



## Revenue and Transportation Interim Committee

### 64th Montana Legislature

#### SENATE MEMBERS

FRED THOMAS--Chair  
DICK BARRETT  
MARK BLASDEL  
BRIAN HOVEN  
CHRISTINE KAUFMANN  
SUE MALEK

#### HOUSE MEMBERS

TOM JACOBSON--Vice Chair  
JEFF ESSMANN  
GREG HERTZ  
RAE PEPPERS  
ALAN REDFIELD  
BRIDGET SMITH

#### COMMITTEE STAFF

MEGAN MOORE, Lead Staff  
JARET COLES, Staff Attorney  
FONG HOM, Secretary

# MINUTES LOG

September 7-8, 2016  
Room 317, Capitol Building  
Helena, Montana

## September 7, 2016

Please note: This document is a Minutes Log and provides a notation 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 record 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 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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Please contact the Legislative Services Division at 406-444-3064 for more information.

### COMMITTEE MEMBERS PRESENT

SEN. FRED THOMAS, Chair  
REP. TOM JACOBSON, Vice Chair

SEN. DICK BARRETT  
SEN. MARK BLASDEL  
SEN. BRIAN HOVEN  
SEN. CHRISTINE KAUFMANN  
REP. JEFF ESSMANN  
REP. GREG HERTZ  
REP. RAE PEPPERS  
REP. BRIDGET SMITH

### COMMITTEE MEMBERS EXCUSED

SEN. SUE MALEK  
REP. ALAN REDFIELD

### STAFF PRESENT

MEGAN MOORE, Lead Staff  
JARET COLES, Staff Attorney  
FONG HOM, Secretary

## VISITORS' LIST ([Attachment 1](#))

## AGENDA ([Attachment 2](#))

### COMMITTEE ACTIONS

The Revenue and Transportation Interim Committee requested the following as committee legislation:

- LCfix1;
- LCincr;
- LCbelt, as amended to include language from 61-9-421;
- LCtif3, as amended to apply only to permissive levies approved after adoption of the tax increment provision;
- LCtif5;
- LCtif6;
- LCtif7, as amended to require the mayor to choose a board member from a list provided by the school district or county;
- LC2ec1;
- LChsra, as amended to clarify which highway patrol expenses may be paid using the Highway State Special Revenue Account;
- LCag01;
- LCag02;
- LCag04, as amended to increase the annual gross income requirement to \$3,500;
- LCag4b; and
- LCtl01, as amended to incorporate LCtl02.

The committee also asked staff attorney, Jaret Coles, to:

- present a letter from the committee during a Department of Revenue rule hearing on MAR 42-2-956, which addresses final notices related to an informal request for review of a property valuation; and
- to clarify the Montana Department of Transportation's timeline for reviewing ARM 18.7.202.

### CALL TO ORDER AND ROLL CALL

00:00:05 Sen. Thomas called the meeting to order at 8:34 a.m. The secretary took roll. Sen. Malek and Rep. Redfield were excused. Rep. Hertz has Rep. Redfield's proxy and Sen. Kaufmann has Sen. Malek's proxy. ([Attachment 3](#))

00:02:08 Megan Moore, Research Analyst, gave an overview of the agenda.

### REVENUE ESTIMATING AND MONITORING

#### Fiscal Year-End 2016 Revenue Report - Amy Carlson, Legislative Fiscal Analyst

00:03:19 Ms. Carlson ([Exhibit 1](#))

#### Committee Questions

00:09:54 Rep. Hertz asked Ms. Carlson if there was any discussion with the Office of Budget and Program Planning about the future and current numbers.

00:11:40 Ms. Carlson discussed the document, "Update to the June 2016 Outlook".  
(Exhibit 2)

Committee Questions

00:13:40 Sen. Thomas asked what the expected ending fund balance at the end of this biennium was.

