

MINUTES OF THE HOUSE TAXATION COMMITTEE MEETING
January 19, 1981

A meeting of the House Taxation Committee was called to order by Vice Chairman Rep. Bob Sivertsen on Monday, January 19, 1981 at 9:30 a.m. in Room 102 of the State Capitol. All members were present except Rep. Williams, who was absent, and Chairman Rep. Nordtvedt, who was excused for the first part of the meeting. HOUSE BILL 109 was heard and EXECUTIVE ACTION was taken on HJR 7.

The hearing on HB 109 was opened. The Sponsor, Rep. Ellerd, was unable to attend, so the Co-sponsor, Sen. Boylan, explained the bill. He said that West Yellowstone is one of the most impacted cities for its size in Montana as far as Tourism goes. This bill proposes a kind of sales tax in the community. Because of the isolation of West Yellowstone, it is worth experimenting with any possible solutions to its problems. Because of this isolation, changes will not detract or add to other cities' economies.

Larry Binfet, Mayor of West Yellowstone, then rose as a PROPONENT of HB 109; see prepared statement Exhibit "A." He submitted a report entitled, "Tourism in West Yellowstone, Montana and Its Effect on the Ability of the Town to Deliver Municipal Services." (A copy of this publication is in the Taxation Committee "Bulky Testimony" file.) Copies of the West Yellowstone city budgets for the past several years were submitted; see Exhibit "B;" the town has been at its 65-mill limit for several years.

The following West Yellowstone residents testified in support of HB 109: Cal Dunbar, businessman and member of the Town Council (Prepared statement Exhibit "C"); John Costello, Town Council member (Testimony is Exhibit "D"); Clyde Seely, motel operator (Exhibit "E"); Marcia J. Gray, tavern and restaurant owner (Exhibit "F"); Joe G. Eagle, businessman (Exhibit "G"); and Allen Warren, Chamber of Commerce of West Yellowstone (Exhibit "H").

In addition, Dan Mizner, Executive Director of the Montana League of Cities and Towns, spoke up in support of the bill and of the residents of West Yellowstone.

Ron Dent, Manager of the Yellowstone Airport, then spoke up in support of the measure; see attached Exhibit "I."

Robert VanDerVere, a registered Concerned Citizen Lobbyist, then rose in OPPOSITION to HB 109. He submitted that this bill would open up a Pandora's box; passage of the bill would open the door for the motel tax and the gasoline tax in other towns.

Phil Strobe, representing the Montana Innkeeping Association, then spoke against HB 109. He stated that it was with some reluctance that he rose in opposition to the bill. He submitted that HB 109 was 1977's HB 122 revisited. The question at issue once again is whether or not the State, through the Legislature, will change the fundamental government system. Do we want to become a series of municipalities or do we want to retain statehood. Montana's

cities aren't big enough to need special legislation. If this bill passes it will be a lawyer's relief bill. He then pointed out several problems the bill would have if enacted, some of which were: (1) Lawyers would have a field day deciding who would have to pay the tax and who wouldn't have to (2) If the bill was passed, the Courts might have to declare the definition of a resort area as undefinable, and the door would then be opened for non-resort areas to try to come under the bill.

Wayne Paffhausen, owner of the Travelodge in Butte, then spoke in opposition to HB 109, stating that passage of this bill would open a can of worms, and the Chief Executive of Butte was already looking at this as an immediate source of revenue, so much so that local business people have had to organize to show their opposition.

Rep. Ellerd then closed. He expressed his belief that Mr. Strobe had also been testifying for the Tavern Association. He said that he understands the problems of the people of West Yellowstone and doesn't think they are asking for anything very unusual. He gave the Committee permission to label the tax however they wanted, and added that he didn't think the bill was all that badly written. He expressed support for at least a "room tax." He offered to help the Committee with any problems it might have with the bill in order that it might gain passage.

Questions followed.

Rep. Roth asked Mr. Binfet if the charter form of government didn't have the privilege of imposing a motel tax. He replied that it was very vague in the lawbooks. It is hard to go ahead with the possibility and wonder if it is going to go to court and eventually, after much expense to the community, be thrown out. Dan Mizner then spoke on the subject: one of the problems with the language in the granting of self-government power section is that a sales tax is excluded. The interpretation handed down by some attorneys is that the privilege isn't granted. Local governments need to be given this authority in the self-government powers.

Mr. Strobe then gave his interpretation of the situation. A lawsuit arose in Billings questioning whether or not, if a city had adopted self-governing powers, they could create taxes. Billings wanted a room tax, a wheel tax, and a gas tax. Ultimately the City Attorneys agreed that before the state adopted the 1972 Constitution, the law read that the counties and the cities had only the powers given by the Legislature. After 1972, the law said that the cities and the counties had all powers not taken away from them by the Legislature. For about 1 1/2 years from the time the new Consitution was adopted until the 1974 Legislature, those laws

limited State government. In 1974 the Legislature said that local governments may not impose taxes on the sales of goods or services unless granted permission by the Legislature. This restored the law to its original intent. HB 109 would grant into law the power to create local taxes.

The reasons for the exemptions in HB 109 were then explained. The agricultural exemption was inserted because there was no agriculture in the area surrounding West Yellowstone, and furthermore it was to be made clear that ranchers were exempted in the bill. The attempt was to try to take residents out of the taxes as much as possible so that it could be strictly a tourist tax.

The local option tax has never been tried in West Yellowstone because it would involve all of Gallatin County. Rep. Brand asked the proponents why they weren't asking for a fairer share of the gas tax and the liquor tax instead of HB 109. Mr. Binfet expressed the belief that such a move wouldn't work because the State would be unwilling to rework the entire redistribution equation for one city's benefit.

