

**MINUTES**

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

**COMMITTEE ON TAXATION**

**Call to Order:** By Chairman Chase Hibbard, on March 27, 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. 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:** None.

**Members Absent:** None.

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

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: None.

Executive Action: HB 613 - Do Pass failed on tie vote. Table motion failed on tie vote.

Chairman Hibbard discussed the Committee's schedule and the proposal to develop a tax plan. The Chairman suggested dividing the Committee into five groups, each of which should come back to the full Committee with three suggestions. *{Tape: 1; Side: A; Approx. Time Count: 1.3.}*

Rep. Ellis, who was a member of the Montana Tax Policy Task Force, reviewed the report prepared by the Task Force during the interim. **EXHIBIT 1.** *{Tape: 1; Side: A; Approx. Time Count: 10.7; Comments: Continued on Tape 1 B.}*

Rep. Arnott asked to have Scott Seacat, Legislative Auditor, report to the Committee on a sales tax plan he had prepared. *{Tape: 1; Side: B; Approx. Time Count: 8.3.}*

Chairman Hibbard gave the sub-committees permission to ask for help from other entities such as the Legislative Auditor's office. *{Tape: 1; Side: B; Approx. Time Count: 10.0.}*

The Committee recessed at 9:15 a.m.

The Committee reconvened at 10:20 and received reports of the sub-committees. The reports are attached as **EXHIBIT 2.** *{Tape: 1; Side: B; Approx. Time Count: 13.5; Comments: Sub-committee reports are continued on Tape 2 A.}*

Discussion of sub-committee reports. *{Tape: 2; Side: A; Approx. Time Count: 6.0.}*

#### EXECUTIVE ACTION ON HB 613

##### Motion:

Rep. Ream moved HB 613 do pass. *{Tape: 2; Side: A; Approx. Time Count: 19.4.}*

##### Motion:

Rep. Ream moved amendments to the bill. **EXHIBIT 3.** *{Tape: 2; Side: A; Approx. Time Count: 22.6.}*

##### Discussion:

*{Tape: 2; Side: A; Approx. Time Count: 22.9; Comments: Discussion continued on Tape 2 B.}*

##### Vote:

The motion was carried, 17 - 1, with Rep. Jore voting no. *{Tape: 2; Side: B; Approx. Time Count: 10.2.}*

Motion:

Rep. Ream moved a conceptual amendment that would remove the base funding. {Tape: 2; Side: B; Approx. Time Count: 11.0.}

Discussion:

{Tape: 2; Side: B; Approx. Time Count: 12.0; Comments: Discussion continued on Tape 3 A.}

Motion:

Rep. Ream moved an amendment to remove retirement, transportation, and unvoted levies. The motion passed 18 - 0. {Tape: 3; Side: A; Approx. Time Count: 1.5.}

Discussion:

Discussion on the bill continued. Larry Finch, Department of Revenue, explained how a value-added tax worked. EXHIBIT 4. {Tape: 3; Side: A; Approx. Time Count: 3.7.}

Motion/Vote:

Rep. Ream moved that HB 613 do pass as amended. The motion failed on a 10 - 10 vote, with Reps. Orr, Arnott, Wells, Ellis, Jore, Simpkins, Bankhead, Bohlinger, Taylor and Hanson voting no. {Tape:3 ; Side: A; Approx. Time Count: 25.0.}

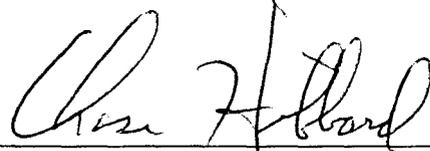
Motion/Vote:

Rep. Simpkins moved to table HB 613. The vote was reversed and the table motion failed, 10 - 10. {Tape: 3; Side: A; Approx. Time Count: 26.0.}

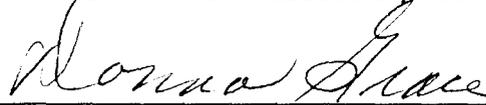
{Tape: 3; Side: A; Approx. Time Count: 27.5; Comments: Adjourn.}

ADJOURNMENT

Adjournment: 12:00 Noon



REP. CHASE HIBBARD, Chairman



DONNA GRACE, Secretary

CH/DG