

**HOUSE JOURNAL
58TH LEGISLATURE
SIXTY-THIRD LEGISLATIVE DAY**

Helena, Montana
March 25, 2003

House Chambers
State Capitol

House convened at 1:00 p.m. Mr. Speaker in the Chair. Invocation by Representative Ripley. Pledge of Allegiance to the Flag.

Roll Call. All members present, except Representatives McKenney and Morgan, excused. Quorum present.

Mr. Speaker introduced Pat Hamilton, a teacher at the Broadwater High School, and five students from his Junior class, Emily Carleton, Daniel Trusdale, Chris Langstaff and Callie Kimpton who profiled pioneering women of Montana in honor of National Women's History Month.

REPORTS OF STANDING COMMITTEES

BILLS (Bookout-Reinicke, Chairman): 3/25/2003
Correctly engrossed: **HB 721**.
Correctly enrolled: **HB 30, HB 60, HB 176, HB 443, HB 656, HB 683, HJR 5**.
Examined by the sponsor and found to be correct: **HB 30, HB 60, HB 176, HB 443, HB 656, HB 683, HJR 5**.
Signed by the Speaker at 12:50 p.m., March 25, 2003: **HB 30, HB 60, HB 176, HB 443, HB 656, HB 683, HJR 5**.
Delivered to the Governor for approval at 11:40 a.m., March 25, 2003: **HB 246, HB 262, HB 339, HB 373, HB 402, HB 635**.

APPROPRIATIONS (Lewis, Chairman): 3/25/2003
HB 750, introduced bill, be amended as follows:

1. Title, line 5.

Following: line 4

Insert: "REVISING THE ALLOCATION OF CIGARETTE TAXES; TEMPORARILY REVISING THE INSIGNIA DISCOUNT;"

2. Title, line 7.

Following: "16-11-111"

Insert: ", 16-11-114,"

3. Page 1, line 18.

Strike: "43"

Insert: "50"

Strike: "and"

4. Page 1, line 19.

Strike: "after June 30"

Insert: "beginning July 1"

Strike: "18"

Insert: "25"

Following: "cents"

Insert: "; and (iii) beginning July 1, 2013, 18 cents"

5. Page 2, line 17.

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Insert: "Section 2. Section 16-11-114, MCA, is amended to read:

"**16-11-114. Insignia discount.** Each licensed wholesaler is entitled to purchase an insignia at full face value less the following percentage of the face value upon payment for the insignia as defrayment of the costs of affixing insignia and precollecting the tax on behalf of the state of Montana:

(1) 2.26% from July 1, 2003, through June 30, 2005, 4.36% from July 1, 2005, through June 30, 2013, and after that date 6% for the first 2,580 cartons or portion ~~thereof~~ of 2,580 cartons purchased in any calendar month;

(2) 1.51% from July 1, 2003, through June 30, 2005, 2.91% from July 1, 2005, through June 30, 2013, and after that date 4% for the next 2,580 cartons or portion ~~thereof~~ of 2,580 cartons purchased in any calendar month; and

(3) 1.13% from July 1, 2003, through June 30, 2005, 2.18% from July 1, 2005, through June 30, 2013, and after that date 3% for purchases in excess of 5,160 cartons in any calendar month."

Renumber: subsequent sections

6. Page 2, line 24.

Strike: "4.65%"

Insert: "3.92%"

Strike: "and"

7. Page 2, line 25.

Strike: "after June 30"

Insert: "beginning July 1"

Strike: "11.11%"

Insert: "7.84%; and (c) beginning July 1, 2013, 11.11%"

8. Page 2, line 28.

Strike: "88.72%"

Insert: "80.16%"

Strike: "and"

9. Page 2, line 29.

Strike: "after June 30"

Insert: "beginning July 1"

Strike: "73.04%"

Insert: "60.01%; and (c) beginning July 1, 2013, 73.04%"

10. Page 3, line 2.

Strike: "6.63%"

Insert: "5.59%"

Strike: "and"

11. Page 3, line 3.

Strike: "after June 30"

Insert: "beginning July 1"

Strike: "15.85%"

Insert: "11.19%; and (c) beginning July 1, 2013, 15.85%"

12. Page 3, line 4.

Following: line 3

Insert: "(4) From July 1, 2003, through June 30, 2005, the amount of 10.33% must be deposited in the coal severance tax permanent fund provided for in 17-5-703, and from July 1, 2005, through June 30, 2013, 20.96% must be

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deposited in the coal severance tax permanent fund provided for in 17-5-703."

13. Page 3, line 5.

Following: "fund."

Insert: "(1)"

14. Page 3, line 9.

Following: line 8

Insert: "(2) Prior to making the transfer authorized in this section, the budget director shall enter into an irrevocable contract with the director of the department of revenue that incorporates the provisions of [section 6] and 16-11-119(4). The transfer authorized in this section may not be made until the irrevocable contract has been executed."

15. Page 3, line 9.

Insert: "NEW SECTION. **Section 5. Transition.** All wholesalers, distributors, and retailers shall pay the difference in tax between the former tax rate and the new tax rate on that portion of inventory subject to tax held by them on July 1, 2003, that exceeds all inventory subject to tax held by them on the last day of their most recently concluded income tax reporting year."

Insert: "NEW SECTION. **Section 6. Pledge.** In accordance with the constitutions of the United States and the state of Montana, the state pledges that it will not in any way impair the obligations of any agreement between the budget director and the department of revenue concerning the levy, collection, and deposit of cigarette taxes."

Renumber: subsequent sections

16. Page 3, line 12.

Strike: "\$29 million"

Insert: "\$4,625,445"

17. Page 3, line 13.

Strike: "\$5 million"

Insert: "\$8,194,680"

18. Page 3, line 14.

Strike: "\$11 million"

Insert: "\$6,630,586"

Strike: "and"

19. Page 3.

Following: line 14

Insert: "(4) \$5,126,448 to the office of public instruction;"

Renumber: subsequent subsection

20. Page 3, line 15.

Strike: "\$4 million"

Insert: "\$3,600,000"

Strike: "."

Insert: ";"

21. Page 3, line 16.

Following: line 15

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Insert: "(6) \$2,034,940 to the legislative branch;
(7) \$581,197 to the governor's office;
(8) \$6,404 to the commissioner of political practices;
(9) \$1,071,153 to the department of revenue;
(10) \$135,075 to the department of administration;
(11) \$19,653 to the appellate defender commission;
(12) \$511,867 to the department of fish, wildlife, and parks;
(13) \$823,858 to the department of environmental quality;
(14) \$10,597 to the department of livestock;
(15) \$1,687,300 to the department of natural resources and conservation;
(16) \$68,882 to the department of agriculture;
(17) \$1,114,085 to the department of commerce;
(18) \$32,922 to the crime control division;
(19) \$590,092 to the department of justice;
(20) \$198,725 to the department of labor and industry;
(21) \$46,926 to the department of military affairs;
(22) \$33,343 to the Montana school for the deaf and blind;
(23) \$46,252 to the Montana arts council;
(24) \$371,695 to the Montana state library commission; and
(25) \$34,887 to the Montana historical society."

22. Page 3, line 21.

Strike: "3"

Insert: "4"

And, as amended, do pass. Report adopted.

BUSINESS AND LABOR (McKenney, Chairman):
SB 363, be amended as follows:

3/24/2003

1. Title, line 4.

Following: "CASES"

Insert: "OTHER THAN CLASS ACTION LAWSUITS"

2. Page 1, line 20.

Following: "LESS."

Insert: "This subsection does not limit punitive damages that may be awarded in class action lawsuits."

And, as amended, be concurred in. Report adopted.

EDUCATION (Andersen, Chairman):
SB 380, be concurred in. Report adopted.
SB 441, be amended as follows:

3/25/2003

1. Page 4, line 19.

Following: "impact"

Insert: "aid"

2. Page 4, lines 20 and 21.

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Strike: "7003(B) minus the annual"
Insert: "7703(b), but excludes revenue received for impact aid"
Following: "education" on line 20
Strike: remainder of line 20 through "received" on line 21
Strike: "7003(D)"
Insert: "7703(d)"
Following: "AND" on line 21
Insert: "impact aid construction under"

And, as amended, be concurred in. Report adopted.