Rep. Brand then wanted to know how much aid the town of West Yellowstone got on the county level. One full-time enforcement officer is located in West Yellowstone and a second is there in the summer. The County covers the cost of the 24-hour dispatch which they use. However, the County hasn't been very cooperative in helping West Yellowstone with its problems. Mr. Warren estimated that \$200,000-\$300,000 in revenue would be generated if a 2% resort tax could be implemented.

Regarding the possibility that Yellowstone Park might do away with a big portion of its facilities and services, Rep. Brand wanted to know if the Federal government planned to make any funds available to help the border communities take up the brunt of this change. Mr. Dunbar replied that in the 1960's he had testified before the Chester Brown Commission and at that time nothing like that had been extended to the border communities.

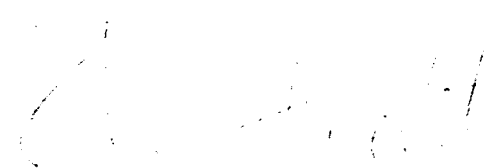
The hearing was then closed. Control of the meeting was then relinquished to Chairman Nordtvedt, and the Committee went into a short EXECUTIVE SESSION.

Rep. Asay moved that HJR 7 DO PASS; motion carried unanimously.

The Chairman announced that on Thursday, Jan. 22 at 11:00 a.m. a presentation on Sen. Melcher's bill concerning the Windfall Profits

Tax would be made.

The meeting was adjourned at 11:15 a.m.


Rep. Ken Nordtvedt, Chairman

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VISITORS' REGISTER

HOUSE TAXATION COMMITTEEBILL HB 109Date 1/19/81

SPONSOR _____

NAME	RESIDENCE	REPRESENTING	SUPPORT	OP
ALLEN WARREN	W. Yellowstone	Same	✓	
CALVIN W. DUNEAR	" "	"	✓	
CLYDE Seely	" "	"	✓	
Joe G. Eagle	" "	"	✓	
JOHN Cosgrove	" "	"	✓	
Uppin J. Garry	" "	"	✓	
Barney Bonfat	" "	"	✓	
William Smith	Helena	League Club	✓	
Don Morrison	Helena	Leimont Lodge	✓	
Donnell Nelson	Helena	W.B.A. #1	✓	
Walter Herman	W. Yellowstone	Same	✓	
Ron Dent	Helena - W. Yellowstone	Same	✓	
Robert R. Ruffin	Helena	Self		X
Phil Strope	Helena	MT Ironworkers Ass		X
Timothy Johnson	Butte	Tunkhannock		X

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

EXHIBIT "A"
4/27/81
TOWN OF WEST YELLOWSTONE

Box 579

WEST YELLOWSTONE, MONTANA 59758

Telephone 406 646-7795

January 17, 1981

Comments made to the Legislative Taxation Committee regards House Bill 109 by Mayor Larry Binfet of West Yellowstone, Montana on January 19, 1981.

Mr. Chairman and Committee Members,

My name is Larry Binfet. I am presently the Mayor of West Yellowstone and have held that position for the past 3 $\frac{1}{2}$ years. I am here today in support of House Bill #109.

In my presentation this morning I will explain the problems West Yellowstone is facing now and will continue to experience in the future without some way to raise alternative revenues.

West Yellowstone is a community of approximately 750 year around residents. The Community derives its livelihood completely from Tourism. The Town is landlocked totally by federal lands and is basically isolated from the rest of the State. The problem that West Yellowstone faces is the impact that Tourism has on its ability to deliver municipal services.

Mr. Chairman, at this time I would like to introduce a study that was completed in 1979 by Harry Conard, a private consultant, who at that time made his residence in Livingston. The study was funded totally by a grant from the Old West Regional Commission and addressed the problem I placed before you a few moments ago, "Tourism in West Yellowstone and its effect on the ability of the Town to deliver Municipal Services."

Each year approximately 1 $\frac{1}{2}$ million tourists pass through the Town of West Yellowstone either going to or returning from a visit to the Nations first National Park, Yellowstone. Not only does the Town provide a place to stay and food to eat, but also provides for Police protection, Ambulance, Medical Clinic, Fire protection and other non-revenue producing services.



The Tourist uses all of these services and in great numbers as this study by Conard has been able to show. In later presentations you will here in detail how the impact of Tourism has effected the Town and its ability to continue providing these services at the highest of levels.

In order to show the impact the Town does experience, Mr. Conard, with the assistance of the Montana League of Cities and Towns and the Department of Community Affairs chose five communities in the state which were primarily not impacted by Tourism. The Communities chosen were Belt, Bridger, Manhattan, Twin Bridges and Valier. These Communities all offer similar basic services as West Yellowstone. Together there average population is 748 compared to West Yellowstone's 757. Using these five towns as a comparison Conard was able to show that the Town of West Yellowstone in the past several years has spent \$12,700 more per year for general government services, \$74,800 more for public safety and \$26,100 more per year for the street department with a total difference of \$113,800 directly attributable to the impact of Tourism. The figures I have quoted from the study are from year 1978. In this year with the increasing inflation the differences maybe even larger.

Mr. Chairman, At this time I submit to you and the Committee copies of the West Yellowstone Town budgets for the past several years. When you have a chance to review them you will see for yourselves there are no frills just the basic general services. The Town has been at the 65 mill limit for the past several years and is at a point where without the means to raise alternative revenues will have to make service cutbacks in the general services it already provides. The Police department operation and maintenance budget was cut by 20% for this fiscal year already. The Town municipal swimming pool has been closed for the past several years because of lack of funds to operate and keep it in safe operating condition, and its only the beginning.

