

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
MONTANA STATE SENATE

March 21, 1987

The forty-sixth meeting of the Senate Taxation Committee was called to order at 8:00 A.M. on March 21, 1987 by Chairman George McCallum in Room 413/415 of the Capitol building.

ROLL CALL: All committee members were present with the exception of Senators Hager and Crippen.

CONSIDERATION OF HB 733: Representative Quilici, House District 71, presented this bill to the committee. This bill exempts from taxation the U.S. High Altitude Sports Center in Butte, Montana. This facility is being built in Butte by various donations from private individuals and from the community and is to be used for the training of olympic athletes. This facility is probably going to be the only one of its kind in the U.S. today. This will not only be a good training facility but will be an economic boost to Butte and to the state of Montana and the country.

PROPONENTS: Judy Martz, Executive Director, United States High Altitude Sports Center, testified in support of this bill and furnished the committee with information on the facility, attached as Exhibit 1. She basically reviewed the lay-out of the facility and explained the advantages to training at a high altitude.

Don Peoples, Executive Director, Butte Silver Bow, gave testimony in support of this bill. He said we are very committed to this project in Butte. The local government in Butte has committed \$500,000 to this project, \$200,000 for economic development and another \$300,000 for operation and maintenance of the facility. Basically this is a facility supported by local government and one that will have to have the participation of local government to make this thing work in the future. The facility will employ 10-15 people, with an end result of community employment of approximately 175-200. The \$90,000 of taxes that would be paid on the facility, if it were to be a tax facility, would make it extremely difficult to operate. This is a non-profit group, dependent upon the support of the local government and donations they will receive. The annual operation cost of that facility will be in the neighborhood of \$250,000 to \$300,000. Tax exemption is needed.

Representative Ellison, House District 81, stood in support of this bill.

OPPONENTS: None.

QUESTIONS FROM THE COMMITTEE: Senator Lybeck asked Representative Quilici what the status of this facility will be after the olympics.

Representative Quilici said after the olympics they will continue to train. They do most of their training in between the actual olympics.

Judy Martz said after the olympic games our athletes go every year to Europe to train. There are no facilities like this in the United States. She has talked to the athletes from other countries who want to come to Butte, Montana and start training here because of the altitude. The facility will be used year after year for this purpose, for training and bettering the athletes all over the world.

Senator Mazurek asked what their corporate status was.

Judy Martz said they have non-profit status, all their papers are in order.

Representative Quilici closed.

CONSIDERATION OF HB 565: Representative Pistoria, House District 36, presented this bill to the committee. He said this is an important bill, not only to himself but to the state of Montana. It is to prevent cheating. It is to clarify that vehicles privately owned and operated for profit are not exempt from taxation as property used for educational purposes. He furnished the committee with information in support of this bill, attached as Exhibit 2.

PROPOSERS: None.

OPPONENTS: Bob Stockton, Office of Public Instruction, gave testimony in opposition to this bill. This is directed at contractors that deal with schools. The increased revenue that this provides will be placed on the backs of the school districts with increased costs from the contractors. It is not going to effectively effect the contractor, it will just effect the school district. He would urge consideration in that light. Only the buses that are used exclusively for hauling school children to and from school fall under this exemption.

Don Waldron, representing School Administrators, gave testimony in opposition to this bill. In looking at this, you have to realize that the person who will be paying this is the taxpayer, through the school district. He can guarantee the average bus will cost another \$8,000, at least, to cover the cost of this license change.

Charles M. Simonsen, representing KAL lines, gave testimony in opposition to this bill. A copy of his written statement is attached as Exhibit 3.

Bob Anderson, representing the Montana School Boards Association, gave testimony in opposition to this bill. He referred to the last sentence on the fiscal note, "Assuming private bus contractors would not pass their property tax liability on to local government through higher charges, this proposal would increase county and local revenue by approximately \$268,490 per year over the FY88-89 biennium." There are school districts that cannot afford to have their own school buses and they rely heavily on contractors. This bill will be detrimental to those people and to our contractors in general.

Bob Beach, Beach Transportation and Director of the Montana Transportation Assn., gave testimony in opposition to this bill. He is disturbed by the accusation that he is a cheat, they pay taxes and do not abuse the system. Safety is a big factor and they meet or exceed the federal standards. Several contractors have settled without any increases this year in light of I-105. They are not exempt from gas taxes, they pay their full share of that. They would like to be a profit organization and not a non-profit organization.

Jack Traxler, registered with the Beach Transportation of Missoula, gave testimony in opposition to this bill. We will have to pass this down to the schools and the schools will be the ultimate victims of this thing.

Bob Correa, representing the School Transportation Assn., gave testimony in opposition to this bill. As a safety factor, this bill would discourage the purchase of new buses. When buses are used outside of school transportation, the only time legally they can be used is for state or federal emergencies and they should be commended for allowing their equipment to be used for that. If there has been a violation, he finds it difficult to penalize the entire industry in the state for isolated cases. It is a proven fact that the bus transports are by far the most cost effective and safe means of transportation. He does not believe the school districts can do this less expensively than the private contractors.

Temple Beaver, President, Montana School Transportation Assn., gave testimony in opposition to this bill. Since they have obtained this tax exempt situation, his association has put out a number of directives to all of the school bus contractors in the state asking them to be honest and above board with the state. If your buses are used for other than school functions, then pay the tax. Our buses are inspected twice a year by the highway patrol.

