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REVENUE INTERIM COMMITTEE
69th Montana Legislature

SENATE MEMBERS	HOUSE MEMBERS	COMMITTEE STAFF
Becky Beard	Larry Brewster	Jaret Coles - Attorney
Greg Hertz	Sherry Essmann	Megan Moore - Research Analyst
Shannon O'Brien	Paul Fielder	Allison Dunbar - Secretary
Jeremy Trebas	Mark Thane	

MINUTES LOG

August 16, 2024
Capitol Room 137 & Zoom
Helena, Montana

Please note: This document is a Minutes Log and provides annotation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video recording of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of the meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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MEMBERS PRESENT:
Sen. Becky Beard, Presiding Officer (R)
Rep. Mark Thane, Vice Presiding Officer (D)
Rep. Larry Brewster (R)
Rep. Sherry Essmann (R)
Sen. Greg Hertz (R)
Sen. Jeremy Trebas (R)

MEMBERS EXCUSED:
Rep. Paul Fielder (R)
Sen. Shannon O'Brien (D)

MEMBERS ABSENT:

STAFF PRESENT:
Jaret Coles, Attorney
Megan Moore, Research Analyst
Allison Dunbar, Secretary

AGENDA (Attachment 1)

VISITORS' LIST (Attachment 2)

CALL TO ORDER / ROLL CALL

09:30:01 Presiding Officer Becky Beard called the meeting to order at 9:30 AM. The committee secretary took roll.

AGENCY MONITORING: MONTANA TAX APPEAL BOARD LEGISLATION

09:32:10 Megan Moore, Research Analyst, Legislative Services Division (LSD)
EXHIBIT 1
EXHIBIT 2

09:33:13 Dave McAlpin, Chair, Montana Tax Appeal Board (MTAB)
EXHIBIT 3

Public Comment

9:33:48 None

Committee Questions / Discussion

09:34:04 Sen. Jeremy Trebas

09:34:37 Dave McAlpin, MTAB

PROPERTY TAX MODERNIZATION STUDY: GOVERNOR'S PROPERTY TAX ADVISORY COMMITTEE

09:35:19 Ryan Evans, Assistant Director, Governor's Office of Budget and Program Planning
EXHIBIT 4

Public Comment

09:46:13 Bob Story, Executive Director, Montana Taxpayers Association
EXHIBIT 5

09:55:00 Melissa Lewis, Montana Petroleum Association

09:57:46 Erik Burke, Montana Federation of Public Employees

10:01:28 Nicole Rolf, Montana Farm Bureau Federation

10:02:40 Shelby DeMars, Montana Association of Oil and Gas Counties

10:03:34 Mark Lambrecht, Montana Electric Cooperatives Association

10:06:11 Rose Bender, Montana Budget & Policy Center

10:08:02 Jeff Essmann

10:13:33 Brad Longcake, Montana Petroleum Marketers Association

10:15:04 Sheridan Hoyer, Montana Chamber of Commerce

Committee Questions / Discussion

10:17:03 Sen. Greg Hertz

10:17:59 Vice Presiding Officer Mark Thane

10:19:44 Sen. Jeremy Trebas

10:22:35 Presiding Officer Becky Beard

10:28:17 Sen. Jeremy Trebas

PROPERTY TAX MODERNIZATION STUDY: TAX INCREMENT FINANCING (TIF)

10:28:52 Rob Watson, Executive Director, School Administrators of Montana
EXHIBIT 7

10:40:13 Megan Moore, Research Analyst, Legislative Services Division (LSD)
EXHIBIT 8

10:43:44 Sen. Greg Hertz

Public Comment

10:44:28 Matthew Driessen, Superintendent, DeSmet Elementary School, Missoula
EXHIBIT 9

10:48:10 Dan Semmens, Dorsey & Whitney LLP

10:51:21 Jennifer Olson, Director Government Affairs, Montana League of Cities and Towns

10:52:08 Kristina Rosa, Butte

10:53:39 Jeff Essmann

10:55:39 David Fine, Economic Development Division, Bozeman

Committee Questions / Discussion

10:58:20 Sen. Jeremy Trebas

11:00:15 Sen. Greg Hertz

11:02:11 Matthew Driessen, Missoula

11:06:01 Vice Presiding Officer Mark Thane

11:13:28 Rep. Larry Brewster

PROPERTY TAX MODERNIZATION STUDY: SCHOOL EQUALIZATION MILLS

11:14:39 Megan Moore, Research Analyst, Legislative Services Division (LSD)
EXHIBIT 10

