



FOREST LAND VALUATION ADVISORY COUNCIL PROPOSED WORK PLAN

Calendar Year 2009

Legislature requires creation of a Forest Land Valuation Advisory Council in HB659 (property reappraisal mitigation bill)

Calendar Years 2009 - 2011 – Department of Revenue (Department) appraisal staff responds to requests for review of forest land issues, addresses appeals, processes forest land applications and natural disaster impacts.

Calendar Year 2012

January – Forest economist is hired to gather and analyze forest land income and expense information per existing law. Data includes the most recent five (5) year period and is conducted one time during the latter part of each appraisal cycle. Hiring the contractor late in the reappraisal cycle allows the data collection to be analyzed in a multiyear context to identify trends in income and expense information. This is the most cost effective means of capturing the required information.

January – Department conducts Request for Proposal (RFP) to hire a contractor to conduct forest land productivity modeling.

March - Forest Land Valuation Advisory Council (Council) is appointed.

The Council will examine the data from the base period (2007 to 2011) that will affect valuation for the subsequent reappraisal cycle (2015 to 2021). The valuation information for the current appraisal cycle (2009 to 2014) is finalized and the Council will have no impact on current valuation processes.

April – **Meeting One**

Agenda: establish the function of the Council and the process they will follow. Provide education on the current forest land valuation system.

August – **Meeting Two**

Agenda: continued education on the existing valuation system. Review income and expense information from contracted forest economist. Consider a recommendation that the economist research and analyze additional data sources for the income, expense and capitalization rate information.

November – **Meeting Three**

Agenda: the Council will consider making recommendations to the Department for changes to Montana Code for other data sources for income, expense and cap rate.

Calendar Year 2013

January – April: Legislature considers those Council recommendations brought forth by the Department

October – **Meeting Four**

Agenda: Discussion/review of productivity model updating analysis of impact of legislation adopted by the 2013 Legislature, if any.

Calendar Year 2014

May – **Meeting Five**

Agenda: Discussion/review of productivity model updates. Finalize forest economist report on income, expense and cap rate information. Data available for tax years 2009 – 2013. Discussion of final committee report.

October – **Meeting Six**

Agenda: Update on productivity modeling. Review final valuation schedules. Adopt Committee report with final recommendations to the Department.

Calendar Year 2015

January – April

Legislative Session – consider property reappraisal and mitigation options.