Quoting further from Conard's report, in 1978 the Town of West Yellowstone generated approximately \$300,000 which went to the State by way of State gas, liquor, cigarette and beer taxes, but, because of the redistribution equation

used West Yellowstone received only \$20,000 in return. We realize the redistribution equation cannot be changed because of the inequities it would cause other communities in the State. However, West Yellowstone does serve a vital role in bringing out of State dollars into Montana which adds to the State economy and as a whole contributes to funding State government.

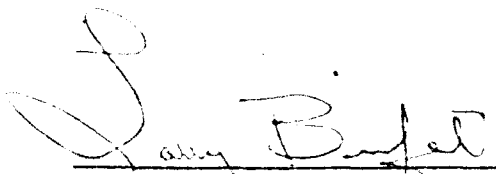
Yes, there is a need for legislation such as House Bill 109 for communities like West Yellowstone. It can be enacted only by a majority vote of the electorate. It taxes the persons using the services and with the provided for exemptions it takes the burden off of the local resident. The passage of such legislation will help the Communities continue to provide the much needed services to the Tourist as well as to the local resident. At this time all of the Town budgets are underfunded. Once again using figures from Conard's report West Yellowstone could realize revenue from this legislation in an amount at least equal to the Town's present budget that includes property taxes and all Federal and State shared revenues. With revenue generated by this bill the Town could upgrade its present services as well as provide better streets and overall a community the whole State can take pride in, remember, in many cases West Yellowstone is the only glimpse of Montana many travelers will get and it should be one that he or she will always remember with good thoughts and will want to come back to see more of Montana.

In summary and once again quoting from Conard's report and I quote, "clearly the Town of West Yellowstone is headed for financial disaster, the street, fire, ambulance and other departments have not received the priority in the allocation of financial resources which the police department has, however, in West Yellowstone no department has received adequate funding. The budget crises will become even more severe in the future. In the next few years the street department will be facing the need to plan for over \$390,000 worth of capital expenditures for equipment and street repair.

Municipal expenditures for general government services will increase at a rate of \$2000 per year and the police department budget must increase \$6000 per year just to keep pace with inflation yet the town does not have the financial resources to pay these necessary expenditures." (unquote)

The Town of West Yellowstone has not been sitting back and just waiting for a handout from some one. In November 1980 the West Yellowstone electorate adopted Self Government Powers with a Charter form of government. We know what our problems are and we know what must be done to solve them. That is why we are here today to ask you for a favorable review of House Bill 109.

Thank You.



Larry Binset, Mayor
West Yellowstone, Montana

DEPARTMENT	GENERAL FUND	SPECIAL REVENUE
<u>TOWN COUNCIL</u>		
MISCELLANEOUS		1,000.00 24.9
TOTAL		1,000.00
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<u>POLICE COURT</u>		
Salaries, wages	3,000.00	
Supplies	200.00	
Utilities & Communications	50.00	
Repairs & Mtn.	50.00	
Miscellaneous	1,000.00	
TOTAL	4,300.00	
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<u>MAYOR</u>		
Salaries, wages, benefits		4,914.00
Supplies		25.00
Miscellaneous		1,200.00 24.9
TOTAL		6,139.00
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<u>FINANCIAL ADMINISTRATION</u>		
Salaries, wages, benefits	12,355.20	
Supplies	800.00	50.00
Repairs & maintenance	150.00	
Utilities	1,000.00	
Miscellaneous	1,200.00	
Machinery & Equipment	250.00	
TOTAL	15,755.20	50.00 24.9
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<u>LEGAL</u>		
Utilities & Communications		250.00
Miscellaneous		5,346.00
TOTAL		5,596.00 24.9
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<u>BUILDING</u>		
Salaries, wages, benefits		2,750.00
Supplies		1,000.00
Repairs		300.00
Utilities		1,800.00
Improvements - groomer building		850.00
Miscellaneous	800.00	
TOTAL	800.00	6,700.00 24.9
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<u>WATER</u>		
Salaries, wages, benefits		2,386.80
Supplies		250.00
Repairs & Mtn.		500.00
Miscellaneous		100.00
TOTAL		3,236.80 24.9
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<u>STATE EXAMINER</u>		
Miscellaneous		1,000.00
TOTAL		1,000.00 24.9
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<u>PLANNING BOARD</u>		
Miscellaneous		1,550.00
TOTAL		1,550.00 24.9

DEPARTMENTGENERAL FUNDSPECIAL REVENUEPOLICE CRIME CONTROL

Salaries, wages, benefits	59,992.05	
Supplies	3,800.00	
Repairs & Mtn.	1,950.00	
Utilities	1,250.00	
Miscellaneous	3,300.00	
Machinery & Equipment	300.00	

2,983.85 24

DISPATCHERS

Salaries, wages, benefits	41,612.40	
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CUSTODY OF PRISONERS

Repairs & Mtn.	175.00	
Miscellaneous	250.00	

200.00 wine

TOTAL	112,629.45	
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3,183.85

FIRE CONTROL & PREVENTION / AMBULANCE

Supplies		1,400.00
Repairs & Mtn.		1,540.00
Utilities		1,644.00
Miscellaneous	3,400.00	900.00
Machinery & Equipment		3,233.85

TOTAL	3,400.00	
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8,727.85 24.9

STREET

Salaries, wages	31,224.96	
Supplies	501.40	
Repairs & Mtn.		
Utilities	1,500.00	
Miscellaneous	3,000.00	
Machinery & Equipment		
Capital Improvement	1,000.00	
TOTAL	37,226.36	

