



**Dan Bucks**  
Director

# Montana Department of Revenue



**Brian Schweitzer**  
Governor

## **Advisory Council Working Group on Local Government Issues**

Meeting Minutes  
Thursday, September 24, 2009  
9:30 a.m. – 3:00 p.m.  
Third Floor Conference Room  
Mitchell Building  
125 N. Roberts, Helena, Montana

### Attendees:

#### **Advisory Council Working Group on Local Government Members:**

Kathy Bessette, Chair, Hill County Commissioner  
Kim Buchanan, Gallatin County Treasurer  
Paulette DeHart, Lewis and Clark County Treasurer  
Jerry Jimison, Glendive Mayor  
Susan Nicosia, Columbia Falls Finance Director  
Ryan Rusche, Roosevelt County Attorney  
Lisa Smith, Powell County Treasurer  
Chris "Shoots" Veis, Billings City Council Member  
Jason Wiener, Missoula City Council Member

#### **Department of Revenue:**

Dan Bucks – Director  
Rich Bechtel – Director for Taxpayer Assistance and Public Outreach  
Michele Crepeau – Senior Tax Counsel  
Tina Hash – Director's Office  
Cynthia Monteau Moore – Deputy Administrator for Property Assessment  
Alan Peura – Deputy Director

#### **Members of the Public:**

Willie Duffield – Montana Association of Oil, Gas and Coal Counties  
Don Hoffman – Montana Taxpayers' Association  
Ronda Wiggers – Montana County Treasurers' Association

### **I. Welcome and Introductions – Commissioner Kathy Bessette, Chair**

**Chair Kathy Bessette** welcomed everyone to the very first Advisory Council Working Group on Local Government meeting. She personally thanked Director Bucks for the different tone he has set from previous Directors of the Department of Revenue and his open communications with the public. She said she is very appreciative of this and said she can call the Department and get answers to her questions.

All members introduced themselves and their respective roles with local government.

**Director Bucks** welcomed members saying this is the first public meeting in the Third Floor Reception Conference Room. He added the members were chosen for their demonstrated leadership in local government and expertise in judgment (experience, expertise and leadership).

The members of the Public also introduced themselves to the group.

## **II. Overview of Working Group Charge and Order – Dan Bucks, Department Director**

### **A. Member Logistics for Travel and Costs**

Alan explained each member received a binder to store their meeting materials in and in the pocket is an expense voucher that members should use for each meeting.

Members were asked to look over the contact list, make changes and provide corrections to Alan or Tina by the end of day.

The Director talked about the agency order and purpose as stated at the bottom of today's agenda.

## **III. Overview of Department of Revenue – Dan Bucks, Department Director**

The Director provided an overview of the Department including the following areas:

- Constitutional authority of the Department
- Valuation of property and the property reappraisal process
- The role of each of the six divisions in the Department
- The property tax appeal process
- Equalization of values required by the Constitution

Ryan brought up audits on energy credits. The Director said this was a problem area because the rules were loose. Now we're closer to the federal method. We have a list of what doesn't qualify under the energy credits on our website now to help taxpayers. The Director said the Department wants citizens to utilize the credit. He gave a demonstration of how the credit is applied using the online calculator on the Governor's website under the Reinvestment Act.

## **IV. Update on Property Reappraisal and Certification of Values – Department Staff**

The Director provided an update on the statewide property reappraisal and the impact that has on local government. He said the Department made promises to local governments and has worked to meet these deadlines. He said there is something like 1,390 separate governing bodies in local governments and what the Department does affects all those governing bodies. The numbers of people the Department has to relate to is an enormous job and this is why this Council is so important.

At this point **Kathy** said she wanted to discuss more about why she is on the Council and asked others to do the same. She said this is an important group and we'll get things accomplished.

**Kim** said she has a great working relationship with DOR employees in Bozeman. Gallatin County has the largest concentration of governing bodies in Montana.

In response to questions, the Director clarified the following:

**Property Valuations** are done for residential, commercial, ag and forestland and the Property Assessment Division is responsible for the work, along with the 56 county offices. The offices are open daily, 8 a.m. to 5 p.m., and staff travel to the different offices to help each other out.

