

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 55th LEGISLATURE - REGULAR SESSION

JOINT MEETING OF HOUSE AND SENATE COMMITTEES ON TAXATION

Call to Order: By Sen. Gerry Devlin, Chairman of the Senate Taxation Committee, on January 29, 1997, at 8:00 a.m., in the Auditorium of the Scott Hart Building, 303 North Roberts, Helena, Montana.

ROLL CALL

Senate Members Present:

Sen. Gerry Devlin, Chairman
Sen. Mike Foster, Vice Chair
Sen. Mack Cole
Sen. Bob De Pratu
Sen. Dorothy Eck
Sen. Bill Glaser
Sen. Mike Sprague
Sen. Barry "Spook" Stang
Sen. Fred Van Valkenburg

House Members Present:

Rep. Chase Hibbard, Chairman (R)
Rep. Robert R. Story, Jr., Vice Chairman (Majority) (R)
Rep. Peggy Arnott (R)
Rep. Paul Bankhead (R)
Rep. Bill Carey (D)
Rep. Alvin A. Ellis, Jr. (R)
Rep. Marian W. Hanson (R)
Rep. Hal Harper (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. John C. Bohlinger (R)
Rep. Dan W. Harrington (D)
Rep. Robert R. "Bob" Ream, Vice Chairman (Minority) (D)

Members Absent: None.

Staff Present: Donna Grace, House Taxation Committee Secretary

Committee Business Summary:

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

Sen. Jerry Devlin opened the meeting. Rep. Chase Hibbard commented that the purpose of the joint meeting was for Committee Members to receive information on the tax implications of utility restructuring. A copy of the agenda is attached as **EXHIBIT 1**.

{Tape: 1; Side: A; Approx. Time Count: 2.0.}

Matthew Brown, Senior Energy Policy Specialist, National Conference of State Legislatures, provided an overview of electric utility industry restructuring. **EXHIBITS 2 and 3**.

{Tape: 1; Side: A; Approx. Time Count: 5.0.}

Alan Davis, Department of Environmental Quality. **EXHIBIT 4**.

{Tape: 1; Side: A; Approx. Time Count: 28.4.}

Bob Anderson, Public Service Commission. **EXHIBIT 5**. *{Tape: 1; Side: A; Approx. Time Count: 40.6; Comments: Mr. Anderson's comments are continued on Tape 1B.}*

Matthew Brown provided additional information on the tax implications of restructuring. *{Tape: 1; Side: B; Approx. Time Count: 22.9; Comments: Mr. Brown's comments are continued on Tape 2A.}*

Questions from Committee Members and others in attendance.

{Tape: 2; Side: A; Approx. Time Count: 4.8.}

Jerrold Pederson, Vice President, Chief Financial and Information Office, Montana Power Company. **EXHIBIT 6**. *{Tape: 2; Side: A; Approx. Time Count: 15.5.}*

Tim Gregori, Manager, Big Horn Electric. **EXHIBIT 7**. *{Tape: 2; Side: A; Approx. Time Count: 34.3; Comments: Mr. Gregori's comments are continued on Tape 2B.}*

Questions from Committee Members and others. *{Tape: 2; Side: B; Approx. Time Count: 2.2.}*

Bob Rowe, Public Service Commissioner, Northwest Area, provided an overview of the implications for telecommunications.

EXHIBIT 8. *{Tape: 2; Side: B; Approx. Time Count: 15.7.}*

John Scott, U. S. West. **EXHIBIT 9**. *{Tape: 2; Side: B; Approx. Time Count: 33.8; Comments: Mr. Scott's comments are continued on Tape 3A.}*

Barbara Ranf, U. S. West. **EXHIBIT 10**. *{Tape: 3; Side: A; Approx. Time Count: 13.7.}*

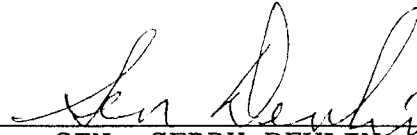
Michael Strand, Montana Independent Telecommunications Systems.
EXHIBIT 11. {Tape: 3; Side: A; Approx. Time Count: 19.2.}

Questions from Committee Members and others. {Tape: 3; Side: A;
Approx. Time Count: 38.9.}

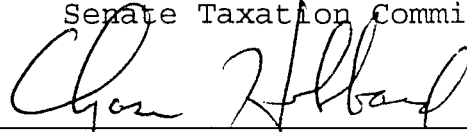
{Tape: 3; Side: B; Approx. Time Count: 2.0; Adjourn.}

ADJOURNMENT

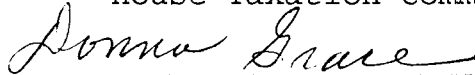
Adjournment: 11:50 a.m.



SEN. GERRY DEVLIN, Chairman
Senate Taxation Committee



REP. CHASE HIBBARD, Chairman
House Taxation Committee



DONNA GRACE, Secretary

GD/CH/dg