QUESTIONS FROM THE COMMITTEE: Senator McCallum asked Mr. Simonsen what is the average cost of a 50 passenger bus.

Charles Simonsen said \$30,000 to \$35,000.

Senator McCallum asked what the average contract mile amounted to.

Bob Stockton said it depends on the size of the unit, the average statewide would be somewhere around \$1.24 a mile.

Senator Mazurek asked the Department if they have run into complaints or difficulties on this.

Greg Groepper said we have had some calls. The calls certainly are not epidemic and he thinks the bus companies are trying to be reasonable with this. There is not much of a way to check. We basically take them at their word on what is exempt. It is hard to police.

Representative Pistoria closed by stating there is an effective date that will allow them to complete their contract. As is indicated, we do not have a method for the Revenue Department to check on this kind of violation.

CONSIDERATION OF HB 634: Representative Ellison, House District 81, presented this bill to the committee. This bill would give an additional option in paying for your SM plates. At the present time SM plates are required on special mobile equipment. For \$5.00 you can get a special license plate, SM plate, and it goes down the road with the equipment and a patrolman will not stop you. When you go in for the SM plate your property tax on that equipment has to be paid at that time. The large contractors do not have a problem with this, it does not cause a hardship on them. The small contractor, who has been out of work all winter, is the one that has a problem. This would give them the option of putting this special equipment on his property tax. Actually that is what happens, your property tax is a lien against your property

and if you don't pay your taxes they can sell your property eventually. He has been told that the county assessors have been doing this for the small contractors anyway but they are not within the law at the present time. They can put these pieces of equipment on their property tax and pay it in two installments when the property tax comes due. It doesn't do away with the old system, you can use that if you want.

PROPONENTS: Marvin Barber, Montana Assessors Assn., gave testimony in support of this bill. All we are doing is listing that piece of equipment with the real estate taxes, the same as livestock, farm machinery, furniture, etc. To get the SM plate now, the property taxes have to be paid. At the present time, if someone comes in for SM plates and the property taxes on that piece of equipment are not paid, technically we are not allowed to issue SM plates. We have been attaching that piece of equipment to his real estate taxes and issuing the SM plate, but the statutes do not allow that. He would like that option put into statute.

Dennis Burr, representing the Montana Taxpayers Assn., gave testimony in support of this bill. If a contractor has real property that will secure the piece of equipment the SM plates are needed for, this allows the contractor to attach the property to his real estate taxes and pay the \$5.00 for the SM plates.

OPPONENTS: Lloyd Lockrem, representing the Montana Contractors Assn., gave testimony in opposition to this bill. The law is basically very simply. After the equipment has been assessed and the taxes are paid, you can get SM plates and move the equipment on the highway. We are taking distinct classes of personal property and then putting a lien against real property. The lien may be a problem. This bill is very simply unnecessary.

QUESTIONS FROM THE COMMITTEE: Senator Mazurek said this seems to be a benefit to contractors and he does not understand Mr. Lockrem's opposition.

Lloyd Lockrem said he likes the law the way it is.

Representative Ellison closed by stating this is proposed to give the little guy a break.

CONSIDERATION OF HB 705: Representative Phillips, House District 33, presented this bill to the committee.

This will change one section of the codes that exempts active duty military pay from state income tax. This bill eliminates the provision in the law exempting armed forces salaries "only if they enter the active duty from Montana". It would delete that quoted provision, and allow Montanans, regardless of where they enlist, to receive this exemption. The Department of Revenue didn't put this law into effect or provide administrative rules. They went to the Revenue Oversight Committee to determine what to do on this. Regardless of whether this law gets repealed or not, he believes it should be changed as he has requested.

PROPONENTS: George Poston, United Veterans Committee, gave testimony in support of this bill. He said the fiscal note on this would be minimal. Depending on where they are stationed during active duty, getting the necessary forms and filing under the law, would really be a headache. Under the present system they are exempt and he would like to see it stay that way.

OPPONENTS: None.

QUESTIONS FROM THE COMMITTEE: Senator Lybeck asked Mr. Poston how our adjoining states handle this.

George Poston said he really couldn't tell. The only one he is familiar with is the state of Texas and they exempt their people in the military from state income tax.

Senator Neuman asked if the active guard reserves are exempt.

Representative Phillips said the active guard members are working in the state and are paying state tax.

Senator McCallum asked Representative Phillips if a military person can designate a state of residency and they do not have to claim Montana.

Representative Phillips said that is exactly right. They can designate and are fully protected under the Soldiers and Sailors Act.

Senator Severson said, in effect, this bill is exempting all the men at Malmstrom for income tax purposes.

Representative Phillips said 95% are already exempt because they don't claim Montana residence. Out of 4,000, 410 claim residence at Malmstrom.

Senator Severson said if this bill passes and he were in Malmstrom for 3 years, he sure would become a resident of Montana.

Representative Phillips said this part has never been in effect from the Department of Revenue standpoint. It will not change and cause people to start becoming residents. They already know they can and it isn't being used.

Senator Eck asked if there would be an incentive in becoming a resident for the purpose of state tuition fees, fishing licenses, hunting licenses, etc.