10,248.60 19
3,000.00 19

13,500.36 36

26,748.96

PUBLIC HEALTH

Miscellaneous	925.00	
TOTAL	925.00	

PARKS

Supplies		300.00
Repairs & Maintenance		150.00
Miscellaneous	500.00	
Utilities		550.00
TOTAL	500.00	

1,000.00 24.9

CIVIC CENTER

Miscellaneous	900.00	
TOTAL	900.00	

INSURANCE RECOVERIES FOR FIRE DAMAGE

Miscellaneous	15,600.00	
TOTAL	15,600.00	

LIBRARY

Supplies		1,300.00
Utilities		47.00
Miscellaneous		500.00
TOTAL		1,847.00

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CEMETERY

Improvements		1,000.00
TOTAL		1,000.00

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<u>FUND</u>	GENERAL	SPECIAL REVEN
<u>DEPARTMENT</u>		

OLD WEST

Miscellaneous		2,000.00	25
TOTAL		2,000.00	

HUMAN RESOURCE COORD

Salaries, wages, benefits		10,619.73	
Supplies		400.00	
Repairs		50.00	
Utilities	500.00	900.00	
Misc.		1,000.00	
Machinery & Equipment		350.00	
TOTAL	500.00	13,319.73	2

TOTALS

GENERAL FUND	192,536.01
REVENUE SHARING	37,983.50
OLD WEST	2,000.00
WINE TAX	200.00
GAS TAX	13,248.60
CEMETERY	1,000.00
LIBRARY	1,847.00
CAPITAL PROJECTS	13,500.36
HUMAN SERVICE COORDINATOR	13,319.73
TOTAL EXPENDITURES 1980-1981	275,635.20

PRELIMINARY PROPOSED REVENUE FISCAL YEAR 1979-1980

Property Taxes (65 mills @ \$1,472.90 pr mill)	95,738.50
Beer & Liquor Licenses	2,300.00
Business & Merchandise Licenses	11,000.00
Amusement Licenses	500.00
Gambling Licenses	2,500.00
Building Permits	1,200.00
Animal License fees	100.00
Bicycle Licenses	100.00
Moving Permits	100.00
Liquor Tax	11,000.00
Beer Tax	2,300.00
Motor Vehicle Title Fees	1,000.00
Motor Vehicle plate registration fees	20,000.00
Ambulance Fees	7,000.00
Animal Control & Shelter fees	50.00
Fines & forfeits	5,500.00
Rents	5,500.00
Western Union	1,000.00
Refunds & Reimbursements	1,000.00
Human Resource Coordinator	13,469.97
Ambulance Mill due from County	1,000.00
Work permits gambling investigation	100.00

TOTAL ESTIMATED REVENUE

\$182,458.47

1979-1980 PRELIMINARY FISCAL BUDGET FOR THE TOWN OF WEST YELLOWSTONE

POLICE CRIME CONTROL

Salaries, benefits	53,014.50
Supplies	4,550.00
Repairs & Maintenance	1,850.00
Utilities & Communications	1,500.00
Miscellaneous Machinery & Equipment	4,300.00
	250.00

DISPATCHERS

Salaries, benefits	32,746.89
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CUSTODY OF PRISONERS

Repairs & Maintenance	175.00
Miscellaneous	450.00

TOTALS	98,836.39
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FIRE CONTROL & PREVENTION

Supplies	
Repairs & Maintenance	
Utilities & Communications(phone)	800.00
Miscellaneous (INS. Storage)	1,100.00
Machinery & Equipment	

FIRE STATIONS & BUILDINGS

Repairs & Maintenance	
Utility & Communications (electric/propane)	1,300.00
Miscellaneous (insurance)	150.00

TOTAL	5,000.00*
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* actual total shown \$3,350.00 - \$1,650.00 still to be budgeted

AMBULANCE

Salaries, benefits	1,000.00
Supplies	1,100.00
Repairs & Maintenance	400.00
Utilities & Communications	50.00
Miscellaneous	2,300.00
Machinery & equipment	300.00
TOTALS	5,150.00

STREET DEPARTMENT

Salaries, benefits	27,041.04
Supplies	2,500.00
Utilities & Communications	1,200.00
Miscellaneous	3,200.00
Machinery & Equipment (capital improvement fund)	4,000.00
TOTAL	37,941.04

PUBLIC HEALTH

Miscellaneous (ins.)	1,300.00
TOTAL	1,300.00

ANIMAL CONTROL

Supplies	15.00
Miscellaneous	110.00
TOTAL	125.00

1979-1980 PRELIMINARY FISCAL BUDGET FOR THE TOWN OF WEST YELLOWSTONE

TOWN COUNCIL

Miscellaneous	1,000.00
TOTAL	<u>1,000.00</u>

POLICE COURT

Salaries, wages, benefits	3,375.00
Supplies	200.00
Utilities & Communications	70.00
Miscellaneous	<u>250.00</u>
TOTAL	3,895.00

MAYOR

Salaries, benefits	3,450.00
Supplies	-0-
Miscellaneous	<u>350.00</u>
TOTAL	3,800.00

FINANCIAL ADMINISTRATION

Salaries, benefits	10,891.53
Supplies	1,000.00
Repairs & Maintenance	150.00
Utility & Communications	1,000.00
Miscellaneous	<u>1,200.00</u>
TOTAL	14,241.53

LEGAL

Utilities & Communications	180.00
Miscellaneous	<u>4,350.00</u>
TOTALS	4,530.00

BUILDINGS

Salaries, benefits	500.00
Supplies	4,500.00
Repairs & Maintenance	300.00
Utilities & Communications	1,800.00
Miscellaneous	<u>1,400.00</u>
TOTALS	8,500.00

WATER

Salaries, benefits	2,253.42
Supplies	250.00
Repairs & Maintenance	500.00
Miscellaneous	100.00
Machinery & Equipment	<u>100.00</u>
TOTALS	3,203.42

STATE EXAMINER

Miscellaneous	750.00
TOTAL	750.00

1979-1980 PRELIMINARY FISCAL BUDGET FOR THE TOWN OF WEST YELLOWSTONE.

