

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
55th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON TAXATION

Call to Order: By Chairman Chase Hibbard, on March 6, 1997, at 8:00 a.m., in Room 437.

ROLL CALL

Members Present:

Rep. Chase Hibbard, Chairman (R)
Rep. Robert R. Story, Jr., Vice Chairman (Majority) (R)
Rep. Robert R. "Bob" Ream, Vice Chairman (Minority) (D)
Rep. Peggy Arnott (R)
Rep. Paul Bankhead (R)
Rep. John C. Bohlinger (R)
Rep. Bill Carey (D)
Rep. Alvin A. Ellis, Jr. (R)
Rep. Marian W. Hanson (R)
Rep. Hal Harper (D)
Rep. Dan W. Harrington (D)
Rep. Rick Jore (R)
Rep. Scott J. Orr (R)
Rep. John "Sam" Rose (R)
Rep. William M. "Bill" Ryan (D)
Rep. Richard D. Simpkins (R)
Rep. Emily Swanson (D)
Rep. Lila V. Taylor (R)
Rep. Jack Wells (R)

Members Excused: Rep. Bob Raney (D)

Members Absent: None.

Staff Present: Lee Heiman, Legislative Services Division
Donna Grace, Committee Secretary

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 595 (2/25)
SB 49 (2/17)
HB 566 (2/17)
Executive Action: SB 49 - Concur
HB 566 - Do Pass
HB 514 - Discussion Only
HB 417 - Discussion Only
HB 94 - Table
HB 393 - Removed from Table

HEARING ON SB 49Opening Statement by Sponsor:

Sen. Del Gage, Senate District 43, opened the hearing on SB 49, a bill which would revise the distribution of oil and natural gas taxes for deficiencies and credits. The bill was drafted at the request of the Department of Revenue. {Tape: 1; Side: A; Approx. Time Count: 2.2.}

Proponents' Testimony:

Don Hoffman, Department of Revenue. EXHIBIT 1. {Tape: 1; Side: a; Approx. Time Count: 5.3.}

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

{Tape: 1; Side: A; Approx. Time Count: 8.2.}

Closing by Sponsor:

Rep. Gage closed the hearing. {Tape: 1; Side: A; Approx. Time Count: 19.4.}

HEARING ON HB 595Opening Statement by Sponsor:

Rep. Dick Simpkins, House District 49, presented a bill proposing a constitutional amendment to prohibit state government from levying property tax. EXHIBIT 2. {Tape: 1; Side: A; Approx. Time Count: 27.1.}

Proponents' Testimony:

Gordon Morris, Montana Association of Counties. {Tape: 1; Side: A; Approx. Time Count: 27.1.}

Opponents' Testimony:

Eric Feaver, Montana Education Association. {Tape: 1; Side: B; Approx. Time Count: 1.7.}

Darrell Holzer, AFL-CIO. {Tape: 1; Side: B; Approx. Time Count: 5.0.}

Dick Pattison, President, Montana Senior Citizens. {Tape: 1;
Side: B; Approx. Time Count: 6.9.}

Informational Testimony:

None.

Questions From Committee Members and Responses:

{Tape: 1; Side: B; Approx. Time Count: 9.4.}

Closing by Sponsor:

Rep. Simpkins closed the hearing. {Tape: 1; Side: B; Approx.
Time Count: 26.0.}

HEARING ON HB 566

Opening Statement by Sponsor:

Rep. "Red" Menahan, House District 57, opened the hearing on HB
566 which would increase the exemption for life insurance
inheritance tax. {Tape: 2; Side: A; Approx. Time Count: 1.7.}

Proponents' Testimony:

Susan Good, Montana Association of Life Underwriters. {Tape: 2;
Side: A; Approx. Time Count: 3.0.}

Tom Hopgood, American Council of Life Underwriters. {Tape: 2;
Side: A; Approx. Time Count: 4.4.}

Frank Cote, Deputy Commissioner of Insurance. {Tape: 2; Side: A;
Approx. Time Count: 5.4.}

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

{Tape: 2; Side: A; Approx. Time Count: 5.7.}

Closing by Sponsor:

