

**MINUTES**

**MONTANA HOUSE OF REPRESENTATIVES  
52nd LEGISLATURE - REGULAR SESSION**

**COMMITTEE ON TAXATION**

**Call to Order:** By DAN HARRINGTON, CHAIR, on March 20, 1991, at 9:05 a.m.

**ROLL CALL**

**Members Present:**

Dan Harrington, Chairman (D)  
Bob Ream, Vice-Chairman (D)  
Ben Cohen, Vice-Chair (D)  
Ed Dolezal (D)  
Jim Elliott (D)  
Orval Ellison (R)  
Russell Fagg (R)  
Mike Foster (R)  
Bob Gilbert (R)  
Marian Hanson (R)  
David Hoffman (R)  
Jim Madison (D)  
Ed McCaffree (D)  
Bea McCarthy (D)  
Tom Nelson (R)  
Mark O'Keefe (D)  
Bob Raney (D)  
Ted Schye (D)  
Barry "Spook" Stang (D)  
Fred Thomas (R)  
Dave Wanzenried (D)

**Staff Present:** Lee Heiman, Legislative Council  
Lois O'Connor, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**HEARING ON HB 983**

**Presentation and Opening Statement by Sponsor:**

REP. BARDANOUVE, House District 16, Harlem, stated HB 983 is an attempt to fund our state park systems. Montana has some of the finest recreational sites you can name. We have been unable to maintain our park system because we have gotten into a budget crunch on general fund money. The last general fund money was lost in 1987. With the increased use of the parks, they have been deteriorating rapidly. The Governor has put some general fund money into the budget; however, he fears that we are headed

for a budget crunch, maybe a fiscal crisis, before the end of session. If the Governor maintains his position that there is to be no general increases, he fears that they may have to draw in on the budgets and bills.

HB 983 provides a reasonable source to provide funding for our park systems. The bill calls for less than a penny tax increase on a six pack of soft drinks. The price of pop varies from week to week. The less than a penny tax will have no bearing on the sale of pop. The consumers of soda pop are the ones that use the parks.

HB 983 is a conservative bill. It will fund our park system and remove them from uncertainty from session to session as to whether we will have enough money to fund the park system. Judy Ripplingale, DOR, suggested amendments to properly administer the bill if it should pass. EXHIBIT 1

**Proponents' Testimony:**

Janet Ellis, Montana Audubon Legislative Fund, provided written testimony and information on the most immediate needs for capital improvements and a map of the 60 state parks in Montana. EXHIBIT 2

Marcella Sherfy, Montana Historical Society, provided written testimony. EXHIBIT 3

Jim Betty, 4 B's Restaurant, Missoula, stated that there are significant reason why we need to consider funding through a tax on pop. Three or four years ago, as hoteliers, they sat in direct opposition to the bed tax. Today we can talk a significant growth industry in Montana. He submitted that there is a cost and a burden; but being the beneficiary, we need to get behind our parks, fishing, and wildlife. We not only need to support them for our own lifestyles; but also when the tourist comes into our state, we are delivering the product that we are selling to them.

Ken Hoovestahl, Montana Snowmobile Association, said the state parks need funding and supported HB 983.

**Opponents' Testimony:**

John Delano, Montana Soft Drink Association, stated that the tax will be higher than REP. BARDANOUVE proposed. He introduced the next opponent.

Carl Lehrkind III, Coca Cola Bottling Company, Bozeman, stood in opposition to HB 983. He stated a soft drink plant is essentially a factory. It manufactures a non-alcoholic refreshment which is classified as a food product. They pay all the taxes the other local businesses do, and they do not seek any special exemption. Soft drinks should not be subjected to an

extra tax that is not levied on other food and beverage products. To do so, is double taxation. A selective sales tax on soft drinks is discriminatory; and the tax would place soft drinks at a severe market disadvantage from competitive beverage products such as tea, coffee, punch, and powdered mixes.

The soft drink selective sales tax is a regressive tax. It penalizes those least able to pay. A soft drink tax would be paid by children, young people, large families, and low income consumers who purchase it. Selective sales taxes are unpopular with the public. It has been shown that people rightfully resent being taxed on their choice of a drink. A soft drink is not a luxury item. It is an inexpensive treat and refreshment pleasure for the working men and women, school child, and other consumers. Selective taxes are especially harmful to the small merchants and bottlers. He urged the committee to Do Pass Not HB 983.

**John Olson, Pepsi-Cola Bottling Co, Sidney,** stated that in the economy in Eastern Montana is beset with miseries, decline, loss of farmers and other population declines, bankruptcies, and foreclosures which have all led to a slow soft drink market. The 1990 census indicates that these same 16 counties lost 12.4% in population numbers. These same 16 counties witnessed 46 businesses close there doors. This trend is continuing in 1991.

Despite these dire economic conditions, the soft drink business continues to employ a large number of Montanans. There are those who say our products are nonessential. We believe that it is dangerous thinking for any citizen to take the position that some other persons business is nonessential. Our business is essential to the owners and employees of soft drink plants and the manufacturers who supply the materials necessary to operate our establishments. Soft drinks are not nonessential to the thousands of our retailer merchants who sell our products and realize a profit from their sales.

We are subject to all taxes levied to the business community and do our part in carrying the total tax load. Like all other locally owned Montana business that are taxed, we too pay real estate property taxes, personal property taxes, corporate income taxes (state and federal), annual corporate fees, local businesses, county vending machine taxes, state mercantile licenses, and a variety of postal fees. Montana desperately needs to develop a favorable business climate, not only to attract new business, but to keep the jobs that are here now. Any new taxes imposed by the Legislature, should be applied equitably across the board and should not single out one industry. HB 983 is unjust, unfair, and a discriminatory tax.

**Barb Oljar, Jolly-O's,** stated that soft drinks are a food product, and she can not understand why they are being singled out when coffee, tea, and other beverages are not. She is funded by her consumer; and she does not need another tax on top of the ones she already pays.

**Brian Hamilton, Senior, Helena High School,** stated his school sells soft drinks and uses the profits to purchase extra equipment that the school budget can not afford. He also drinks alot of soft drinks and does not understand why his beverage is singled out for being taxed.

**Dennis McCall, Big Al's Sandwich Shop, Helena,** stated that soft drinks are his largest selling beverage. HB 983 imposes a tax on that beverage. It is not fair to single out one food product to be taxed.

**Lowell Bartels, McDonald's, Helena,** said for years we have told our children that we have provided parks for them to enjoy. Now we are telling them that they will have to pay for the parks. It is the children who buy the pop. Where is he going to get the money for all this extra tax when he is facing a 12% increase in his wages. He opposed HB 983.

**Roger Tippy, Beer and Wine Wholesalers,** stated he was here because of all the non-alcoholic beers and seltzers. Beer distributors also sell soft drinks.

**Mark Staples, Montana Taverns Association,** stood in opposition to HB 983.

**Dan Erving, Montana Association of Theater Owners,** said lets consider an alternative to this tax; and consider increases to existing tax structure and balancing the budget on the basis of cutting expenses. The opposed HB 983.

**Thomas Dowling, Montana Food Distributors,** opposed HB 983.

**Charles Brooke, Montana Retail Association,** provided written testimony. EXHIBIT 4

**Kay Foster, Billings Chamber of Commerce,** opposed HB 983 and urged the committee to support REP. BRADLEY'S HB 907 which provided for a grant program for state parks.

**Forrest Boles, Montana Chamber of Commerce,** said that we have been penalizing success in the state for a long time. He opposed HB 983 because it is a selective sales tax and it earmarks money.

Questions From Committee Members:

REP COHEN asked REP. BARDANOUVE was only going to tax in-state bottlers. REP. BARDANOUVE said that the committee can resolve these issues. He has given them the vehicle to work with.

REP. NELSON said the title talks about the acquisition, development, operation, and maintenance of the state parks, yet in the bill, he finds no reference as to the use of the money. REP. BARDANOUVE said the bill just came out a short time ago. He

would like to see the word acquisition stricken from the title. REP. NELSON said that it distresses him that the tax would be on Montana made products. He asked REP. BARDANOUVE if he would object to an amendment to expand it to include out of state products. REP. BARDANOUVE said no and that they had to be very careful with interstate commerce law.

Closing by Sponsor:

REP. BARDANOUVE said we have some of the finest parks in America. HB 983 is not going to drive the farmers and ranchers from Montana; and at no time, did he say that soft drinks were a non-essential. Children can't go into a restaurant and order a hamburger without ordering a soft drink. Recreation must be paid for, and HB 983 is a tool that could be used to do that.

HEARING ON HB 970

Presentation and Opening Statement by Sponsor:

REP. COCCHIARELLA, House District 59, Missoula, provided a copy of the original bill introduced and a copy of the amendments which are very important to HB 970. EXHIBIT 5

HB 970 came from the professional economic development people in the state. Currently under our tax incentives for economic development, we only allow an incentive for manufacturing. The bill expands the application of the incentive. She stated REP. O'KEEFE would explain the bill.

REP. O'KEEFE said HB 970 is the bill he had drafted and REP. COCCHIARELLA was good enough to carry it. The original concept came from the fact that we have tax incentives for new industry that deals with milling, mining, and manufacturing. They are good industries but they are extractive industries. If the state is to grow beyond extractive industries, we also needed some way to attract industries that were outside of that ball park. We took the existing statute and we've changed it slightly so the incentives would also apply to transportation, warehousing, distribution, and everything else except for (with the amendments) communication. There were problems with the definition of communication services. The committee will essentially be working with a greybill.

He brought the committee's attention to Subsection 4. He talked with the City Manager from Helena, and they did something inadvertently that they haven't fixed yet. They gave the ability to cities and or counties to control the mill levies of the city and or county. It could affect both and they didn't want to do that. This section is a throw-away in the subcommittee so that we can leave the control of the mill levy in the hands of the governing body for both the city and county.

He is not convinced that tax incentives are the way to go about creating new businesses. We are in a situation where if we don't do this, the playing field will not be level because the surrounding states are doing it.

**Proponents' Testimony:**

**Ron Klophake, Missoula Economic Development Corporation,** stated Section 1 (as amended) deals with classifications of class 5 property. New industry would be in class 5 and it goes on to define that new industry in a very tight manner. We were trying to recognize that there are many new industries other than manufacturing industries. We have added in terms of transportation, warehousing, communication, and other industries, that 50% or more of its gross proceeds must come from outside of the state. He asked that the committee reinsert "only those" on Page 3, Line 18.