HUMAN SERVICES (Thomas, Chairman):
SB 105, be amended as follows:

3/25/2003

1. Page 3, line 8.
Strike: "and family services"
2. Page 8, line 24.
Strike: "and family services"

And, as amended, be concurred in and be placed on the consent calendar. Report adopted.

SB 113, be amended as follows:

1. Page 9, line 13 through line 15.
Strike: line 13 through line 15 in their entirety
Insert: "health maintenance organization as defined in 33-31-102."
2. Page 10, line 11.
Following: "rights,"
Insert: "individual resident treatment and habilitation needs,"
3. Page 10, line 13 through line 14.
Following: "recordkeeping."
Strike: remainder of line 13 through line 14

And, as amended, be concurred in and be placed on the consent calendar. Report adopted.

JUDICIARY (Shockley, Chairman):

3/25/2003

SB 133, be concurred in. Report adopted.
SB 329, be concurred in and be placed on the consent calendar. Report adopted.
SB 364, be amended as follows:

1. Title, page 1, line 4.
Following: "CRIMINAL"
Insert: "DISTRIBUTION,"
2. Title, page 1, line 5.
Following: "PRODUCTION"

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Insert: ", "

3. Page 2, line 19.

Following: "~~to~~"

Insert: "or"

4. Page 2, line 20.

Following: "~~to the~~"

Insert: "criminal distribution of dangerous drugs, as prohibited by 45-9-101, the"

5. Page 1, line 22.

Strike: " OR "

Insert: " . "

6. Page 2, line 26 through page 3, line 2.

Strike: subsection (C) in its entirety

And, as amended, be concurred in. Report adopted.

TAXATION (Fuchs, Chairman):

3/25/2003

HB 749, introduced bill, be amended as follows:

1. Title, page 1, line 23.

Following: "PROGRAM;"

Insert: "ALLOWING THE QUALIFIED ELECTORS OF MONTANA TO APPROVE OR REJECT THE SALES TAX AND USE TAX LAWS BY PROVIDING A CONTINGENT TERMINATION OF THIS ACT;"

2. Title, page 1, line 24.

Following: "15-30-103,"

Insert: "15-30-111,"

3. Title, page 1, line 29.

Following: "DATE"

Insert: ", "

Strike: "AND"

Following: "DATES"

Insert: ", AND A CONTINGENT TERMINATION DATE"

4. Page 2, line 3.

Strike: "52"

Insert: "53"

5. Page 2, line 6.

Strike: "53"

Insert: "54"

Strike: "60"

Insert: "61"

6. Page 7, line 7.

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Strike: "32"
Insert: "33"

7. Page 8, line 12.
Strike: "52"
Insert: "53"

8. Page 9, line 24.
Strike: "52"
Insert: "53"

9. Page 10, line 18.
Strike: "52"
Insert: "53"

10. Page 10, line 29.
Strike: "52"
Insert: "53"

11. Page 11, line 30.
Strike: "32"
Insert: "33"

12. Page 12, line 6.
Strike: "32"
Insert: "33"

13. Page 12, line 9.
Strike: "52"
Insert: "53"

14. Page 12, line 11.
Strike: "52"
Insert: "53"

15. Page 12, line 28.
Strike: "52"
Insert: "53"

16. Page 13, line 3.
Strike: "52"
Insert: "53"

17. Page 14, line 3.
Strike: "35"
Insert: "36"

18. Page 16, line 7.
Following: the first "vehicle"

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Insert: ", except a motor home, as defined in 61-1-130,"

19. Page 16.

Following: line 10

Insert: "(3) The sale of a motor home, as defined in 61-1-130, is subject to the sales tax and use tax."

20. Page 18.

Following: line 14

Insert: "NEW SECTION. **Section 24. Exemption -- special fuel.** The sale and use of special fuel that is exempt from taxation under Title 15, chapter 70, part 3, are exempt from the sales tax and use tax."

Renumber: subsequent sections

21. Page 19, line 27.

Strike: "24(1)(b)(ii)"

Insert: "25(1)(b)(ii)"

22. Page 21, line 16.

Strike: "26(2)(b)"

Insert: "27(2)(b)"

23. Page 21, line 25.

Strike: "26(2)(b)"

Insert: "27(2)(b)"

24. Page 22, line 21.

Strike: "33(1)(c)"

Insert: "34(1)(c)"

25. Page 23, line 8.

Strike: "52"

Insert: "53"

26. Page 23, line 21.

Strike: "52"

Insert: "53"

27. Page 23, line 26.

Strike: "52"

Insert: "53"

Strike: "37"

Insert: "38"

Strike: "42"

Insert: "43"

28. Page 23, line 27.

Strike: "52"

Insert: "53"

29. Page 24, line 6.

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Strike: "52"
Insert: "53"

30. Page 25, line 4.
Strike: "52"
Insert: "53"

31. Page 25, line 5.
Strike: "42"
Insert: "43"

32. Page 25, line 6.
Strike: "32"
Insert: "33"

33. Page 25, line 10.
Strike: "52"
Insert: "53"

34. Page 25, line 23.
Strike: "52"
Insert: "53"

35. Page 26, line 17.
Strike: "52"
Insert: "53"

36. Page 26, line 18.
Strike: "52"
Insert: "53"

37. Page 26, line 22.
Strike: "52"
Insert: "53"

38. Page 27, line 6.
Strike: "39"
Insert: "40"

39. Page 28, line 9.
Strike: "39"
Insert: "40"

40. Page 28, line 17.
Strike: "32"
Insert: "33"

41. Page 28, line 20.
Strike: "32"

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Insert: "33"

42. Page 28, line 25.

Strike: "52"

Insert: "53"

43. Page 28, line 29.

Strike: "39"

Insert: "40"

44. Page 29, line 16.

Strike: "52"

Insert: "53"

45. Page 29, line 19.

Strike: "52"

Insert: "53"

46. Page 29, line 20.

Strike: "52"

Insert: "53"

47. Page 30, line 2.

Strike: "52"

Insert: "53"

48. Page 30, line 21.

Strike: "52"

Insert: "53"

49. Page 31, line 4.

Strike: "52"

Insert: "53"

50. Page 31, line 6.

Strike: "52"

Insert: "53"

51. Page 31, line 8.

Strike: "52"

Insert: "53"

52. Page 31, line 9.

Strike: "52"

Insert: "53"

53. Page 31, line 19.

Strike: "52" in both places

Insert: "53" in both places

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54. Page 31, line 25.

Strike: "52"

Insert: "53"

55. Page 32, line 1.

Strike: "52"

Insert: "53"

56. Page 32, line 21.

Strike: "52"

Insert: "53"

57. Page 33, line 2.

Strike: "52" in both places

Insert: "53" in both places

58. Page 33, line 8.

Strike: "52"

Insert: "53"

59. Page 33, line 19.

Strike: "52"

Insert: "53"

60. Page 33, line 23.

Strike: "52"

Insert: "53"

61. Page 33, line 27.

Strike: "53"

Insert: "54"

Strike: "60"

Insert: "61"

62. Page 33, line 30.

Strike: "53"

Insert: "54"

Strike: "60"

Insert: "61"

63. Page 34, line 22.

Strike: "53"

Insert: "54"

Strike: "60"

Insert: "61"

64. Page 37, line 24.

Strike: "52"

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Insert: "53"

65. Page 37, line 25.

Strike: "52"

Insert: "53"

66. Page 38, line 19.

Following: "20-9-360"

Insert: ", multiplied by the ratio that the taxpayer's Montana source income bears to the taxpayer's total income from all sources"

67. Page 38, line 29.

Strike: "62"

Insert: "63"