00:17:24 *Sen. Blasdel arrived at the meeting at 8:51 a.m.*

**Update to the 2019 Biennium Outlook - Legislative Fiscal Division staff**

00:17:48 Stephanie Morrison, Legislative Fiscal Analyst, gave an overview of Legislative Fiscal Division's activities for the General Fund Revenue Trends. (Exhibit 1)

00:31:37 Ms. Morrison gave an update on the metal mines tax. (Page 11 of Exhibit 1)

Committee Questions

00:32:48 Rep. Essmann asked about the Wildfire Suppression Fund transfer and about any correspondence that indicates that the transfer would not be made.

00:36:18 Sam Schaefer, Legislative Fiscal Division, gave a report on corporate income tax. (Page 6 and 7 of Exhibit 1)

00:39:58 Mr. Schaefer gave an update on vehicle taxes and fees and oil and natural gas taxes. (Page 7 and 8 of Exhibit 1)

Committee Questions of Mr. Schaefer

00:42:48 Rep. Essmann asked whether the 18% discount for Montana produced oil is mainly due to transportation constraints.

00:43:12 Mr. Schaefer gave a report on the video gaming tax. (Page 9 of Exhibit 1)

00:44:07 Mr. Schaefer gave a report on U.S. mineral royalties. (Page 11 of Exhibit 1)

00:45:09 Mr. Schaefer gave a report on the treasury cash account interest earnings. (Page 12 of Exhibit 1)

Committee Questions of Mr. Schaefer

00:47:08 Sen. Thomas asked about volatility in the corporate income tax.

00:49:24 Rep. Essmann asked if Mr. Schaefer could look at what the size of refunds might be in the years where the numbers were off so that the committee can consider putting a cap to reduce the volatility.

00:52:06 Sen. Barrett asked if Mr. Schaefer can attribute the performance in corporate income tax to lower oil prices.

00:53:45 Rep. Hertz asked about commodity prices that might be affecting tax liabilities.

00:56:03 Nick vanBrown, Legislative Fiscal Division, gave a report on property tax. (Page 6 of Exhibit 1)

00:57:43 Alice Hecht, Legislative Fiscal Division, gave a report on insurance tax. (Page 8 of Exhibit 1)

01:00:26 Ms. Morrison gave a presentation on General Fund Updated Revenue Trends.  
(Exhibit 3)

### Committee Questions

- 01:04:14 Rep. Hertz asked what the expected expenditures are going to look like and how much more are they going to be than LFD's projected revenues.
- 01:05:32 Ms. Carlson referred the committee to Exhibit 2 and responded to Rep. Hertz' question.
- 01:07:32 Rep. Hertz asked Ms. Morrison about the partnership income tax.
- 01:09:18 Sen. Hoven asked Mr. Schaefer about the corporate income tax and the breakdown between Montana corporations and other corporations.
- 01:10:17 Rep. Essmann also responded to Rep. Hertz' question.

**BREAK** (Reconvened at 9:57 a.m.)

### **Managing Financial Volatility Report - Amy Carlson and Stephanie Morrison**

- 01:23:44 Ms. Carlson ([Exhibit 4](#))
- 01:27:47 Ms. Morrison discussed the volatility of Montana's general fund revenue.

### Committee Questions of Ms. Morrison

- 01:37:28 Rep. Hertz asked about comparing Montana with Washington, Nevada, and Texas that have no income tax but rely on a sales tax, and if those states are less volatile than Montana or Oregon where they are dependent on income tax.
- 01:38:27 Sen. Barrett asked about the sources of volatility that PEW identified.
- 01:40:47 Sen. Barrett asked if Montana had a sales tax, would that significantly reduce the amount of covariance.
- 01:42:13 Rep. Jacobson asked whether the biggest driver is volatility in wages or income.
- 01:44:49 Rep. Hertz asked about self-employment income.
- 01:47:42 Rep. Jacobson asked if the nonwage income is inclusive of self-employment income.
- 01:48:55 Sen. Hoven asked about income that includes rental income and investment income.
- 01:49:55 Ms. Carlson gave a presentation on industry standards and Montana approaches. (Page 5)
- 02:06:01 Ms. Morrison briefly discussed a topic of potential budget shortfalls by state. (Page 9)
- 02:08:29 Ms. Carlson discussed Utah's financial volatility. ([Exhibit 5](#))

### Committee Questions

- 02:14:41 Sen. Barrett asked Ms. Morrison to clarify Montana's business cycle.
- 02:18:50 Rep. Jacobson asked Ms. Carlson if it was fair to say that Utah's volatility report summarizes that Montana should accept the fact that Montana has volatility and that Montana needs to plan for that.
- 02:24:56 Rep. Smith asked about Utah's rating and bonding level.

