



Revenue and Transportation Interim Committee

60th Montana Legislature

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November 3, 2008

TO: Revenue and Transportation Committee

FROM: Jeff Martin, Legislative Research Analyst

SUBJECT: November 17-18 Committee meeting

The Revenue and Transportation Committee is meeting at **10 a.m., November 17** and at **8 a.m., November 18** in Room 137 of the Capitol. The December 1-2 meeting has been rescheduled for December 8-9. Enclosed for your review are:

- the November 17-18 meeting agenda;
- July 10 SJR 31 subcommittee meeting minutes;
- the September 9 HB 488 subcommittee meeting minutes;
- the September 10 committee meeting minutes;
- LC 598 to revise the list of countries that are considered tax havens;
- a revised version of LC 115 for the interim study the effects of demographic trends in Montana;
- the letter from the chair and vice chair to Carroll South on providing an analysis of the structured investment vehicles in the short-term investment pool;
- a letter from Paul Christofferson to the Legislative Audit Division in response to questions regarding the recording of SIVs at amortized costs;
- a letter from Paul Christofferson in response to the letter sent to Carroll South.

The revised version of LC 115 contains the appropriation and immediate effective date requested by the committee in September. In October, the Legislative Finance Committee voted to adopt this version of the draft. The committee should make a motion to use LC 115 as a committee bill.

We will distribute the Legislative Fiscal Division and the executive branch revenue estimating recommendations to committee members when you are in Helena for caucuses.

Because revenue estimates are driven by various economic and other assumptions, the committee will focus on adopting assumptions rather than specific revenue numbers. Although the plan is to spend more time on the major revenue sources, the lesser sources are open for consideration as well. In keeping with past committee procedures to expedite the process, the committee will consider a motion to adopt the LFD recommendations (assumptions). Based on the economic outlook analyses, legislative staff and budget office staff presentations, and committee discussion, the initial motion may be amended to adopt different assumptions.

Mr. South was asked to send me his analysis by November 12. I plan on distributing his response to the committee at caucuses. There is a chance that I will have to email it to the committee. I asked Mr. Christofferson to be available for questions.

Because we are on a tight schedule on November 17, lunch will be provided in Room 137.

On November 18, the Department of Revenue will present preliminary reappraisal data for agricultural land, residential and commercial property, and forest land. The analysis will include percentage changes in full reappraisal value by county for each type of property and the distribution of percentage changes for each type of property. The latter item will show, for example, the relative number of properties that increased in value by at least 10 percent to properties that increased in value by more than 50 percent. Similar information will be shown for properties that decreased in value. More detailed analyses should be available for the December meeting. The balance of the meeting will be spent on discussing alternatives and hearing public comment.

Legislative staff and budget office staff will meet with the Department of Revenue early next week to go over preliminary reappraisal numbers.

If you have any questions or comments about the meeting, contact me.

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