68. Page 39, line 7.

Following: "20-9-360"

Insert: ", multiplied by the ratio that the taxpayer's Montana source income, as defined in 15-30-101, bears to the taxpayer's total income from all sources"

69. Page 39, line 15.

Strike: "64"

Insert: "65"

70. Page 40, line 5.

Strike: "61"

Insert: "62"

71. Page 43, line 9.

Strike: "62"

Insert: "63"

Strike: "64"

Insert: "65"

72. Page 49.

Following: line 26

Insert: "**Section 73.** Section 15-30-111, MCA, is amended to read:

"15-30-111. (Temporary) Adjusted gross income. (1) Adjusted gross income is the taxpayer's federal ~~income tax~~ adjusted gross income as defined in section 62 of the Internal Revenue Code ~~of 1954~~, 26 U.S.C. 62, ~~as that section may be labeled or amended~~, and in addition includes the following:

(a) (i) interest received on obligations of another state or territory or county, municipality, district, or other political subdivision of another state, except to the extent that the interest is exempt from taxation by Montana under federal law;

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code ~~of 1986~~, 26 U.S.C. 852(b)(5), ~~as that section may be amended or renumbered~~, that are attributable to the interest referred to in subsection (1)(a)(i);

(b) refunds received of federal income tax, to the extent that the deduction of the tax resulted in a reduction of Montana income tax liability;

(c) that portion of a shareholder's income under subchapter S. of Chapter 1 of the Internal Revenue Code ~~of 1954~~

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that has been reduced by any federal taxes paid by the subchapter S corporation on the income;

(d) depreciation or amortization taken on a title plant as defined in 33-25-105(15);

(e) the recovery during the tax year of an amount deducted in any prior tax year to the extent that the amount recovered reduced the taxpayer's Montana income tax in the year deducted; and

(f) if the state taxable distribution of an estate or trust is greater than the federal taxable distribution of the same estate or trust, the difference between the state taxable distribution and the federal taxable distribution of the same estate or trust for the same tax period.

(2) Notwithstanding the provisions of the ~~federal Internal Revenue Code of 1954, as labeled or amended,~~ adjusted gross income does not include the following, which are exempt from taxation under this chapter:

(a) (i) all interest income from obligations of the United States government, the state of Montana, a county, municipality, or district, or other political subdivision of the state and any other interest income that is exempt from taxation by Montana under federal law;

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code ~~of 1986, 26 U.S.C. 852(b)(5), as that section may be amended or renumbered;~~ that are attributable to the interest referred to in subsection (2)(a)(i);

(b) interest income earned by a taxpayer who is 65 years of age or older in a tax year up to and including \$800 for a taxpayer filing a separate return and \$1,600 for each joint return;

(c) (i) except as provided in subsection (2)(c)(ii), the first \$3,600 of all pension and annuity income received as defined in 15-30-101;

(ii) for pension and annuity income described under subsection (2)(c)(i), as follows:

(A) each taxpayer filing singly, head of household, or married filing separately shall reduce the total amount of the exclusion provided in subsection (2)(c)(i) by \$2 for every \$1 of federal adjusted gross income in excess of \$30,000 as shown on the taxpayer's return;

(B) in the case of married taxpayers filing jointly, if both taxpayers are receiving pension or annuity income or if only one taxpayer is receiving pension or annuity income, the exclusion claimed as provided in subsection (2)(c)(i) must be reduced by \$2 for every \$1 of federal adjusted gross income in excess of \$30,000 as shown on their joint return;

(d) all Montana income tax refunds or tax refund credits;

(e) gain required to be recognized by a liquidating corporation under 15-31-113(1)(a)(ii);

(f) all tips or gratuities that are covered by section 3402(k) or service charges that are covered by section 3401 of the Internal Revenue Code of 1954, 26 U.S.C. 3402(k) or 3401, as amended and applicable on January 1, 1983, received by persons for services rendered by them to patrons of premises licensed to provide food, beverage, or lodging;

(g) all benefits received under the workers' compensation laws;

(h) all health insurance premiums paid by an employer for an employee if attributed as income to the employee under federal law;

(i) all money received because of a settlement agreement or judgment in a lawsuit brought against a manufacturer or distributor of "agent orange" for damages resulting from exposure to "agent orange";

(j) principal and income in a medical care savings account established in accordance with 15-61-201 or withdrawn from an account for eligible medical expenses, as defined in 15-61-102, of the taxpayer or a dependent of the taxpayer or for the long-term care of the taxpayer or a dependent of the taxpayer;

(k) principal and income in a first-time home buyer savings account established in accordance with 15-63-201 or withdrawn from an account for eligible costs, as provided in 15-63-202(7), for the first-time purchase of a single-family residence;

(l) contributions withdrawn from a family education savings account or earnings withdrawn from a family education savings account for qualified higher education expenses, as defined in 15-62-103, of a designated beneficiary;

(m) the recovery during the tax year of any amount deducted in any prior tax year to the extent that the recovered amount did not reduce the taxpayer's Montana income tax in the year deducted;

(n) if the federal taxable distribution of an estate or trust is greater than the state taxable distribution of the same estate or trust, the difference between the federal taxable distribution and the state taxable distribution of the same estate or trust for the same tax period;

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(o) deposits, not exceeding the amount set forth in 15-30-603, deposited in a Montana farm and ranch risk management account, as provided in 15-30-601 through 15-30-605, in any tax year for which a deduction is not provided for federal income tax purposes; ~~and~~

(p) income of a dependent child that is included in the taxpayer's federal adjusted gross income pursuant to the Internal Revenue Code. The child is required to file a Montana personal income tax return if the child and taxpayer meet the filing requirements in 15-30-142.

(q) 50% of the total net capital gain determined for federal income tax purposes under 26 U.S.C. 1(h).

(3) A shareholder of a DISC that is exempt from the corporation license tax under 15-31-102(1)(I) shall include in the shareholder's adjusted gross income the earnings and profits of the DISC in the same manner as provided by section 995 of the Internal Revenue Code, 26 U.S.C. 995, for all periods for which the DISC election is effective.

(4) A taxpayer who, in determining federal adjusted gross income, has reduced the taxpayer's business deductions by an amount for wages and salaries for which a federal tax credit was elected under sections 38 and 51(a) of the Internal Revenue Code ~~of 1954, 26 U.S.C. 38 and 51(a), as those sections may be labeled or amended~~, is allowed to deduct the amount of the wages and salaries paid regardless of the credit taken. The deduction must be made in the year that the wages and salaries were used to compute the credit. In the case of a partnership or small business corporation, the deduction must be made to determine the amount of income or loss of the partnership or small business corporation.

(5) Married taxpayers filing a joint federal return who are required to include part of their social security benefits or part of their tier 1 railroad retirement benefits in federal adjusted gross income may split the federal base used in calculation of federal taxable social security benefits or federal taxable tier 1 railroad retirement benefits when they file separate Montana income tax returns. The federal base must be split equally on the Montana return.

(6) A taxpayer receiving retirement disability benefits who has not attained 65 years of age by the end of the tax year and who has retired as permanently and totally disabled may exclude from adjusted gross income up to \$100 a week received as wages or payments in lieu of wages for a period during which the employee is absent from work due to the disability. If the adjusted gross income before this exclusion ~~and before application of the two-earner married couple deduction~~ exceeds \$15,000, the excess reduces the exclusion by an equal amount. This limitation affects the amount of exclusion, but not the taxpayer's eligibility for the exclusion. If eligible, married individuals shall apply the exclusion separately, but the limitation for income exceeding \$15,000 is determined with respect to the spouses on their combined adjusted gross income. For the purpose of this subsection, "permanently and totally disabled" means unable to engage in any substantial gainful activity by reason of any medically determined physical or mental impairment lasting or expected to last at least 12 months.

