### 2021-2022 Revenue Interim Committee

#### Final Work Plan Decision Matrix

(For final review at September 2021 meeting)

**HJ 6: Coal Severance Tax Trust Fund**

<table>
<thead>
<tr>
<th>Option A</th>
<th>Option B</th>
<th>Option C</th>
<th>Option D</th>
<th>Resources Allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.32 FTE</td>
<td>0.3 FTE</td>
<td>0.2 FTE</td>
<td>0 FTE</td>
<td>0.33</td>
</tr>
</tbody>
</table>

- **Option B**
  - Analyze energy resources in Montana, review potential taxes to assist in protecting the trust fund
  - Project infrastructure costs, consider whether coal severance tax trust fund can cover costs

**Deliverables**
* White papers
* Panel discussions
* Decision matrices
* Legislation
* Final report

- **Option C**
  - Consider long-term interest rates and investment strategies for the trust fund
  - Review coal extraction forecasts and their impact on the trust fund
  - Consider market and export opportunities for coal

**Deliverables**
* White papers
* Panel discussion
* Decision matrix
* Legislation
* Final report

- **Option D**
  - Overview of coal severance tax, coal severance tax trust fund, programs funded with coal severance tax revenue
  - Assess whether Legislature should revisit the current allocations and uses of the funds

**Deliverables**
* White paper
* Decision matrix
* Legislation
* Final report

**HJ 36: Residential Property Taxes**

<table>
<thead>
<tr>
<th>Option A</th>
<th>Option B</th>
<th>Option C</th>
<th>Option D</th>
<th>Resources Allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.22 FTE</td>
<td>0.22 + FTE</td>
<td>0.18 FTE</td>
<td>0 FTE</td>
<td>0.34</td>
</tr>
</tbody>
</table>

- **Option B**
  - Local government profiles
  - Agenda item on sales tax (statewide and local option)
  - Land use changes (as time allows)
  - Property taxes on energy-producing property (as time allows)

**Deliverables**
* White papers
* Decision matrix
* Legislation
* Final report

- **Option C**
  - Overview of residential property and comparison to other property types (valuation, rates, classes)
  - Overview of laws specific to state, local government, and school property taxes
  - Additional analysis of property taxes paid on residential and other classes of property (specify analysis requested)

**Deliverables**
* White papers
* Decision matrix
* Legislation
* Final report

- **Option D**
  - Review existing property tax analyses
  - Review property tax assistance programs/tax credits and exemptions/abatements
  - Review property tax mitigation legislation from 2021 session
  - Consider methods for reducing residential property taxes, including effects on interested parties

**Deliverables**
* White papers
* Decision matrix
* Legislation

The following are the RIC's statutory duties

<table>
<thead>
<tr>
<th>Topic</th>
<th>Why is this a topic?</th>
<th>Option A</th>
<th>Option B</th>
<th>Resources Allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitor DOR Statute</td>
<td>Agency updates at each meeting on topics selected by agency, staff, and committee members</td>
<td>0.002 FTE</td>
<td>0.0018 FTE</td>
<td>0.0018</td>
</tr>
</tbody>
</table>

| Monitor MTAB Statute | Agency updates at each meeting on topics selected by agency, staff, and committee members | 0.0015 FTE | 0.001 FTE | 0.001 |

| Review administrative rules Statute | Legal staff provides RIC a brief written description of each proposed or adopted rule prior to each meeting with issues of concern noted | 0.09 FTE | 0.085 FTE | 0.085 |

| Review statutorily established advisory councils Statute | Review advisory council and make recommendations on retention or elimination | 0.005 FTE | 0 FTE* | | 0 |