Representative Phillips said anyone stationed at Malmstrom can hunt or fish and as far as tuitions, they also have that. This really doesn't change anything that is happening. As the fiscal note indicates, there is no money whatsoever in it.

Senator Neuman referred to the guards who are flying off alert, that is Title 10 money, and he is sure they don't pay any tax on that.

Representative Phillips is not sure about guard regulations. He does know that this particular section of the code doesn't affect guards.

Senator McCallum asked Representative Phillips what happens if we pass this bill to residents of Montana enlisted in the service and stationed at Malmstrom. Will they pay income tax or be exempt.

Representative Phillips said he wouldn't pay unless he had an extra job.

Representative Phillips closed.

DISPOSITION OF HB 733: Senator Mazurek said he had some concern with the use of nonprofit corporation, and for the purpose of this section, he would propose the bill be amended to read "nonprofit corporation" means an organization exempt from taxation under section 501(c) of the Internal Revenue Code and incorporated and admitted under the Montana Nonprofit Corporation Act." The effect is that it wouldn't pick up any other area but nonprofit corporations. This would be inserted on page 4, line 9.

Senator Halligan made a motion to adopt that amendment. The motion carried.

Senate Taxation  
March 21, 1987  
Page Eight

Senator Brown wondered whether the committee would want to put an immediate effective date on this.

Senator Mazurek made a motion that the effective date will be retroactive to December 31, 1986. The motion carried.

Senator Halligan made a motion that HB 733 BE CONCURRED IN AS AMENDED. The motion carried with Senator Neuman opposed.

DISPOSITION OF HB 705: Senator Severson made a motion that HB 705 BE CONCURRED IN. The motion carried with Senators Mazurek, Lybeck and Bishop opposed.

ADJOURNMENT: The meeting adjourned at 9:55 A.M.

  
SENATOR GEORGE McCALLUM, Chairman

ah

ROLL CALL

TAXATION

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 3-21-87

| NAME                               | PRESENT | ABSENT | EXCUSED |
|------------------------------------|---------|--------|---------|
| SENATOR CRIPPEN                    |         |        | ✓       |
| SENATOR NEUMAN                     | ✓       |        |         |
| SENATOR SEVERSON                   | ✓       |        |         |
| SENATOR LYBECK                     | ✓       |        |         |
| SENATOR HAGER                      |         |        | ✓       |
| SENATOR MAZUREK                    | ✓       |        |         |
| SENATOR ECK                        | ✓       |        |         |
| SENATOR BROWN                      | ✓       |        |         |
| SENATOR HIRSCH                     | ✓       |        |         |
| SENATOR BISHOP                     | ✓       |        |         |
| SENATOR HALLIGAN,<br>VICE CHAIRMAN | ✓       |        |         |
| SENATOR McCALLUM,<br>CHAIRMAN      | ✓       |        |         |
|                                    |         |        |         |
|                                    |         |        |         |
|                                    |         |        |         |

Each day attach to minutes.

DATE March 21, 1987

COMMITTEE ON Senate Judiciary

VISITORS' REGISTER

HB's 565, 634, 705, 733

| NAME                    | REPRESENTING                            | BILL #        | Check One                           |                                     |
|-------------------------|-----------------------------------------|---------------|-------------------------------------|-------------------------------------|
|                         |                                         |               | Support                             | Oppose                              |
| <u>E. D. Blowers</u>    | <u>Mt. School Transp. Assn.</u>         | <u>565</u>    |                                     | <input checked="" type="checkbox"/> |
| <u>Kathleen Beach</u>   | <u>Mt. School Transp.</u>               | <u>565</u>    |                                     | <input checked="" type="checkbox"/> |
| <u>Gordon Morris</u>    | <u>MACo</u>                             | <u>565</u>    |                                     | <input checked="" type="checkbox"/> |
| <u>Jack E. Tjeden</u>   | <u>Berk. Transportation</u>             | <u>565</u>    |                                     | <input checked="" type="checkbox"/> |
| <u>Charles Simonsen</u> | <u>Ryder (KAL Lines)</u>                | <u>565</u>    |                                     | <input checked="" type="checkbox"/> |
| <u>George Poston</u>    | <u>United Veterans Committee</u>        | <u>705</u>    | <input checked="" type="checkbox"/> |                                     |
| <u>Bob Anderson</u>     | <u>Mt. Sch. Bds. Assoc.</u>             | <u>565</u>    |                                     | <input checked="" type="checkbox"/> |
| <u>Don Waldman</u>      | <u>School Admin.</u>                    | <u>565</u>    |                                     | <input checked="" type="checkbox"/> |
| <u>Marvin Barber</u>    | <u>Mt. assessors assoc.</u>             | <u>634</u>    | <input checked="" type="checkbox"/> |                                     |
| <u>Bob Correa</u>       | <u>Mt. School Transportation Assoc.</u> | <u>565</u>    |                                     | <input checked="" type="checkbox"/> |
| <u>Bob Field</u>        | <u>OPI</u>                              | <u>565</u>    |                                     | <input checked="" type="checkbox"/> |
| <u>Jennus Burr</u>      | <u>Montoy</u>                           | <u>HB 634</u> | <input checked="" type="checkbox"/> |                                     |
| <u>Jennus Burr</u>      | <u>Montoy</u>                           | <u>HB 705</u> | <input checked="" type="checkbox"/> |                                     |

(This sheet to be used by those testifying on a bill.)