### **Requested Additional Information**

#### **Labor earnings by sector - Barb Wagner, Economist, Department of Labor and Industry**

- 02:27:04 Ms. Wagner gave a presentation on labor earnings by sector.

#### Committee Questions

- 02:37:07 Rep. Jacobson asked why health and education was tied into one wage category.
- 02:38:57 Sen. Thomas asked about the earnings in logging.

#### **Energy industry impacts on revenue - Sam Schaefer, Legislative Fiscal Division**

- 02:41:38 Mr. Schaefer ([Exhibit 6](#))

#### Committee Questions

- 02:48:10 Rep. Hertz asked about impacts to jobs in Colstrip.

#### **TREATMENT OF INTANGIBLE PROPERTY FOR CENTRALLY ASSESSED PROPERTY VALUATION STUDY**

##### **Update from interested parties**

- 02:49:25 Bob Story, Montana Taxpayers Association, said that the interested parties felt that they did not have any consensus on bringing forward any legislation on intangible property for centrally assessed property valuations.
- 02:52:10 Mike Kadas, Director, Department of Revenue, agreed with Mr. Story's analysis. He said that the Department of Revenue would like to see some changes but does not have an agreement of what those changes would be.

**Public Comment on the study of intangible property valuation** - None.

**Committee Action** - None.

#### **AGENCY OVERSIGHT: DEPARTMENT OF TRANSPORTATION**

##### **Agency update - Mike Tooley, Director**

- 02:54:12 Director Tooley provided an update on the activities of the Department of Transportation:
- 02:54:45 Highway State Special Account.
- 02:55:46 Long-Range Building Program.
- 02:56:20 Bus shelters and proposed administrative rule change that would restrict advertising on bus shelters.
- 02:57:43 Primary seatbelt law.

#### Committee Questions

- 02:58:38 Rep. Essmann asked if riding in the back of a truck is illegal.

##### **Public Comment on agency update**

- 03:00:06 Rep. Kerry White, House District 64, discussed damages to one of his constituent's property due to construction of a bridge on the West Fork of the Gallatin River and provided photographs of the damage. ([Exhibit 7](#))
- 03:03:27 Jack McCloud provided documentation of the cost of the damages. ([Exhibit 8](#))
- 03:14:14 Faith Malpali discussed the damage that was done to her home.
- 03:16:22 Dave Ohler, Chief Legal Counsel, Department of Transportation, provided a brief synopsis of Ms. Malpali's lawsuit and appeal. ([Exhibit 9](#))

03:18:35 Rep. White commented that mitigation of this issue had occurred and an offer was made which Ms. Malpali's attorney accepted. Rep. White said that he wanted this issue to go on record and that the Department should rethink the damages to Ms. Malpeli's home as a result of the construction of the bridge.

**Lunch** (Reconvened at 1:05 p.m.)

**REQUESTED INFORMATION FROM HIGHWAY PATROL - Col. Tom Butler**

**Data on whether speed limit increases are linked to increased fatalities in other states**

04:32:03 Col. Butler reported that the data is ongoing and changing.

**Seat belt use statistics in Montana and nationwide**

04:36:21 Col. Butler ([Exhibit 10](#))

**Time spent on nonpatrol activities**

04:37:26 Col. Butler ([Exhibit 10](#))

Public Comment - None.

**OTHER COMMITTEE-REQUESTED BILL DRAFTS - Megan Moore**

**LCfix1: Cleanup legislation**

04:42:16 Ms. Moore ([Exhibit 11](#))

Public Comment on LCfix1

None.