Public Comment

11:15:55 None

Committee Questions / Discussion

11:16:05 Rep. Larry Brewster

PROPERTY TAX MODERNIZATION STUDY: VOTED LEVIES

11:16:50 Megan Moore, Research Analyst, Legislative Services Division (LSD)
EXHIBIT 11

Public Comment

11:18:56 None

Committee Questions / Discussion

11:19:14 Rep. Larry Brewster

11:20:50 Vice Presiding Officer Mark Thane

11:21:26 Megan Moore, LSD

11:22:01 Sen. Greg Hertz

PROPERTY TAX MODERNIZATION STUDY: DRAFT FINAL REPORT
11:22:50 Megan Moore, Research Analyst, Legislative Services Division (LSD)
EXHIBIT 12

Public Comment
11:22:53 None

Committee Questions / Discussion
11:31:26 Sen. Greg Hertz
11:33:24 Jeff Essmann
11:35:08 Presiding Officer Becky Beard
11:35:56 Sen. Greg Hertz
11:36:06 Megan Moore, LSD

AGENCY MONITORING: ADMINISTRATIVE RULE REVIEW
11:38:37 Jaret Coles, Attorney, Legislative Services Division (LSD)
EXHIBIT 13

Public Comment
11:45:32 None

Committee Questions / Discussion
11:46:01 None

11:46:37 **Recessed**
12:59:43 **Reconvened**

REVENUE ESTIMATING AND MONITORING
13:00:00 Karl Kuykendall, US Regional Associate Director, S&P Global
EXHIBIT 14
13:16:41 Alexander Minelli, Senior Economist, S&P Global

ECONOMIC OVERVIEWS RELATED TO REVENUE ESTIMATES
13:29:02 Patrick Barkey, Director, Bureau of Business and Economic Research
EXHIBIT 15

Committee Questions / Discussion
13:55:22 Vice Presiding Officer Mark Thane

ECONOMIC OVERVIEWS RELATED TO REVENUE ESTIMATES - Continued
13:56:43 Nick Holom, Senior Economist, Department of Labor and Industry
EXHIBIT16

Committee Questions / Discussion

14:14:38 Vice Presiding Officer Mark Thane
14:17:00 Sen. Greg Hertz
14:17:50 Presiding Officer Becky Beard

ECONOMIC OVERVIEWS RELATED TO REVENUE ESTIMATES - Continued
14:19:25 Joel Schumacher, Montana State University
EXHIBIT 17
14:35:14 Melissa Lewis, Montana Petroleum Association
EXHIBIT 18

Committee Questions / Discussion
14:57:41 Sen. Greg Hertz
14:58:26 Rep. Larry Brewster
14:59:39 Presiding Officer Becky Beard

FISCAL YEAR-END UPDATE
15:00:41 Sam Schaefer, Lead Revenue Analyst, Legislative Fiscal Division
EXHIBIT 19
EXHIBIT 20

Committee Questions / Discussion
15:14:32 Sen. Greg Hertz

AGENCY MONITORING: DEPARTMENT OF REVENUE
15:16:12 Paula Gilbert, Administrator, Property Assessment Division, Department of Revenue
EXHIBIT 21

Public Comment
15:18:35 Mike Waterman, Executive Director, Bozeman School District Operations
EXHIBIT 22

MAJOR CASE UPDATE
15:19:19 Tony Zammit, Deputy Chief Legal Counsel, Department of Revenue
EXHIBIT 23

Committee Questions / Discussion
15:20:53 Sen. Greg Hertz

AGRICULTURAL LAND VALUATION ADVISORY COMMITTEE UPDATE
15:22:48 Bryce Kaatz, Bureau Chief, Property Assessment Division, Department of Revenue
EXHIBIT 24

Committee Questions / Discussion

15:25:43 None

FOREST LAND TAXATION ADVISORY COMMITTEE REPORT

15:25:52 Bryce Kaatz, Bureau Chief, Property Assessment Division, Department of Revenue
EXHIBIT 25
EXHIBIT 26