Section 2 deals with the local option portion. Currently, local units of government can, after the reviewing of what is going on in their communities, determines whether or not the new industry have its new tax portion at the 50% level over five years.

Section 3 deals with the tax benefit application. He asked the committee to strike Subparagraph 4 under Section 3. This is the throw-away portion which REP. O'KEEFE talked about. It will not adversely affect the bill.

Section 4 deals with an area that has created some confusion. This involves the interpretation of what is new in the state and what the corporate tax credits are. Previous language dealt with products that are manufactured or substantially similar. When we talked with DOC, they were having problems as to what that meant. Section 4 tries to clean that up and specifically defines what we mean by new corporations in the state.

The purpose of HB 907 is to broaden our perspective on what we want in Montana. It is not just value-added manufacturing. Even high technology industries that make software would qualify. We can grow in this state.

**Kay Foster, Billings Chamber of Commerce,** stated that incentives are good for the expansion of current industry. They do work.

**Evan Barrett, Butte Local Development Corporation,** stated that all of his entities across the state have agreed that we need to bring Montana's growth and incentives into the modern era. Transportation and warehousing is where the growth is today. It is important that we proceed to provided incentives to these sectors to have a well rounded policy of economic development incentives. HB 970 will do this.

**Opponents' Testimony:**

**Denis Adams, DOR,** stated that unless HB 907 receives a number of amendments, it will not achieve those goals and objectives. One of their concerns is by putting the limitation on having to have all 50% or more of the sales to out-of-state. Businesses who come to manufacture products to sell to Montana residents. They would not qualify for this incentive.

With the expansion into transportation, distribution, and warehousing sectors, it creates systems problems. He gave an example: If there is a trucking company in Missoula that does 50% or more of its business with out-of-state businesses; then it would be possible for any other transportation company to qualify for a new industry credit. If the trucking company happens to be a household goods moving company and has a warehouse, there would be no warehousing company that would qualify for the credit. If you have a distributor who goes into Idaho and sells 50% or more of their business, then no distributor would qualify. The reason for this is on Page 5 where it talks about new industry. It says new industry has to be new to the area not a new firm. If there is one firm in that industry in the area already, it is impossible for a second firm to qualify for a new industry credit.

We tried to change the administrative rules. His lawyers reviewed the administrative rules and said it was a Legislative intent, that if there is one firm already in that industry; a second firm does not qualify for the new industry credit. This needs to be dealt with. We support a credit but we do not like to see it anymore restrictive than it already is. HB 970 would restrict it further.

**Questions From Committee Members:**

**REP. O'KEEFE** said we struck the language on Page 8, Lines 24,25, and Page 9, Lines 1,2; and he has received for the DOR the briefing paper on the exact problem that **Denis Adams, DOR,** spoke about. He asked **Judy Rippingale, DOR,** if striking that language would allow her and the Director to change their rules. **Ms. Rippingale** said the DOR attorney has been over it. She stated that they do need to look very carefully not to have that provision in there.

**REP. COHEN** said several years ago he read a book called The Wealth of Nations by Jane Shapiro. She traced the economic development in communities around the world, and said that economic development comes from industries that first meet a need in the local market, then produce a surplus, then begin to market their surplus outside their own community. He asked **Evan Barrett** if he required that your new industry get this tax break and start out with 50% of their sales being out of state, aren't you almost negating what seems to be they way in which new industries

grow. Mr. Barrett said that only applies to manufacturing. The first three categories, with the current statute, don't have the 50% apply. That only applies to the ones that have been added. It is not an exclusive thing. There is the possibility for that type of growth to occur in that when it grows its incremental; therefore, the expenditures that are entailed when you bring in a larger entity aren't there.

REP. COHEN said that in his statistics, Ron Klophake talked about 455 new jobs in an area which we are not offering a tax credit over a 10 year period and only 89 new jobs in an area which we are offering a tax credit. He asked Mr. Klophake if that testimony would be easily interpreted to mean that the tax credits are unnecessary and don't really don't do anything to produce new jobs. Mr. Klophake said he may interpret it that way, but he was pointing out that was the growth industry. We still have a long way to go and we need to be attracting more of that. We are not getting the manufacturing, but we are getting the people to set up shop to develop computer software programs. This is the growth area.

REP. O'KEEFE asked Mr. Klophake what the difference was between manufacturing and non-manufacturing. Mr. Klophake said one of the problems suggested by Denis Adams was that by passing HB 970, you would be restricting only those manufacturers who have 50% out-of-state business. That 50% caveat was only in those services areas so that you didn't get McDonalds, restaurants, and motels that deal exclusively with the local sales. But the manufacturers, even if they come in and manufacture for import substitution in the state; they do not have the 50% caveat. The caveat was also put on transportation, warehousing, and distribution.

Closing by Sponsor:

REP. COCCHIARELLA stated that it is important to realize that the world we are in is a world of high tech service industries. Montana should become a leader in that area.

HEARING ON HB 929

Presentation and Opening Statement by Sponsor:

REP. WHALEN, House District 93, Billings, stated this committee has dealt in the past with the taxes on motor boats. HB 929 attempts to put progressivity into the taxation of motor boats. The bill takes away the fee, in lieu of tax to motor boats with motors of 100 horse power or more, and classifies those boats as Class A personal property. They would be taxed accordingly under the bill.

He said that we tax automobiles based upon their value. Automobiles are necessities. Boats are not a necessity and are used for recreational purposes. With that in mind, the people

who are able to afford these boats should pay a higher tax for the privilege of being able to use the that boat in Montana than those that have boats with little or no value.

HB 929 overlooks the fact that because its tied to 100 horse power motors, you are leaving the owners of yachts untouched. He did not know how to correct the problem. This bill is a vehicle to put progressivity back into our motor boat taxation laws.

Proponents' Testimony: None

Opponents' Testimony:

**Ken Hoovestol, Montana Boating Association,** said that the bill passed in 1987 was the most comprehensive and complete bill that could have been devised by all involved.

**Dave Seyfert, Montana Boating Association,** provided written testimony. EXHIBIT 6

**Don Johnson, Canyon Ferry Recreation Association,** stated most of his 200 members are boat owners and oppose HB 929. He said that he owns a 140 horse power boat which is primarily used for skiing. This tax will not be a "cadillac tax". It will be a tax on very average, very unwealthy, and very typical skiers and fisherman.

**Bob Korizek, Self,** stated that his car gets used every day, and his boat gets used 15 to 20 times a year. HB 929 would tax his boat at the same rate as his car. He doesn't think this is right.

**Ron Clark, Self,** stated that it is a selective tax. He opposed HB 929.

**Patrick McLaughlin, Owner, One Way Marine,** stated that HB 929 would bring his sales down.

**Tim Crawford, Gates of the Mountains Boat Club; Tom Maddox, Self; and Doug Erickson, Self,** opposed HB 929.

Questions From Committee Members: None

Closing by Sponsor:

**REP. WHALEN** said that he knows this bill is under the gun and doesn't know if the Property Tax Subcommittee is looking at this issue or not. He knows there are problems with the bill, but the concept of HB 929 is good.

HEARING ON HB 919Presentation and Opening Statement by Sponsor:

REP. PETERSON, House District 1, Eureka, stated HB 919 revises the gambling license and permit provisions, creates a distributor's and route operator's license, and renames an operator's license as a premises license. She wants the committee to not look at the numbers in the bill because the numbers are stagnant where they are at the present.

The gambling control division has a need for increases. Something else might come in before the end of session that might increase their revenue. HB 919 is the vehicle that would fund any changes in the gambling control division. She asked the committee to not work on the bill but hold it until the final days of the session.

Proponents' Testimony:

Bob Robinson, Administrator, Gambling Control Division, provided written testimony. EXHIBIT 7

Marc Racicot, Attorney General, stated that the primary reason that HB 919 was proposed to the committee is to ensure adequate funding for the gambling control division to make certain that we live up to the responsibilities that are in the law.

When SB 431 was passed in 1989, it was a mechanism that was designed to be preventive in nature. It was designed to make certain that we prevent any problems from coming into Montana in the first place. The tool that was used to do this was background investigations. The law requires that we make inquiries into whether the financing for various businesses is suitable, whether the background and criminal records are suitable. These are very labor intensive evaluations. There are 10 people who are spread throughout the state to do this. They are also responsible for examining 5,500 people in the gaming industry and 400,000 gaming machines. These machines increase at the rate of about 200 per month.

Last year the gambling division had \$265 million to keep track of. We collect \$2.6 million in fees and licenses. As a consequence, we also, with the taxation imposed, collected \$17 million and allocated, collected, and disbursed them back to local governments. They had two employees to examine 44,000 tax returns dealing with the various machines and gambling operations.

The committee has three choices: (1) increase the gambling division's resources; (2) refer all of the investigations to the

local governments; or (3) to change the law so that it does not require them to make an examination of each applicant for a gambling license. We simple can not do what is demanded of us in this arena.

**Russell Fagg, City Prosecutor,** said that he had the task of prosecuting the gambling cases that the Billings Police Department was investing before the state took over the investigation. We did not have the man power. Their was one person who did all of the investigation and put together all of the cases for the entire city for gambling infractions. As a consequence, his investigations were not thorough. If we are going to have gambling in the state, then we must be able to regulate it property. HB 919 puts a fee on the people that benefit from gambling for the investigation of their own industry.

**Jay Printz, Ravalli County Sheriff's Department,** said the he is concerned with the direction in which gambling and gambling enforcement has taken in the state. At every juncture, the Justice Department has been stymied in their efforts to acquire additional manpower to do the job that is required of them. It is absurd to think that 10 investigators can do the job. Gambling has created serious law enforcement and social problems that can not be ignored or tolerated. The Attorney General is not assisted by the Legislature, and acquiring the necessary resource for them to do their job must come from the Legislature. If the state abdicates its responsibilities, the local city and county law enforcement agencies will suffer; and they can not afford to bear the burden.

**Joe Roberts, Don't Gamble With The Future,** stated they are concerned with the regulation and enforcement of our current laws, and they are opposed to expanded gambling. To legalize gambling without allocating sufficient resources to adequately regulate it is irresponsible government.

#### Opponents' Testimony:

**Larry Akey, Gaming Industry Association,** stated their association has supported and will continue to support adequate staffing and funding for the Attorney General's office. We know that strong regulation and enforcement of the gambling laws are needed for the non-gaming public, for our players, and for those in the business of recreational gaming.