Rep. Menahan closed. {Tape: 2; Side: A; Approx. Time Count:
7.9.}

EXECUTIVE ACTION ON HB 514Motion:

Rep. Carey moved HB 514 do pass. {Tape: 2; Side: A; Approx. Time Count: 8.1.}

Discussion:

EXHIBIT 3. {Tape: 2; Side: A; Approx. Time Count: 9.0.}

Motion/Vote:

Rep. Ream moved an amendment to strike Sections 2 and 3 of the bill. The motion passed 13 - 7 with Reps. Orr, Arnott, Rose, Wells, Jore, Bankhead and Hanson voting no. {Tape: 2; Side: B; Approx. Time Count: 5.9.}

Further action on the bill was deferred to a later date.

EXECUTIVE ACTION ON COMMITTEE BILLDiscussion:

Chairman Hibbard advised the Committee that there was a problem with legislation passed during the last session related to subchapter S corporations. He suggested a committee bill. {Tape: 2; Side: B; Approx. Time Count: 6.6.}

Lee Heiman provided an outline of the proposed bill. {Tape: 2; Side: B; Approx. Time Count: 7.7.}

Judy Paynter, DOR. {Tape: 2; Side: B; Approx. Time Count: 9.8.}

Gordon Morris, Montana Association of Counties. {Tape: 2; Side: B; Approx. Time Count: 11.8.}

John Cadby, Montana Bankers' Association. {Tape: 2; Side: B; Approx. Time Count: 13.3.}

Interested persons responded to questions from the Committee. {Tape: 2; Side: B; Approx. Time Count: 16.6.}

Motion/Vote:

The Committee voted unanimously to request a bill draft. {Tape: 2; Side: B; Approx. Time Count: 19.5.}

EXECUTIVE ACTION ON HB 417Motion:

Rep. Simpkins moved do pass on HB 417. {Tape: 2; Side: B; Approx. Time Count: 29.7.}

Discussion:

EXHIBIT 4. {Tape: 2; Side: B; Approx. Time Count: 20.5.}

Motion/Vote:

Rep. Simpkins moved an amendment. EXHIBIT 5 . The motion passed 19 - 1, with Rep. Jore voting no. {Tape: 2; Side: B; Approx. Time Count: 24.2.}

Motion:

Rep. Simpkins proposed a conceptual amendment to include families in which only one parent was employed. The majority supported the amendment but no further action was taken on the bill. {Tape: 3; Side: A; Approx. Time Count: 3.5.}

EXECUTIVE ACTION ON HB 94Motion:

Rep. Orr moved that HB 94 do pass. {Tape: 3; Side: A; Approx. Time Count: 12.1.}

Motion/Vote:

Rep. Rose moved to Table HB 94. On a voice vote the motion passed 19 - 1, with Rep. Simpkins voting no. {Tape: 3; Side: A; Approx. Time Count: 12.5.}

EXECUTIVE ACTION ON SB 49.Motion/Vote:

Rep. Hanson moved that SB 49 be concurred in. On a voice vote the motion carried 19 - 1, with Rep. Arnott voting no. {Tape: 3; Side: A; Approx. Time Count: 14.0.}

EXECUTIVE ACTION ON HB 566Motion/Vote:

Rep. Ream moved that HB 566 do pass. On a voice vote the motion passed 20 - 0. {Tape: 3; Side: A; Approx. Time Count: 16.3.}

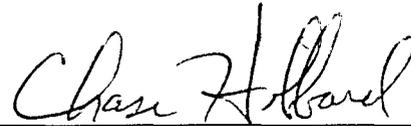
EXECUTIVE ACTION ON HB 393Motion/Vote:

Rep. Simpkins moved to remove HB 393 from the table for amendment. On a roll call vote, the motion passed 13 - 7, with Reps. Ryan, Carey, Harrington, Swanson, Harper, Raney and Ream voting no. {Tape: 3; Side: A; Approx. Time Count: 19.2.}

{Tape: 3; Side: A; Approx. Time Count: 33.7; Comments: Adjourn.}

ADJOURNMENT

Adjournment: 11:30 a.m.



REP. CHASE HIBBARD, Chairman



DONNA GRACE, Secretary

CH/DG