(7) Married taxpayers who file a joint federal return and who make an election on the federal return to defer income ratably for 4 tax years because of a conversion from an IRA other than a Roth IRA to a Roth IRA, pursuant to section 408A(d)(3) of the Internal Revenue Code, 26 U.S.C. 408A(d)(3), may file separate Montana income tax returns to defer the full taxable conversion amount from Montana adjusted gross income for the same time period. The deferred amount must be attributed to the taxpayer making the conversion.

(8) An individual who contributes to one or more accounts established under the Montana family education savings program may reduce adjusted gross income by the lesser of \$3,000 or the amount of the contribution. In the case of married taxpayers, each spouse is entitled to a reduction, not in excess of \$3,000, for the spouses' contributions to the accounts. Spouses may jointly elect to treat half of the total contributions made by the spouses as being made by each spouse. The reduction in adjusted gross income under this subsection applies only with respect to contributions to an account of which the account owner, as defined in 15-62-103, is the taxpayer, the taxpayer's spouse, or the taxpayer's child or stepchild if the taxpayer's child or stepchild is a Montana resident. The provisions of subsection (1)(e) do not apply with respect to withdrawals of contributions that reduced adjusted gross income. (Subsection (2)(f) terminates on occurrence of contingency--sec. 3, Ch. 634, L. 1983; subsection (2)(o) terminates on occurrence of contingency--sec. 9, Ch. 262, L. 2001.)

15-30-111. (Effective on occurrence of contingency) Adjusted gross income. (1) Adjusted gross income is the taxpayer's federal ~~income tax~~ adjusted gross income as defined in section 62 of the Internal Revenue Code ~~of 1954, 26 U.S.C. 62, as that section may be labeled or amended~~; and in addition includes the following:

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(a) (i) interest received on obligations of another state or territory or county, municipality, district, or other political subdivision of another state, except to the extent that the interest is exempt from taxation by Montana under federal law;

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code ~~of 1986~~, 26 U.S.C. 852(b)(5), ~~as that section may be amended or renumbered~~; that are attributable to the interest referred to in subsection (1)(a)(i);

(b) refunds received of federal income tax, to the extent that the deduction of the tax resulted in a reduction of Montana income tax liability;

(c) that portion of a shareholder's income under subchapter S. of Chapter 1 of the Internal Revenue Code ~~of 1954~~ that has been reduced by any federal taxes paid by the subchapter S. corporation on the income;

(d) depreciation or amortization taken on a title plant as defined in 33-25-105(15);

(e) the recovery during the tax year of an amount deducted in any prior tax year to the extent that the amount recovered reduced the taxpayer's Montana income tax in the year deducted; and

(f) if the state taxable distribution of an estate or trust is greater than the federal taxable distribution of the same estate or trust, the difference between the state taxable distribution and the federal taxable distribution of the same estate or trust for the same tax period.

(2) Notwithstanding the provisions of the ~~federal~~ Internal Revenue Code ~~of 1954~~, ~~as labeled or amended~~, adjusted gross income does not include the following, which are exempt from taxation under this chapter:

(a) (i) all interest income from obligations of the United States government, the state of Montana, a county, municipality, or district, or other political subdivision of the state and any other interest income that is exempt from taxation by Montana under federal law;

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code ~~of 1986~~, 26 U.S.C. 852(b)(5), ~~as that section may be amended or renumbered~~; that are attributable to the interest referred to in subsection (2)(a)(i);

(b) interest income earned by a taxpayer who is 65 years of age or older in a tax year up to and including \$800 for a taxpayer filing a separate return and \$1,600 for each joint return;

(c) (i) except as provided in subsection (2)(c)(ii), the first \$3,600 of all pension and annuity income received as defined in 15-30-101;

(ii) for pension and annuity income described under subsection (2)(c)(i), as follows:

(A) each taxpayer filing singly, head of household, or married filing separately shall reduce the total amount of the exclusion provided in subsection (2)(c)(i) by \$2 for every \$1 of federal adjusted gross income in excess of \$30,000 as shown on the taxpayer's return;

(B) in the case of married taxpayers filing jointly, if both taxpayers are receiving pension or annuity income or if only one taxpayer is receiving pension or annuity income, the exclusion claimed as provided in subsection (2)(c)(i) must be reduced by \$2 for every \$1 of federal adjusted gross income in excess of \$30,000 as shown on their joint return;

(d) all Montana income tax refunds or tax refund credits;

(e) gain required to be recognized by a liquidating corporation under 15-31-113(1)(a)(ii);

(f) all tips or gratuities that are covered by section 3402(k) or service charges that are covered by section 3401 of the Internal Revenue Code of 1954, 26 U.S.C. 3402(k) or 3401, as amended and applicable on January 1, 1983, received by persons for services rendered by them to patrons of premises licensed to provide food, beverage, or lodging;

(g) all benefits received under the workers' compensation laws;

(h) all health insurance premiums paid by an employer for an employee if attributed as income to the employee under federal law;

(i) all money received because of a settlement agreement or judgment in a lawsuit brought against a manufacturer or distributor of "agent orange" for damages resulting from exposure to "agent orange";

(j) principal and income in a medical care savings account established in accordance with 15-61-201 or withdrawn from an account for eligible medical expenses, as defined in 15-61-102, of the taxpayer or a dependent of the taxpayer or for the long-term care of the taxpayer or a dependent of the taxpayer;

(k) principal and income in a first-time home buyer savings account established in accordance with 15-63-201

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or withdrawn from an account for eligible costs, as provided in 15-63-202(7), for the first-time purchase of a single-family residence;

(l) contributions withdrawn from a family education savings account or earnings withdrawn from a family education savings account for qualified higher education expenses, as defined in 15-62-103, of a designated beneficiary;

(m) the recovery during the tax year of any amount deducted in any prior tax year to the extent that the recovered amount did not reduce the taxpayer's Montana income tax in the year deducted;

(n) if the federal taxable distribution of an estate or trust is greater than the state taxable distribution of the same estate or trust, the difference between the federal taxable distribution and the state taxable distribution of the same estate or trust for the same tax period;

(o) deposits, not exceeding the amount set forth in 15-30-603, deposited in a Montana farm and ranch risk management account, as provided in 15-30-601 through 15-30-605, in any tax year for which a deduction is not provided for federal income tax purposes;

(p) income of a dependent child that is included in the taxpayer's federal adjusted gross income pursuant to the Internal Revenue Code. The child is required to file a Montana personal income tax return if the child and taxpayer meet the filing requirements in 15-30-142.

(q) principal and income deposited in a health care expense trust account, as defined in 2-18-1303, or withdrawn from the account for payment of qualified health care expenses as defined in 2-18-1303.

(r) 50% of the total net capital gain determined for federal income tax purposes under 26 U.S.C. 1(h).

(3) A shareholder of a DISC that is exempt from the corporation license tax under 15-31-102(1)(I) shall include in the shareholder's adjusted gross income the earnings and profits of the DISC in the same manner as provided by section 995 of the Internal Revenue Code, 26 U.S.C. 995, for all periods for which the DISC election is effective.

(4) A taxpayer who, in determining federal adjusted gross income, has reduced the taxpayer's business deductions by an amount for wages and salaries for which a federal tax credit was elected under sections 38 and 51(a) of the Internal Revenue Code of 1954, 26 U.S.C. 38 and 51(a), ~~as those sections may be labeled or amended~~, is allowed to deduct the amount of the wages and salaries paid regardless of the credit taken. The deduction must be made in the year that the wages and salaries were used to compute the credit. In the case of a partnership or small business corporation, the deduction must be made to determine the amount of income or loss of the partnership or small business corporation.

(5) Married taxpayers filing a joint federal return who are required to include part of their social security benefits or part of their tier 1 railroad retirement benefits in federal adjusted gross income may split the federal base used in calculation of federal taxable social security benefits or federal taxable tier 1 railroad retirement benefits when they file separate Montana income tax returns. The federal base must be split equally on the Montana return.