PARKS

Supplies	300.00
Repairs & Maintenance	100.00
Utility & Communications	550.00
Miscellaneous	<u>125.00</u>
TOTALS	1,075.00

CIVIC CENTER

Miscellaneous (ins.)	<u>900.00</u>
TOTAL	900.00

PLANNING BOARD

Miscellaneous	<u>3,000.00</u>
TOTAL	3,000.00

HUMAN RESOURCE COORDINATOR

Salaries, benefits	10,969.97
Supplies	400.00
Repairs & Maintenance	50.00
Utility & Communications	1,000.00
Miscellaneous	1,150.00
Machinery & Equipment	<u>400.00</u>
TOTAL	13,969.97

TOTAL PRELIMINARY GENERAL FUND BUDGET FOR FISCAL YEAR 1979-1980

\$207,217.35

REVENUE FISCAL YEAR 1978-1979

Property Taxes (64.98 mills)	93,242.40
Beer & Liquor Licenses	2,000.00
Business & Merchandise	12,000.00
Amusement Licenses	1,200.00
Gambling Licenses	3,300.00
Building Permits	60.00
Animal Licenses	200.00
Bicycle Licenses	100.00
Moving Permits	100.00
Liquor Tax	9,000.00
Beer Tax	2,300.00
Motor Vehicle Plate Registration Fees	18,000.00
Motor Vehicle Title Fees	800.36
Ambulance Fees	3,000.00
Animal Control & Shelter Fees	120.00
Swimming Pool Fees	450.00
Fines & Forfeits	5,500.00
Rents	9,000.00
Western Union	700.00
Refunds & Reimbursements	1,500.00
Ambulance Mill due from County	200.00
Cemetery Plot Sales	2,000.00
Human Resource Coordinator	<u>10,442.00</u>
SUB TOTAL	175,114.76
Human Resource Coordinator Carry over	500.00
Human Resource Assistant Carry over	61.51
General Fund Revenue 1977-1978 carry over	<u>26,290.22</u>
SUB TOTAL	26,851.73
TOTAL REVENUE 1978-1979	\$201,966.49

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TOWN COUNCIL

Miscellaneous	1,660.00
TOTALS	<u>1,660.00</u>

POLICE COURT

Salaries, wages & related benefits	2,457.00
Supplies	200.00
Utilities & Communications	70.00
Miscellaneous	250.00
TOTALS	<u>2,977.00</u>

MAYOR

Salaries, wages, & related benefits	3,450.00
Supplies	25.00
Miscellaneous	500.00
TOTALS	<u>3,975.00</u>

ELECTIONS

Supplies	250.00
Miscellaneous	250.00
TOTALS	<u>500.00</u>

FINANCIAL ADMINISTRATION

Salaries, wages, & related benefits	10,179.00
Supplies	1,000.00
Repairs & Maintenance	100.00
Utilities & Communications	1,000.00
Miscellaneous	1,000.00
TOTALS	<u>12,279.00</u>

LEGAL

Utilities & Communications	300.00
Miscellaneous	4,700.00
TOTALS	<u>5,000.00</u>

BUILDINGS

Repairs & Maintenance	300.00
Utilities & Communications	1,800.00
Miscellaneous	2,000.00
TOTALS	<u>4,100.00</u>

WATER

Salaries, wages, & related benefits	2,106.00
Supplies	400.00
Repairs & Maintenance	300.00
Miscellaneous	100.00
Machinery & Equipment	200.00
TOTALS	<u>3,106.00</u>

STATE EXAMINER

Miscellaneous	500.00
TOTALS	<u>500.00</u>

POLICE DEPT. POLICE CRIME CONTROL

Salaries, wages, & related benefits	40,140.00
Supplies	2,710.00
Repairs & Maintenance	1,700.00
Utilities & Communications	1,400.00
Miscellaneous	4,455.00
Machinery & Equipment	175.00

CONTINUED:

POLICE CRIME CONTROL CONT.
DISPATCHERS

Salaries, wages, & related benefits 37,112.40

CUSTODY OF PRISONERS

Repairs & Maintenance 200.00

Miscellaneous 400.00

TOTALS 68,292.40

FIRE CONTROL & PREVENTION

Supplies 660.00

Utilities & Communications 640.00

Repairs & Maintenance 800.00

Miscellaneous 875.00

FIRE STATIONS & BUILDINGS

Repairs & Maintenance 200.00

Utility & Communications 1,200.00

Miscellaneous 125.00

TOTALS 4,500.00

AMBULANCE

Salaries, wages, & related benefits 900.00

Supplies 1,000.00

Repairs & Maintenance 400.00

Utilities & Communications 25.00

Miscellaneous 2,600.00

Machinery & Equipment 300.00

TOTALS 5,225.00

STREET DEPT.

