek Timber)
- 03:23:00 Dara Bernstein, National Association of Real Estate Investment Trusts (NAREIT)
- 03:31:02 Joe Mazurek, D.A. Davidson (DAD)

**EXHIBIT (tas01b07)**

- 03:34:50 Kendall Merrick, Billings Chamber of Commerce
- 03:38:03 Ken Judge, Plum Creek Lumber
- 03:40:36 Mark Staples, Montana Counsel, National Association of Real Estate Investment Trusts (NAREIT)

**Informational Testimony:** None.

**Questions from Committee Members and Responses:**

- 03:47:15 Rep. Jill Cohenour to Director Bucks (DOR)
- 03:49:48 Rep. Jack Ross to Mr. Ricklefs, Plum Creek Timber
- 03:52:19 Rep. Ross to Bill DeKlerk, Tax Director, Plum Creek Timber
- 03:53:29 Rep. Butcher to Mr. Ricklefs, Plum Creek Timber, rereferred to Mr. De Klerk, Plum Creek Timber
- 03:55:45 Rep. Butcher to Director Bucks, DOR
- 03:59:19 Sen. Story to Mr. Lamson, OPI
- 04:05:01 Sen. Story to Sen. Elliott
- 04:06:11 Rep. Erickson to Ms. Bernstein, NAREIT
- 04:07:53 Rep. Erickson to Director Bucks, DOR
- 04:14:40 Sen. Trudi Schmidt to Mr. Ricklefs, Plum Creek Timber
- 04:16:03 Sen. Kim Gillan to Mr. Ricklefs, Plum Creek Timber
- 04:16:25 Sen. Story to Director Bucks, DOR

04:18:24 Sen. Story to Mr. Ricklefs, Plum Creek Timber

04:20:11 Sen. Gillan to Director Bucks, DOR

04:23:29 Rep. Mike Jopek to Mr. Ricklefs, Plum Creek Timber

04:25:48 Rep. Jopek to Jerry Sorenson, Plum Creek Timber

04:29:55 Sen. Kaufmann to Director Bucks, DOR

**Closing by Sponsor:**

04:32:46 Sen. Elliott

**ADJOURNMENT**

Adjournment: 8:00 P.M.

---

SEN. JIM ELLIOTT, Chairman

---

LOIS O'CONNOR, Secretary

JE/lo

Additional Exhibits:

**EXHIBIT ([tas01bad.pdf](#))**