



## REVENUE INTERIM COMMITTEE 68th Montana Legislature

### SENATE MEMBERS

Becky Beard  
Greg Hertz  
Shannon O'Brien  
Jeremy Trebas

### HOUSE MEMBERS

Larry Brewster  
Sherry Essmann  
Paul Fielder  
Mark Thane

### COMMITTEE STAFF

Megan Moore - Research Analyst  
Jaret Coles - Attorney  
Daniel Rosenberg - Secretary

# MINUTES LOG

June 24, 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)  
Rep. Paul Fielder (R)  
Sen. Greg Hertz (R)  
Sen. Shannon O'Brien (D)  
Sen. Jeremy Trebas (R)

### MEMBERS EXCUSED:

### MEMBERS ABSENT:

### STAFF PRESENT:

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

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

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

**COMMITTEE ACTION**

**CALL TO ORDER/ROLL CALL**

09:00:07 Presiding Officer Becky Beard called the meeting to order at 9:00 AM. The committee secretary took roll.

**AGENCY MONITORING: COUNTY TAX APPEAL BOARD**

**Appeals Update**

09:01:03 Dave McAlpin, Chair, Montana Tax Appeal Board  
[EXHIBIT 1](#)

**Public Comment**

09:06:51 Pat McKelvey, Vice Chair, Montana Forest Owners Association  
09:07:59 Bob Story, Montana Taxpayers Association  
09:09:55 Dave McAlpin

**Committee Questions/Discussion**

09:10:37 Rep. Sherry Essmann  
09:11:23 Sen. Shannon O'Brien  
09:11:56 Rep. Sherry Essmann  
09:12:38 Presiding Officer Becky Beard  
09:12:58 Megan Moore, Research Analyst, Legislative Services Division (LSD)

**REQUIRED REPORT: ECONOMIC IMPACT OF MEDIA ACT TAX CREDITS**

**Introduction of Report**

09:13:48 Allison Whitmer, Film Commissioner, Montana Film Office, Montana Department of Commerce (DOC)

**Presentation of Report**

09:14:34 Gina Lavery, Senior Vice President and Principal, Econsult Solutions, Inc.  
[EXHIBIT 2](#)  
[EXHIBIT 3](#)  
[EXHIBIT 4](#)

**Public Comment**

09:38:29 Lynn-Wood Fields, President, Montana Media Coalition

**Committee Questions/Discussion**

09:40:46 Sen. Greg Hertz  
09:41:31 Gina Lavery  
09:43:05 Rep. Paul Fielder  
09:43:33 Gina Lavery  
09:45:30 Vice Presiding Officer Mark Thane  
09:45:57 Gina Lavery

09:47:39 Rep. Sherry Essmann  
09:48:28 Gina Lavery  
09:49:42 Rep. Sherry Essmann  
09:50:12 Lynn-Wood Fields  
09:55:02 Sen. Greg Hertz  
09:55:32 Allison Whitmer  
09:59:56 Presiding Officer Becky Beard  
10:00:17 Allison Whitmer

**PROPERTY TAX MODERNIZATION STUDY: TAX INCREMENT FINANCING (TIF)**

**Requested Legislation**

10:05:35 Megan Moore  
[EXHIBIT 5](#)

**Treatment of Increment Upon Expiration of District (PD 28)**

10:06:20 Megan Moore  
[EXHIBIT 6](#)

**Definition of Blight (PD 29)**

10:08:35 Megan Moore  
[EXHIBIT 7](#)  
[EXHIBIT 8](#)

**Committee Questions/Discussion**

10:10:20 Vice Presiding Officer Mark Thane  
10:10:45 Megan Moore  
10:10:58 Sen. Greg Hertz  
10:12:06 Presiding Officer Becky Beard

**PROPERTY TAX MODERNIZATION STUDY: TAX INCREMENT FINANCING (TIF) -  
Continued**

**Committee With Overlaying District Representation (PD 30)**

10:12:34 Megan Moore  
[EXHIBIT 9](#)

**Committee Questions/Discussion**

10:13:47 Rep. Larry Brewster

**PROPERTY TAX MODERNIZATION STUDY: TAX INCREMENT FINANCING (TIF) -  
Continued**

**Public Hearing Before Certain Bonding (PD 31)**

10:14:17 Megan Moore  
[EXHIBIT 10](#)

