

Forest Lands Taxation Advisory Committee Meeting Minutes 4/07/2022

<p><u>Committee Members Present:</u> Chairwoman Becky Beard Rep. Marylin Marler Sen. Pat Flowers Sen. Mike Cuffe Gordy Sanders Paul McKenzie Nancy Mehaffie Randy Mannix Greg Chilcott</p>	<p><u>Department of Revenue Staff:</u> Scott Mendenhall-Deputy Director-DOR Kory Hofland-PAD Robin Rude-PAD Ed Caplis-TPR Dylan Cole-TPR Jared Isom-TPR Nick Gochis-PAD Bryce Kaatz-PAD Bonnie Hamilton-PAD Sheila Stenzel-PAD Bill Billman-PAD (Host)</p>
<p><u>Public/Guests:</u> Megan Moore-Legislative Services Division Allen Chrisman-Montana Forest Owners Association (MFOA) Brad Isbell-Private Forest Landowner & MFOA Board Member</p>	<p><u>Presenters:</u></p>

- I. Chairwoman Beard called the meeting to order at 9:00. Timeline reminder: draft report should be completed by August, final report finished by September to present to the Revenue Interim Committee. Chairwoman Beard read the agenda. March meeting minutes were adopted.

- II. Discussion ensued regarding moving the reappraisal cycle from a 6-year to a 2-year cycle. Kory Hofland discussed the pros and cons of moving to a 2-year cycle. Dylan Cole and Jared Isom presented a demonstration showing the difference between the two cycles. There was agreement that a 2-year cycle would also reduce the stress and cost on DOR employees involved in the 6-year cycle. There was general support for a 2-year cycle from committee members. Sen. Cuffe presented a motion to move to a 2-year cycle using Olympic averages. Sen. Flowers suggested that the Olympic average be discussed prior to acting on the motion. Sen. Cuffe withdrew the motion for later consideration.

- III. Robin Rude began the discussion regarding using a 10-year Olympic average versus a 10-year rolling average. Dylan Cole shared a historical comparison of Olympic averages versus rolling averages. Robin stated that statute indicates a rolling average should be used, so the statute would need to be changed, possibly relying on the agricultural

statute, for background, that explains how an Olympic average is used. Kory mentioned that 2025 should be the year to transition to a 2-year cycle as there would be too much to accomplish for the department to be ready for the assessment notices in the spring of 2023.

- IV. The request to implement the cycle change to 2025 led to a discussion about a change to the tax rate, and whether or not there should be an adjustment until the 2-year cycle is implemented in 2025.
- V. Sen. Cuffe called for a brief break to pull all the points together to make a motion regarding the recommendations to the Revenue Interim Committee. Sen. Cuffe put forward the motion regarding recommended changes after the break. Motion was seconded and unanimously approved. During the discussion period, Paul asked if a draft report could be presented to the Revenue Interim Committee in June, rather than August. Bonnie Hamilton stated the report could be ready for presentation to the Revenue Interim Committee at their upcoming April meeting in 10 days.
- VI. Deputy Director Mendenhall asked if there is a need to continue regular meetings, since it seems the committee has accomplished its goal. It was decided a meeting can be scheduled in November after the general election, but the committee will be prepared to meet earlier to address any questions from the Revenue Interim Committee.
- VII. Chairwoman Beard stated that the draft report will be presented to the Revenue Interim Committee on April 18.
- VIII. Meeting was adjourned at 10:35 AM.