



## 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

#### HOUSE MEMBERS

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

Tuesday, March 13, 2018

Room 137, State Capitol

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

- 8:00 1. Call to Order -- Roll Call -- Rep. Tom Jacobson, Presiding Officer
- 8:05 2. Agency Oversight: Department of Transportation -- Mike Tooley, Director
- a. Biodiesel refund and compliance with special fuel laws reports
  - b. HSRA implementation update
  - c. Wrong way driving update
  - d. Public comment\*
- 8:50 3. HJ 22: Agricultural Property Study
- a. History of agricultural classification -- Megan Moore, committee staff
  - b. Committee discussion questions
  - c. Public comment\*
  - d. Requests for May meeting
- 9:50 Break
- 10:00 4. Agency Oversight: Montana Tax Appeal Board
- a. Update -- Dave McAlpin, Chair
  - b. Public comment\*
- 10:15 5. Member Topic: Oil and Natural Gas Production Tax Distribution
- a. Overview of tax and distribution of revenue -- Megan Moore
  - b. Recent changes to oil and gas tax distributions and school funding -- Pad McCracken, Research Analyst, Legislative Services Division
  - c. Panel discussion: How did we get to current revenue distribution and should there be changes to the distribution?
    - i. Richard Dunbar, Phillips County Commissioner and President, Montana Association of Oil and Gas Counties
    - ii. Larry Crowder, Superintendent, Culbertson School District
    - iii. Rick Norby, Mayor, Sidney
  - d. Public comment\*
  - e. Committee follow-up (if applicable)

11:45 6. Public comment\* on any other topic within the committee's jurisdiction

12:00 Lunch

Move to Room 317 for Joint Meeting with Legislative Finance Committee

1:00 7. Call to Order -- Roll call -- Welcome by both chairs  
a. Introduce the plan for the afternoon – Amy Carlson, Legislative Fiscal Analyst and Director

1:15 8. General Fund Trends Relative to Gross State Product: Expanded -- Stephanie Morrison, Lead Fiscal Analyst  
a. Committee discussion  
b. Public Comment\*

1:45 9. a. Revenue Trends in all 50 States -- Stephanie Morrison  
b. Industry Comparison of Taxes collected on \$1 million in Sales Analysis -- Stephanie Morrison and Sam Schaefer, Fiscal Analyst  
c. Economic Sector Trends and Statistics -- Stephanie Morrison and Sam Schaefer  
d. Committee discussion  
e. Public comment\*

3:00 10. Tax Gap Analysis -- Department of Revenue

3:45 11. Income Tax Research Options -- Stephanie Morrison

4:00 12. Corporate Income Tax  
a. Apportionment -- Megan Moore, Research Analyst and Sam Schaefer  
b. Corporate Income Tax Minimum, Inflation Adjustment -- Sam Schaefer

4:15 13. Update and wrap up

4:30 14. Public Comment \*

5:00 15. Recess until March 14

Wednesday, March 14, 2018  
Room 317, State Capitol

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

Joint Meeting with Local Government Interim Committee

- 8:00 1. Call to Order -- Roll Call -- Rep. Tom Jacobson, Presiding Officer
- 8:05 2. HJ 18: Tax Increment Financing Study
- a. Presentation of Legislative Audit -- Alyssa Sorenson, Legislative Audit Division
  - b. Committee questions
  - c. Public comment\*
  - d. Committees discussion of next steps for study
- 11:30 Lunch

Move to Room 137 for Remainder of Revenue and Transportation Interim Committee Agenda

- 12:30 3. Medical Marijuana Update
- a. Administrative rules update -- Erica Johnston, Operations Services Branch Manager, Department of Public Health and Human Services
  - b. Tax collections update -- Lee Baerlocher, Business & Income Tax Division Administrator, Department of Revenue
  - c. Public comment\*
- 1:15 4. Revenue Estimating and Monitoring -- Legislative Fiscal Division
- a. Year-to-date revenue collections
  - b. Public comment\*
- 2:00 Break
- 2:15 5. Agency Oversight: Department of Revenue -- Mike Kadas, Director
- a. Effects of federal income tax changes
  - b. Office closures
  - c. Income tax season update
  - d. Major case update
  - e. Public comment\*
- 3:15 6. SJ 23: Centrally Assessed and Industrial Property Study
- a. Taxes paid by public utility customers -- Megan Moore
  - b. Public comment\*
  - c. Committee discussion of next steps

- 3:45 7. Agency Monitoring: Administrative Rule Review  
a. Overview of administrative rule activity -- Jaret Coles, staff attorney  
b. Public comment\*
- 4:15 8. Public comment\* on any other topic within the committee's jurisdiction
- 4:30 9. Instructions to staff

Next meeting: May 2-3

Adjourn

\*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.

CI0106 8068mexa