Public Comment

15:29:45 Paul McKenzie, General Manager, Montana Wood Products Association
EXHIBIT 27

AGENCY MONITORING: DEPARTMENT OF REVENUE SUMMARY

15:32:09 Scott Mendenhall, Deputy Director, Department of Revenue

15:35:25 Derek Bell, Administrator, Business and Income Tax Division, Department of Revenue

Committee Question / Discussion

15:38:25 None

Public Comment

15:38:57 Dave Atkins, President, Montana Forest Owners Association

15:39:57 Bob Story, Executive Director, Montana Taxpayers Association

15:41:20 Mike Waterman, Executive Director, Bozeman School District Operations

LAND CLASSIFICATION STUDY WORKING GROUP RECOMMENDATIONS

15:46:40 Megan Moore, Research Analyst, Legislative Services Division (LSD)
EXHIBIT 28

15:48:44 Bryce Kaatz, Bureau Chief, Property Assessment Division, Department of Revenue (DOR)
EXHIBIT 29

Committee Questions / Discussion

15:52:05 Sen. Greg Hertz

15:53:28 Bryce Kaatz, DOR

15:53:51 Vice Presiding Officer Mark Thane

LAND CLASSIFICATION STUDY WORKING GROUP RECOMMENDATIONS - Continued

15:56:35 Megan Moore, LSD
EXHIBIT 30

15:58:02 Bryce Kaatz
EXHIBIT 31

Committee Questions / Discussion

16:00:20 Sen. Greg Hertz

16:01:12 Bryce Kaatz

LAND CLASSIFICATION STUDY WORKING GROUP RECOMMENDATIONS - CONTINUED

16:02:38 Megan Moore
EXHIBIT 32
16:08:31 Bryce Kaatz
EXHIBIT 33

Committee Questions/Discussion
16:12:03 Sen. Greg Hertz
16:13:16 Rep. Sherry Essmann
16:14:17 Megan Moore

Public Comment
16:16:41 Paul McKenzie, General Manager, Montana Wood Products Association
16:22:41 Charles Denowh, United Property Owners of Montana
16:24:49 Dave Atkins, President, Montana Forest Owners Association
16:33:25 Pat McKelvey, Vice Chair, Montana Forest Owners Association.
16:36:02 Mike Murphy, Montana Water Resources Association
16:41:16 Nicole Rolf, Montana Farm Bureau Federation
16:42:03 Rep. Russ Miner
16:43:07 Jeff Essmann
16:46:48 Sen. Greg Hertz

AGENCY MONITORING: DEPARTMENT OF REVENUE
16:47:32 Megan Moore, Research Analyst, Legislative Services Division (LSD)
EXHIBIT 34
16:48:52 Tony Zammit
EXHIBIT 35

Public Comment
16:56:54 None

Committee Questions / Discussion
16:57:14 None

PUBLIC COMMENT ON ANY OTHER TOPIC WITHIN THE COMMITTEE'S JURISDICTION
16:57:38 None

REVENUE INTERIM COMMITTEE WORK SESSION
16:58:00 Megan Moore, Research Analyst, Legislative Services Division (LSD)
16:59:00 Presiding Officer Becky Beard

Motion
16:59:06 Sen. Greg Hertz made a motion to move forward with the Department of Revenue-requested bills.

Discussion on the Motion

16:59:32 None

Vote
17:00:11 The motion carried unanimously by voice vote.

Committee Questions / Discussion
17:01:02 Megan Moore, LSD

17:01: 52 Presiding Officer Becky Beard

17:02:08 Megan Moore

Motion
17:02:21 Sen. Greg Hertz made a motion to move forward with PD38 as a committee bill.

Discussion on the Motion
17:02:37 None

Vote
17:02:44 The motion carried unanimously by voice vote. Presiding Officer Becky Beard will sponsor the bill with Sen. Jeremy Trebas as backup.

Committee Questions / Discussion
17:03:31 Presiding Officer Becky Beard

17:03:53 Megan Moore

Motion
17:04:07 Sen. Greg Hertz made a motion to adopt PD29 as committee bill.

Discussion on the Motion
17:04:30 None

Vote
17:04:37 The motion carried unanimously by voice vote. Sen. Greg Hertz will sponsor the bill with Sen. Jeremy Trebas as backup.