**Committee Questions/Discussion**

10:15:01 Rep. Larry Brewster

**Public Comment**

10:16:08 Kelly Lynch, Executive Director, Montana League of Cities and Towns  
10:21:34 Sam Sill, Montana Bankers Association

**Committee Questions/Discussion**

10:23:30 Sen. Greg Hertz  
10:24:27 Kelly Lynch  
10:28:01 Vice Presiding Officer Mark Thane  
10:29:59 Presiding Officer Becky Beard  
10:31:19 Rep. Sherry Essmann  
10:32:30 Presiding Officer Becky Beard  
10:33:45 Sen. Greg Hertz  
10:35:07 Sen. Shannon O'Brien  
10:35:30 Rep. Larry Brewster  
10:36:17 Sen. Greg Hertz

**PROPERTY TAX MODERNIZATION STUDY: LOCAL GOVERNMENT LEVY LIMITS  
Discuss Possible Changes to Local Government Levy Limit**

10:36:47 Megan Moore

**Public Comment**

10:38:57 Bob Story  
EXHIBIT 11 (Montana Property Tax Mill Levies 2023-2024 - Booklet)  
Note: EXHIBIT 11 is available in the Legislative Services Division's office upon request.  
10:45:33 Kelly Lynch

**Committee Questions/Discussion**

10:46:51 Sen. Jeremy Trebas  
10:50:48 Sen. Greg Hertz  
10:51:54 Vice Presiding Officer Mark Thane  
10:52:27 Bob Story  
10:53:17 Megan Moore  
10:53:38 Presiding Officer Becky Beard  
10:56:57 **Recessed**  
11:06:26 **Reconvened**

**PROPERTY TAX MODERNIZATION STUDY: GOVERNOR'S PROPERTY TAX TASK FORCE  
UPDATE**

11:06:30 Megan Moore  
11:09:44 Sen. Greg Hertz

**Public Comment**

11:15:51 Bob Story

**Committee Questions/Discussion**

11:24:03 Rep. Larry Brewster  
11:24:16 Presiding Officer Becky Beard  
11:24:30 Sen. Greg Hertz  
11:25:20 Vice Presiding Officer Mark Thane

**PROPERTY TAX MODERNIZATION STUDY: SCHOOL EQUALIZATION MILLS**

11:27:09 Megan Moore  
[EXHIBIT 12](#)  
11:28:06 Pad McCracken, Research Analyst, LSD

**Public Comment**

11:34:51 Bob Story

**TAX CREDIT REVIEW: DRAFT FINAL REPORT**

**Review Draft Final Report**

11:36:36 Megan Moore  
[EXHIBIT 13](#)

**Public Comment**

11:39:26 None

**Motion**

11:40:19 Vice Presiding Officer Mark Thane moved that the Revenue Interim Committee adopt the Tax Credit Review: Draft Final Report as drafted.

**Vote**

11:40:49 **Vote:** Carried unanimously by voice vote.  
11:41:38 **Recessed**  
12:45:29 **Reconvened**

**REVENUE ESTIMATING AND MONITORING**

**Montana's Changing Income Tax Base**

12:45:47 Sam Schaefer, Lead Revenue Analyst, Legislative Fiscal Division  
[EXHIBIT 14](#)

**Committee Questions/Discussion**

12:52:31 Presiding Officer Becky Beard  
12:52:40 Sam Schaefer

**Montana's Changing Income Tax Base - Continued**

12:53:46 Sam Schaefer (see EXHIBIT 14)

**Committee Questions/Discussion**

12:58:28 Rep. Paul Fielder

12:58:29 Sam Schaefer

**Montana's Changing Income Tax Base - Continued**

12:59:19 Sam Schaefer (see EXHIBIT 14)

**Committee Questions/Discussion**

13:08:53 Vice Presiding Officer Mark Thane

13:09:08 Sam Schaefer

**Biennium Outlook Questions**

13:09:38 Sam Schaefer

[EXHIBIT 15](#)

**Public Comment**

13:26:28 None

**Committee Questions/Discussion**

13:26:54 Rep. Paul Fielder

13:27:17 Sam Schaefer

13:28:24 Sen. Jeremy Trebas

13:29:02 Sam Schaefer

**AGENCY MONITORING: DEPARTMENT OF REVENUE**

**Montana Tax Simplification Resource Hub**

13:32:12 Scott Mendenhall, Deputy Director, Montana Department of Revenue (DOR)

