

Local Government Advisory Council

Meeting Agenda

Monday, April 7, 2014 @ 10:00 am – 3:00 pm

Fourth Floor Conference Room

Mitchell Building, 126 Sanders Street, Helena, Montana

- I. Welcome, Introductions and Council Charge - Mike Kadas, Director (20 mins.)
A. Member Logistics for Travel and Costs

Attendees: Alan Peura, Paulette DeHart, Donnie McVee, Jason Weiner, Greg Chilcott, Tina Volek, Carol Brooker, Doug Kaercher, Jerry Jimison, Mike Kadas, Kristan Barbour, Cynthia Monteau Moore, Michele Crepeau, Tony Zammit and Dan Whyte

- Meeting convened at 10:05, opening remarks and welcome by Director Mike Kadas, thanked the council members for their willingness to serve. This council will allow for work between the different local government entities and the DOR.
- Jerry Jimison, Glendive Mayor was asked to be the chair of the committee and Carol Brooker, Sanders County Commissioner was asked to be Vice-chair.
- Each member provided a brief description of their qualifications and backgrounds.
- DOR staff supporting the meeting were introduced to the committee
- Director Kadas explained the goal for future meeting agendas will be driven by the council members. Please communicate items of interest to DOR for next meeting's agenda.

- II. Overview of Department of Revenue - Mike Kadas, Director (10 mins.)
- DOR Organization charts and attached department committees were reviewed and discussed.
 - Director's Office units were discussed in detail as well as a high level review of the other divisions within the department.

- III. Update on 2015 Property Reappraisal - Cynthia Monteau Moore (60 mins.)
PAD Administrator
- Cynthia Monteau Moore presented a PowerPoint presentation and explained the 2015 reappraisal process and time line.
 - Ag, Forest, Residential, Commercial/Residential Property Class types were reviewed.
 - Value methodologies were reviewed and explained
 - Sales Comparison Approach
 - Income Approach
 - Cost Approach to Value
 - Productivity (Agricultural and Forest Land)
 - *Appeals process and data requested to be on a future agenda by Tina Volek, she stated commercial/residential property appeals are more concerning to local governments than residential appeals.
 - *Timeline and Dates

IV. Tax Increment Finance (TIF) - Michele Crepeau and Tony Zammit (30 mins.)
DOR Legal Staff

- Michele Crepeau and Tony Zammit provided a series of handouts to illustrate TIF Districts throughout the State.
 - Different types of tax increment finance districts that exist currently in Montana:
 - TIFs
 - URDs
 - TEDDs
 - TIF Laws (Title 7, Chapter 15, Parts 42 and 43 MCA)
 - TIF Rules (Title 42, Chapter 19, Part 14 ARM)
 - Current Issues:
 - Remittance Agreements - Local governments can enter into an agreement with other taxing jurisdictions. (Pro Rata)
 - Double Taxation
 - ADLC Mill Creek TFD #2 was highlighted and the flow of funds and how they are allocated were explained. School District 10, (Non-Levy Revenue) and double taxation concerns were addressed.
 - Boundaries
 - Billings TIF situation was explained (two different school districts are encompassed in the same TIF) fluctuating property values recently have become an issue for the implementation of the TIF.
- *Jason Wiener asked about parcel data snapshot for a TIF district (Mike and Cynthia to discuss) and how it would report on the tax bill, decision is up to each individual county.
- *Ravalli County TEDD zoning issues raised by Greg Chilcott, future agenda item

LUNCH (30 mins.)

V. Impact of *Heidecker* Decision - Dan Whyte, Deputy Chief Legal Counsel (20 mins.)

- A. Communicating court decisions to local governments
- Dan Whyte provided an update and review of the Heidecker Case and the recent court decision
 - Ag Land v. Class 4 Residential
 - Court ruled that classification of property is not determined by covenants but the actual use of the land.
 - DOR is currently reviewing the statutes and rules to determine if amendments to the rules are needed after the court decision was rendered.
 - DOR will contact local governments on case decisions that have significant impacts on counties throughout Montana once the opportunity to review the case has occurred.
 - Tina Volek asked if the department would be willing to post court decisions on their website that may affect local governments that a decision has come down. Supreme Court case decisions link could be added to DOR's page as well
 - Jason Weiner would like the department to provide a litigation report to the local gov't to better understand and anticipate issues that could affect them.

- DOR will create a local gov't link on our website

- VI. Business Equipment/Personal Property Update - Ed Caplis (20 mins.)
Tax Policy & Research Director
- Ed provided handouts and explanation of SB96 Estimate of County Reimbursement
 - Entitlement Share Payments for Class 8 Property handout provided and discussed
 - DOR will add 2015 entitlement share payments to website

- VII. 2015 Legislation Ideas - Alan Peura, (30 mins.)
Deputy Director
- Alan Peura provided a list of proposed legislation for 2015 that would affect local governments:
 - Amend Class 3 Ag Land
 - PTAP Reform
 - TIF Reform
 - Local Gov't Responsibility for Local Tax Districts and Fees
 - Doug Kaercher would like to see a tool for counties that would offer some type of tax break for those who purchase a dilapidated building, tear it down and build something new. New and expanding add new criteria for the Kaercher tool idea. Paulette mentioned community decay qualifications. Mike recommends Doug run a draft by the DOR.
 - Carol Brooker raised concerns with the PTAP application, allowing for 4 years of qualifying for the assistance program, DOR is working towards an automated process that will crosscheck the data for compliance.

- VIII. Responsibility for Local Special Assessments & Fees - Cynthia Monteau Moore (20 mins.)
PAD Administrator
- Cynthia Monteau Moore presented information for proposed legislation to draft a statutory change for entering local county specials fees and charges into county computer systems.
 - Removing the ability of DOR employees entering information into the local gov't computer systems, liability concerns were raised by having state employees on county computer systems.
 - DOR will calculate the mills and the local counties would enter the fees
 - Recommendation to have Betty Romo as a member of the subcommittee, Carol Brooker and Greg Chilcott both agreed to be members as well, Paulette DeHart or Kim Buchanan would be valuable members as well.
 - Ronda Wiggers recommends a meeting with Black Mountain and Tyler and all the Treasures who could attend and hear cost and see how it would work within each software system. Committee agrees with recommendation and proposes a June meeting date.

- IX. Discussion of Other Local Government Issues and Priorities
For Identification of Future Agenda Topics - Working Group Members (30 mins.)
- A. Power Users View of Orion for Members
 - B. TEDD and Zoning questions
 - C. Money state sends back to county for entitlement shares
 - D. Oil and (natural resources) revenues distribution throughout the State

- X. Meeting Schedule - Mike Kadas, Director

Next meeting September or October? MACo. and the Treasures meetings may cause a conflict...Send out options for August dates through Doodle.

Housekeeping: DOR Website/committees/local government page/biennial report information

A. Use of Technology for Meetings

XI. Public Comment

Bob Story recommends a more easily accessible meeting room for the public to access.