



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
Daniel Collins - Secretary

MINUTES LOG

September 24, 2021
Capitol Room 102 and 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. Jill Cohenour, Presiding Officer (D)
Rep. Becky Beard, Presiding Officer (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)

STAFF PRESENT:

Jaret Coles, Attorney
Megan Moore, Research Analyst
Daniel Collins, Secretary

AGENDA ([Attachment 1](#))

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

COMMITTEE ACTION

CALL TO ORDER/ROLL CALL

- 08:01:12 Sen. Jill Cohenour called the meeting to order at 8:01 AM. The committee secretary took roll.
- 08:01:52 Sen. Cohenour asked the committee about preferences regarding next meeting times.
- 08:01:54 Committee discussion on the topic.

AGENCY MONITORING: MONTANA TAX APPEAL BOARD

Overview of Montana Tax Appeal Board

- 08:06:09 Dave McAlpin, Chair of Montana Tax Appeal Board (MTA) provided an overview and introduced members.

Introduction of Members

- 08:12:26 Amy Zendron, MTA
- 08:13:29 Daniel Zolnikov, MTA
- 08:15:20 Sen. Hoven asked Mr. Zolnikov about his interest in his current position.

TAX CREDIT REVIEW

Overview of Current Review Schedule and Review Criteria

- 08:18:11 Megan Moore, Research Analyst - Provided an overview of current review schedule and review criteria. ([Exhibit 1](#))

Discussion of Possible Changes to Review Schedule

- 08:22:39 Rep. Welch stated he would like to go through the process before choosing how to decide on going forward.
- 08:23:21 Rep. Beard asked about specific credit review.

Public Comment on the Agenda Item

None

MARA UPDATE

- 08:26:09 Nick VanBrown, Legislative Fiscal Division.

Questions/Comments from the Committee

- 08:31:16 Sen. Cohenour asked what MARA will use the data for.
- 08:35:00 Sen. Hoven asked if MARA is looking at housing.
- 08:37:09 Sen. Cohenour asked how much MARA is looking at urban versus rural.
- 08:39:14 Sen. Cohenour asked about the increase in federal dollars.
- 08:42:11 Sen. Cohenour requested a follow up from MARA.
- 08:42:47 Rep. Beard asked about the comprehensive plans for rural area counties.
- 08:45:24 Sen. Hertz asked if MARA is looking at different tax rates for different property types.
- 08:46:49 Rep. Thane asked about an analysis of a lack of housing.

08:48:54 Sen. Lang commented to the committee about border patrol employees addressing the community of Malta regarding housing and other aspects of community such as churches, schools, playgrounds, etc.

Public Comment on the Agenda Item

08:50:29 Bob Story, Self
08:54:41 Sen. Hoven concurred with Mr. Story.
08:56:00 Tim Burton, Montana League of Cities and Towns

AGENCY MONITORING: ADMINISTRATIVE RULE REVIEW

Administrative Rule Report

08:56:55 Jaret Coles, staff attorney, provided the administrative rules report. ([Exhibit 2](#)) ([Exhibit 3](#))

Questions/Comments from the Committee

09:02:22 Sen. Cohenour stated it would be important for the committee to continue receiving information on the rules.

Public Comment on the Agenda Item

None

AGENCY MONITORING: DEPARTMENT OF REVENUE

Property Valuation Update

09:03:36 Scott Mendenhall, Deputy Director, Department of Revenue
09:05:23 Kory Hofland, Administrator, Property Assessment Division ([Exhibit 4](#))([Exhibit 5](#))

Health Integrity Fee Update

09:07:41 Scott Mendenhall ([Exhibit 6](#))
09:09:07 Sheila Stevens, Taxpayer Advocate, Department of Revenue (See exhibit 6)