Committee Question / Discussion
17:04:57 Sen. Greg Hertz

17:04:15 Megan Moore

17:05:11 Presiding Officer Becky Beard

17:05:33 Megan Moore

Motion
17:05:44 Vice Presiding Officer Mark Thane made a motion to adopt PD27 as a committee bill.

Discussion on the Motion
17:05:51 None

Vote

17:05:27 The motion carried unanimously by voice vote. Vice Presiding Officer Mark Thane will sponsor the bill with Sen. Jeremy Trebas as backup.

Committee Questions / Discussion

17:06:21 Presiding Officer Becky Beard

17:06:24 Vice Presiding Officer Mark Thane

REVENUE COMMITTEE WORK SESSION - Continued

17:06:40 Presiding Officer Becky Beard

17:06:42 Megan Moore

Motion

17:06:52 Rep. Larry Brewster made a motion to move forward PD39 as a committee bill.

Discussion on the Motion

17:19:33 None

Vote

17:07:09 The motion carried unanimously by voice vote. Rep. Larry Brewster will sponsor the bill with Sen. Jeremy Trebas as backup.

REVENUE COMMITTEE WORK SESSION - Continued

17:07:55 Presiding Officer Becky Beard

17:07:58 Megan Moore

17:07:19 Vice Presiding Officer Mark Thane

17:09:08 Megan Moore

Motion

17:09:12 Vice Presiding Officer Mark Thane made a motion to adopt PD24 as committee bill.

Vote

17:09:52 The motion carried unanimously by voice vote. Vice Presiding Officer Mark Thane will sponsor the bill with Sen. Jeremy Trebas as backup.

REVENUE COMMITTEE WORK SESSION - Continued

17:10:17 Presiding Officer Becky Beard

17:10:20 Vice Presiding Officer Mark Thane

17:10:31 Presiding Officer Becky Beard

17:11:25 Sen. Greg Hertz

17:12:26 Rep. Sherry Essmann

17:14:50 Vice Presiding Officer Mark Thane

17:16:35 Presiding Officer Becky Beard

17:18:03 Sen. Greg Hertz

Motion

17:19:12 Vice Presiding Officer Mark Thane made a motion to adopt PD33 as committee bill.

Discussion on the Motion
17:19:40 None

Vote
17:19:47 The motion failed on a tied voice vote. Rep. Sherry Essmann, Rep. Paul Fielder, and Sen. Greg Hertz,voted 'no'. Sen. Shannon O'Brien voted no by proxy.

Committee Questions / Discussion
17:20:44 Presiding Officer Becky Beard

REVENUE COMMITTEE WORK SESSION - Continued
17:20:56 Megan Moore

Committee Questions / Discussion
17:21:05 Presiding Officer Becky Beard

Motion
17:21:21 Presiding Officer Becky Beard made a motion to move along PD34.

Discussion on the Motion
17:21:28 None

Vote
17:21:47 The motion carried unanimously by roll call vote. Presiding Officer Becky Beard will sponsor the bill with Sen. Jeremy Trebas as a backup.

REVENUE COMMITTEE WORK SESSION - Continued
17:22:59 Megan Moore

Committee Questions / Discussion
17:23:14 Presiding Officer Becky Beard

Motion
17:23:18 Rep. Sherry Essmann made a motion to move PD37 along as a committee bill.

Committee Questions / Discussion
17:23:27 Sen. Greg Hertz
17:23:44 Vice Presiding Officer Mark Thane
17:24:26 Presiding Officer Becky Beard
17:25:15 Rep. Sherry Essmann

Vote
17:26:28 The motion carried unanimously. Vice Presiding Officer Mark Thane will sponsor the bill with Sen. Jeremy Trebas as backup.

REVENUE COMMITTEE WORK SESSION - Continued

17:27:37 Megan Moore

Motion

17:28:08 Sen. Hertz made a motion to adopt the property tax study final report with a recommendation to increase reporting for tax increment financing, and to highlight the Property Tax Advisory Committee in the report.

Committee Questions / Discussion

17:28:16 Presiding Officer Becky Beard

Vote

17:28:58 The motion carried unanimously by voice vote.

REVENUE COMMITTEE WORK SESSION - Continued

17:29:32 Megan Moore

17:29:59 Presiding Officer Becky Beard

ADJOURNMENT

Adjournment: 17:30:32