**Motion/Vote**

04:48:58 Sen. Barrett moved that LCfix1 be drafted as a committee bill. The motion passed unanimously by voice vote. Rep. Hertz will be the sponsor.

**LCincr: Income tax relief multiple repeal**

04:51:02 Ms. Moore ([Exhibit 12](#))

Public Comment on LCincr - None.

**Motion/Vote**

04:52:49 Sen. Barrett moved that LCincr be drafted as a committee bill. The motion passed unanimously by voice vote. Sen. Blasdel will be the sponsor.

**LCbelt: Primary enforcement of seatbelt law**

04:53:41 Ms. Moore ([Exhibit 13](#))

**Committee Questions**

04:59:43 Rep. Essmann asked about the Department of Transportation's concerns about the seatbelt safety restraints.

05:01:50 Sen. Hoven asked if there were any references to the use of booster seats in the law.

05:03:01 Rep. Hertz asked about taxicab definitions.

- 05:04:09 Sen. Barrett asked about changing current requirements or fines with respect to children.
- 05:05:04 Rep. Essmann said that the committee should adopt an amendment to reinstate language that was taken out during the drafting process.
- 05:05:32 Sen. Barrett said that he understood that if there were amendments, the committee could review the bill at tomorrow's meeting.

#### **Motion/Vote**

- 05:06:36 Rep. Essmann moved to amend the proposed LCbelt draft to include existing language in 61-9-421(1). The motion passed unanimously by voice vote.

#### **Public Comment on LCbelt as amended**

- 05:08:23 Bob Story, self
- 05:09:49 Ray Kuntz, Helena ([Exhibit 14](#))

#### **Motion/Vote**

- 05:20:26 Sen. Barrett moved that LCbelt as amended, be drafted as a committee bill. The motion passed on a roll call vote, 7-5. ([Attachment 4](#))

**Break** (Reconvened at 2:15 p.m.)

#### **REQUESTED BILL DRAFTS FOR COMMITTEE STUDIES**

- 05:41:06 Sen. Thomas referred the committee to the memo from Ms. Moore listing the proposed bill drafts for each study. ([Exhibit 15](#))
- 05:41:10 Ms. Moore referred the committee to the written public comment from the Montana Infrastructure Coalition ([Exhibit 16](#)) and from the Billings Industrial Revitalization District. ([Exhibit 17](#))

#### **Tax increment finance study: LCtif1, LCtif2, LCtif3, LCtif4, LCtif5, LCtif6**

LCtif1: Requiring the county and school districts included in urban renewal district to approve use of tax increment financing

- 05:42:42 Ms. Moore ([Exhibit 18](#))
- 05:43:44 Rep. Essmann explained the intent of LCtif1.

LCtif2: Revising tax increment financing provisions related to education funding

- 05:45:04 Ms. Moore ([Exhibit 19](#))
- 05:46:50 Sen. Barrett asked about existing TIF districts with no bonds.
- 05:47:20 Rep. Essmann explained the intent of LCtif2.

LCtif3: Amending tax increment provisions related to certain local government mill levies

- 05:50:34 Ms. Moore ([Exhibit 20](#))
- 05:53:00 Rep. Essmann explained the intent of LCtif3.

LCtif4: Revising laws related to use of tax increment by private property owners

- 05:54:27 Ms. Moore ([Exhibit 21](#))
- 05:55:44 Rep. Essmann explained the intent of LCtif4.
- 05:58:04 Sen. Barrett asked if the intent of LCtif4 is specifically for the improvements to

private property referenced in subsection (m).

LCtif5: Amending reporting requirements related to tax increment financing districts

06:00:29 Ms. Moore ([Exhibit 22](#))

06:02:03 Sen. Thomas explained the intent of LCtif5.