**Centrally Assessed and Industrial** is handled by Business and Income Taxes. The nature of the facility requires specific appraisal methods and knowledge. An example of industrial would be a refinery in Billings. Centrally assessed industries by their nature comprise a network and with unit valuation you value the whole unit and then the counties the industry operates in receive an allocation of funds. Railroads, as an example, move from point a to point b and figuring out what portion of taxes goes to specific counties. This tax method has been in effect for 130 years and is well-grounded in U.S. and state court decisions.

Alan provided an overview of the Department website to show the members the timelines on reappraisal and other information.

## **V. Presentation of ORION Data Access Website – Department Staff**

Alan said it was a very good thing when DOR moved to the ORION system several years ago and now we're trying to make it more accessible to local governments. To achieve that goal, he said Paulette and IT staff, the City of Helena and Butte-Silver Bow, Ravalli and Yellowstone Counties worked on the pilot program and will complete the testing phase tomorrow. He demonstrated the website to show how local government staff will be able to pull up a map of a taxpayer's property with detailed information from the property record card.

Alan said the Department has two new help desk systems to provide feedback to the local government staff. Jerry asked if all 56 counties can access it and Alan said yes.

The Director thanked members of the focus group who worked on this project and especially Paulette for asking for access to ORION.

Kim asked if they would be able to get ORION downloads more than twice a year. Alan and Paulette both said yes. Alan also said the data behind the website is refreshed every 24 hours. Dan said we're getting back to nightly downloads. Kim said they send out bills and then the DOR system is down for two weeks. Alan said we can improve this communication. Please give us the dates and we'll work around your mailings and our maintenance schedules. Paulette said last year it was a training issue regarding the system being down.

The Director said it was the transitioning over to ORION and anytime you use a system for the first time you have glitches. The Director said we have better communications now and should be down shorter periods of time.

## **VI. Discussion of Other Local Government Issues and Priorities for Identification of Future Agenda Topics – Working Group Members**

Kathy facilitated a discussion of what future issues members would like to see on the agenda and the following were raised:

- **Tours of other facilities (perhaps hold meetings in these locations):**
  - Donovan
  - Liquor Warehouse
- **Update on reappraisal – number of AB-26s and appeals**
  - Any idea on whether this will affect certified values in jurisdictions
- **Property valuation process – how is this done (i.e. market, income, etc.) – bring in a local appraiser to present?**
  - Specific interest in the neighborhood valuation impact on specific parcel
- **Centrally assessed and industrial property**
  - What is the process for valuing this property
  - What is the schedule and why
  - Ways to enhance communication between DOR staff and local government
  - How specifically does this impact local governments
- **Detailed presentation of the certification and newly taxable property process**
  - How DOR performs these functions
    - How do local PAD office staffing levels affect these functions
  - What is the schedule
  - What is the process
  - What specifically is in this data
  - Why is this done
- **TIF laws and DOR process – how to relate to local governments**
- **Follow-up on mobile home titles, changing mobile home titles is a nightmare for the Treasurer’s Office**
- **How DOR keeps track of tax incentives, who assesses those and phasing in of properties**
- **What can be filed in county clerk and recorder offices in order to transfer title**
- **Review local government “key-dates” calendar for DOR to coordinate for local office functions (e.g. have ORION available)**
- **Tax abatements**
  - How does this impact certified values and newly taxable
  - How does DOR keep track of abated property

## **VII. Meeting Schedule – Commissioner Kathy Bessette, Chair** A. Use of Technology for Meetings

The Director suggested quarterly meetings but said it’s up to the members how often we meet. Alan said we will look at coordinating around the Human Rights Bureau meetings so Ryan can travel to attend both meetings.

The Director said in the future, we may be able to take advantage of video conferencing either through DOR facilities or the Department of Transportation's.

Alan said we are looking at November 18-20, 2009 for the next meeting.

### **VIII. Public Comment**

There was no public comment.

#### Local Government Working Group Purpose:

The Working Group shall gather information and may make recommendations on issues concerning, but not limited to, the annual certification of taxable values and newly taxable property, enhancements to Department communication and services to local governments, and the administration of shared revenue sources (e.g. coal gross proceeds and oil and gas revenues).