



## Revenue and Transportation Interim Committee

### 65th Montana Legislature

#### SENATE MEMBERS

MARK BLASDEL--Vice Chair  
DUANE ANKNEY  
DICK BARRETT  
CYDNIE (CARLIE) BOLAND  
JILL COHENOUR  
BRIAN HOVEN

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TOM JACOBSON--Chair  
BECKY BEARD  
JIM HAMILTON  
GREG HERTZ  
ALAN REDFIELD  
BRIDGET SMITH

#### COMMITTEE STAFF

MEGAN MOORE, Lead Staff  
JARET COLES, Staff Attorney  
LAURA SHERLEY, Secretary

## AGENDA

### Wednesday, May 2, 2018

### Room 137, State Capitol

*Agenda times are approximate. Some items may take more or less time than is indicated.*

- 10:00 1. **Call to Order -- Roll Call** -- Rep. Tom Jacobson, Presiding Officer
- 10:05 2. **Agency Monitoring: Montana Tax Appeal Board** -- Dave McAlpin, Chair
- a. Caseload and pending appeals update
  - b. Public comment\*
- 10:20 3. **Agency Monitoring: Department of Revenue** -- Mike Kadas, Director
- a. Required reports
    - i. Qualified endowment tax credit
    - ii. Biodiesel blending and storage tax credit
    - iii. Student scholarship organizations receiving contributions from taxpayers granted credits
  - b. Income tax season update
  - c. Major case update
  - d. Public comment\*
- 11:00 4. **Medical Marijuana Update**
- a. Update on administrative rules -- Erica Johnston, Operations Services Branch Manager, Department of Public Health and Human Services
  - b. Public comment\*
- 12:00 5. Lunch
- 1:00 6. **HJ 18: Tax Increment Financing Study**
- a. Surrounding states' experiences with TIF -- Alyssa Sorenson, Legislative Audit Division
  - b. Overview of expired districts that used TIF -- Alyssa Sorenson
  - c. Bond payments and revenue comparison in districts that use TIF -- Megan Moore, committee staff
  - d. TIF Working Group's work on best practices -- Kelly Lynch, Montana League of Cities and Towns
  - e. DOR administrative role and resource needs -- Department of Revenue

- f. Process for certifying base and incremental taxable values – Department of Revenue
- g. Centrally assessed property values within districts that use TIF – Department of Revenue
- h. Legislative goals for districts -- Megan Moore
- i. Public comment\*
- j. Committee work session
  - i. Discussion of goals for districts
  - ii. Consideration of:
    - A. whether to require remittance of increment not necessary to meet bond obligations
    - B. whether to establish maximum percentage of tax base that may be placed into districts that use TIF
  - iii. Discussion of possible findings and recommendations
  - iv. Requests for draft legislation

3:30 7. Break

3:45 8. **Agency Monitoring: Administrative Rule Review**  
 a. Overview of administrative rule activity -- Jaret Coles, staff attorney  
 b. Public comment\*

4:15 9. **Public comment\*** on any other topic within the committee's jurisdiction

4:30 10. **Recess until May 3**

\*Public comment provided in person to the committee is a public record that is videotaped, archived, and available on the Internet. Public comment submitted in writing at a committee meeting is a public record that will be posted to the legislative Web site as part of the minutes log for the committee meeting.

\*\*The Montana Legislative Services Division will make reasonable accommodations for persons with disabilities who wish to participate in this public meeting. For questions about accessibility or to request accommodations, please contact Lenore Adams at 406-444-4456 or [leadams@mt.gov](mailto:leadams@mt.gov) as soon as possible before the meeting date

**Thursday, May 3, 2018**  
**Room 137, State Capitol**

*Agenda times are approximate. Some items may take more or less time than is indicated.*

- 8:30 1. **Call to Order -- Roll Call** -- Sen. Mark Blasdel, Vice Presiding Officer
- 8:35. 2. **SJ 23: Centrally Assessed and Industrial Property Study**
- a. Overview of dispute resolution procedures -- Megan Moore
  - b. Review intangible personal property exemption -- Jaret Coles
  - c. Consideration of changing timeline for certifying taxable values -- Bob Story, Montana Taxpayers Association and Gene Walborn, Department of Revenue
  - d. Public comment\*
  - e. Committee work session
    - i. Discussion of possible findings and recommendations
    - ii. Requests for draft legislation
- 10:00 3. Break
- 10:15 4. **Revenue Estimating and Monitoring** -- Legislative Fiscal Division
- a. Year-to-date revenue collections
  - b. Public comment\*
- 11:00 5. **Member Topic: Oil and Natural Gas Production Tax Distribution**
- a. Data requests -- Megan Moore
    - i. Board of Oil and Gas Conservation fund balance
    - ii. Oil and gas natural resource distribution tax revenue by county and city
  - b. Discussion of budget and changes to privilege and license tax rate -- Jim Halvorson, Administrator, Board of Oil and Gas Conservation
  - c. Public comment\*
  - d. Committee action (if applicable)
- 12:00 6. **Lunch**
- 1:00 7. **Agency Monitoring: Department of Transportation** -- Mike Tooley, Director
- a. Update on implementation of House Bill No. 473
  - b. Public comment\*
- 1:30 8. **HJ 22: Agricultural Property Study**
- a. Summary of outcome of bills recommended by RTIC last interim – Megan Moore
  - b. History of 15 air miles from Ch. 543, L. 2005 – Megan Moore
  - c. Report on Department of Revenue informal working group -- Mike Kadas, Director, Department of Revenue
  - d. Analysis of impact of moving 1 acre under an improvement to market value – Department of Revenue

- e. Consider whether to revise gross income requirements
  - i. Analysis of requiring income per acre based on productive value assumed for valuation purposes – Department of Revenue
  - ii. Flathead vineyard/orchard owners' recommendations -- Frank Mutch, Polson, MT
- f. Public comment\*
- g. Committee work session
  - i. Discussion of possible findings and recommendations
    - A. Consider how to classify property previously qualifying as agricultural if recommending classification changes
  - ii. Requests for draft legislation

3:15 9. **Public comment\*** on any other topic within the committee's jurisdiction

3:30 10. **Instructions to staff**

**Next meeting:** July 10-11

**Adjourn**

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