He had to check if he was in front of the Taxation Committee talking about HB 919 and not in front of the Appropriations Committee talking about the budget. The budget discussion have gone on and will continue to go on over the next legislative days. He knows that the Appropriations Committee will provide the Attorney General with adequate staffing and resources for the regulation and enforcement of gambling. HB 919 is only the funding mechanism. It will provide fees to cover whatever level

the appropriations process eventually sets.

Montana has one of the best staffed and best funded gambling regulatory agencies in the country. North Dakota has just expanded its gaming to black jack and pull tabs which are particularly difficult to regulate. Their Attorney General has a 12 person staff, we have 31. South Dakota recently went to slot machines and black jack, they have 12 people who regulate gambling in Deadwood. A higher volume of gambling than we have in the entire state of Montana. We have 31. The Attorney General keeps pointing to Nevada and the fact that they have 87 investigators. Montana has \$113 million gross hold in Montana; Nevada has \$4.5 billion which is a magnitude of difference. We are overstaffed in Montana when you look at the Nevada standards.

HB 919 is only a funding mechanism for what the Appropriations Committee wants. **REP. PETERSON** offered an intelligent course of action; to hear this bill, set it on the table until such time we know where we will end up in the appropriations process. Then we can take this bill and fund what the process wants to put into gambling enforcement. He urged the committee to not be mild by statistics that seem to indicate and overwhelming workload in the Attorney General's office.

**John Post, Montana Coin Machine Operators Association**, stated that they would support the holding of HB 919 until such time as other bill are brought before the Appropriation Committee. He just spent an entire evening on SB 427 which is a funding mechanism to acquire people who want to get a license to pay for the background investigation. This is one of the major problems they had if he understood the Attorney General's testimony right. SB 427 was introduced at the request of the Department of Justice. Now we have HB 919 which raises the fees on this side for background investigations. How does this fit in with SB 427. He hopes the Legislature will put all these bill in one place so that they are not hearing the same old song and dance. He urged the committee to review all the bills together in one place.

**Bill Graybill, G & S Vending**, said his concern is raising the license fees on the machines. HB 919 will hurt the small vendors.

#### Questions From Committee Members:

**REP. MCCARTHY** asked **Bob Robinson** if this exempted our senior citizens from having to get a license in order to have bingo and card games. **Mr. Robinson** said yes.

**REP. COHEN** said the testimony inferred that we should hold on to HB 919 until the appropriations process goes along. He asked **Marc Racicot** to respond to this. **Mr. Racicot** said he wished that he had the ability to predict what will incur. There are two very important concepts: (1) the stratification of the license,

and (2) the hope that we will be able to convince the people to make this investment. This will be a long process, and he has no objection to those who want to keep this under consideration.

REP. COHEN said we should take HB 919 and knock the fees back to the existing level for the purposes of moving the bill to the Senate before transmittal. It would then be sitting in the Senate where the numbers could be boosted back up if needed. Mr. Racicot said that would be helpful to them.

REP. STANG asked Mr. Racicot to respond to the comparisons made by Mr. Akey. Mr. Racicot said what the committee has to understand is that North Dakota has a different pitch to gaming because it is all charitable. There is no gaining or profit from it, and the consequence is not the same in intensity as in Montana. Enforcement is also built into the local level. All of the prosecutor in North Dakota work for the Attorney General. Nevada has a gambling control division of almost 400 people. They have been at the gambling business for a substantially long time.

CHAIR HARRINGTON said there are 31 people working in the gambling agency and asked Mr. Racicot how many people he had in the drug enforcement which he feels is a far greater problem in the state. Mr. Racicot said 4 people in Helena get involved on a sporadic basis, then there are 12 other dedicated full time. There are 14 in total. CHAIR HARRINGTON said there are 31 people working in the gambling field but we only have 14 people working in what he feels is worst problems the country faces. Mr. Racicot said he did not diminish his sentiments; however, we do have 22 task forces around the state that are made up of local governments that are funded by the Board of Crime Control. We do have a great resource in place that we don't have for gaming.

Closing by Sponsor:

REP. PETERSON said that she highly supports the Ma and Pa Tavern Association and workers in her district. Some of her support to those groups is keeping the industry well supervised and well regulated. It will protect the small taverns in her district to have the fees regulated and not have outside influences come in that would take from their base of operation. She asked that the committee consider REP. COHEN'S suggestion.

HEARING ON HB 914

Presentation and Opening Statement by Sponsor:

REP. S. RICE, House District 36, Great Falls, stated HB 914 allows buildings that are vacant, getting rundown, and decreasing in value to be sold or donated to a non-profit local economic development corporation. Subsequently, they would be exempt from taxes while they are held for development. As soon as they are sold and become productive, they are back on the tax base. She gave an example of the Anaconda Company buildings in Great Falls.

The owners at present can pay taxes; but if you look at the long term and what could happen to those buildings in that the owner is unable to pay taxes or lets them fall into disrepair, they become virtually useless in the tax base anyway. HB 914 is a proactive bill in taking these kinds of building and having them donated for use in economic development.

Section 1 deals with building and land definitions. Only those buildings and land sold or donated to local economic development corporation for subsequent sale; they must have these two purposes in there to qualify.

Section 2 describes the eligibility for the exemption from property tax. Subsection 2 deals with how one qualifies a building. These are important parts of the bill because your worst fear is somehow somebody sets up a little non-profit shell which will protect them from taxation. We don't want that so there are many safeguards built into the bill.

Section 3 is the codification clause.

**Proponents' Testimony:**

**Evan Barrett, Butte Local Development Corporation**, said that HB 914 addresses a specific need about deteriorating infrastructure and possibly putting it to economic development use. When the infrastructure get to a certain point, it can't be sold because of its condition. There are several means of disposing the property; (1) don't pay the taxes and have it go to the county. In the meantime, what does the county do with it. (2) the person who owns the property could donate it to the county and take a tax rightoff. Again, what does the county do with it. HB 914 would help in the local deteriorating infrastructure and encourage economic development. He urged the committee support.

**Opponents' Testimony:** None

**Questions From Committee Members:**

**REP. FOSTER** referred to Page 3, Lines 3 - 10. He asked if a local economic development company sells a property in early January, 1992 is that property which is now owned by a private organization now going to be exempt from property tax for the rest of 1992. **REP. RICE** she understood his point and shared his concern. They are not looking for a loophole. The language could be changed.

**Closing by Sponsor:**

**REP. S. RICE** urged the committee's support of HB 914.

HEARING ON HB 267

Presentation and Opening Statement by Sponsor:

REP. REAM, House District 54, Missoula, stated HB 267 provides for a special four mill levy for capital improvements. The statutes already has provisions for a capital improvement fund by municipalities, but this would extend it to properties within the counties

Section 3 deals with property tax limitation. He feels that capital improvements are in a category by themselves particularly for small local governments that may have a need for a major capital improvement.

Proponents' Testimony: None

Opponents' Testimony: None

Questions From Committee Members: None

Closing by Sponsor:

REP. REAM made no closing statement.

HEARING ON HB 340

Presentation and Opening Statement by Sponsor:

REP. REAM, House District 45, Missoula, stated HB 340 comes from the Revenue Oversight Committee. There is a need for change in how we administer forest land and this bill addresses that.

Currently, forestation is suppose to be based on standing inventory which is the tree that are growing on a site at a particular point in time. The value of that inventory changes with time as trees grow, reach maturity, and are ready to be logged. At the time they are logged, we remove the standing inventory altogether and start at a lower tax valuation which would increase again in time. Unless you have many people updating such an inventory system and keeping track of what parcels are cut, it is a very costly process to administer. We have fallen behind in equitable evaluation around the state for different kinds of land owners. If you don't notify the Department that you have done logging on a site which would reduce the property evaluation, they will assume that it is still a standing timber crop at a relatively high value. The value fluctuates with the nature of the stand which leaves uncertainty in the process to local governments as to what their revenues will be.

HB 340 implements a new system that is based on productivity of the land itself or the ability to produce timber no matter what stage or growth that timber is. It will require up-front costs, but after that administration over time, would be much simpler than our current system because it is basically a one time assessment. Sections 1 - 5 are implementing the new system. The remaining sections deal with putting in the temporary situation for current Class 13 property which will take two years to implement.

**Proponents' Testimony:**

**Don Allen, Montana Wood Products Association,** stated that his association has worked on this issue for two years with the realization that the current system was designed to sunset this year. We worked very hard to generate some ideas as to which way to go and the result of all of this activity, HB 340 is being introduced.

The new system is easy to understand. Once in place it would lower administrative and maintenance for the Department and the taxpayer. It would tax timberland on the same basis as other agricultural lands which would make it easier to follow. There would be a steady revenue flow and a more stable tax base case for counties.

**Al Kingston, Montana Tree Farm Committee,** provided written testimony. **EXHIBIT 8**

**Scott Snelson, Montana Wildlife Federation,** stood in support of HB 340

**Opponents' Testimony:** None

**Questions From Committee Members:**

**REP. M. HANSON** asked **Don Allen** if the timber reevaluation going to be revenue neutral statewide. **Mr. Allen** deferred the question to **Randy Pearson, DOR.** **Mr. Pearson** said the intent of the bill is to be revenue neutral.

**Closing by Sponsor:**

**REP. REAM** said an approach like HB 340 is needed. He pointed out to the committee that it will have to go to Appropriations to get the funding or delay implementation and go ahead and pass the bill, get it into law, so that next time there will be money in the budget for it.