NAME: Robert D. Beach DATE: 3/21/87

ADDRESS: 4810 Miller Creek, Missoula, MT.

PHONE: 549-6121

REPRESENTING WHOM? Montana Transp. Association

APPEARING ON WHICH PROPOSAL: HB 565

DO YOU: SUPPORT?  AMEND?  OPPOSE?

COMMENT: See letters that were sent to each Senator March 2, & March 16, 1987.

Robert D. Beach

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

# For all the people

The High Altitude Sports Center is a training facility for Olympic-class athletes, as well as an arena for them to compete. With completion of the speed skating oval in the spring of 1987, competitive events and training are scheduled well into the future.

A World Cup speed skating competition was slated for November 1987. The U.S. Speed Skating Team will train at Butte for the 1988 Winter Olympic Games in Calgary. The team, in fact, will commute between Butte and Calgary during the Olympics. Other nations' teams also will make Butte home during the Calgary event.

Beyond that, numerous national and regional competitions will be attracted to the Sports Center. Both national and local athletes will have access to the center, as will such events as Special Olympics.

Year around, the U.S. Olympic athletes will train at Butte, building the stamina required in their sports through bicycling, roller and ice skating, running and weight training. All in a high altitude setting with the spine of the Continental Divide as a backdrop.

# Your help is needed

The United States High Altitude Sports Center is not an isolated effort. It is by Americans for all Americans. It is endorsed by the United States International Speed Skating Association and the United States Olympic Committee, as well as by political and business leaders throughout the nation.

Total cost of the project is \$9.5 million, of which \$6.5 million is being invested in facilities and \$3 million is being held in trust to sustain Sports Center operations perpetually.

Less than half that amount has been raised, so your help is needed. If you can help and want additional information, please contact

**U.S.H.A.S.C.**

Box 3208

Butte, MT 59701-3208

or Phone: 723-7060

Donations, memorials and gifts may be sent to the same address. You may want to use the coupon to record information with your contribution:

## Can you help?

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Donation?  Memorial?  Pledge?

In Name of: \_\_\_\_\_

Amount \_\_\_\_\_ Your Phone Number \_\_\_\_\_

# America's Golden Opportunity



**UNITED STATES  
HIGH ALTITUDE  
SPORTS CENTER**



UNITED STATES  
HIGH ALTITUDE  
SPORTS CENTER



*America's Golden Opportunity*

**Y MARTZ**  
EXECUTIVE DIRECTOR

UNITED STATES HIGH ALTITUDE SPEED SKATING FOUNDATION INC.  
P.O. BOX 3208  
BUTTE, MT. 59702-3208  
PHONE (406)723-7060

**U.S.H.A.S.C.**  
Box 3208  
Butte, MT 59701-3208



## Pride in America

*Pride in America is manifested in many ways: the celebration surrounding restoration of Miss Liberty; the quiet observance of our Constitution's bicentennial; even the rendering of our National Anthem before the umpire shouts "Play ball!"*

*But only the Olympic Games evoke strong national sentiment consistently. Only then do Americans rivet their attention on a single happening with national status uppermost in their consciousness.*

*It is with American pride in mind that the United States High Altitude Sports Center is being built in Butte, America. And it is with the Winter Olympic Games in mind that the Butte center has been designated "America's Golden Opportunity."*

*When complete, the High Altitude Sports Center will be unique in the western world. Outside the Soviet Union, only the High Altitude Sports Center will offer complete, high altitude training programs for speed skaters and other Winter Olympic athletes.*

*You can be part of building U.S. pride and "America's Golden Opportunity" by making a contribution to the U.S. High Altitude Sports Center Foundation.*

## Complete athletic Training

*The High Altitude Sports Center will boast the most complete and beneficial training opportunities available to U.S. Winter Olympic Athletes:*

- Olympic-Size Refrigerated Speed Skating Oval
- Hockey and Figure Skating Rink
- Velodrome
- Roller Skating Oval
- Sports Medicine Division
- Modern Athletic Assessment & Testing Facilities

*Coupled with a long ice sport season and the high altitude training environment, the Sports Center will help U.S. athletes achieve peak performances. Better performances can translate into gold medals in the 1988 Winter Olympic Games in Calgary and in other national and international competitions.*

*Superior training and world-class facilities will boost U.S. athletes' competitive opportunities. Added to other speed skating ovals in the U.S. and the Calgary facility, the U.S. Sports Center is the final necessity in putting together a world-class circuit that will attract international athletes to this hemisphere.*



## Why Butte, America?

*Actually, it's Butte, Montana. But Butte, America symbolizes the nature of both the community and the Sports Center. Butte's rich ethnic diversity sets it apart as a city that was built through the melding of peoples. The Sports Center itself will be an All-American facility attracting the best world-class athletes from this country and abroad.*

*Butte was chosen as the Sports Center site primarily because of its altitude (5,700 feet). Athletes training for endurance events adjust to high altitude by increasing their body's ability to absorb oxygen into their bloodstream. In a sense, their systems are 'turbo-charged' and their speed is increased.*

*In addition to the critical altitude advantage, Butte also was chosen because of the availability of pure, 'low friction' water for ice, the lack of wind, the long skating season and because the community has a long, rich history in speed skating. Over the years, Butte has produced three Olympic athletes, numerous national champions and an Olympic coach.*

*Butte knows the sport and wants to be its home.*



Martin Standard

February 26 - 1987

Mont. Standard 2-24-87

## Russians, Butte ice pact

By John McNay  
Standard Staff Writer

The Russians are coming.

