

**MINUTES**

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

**COMMITTEE ON TAXATION**

**Call to Order:** By Chairman Chase Hibbard, on March 24, 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. Hal Harper (D)  
Rep. Dan W. Harrington (D)  
Rep. Rick Jore (R)  
Rep. Scott J. Orr (R)  
Rep. Bob Raney (D)  
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. Marian W. Hanson (R)

**Members Absent:** None.

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

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: SB 272 (3/7)  
HB 612 (3/20)  
HB 613 (3/21)

**Executive Action:**

HB 612 - Do Pass as Amended  
HB 599 - Do Pass as Amended  
HB 606 - Table  
HB 611 - Do Pass as Amended  
HB 595 - Table  
HB 603 - Table

HEARING ON SB 272Opening Statement by Sponsor:

Sen. Gary Aklestad, Senate District 44, opened the hearing on SB 272, a bill which would extend the inheritance tax exemption for stepchildren. {Tape: 1; Side: A; Approx. Time Count: 1.1.}

Proponents' Testimony:

Rose Mary Snodgrass. EXHIBIT 1. {Tape: 1; Side: A; Approx. Time Count: 3.9.}

John Youngberg, Montana Farm Bureau. {Tape: 1; Side: A; Approx. Time Count: 6.0.}

Riley Johnson, National Association of Independent Business. {Tape: 1; Side: A; Approx. Time Count: 8.7.}

Opponents' Testimony:

Dave Woodgerd, Department of Revenue. {Tape: 1; Side: A; Approx. Time Count: 9.4.}

Informational Testimony:

None.

Questions From Committee Members and Responses:

{Tape: 1; Side: A; Approx. Time Count: 12.6.}

Sponsor's Closing Statement:

Sen. Aklestad closed the hearing. {Tape: 1; Side: A; Approx. Time Count: 27.3.}

HEARING ON HB 612Opening Statement by Sponsor:

Rep. Chase Hibbard, House District 54, opened the hearing on HB 612. The bill, drafted at the request of the Taxation Committee, would change the distribution of corporate license tax payments. {Tape: 1; Side: B; Approx. Time Count: 1.3.}

Proponents' Testimony:

George Bennett, Montana Bankers' Association. {Tape: 1; Side: B; Approx. Time Count: 7.4.}

Gordon Morris, Montana Association of Counties. {Tape: 1; Side: B; Approx. Time Count: 10.2.}

Keith Colbo, Montana Independent Bankers. {Tape: 1; Side: B; Approx. Time Count: 12.3.}

Dennis Burr, Montana Taxpayers' Association. {Tape: 1; Side: B; Approx. Time Count: 12.7.}

John Cadby, Montana Bankers' Association. {Tape: 1; Side: B; Approx. Time Count: 14.1.}

Lynn Chenoweth, Department of Revenue. {Tape: 1; Side: B; Approx. Time Count: 14.7.}

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

{Tape: 1; Side: B; Approx. Time Count: 18.0; Comments: Questions continued on Tape 2 A..}

Closing by Sponsor:

Rep. Hibbard closed the hearing. {Tape: 2; Side: A; Approx. Time Count: 2.6.}

HEARING ON HB 613

Opening Statement by Sponsor:

Rep. Bob Ream, House District 69, opened the hearing on HB 613. Rep. Ream said the concept for the Montana business enterprise tax in the bill is new and is currently in place in two other states. EXHIBIT 2. {Tape: 2; Side: A; Approx. Time Count: 7.0; Comments: Rep. Ream's opening statement is continued on Tape 2 B.}

Proponents' Testimony:

None.

Opponents' Testimony:

Dennis Burr, Montana Taxpayers' Association. {Tape: 2; Side: B; Approx. Time Count: 13.7.}

Informational Testimony:

Gordon Morris, Montana Association of Counties, {Tape: 2; Side: B; Approx. Time Count: 20.9.}

Questions From Committee Members and Responses:

{Tape: 2; Side: B; Approx. Time Count: 21.3; Comments: Questions continued on Tape 3 A.}

Closing by Sponsor:

Rep. Ream made a closing statement. {Tape: 3; Side: A; Approx. Time Count: 21.8.}

EXECUTIVE ACTION ON HB 599

Motion/Vote:

Rep. Bankhead moved HB 599 do pass as amended. Amendments were adopted on March 21. EXHIBIT 3. The motion carried, 17 - 3, with Reps. Arnott, Jore and Ream voting no. {Tape: 3; Side: B; Approx. Time Count: 1.0.}

EXECUTIVE ACTION ON HB 606

Motion:

Rep. Carey moved HB 606 do pass. {Tape: 3; Side: B; Approx. Time Count: 11.4.}

Substitute Motion/Vote:

Rep. Story moved to table HB 606. The motion was carried, 13 - 7, with Reps. Ryan, Carey, Harrington, Swanson, Harper, Raney and Ream voting no. {Tape: 3; Side: B; Approx. Time Count: 13.3.}

EXECUTIVE ACTION ON HB 611

Motion/Vote:

Rep. Harper move HB 611 do pass. He then moved the amendments to the bill. EXHIBIT 4. The amendments were adopted, 19 - 1, with Rep. Jore voting no. {Tape: 3; Side: B; Approx. Time Count: 15.1.}

Motion\Vote:

Rep. Harper moved HB 611 as amended do pass. The motion carried 16 - 4, with Reps. Orr, Arnott, Jore and Taylor voting no. {Tape: 3; Side: B; Approx. Time Count: 26.1.}

EXECUTIVE ACTION ON HB 595Motion:

Rep. Simpkins moved HB 595 do pass. {Tape: 4; Side: A; Approx. Time Count: 2.0.}

Motion/Vote:

Rep. Simpkins moved amendments to HB 595. EXHIBIT 5.

Substitute Motion/Vote:

Rep. Harrington moved to table HB 595. The motion passed 12 - 8, with Reps. Story, Orr, Arnott, Wells, Jore, Simpkins, Bankhead and Taylor voting no. {Tape: 4; Side: A; Approx. Time Count: 12.5.}

EXECUTIVE ACTION ON HB 603Motion:

Rep. Jore moved HB 603 do pass. {Tape: 4; Side: A; Approx. Time Count: 14.3.}

Motion/Vote:

Rep. Jore moved amendments to HB 603. EXHIBIT 6. The motion carried unanimously. {Tape: 4; Side: A; Approx. Time Count: 17.3.}

Motion:

Rep. Jore moved HB 603 as amended do pass. {Tape: 4; Side: A; Approx. Time Count: 18.3.}

Substitute Motion/Vote:

Rep. Ream moved that HB 603 be tabled. The motion carried 15 - 5, with Reps. Orr, Arnott, Wells, Jore and Bankhead voting no. {Tape: 4; Side: B; Approx. Time Count: 0.1.}

EXECUTIVE ACTION ON HB 612Motion:

Rep. Harper moved HB 612 do pass. {Tape: 4; Side: B; Approx. Time Count: 2.1.}

Motion/Vote:

Rep. Ream moved amendments to HB 612. EXHIBIT 7. The motion passed unanimously. {Tape: 4; Side: B; Approx. Time Count: 3.0.}

Motion/Vote:

Rep. Harper moved HB 612 as amended do pass. The motion carried 19 - 1, with Rep. Arnott voting no. {Tape: 4; Side: B; Approx. Time Count: 4.0.}

{Tape: 4; Side: B; Approx. Time Count: 4.5; Comments: Adjourn.}

ADJOURNMENT

Adjournment: 11:50 a.m.



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REP. CHASE HIBBARD, Chairman



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DONNA GRACE, Secretary

CH/DG