**ADJOURNMENT**

**Adjournment:** 12:00 p.m.

HOUSE TAXATION COMMITTEE

March 20, 1991

Page 17 of 17

  
\_\_\_\_\_

DAN HARRINGTON, Chair

  
\_\_\_\_\_

LOIS O'CONNOR, Secretary

DH/lo

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL

DATE 3/20/91

NAME	PRESENT	ABSENT	EXCUSED
REP. DAN HARRINGTON	✓		
REP. BEN COHEN, VICE-CHAIRMAN	✓		
REP. BOB REAM, VICE-CHAIRMAN	✓		
REP. ED DOLEZAL	✓		
REP. JIM ELLIOTT	.		
REP. ORVAL ELLISON	✓		
REP. RUSSELL FAGG	✓		
REP. MIKE FOSTER	✓		
REP. BOB GILBERT	✓		
REP. MARIAN HANSON	✓		
REP. DAVID HOFFMAN	✓		
REP. JIM MADISON	.		
REP. ED MCCAFFREE	✓		
REP. BEA MCCARTHY	✓		
REP. TOM NELSON	✓		
REP. MARK O'KEEFE	✓		
REP. BOB RANEY	✓		
REP. TED SCHYE	✓		
REP. BARRY "SPOOK" STANG	✓		
REP. FRED THOMAS	.		
REP. DAVE WANZENRIED	✓		

EXHIBIT - 1  
DATE 3-20-91  
HB 983

AMENDMENTS TO HOUSE BILL NO. 983  
first reading copy (white)

Brief Explanation of Amendments to House Bill No. 983

These amendments are designed to make the law on administering this tax nearly identical to the law for administering other taxes. It provides the standard language for retention of records, audits, hearings, refunds and statute of limitations. The penalties have been increased from 2% to 10% because experience has shown that a 2% penalty does not deter noncompliance. The amendments specify that the tax applies to soft drinks sold by the bottler after July 1, 1991.

1. Title, line 7.

Following: "PENALTIES;"

Insert: "TO PROVIDE FOR THE COLLECTION AND ADMINISTRATION OF THE TAX;"

2. Title, line 7.

Following: "EFFECTIVE"

Insert: "AND APPLICABILITY"

3. Page 4.

Following: line 5

Strike: section 5 in its entirety

Insert: "NEW SECTION. Section 5. Retention of records.

Every bottler to whom [this act] applies shall retain, for 5 years after the date the required return is filed, all pertinent and relevant records necessary for the calculation of the tax or bearing upon the matters required in the return, and any other information as the department may require.

NEW SECTION. Section 6. Periods of limitation.

(1) Except as otherwise provided in this section, no deficiency shall be assessed or collected with respect to the taxable period for which a return is filed unless the notice of additional tax proposed to be assessed is mailed within 5 years from the date the return was filed. For the purposes of this section, a return filed before the last day prescribed for filing shall be considered as filed on such last day. Where, before the expiration of the period prescribed for assessment of the bottler, the bottler consents in writing to an assessment after the time, the tax may be assessed at any time prior to the expiration of the period agreed upon.

(2) No refund or credit shall be allowed or paid with respect to the year for which a return is filed after 5 years from the last day prescribed for filing the return or after 1 year from the date of the overpayment, whichever period expires the later, unless before the expiration of such period the bottler files a claim or the department has determined the existence of the overpayment and has approved the refund or

credit. If the bottler has agreed in writing under the provisions of subsection (1) of this section to extend the time within which the department may propose an additional assessment, the period within which a claim for refund or credit may be filed or a credit or refund allowed in the event no claim is filed shall automatically be so extended.

NEW SECTION. Section 7. Estimated tax on failure to file.

(1) If any bottler fails to file the return as required, the department of revenue is authorized to make an estimate of the tax due from such bottler from any information in its possession.

(2) For the purpose of ascertaining the correctness of any return or for the purpose of making an estimate of the tax of any bottler, the department of revenue shall also have power to examine or to cause to have examined by any agent or representative designated by it for that purpose any books, papers, records, or memoranda bearing upon the matters required to be included in the return and may require the attendance of any officer or employee of the bottler rendering such report or the attendance of any other person having knowledge in the premises and may take testimony and require proof material for its information.

NEW SECTION. Section 8. Deficiency assessment -- hearing

(1) If the department of revenue determines that the amount of taxes due are greater than the amount disclosed by the return, it shall mail to the employer a notice of the additional taxes proposed to be assessed. Within 30 days after the mailing of the notice, the bottler may file with the department of revenue a written protest against the proposed additional taxes, setting forth the grounds upon which the protest is based, and may request in its protest an oral hearing or an opportunity to present additional evidence relating to its tax liability. If no protest is filed, the amount of the additional taxes proposed to be assessed becomes final upon the expiration of the 30-day period. If such protest is filed, the department of revenue shall reconsider the proposed assessment and, if the bottler has so requested, shall grant the bottler an oral hearing. After consideration of the protest and the evidence presented in the event of an oral hearing, the department's action upon the protest is final when it mails notice of its action to the bottler.

(2) When a deficiency is determined and the taxes become final, the department of revenue shall mail notice and demand to the bottler for payment, and the taxes shall be due and payable at the expiration of 10 days from the date of such notice and demand. Interest on any deficiency assessment shall bear interest from the date specified in [section 3] for payment of the tax. A certificate by the department of revenue of the mailing of the notices specified in this subsection shall be prima facie evidence of the computation and levy of

the deficiency in the taxes and of the giving of the notices. HB 98=

NEW SECTION. Section 9. Credit for overpayment -- interest on overpayment. (1) If the department of revenue determines that the amount of taxes, penalty, or interest due for any taxable period is less than the amount paid, the amount of the overpayment shall be credited against any taxes, penalty, or interest then due from the bottler and the balance refunded to the employer or its successor through reorganization, merger, or consolidation or to its shareholders upon dissolution.

(2) Except as provided in subsections (a) and (b), interest shall be allowed on overpayments at the same rate as is charged on delinquent taxes due from the due date of the return or from the date of overpayment (whichever date is later) to the date the department of revenue approves refunding or crediting of the overpayment. Interest shall not accrue during any period the processing of a claim for refund is delayed more than 30 days by reason of failure of the taxpayer to furnish information requested by the department of revenue for the purpose of verifying the amount of the overpayment. No interest shall be allowed:

(a) if the overpayment is refunded within 6 months from the date the return is due or from the date the return is filed, whichever is later; or

(b) if the amount of interest is less than \$1.

(3) A payment not made incident to a bona fide and orderly discharge of an actual tax liability or one reasonably assumed to be imposed by this law shall not be considered an overpayment with respect to which interest is allowable.

NEW SECTION. Section 10. Application for refund -- appeal from denial. If the department of revenue disallows any claim for refund, it shall notify the bottler accordingly. At the expiration of 30 days from the mailing of the notice, the department of revenue's action shall become final unless within the 30-day period the bottler appeals in writing from the action of the department of revenue to the state tax appeal board. If such appeal is made, the board shall grant the bottler an oral hearing. After consideration of the appeal and evidence presented, the board shall mail notice to the bottler of its determination. The board's determination is final when it mails notice of its action to the bottler.

NEW SECTION. Section 11. Closing agreements (1) The director of revenue or any person authorized in writing by him is authorized to enter into an agreement with any bottler relating to the liability of such bottler in respect to the taxes imposed by this [act] for any period.

(2) Any such agreement is final and conclusive, and except upon a showing of fraud or malfeasance or misrepresentation of a material fact:

(a) the case may not be reopened as to matters agreed upon or the agreement modified by any officer, employee, or agent of this state; and

(b) in any suit, action, or proceeding under such agreement or any determination, assessment, collection, payment, abatement, refund, or credit made in accordance therewith, the agreement may not be annulled, modified, set aside, or disregarded.

NEW SECTION. Section 12. Confidentiality of tax records.

(1) Except in accordance with proper judicial order or as otherwise provided by law, it is unlawful for the department or any deputy, assistant, agent, clerk, or other officer or employee to divulge or make known in any manner the amount of income or any particulars set forth or disclosed in any report or return required under [this act] or any other information secured in the administration of [this act]. It is also unlawful to divulge any return or report required by rule of the department or under [this act].

(2) Nothing herein shall be construed to prohibit:

(a) the delivery to a bottler or his duly authorized representative of a certified copy of any return or report:

(b) the use of any return or report in any action or proceeding to which the department is a party under the provisions of this [act] or any other taxing act or on behalf of any party to any action or proceedings under the provisions of this [act] when the reports or facts shown thereby are directly involved in such action or proceedings, filed in connection with this tax;

(c) the publication of statistics so classified as to prevent the identification of particular reports or returns and the items thereof;

(d) the inspection by the attorney general or other legal representative of the state of the report or return of any bottler who shall bring action to set aside or review the tax based thereon; or

(e) compliance with an order to produce or subpoena issued by a court of competent jurisdiction.

(4) Reports and returns shall be preserved for 5 years and thereafter until the department orders them to be destroyed.

Renumber: subsequent sections.

4. Page 5, line 17

Following: "of"

Strike: "2%"

Insert: "10%"

5. Page 5, line 22

Following: "of"

Strike: "2%"

Insert: "10%"

6. Page 7

Following: line 5

Insert: "NEW SECTION. Section 11. Coordination instruction

If [LC 981] is passed and approved and if it includes a section adopting a uniform tax appeal procedure then the language contained in [sections 7 and 8] is void and the provisions of [LC 981] shall govern the appeal procedures."

Renumber: subsequent sections

13. Page 7, line 4.

Following: "dates"

Insert: "-- applicability"