U.S. High Altitude Sports Center Director Judy Martz said that over the weekend at the world speed skating meet at Heerenveen, the Netherlands, agents of the Soviet skating team approached U.S. Coach Mike Crowe of Butte to invite the Americans to skate in the U.S.S.R. on March 21-22.

Also on hand to hear the invitation was Gene Sandvig, a board member of the International Speed Skating Association who was a referee at the world meet.

Martz said the invitation was made by the Soviet trainer on one condition — that the Soviets be invited to skate in Butte in November during the planned World Cup meet.

"Of course, they're invited," Martz said.

Two weeks ago, Martz, a 1964 Olympic skater, attended a women's world meet in Milwaukee to see how they ran the meet and to talk with the coaches and skaters about what is being done in Butte.

She didn't have to tell them too much. The 400-meter speed skating oval at an altitude 5,300 feet is the only one in the world outside of the Soviet Union.

"The whole skating world knows what we're doing in Butte," Martz said. "That isn't an overstatement.

They think our ice is going to be fast."

While at the Milwaukee meet, Martz said she talked with the Soviets and 11 other teams about coming to Butte in November. They all want to come, she said, but need to get the approval of their respective Olympic committees.

The teams Martz talked with were from Korea, Japan, the Netherlands, E. Germany, Norway, Sweden, Canada, Austria, New Zealand, and France.

The last time the American team was invited to skate in the Soviet Union, Martz said, was in 1979.

On the fast track at Medeo, Eric Heiden broke some of the Soviet records, Martz said, although those new times have never shown on the books.

The Russians never invited the Americans back until now, she said.

Plans still call for a practice meet on March 19, Martz said, although a lot of the timing depends on the weather.

Interest is high for the March meet, she said, and she hopes to get some of the young members of the Olympic team to try out the ice.

The construction price tag for the 17.6-acre center is about \$6.5 million. Organizers put the total cost at about \$10 million, including a \$3 million trust fund for future maintenance.

SENATE TAXATION

EXHIBIT NO. 1

DATE 3-21-87

BILL NO. H.B. 733



# United States International Speedskating Association

Member United States Olympic Committee -- International Skating Union

December 17, 1986

WILLIAM H. CUSHMANN  
Executive Director

2565 N. Harding, Suite B  
St. Paul, MN 55114  
(612) 696-0200 (Bus.)  
(612) 730-8700

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Vice President Outdoor

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WILLIAM L. MARKLAND  
Vice President Indoor

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RICHARD SOMALSKI  
Treasurer

1630 Brutell Road  
Essexville, MI 48732  
(517) 893 4553 (Bus.)  
(517) 893-7802

## Presidents emeritus

PHILIP O. KRUMM  
Colorado Springs, CO

GEORGE HOWIE  
Oconomowoc, WI

Martin White  
United States High  
Altitude Sports Center  
P.O. Box 3208  
Butte, Montana

Dear Martin:

This letter gives you or your representative the right to represent the United States National Speedskating Team in any endeavor in regards to sponsorship of the entire team.

Thank you for your interest and cooperation.

Kindest regards,

John M. Byrne

President

JMB/mjl

SENATE TAXATION

EXHIBIT NO. 1

DATE 3-21-87

BILL NO. H.B. 733

BUSINESS  
COUNCIL  
FOR  
THE   
UNITED  
NATIONS

WAMELL BROMFIELD, PRESIDENT

60 EAST 42ND STREET, NEW YORK, N.Y. 10017 • (212) 686-1111

March 4, 1986

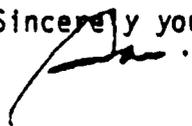
Mr. E.A. Hammerle  
INTERNATIONAL EVENT MANAGEMENT  
110 East 59th Street  
New York, New York 10022

RE: U.S. High Altitude Sports Center

Dear Ed:

The members of the Business Council for the United Nations are very excited about the prospect of a new High Altitude Sports Center being built in Butte, Montana. We are sure this facility will provide the opportunity for international Olympic teams to train in the U.S. under optimum conditions.

We will be delighted to arrange for a delegation of ambassadors representing different nations to participate in the ground-breaking ceremonies in the Spring of 1986. We look forward to supporting this venture and wish the United States High Altitude Sports Center the best success.

Sincerely yours,  


SLB/tap

SENATE TAXATION

EXHIBIT NO. 1

DATE 3-21-87

BILL NO. H.B. 73



AMBASSADOR OF  
THE UNITED STATES OF AMERICA

TOKYO

12/12/85

Dear Jim -

Thank you for your letter of the 3<sup>rd</sup>. The project you describe sounds most interesting & worthwhile. I am asking my staff to look into the matters you suggested & to write you directly as to the results achieved.

With my best personal wishes - as always - for a good Christmas & a Happy & Peaceful New Year, I am,

Sincerely

Mike Mansfield

SENATE TAXATION

EXHIBIT NO. 1

DATE 3-21-87

BILL NO. 110



# United States International Speedskating Association

Member United States Olympic Committee — International Skating Union

September 16, 1985

Mr. Martin A. White  
President  
United States High Altitude  
Speed Skating Foundation, Inc.  
P.O. Box 3208  
Butte, MT 59702-3208

Dear Martin:

The United States International Speed Skating Association and the Amateur Skating Union jointly endorse the proposed United States High Altitude Speed Skating Center as a project that will enhance the future of speed skating in America. We wish you success in your endeavor and pledge our support during the effort to bring the project to reality.