**Property Appeals Update**

13:35:24 Bryce Kaatz, Bureau Chief, Property Assessment Division, DOR

[EXHIBIT 16](#)

**Update on Browning Land Values Error**

13:38:56 Bryce Kaatz

**Committee Questions/Discussion**

13:40:23 Presiding Officer Becky Beard

**Major Case Update**

13:40:49 Nick Gochis, Attorney, DOR

[EXHIBIT 17](#)

**Grow Montana Jobs Credit Required Report**

13:44:07 Aaron McNay, Economist, Tax Policy and Research, DOR

[EXHIBIT 18](#)

**Committee Questions/Discussion**

13:51:24 Presiding Officer Becky Beard

13:51:29 Aaron McNay

13:51:59 Rep. Paul Fielder  
13:52:13 Aaron McNay

### **Forest Land Taxation Advisory Committee Member Terms**

13:53:34 Bryce Kaatz  
[EXHIBIT 19](#)

### **Public Comment**

13:57:37 None

### **Committee Questions/Discussion**

13:58:37 Megan Moore

## **LAND CLASSIFICATION STUDY WORKING GROUP RECOMMENDATIONS**

### **Overview of Working Group Activity**

13:59:41 Scott Mendenhall

### **Recommendations**

14:02:55 Bryce Kaatz  
[EXHIBIT 20](#)  
[EXHIBIT 21](#)  
[EXHIBIT 22](#)

### **Committee Questions/Discussion**

14:08:24 Sen. Greg Hertz  
14:08:38 Bryce Kaatz  
14:09:33 Rep. Sherry Essmann  
14:10:03 Bryce Kaatz  
14:10:41 Sen. Jeremy Trebas  
14:10:57 Bryce Kaatz

### **Recommendations - Continued**

14:11:49 Bryce Kaatz (see EXHIBIT 21)

### **Committee Questions/Discussion**

14:14:43 Presiding Officer Becky Beard  
14:15:05 Bryce Kaatz  
14:15:47 Rep. Sherry Essmann  
14:16:18 Bryce Kaatz

### **Recommendations - Continued**

14:17:16 Bryce Kaatz (see EXHIBIT 22)

### **Committee Questions/Discussion**

14:25:13 Presiding Officer Becky Beard

14:25:21 Bryce Kaatz

**Public Comment**

14:26:36 Bob Story  
14:29:55 Mike Murphy, Executive Director, Montana Water Resources Association  
14:34:19 Pat McKelvey  
14:37:07 David Atkins, President, Montana Forest Owners Association  
14:41:12 Charles Denowh, United Property Owners of Montana

**Committee Questions/Discussion**

14:43:02 Sen. Greg Hertz  
14:43:48 Bryce Kaatz  
14:44:56 Presiding Officer Becky Beard  
14:45:40 Bryce Kaatz  
14:48:30 Megan Moore  
14:49:23 Presiding Officer Becky Beard  
14:49:30 Bryce Kaatz  
14:50:17 Rep. Sherry Essmann  
14:50:58 Vice Presiding Officer Mark Thane  
14:53:19 Sen. Greg Hertz  
14:54:23 Presiding Officer Becky Beard  
14:56:23 Rep. Larry Brewster  
14:56:50 Sen. Shannon O'Brien

**AGENCY MONITORING: ADMINISTRATIVE RULE REVIEW**

14:57:44 Jaret Coles, Staff Attorney, LSD  
[EXHIBIT 23](#)  
[EXHIBIT 24](#)

**Public Comment**

15:04:12 Bob Story  
[EXHIBIT 25](#)

**Committee Questions/Discussion**

15:11:25 Sen. Greg Hertz  
15:12:33 Bryce Kaatz  
15:18:00 Sen. Greg Hertz  
15:18:37 Jaret Coles  
15:21:35 Presiding Officer Becky Beard

**PROPERTY TAX MODERNIZATION STUDY: PROPERTY TAX ASSISTANCE  
Elderly Homeowner and Renter Tax Credit and Intangible Land Program Requests**

15:22:25 Megan Moore  
[EXHIBIT 26](#)