Salaries, wages, & related benefits 25,272.00

Supplies 2,500.00

Utilities & Communications 375.00

Miscellaneous 3,200.00

Machinery & Equipment 751.58

TOTALS 32,098.58

PUBLIC HEALTH

Miscellaneous 1,067.00

TOTALS 1,067.00

ANIMAL CONTROL

Supplies 30.00

Repairs & Maintenance 40.00

Miscellaneous 100.00

TOTALS 170.00

PARKS

Repairs & Maintenance 100.00

Utilities & Communications 425.00

Miscellaneous 125.00

TOTALS 650.00

SWIMMING POOL

Salaries, wages, & related benefits 420.00

Supplies 675.00

Repairs & Maintenance 100.00

Utilities & Communications 800.00

Miscellaneous 316.00

TOTALS 2,311.00

1978-1979 FISCAL BUDGET FOR THE TOWN OF WEST YELLOWSTONE, MONTANA

CONTINUED:

CIVIC CENTER

Utilities & Communications	800.00
Miscellaneous	<u>900.00</u>

CEMETERY

Salaries, wages & related benefits	300.00
Supplies	200.00
Utilities & Communications	50.00
Improvements	<u>950.00</u>
TOTALS	1,500.00

PLANNING BOARD

Miscellaneous	<u>1,000.00</u>
TOTAL	1,000.00

GAS TANKS

Supplies	100.00
Repairs & Maintenance	<u>350.00</u>
TOTALS	450.00

HUMAN RESOURCE COORDINATOR

Salaries, wages, & related benefits	7,545.00
Supplies	250.00
Repairs & Maintenance	50.00
Utilities & Communications	1,200.00
Miscellaneous	1,597.00
Machinery & Equipment	300.00
<u>HUMAN RESOURCE ASSISTANT</u>	
Miscellaneous and or salary	<u>61.51</u>
TOTALS	11,003.51

TOTAL GENERAL FUND 1978-1979 BUDGET	\$195,266.49
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CAPITAL IMPROVEMENT FUND

STREET

Equipment	<u>4,500.00</u>
TOTAL	4,500.00

RESERVE FUND

November to May reserve	<u>2,200.00</u>
TOTAL	2,200.00

<u>TOTAL AMOUNTS TO BE RAISED</u>	\$201,966.49
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TOWN OF WEST YELLOWSTONE, WEST YELLOWSTONE, MONTANA

1978-1979 REVENUE SHARING BUDGETFINANCIAL ADMINISTRATION

Machinery & Equipment	900.00
TOTALS	<u>900.00</u>

BUILDINGS

Supplies	2,200.00
TOTALS	<u>2,200.00</u>

POLICE CRIME CONTROL

Machinery & Equipment	3,773.91
TOTALS	<u>3,773.91</u>

FIRE CONTROL & PREVENTION

Improvements	4,147.00
Machinery & Equipment	<u>4,500.00</u>
TOTALS	<u>8,647.00</u>

STREET DEPT.

Supplies	2,500.00
Machinery & Equipment	<u>5,248.42</u>
TOTALS	<u>7,748.42</u>

PARKS

Supplies	1,400.00
Salaries, wages, & related benefits	500.00
Improvements	1,500.00
Machinery & Equipment	<u>350.00</u>
TOTALS	<u>3,750.00</u>

SWIMMING POOL

Machinery & Equipment	500.00
TOTALS	<u>500.00</u>

CEMETERY

Improvements	500.00
TOTAL	<u>500.00</u>

PLANNING BOARD

Miscellaneous	2,100.00
TOTAL	<u>2,100.00</u>

TOTAL REVENUE SHARING 1978-1979

\$ 20,119.33

1978-1979 GAS TAX BUDGET

STREET	
Supplies	7,500.00
Repairs & Maintenance	<u>2,500.00</u>
TOTALS	<u>10,000.00</u>

1978-1979 ANTI RECESSION BUDGET

Buildings	
Salaries, wages, & related benefits	500.00
TOTALS	<u>500.00</u>

IMPACT FUNDS

STREET IMPROVEMENTS	20,000.00
TOTAL	<u>20,000.00</u>

1/19/81

64.6

103,683.00	Property Tax
2,000.00	Beer and Liquor
10,000.00	Business and Moch.
200.00	Amusement
5,500.00	Gambling
200.00	Gambling Invest.
3,500.00	Building Lic
50.00	Animal Lic
70.00	Bicycle Lic
50.00	Moving
8,300.00	Liquor Tax
2,500.00	Beer Tax
850.00	Title Fees
12,000.00	Dispatch Service
5,000.00	Ambulance Fees
25.00	Animal Control and Shelter Fees
3,983.01	Fines and Forfeits
5,000.00	Rents
1,000.00	Western Union
1,000.00	Refunds and Reimbursements
15,600.00	Insurance
2,500.00	Amb. Mill
100.00	Transfer Old West
182,111.01	TOTAL general
10,425.00	TOTAL TAX FOR INSURANCE 6.5 mills
192,536.01	TOTAL general
37,983.50	TOTAL REVENUE SHARING
200.00	TOTAL WINE TAX
13,248.60	GAS TAX
1,000.00	CEMETERY
1,847.00	LIBRARY
2,000.00	OLD WEST
13,500.36	CAPITAL PROJECTS
13,319.73	Human Services Coordinator
275,635.20	TOTAL REVENUE 1980-1981

EXHIBIT "C"
TAXATION
1/17/81

TESTIMONY OF CAL DUNBAR
BEFORE THE HOUSE TAXATION COMMITTEE
IN SUPPORT OF H.B. 109

I am Cal Dunbar, I own and operate a supermarket. I am a charter director of the bank. I have been on the city council for almost ten years. I have lived in West Yellowstone almost twenty years.

West Yellowstone has a unique disability in delivering municipal services due to seasonality, narrow tax base, and an incomparable impact by tourists, who provide no direct contribution to these necessary services. Coupled with inflation and the existing revenue formulas for apportionment based on resident population and street lengths the combination is fatal. We know this. However, this independent expert study absolutely verifies our position.