Sincerely,

*John M. Byrne*  
*3-er*

*John G. Selley*  
*ASU President*

WE:01:0087

SENATE TAXATION

EXHIBIT NO. 1

DATE 3-21-87

BILL NO. H.B. 733



# United States International Speedskating Association

Member United States Olympic Committee — International Skating Union

15, 1986

Mr. Haley Beaudry  
United States High  
Altitude Speed Skating  
Foundation, Inc.

DR. LINDA J. BABL  
Secretary

(312) 537-6500 (Bus.)

Dear Mr. Beaudry,

Your materials arrived just in time for me to pack them in my luggage and tote them off to the ISU congress in Austria.

Just a short note to let you know how your proposal for World Cup Speed Skating competitions to be held at the new United States High Altitude Sports Center went. Gerhardt Zimmerman and the other delegates I spoke to at the meeting in Velden, Austria were very favorably impressed with your presentation folder and the nature of your proposal.

Of course some direct questions concerning the completion of the facility were asked. From talking to several ISU delegates I can say that as soon as your facility is complete, the World Cup committee is very willing to discuss the establishment of competitions at the Butte site provided the financial backing for the events and the prizes is certified. Furthermore--in the event that the facility is completed some time this coming season the World Cup Committee may be able to arrange for several World Class Sprint competitors who will be in St. Foy, Canada for the World Sprint Championships and in Lake Placid, New York, USA for a World Cup will be willing to travel to the High Altitude Sports Center for an informal opening event.

After speaking to several delegates, and providing that the facility will be ready; preliminary talks are now underway to hold a World Cup Competition in conjunction with Calgary sometime during the fall season of 1987. Currently this is being proposed sometime during late November or early December and would take the place of northern European World Cups for the 1987-1988 season only. You may be aware that

EXHIBIT NO. 1

Contributions are deductible for income tax purposes

DATE 3-21-87

BILL NO. H.B. 733

unfortunately the rink in Calgary is not yet complete--some officials are getting very skeptical as to the preparation and experience the skaters will be able to get prior to Olympic competition on a very new rink. Other team delegates have indicated to me that they may want to stay in Butte for the duration of the Olympic Games--and just shuttle teams in and out of Calgary provided that there is air transportation from Butte to Calgary..?? (This would include not only the US team but the Norwegian, East German and Dutch teams.) Some trainers are not real crazy about the big town or the proposed competition schedule which may have some skaters idle--without scheduled competitions--for a period of two weeks. Talk even centered around the "legality" of holding a World Cup in the middle of the Olympic Schedule or some other Country-Match type competition. (As you can see, the Canadians are currently experiencing a little heat from the ISU.)

I'm very confident that the talks went well and that the United States High Altitude Sports Center is being thought of in a very positive light. Now what about the construction schedule?

Well then, the proposal was very well received. Additional considerations concerning preliminary competitions on the High Altitude facility during a period from January 14 through February 7, 1987; a fall 1987 North American World Cup or a Golden Cup series of competitions prior to the 1988 Olympic Games; and the housing and training accessibility for athletes during the Olympic Games were discussed.

I am so glad to be able to report these results to you. I believe you have a great start to what could be a great North American series of competitions.

SENATE TAXATION

EXHIBIT NO. 1

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Please let me know if you have any other thoughts. I would encourage you to keep in touch with Gerhardt Zimmerman as he is very open minded, knowledgable and the World Cup chairman. I have spoken at length with Gerhardt, know him very well and would be glad to help with your pursuit of the World Cup or any other events. Be sure to let me know if I can be of further assistance.

Pre-congratulations and great encouragement to you as you pursue the completion of the High Altitude Sports Center in Butte, Montana.

Sincerely,



Dr. Linda J. Babl, secretary  
USISA

SENATE TAXATION  
PAGE NO. 1  
DATE 3-21-87  
FILE NO. H.B. 733

# Montana School Transportation Association

9-83

M. S. T. A.

FROM THE PRESIDENT'S DESK

REC'D - Tues. Oct. 18, 1983

*Mine. Paul H. Pistoria*

Congratulations and welcome aboard to the new Board member,

Orin Beaty, from Anaconda, and welcome again to Bob Beach and Doc McCulloca for another term on the Board.

*Rev. Dept. issued in this directive in Sept. 1983*

\* The good news for the year and one of the biggest projects tackled in some time was paid off after two sessions with the legislature and several meetings with the Department of Revenue.

Property tax exemption for buses owned by contractors and used for route transportation is a reality. The following is needed to get buses on exempt status: Form AB30 Rev. 10-8 Application for property tax exemption must be filled out. This form can be obtained from your local appraiser or Department of Revenue, Property Assessment Division, Mitchell Building, Helena Montana 59620. You need a picture of the front of each bus that clearly shows the license plate of the bus and enough of the bus that it can be identified.