**Public Comment**

15:26:27 None

**PUBLIC COMMENT on any other topic within the committee's jurisdiction**

15:27:10 None

15:28:32 **Recessed**

15:39:20 **Reconvened**

**REVENUE INTERIM COMMITTEE WORK SESSION****August 16 Meeting Preview**

15:39:33 Megan Moore

**MEDIA Act**

15:40:17 Megan Moore

**Committee Questions/Discussion**

15:41:12 Rep. Larry Brewster

15:41:29 Rep. Paul Fielder

15:42:01 Rep. Sherry Essmann

15:43:00 Megan Moore

15:43:09 Presiding Officer Becky Beard

15:43:32 Rep. Paul Fielder

15:43:48 Megan Moore

15:44:27 Vice Presiding Officer Mark Thane

**TIF Legislation**

15:45:09 Megan Moore

**Motion**

15:45:58 Rep. Larry Brewster moved that Provisional Draft 31 be approved as a committee bill.

**Discussion on the Motion**

15:46:41 Sen. Greg Hertz

15:47:08 Sen. Shannon O'Brien

15:47:46 Megan Moore

15:48:42 **Vote:** Carried 7 - 1 by voice vote with Sen. O'Brien voting no.

**Motion**

15:49:10 Sen. Greg Hertz moved that Provisional Draft 30 be approved as a committee bill.

15:49:46 **Vote:** Carried 7 - 1 by voice vote with Sen. O'Brien voting no.

**Motion**

15:50:14 Sen. Greg Hertz moved that Provisional Draft 28 be approved as a committee bill.

**Discussion on the Motion**

15:50:38 Presiding Officer Becky Beard  
15:50:57 Vice Presiding Officer Mark Thane  
15:51:31 Sen. Greg Hertz  
15:52:24 Sen. Shannon O'Brien

15:53:16 **Vote:** Carried 6 - 2 by roll call vote with Rep. Thane, Sen. O'Brien voting no.

**Committee Questions/Discussion**

15:54:06 Sen. Greg Hertz  
15:54:37 Megan Moore  
15:55:18 Vice Presiding Officer Mark Thane  
15:55:51 Sen. Greg Hertz  
15:56:22 Presiding Officer Becky Beard

**Local Government Levies (15-10-420 and Voted)**

15:56:45 Megan Moore

**Committee Questions/Discussion**

15:57:02 Rep. Larry Brewster  
15:57:18 Megan Moore  
15:57:49 Presiding Officer Becky Beard  
15:57:59 Megan Moore  
15:58:26 Rep. Larry Brewster  
15:59:05 Sen. Greg Hertz  
15:59:30 Presiding Officer Becky Beard

**Legislation to Deposit Non-Levy Revenue in SEPTR**

16:00:23 Megan Moore

**Motion**

16:00:39 Vice Presiding Officer Mark Thane moved that Provisional Draft 27 be approved as a committee bill.

**Discussion on the Motion**

16:01:01 Rep. Paul Fielder  
16:01:27 Sen. Greg Hertz  
16:02:02 Presiding Officer Becky Beard  
16:02:23 Vice Presiding Officer Mark Thane withdrew his motion.

16:02:28 Vice Presiding Officer Mark Thane  
16:02:43 Megan Moore  
16:03:32 Sen. Greg Hertz  
16:03:53 Megan Moore

**Assign Provisional Draft 16 and Provisional Draft 22 Sponsors**

16:04:36 Megan Moore

**Committee Questions/Discussion**

16:05:18 Presiding Officer Becky Beard  
16:05:37 Sen. Jeremy Trebas  
16:05:47 Megan Moore  
16:06:03 Rep. Sherry Essmann  
16:06:38 Presiding Officer Becky Beard

**School Equalization Levies; Residential Property Tax Assistance**

16:06:56 Megan Moore

**Committee Questions/Discussion**

16:07:16 Presiding Officer Becky Beard  
16:07:38 Rep. Larry Brewster  
16:08:38 Rep. Paul Fielder  
16:10:40 Vice Presiding Officer Mark Thane  
16:11:20 Megan Moore  
16:11:41 Sen. Greg Hertz  
16:12:11 Rep. Larry Brewster  
16:12:20 Sen. Jeremy Trebas  
16:14:48 Presiding Officer Becky Beard  
16:15:00 Sen. Greg Hertz

**ADJOURNMENT**

Adjournment: 16:16:21