

## **HB 142 Review of Advisory Councils**

### **Forest Lands Taxation Advisory Committee**

Prepared by Megan Moore  
January 2014

**Statutory Authority:** 15-44-103, MCA

#### **Purposes**

- The Forest Lands Taxation Advisory Committee advises the Department of Revenue on matters related to the property taxation of forest lands.
- The advisory committee's duties are to:
  - ▶ review data, including data on productivity value, stumpage value, wood production, capitalization rate, net income, and agriculture-related income;
  - ▶ recommend to the Department any adjustments to data if required by changes in government forest land programs, market conditions, or prevailing forest lands practices;
  - ▶ recommend appropriate base periods and averaging methods to the Department;
  - ▶ verify for each forest valuation zone and forest land classification and subclassification that the income determined reasonably approximates that which the average Montana forest landowner could have attained; and
  - ▶ recommend forest land valuation techniques to the Department.

#### **General Information**

- The committee is composed of 7 members appointed as follows:
  - ▶ 4 members with expertise in forest matters, one each appointed by the majority leader of the senate, the minority leader of the senate, the majority leader of the house of representatives, and the minority leader of the house of representatives;
  - ▶ 3 members appointed by the governor: one who is an industrial forest landowner, one who is a nonindustrial forest landowner, and one who is a county commissioner.
- Members' terms expire on June 30 of the first year of each reappraisal cycle. Current members' terms will expire June 30, 2015.

#### **Budget Information**

The committee costs for fiscal year 2013 totaled \$12,434, which included \$859 for meeting travel costs and \$11,575 in contract costs for Dr. David Jackson. Dr. Jackson is a Professor Emeritus of National Resource Policy and Forest Economics at the University of Montana.

**Recent Activities**

- The committee met on January 16, 2013, and June 13, 2013.
- The committee received a preliminary statistical analysis aimed at determining if the methods employed to gather timber sales information for the current reappraisal cycle are still viable methods for the 2015 reappraisal cycle. The analysis included sales information from June 2008 through December 2012. The preliminary analysis concluded there were sufficient sales to determine timber values for the next reappraisal cycle.
- Dr. Jackson is developing a data set for state timber sales for a 60-month period, as required by law, and defining the forest zones. Once the data set is complete and the forest zones are established, Dr. Jackson will submit his final report to the Department.
- The committee will meet after Dr. Jackson submits his final report to review the report and Dr. Jackson's conclusions.

**Forest Lands Taxation Advisory Committee Membership**

<b>Members</b>	<b>Hometown</b>	<b>Representing</b>	<b>Appointed By</b>
David Affleck	Missoula	Professor of Forest Biometrics	Sen. Carol Williams
Jean Curtiss	Missoula	County Commissioner	Gov. Brian Schweitzer
Steve Flynn	Deer Lodge	Resource Manager	Rep. Jon Sesso
Kelly Gebhardt	Roundup	Former Legislator	Sen. Jeff Essmann
Bob Oldenburg	Helena	Forester	Rep. Tom McGillvray
Scott Settle	Canyon Creek	Industrial Forest Landowner	Gov. Brian Schweitzer
Doreen Stokes	Plains	Nonindustrial Forest Landowner	Gov. Steve Bullock