(6) A taxpayer receiving retirement disability benefits who has not attained 65 years of age by the end of the tax year and who has retired as permanently and totally disabled may exclude from adjusted gross income up to \$100 a week received as wages or payments in lieu of wages for a period during which the employee is absent from work due to the disability. If the adjusted gross income before this exclusion ~~and before application of the two-earner married couple deduction~~ exceeds \$15,000, the excess reduces the exclusion by an equal amount. This limitation affects the amount of exclusion, but not the taxpayer's eligibility for the exclusion. If eligible, married individuals shall apply the exclusion separately, but the limitation for income exceeding \$15,000 is determined with respect to the spouses on their combined adjusted gross income. For the purpose of this subsection, "permanently and totally disabled" means unable to engage in any substantial gainful activity by reason of any medically determined physical or mental impairment lasting or expected to last at least 12 months.

(7) Married taxpayers who file a joint federal return and who make an election on the federal return to defer income ratably for 4 tax years because of a conversion from an IRA other than a Roth IRA to a Roth IRA, pursuant to section 408A(d)(3) of the Internal Revenue Code, 26 U.S.C. 408A(d)(3), may file separate Montana income tax returns to defer the full taxable conversion amount from Montana adjusted gross income for the same time period. The deferred amount must be attributed to the taxpayer making the conversion.

(8) An individual who contributes to one or more accounts established under the Montana family education savings program may reduce adjusted gross income by the lesser of \$3,000 or the amount of the contribution. In the case

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of married taxpayers, each spouse is entitled to a reduction, not in excess of \$3,000, for the spouses' contributions to the accounts. Spouses may jointly elect to treat half of the total contributions made by the spouses as being made by each spouse. The reduction in adjusted gross income under this subsection applies only with respect to contributions to an account of which the account owner, as defined in 15-62-103, is the taxpayer, the taxpayer's spouse, or the taxpayer's child or stepchild if the taxpayer's child or stepchild is a Montana resident. The provisions of subsection (1)(e) do not apply with respect to withdrawals of contributions that reduced adjusted gross income. (Subsection (2)(f) terminates on occurrence of contingency--sec. 3, Ch. 634, L. 1983; subsection (2)(o) terminates on occurrence of contingency--sec. 9, Ch. 262, L. 2001.)"

Renumber: subsequent sections

73. Page 54, line 7.

Following: "and"

Insert: "and"

74. Page 54, line 9 through line 11.

Strike: "; and" on line 9 through "purposes" on line 11

75. Page 62, line 8.

Strike: "61"

Insert: "62"

76. Page 88, line 15.

Strike: "52"

Insert: "53"

77. Page 90, line 5.

Strike: "61"

Insert: "62"

78. Page 91, line 19.

Strike: "52"

Insert: "53"

79. Page 91, line 29.

Strike: "61"

Insert: "62"

80. Page 92, line 27.

Strike: "52"

Insert: "53"

81. Page 93, line 7.

Strike: "61"

Insert: "62"

82. Page 94, line 20.

Strike: "52"

Insert: "53"

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83. Page 95, line 5.

Strike: "61"

Insert: "62"

84. Page 95, line 25.

Strike: "52"

Insert: "53"

85. Page 96, line 20.

Strike: "61"

Insert: "62"

86. Page 97, line 9.

Strike: "52"

Insert: "53"

Strike: "62"

Insert: "63"

Strike: "65"

Insert: "66"

87. Page 97, line 10.

Strike: "66"

Insert: "67"

Strike: "108"

Insert: "110"

88. Page 97, line 12.

Strike: "53"

Insert: "54"

Strike: "60"

Insert: "61"

89. Page 97, line 14.

Strike: "66"

Insert: "67"

Strike: "108"

Insert: "110"

90. Page 97, line 20.

Strike: "60"

Insert: "61"

91. Page 97, line 21.

Strike: "60"

Insert: "61"

92. Page 97, line 22.

Strike: "61"

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Insert: "62"

93. Page 97, line 23.

Strike: "61"

Insert: "62"

94. Page 97, line 24.

Strike: "62"

Insert: "63"

Strike: "63"

Insert: "64"

95. Page 97, line 25.

Strike: "62"

Insert: "63"

Strike: "63"

Insert: "64"

96. Page 97, line 26.

Strike: "64"

Insert: "65"

Strike: "65"

Insert: "66"

97. Page 97, line 27.

Strike: "64"

Insert: "65"

Strike: "65"

Insert: "66"

98. Page 98, line 7.

Strike: "53"

Insert: "54"

Strike: "60"

Insert: "61"

99. Page 98, line 8.

Strike: "31"

Insert: "32"

Strike: "34"

Insert: "35"

Strike: "36"

Insert: "37"

Strike: "39"

Insert: "40"

Strike: "41"

Insert: "42"

Strike: "43"

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Insert: "44"
Strike: "47"
Insert: "48"
Strike: "49"
Insert: "50"
Strike: "52"
Insert: "53"

100. Page 98, line 9.

Strike: "61"
Insert: "62"
Strike: "108"
Insert: "110"

101. Page 98.

Following: line 10

Insert: "NEW SECTION. Section 116. Contingent termination. [This act] terminates December 31, 2009, unless the legislature refers a measure to the qualified electors of Montana at the general election to be held in November 2008 to extend the sales tax and use tax laws enacted by [this act] and the electors approve the measure."

And, as amended, do pass. Report adopted.

MESSAGES FROM THE SENATE

Senate bill passed and transmitted to the House for concurrence: 3/24/2003

SB 296, introduced by Taylor

House bills concurred in and returned to the House: 3/24/2003

HB 63, introduced by Kasten
HB 122, introduced by Forrester
HB 129, introduced by Gutsche
HB 165, introduced by Lake
HB 174, introduced by B. Thomas
HB 182, introduced by Rome
HB 185, introduced by Wilson
HB 236, introduced by Erickson
HB 284, introduced by Gillan
HB 312, introduced by Lindeen
HB 319, introduced by Lawson
HB 368, introduced by Devlin
HB 416, introduced by Younkin
HB 420, introduced by Lake
HB 441, introduced by Cyr
HB 616, introduced by Younkin
HB 627, introduced by Lindeen
HB 711, introduced by Gallus

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House joint resolutions concurred in and returned to the House: 3/24/2003

HJR 10, introduced by Lawson
HJR 11, introduced by Smith
HJR 20, introduced by Roberts
HJR 28, introduced by Lange
HJR 34, introduced by Balyeat

House bills concurred in as amended and returned to the House for concurrence in Senate amendments: 3/24/2003

HB 17, introduced by Newman
HB 40, introduced by Newman
HB 145, introduced by McKenney
HB 157, introduced by Haines
HB 179, introduced by Matthews
HB 199, introduced by Harris
HB 220, introduced by Laszloffy
HB 237, introduced by Brueggeman
HB 285, introduced by R. Brown
HB 315, introduced by Lawson
HB 480, introduced by Steinbeisser
HB 573, introduced by Parker
HB 584, introduced by Barrett
HB 618, introduced by Dickenson

House joint resolution concurred in as amended and returned to the House for concurrence in Senate amendments: 3/24/2003

HJR 8, introduced by Juneau

House bill not concurred in and returned to the House: 3/24/2003

HB 610, introduced by Bergren

House joint resolution not concurred in and returned to the House: 3/24/2003

HJR 24, introduced by D. Brown

MESSAGES FROM THE GOVERNOR

March 25, 2003

The Honorable Doug Mood
Speaker of the House
State Capitol
Helena, Montana 59620

Dear Representative Mood:

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Please be informed that I have signed **House Bill 49** sponsored by Representative Haines, **House Bill 72** sponsored by Representative Mendenhall, **House Bill 117** sponsored by Representative Kaufmann, **House Bill 166** sponsored by Representative Wanzenried, **House Bill 325** sponsored by Representative Witt et al., **House Bill 378** sponsored by Representative Small-Eastman, **House Bill 427** sponsored by Representative Gutsche, **House Bill 450** sponsored by Representative Newman, and **House Bill 542** sponsored by Representative Franklin et al. on March 25, 2003.