Questions/Comments from the Committee

09:18:37 Rep. Keogh asked about the health integrity fee waiver referenced.
09:20:01 Rep. Keogh verified if there are nonpaying members receiving services.
09:20:56 Sen. Hoven asked about organizations paying flat rates.
09:22:05 Sen. Hoven asked about the cost per person.
09:22:31 Sen. Hoven verified the payment formula.
09:22:59 Sen. Hoven asked if most 501-D corporations signed up.
09:23:21 Rep. Beard asked how a single balance skews the overall balance.
09:24:20 Rep. Welch asked Ms. Stevens what the Department would like to see done regarding the fee. (See exhibit 6)
09:27:24 Rep. Thane asked about establishing parameters for settling unpaid debts.
09:28:20 Sen. Hertz asked about organizations paying fees for individuals.
09:29:13 Sen. Hertz asked about the reimbursement rate for the percentage of claims.
09:30:05 Sen. Hoven asked about a fee cap.

Major Case Update

09:31:21 Deputy Director Mendenhall
09:33:43 Sen. Hoven commented about exclusions.
09:35:32 Dave Stewart, Chief Legal Counsel, Department of Revenue. ([Exhibit 7](#))

Questions/Comments from the Committee

09:38:36 Rep. Trebas asked for clarification on the Boardwalk Properties case.

Medical Marijuana Revenue Update

09:40:12 Deputy Director Mendenhall introduced Finn McMichael.

09:40:50 Finn McMichael provided the medical marijuana revenue update. ([Exhibit 8](#))

09:42:42 Sen. Cohenour asked about fees.

Questions/Comments from the Committee

09:43:07 Sen. O'Brien asked about forecasting of non-medical marijuana fees.

09:44:04 Ms. Moore asked the committee about joining the Economic Affairs Interim Committee for a marijuana field trip.

Public Comment on the Agenda Item

None

ADMINISTRATIVE MATTERS

Final Review of Adopted Work Plan

09:45:36 Ms. Moore provided an overview of the adopted work plan. ([Exhibit 9](#)) ([Exhibit 10](#)).
Ms. Moore detailed the work plan.

09:48:47 Sen. Lang asked the committee about acquiring more data on coal exports.

09:49:47 Sen. Hoven concurred with Sen. Lang, and requests data on Canadian ports.

09:51:11 Rep. Beard mentioned Prof. Barkey's comment on changes to the industry.

09:52:13 Rep. Keogh mentioned wanting to know more about the differences between

09:53:04 Wyoming and Montana.

Sen. Cohenour talked about the level of detail that the Revenue Interim

09:53:45 Committee would be able to discuss regarding coal success.

Sen. Lang mentioned tax rates.

09:54:11 Ms. Moore addressed the study plan.

09:55:12 Sen. O'Brien mentioned Prof. Barkey's comment regarding the future of the coal
09:55:51 trust.

Sen. Cohenour asked Sen. O'Brien about tax dollar allocations.

09:57:02 Ms. Moore confirmed that the January meeting does contain the topics Sen.

09:58:54 O'Brien requested.

Ms. Moore continued her detail of the work plan.

09:59:29

Questions/Comments from the Committee

10:01:58 Sen. Hoven informed Ms. Moore he would like to see school tax information at
the county level.

10:04:07 Sen. O'Brien asked about HJ 36 topics for the April meeting.

10:05:33 Rep. Beard concurred that it would fit in the April meeting.

Public Comment on the Agenda Item

10:07:14 Darryl James, Montana Infrastructure Coalition. ([Exhibit 11](#))

10:13:42 Bob Story, Montana Taxpayers Association.

10:19:28 Sen. Hoven agreed with Mr. James on property taxes.

10:22:13 Rep. Beard commented on public comment.

10:25:24 Sen. Cohenour commented about a property tax brochure.

10:28:52 Sen. Cohenour asked about 1 or 2-day meetings.

10:30:34 Sen. Lang proposed planning further out.

10:31:58 Rep. Welch proposed to turn November into a 2-day meeting.

PUBLIC COMMENT ON ANY TOPIC UNDER COMMITTEE'S JURISDICTION

None

ADJOURNMENT

Adjournment: 10:35:12