14. Page 7, line 8.

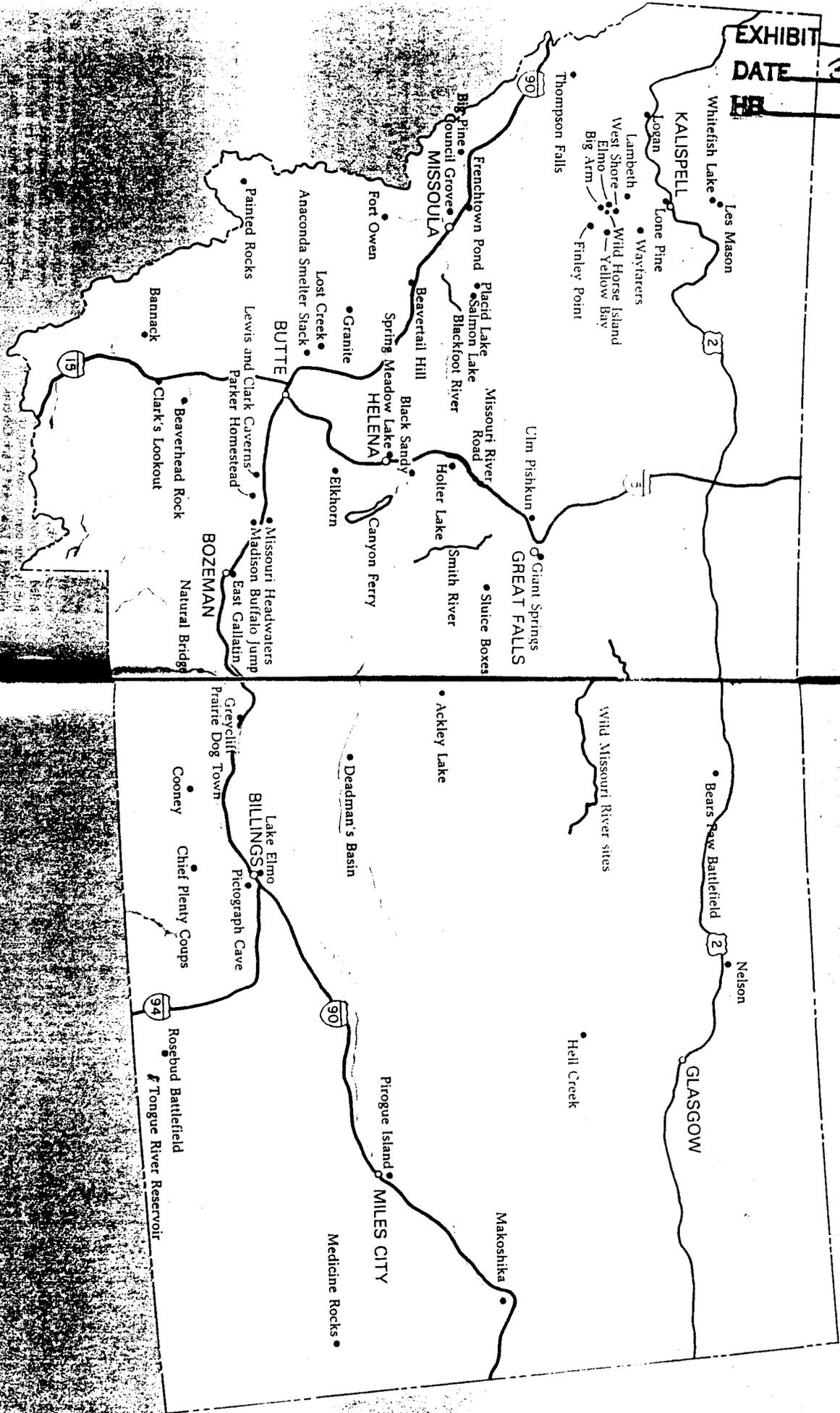
Following: "1991."

Insert: "(3) The taxes provided in [section 2] shall apply to soft drinks sold by a bottler after July 1, 1991."

State Parks of Montana

2

EXHIBIT  
DATE 3/30/91  
HB 983



EX. 2  
3-20-91  
HB 983

PARKS IMPROVEMENTS STATEWIDE  
'92/93 Biennium

PUBLIC SAFETY AND RESOURCE PROTECTION

At numerous state parks, we have water wells which do not meet public health standards and, therefore, create a liability for the state. These systems need upgrading. At several lake or river parks, erosion is deteriorating shorelines, damaging resources, creating hazardous safety conditions and destroying facilities which are expensive to repair or replace. A portion of this project provides stabilization to stop erosion degradation. Parks such as the Anaconda Stack are subject to federal regulations (in the case of the Stack, aircraft hazard warning lights) where the state is in noncompliance. This project will allow state parks to meet state and federal health and safety requirements and prevent resource degradation which creates safety risks at parks such as:

Region

2	Anaconda Stack safety lighting	\$ 20,000
4	Holter Lake Log Gulch erosion	25,000
3	Bannack wells	20,000
2	Painted Rocks well	10,000
2	Beavertail Hill bank stabilization	<u>25,000</u>
	Total	\$ 100,000

HISTORIC SITE STABILIZATION

Our state parks contain many historic sites that tell us who we are. Unfortunately, many of the resources are in need of stabilization, repair, or reconstruction. Tourists are interested in quality and will stay longer to explore and learn if we make the sites interesting and alive. Private partnerships will be sought out to encourage local interest and outside funding.

Region

3	Bannack spending auth. (grants, donations) (private)	\$100,000
5	Chief PC/museum heat sys, bldg stab, pk imp	75,000
3	Bannack admin. center/shop	159,000
3	Bannack stabilization	58,000
2	Fort Owen site protection	20,000
3	Headwaters historic structure stabilization	15,000
4	Giant Springs walk bridge	16,500
2	Fort Owen acquire & develop parking area	30,000
4	Ulm Pishkun fence	<u>6,000</u>
	Total	\$479,500

REHABILITATION AND SITE PROTECTION

This project would provide initial development of new parks and rehabilitation and major maintenance of parks that have become dilapidated due to lack of maintenance projects. Parks will be improved to recognized human safety and tourism industry standards

to protect the areas from natural resource degradation, to provide education opportunities and to enhance visitor use of parks for revenue generation.

Typical projects include road improvement, handicap accessible toilets, weed control, boat ramps, docks, and campsite improvements. This project includes but is not limited to:

<u>Region</u>		
1	Thompson Chain of Lakes	\$ 100,000
1	Big Arm	500,000 -*
1	Flathead Lake	120,000
2	Frenchtown Pond	87,000
4	Smith River	35,000
5	Cooney	250,000 - <i>made</i>
5	Lake Elmo	307,000 -*
7	Hell Creek	112,000 -
8	Canyon Ferry	330,000 -*
8	Black Sandy	<u>350,000 -*</u>
	Total	\$2,191,000

#### TOILETS

Funds are needed to repair older toilet buildings and make upgrades to provide handicapped access. Some toilet buildings will have pay showers as a way of attracting tourists to improved sites and earning revenue. In many areas, the number of toilets available does not meet standards for the numbers of people who use the site.

<u>Region</u>		
1	toilet upgrades	\$ 72,000
1	Salmon and Placid shower/toilet	50,000
2	Beavertail shower/toilet	50,000
4	Giant Springs upgrade	40,000
4	Smith River	<u>17,000</u>
	Total	\$ 229,000

#### STATEWIDE SIGNING, PROMOTIONAL AND UPGRADING

The state park signing programs are failing to adequately direct our tourists to our many park sites, inform them of what they can do there, and explain the viability of the resource. These are all critical items to properly promote and protect the many areas of our state that have non-renewable resources. A continuing program to upgrade our outdated signs is a must in order to keep our recreating public adequately informed of ongoing changes within the park system.

Statewide Total	\$ 50,000
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WATERFRONT PROJECTS

More people will use our parks and thus increase our revenue if we provide the facilities they want. Many of our state parks are near water and there is a demand for facilities and services to accommodate vessels. Some existing facilities are worn out and need to be replaced or rehabilitated. Newer vessels are larger and more powerful and, consequently, need upgraded facilities.

Region

7	Tongue River Reservoir dock	\$ 10,000
2	Salmon/Placid--portable mooring docks	50,000
1	West Shore boat ramp	75,000
3	Headwaters boat launch rehab	8,000
4	Smith River, Camp Baker launch point	<u>5,000</u>
	Total	\$ 148,000

ESSENTIAL INHOLDINGS

Private inholdings exist in several key state parks and threaten the integrity of the historical, cultural and recreational resources that are on each site. In all cases, we have willing sellers and acquisition would protect the current investment, tourism values and public safety and services.

Region

4	Ulm Pishkun	\$ 50,000
7	Makoshika	<u>10,000</u>
	Total	\$ 60,000

FEE COLLECTION AND ENTRANCE STATIONS

In order to have a workable fee system in several of the state park sites, the entrance area must be redesigned and/or collection stations placed in specific areas for maximum compliance and resource protection. Several entrances to one site combined with numerous self pay stations is not efficient for the public and is not conducive to the integrity of the resource. Areas of possible placement would be:

Region

2	Salmon, Placid and Frenchtown	
	3 stations	\$ 15,000
2	Salmon Lake entrance redesign	15,000

4	Giant Springs	15,000
8	Canyon Ferry 3 stations	<u>15,000</u>
	Total	\$ 60,000

STATEWIDE CAMPGROUND VOLUNTEER HOST PADS

The volunteer hosts stationed in our state park sites need a safe, visible area on which to locate their trailers during the time they are assisting the recreating public. A level parking pad with minimal amenities is a necessary incentive to bring these helpful assistants to the aid of our caretakers and visitors. This item is small compensation for the tremendous amount of work and goodwill they provide for all our tourists.

Statewide Total \$ 50,000

CAMPGROUND IMPROVEMENTS TO MEET TOURISM INDUSTRY STANDARDS

The state parks provide an integral service to Montana tourists. Parks must maintain a quality standard within our campsites. This project will provide the minimal services required by the public, by the tourism industry, and by safety standards while increasing our revenue generation. This project will provide park visitors with picnic tables, fire grills, level sites, nearby water, and handicap accessible toilets. Some parks which are overcrowded will receive additional campsites. Youth recreation and education areas will be provided at select areas. Numerous parks statewide which receive no other improvements will receive camp/picnic units.

Region

	picnic/camp units statewide	\$ 125,000
1	Finley Point	100,000
2	Salmon Lake	50,000
3	Lewis and Clark Caverns	<u>25,000</u>
	Total	\$ 300,000

DUMP STATIONS

Dump stations are needed to respond to the needs of RV owners who frequent state parks and provide a significant portion of our income. In addition, improved sites will attract tourists with RVs to state parks and will encourage them to stay longer.

Region

1	Flathead and Whitefish Lakes	\$ 75,000
2	Placid Lake, Beavertail Hill	48,000
7	Hell Creek	35,000
7	Tongue River Reservoir	<u>35,000</u>
	Total	\$ 193,000

PRIVATE CONCESSION ENHANCEMENT

The Parks Division can realize additional revenue, work more with the private sector, and provide better visitor services if concession opportunities are enhanced.

Region

7 Tongue River Reservoir \$ 100,000 (private)

INTERPRETIVE PROJECTS

Montana's state parks are a treasure chest of history. There is a unique and important story to be told as each "gem" is examined. These stories must be told--by sight, sound, touch, and the feelings of the heart and soul. This can be done as simply as interpretive signing on roads, trails and in geographic areas.

Region

3	Headwaters signing rehab.	\$ 5,000
4	Ulm Pishkun signing	5,000
5	Pictograph Caves interpretation	22,000
7	Makoshika signs	10,000
7	Rosebud trails interpretation	<u>13,500</u>
	Total	\$ 55,500

PARK STATIONS

Several of our state parks do not have adequate field stations to allow for fee collection security, information disseminated to the public, visitor services such as making change, loaning recreational equipment, and displaying interpretive and educational materials. These stations would be multipurpose also allowing for modest office, shop and seasonal employee housing, particularly at remote sites. Some involve remodeling rather than totally new construction.