*ASS  
END OF THE BUS.*

You also need a picture of each bus you are requesting property tax exemption on, and must include the following information: year of the vehicle, make of vehicle, serial number, license number, title number, and your unit number. All of this information must then be taken to your local assessor's office. He then fills out his portion of the form and it is sent to Helena for processing.

Many thanks to all who have worked on this project, especially Charlie Simonsen, Bob Beach, Marty Bates, Don Hall, Jerry Perkins, Karl Hinter, Hugh Grove, and many others. Thanks also to Terry Brown from O.P.I. office for assistance with information, etc.

SENATE TAXATION  
EXHIBIT NO. 2  
DATE 3-21-87  
BILL NO. H.B. 565

*Pistoria*

*For H.B. 565 1981 session*

Dept of Rev. Ellen Feener.

Responsible

- ① FOR Removing Taxes & License  
(non-Profit) ok. if school served Bus  
with Private Busses Lower charge?
- ② - FOR adding taxes & License  
on Religious organizations  
(if the Religious organization owns  
the Busses, they are non-Profit)

(DISCRIMINATED)

Why shouldn't Hall - & (not leading)  
non-Profit Bus - Pay Taxes →

③. They are  
The Revenue Dept. admits there is a

INTRODUCE BILL

way to Police  
this prevents  
owned Buses  
to exist  
They receive  
many calls

FOR H.B. 565 1987 Revision

Sunday, January 15, 1984

Great Falls Tribune 7-A

# Agency seeks to tighten up exemption

Tribune Capitol Bureau

HELENA — The state Revenue Department Friday suggested limiting tax exemptions for parsonages to "ordained clergy" rather than just to "clergy" as the law now reads.

But members of the Legislature's Revenue Oversight Committee thought that could open up exemptions to mail-order "honeys" while denying them to genuine ministers who don't believe in ordination.

Gregg Groepper, head of the department's Property Assessment Division, said applications for tax exemptions on the residences of religiousists range from "the legitimate to the bizarre." About 90 percent are legitimate, he said.

"We have had people say, 'I am the church, therefore my house ought to be exempt,'" he said. "They call themselves clergy and worship by themselves."

denies the application, he said. If it is upheld by the State Tax Appeal Board, then the exemption is applied to others in similar situations.

The department suggested limiting the exemptions to ordained clergy to tighten up the law, which was passed in 1975.

Sen. Bill Norman, D-Missoula, replied that he could get ordained by mail from Los Angeles, and wondered about religions who don't ordain, such as the Hutterites and Menonites.

Rep. Dan Yardley, D-Livingston, noted that the state had long been exempting parsonages as part of the general exemption for religious property. The 1975 Legislature was merely trying to "legalize the status quo," he said, not grant broad new exemptions.

Rep. Paul Pistoria, D-Great Falls, appeared before the committee to take the department to task for granting exemptions to private

school bus operators after the Legislature had twice rejected them.

"I think Revenue has too much power, determining issues contrary to the Legislature," he said.

He said Cascade County stands to lose \$30,000 to \$35,000 from the exemptions.

Rep. Mel Williams, D-Laurel, agreed that it was "not the intent of the Legislature to exempt private buses."

The department's reasoning, according to lawyer Larry Schuster, is that as long as the property is used exclusively for an educational use, the fact that it's privately owned is inconsequential.

Sen. Tom Towe, D-Billings, suggested that the law be revised to allow exemptions only for property owned by schools and other exempt entities.

Rep. Jack Ramirez, R-Billings, objected that if an entity leases property for tax advantages, it shouldn't be denied the exemption.

Schuster told the committee there is also a gray area in the exemption laws regarding what are termed "situations of purely public clarity."

That "antiquated" terminology is given "very liberal interpretation" by the State Tax Appeal Board, he said. "They are willing to apply an exemption to any organization with a benevolent attitude."

The committee also discussed the confusion surrounding exemptions for "quasi-government" entities. Rural fire districts recently sought exemption for all their personal and real property, according to Schuster.

"Perhaps there is a valid public policy reason for exempting such property," he said in a memo. "However, the Legislature has not provided such an exemption and thus one must not be implied. Nevertheless, the State Tax Appeal Board recently decided that such property is tax-exempt."

Why should they directive themselves have a directive to exempt private owned, especially when the 2 previous sessions they were turned down, they they went against the Legislature & took away their tax for the Revenue Dept. How do you get the Revenue Dept. to go to the point. They're kind of a private - Pan. W. Frick

SENATE TAXATION

EXHIBIT NO. 2

DATE 3-21-87

BILL NO. H.B. 565

The Revenue Dept now admits there is no way to improve or Police the privately owned buses. Do receive many calls of individuals & call them in private to call

Note - The Rev. Dept. is now for this Bill 100% of Repel amended it. It has since been a problem for them & create to improve that buses they have. you many a party then

Why should they directive themselves have a directive to exempt private owned, especially when the 2 previous sessions they were turned down, they they went against the Legislature & took away their tax for the Revenue Dept. How do you get the Revenue Dept. to go to the point. They're kind of a private - Pan. W. Frick



FLATHEAD 4 - H FOUNDATION, INC.