LCtif6: Requiring remittances of unused tax increment to be made proportionally to all affected taxing jurisdictions

06:02:29 Ms. Moore ([Exhibit 23](#))

**Committee Discussion and Public Comment on the TIF draft Legislation**

LCtif1: Public Comment

06:04:15 Steve Johnson, Deputy Superintendent of Operations, Bozeman Public Schools, Bozeman, Montana

06:08:59 Dave Nielsen, Montana League of Cities and Towns, directed the committee to the Montana Infrastructure Coalition letter. ([Exhibit 16](#))

LCtif1 Committee Discussion

06:17:43 Sen. Hoven asked about the intent of the language, "must approve of amending" rather than "participate in the formation of".

06:19:14 Sen. Barrett said that he is concerned on how this bill works. Mr. Johnson had described a collaborative process in which everybody participates in the planning but in the end, what it actually provides is that the school district or the county would have a veto.

06:20:32 Rep. Essmann said that is a policy question.

06:21:33 Rep. Jacobson said that the intention is good but asked if the practicality would be to insure that the school board or county membership participate on these TIF boards.

06:22:44 Rep. Hertz said that regarding Rep. Jacobson's point, the committee might be delving into local government's control.

**Motion/Vote**

06:24:32 Rep. Essmann moved that LCtif1 be forward as a committee bill. The motion failed on a tie roll call vote, 6-6. ([Attachment 5](#))

**Motion/Vote**

06:28:03 Rep. Jacobson moved that staff draft a bill to include a member of the school board and a county commissioner on a TIF board. The motion passed unanimously by voice vote.

LCtif2: Public Comment

06:30:13 Dave Nielsen, Montana League of Cities and Towns

06:30:58 Tim Goodridge, East Billings Urban Renewal District Coordinator

06:32:18 Bruce McCandless, Assistant City Administrator, Billings ([Exhibit 24](#))

06:34:11 Brian Obert, Montana Economic Development Administration

06:36:03 Greg Krueger, Development Director, Downtown Billings Alliance

06:39:00 Ed Bartlett provided written comments from Bruce MacIntyre, Billings Chamber of Commerce ([Exhibit 25](#))



06:40:49 Steve Johnson

LCtif2: Committee Discussion

06:42:12 Sen. Thomas asked where the 95 mills revenue would revert back to.  
06:42:25 Rep. Essmann explained what entity grabs the 95 mills before it goes to the general fund.  
06:44:23 Rep. Hertz said that the 95 mills are not dedicated to the schools but go directly to the general fund and has no ties to school funding.

**Motion**

06:46:09 No motion was made on LCtif2.

LCtif3: Public Comment

06:46:32 Rep. Essmann explained that this bill is about levies that arise after the formation of the districts. There are three types: voted levies, inflationary adjustments, and permissive levies.  
06:48:05 Dave Nielsen, League of Cities and Towns  
06:49:08 Steve Johnson  
06:50:11 Bob Story, Montana Taxpayers Association  
06:51:12 Harold Blattie, Executive Director, Montana Association of Counties  
06:53:02 Rep. Hertz asked Mr. Blattie how this would be different than the 6 mill university levy that remains in the increment of the TIFs.  
06:54:29 Rep. Jacobson asked Director Kadas about the 6 mills for the universities.  
06:57:13 Ed Caplis, Montana Department of Revenue, responded to Rep. Jacobson's question.  
07:03:45 Sen. Barrett said that the voted levy will be applied to the base of the property value in the district, not the increment in the district.

**Motion to Amend**

07:05:34 Rep. Hertz moved that LCtif3 be forwarded as a committee bill and be amended to remove subsections (2)(b)(iii) and (2)(b)(iv) from the draft.

Discussion on Rep. Hertz' amendment

07:08:17 Sen. Barrett said the reason that the 15-10-420 inflationary increases are there is to try and maintain the real value of the tax collections in the face of inflation.

**Vote**

07:09:16 The motion to amend passed unanimously by voice vote.

**Motion on LCtif3 as a committee bill**

07:09:30 Rep. Hertz moved that LCtif3 as amended be forwarded as a committee bill.

Discussion on the Motion

07:09:44 Sen. Kaufmann commented that this committee chose to spread itself pretty thin over this interim in terms of the number of studies. This is one example that contemplating some major changes to a law that did not get fully vetted in the process. She is concerned about how these changes might impact the law.