Region

8	Canyon Ferry shop - upgrade to safety codes	\$ 20,000
4	Smith River-Camp Baker visitor station	11,000
3	Lewis and Clark Caverns office	50,000
3	Bannack personnel housing	<u>35,000</u>
	Total	\$116,000

TRAILS AND BRIDGE PROJECTS

All persons visiting Montana's state parks should have accessibility to various trails and bridges; the disabled should not be an exception. With relatively little effort, this "network" for experiencing our resources can be made safe and useful for all visitors. No excuses should be made that would prevent our visitors from enjoying a part of their heritage. There are fully accessible visitors centers at Giant Springs and Headwaters, and we need trails and bridges at those sites to aid in getting visitors to the

983

centers. Lewis and Clark Caverns also need handicap accessibility as well as Makoshika.

Region

3	Lewis and Clark Caverns	\$ 26,000
3	Headwaters	48,000
4	Giant Springs	10,000
7	Makoshika	<u>16,000</u>
	Total	\$ 100,000

GROUP USE FACILITIES

Our state parks have the opportunity to provide group use facilities which are in high demand by the public. These facilities would be multipurpose providing revenue generation for the parks. Educational groups, families and citizen groups such as senior citizen groups, Good Sam, youth groups such as Scouts, and service clubs would utilize these facilities. These facilities would also be used for displaying interpretive and educational materials.

Region

1	Thompson Falls	\$ 12,000
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Total Parks Improvements \$4,244,000



# State Historic Preservation Office

## Montana Historical Society

Mailing Address: 225 North Roberts • Helena, MT 59620-9990

Office Address: 102 Broadway • Helena, MT • (406) 444-7715

EXHIBIT 3  
DATE 3-20-91  
HB 983

March 20, 1991

Mr. Chairman and members of the House Taxation Committee, I am Marcella Sherfy, State Historic Preservation Officer within the Montana Historical Society. I am here in support of HB983 as well as other measures for support of our state park system that you may be still considering.

I have appeared here before you this session to express the Society's strong support for substantial, appropriate, predictable funding for our state park system. Our support derives from more than a year's worth of work with the Historic Sites Study Commission, which was formed to analyze the needs of historic sites in state ownership.

In previous testimony, I have focused on the economic development opportunities that Montana will realize when we invest in preserved and interpreted historic site destinations for visitors.

To that still overriding consideration, I want to add another primary thought today. The Society itself concentrates most on encouraging and helping other property owners--private citizens, federal agencies, businessmen, school districts--your constituents preserve the historic buildings and sites in their ownership. Neither the state or the federal government offers private property owners much at all in the way of financial help. Everyday folks are preserving Lewistown's Main Street, the Livingston Depot, and Missoula's several historic neighborhoods. Local groups in Butte continue to focus on their own dream of a Butte mineyards park system. Individual property owners in all your districts are just taking good care of their nice 1920's bungalows, the remaining local rural school buildings, the street lights that give your town distinction.

If we expect Montana citizens to be good stewards of the historic property that they own--for their own benefit and for the state's--state itself has would seem to have an equal opportunity and obligation to care for its own state historic park sites. Thank you.



EXHIBIT 4  
DATE 3-20-91  
HB 983

Executive Office  
318 N. Last Chance Gulch  
P.O. Box 440  
Helena, MT 59624  
Phone (406) 442-3388

TESTIMONY  
MARCH 20, 1991  
ROOM 437  
HOUSE TAXATION COMMITTEE  
HB 983

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

FOR THE RECORD, I AM CHARLES BROOKS REPRESENTING THE MONTANA RETAIL ASSOCIATION AND ITS AFFILIATES.

WE ARE HERE TODAY TO VOICE THE CONCERNS OF OUR MEMBERS ABOUT ANOTHER SELECTIVE SALES TAX, WITHOUT ADDRESSING THE OVERALL PROBLEM OF TAX REFORM IN THIS STATE. ATTACHED IS A LETTER FROM ONE OF OUR MEMBERS WHICH WE FEEL CLEARLY STATES THE ISSUES AT HAND. I HAVE TALKED WITH THIS MEMBER AND HE ASK THAT I SHARE THE LETTER WITH YOU. THE THOUGHTS EXPRESSED ARE THE GENERAL FEELINGS AMONG A MAJORITY OF OUR MEMBERSHIP. FOR THE RECORD I WOULD LIKE TO READ THE LETTER.

THANK YOU FOR THE OPPORTUNITY TO PRESENT THIS TESTIMONY.  
WE RESPECTFULLY ASK THAT YOU GIVE HB 983 A DO NOT PASS.



Ex. 4

3-20-91

HB 983

Mini Mart, Inc.  
P.O. Box 3259, Casper, Wyoming 82602.  
307/266-1230

March 19, 1991

Charles Brookes  
Montana Retail Assoc.  
318 N. Last Chance Gulch  
Helena, Mt. 59601

Dear Charles.

It was with great interest and concern that I read House Bill #983. My first reaction was: another tax! This tax bill is simply another earmark revenue source that does nothing to solve the tax dilemma the State now faces. Montanan's clearly provided a mandate for the legislature when I-105 passed. Many people viewed I-105 as a way of presenting a clear message to our legislators; "No New Taxes"!

If we tax soft drink sales for state parks, video rentals for child abuse programs; what products or services will we tax next? The possibilities for dozens of earmark taxes such as this proposed soft drink tax are endless, and that's a frightening thought!

With respect to the State Parks; what about all of the revenue from the new User/Admission fees that were enacted?

If you have any questions, feel free to give me a call.

Steve Johnston  
Mini Mart  
Western Montana  
Zone Manager

1 INTRODUCED BY *Bill* BILL NO. 970

*Handwritten notes:*  
A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE TAX TREATMENT OF NEW AND EXPANDING INDUSTRY; REVISING THE DEFINITION OF A NEW INDUSTRY THAT QUALIFIES AS CLASS FIVE PROPERTY TO INCLUDE TRANSPORTATION, WAREHOUSING, DISTRIBUTION, AND COMMUNICATION SERVICES; REQUIRING THAT A NEW INDUSTRY RECEIVE 50 PERCENT OR MORE OF ITS INCOME FROM OUT-OF-STATE SALES IN ORDER TO QUALIFY FOR CLASS FIVE PROPERTY; REVISING THE DEFINITION OF A NEW OR EXPANDING INDUSTRY THAT QUALIFIES FOR CERTAIN PROPERTY TAX BENEFITS; REQUIRING THAT A QUALIFYING INDUSTRY RECEIVE 50 PERCENT OR MORE OF ITS INCOME FROM SALES OUTSIDE THE JURISDICTION IN WHICH IT IS LOCATED; APPLYING THE PROPERTY TAX BENEFIT TO ALL MILLS LEVIED AGAINST THE QUALIFYING PROPERTY; REVISING THE DEFINITION OF A NEW CORPORATION QUALIFYING FOR THE NEW OR EXPANDED INDUSTRY CREDIT; AND AMENDING SECTIONS 15-6-135, 15-24-1401, 15-24-1402, AND 15-31-124, MCA."

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1 electrical and cooperative rural telephone associations  
2 organized under the laws of Montana, except property owned  
3 by cooperative organizations described in subsection (1)(b)  
4 of 15-6-137;  
5 (b) air and water pollution control equipment as  
6 defined in this section;  
7 (c) new industrial property as defined in this section;  
8 (d) any personal or real property used primarily in the  
9 production of gasohol during construction and for the first  
10 3 years of its operation;  
11 (e) all land and improvements and all personal property  
12 owned by a research and development firm, provided that the  
13 property is actively devoted to research and development;  
14 (f) machinery and equipment used in electrolytic  
15 reduction facilities.  
16 (2) (a) "Air and water pollution equipment" means  
17 facilities, machinery, or equipment used to reduce or  
18 control water or atmospheric pollution or contamination by  
19 removing, reducing, altering, disposing, or storing  
20 pollutants, contaminants, wastes, or heat. The department of  
21 health and environmental sciences shall determine if such  
22 utilization is being made.  
23 (b) The department of health and environmental  
24 sciences' determination as to air and water pollution  
25 equipment may be appealed to the board of health and



1 environmental sciences and may not be appealed to either a  
 2 county tax appeal board or the state tax appeal board.  
 3 However, the appraised value of the equipment as determined  
 4 by the department of revenue may be appealed to the county  
 5 tax appeal board and the state tax appeal board.  
 6 (3) "New industrial property" means any new industrial  
 7 plant, including land, buildings, machinery, and fixtures,  
 8 used by new industries during the first 3 years of their  
 9 operation. The property may not have been assessed within  
 10 the state of Montana prior to July 1, 1961.  
 11 (4) (a) "New industry" means any person, corporation,  
 12 firm, partnership, association, or other group that  
 13 establishes a new plant in Montana for the operation of a  
 14 new industrial endeavor, ~~and that earns 50% or more of its~~  
 15 ~~gross operating income from out of state sales.~~ (b) ~~New~~  
 16 ~~industry~~ is distinguished from a mere expansion,  
 17 reorganization, or merger of an existing industry.  
 18 (b) New industry includes only those industries that:  
 19 (i) manufacture, mill, mine, produce, process, or  
 20 fabricate materials;  
 21 (ii) do similar work, employing capital and labor, in  
 22 which materials unserviceable in their natural state are  
 23 extracted, processed, or made fit for use or are  
 24 substantially altered or treated so as to create commercial  
 25 products or materials; or

#3  
#4

1 (iii) engage in the mechanical or chemical  
 2 transformation of materials or substances into new products  
 3 in the manner defined as manufacturing in the 1932 1987  
 4 Standard Industrial Classification Manual prepared by the  
 5 United States office of management and budgeting.  
 6 (iv) ~~provide transportation, warehousing, distribution,~~  
 7 ~~or communications services.~~ *insert language*  
 8 *insert language* New industrial property does not include:  
 9 *insert language* (a) property used by retail or wholesale merchants,  
 10 commercial services of any type, agriculture, trades, or  
 11 professions; *insert language*  
 12 (b) a plant that will create adverse impact on existing  
 13 state, county, or municipal services; or  
 14 (c) property used or employed in any industrial plant  
 15 that has been in operation in this state for 3 years or  
 16 longer.  
 17 (6) Class five property is taxed at 3% of its market  
 18 value."  
 19 **Section 2.** Section 15-24-1401, MCA, is amended to read:  
 20 "15-24-1401. Definitions. The following definitions  
 21 apply to 15-24-1402 unless the context requires otherwise:  
 22 (1) "Expansion" means that the industry has added after  
 23 July 1, 1987, at least \$250,000 worth of qualifying  
 24 improvements or modernized processes to its property within  
 25 the same jurisdiction either in the first tax year in which

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3-20-91  
HB 970

1 the benefits provided for in 15-24-1402 are to be received  
2 or in the preceding tax year.

