

TAXATION COMMITTEE
45TH LEGISLATURE

Rep. Herb Huennekens, Chairman, called the meeting to order at 8:00 a.m., in room #434, January 29, 1977. All members were present with the exception of Rep. Vincent who was excused. Bills to be heard were HB 340 and 362.

Rep. Paul Pistoria, District #30, Cascade County, sponsor of HB 362, advised this bill requires county treasurers to include additional information on taxpayers' property tax statements showing the taxable value of the property, the value of a mill in that county, and the distribution of the tax.

HOUSE BILL 362

This will make a person's tax statement more readily understandable. He will send in a proposed amendment. This is just a matter of printing, he stated.

Rep. Russell Baeth, District #15, Flathead County, sponsor of HB 340, wants better facilities for parking snowmobiles funded out of the gas tax fund, proposing that .6% of the distributors' gasoline license tax revenue be used. In FY 1976, .6% of the revenue generated from this tax was \$197,632.

HOUSE BILL

These funds are to be designated and earmarked for specific purposes.

340

Larry Tobiason advised Montana is looking at closer to 30,000 machines in the state. The principal benefactors would be the local government people. Plowing of facilities at trail heads would be contracted with local contractors. Summer facilities would be winterized. There is talk about developing year-around recreational facilities. He feels it is a just use of highway funds and supports HB 340.

Everett Woodgerd, Snowmobile Club, President of Montana Federation of Chapter of National Association of Retired Federal Employees, had kept a 5-year diary of the amount of gas used by his snowmobile and found it to be 95.8 gallons. About one-half of the machines traded in had not been registered. He projects there are 35,000 machines being used in Montana and they pay an excessive amount of taxes on these machines which goes to school funds at the present time. \$1 of the fee goes to the state Fish and Game Department. It cost him \$69.21 to register a snowmobile for 1977 and he got a bargain as he registered it in July before he would have had to pay more. A 4-wheel drive unit trail bike paid only \$67 in taxes. He sees where there could be some benefit from the tax money paid in gas taxes, etc., and asks that they be given consideration in establishing a fund for provision of these facilities.

Rep. Robert Ellerd, District #75, Gallatin County, represents an area including West Yellowstone and Gallatin County and extends through Bridger Canyon to the Park County line, and he is representing just this unique district which is the snowmobile capital of the world, and himself. It has opened very much for snowmobiling. He asks that great consideration be given for passage of this bill. It would be a great help economically for his district. He fully supports HB 340.

Ron Holliday, Administrator of the Recreation and Parks Division of the Dept. of Fish and Game, advised that any funds earmarked for a snowmobile fund would be properly spent. See his testimony attached.

Don Malmberg, enforcement division of the Dept. of Fish and Game, stated that Title 53 revised the \$2 registration fee earmarked for use by Montana F&G. 17,000-19,000 snowmobiles have been registered each year. \$10,000 has been spent for development of facilities, but it will take \$50,000 to develop proposed facilities. Guidelines they follow use the money for development only - no maintenance. They work closely with other government agencies, primarily local, county, federal, and other state agencies. See his testimony regarding proposed projects. He explained proposed expenditure for a snowmobile safety education program. See attached explanatory information.

OPPONENTS:

Although Larry Tobiason is not opposed to use of these funds for snowmobiles, he said there is a definite need for the use of these funds for maintenance and construction of highways. Figuring on 43 gallons of gas per year for a snowmobile, \$150,000 would have to come from those people operating automobiles in Montana. He thinks in talking to many people, these snowmobiles are primarily used for work on ranches and not for recreation. This will aid only a small number of people in Montana - 17,000. It will decrease funds for highway use.

Earl Martin, ex-senator, opposes HB 340 because money would be taken out of the highway fund. Matching funds from the government to build highways increases spendable money for building roads 9 to 1, and this amount would do a great deal of road building that the highway department would lose. Montana is one of the few states in the Union that has not had a heavy sale of bonds to build highways. Everyone uses highways.

Jim Beck, Department of Highways, neither opposes nor proposes. He stated the highway department needs the funds - it is a question of whether facilities should be created when there is a shortage of gas as this would encourage use of gas.

Rep. Baeth reminded that people getting to the trails spend money on the highway and this tax goes into the gas fund for highways. He will submit some amendments.

It is impossible to set an accurate figure on gas consumption by snowmobiles. He feels the snowmobilers are justified in asking for the amount shown on the fiscal note. Boaters and snowmobilers are so closely related that snowmobiles use what a boat would use. Boaters already receive this amount of money for boat facilities. Decal money for snowmobiles goes to the Dept. of Fish and Game, \$1 for parks division for creating facilities, \$1 to enforcement division. This provides roughly \$18,000. Fines and penalties go to the F&G dept. Fines for snowmobilers go to operation of the enforcement division. The purpose of HB 340 is to get money for maintenance operations.

The sponsor is agreeable to take care of the proposed disparity by allowing 3/10¢ to go to the snowmobile account instead of the proposed 6/10¢. Lack of registrations is a concern to the MSA. Montana is the only state that requires property tax on snowmobiles.

Rep. Waldron moved that HB 218 be reconsidered for amendments. Reps. Sivertsen and Underdal voted No. Motion carried. The question of requiring unanimous consent arose, and this will be reconsidered.

20 - January 29, 1977

Page 3

The meeting adjourned at 10:30 a.m.

Herb Hueneke

REP. HERB HUENNEKENS, CHAIRMAN

Josephine Lahti

Josephine Lahti, Secretary