



REVENUE INTERIM COMMITTEE

67th Montana Legislature

SENATE MEMBERS

Jill Cohenour
Greg Hertz
Brian Hoven
Mike Lang
Edith (Edie) McClafferty
Shannon O'Brien

HOUSE MEMBERS

Becky Beard
Alice Buckley
Connie Keogh
Mark Thane
Jeremy Trebas
Tom Welch

COMMITTEE STAFF

Jaret Coles - Attorney
Megan Moore - Research Analyst
Alexis Newcomer - Secretary

MINUTES LOG

June 17, 2022
Room 137
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. Jill Cohenour, Chair (D)
Rep. Becky Beard, Vice Chair (R)
Sen. Greg Hertz (R)
Sen. Brian Hoven (R)
Rep. Connie Keogh (D)
Sen. Mike Lang (R)
Sen. Shannon O'Brien (D)
Rep. Mark Thane (D)
Rep. Jeremy Trebas (R)
Rep. Tom Welch (R)

MEMBERS EXCUSED:

Rep. Alice Buckley (D)
Sen. Edith (Edie) McClafferty (D)

MEMBERS ABSENT:

STAFF PRESENT:

Jaret Coles, Attorney
Megan Moore, Research Analyst

Alexis Newcomer, Secretary

AGENDA [\(Attachment 1\)](#)

VISITORS' LIST [\(Attachment 2\)](#)

COMMITTEE ACTION

CALL TO ORDER/ROLL CALL

08:30:23 Sen. Jill Cohenour called the meeting to order at 8:30 AM. The committee secretary took roll.

REVENUE ESTIMATING AND MONITORING

08:32:22 Sam Schaefer, Legislative Fiscal Division [\(Exhibit 1\)](#)

08:33:30 Rep. Trebas joined the meeting.

08:50:15 Sen. Lang asked Mr. Schaefer about Danbury's oil and gas project.

TAX CREDIT REVIEW

Requested information on student scholarship organization credit – Megan Moore

8:52:09 Megan Moore, Committee Staff [\(Exhibit 2\)](#)

Tax credit review schedule – Megan Moore

8:55:06 Megan Moore, Committee Staff [\(Exhibit 3\)](#) [\(Exhibit 4\)](#)

Draft final report – Megan Moore

8:58:25 Megan Moore, Committee Staff [\(Exhibit 5\)](#)

Public comment

08:59:30 Eric Burke, Montana Federation of Public Employees

09:05:28 Ross Izard, ACE Scholarships

09:06:23 Henry Kriegel, Americans for Prosperity

09:10:36 Trish Schreiber, Powell County

09:12:13 Sen. O'Brien joined the meeting.

09:16:55 Ilene Guthrey, Bozeman

09:18:45 Bob Story, Montana Taxpayers Association

Committee work session

09:20:35 Ms. Moore explained the goals of the committee work session to the committee.

09:34:41 Sen. Hertz requested Ms. Moore discuss a lottery system for public credits with the Department of Revenue.

10:00:02 Sen. Hoven requested a bill draft on maximum donations to school districts and a grant program.

10:06:23 Sen Hertz asked about rulemaking authority and if a lottery would need to be in a bill.

- 10:06:53 Rep. Thane commented on pre-registrations for a lottery meeting or exceeding the cap.
- 10:07:29 Sen. Hertz recommended to move preservation of historic buildings to 2023 and the homeowner's/renter credit to 2025.

Break

(reconvene at 10:25:26)

REQUIRED REPORT: ECONOMIC IMPACT OF MEDIA ACT TAX CREDITS

- 10:26:21 Allison Whitmer, Film Commissioner, Montana Film Office
- 10:29:03 Gina Lavery, Senior Vice President, Econsult Solutions, Inc. ([Exhibit 6](#))

Committee Questions and Discussion

- 11:06:53 Rep. Thane asked Ms. Lavery about levels of credits offered that can impact infrastructure expansion on Montana.
- 11:08:03 Rep. Trebas asked Ms. Lavery about film workforce development.
- 11:09:45 Sen. Hoven asked Ms. Lavery about the timeline of the Media Act and what data the tax increase is based on.