3 (2) "Industry" means a firm that receives 50% or more  
4 of its gross operating income from sales outside the  
5 jurisdiction approving the tax benefits described in  
6 15-24-1402. Industry includes but is not limited to a firm  
7 that engages in the:

- 8 (a) mechanical or chemical transformation of materials
- 9 or substances into products in the manner defined as
- 10 manufacturing in the 1972 Standard Industrial Classification
- 11 Manual prepared by the United States office of management
- 12 and budget;
- 13 (b) extraction or harvesting of minerals, ore, or
- 14 forestry products; or
- 15 (c) processing of Montana raw materials such as
- 16 minerals, ore, agricultural products, and forestry products;

17 ~~or~~  
18 (d) ~~provision of transportation warehousing,~~  
19 ~~distribution, or communications services.~~ *insert language*  
20 "New" means that the industry is new to the  
21 jurisdiction approving the resolution provided for in

22 15-24-1402(3)(2) and has invested after July 1, 1987, at  
23 least \$500,000 worth of qualifying improvements or  
24 modernized processes in the jurisdiction either in the first  
25 tax year in which the benefits provided for in 15-24-1402

19

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16

1 are to be received or in the preceding tax year. New  
2 industry does not include property treated as new industrial  
3 property under 15-6-135.

4 (4) "Qualifying" means meeting all the terms,  
5 conditions, and requirements for a reduction in taxable  
6 value under 15-24-1401 and 15-24-1402."  
7 **Section 3.** Section 15-24-1402, MCA, is amended to read:  
8 "15-24-1402. New or expanding industry -- assessment.

9 (1) In the first 5 years after a construction permit is  
10 issued, qualifying improvements or modernized processes that  
11 represent new industry or expansion of an existing industry,  
12 as designated in the approving resolution, shall be taxed at  
13 50% of their taxable value. Each year thereafter, the  
14 percentage shall be increased by equal percentages until the  
15 full taxable value is attained in the 10th year. In  
16 subsequent years, the property shall be taxed at 100% of its  
17 taxable value.

18 (2) (a) In order for a taxpayer to receive the tax  
19 benefits described in subsection (1), the governing body of  
20 the affected county or the incorporated city or town must  
21 have approved by separate resolution for each project,  
22 following due notice as defined in 76-15-103 and a public  
23 hearing, the use of the schedule provided for in subsection  
24 (1) for its respective jurisdiction. The governing body may  
25 not grant approval for the project until all of the

1 applicant's taxes have been paid in full. Taxes paid under  
 2 protest do not preclude approval.  
 3 (b) The governing body may end the tax benefits by  
 4 majority vote at any time, but the tax benefits may not be  
 5 denied an industrial facility that previously qualified for  
 6 the benefits.  
 7 (c) The resolution provided for in subsection (2)(a)  
 8 shall include a definition of the improvements or modernized  
 9 processes that qualify for the tax treatment that is to be  
 10 allowed in the taxing jurisdiction. The resolution may  
 11 provide that real property other than land, personal  
 12 property, improvements, or any combination thereof is  
 13 eligible for the tax benefits described in subsection (1).  
 14 (3) The taxpayer must apply to the county assessor on a  
 15 form provided by the department of revenue for the tax  
 16 treatment allowed under subsection (1). The application by  
 17 the taxpayer must first be approved by the governing body of  
 18 the appropriate local taxing jurisdiction, and the governing  
 19 body must indicate in its approval that the property of the  
 20 applicant qualifies for the tax treatment provided for in  
 21 this section. Upon receipt of the form with the approval of  
 22 the governing body of the affected taxing jurisdiction, the  
 23 assessor shall make the assessment change pursuant to this  
 24 section.  
 25 (4) The tax benefit described in subsection (1) applies

1 only to the number of all mills levied and assessed,  
 2 including for local high school district and elementary  
 3 school district purposes and to the number of mills levied  
 4 and assessed by the governing body approving the benefit  
 5 over which the governing body has sole discretion in no  
 6 case may the benefit described in subsection (1) apply to  
 7 levies or assessments required under Title 15, chapter 10,  
 8 20-9-331, 20-9-333, or otherwise required under state law in  
 9 the taxing units in which the qualifying property is  
 10 located."  
 11 **Section 4.** Section 15-31-124, MCA, is amended to read:  
 12 "15-31-124. New or expanded industry credit --  
 13 definitions. As used in 15-31-124 through 15-31-127, the  
 14 following definitions apply:  
 15 (1) "Department" means the department of revenue.  
 16 (2) "Expanding" means to expand or diversify a present  
 17 operation to increase total full-time jobs by 30% or more.  
 18 (3) "Manufacturing" means the process of mechanical or  
 19 chemical transformation of materials or substances into new  
 20 products, as described in the standard industrial  
 21 classification manual of 1972 by the office of management  
 22 and budget of the United States.  
 23 (4) (a) "New corporation" means a corporation engaging  
 24 in manufacturing for the first time in this state, and  
 25 manufacturing a product not currently manufactured or

LC 1847/01

EX 5  
HB 970

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1 substantially-similar-to-a-product-currently-manufactured-by  
2 that-corporation-or-any-affiliate-corporation-in-this-state;  
3 A new corporation includes:  
4 (i) a manufacturing corporation existing outside of  
5 Montana that enters into manufacturing in the state;  
6 (ii) a nonmanufacturing corporation within the state  
7 that enters into manufacturing in the state; or  
8 (iii) a corporation newly formed in Montana and entering  
9 into manufacturing operations in the state.  
10 (b) ~~†~~ A new corporation does not include:  
11 (i) reorganizing--an a corporation reorganized from a  
12 previously existing corporation that has been engaged in  
13 manufacturing in this state; or  
14 (ii) the--creation-of a corporation created as a parent,  
15 subsidiary, or affiliate of an existing corporation that has  
16 been engaged in manufacturing in this state of which 50% 20%  
17 or more of the ownership is owned-or-controlled held by the  
18 same--person--corporation-or--association corporation or by  
19 the stockholders of the corporation."

-End-

Ex. 5

3-20-91

HB 970

Amendments to House Bill No. 970

1. Title, lines 7 through 11.

Following: "INCLUDE"

Strike: "TRANSPORTATION, WAREHOUSING, DISTRIBUTION, AND COMMUNICATION SERVICES; REQUIRING THAT A NEW INDUSTRY RECEIVE 50 PERCENT OR MORE OF ITS INCOME FROM OUT-OF-STATE SALES IN ORDER TO QUALIFY FOR CLASS FIVE PROPERTY"

Insert: "COMPANIES THAT ENGAGE IN THE TRANSPORTATION, WAREHOUSING OR DISTRIBUTION OF COMMERCIAL PRODUCTS OR MATERIALS, PROVIDED THAT 50 PERCENT OR MORE OF SUCH INDUSTRY'S GROSS OPERATING SALES OR RECEIPTS ARE EARNED FROM OUTSIDE THE STATE OF MONTANA AND BUSINESSES THAT EARN 50 PERCENT OR MORE OF ANNUAL GROSS OPERATING INCOME FROM OUT-OF-STATE SALES"

2. Title, lines 13 through 15.

Strike: "REQUIRING THAT A QUALIFYING INDUSTRY RECEIVE 50 PERCENT OR MORE OF ITS INCOME FROM SALES OUTSIDE THE JURISDICTION IN WHICH IT IS LOCATED"

Insert: "TO INCLUDE FIRMS THAT ENGAGE IN THE TRANSPORTATION, WAREHOUSING OR DISTRIBUTION OF COMMERCIAL PROJECTS OR MATERIALS, PROVIDED THAT 50 PERCENT OR MORE OF SUCH INDUSTRY'S GROSS OPERATING SALES OR RECEIPTS ARE EARNED FROM OUTSIDE THE STATE OF MONTANA AND FIRMS THAT EARN 50 PERCENT OR MORE OF ANNUAL GROSS OPERATING INCOME FROM OUT-OF-STATE SALES"

3. Page 3, lines 14 and 15.

Following: "endeavor"

Strike: "and that earns 50 percent or more of its gross operating income from out-of-state sales."

Insert: "as"

4. Page 3, lines 15 and 16.

Following: "is"

Strike: "New industry is"

5. Page 4, line 5.

Strike: "or"

6. Page 4, lines 6 and 7.

Following: "(iv)"

Strike: "provide transportation, warehousing, distribution, or communication services."

Insert: "engage in the transportation, warehousing or distribution of commercial products or materials, provided that 50 percent or more of such industry's gross operating sales or receipts are earned from outside the State of Montana; or"

7. Page 4, line 8.

Insert: "(v) earn 50 percent or more of annual gross operating income from out-of-state sales."

8. Page 4, line 11.

Following: "professions"

Insert: ", unless meeting the requirements of subparagraph (v)"

9. Page 5, lines 3 through 6.

Following: "Industry"

Strike: "means a firm that receives 50 percent or more of its gross operating income from sales outside the jurisdiction approving the tax benefits described in 15-24-1402. Industry"

10. Page 5, line 17.

Strike: or

11. Page 5, lines 18 and 19.

Following: "(d)"

Strike: "provision of transportation, warehousing, distribution, or communications services."

Insert: "the transportation, warehousing or distribution of commercial products or materials, provided that 50 percent or more of such industry's gross operating sales or receipts are earned from outside the State of Montana; or"

12. Page 5, line 20.

Insert: "(e) earn 50 percent or more of annual gross operating income from out-of-state sales."

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EXHIBIT 6  
DATE 3-20-91  
HB 929



2307 HIGHWAY 93 SOUTH  
KALISPELL, MONTANA 59901  
PHONE 755-8767

Mr. Chairman and Committee Members

Regarding HB929

We worked three sessions to come up with the system we now have for boat registrations and one more session to improve it. This may not be perfect but it is fairer than what we had. We ask you to please table this bill and forget it.