<p>| Review agency legislation Statute | Committee reviews proposals from the DOR and MTAB and decides if staff should draft legislation for pre-introduction | 0.005 FTE | 0.005 FTE | 0.005 |</p>
<table>
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</thead>
<tbody>
<tr>
<td>Review proposed ballot initiatives</td>
<td>Statute</td>
<td>0.005 FTE</td>
<td>0.001 FTE</td>
<td>0.001</td>
</tr>
<tr>
<td>Department of Revenue required reports (see full list in draft work plan)</td>
<td>Statute</td>
<td>0.023 FTE (assuming 2 reports result in legislation)</td>
<td>0.007 FTE (total for all DOR reports)</td>
<td>0.007</td>
</tr>
<tr>
<td>Film Tax Credit report</td>
<td>Statute</td>
<td>0.012 FTE</td>
<td>0.002 FTE</td>
<td>0.02</td>
</tr>
<tr>
<td>Receipts Less Than Revenue Projections report</td>
<td>Statute</td>
<td>0.002 FTE</td>
<td>0.001 FTE</td>
<td>0.00</td>
</tr>
<tr>
<td>Medical Marijuana Reports</td>
<td>Statute</td>
<td>0.005 FTE</td>
<td>0.003 FTE</td>
<td>0.005</td>
</tr>
<tr>
<td>Revenue estimating and monitoring</td>
<td>Statute</td>
<td>0.15 FTE</td>
<td>0.07 FTE</td>
<td>0.07</td>
</tr>
<tr>
<td>Review tax credits</td>
<td>Statute</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The following topics are optional, and it is up to RIC committee members whether to pursue them as studies or as potential agenda items.</td>
<td>Sen. Hoven</td>
<td>0.1 FTE</td>
<td>0.1 FTE</td>
<td></td>
</tr>
<tr>
<td>Sales tax legislation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community investment fee</td>
<td>Rep. Beard</td>
<td>0.05 FTE</td>
<td>0.03 FTE</td>
<td></td>
</tr>
<tr>
<td>Education funding revenue streams¹</td>
<td>Rep. Beard</td>
<td>0.04 FTE</td>
<td>0.02 FTE</td>
<td></td>
</tr>
</tbody>
</table>

¹ Section 20-9-309 requires the School Funding Interim Commission to reassess the state’s school funding formula at least every 10 years. The next study will be during the 2025-2026 interim at the latest.
### Resources Allocated

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<tr>
<th>Topic</th>
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<th>Option A</th>
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<tr>
<td>Review tax expenditures (in addition to tax credits)</td>
<td></td>
<td>Varies</td>
<td>0.02 FTE</td>
<td>0</td>
</tr>
<tr>
<td>Law enforcement funding</td>
<td></td>
<td></td>
<td>* Review list of tax expenditures in Biennial Report (p. 335)</td>
<td></td>
</tr>
<tr>
<td>Land use changes and their effect on property taxes (may be relevant for HJ 36 study)</td>
<td></td>
<td>0.02 FTE</td>
<td>* Determine whether/which to review</td>
<td>0</td>
</tr>
<tr>
<td>Impact of increasing business equipment tax exemption on different industries</td>
<td></td>
<td>0.05 FTE</td>
<td>* Draft legislation to review process</td>
<td>HJ 36 agenda item (as time allows)</td>
</tr>
<tr>
<td>Corporate income tax apportionment</td>
<td></td>
<td>0.05 FTE</td>
<td>* Overview of law enforcement funding sources</td>
<td></td>
</tr>
<tr>
<td>Property taxes on energy-producing property (may be relevant for HJ 36 study)</td>
<td></td>
<td>0.075 FTE</td>
<td>* Analyze whether land use is changing</td>
<td></td>
</tr>
<tr>
<td>LFD HB 330 study</td>
<td></td>
<td>0.04 FTE</td>
<td>* Review impacts of increased business equipment tax exemption on various industries</td>
<td>Ask DOR to provide info</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>* Review impact of change to double-weighted sales factor by industry</td>
<td>Ask DOR to provide info</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.03 FTE</td>
<td></td>
<td>HJ 36 agenda item (as time allows)</td>
</tr>
</tbody>
</table>

**FTE Available to RIC**

- 0.05 FTE = 144 hrs = 18 days
- 0.10 FTE = 288 hrs = 36 days
- 0.25 FTE = 720 hrs = 90 days
- 0.50 FTE = 1440 hrs = 180 days
- 0.75 FTE = 2160 hrs = 270 days
- 1 Interim FTE = 16.5 months = 2880 hrs

A member may request the committee learn about an issue as an agenda item as opposed to incorporating it into the work plan. Additional topics also may be requested as agenda items that do not need to be incorporated into the work plan.

Staff suggested

**Option A**

- 0.1 FTE
  - * Option B
  - * RIC and MARA meet jointly during one or more meetings
  - * FTE varies if MARA requests work from RIC staff

**Option B**

- 0.04 FTE
  - * Option C
    - * LSD and LFD staff coordinate work of RIC and MARA
    - * RIC staff attends MARA meetings
  - 0.002 FTE
    - * RIC staff to provide updates to MARA committee on HJ 6 and HJ 36 studies
    - * Request updates from LFD on MARA
    - * RIC members participate remotely in MARA meetings individually, if interested

**Option C**

- 0.002 FTE
  - * RIC staff to provide updates to MARA committee on HJ 6 and HJ 36 studies

**Option D**

- 0.04 FTE
  - No Action