**Motion/ Vote for an effective date for LCtif3**

07:11:42 Rep. Essmann moved that LCtif3 have an effective date upon passage and approval. The motion passed unanimously by voice vote.

**Motion for LCtif3 as a committee bill**

07:11:58 The motion for LCtif3 as amended to be forwarded as a committee bill passed on a roll call vote, 7-5. ([Attachment 6](#))

**LCtif4: Public Comment**

07:15:12 Rep. Essmann discussed the intent of the bill.  
07:15:17 Bruce McCandless  
07:16:23 Bob Story, Montana Taxpayers Association  
07:17:34 Tim Goodridge

**Motion**

07:19:20 No motion was made on LCtif4.

**LCtif5: Public Comment**

07:19:35 Sen. Thomas discussed the intent of the bill.  
07:21:08 Harold Blattie

**Motion/Vote**

07:22:07 Rep. Essmann moved to forward LCtif5 as a committee bill. The motion passed unanimously by voice vote.

**LCtif6: Public Comment**

**Motion/Vote**

07:23:43 Sen. Hoven moved that LCtif6 be forwarded as a committee bill. The motion passed unanimously by voice vote.

**LC2ec1: Elderly homeowner and renter credit study**

07:24:42 Ms. Moore ([Exhibit 26](#))

**Committee Discussion**

07:27:14 Sen. Kaufmann said that this bill received wide support from both houses in the 2015 Session.  
07:27:37 Ms. Moore discussed the change in the bill that is found on page 4.  
07:28:48 Sen. Hoven said he would oppose this bill.  
07:29:30 Rep. Jacobson explained how the elderly homeowner and renter credit worked.  
07:35:58 Rep. Hertz asked about receiving a subsidy for rent.

**Public Comment**

07:36:29 Claudia Clifford, AARP Montana  
  
07:38:05 Rep. Essmann asked Ms. Moore about the income level of the homeowner and what is the most a homeowner can make and still get the credit.  
07:39:01 Rep. Hertz asked about the total cost of the credit to Montana.  
07:40:02 Sen. Mary Caferro

07:42:49 Donna Sanders, self

### **Motion**

07:45:10 Sen. Kaufmann moved that LC2ec1 be forwarded as a committee bill.

### **Discussion on the Motion**

07:45:32 Sen. Hoven said that he has concerns about the bill but would probably support the bill.

07:46:40 Rep. Essmann said that he would support this bill.

07:47:23 Sen. Thomas said he would also support the bill.

07:48:34 Rep. Hertz agreed to move the bill forward and to clean the bill up later.

### **Vote**

07:49:05 The motion passed unanimously by voice vote.

### **Highway State Special Revenue Account Study**

#### **LChsra: Revise laws concerning the deposit and expenditure of highway revenue**

07:49:35 Jaret Coles, Legal Staff ([Exhibit 27](#)) ([Exhibit 28](#))

### **Public Comment**

07:59:02 Cary Hegreberg, Montana Contractors Association

08:05:48 Col. Tom Butler commented on Section 7.

08:07:06 Sen. Barrett asked Mr. Coles about Section 7.

### **Motion/Vote**

08:09:04 Sen. Barrett moved to remove from Section 7 of LChsra, the underlined language "for enforcement of highway safety laws". The motion passed unanimously by voice vote.

08:10:50 Rep. Hertz asked if any of the new language might impact any agreements with the Montana tribes in regards to the distribution of the gas tax.

08:10:54 Sen. Hoven asked about the gross vehicle weight fees.

### **Motion/Vote for LChsra as amended be a committee bill**

08:13:35 Rep. Jacobson moved to proceed with LChsra as amended as a committee bill. The motion passed unanimously by voice vote.

### **LCdyed: Limit access to fuel pumps that dispense dyed special fuel**

08:14:27 Ms. Moore ([Exhibit 29](#))

### **Committee Questions**

08:15:46 Sen. Hoven asked about a fiscal note.