The cost increase to the boaters would be great, a new 20' with a value of \$15,000. is now taxed at \$80., with the value tax it would be \$425.00 in Flathead County. If this passes we would need more people in the assessors office. At present we don't have any way to inspect or register boat motors. You will have to have all the boats inspected to verify the size of the motor on everyone's boat. If you don't we won't have boats with engines over 100 horsepower, a lot of them with 90 horsepower. You will have a lot of people registering their boats out of state again. We are the highest of all the States now as far as fees go.

We have few complaints about our present system compared to what we use to have. However every session someone says it is not fair that he has a boat with a smaller engine than his neighbor and pays the same fee. He gets someone to introduce a bill to change it back to the value system. We do not have a good set of books to set values, there was over 1200 boat manufacturers in the U.S. and our books only list a fraction of them and not even all the models. If you know someone at the assessors office and can get them to give you a low value all the better or you get someone to make a guess. This is not a very good system!

Please table HB929.

Sincerely,

Dave Seyfert

STATE OF MONTANA  
**DEPARTMENT OF JUSTICE**  
GAMBLING CONTROL DIVISION

EXHIBIT 7  
DATE 9-20-91  
HB 919  
EXHIBIT

Marc Racicot  
Attorney General



2687 Airport Road  
Helena, MT 59620-1424

Testimony on House Bill 919 (HB 919)

Submitted by Bob Robinson, Administrator  
Gambling Control Division

House Bill 919 is designed for two purposes: first, to better stratify the existing gambling license structure; and, secondly to raise fees to adequately fund the operation of the Gambling Control Division.

Ultimately the fee levels should be adjusted by the Committee to coordinate fee revenue with the ongoing expenditures as approved through the appropriation process. The effective date on any fee changes may be amended to initiate those changes in fiscal year 1993 if the fund balance in the state special revenue account for gambling regulation is adequate to provide for any budget modifications approved for Fiscal Year 1992.

Equally important to revenue generation are provisions that establish new types of gambling business licenses. The intent of these changes is to create a separate license for each marketing level within the industry.

The current structure, which provides a single license for gambling device manufacturers, machine distributors, and machine vendors, tends to blur the inherent differences between the various levels of the industry as well as creates some confusion as to who is licensed to work at a particular marketing function.

In the past 1.5 years, the Division has on occasion investigated instances in which independent, unlicensed businesses were marketing and selling video gambling machines. Upon confronting the individuals involved, the unlicensed premises claimed to be representatives of other licensed vendors, who, in fact, did not even sell machines. What was really happening is the licensed vendor was allowing unlicensed distributors to sell the machines without a license for a percentage or a fee on the ultimate machine sales. The effect was that there were individuals

in the business who have not been reviewed and authorized as the law requires and these individuals were able to compete in the market without paying the same license fees as the law abiding businessperson.

Section two creates a new distributor license and makes it mandatory to have the license in order to sell gambling machines.

Section three creates a new license for gambling machine route operators.

Section four substitutes the name "premises license" for what was previously called an "operator's license" for retail establishments providing gambling. This section also provides, for the first time, a fee to provide gambling at the retail level. Depending upon the agreement with their machine vendor, most retail establishments pay no license or permit fees to offer gambling. Most often the machine vendors pay the machine permit fees for the operator.

EXHIBIT 8  
DATE 3-20-91  
HB 340

COMMENTS ON HB-340  
FOREST PRODUCTIVITY TAX

Mr. Chairman and members of this committee:

For the record, my name is Al Kington. I am a professional forester and a private land use consultant. Today I have been asked to present comments on behalf of the Montana Tree Farm Committee. Our group represents over 400 private tree farmers in the state who intensively manage their forest lands. About 2 million acres of private timber land are being managed under the tree farm program in Montana.

We have been involved with the proposed legislation for over a year and are grateful to the Revenue Oversight Committee for letting us participate in the process. The productivity tax on timber as presented reflects important objectives that we feel are necessary for cost effective and fair taxation of our private timberlands. These objectives include: 1) low administration costs; 2) providing for relatively stable revenue to counties; 3) should not subsidize nor discriminate and encourage the best use of land either into or out of forestry.

We appreciate the opportunity to present our position on this legislation and encourage passage of this bill.

HOUSE OF REPRESENTATIVES

1 of 4

VISITOR'S REGISTER

Taxation COMMITTEE BILL NO. HB 983  
 DATE 3/20 SPONSOR(S) Rep. Bardsmore

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
John H. Olson - Sidney Mt.	Pepsi-Cola Bottling Co. <sup>Blaine</sup> <sup>High</sup> <sup>Reg.</sup> <sup>Product</sup>		X	
Jim LIEBERG	COLA - COLA - Helena		X	
Charles R. Brooks	MT Retail Association		X	
Tim Feeley	Pepsi Cola Bottle Sidney		X	
John Alan Norman	Pepsi Cola Bott 5 Mills		X	
Clay Schubert	Boysen Cola Soda		X	
Brian Hamilton	Helena High School		X	
Devin McCall	Big A's - Helena		X	
Barb Oljar	Solly's		X	
Gene M. Dimick	PEPSI COLA		X	
Rail Perry	Coca-Cola		X	
Karlis Heiser	Coca Cola		X	
Alan Harrington	Harrington Pepsi Cola		X	

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HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER

TAX COMMITTEE BILL NO. H3983  
DATE 3/20 SPONSOR(S) REP. BARNANOUVE (cont.)

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Bill Dales	MT CHAMBER	H3 983	X	
Sam Erving	Mt Assn. Theater Owners	983	X	
Janet Ellis	MT Audubon	983		X
Brian Long	Soft Drink Assoc.	983	X	
Marcella Sherry	Montana His. Soc.	983		X
Roger Terry	Mt Beer & Wine Wholesalers	983	X	
T. Dominic	Mt. Food Distrib	983	X	
Kay Foster	Business Chamber	983	X	
John DeLano	Soft Drink	983	X	
Steve Darnon	COKE - West	983	X	
Robert J. Fugh	Self	983	X	

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HOUSE OF REPRESENTATIVES

3064

VISITOR'S REGISTER

Taxation COMMITTEE BILL NO. HB983  
 DATE 3/20 SPONSOR(S) Rep. Bondanone

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
JAMES L. WOEHLE	COCA-COLA		X	
JOHN PELLEGRINI ANACONDA	Peps. Cola		X	
MISS KOSTA MISSONA	Pepsi-Cola		X	
<i>[Signature]</i>	Business / McDonald's		X	
GARRY HICKS	COCA COLA		X	
Don Kessler	Coca Cola		X	
Terry Luchau	Poca-Cola		X	
Chuck Clingan	Coca-Cola		X	
Jack Long	Pepsi cola		X	
Jim Beby	Pepsi Cola		X	
Tom Jules	Pepsi-Cola		X	
Ernie Higgins	Pepsi-Cola		X	

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HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

DATE Taxation COMMITTEE Taxation BILL NO. HB 929  
 DATE 3/20 SPONSOR(S) Rep. Whalen

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	NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
1	Dou Johnson, Helena	CFRA	929	✓	
	<del>James Hanson</del>	<del>Business</del>			
2	Grant Hanson, Helena	Self	929	✓	
3	Dick Pepping, Helena	Self	929	✓	
4	Mike Doughty	Self	929	✓	
5	James Henney	Self	929	✓	
6	Bill Brasbill	City of Helena	919	✓	
7	Jack Long			✓	
8	Ruth Ann Jagler	Over way Mason self Gates of the Mtns	929	✓	
9	David Anderson	GATES OF THE MOUNTAINS	929	✓	
10	ALAN KALLIO	CAIRO BOAT WORKS	929	✓	
11	Quinn A. Patton	Self	929	✓	
12	Herben W. Entzel	self	929	✓	

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HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Taxation COMMITTEE BILL NO. HB 929  
 DATE 3-20-91 SPONSOR(S) WALKER

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Doug Zaharko Helena	Self	929	X	
Tony Johnson Helena	self	929	X	
Hermitage	Lets of Montno.	929	X	
James D. Hyle	Canyon Ferry Ski Club	929	X	
Tom Biles	self	929	X	
Paul Feib	SELF	929	X	
Imma Paul	Hl Mts Boat Club	"	X	
Sis Javel	" " " "	"	X	
Dallas Rennerfeldt	Self	929	X	
Jim Canku	Gates Mtns Boat Club	929	X	
LARRY HOICK	MONT BOATING ASSOC.	929	X	
Harold Hadloff	Self	929	X	
Mary Mober	self	929	X	

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HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

TAX COMMITTEE BILL NO. HB 929  
 DATE 3-20-91 SPONSOR(S) W HALEW

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	NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
26	MATTIE LA FORCE	SELF	929	X	
27	Chris La Force	Self	929	X	
28	Ken Hoovestol	MT. Boating Assoc	929	X	
29	Ron Clark	Self	929	✓	
30	Dave Seyfert	MT Boating ass	929	✓	
31	Joe Cash	Self	929	X	
32	Jim Turcotte	Self	929	X	
33	B B-111a MD	Self	929	X	
34	Dan Miller		929	X	
35	Bill Leahy	Self	929	X	
36	Ed Robert Rough	Self	929	X	
37	Jes Brundlett	Self	929	X	
38	Harvey Berg	Self	929	X	

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HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Taxation COMMITTEE BILL NO. HB 919  
 DATE 3/20/91 SPONSOR(S) Rep. Peterson

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Bob Peterson	Gaming Control Div	919		X
JAY PRINZ HAMILTON MT	RAVALLI CO. SHERIFF DEPT	919		X
LARRY ALLEY	GAMING INDUSTRY ASSOC	919		
Joe Roberts	Dist Gamblers with the Fed	919		X

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HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Taxation COMMITTEE BILL NO. HB 340  
 DATE 3/20 SPONSOR(S) Rep. Poam

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Don All	MT. Wood Products	HB 340		✓
Al Kingston	MT. Tree Farm Com	HB 340		✓
Janet Ellis	MT Audubon	340		✓
Stan Bradshaw	MT T.U.			✓
Trucker Hill	Champion Int'l			✓
Scott Swanson	MT Wildlife Fed			✓
Don James Poling	Champion Int'l			✓
Thomas K Lauer	Plein Creek Timber Co			✓
Bob Symes	CHAMPION INT			✓

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.