REQUESTED INFORMATION ON UTAH FILM TAX INCENTIVES- MEGAN MOORE

- 11:12:07 Megan Moore, Committee Staff ([Exhibit 7](#))

Public comment

- 11:14:23 Mark Baker, Paramount Productions
- 11:20:24 Allison Whitmer, Montana Film Office
- 11:21:39 Lynn-Wood Fields, Montana Media Center
- 11:24:04 Steve Grover, Montana Studios
- 11:28:36 Marshal Silverman, Potter Ranch, CA

Committee Questions and Discussion

- 11:35:24 Rep. Welch asked Ms. Whitmer about smaller movie productions in Montana.
- 11:40:24 Rep. Welch asked Ms. Whitmer about featuring Montana citizens in prominent roles in productions.
- 11:42:58 Rep. Welch asked Ms. Whitmer for input on season 6 of Yellowstone being produced in Montana.

Committee recommendations

- 11:52:59 Sen. Cohenour asked Sen. Hertz if there are recommendations that should be made from the committee for the next session.
- 11:54:31 Sen. Lang requested Ms. Moore work with Department of Revenue to determine returns on the tax credit.

COMMITTEE TOPIC: SENATE BILL 399

Overview of changes to income tax laws: Jaret Coles

- 12:01:46 Jaret Coles, Staff Attorney ([Exhibit 8](#))

Committee Questions and Discussion

- 12:24:10 Sen. Hertz commented on the reasons for changed income tax laws.

12:25:31 Sen. O'Brien asked Mr. Coles about capital gains tax.
12:28:42 Sen. Hoven commented on energy conservation data not being in the documents provided.
12:30:49 Sen. Hertz stated the recycling credit replaced the energy conservation credit.

AGENCY MONITORING: ADMINISTRATIVE RULE REVIEW

Administrative rule report- Jaret Coles, staff attorney

12:30:57 Jaret Coles, Staff Attorney ([Exhibit 9](#))

Public comment

12:31:44 Amy Carlson, Legislative Fiscal Division

Committee questions and discussion

12:33:25 Sen. Cohenour commented on information provided by the Legislative Fiscal Division and requested the location of the information in the document.
12:34:31 Sen. Cohenour asked Ms. Carlson about moving personal services monies.
12:36:09 Sen. Hertz requested Ms. Moore post the referenced document on the legislative website. ([Exhibit 10](#))

Public comment

12:36:27 Bob Story, Montana Taxpayers Association

Committee questions and discussion

12:38:44 Rep. Welch commented on Mr. Story's testimony.

Administrative Matters

12:39:28 Sen. Cohenour reviewed September topics.

BOARD OF MEDICAL EXAMINERS MEDICAL MARIJUANA REPORT

12:41:02 Megan Moore, Committee Staff ([Exhibit 11](#))

Administrative Matters, Continued

12:41:45 Ms. Moore presented an overview on property tax monthly payments. ([Exhibit 12](#))
12:43:38 Sen. O'Brien stated interest in a bill draft and asked about mechanisms for the State to accept funds.
12:45:46 Rep. Welch commented on states' authority to address savings accounts.
12:47:00 Sen. Cohenour commented on available tax data and asked what information would be available from student scholarship providers.
12:48:23 Sen. Hertz stated he would prefer scholarship organizations be reached out to before legislation was drafted.
12:48:42 Sen. Hertz recommended looking into using third party escrow companies to collect monthly payments.
12:49:10 Rep. Welch commented that escrow companies submit payment information to counties.
12:49:44 Sen. Cohenour asked if the committee will need to authorize this legislatively.
12:49:56 Sen. O'Brien commented on incentives for escrow companies to participate.

12:50:49 Rep. Beard requested to discuss this topic with the County Treasurer's Association
12:51:00 The committee discussed administrative matters.

ADJOURNMENT

12:55:32 Sen. Cohenour adjourned the meeting at 12:55 PM.