08:16:28 Rep. Hertz commented about the bill being better carried by a legislator and not by the committee.

### **Motion**

08:17:06 No motion was made for LCdyed.

**Property taxable value neutrality study: LCag01, LCag02, LCag03, LCag04, LCag4b**

08:17:29 Ms. Moore gave a presentation on LCag01 ([Exhibit 30](#)); LCag02 ([Exhibit 31](#)); LCag03 ([Exhibit 32](#)); LCag04 ([Exhibit 33](#)); and LCag4b ([Exhibit 34](#)).

**LCag01: Public Comment**

08:28:43 Bob Story, Montana Taxpayers Association

**LCag02: Public Comment - none**

**LCag03: Public Comment**

08:31:12 Bob Story, Montana Taxpayers Association

**LCag04: Public Comment - none**

**LCag04a: Public Comment**

08:33:17 Bob Story, Montana Taxpayers Association

**Tax liens and tax deeds study: LCtl01, LCtl02**

08:35:33 Ms. Moore discussed the Summary of Tax Lien and Tax Deed Process as proposed in LCtl0 ([Exhibit 35](#)) and the Summary of Tax Lien and Tax Deed Process prepared for the Revenue and Transportation Interim Committee ([Exhibit 36](#)).

**Committee Questions**

08:39:10 Rep. Essmann asked when a notice of pending attachment gets published.

08:43:26 Ms. Moore discussed the Summary of Changes Contained in Draft Bills ([Exhibit 37](#)); LCtl01 ([Exhibit 38](#)); and LCtl02 ([Exhibit 39](#)).

**Public Comment on LCtl01**

08:51:12 Rhona Wiggers, Montana Treasurers Association

08:56:41 Harold Blattie

08:59:57 Matt Pecos, Cascade, Montana

09:06:28 Bob Story, Montana Taxpayers Association

**Motion**

09:13:57 Rep. Jacobson moved that LCtl01 proceed as a committee bill.

**Discussion on the Motion**

09:15:19 Sen. Thomas and Ms. Moore discussed LCtl02 as a standalone bill.

09:16:06 Sen. Hoven commented that the bill draft should be worked on prior to session.

09:17:48 Rep. Essmann discussed the wording in the title, "an act revising the process for the sale for the sale of a tax lien and issuance of a tax deed for delinquent taxes".

09:19:20 Rep. Jacobson appreciated the work done by everyone and also appreciated Mr. Pecos' work. Rep. Jacobson discussed the four areas that he would like to see in the bill.

**Vote**

09:23:01 The motion passed unanimously by voice vote.

**LCtl02**

09:23:18 Ms. Moore clarified that if the committee wanted LCtl02 as a stand alone bill, she would have to draft it off of current law and not the amendments in the bill.

09:23:38 Sen. Kaufmann asked about drafting LCtl01 and LCtl02 together as one bill.

09:25:04 Ms. Wiggers said that there was no consensus on LCtl02 being a "one size fits all" premise and that as long as it is done at the local level and every county has its own policy, it could be incorporated into one bill.

09:25:18 Sen. Kaufmann suggested a motion to combine LCtl02 with LCtl01 and to allow counties to set their own process for ties.

**Motion/Vote**

09:26:01 Sen. Kaufmann moved to add the language in subsection (b) of LCtl02 into LCtl01. The motion passed unanimously by voice vote.

**Motion/Vote**

09:26:34 Sen. Thomas moved to draft LCtl01 with added language from LCtl02. The motion passed unanimously by voice vote.

09:27:00 Rep. Hertz asked about the need for LCtl02 as a standalone in case LCtl01 does not pass and there will still be a need to address the tie.

09:27:05 Ms. Moore said there could be a stand alone, but it needs to be drafted based on current law rather than the amended section.

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

09:27:42 Harold Blattie, Executive Director, Montana Association of Counties, informed the committee that the Association will be considering a resolution to bring legislation to provide uniformity for the disposal of real property.

**RECESS**

09:29:40 With no further business before the committee, Sen. Thomas recessed the meeting at 6:04 p.m.