It shows that while West Yellowstone generates almost \$300,000 to the state revenue, it receives back but \$20,000. Of the gasoline contribution to state coffers of \$224,283, we receive back but \$9,000. But the cars, vans, and recreational vehicles which contributed this substantial sum are on our streets creating a maintenance problem that is about out of control. We could only scrape up some \$39,000 for our street budget last year - for maintenance only - men, equipment, fuel, and road materials. Our average expenditures on streets are 193% greater than the five town average without making any major street repairs made by the other reported towns.

The police side is even grimmer as shown by the report. Our major crime index is 3-8 times higher than the composite of the five towns. It is higher in the

summer when the tourists are there. Therefore, tourism is the significant factor - since police reported crimes jump to 38.25 per month in July and August from the non-tourist season average of 8.3 - an increase of 461% - due to tourists. To respond to this demand, we have budgeted a police department that is the largest of any department in our government - from 17.6% of all expenditures in 1970 to 33.4% in 1978 and 1981 shows an allocation of 42%. 97% of these funds come from the general fund. Most of our alternative sources such as CETA have disappeared. West Yellowstone received back only \$200 from wine sales - \$200 only. Future funding must come from property taxes. Figuring that the reported average for law officers in Montana to be 1.47 per 1000 citizens, with our 12,000 daily July and August visitors plus the known ^{Summer} resident population of 1200 odd, our 4 man department plus the single county deputy could staff a Montana town of about 3400 - year-round. Unfortunately, police departments are like ready-alert rapid deployment forces - you need them instantly- and their staff must be carried during non-tourist seasons so that professional expertise is available during the tourist impact - high crime season. We have probably one of Montana's best police reserve units of local volunteers for back up but actual riot experience has proven to us that there is no substitute for an adequate professional police presence throughout the tourist season. Because of budget shortfalls we cannot increase the professional force in summer and at best, we have barely met inflation with present officers' salaries and benefits. The future is bleak.

These are our problems. Every place has certain problems. Ours are unique due to our unique resort position. We are asking for you to help us solve our

problems. We can do it with the enabling legislation we ask you for this morning.

Our problem is fully documented - expertly and professionally by an outside party.

Our ability to solve this problem under the existing tax base and state revenue allocation formulas is shown to be completely impossible.

The unique resort taxation is shown to be, and we experienced West Yellowstone citizens firmly support it to be, just what we need to solve our problem.

Our citizens just voted in self-governing charter powers by a strong majority to enable us to utilize local revenue powers. They want it.

Our fate is in your hands. It is your move. We need our resort revenue legislation House Bill 109. The facts show that less than 3% of the tourists to be affected are Montana citizens. Why not let those who use - pay for their usage - and those are non-Montana tourists.

Thank you,

Cal Dunbar

Furthermore, it doesn't make sense that a community as small as West Yellowstone, with as small a tax base as is available, should be required to provide all the necessary services that the traveling tourist requires in their effort to bring and spend their dollars in Montana without the help of the tourist to pay some of their own way. We, as taxpaying citizens, realize our responsibility of taking care of ourselves and we accept that responsibility, all we ask is the help to assess the tourist to pay in a small way for the impact created by that tourist.

The collection and allocation of these special tax dollars would provide a number of solutions to our community other than property tax relief. Some of these solutions would be that West Yellowstone could finally service and property maintain a street and road system that has deteriorated so much in the past few years. It could offer to its citizens, the services that ~~are~~^{are} accepted as normal in most other communities in Montana, such as better police protection, adequate fire protection, public health and safety administration with a well equipped clinic and a full time doctor,^{ALSO,} responsive and informed city employees with the time to serve the resident and tourist with their problems, and many other services that are so necessary today. If West Yellowstone is going to continue to exist and continue to compete for the ever increasing but sophisticated vacation dollar, all these services, and many more, will have to be offered and will need to be improved.

In reading this bill, you might think, "well, if in West Yellowstone, why not Miles City, or Big Sandy, or for that matter, Helena?" A number of safeguards have been implemented in the construction of this bill, not only to make this legislation not applicable to most every community but not even desirable for most communities in Montana. Most cities and towns in Montana are taxed to the maximum at the present time so requesting the local electorate to approve additional local taxes would certainly fail at the ^{local} ballot box. In West Yellowstone, just the opposite situation is presented. With the extremely heavy influx of tourists, the tourist and not the local would pay a high percentage of the local option tax. Needless to say, it makes most sense, for the one who requires the services, pays the bills.

Secondly, most every community in Montana survives by virtue of farming, ranching, mining, timbering or industry of some sort, all we have is tourism and nothing else, and we have no provision at this point in time to extract ^{A SINGLE} tax dollar ~~from~~ from this tourist to be allocated back to the locale where these expensive service are rendered. Ranching is taxed, mining is taxed, industry of all kinds is taxed, why not tourism??

Give us the opportunity to levy a small tourism tax and we will not only prosper as a small and viable Montana community but will continue to promote more tourism dollars to be spent throughout the whole state for all Montanans to share.

Thank you

TESTIMONY OF CLYDE SEELY
BEFORE THE HOUSE TAXATION
COMMITTEE IN SUPPORT OF HOUSE BILL 109

My name is Clyde Seely and I wish to go on record as supporting House Bill 109. I feel qualified to speak on this subject as I am involved in the ownership and operation of 4 motels, 3 restaurants, a gas station, grocery station and laundromat, a snowmobile rental operation with outlets in three states, a tour agency, and a guest ranch. I am serving my 8th year on the school board of School District #69 and am currently serving as a director on the Fall River Electric Cooperative.