Sincerely,

JUDY MARTZ
Governor

FIRST READING AND COMMITMENT OF BILLS

The following House bill was introduced, read first time, and referred to committee:

HB 763, introduced by Gillan, Forrester, Franklin, Golie, Lenhart, Matthews, Raser, referred to Taxation.

The following House joint resolutions were introduced, read first time, and referred to committees:

HJR 37, introduced by Noennig, McGee, Wanzenried, Wheat, referred to Natural Resources.

HJR 38, introduced by Erickson, referred to Taxation.

The following Senate bill was introduced, read first time, and referred to committee:

SB 296, introduced by Taylor, Cooney, referred to State Administration.

Majority Leader Brown moved that the House recess until 1:55 p.m. Motion carried.

House recessed at 1:35 p.m.

House reconvened at 1:56 p.m. All members present except Representative Morgan. Quorum present.

**SECOND READING OF BILLS
(COMMITTEE OF THE WHOLE)**

Representative Brown moved the House resolve itself into a Committee of the Whole for consideration of business on second reading. Motion carried. Representative B. Ryan in the chair.

Mr. Speaker: We, your Committee of the Whole, having had under consideration business on second reading, recommend as follows:

HB 3 - Representative Brueggeman moved **HB 3** do pass.

Representative Wanzenried moved **HB 3**, second reading copy, be amended as follows:

1. Page 1, line 27.

Strike: "1,940,000"

Insert: "2,640,000"

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Explanation: This makes the supplemental for general fund base aid to schools for fiscal 2003 consistent with the revenue estimate in HJR 2 for common school interest and income in the guarantee fund for fiscal 2003.

Amendment **not** adopted as follows:

Ayes: Ballantyne, Becker, Bergren, Bixby, Branae, Buzzas, Callahan, Carney, P. Clark, Cohenour, Cyr, Dickenson, Dowell, Erickson, Facey, Forrester, Franklin, Fritz, Gallik, Gallus, Galvin-Halcro, Gibson, Gillan, Golie, Gutsche, Harris, Jacobson, Jayne, Jent, Juneau, Kaufmann, Keane, Laslovich, Lenhart, Lindeen, Matthews, Musgrove, Newman, Parker, Raser, Ryan, Small-Eastman, Smith, Wanzenried, Weiss, Wilson, Windy Boy.
Total 47

Noes: Andersen, Balyeat, Barrett, Bitney, Bookout-Reinicke, D. Brown, R. Brown, Brueggeman, E. Clark, Devlin, Everett, Fisher, Fuchs, Haines, Hawk, Hedges, Hurwitz, Jackson, Kasten, Lake, Lambert, Lange, Laszloffy, Lawson, Lehman, Lewis, Maedje, Malcolm, McKenney, Mendenhall, Noennig, A. Olson, B. Olson, Pattison, Peterson, Rice, Ripley, Roberts, Rome, Ross, Sales, Schrumpf, Shockley, Sinrud, Steinbeisser, Stoker, Thomas, Wagman, Waitschies, Witt, Younkin, Mr. Speaker.
Total 52

Excused: Morgan.
Total 1

Absent or not voting: None.
Total 0

Motion that **HB 3** do pass carried as follows:

Ayes: Andersen, Barrett, Bitney, Bookout-Reinicke, D. Brown, R. Brown, Brueggeman, E. Clark, Devlin, Everett, Fisher, Fuchs, Haines, Hawk, Hedges, Hurwitz, Jackson, Kasten, Kaufmann, Lake, Lambert, Lange, Laszloffy, Lawson, Lehman, Lewis, Maedje, Malcolm, McKenney, Morgan, Noennig, A. Olson, B. Olson, Pattison, Peterson, Rice, Ripley, Roberts, Rome, Ross, Schrumpf, Shockley, Sinrud, Small-Eastman, Steinbeisser, Stoker, Thomas, Wagman, Waitschies, Witt, Younkin, Mr. Speaker.
Total 52

Noes: Ballantyne, Balyeat, Becker, Bergren, Bixby, Branae, Buzzas, Callahan, Carney, P. Clark, Cohenour, Cyr, Dickenson, Dowell, Erickson, Facey, Forrester, Franklin, Fritz, Gallik, Gallus, Galvin-Halcro, Gibson, Gillan, Golie, Gutsche, Harris, Jacobson, Jayne, Jent, Juneau, Keane, Laslovich, Lenhart, Lindeen, Matthews, Mendenhall, Musgrove, Newman, Parker, Raser, Ryan, Sales, Smith, Wanzenried, Weiss, Wilson, Windy Boy.
Total 48

Voted Absentee: Morgan, Aye.

Excused: None.
Total 0

Absent or not voting: None.
Total 0

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HB 4 - Representative Brueggeman moved **HB 4** do pass. Motion carried as follows:

Ayes: Andersen, Ballantyne, Barrett, Becker, Bergren, Bitney, Bixby, Branae, D. Brown, R. Brown, Brueggeman, Buzzas, Carney, E. Clark, P. Clark, Cohenour, Cyr, Devlin, Dickenson, Erickson, Everett, Facey, Fisher, Forrester, Franklin, Fritz, Fuchs, Gallus, Galvin-Halcro, Gibson, Gillan, Golie, Gutsche, Haines, Harris, Hawk, Hedges, Hurwitz, Jackson, Jacobson, Jayne, Jent, Juneau, Kasten, Kaufmann, Keane, Lake, Lambert, Lange, Laslovich, Laszloffy, Lawson, Lehman, Lenhart, Lewis, Maedje, Malcolm, Matthews, McKenney, Morgan, Newman, Noennig, A. Olson, B. Olson, Parker, Pattison, Peterson, Rice, Ripley, Roberts, Rome, Ross, Ryan, Schrupf, Shockley, Sinrud, Small-Eastman, Smith, Steinbeisser, Stoker, Thomas, Wagman, Waitschies, Wilson, Windy Boy, Witt, Younkin, Mr. Speaker.

Total 88

Noes: Balyeat, Callahan, Dowell, Gallik, Lindeen, Mendenhall, Musgrove, Raser, Sales, Wanzenried, Weiss.

Total 11

Voted Absentee: Morgan, Aye.

Excused: None.

Total 0

Absent or not voting: Bookout-Reinicke.

Total 1

HB 10 - Representative Maedje moved **HB 10** do pass. Motion carried as follows:

Ayes: Andersen, Ballantyne, Balyeat, Barrett, Becker, Bergren, Bitney, Bixby, Bookout-Reinicke, Branae, D. Brown, R. Brown, Brueggeman, Buzzas, Callahan, Carney, E. Clark, P. Clark, Cohenour, Cyr, Devlin, Dickenson, Dowell, Erickson, Everett, Facey, Fisher, Forrester, Franklin, Fritz, Fuchs, Gallik, Gallus, Galvin-Halcro, Gibson, Golie, Gutsche, Haines, Harris, Hawk, Hedges, Hurwitz, Jackson, Jacobson, Jayne, Jent, Juneau, Kasten, Kaufmann, Lake, Lambert, Lange, Laslovich, Laszloffy, Lawson, Lehman, Lenhart, Lewis, Lindeen, Maedje, Malcolm, Matthews, McKenney, Mendenhall, Morgan, Musgrove, Newman, Noennig, A. Olson, B. Olson, Parker, Pattison, Peterson, Raser, Rice, Ripley, Roberts, Rome, Ross, Ryan, Sales, Schrupf, Shockley, Sinrud, Smith, Steinbeisser, Stoker, Thomas, Wagman, Waitschies, Wanzenried, Weiss, Wilson, Windy Boy, Witt, Younkin, Mr. Speaker.

Total 97

Noes: Small-Eastman.

Total 1

Voted Absentee: Morgan, Aye.

Excused: None.

Total 0

Absent or not voting: Gillan, Keane.