"SERVING YOUTH - OUR MOST PRECIOUS RESOURCE"

March 26, 1985

*Recd - Sat - Mar. 30, 1985*

~~H.B. 851~~

*H.B. 565 (1987)*

*Session*



H  
E  
A  
D

Paul Pistoria  
House of Representatives  
Capitol Building  
Helena, Montana 59601

Dear Rep. Pistoria,



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The Flathead 4-H Foundation is very appreciative of your efforts supporting amendments to HB 851 which kept 4-H owned camp property tax exempt under Montana Law. The Flathead 4-H Foundation built a camp at Loon Lake near Bigfork in 1981-82 and it was an arduous task involving lots of volunteer labor and donated materials.

The camp has been a very useful facility for 4-H in Western Montana since all the western counties use it for camping programs. HB 851 as originally written would have placed the facility back on property tax rolls even though the Flathead 4-H Foundation has its own 501(c)3 federal tax exemption. We would have been treated differently than other youth group owned property. It would have forced large increase in our camp use fees, and we try to provide camping experience to youth at minimal cost.

Therefore, we thank you sincerely for your support and efforting in successfully amending HB 851.



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In appreciation,

*Darrell E. Fenner*  
Darrell E. Fenner, Extension  
4-H Program Coordinator  
Flathead County

*Marjorie Olsen*

Marjorie Olsen, Chairman  
Flathead 4-H Foundation



H  
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SENATE TAXATION

EXHIBIT NO. 2

DATE 3-21-87

BILL NO. H.B. 565



P.O. BOX 31133  
425 SUGAR AVENUE  
BILLINGS, MONTANA 59107-1133

TELEPHONE: (406) 248-3667

March 21, 1987

Senate Taxation Committee:

AGAINST HB 565

A fiscal note can show increased revenue from this proposed tax, but in reality, HB 565 would only be a net zero "0" in effective spendable revenue. This bill taxes school buses, and private school bus owners will ask school districts to reimburse them for the increased expense. Many school bus contracts provide for a pass-through of these types of costs from the bus contractor to the school district.

SENATE TAXATION

EXHIBIT NO. 3

DATE 3-21-87

BILL NO. H.B. 565



P.O. BOX 31133  
425 SUGAR AVENUE  
BILLINGS, MONTANA 59107-1133

TELEPHONE: (406) 248-3667

March 12, 1987

The Honorable George McCallum  
Chairman, Taxation Committee  
State Senate  
State Capitol  
Helena, MT 59601

Dear Senator McCallum,

Please vote AGAINST HB 565, which is set for hearing in your committee on March 21st at 8:00 a.m. HB 565 singles out privately owned school buses and does not attempt to put tax on other items which have been exempt (see 15-6-201-C and the decision of the Supreme Court of the State of Montana 1974 in the case of Montana Deaconess Hospital and Picker Corporation vs Cascade County).

We once again ask you to stop the increase in disproportionate costs for private contractor owned buses compared to school owned buses. Many citizens, school boards and school administrators want to preserve the choice to own or contract school buses in Montana. At Ryder Transport, Inc. (aka KAL Lines), we would plan to pass increased tax costs on to the schools which would in turn raise taxes to give us the money to pay the taxes. Approximately 50% of the tax paid on the buses goes to the school, so the school only gets one-half of their money back.

Please give private industry at least the same chance as government to do business in our great state.

Respectfully,

A handwritten signature in cursive script that reads "Charles M. Simonsen".

Charles M. Simonsen  
Manager

CMS/jh

SENATE TAXATION

EXHIBIT NO. 3

DATE 3-21-87

BILL NO. H.B. 565

# STANDING COMMITTEE REPORT

March 21

1987

MR. PRESIDENT

We, your committee on SENATE TAXATION

having had under consideration HOUSE BILL No. 733

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color

**QUILICI (HALLIGAN)**

**TAX EXEMPTION FOR NONPROFIT FACILITIES FOR INTERNATIONAL  
SPORTS COMPETITION**

Respectfully report as follows: That HOUSE BILL No. 733

be amended as follows:

1. Title, line 6.

Following: ";"

Strike: "AND"

2. Title, line 7.

Following: "MCA"

Insert: ", AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A  
RETROACTIVE APPLICABILITY DATE"

3. Page 4, line 9.

Following: "profit."

Insert: "For purposes of this subsection (q), "nonprofit corporation"  
means an organization exempt from taxation under section 501(c)  
of the Internal Revenue Code and incorporated and admitted under  
the Montana Nonprofit Corporation Act."

4. Page 5.

Following: line 6.

Insert: "NEW SECTION. Section 3. Effective date -- applicability.

(1) This act is effective on passage and approval.

(2) This act applies retroactively, within the meaning of  
1-2-109, to taxable years beginning after December 31, 1986."

AND AS AMENDED

BE CONCURRED IN

~~XXXXXX~~

~~XXXXXXXXXX~~

SENATOR GEORGE McCALLUM,

Chairman.

# STANDING COMMITTEE REPORT

..... March 21 ..... 19 87 .....

MR. PRESIDENT

We, your committee on ..... SENATE TAXATION .....

having had under consideration ..... HOUSE BILL ..... No. 705 .....

third reading copy ( blue )  
color

**PHILLIPS (MEYER)**

**EXEMPT FROM INCOME TAX ARMED FORCES SALARY OF RESIDENTS IN  
REGULAR SERVICE**

Respectfully report as follows: That ..... HOUSE BILL ..... No. 705 .....

BE CONCURRED IN

~~DO NOT PASS~~

~~DO NOT PASS~~

..... SENATOR GEORGE McCALLUM, Chairman. ....