Total 2

HB 11 - Representative Kasten moved **HB 11** do pass. Motion carried as follows:

Ayes: Andersen, Ballantyne, Barrett, Becker, Bergren, Bitney, Bixby, Bookout-Reinicke, Branae, D. Brown, R. Brown,

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Brueggeman, Buzzas, Callahan, Carney, E. Clark, P. Clark, Cohenour, Cyr, Devlin, Dickenson, Dowell, Erickson, Everett, Facey, Fisher, Forrester, Franklin, Fritz, Fuchs, Gallik, Gallus, Galvin-Halcro, Gibson, Gillan, Golie, Gutsche, Haines, Harris, Hawk, Hedges, Hurwitz, Jackson, Jacobson, Jayne, Jent, Juneau, Kasten, Kaufmann, Keane, Lake, Lambert, Lange, Laslovich, Laszloffy, Lawson, Lehman, Lenhart, Lewis, Lindeen, Maedje, Malcolm, Matthews, McKenney, Mendenhall, Morgan, Musgrove, Newman, Noennig, A. Olson, B. Olson, Parker, Pattison, Peterson, Raser, Rice, Ripley, Roberts, Rome, Ross, Ryan, Sales, Schruppf, Shockley, Sinrud, Small-Eastman, Smith, Steinbeisser, Stoker, Thomas, Wagman, Waitschies, Wanzenried, Weiss, Wilson, Windy Boy, Witt, Younkin, Mr. Speaker.
Total 99

Noes: Balyeat.
Total 1

Voted Absentee: Morgan, Aye.

Excused: None.
Total 0

Absent or not voting: None.
Total 0

HB 12 - Representative Kasten moved **HB 12** do pass. Motion carried as follows:

Ayes: Andersen, Ballantyne, Barrett, Becker, Bergren, Bitney, Bixby, Bookout-Reinicke, Branae, D. Brown, R. Brown, Brueggeman, Buzzas, Callahan, Carney, E. Clark, P. Clark, Cohenour, Cyr, Devlin, Dickenson, Dowell, Erickson, Everett, Facey, Fisher, Forrester, Franklin, Fritz, Fuchs, Gallik, Gallus, Galvin-Halcro, Gibson, Gillan, Golie, Gutsche, Haines, Harris, Hawk, Hedges, Hurwitz, Jackson, Jacobson, Jayne, Jent, Juneau, Kasten, Kaufmann, Keane, Lake, Lambert, Lange, Laslovich, Laszloffy, Lawson, Lehman, Lenhart, Lindeen, Maedje, Malcolm, Matthews, McKenney, Mendenhall, Morgan, Musgrove, Newman, Noennig, A. Olson, B. Olson, Parker, Pattison, Peterson, Raser, Rice, Ripley, Roberts, Rome, Ross, Ryan, Schruppf, Shockley, Sinrud, Small-Eastman, Smith, Steinbeisser, Stoker, Thomas, Wagman, Waitschies, Wanzenried, Weiss, Wilson, Windy Boy, Witt, Younkin, Mr. Speaker.
Total 97

Noes: Balyeat, Sales.
Total 2

Voted Absentee: Morgan, Aye.

Excused: None.
Total 0

Absent or not voting: Lewis.
Total 1

HB 276 - Representative Lindeen moved **HB 276** do pass. Motion carried as follows:

Ayes: Barrett, Becker, Bergren, Bitney, Bookout-Reinicke, Branae, Buzzas, Callahan, Carney, E. Clark, P. Clark, Cohenour, Cyr, Devlin, Dickenson, Dowell, Facey, Forrester, Fritz, Gallus, Galvin-Halcro, Gibson, Gillan, Golie, Haines, Harris, Hurwitz, Jackson, Jacobson, Jayne, Jent, Juneau, Keane, Lake, Lambert, Lange, Laslovich, Laszloffy, Lawson, Lehman, Lenhart, Lewis, Lindeen, Maedje, Matthews, McKenney, Mendenhall, Morgan, Musgrove, Newman,

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Noennig, B. Olson, Parker, Pattison, Peterson, Raser, Rice, Ripley, Roberts, Rome, Ryan, Schrumpf, Shockley, Sinrud, Small-Eastman, Smith, Stoker, Thomas, Wagman, Waitschies, Wanzenried, Weiss, Wilson, Windy Boy, Witt, Younkin, Mr. Speaker.

Total 77

Noes: Andersen, Ballantyne, Balyeat, Bixby, D. Brown, R. Brown, Erickson, Everett, Fisher, Fuchs, Gallik, Gutsche, Hawk, Hedges, Kasten, Kaufmann, Malcolm, A. Olson, Ross, Sales, Steinbeisser.

Total 21

Voted Absentee: Morgan, Aye.

Excused: None.

Total 0

Absent or not voting: Brueggeman, Franklin.

Total 2

Representative Brown moved the committee rise and report. Motion carried. Committee arose. House resumed. Mr. Speaker in the chair. Chairman B. Ryan moved the Committee of the Whole report be adopted. Report adopted as follows:

Ayes: Andersen, Ballantyne, Balyeat, Barrett, Becker, Bergren, Bitney, Bookout-Reinicke, Branae, D. Brown, R. Brown, Brueggeman, Carney, E. Clark, P. Clark, Devlin, Dickenson, Erickson, Everett, Facey, Fisher, Forrester, Fritz, Fuchs, Gallus, Gibson, Haines, Hawk, Hedges, Hurwitz, Jackson, Jacobson, Jayne, Jent, Kasten, Kaufmann, Lake, Lambert, Lange, Laszloffy, Lawson, Lehman, Lenhart, Lewis, Lindeen, Maedje, Malcolm, Matthews, McKenney, Mendenhall, Musgrove, Newman, Noennig, A. Olson, B. Olson, Pattison, Peterson, Rice, Ripley, Roberts, Rome, Ross, Sales, Schrumpf, Shockley, Sinrud, Small-Eastman, Smith, Steinbeisser, Stoker, Thomas, Wagman, Waitschies, Weiss, Windy Boy, Witt, Younkin, Mr. Speaker.

Total 78

Noes: Buzzas, Callahan, Cohenour, Cyr, Dowell, Franklin, Gallik, Galvin-Halcro, Gillan, Golie, Gutsche, Harris, Juneau, Keane, Laslovich, Parker, Raser, Ryan, Wanzenried, Wilson.

Total 20

Excused: Morgan.

Total 1

Absent or not voting: Bixby.

Total 1

THIRD READING OF BILLS

The following bills having been read three several times, title and history agreed to, were disposed of in the following manner:

SB 206, from consent calendar, concurred in as follows:

Ayes: Andersen, Ballantyne, Balyeat, Barrett, Becker, Bergren, Bitney, Bixby, Bookout-Reinicke, Branae, D. Brown,

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R. Brown, Brueggeman, Buzzas, Callahan, Carney, E. Clark, P. Clark, Cohenour, Cyr, Devlin, Dickenson, Dowell, Erickson, Everett, Facey, Fisher, Forrester, Franklin, Fritz, Fuchs, Gallik, Gallus, Galvin-Halcro, Gibson, Gillan, Golie, Gutsche, Haines, Harris, Hawk, Hedges, Hurwitz, Jackson, Jacobson, Jayne, Jent, Juneau, Kasten, Kaufmann, Keane, Lake, Lambert, Lange, Laslovich, Laszloffy, Lawson, Lehman, Lenhart, Lewis, Lindeen, Maedje, Malcolm, Matthews, McKenney, Mendenhall, Musgrove, Newman, Noennig, A. Olson, B. Olson, Parker, Pattison, Peterson, Raser, Rice, Ripley, Roberts, Rome, Ross, Ryan, Sales, Schruppf, Shockley, Sinrud, Small-Eastman, Smith, Steinbeisser, Stoker, Thomas, Wagman, Waitschies, Wanzenried, Weiss, Wilson, Windy Boy, Witt, Younkin, Mr. Speaker.
Total 99

Noes: None.
Total 0

Excused: Morgan.
Total 1

Absent or not voting: None.
Total 0

HB 558 passed as follows:

Ayes: Andersen, Ballantyne, Barrett, Becker, Bergren, Bitney, Bookout-Reinicke, Branae, D. Brown, R. Brown, Brueggeman, Buzzas, Callahan, Carney, E. Clark, P. Clark, Cohenour, Cyr, Devlin, Dickenson, Dowell, Erickson, Everett, Facey, Fisher, Forrester, Fritz, Gallik, Gallus, Galvin-Halcro, Gibson, Gillan, Golie, Gutsche, Haines, Harris, Hawk, Hedges, Hurwitz, Jackson, Jacobson, Jayne, Jent, Kasten, Kaufmann, Keane, Lake, Lambert, Lange, Laslovich, Laszloffy, Lawson, Lehman, Lenhart, Lewis, Lindeen, Maedje, Malcolm, Matthews, McKenney, Mendenhall, Musgrove, Newman, Noennig, A. Olson, B. Olson, Parker, Pattison, Peterson, Raser, Rice, Ripley, Roberts, Rome, Ross, Ryan, Schruppf, Shockley, Sinrud, Small-Eastman, Smith, Steinbeisser, Stoker, Thomas, Wagman, Waitschies, Wanzenried, Weiss, Wilson, Windy Boy, Witt, Younkin, Mr. Speaker.
Total 93

Noes: Balyeat, Bixby, Franklin, Fuchs, Juneau, Sales.
Total 6

Excused: Morgan.
Total 1

Absent or not voting: None.
Total 0

HB 628 passed as follows:

Ayes: Ballantyne, Becker, Bixby, Branae, R. Brown, Brueggeman, Buzzas, Callahan, Carney, E. Clark, P. Clark, Cyr, Dickenson, Dowell, Erickson, Facey, Forrester, Franklin, Fritz, Gallik, Gallus, Gibson, Gutsche, Harris, Hedges, Jacobson, Jayne, Jent, Juneau, Kasten, Kaufmann, Keane, Lange, Lehman, Lenhart, Lewis, Lindeen, Matthews, Musgrove, Newman, Noennig, Peterson, Roberts, Shockley, Small-Eastman, Smith, Stoker, Thomas, Wanzenried, Weiss, Windy Boy, Witt, Younkin, Mr. Speaker.
Total 54

Noes: Andersen, Balyeat, Barrett, Bergren, Bitney, Bookout-Reinicke, D. Brown, Cohenour, Devlin, Everett, Fisher,

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Fuchs, Galvin-Halcro, Gillan, Golie, Haines, Hawk, Hurwitz, Jackson, Lake, Lambert, Laslovich, Laszloffy, Lawson, Maedje, Malcolm, McKenney, Mendenhall, A. Olson, B. Olson, Parker, Pattison, Raser, Rice, Ripley, Rome, Ross, Ryan, Sales, Schrupf, Sinrud, Steinbeisser, Wagman, Waitschies, Wilson.

Total 45

Excused: Morgan.

Total 1

Absent or not voting: None.

Total 0

HB 735 passed as follows:

Ayes: Andersen, Ballantyne, Balyeat, Barrett, Bergren, Bitney, Bixby, Bookout-Reinicke, D. Brown, R. Brown, Brueggeman, Callahan, E. Clark, P. Clark, Devlin, Dowell, Erickson, Everett, Fisher, Forrester, Fritz, Fuchs, Gallus, Haines, Hawk, Hedges, Hurwitz, Jackson, Jent, Juneau, Kasten, Kaufmann, Keane, Lake, Lambert, Lange, Laslovich, Laszloffy, Lehman, Lewis, Lindeen, Maedje, Malcolm, McKenney, Mendenhall, Musgrove, Newman, Noennig, A. Olson, B. Olson, Pattison, Peterson, Rice, Ripley, Roberts, Rome, Ross, Sales, Schrupf, Shockley, Sinrud, Small-Eastman, Smith, Steinbeisser, Stoker, Thomas, Wagman, Waitschies, Wanzenried, Weiss, Witt, Younkin, Mr. Speaker.

Total 73

Noes: Becker, Branae, Buzzas, Carney, Cohenour, Cyr, Dickenson, Facey, Franklin, Gallik, Galvin-Halcro, Gibson, Gillan, Golie, Gutsche, Harris, Jacobson, Jayne, Lawson, Lenhart, Matthews, Parker, Raser, Ryan, Wilson, Windy Boy.

Total 26

Excused: Morgan.

Total 1

Absent or not voting: None.

Total 0

MOTIONS

Representative Erickson moved **HB 268** be taken from the table in the Committee on Taxation and be placed on second reading Legislative Day 64. Motion carried as follows:

Ayes: Andersen, Ballantyne, Becker, Bergren, Bixby, Bookout-Reinicke, Branae, D. Brown, R. Brown, Brueggeman, Buzzas, Callahan, Carney, E. Clark, P. Clark, Cohenour, Cyr, Dickenson, Dowell, Erickson, Facey, Fisher, Forrester, Franklin, Fritz, Fuchs, Gallik, Gallus, Galvin-Halcro, Gibson, Gillan, Golie, Gutsche, Haines, Harris, Jacobson, Jayne, Jent, Juneau, Kaufmann, Keane, Lake, Lambert, Laslovich, Laszloffy, Lawson, Lehman, Lenhart, Lindeen, Malcolm, Matthews, McKenney, Musgrove, Newman, Noennig, A. Olson, Parker, Peterson, Raser, Roberts, Ryan, Schrupf, Small-Eastman, Smith, Thomas, Wagman, Wanzenried, Weiss, Wilson, Windy Boy, Witt, Younkin, Mr. Speaker.

Total 73

Noes: Balyeat, Barrett, Bitney, Devlin, Everett, Hawk, Hedges, Hurwitz, Jackson, Kasten, Lange, Lewis, Maedje, Mendenhall, B. Olson, Pattison, Rice, Ripley, Rome, Ross, Sales, Shockley, Sinrud, Steinbeisser, Stoker, Waitschies.

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Total 26

Excused: Morgan.

Total 1

Absent or not voting: None.

Total 0

Representative Jent moved **SB 363** be taken from the Committee on Business and Labor and be rereferred to the Committee on Judiciary. Motion carried as follows:

Ayes: Ballantyne, Becker, Bergren, Bixby, Branae, Buzzas, Callahan, Carney, P. Clark, Cohenour, Cyr, Dickenson, Dowell, Erickson, Facey, Fisher, Franklin, Fritz, Gallik, Gallus, Galvin-Halcro, Gibson, Gillan, Golie, Gutsche, Harris, Hurwitz, Jacobson, Jayne, Jent, Juneau, Kaufmann, Keane, Laslovich, Lenhart, Lindeen, Malcolm, Musgrove, Newman, Noennig, Parker, Raser, Ryan, Shockley, Small-Eastman, Smith, Wanzenried, Weiss, Wilson, Windy Boy.

Total 50

Noes: Andersen, Balyeat, Barrett, Bitney, Bookout-Reinicke, D. Brown, R. Brown, Brueggeman, E. Clark, Devlin, Everett, Forrester, Fuchs, Haines, Hawk, Hedges, Jackson, Kasten, Lake, Lambert, Lange, Laszloffy, Lawson, Lehman, Lewis, Maedje, Matthews, McKenney, Mendenhall, A. Olson, B. Olson, Pattison, Peterson, Rice, Ripley, Roberts, Rome, Ross, Sales, Schrupf, Sinrud, Steinbeisser, Stoker, Thomas, Wagman, Waitschies, Witt, Younkin, Mr. Speaker.

Total 49

Excused: Morgan.

Total 1

Absent or not voting: None.

Total 0

ANNOUNCEMENTS

Committee meetings were announced by the committee chairs.

Majority Leader Brown moved that the House adjourn until 12:00 p.m., Wednesday, March 26, 2003. Motion carried.

House adjourned at 3:04 p.m.

MARILYN MILLER
Chief Clerk of the House

DOUG MOOD
Speaker of the House