I support the above Bill for the following reasons:

- 1) There is a pronounced need for increased funding in our town. West Yellowstone looks like it has been forgotten, and in fact has been, when it comes to streets, curbs and gutters, street lighting, well maintained city buildings and equipment. The most common criticism that we hear from vacationers is regarding the unkempt condition of our town. It is not that we lack pride and a desire to change all that, but we lack money to make those improvements.
- 2) West Yellowstone is a small tourist-oriented town. It exists solely to satisfy the needs of people who come to see the beauties of Yellowstone during two short seasons of the year. Our tax base rests upon motels, restaurants, gift shops, and tourist oriented businesses that are used for income only two seasons totaling about 160 days per year.
- 3) Our town is impacted two seasons of the year with thousands of people who come to enjoy the beauties of nature and yet contribute nothing to municipal services such as police protection, general town maintenance and beautification.

The businesses have carried the financial burden far beyond the normal tax load they are asked to carry. We have had to raise on one occasion over \$60,000 to renovate one of our city buildings and just last summer again had to raise \$24,000 to handle matters that a local tax could have funded.

4) People are in the habit of paying a type of room tax or sales tax. Many people register at our motels and eat at our restaurants and say, "What, no tax?". I do not believe that a room tax of even up to 5% would be found unpalatable by the vast majority of the American traveling public. They expect it. They also expect to help pay for the services that they use. The motel owners in West Yellowstone whole-heartedly support the passing of this bill. They understand it will cause additional work and bookkeeping but are willing to do that in order to spread the financial burden among the users. It is our opinion that this bill will not adversely affect tourism in Montana.

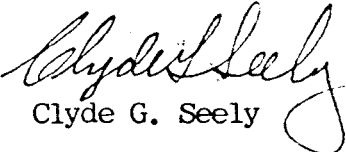
5) We are a seasonal town and have two off-seasons. It is difficult for the hourly wage workers to make a living on a year round basis. This, coupled with the fact that West Yellowstone is bounded on all sides by public lands and that there is no more available, affordable land on which to build a house, limits the amount of real property that can be taxed. Therefore, the amount of dollars needed to operate our tourist impacted community has to come from a narrower tax base than is normal in the rest of the state.

In conclusion, may I say that West Yellowstone is stymied at its present level of development. We cannot grow and develop more as a community because there are no revenue sources available at the present that can satisfy the needs. We have

a problem and we can solve it if we are given the authority to do so. We are unique from any other town in Montana and in fact are somewhat isolated through distance and proximity from the rest of the state.

By allowing West Yellowstone the passage of this bill we will be able to progressively enter into the future and can help develop a healthy tourism industry in the State of Montana.

Sincerely,


Clyde G. Seely

TESTIMONY OF MARCIA GRAY
BEFORE THE HOUSE TAXATION COMMITTEE
IN SUPPORT OF H.B. 109

The economy of the City of West Yellowstone has a great impact on the businessman of West Yellowstone.

Lack of funds for our town has, out of necessity, forced the business people and the towns people to initiate solicitation of monies for various services. Through donations our ambulance service was formed. Through donations our volunteer fire department was formed. Through donations, \$60,000 was raised for our Convention Center, with the greatest portion of this amount given from a town consisting of approximately 750 people. These are only a few of the services which have had their beginning by donations from the local businessman and their continued existence depends on continued yearly donations.

The grooming of our snowmobile trails has been derived through a Fair Share Program. Each year, businesses are assessed what is felt to be their fair share contribution in order to keep our trails in good condition. This includes machinery, labor, maintenance, and a building.

Each year businesses are licensed and although licensing of businesses is not normally used as a strong source of revenue, West Yellowstone obtains approximately \$10,000 each year from its local businessmen through the licensing system.

When you enter West Yellowstone from either Bozeman or Idaho Falls, you must pass our City Park. The swimming pool has been dormant since 1979, due to lack

of funds. The Park itself is in deplorable condition and is an embarrassment. Picnic tables and the children's play equipment are badly in need of repair. There is no lawn. There has already been a movement by businessmen to begin a fund raising drive next spring in order to begin improvements on this city facility.

But our city streets are in no better condition and towns people are beginning to ask just how far this solicitation for donations can extend. It is important that West Yellowstone get some relief if the city is to function at all.

Sincerely,

Marcia Gray

EAGLE'S STORE

WEST YELLOWSTONE
MONTANA 59758
PHONE (406) 646-9300

Jan. 19, 1981

To: Members of taxation committee
State House of Representatives
Helena, Montana

My name is Joe Eagle and for the past 30 years I have been manager of a general store business which my father started in 1908 being one of the first businesses in West Yellowstone. I have lived in West Yellowstone all my life except for time away at school and in the army during World War II. I have been involved in a number of community activities including helping organize our local bank of which I have been a director since the bank opened. During the life of our business there have been many changes to adjust to. To begin with, almost all the visitors to Yellowstone Park came by train and the adventuresome travellers toured the park in stagecoaches. In 1917, the stagecoaches were replaced by open air, eleven passenger busses. By the mid-thirties, a significant number of park visitors were travelling in their own automobiles.

A few significant happenings for West Yellowstone are being listed:

1. The first airport at West Yellowstone opened in 1935 and airline service was available during the summer months.
2. Visitation dried up for the World War II years of 1942-1945.
3. Passenger service to West Yellowstone on the Union Pacific Railroad ended in 1961.
4. Jet airline service started with the opening of the Yellowstone Airport in 1965.
5. A bank was formed in West Yellowstone in 1966.
6. West Yellowstone was incorporated in 1966.
7. During the early 70s, interest in winter sports enabled most businesses to stay open in the winter.
8. A 29% drop in travel to Yellowstone Park occurred in 1978 because of the energy crisis.

As a member of the first city council of West Yellowstone, I became aware the usual source of revenue to finance the city government was inadequate to provide a reasonable level of services to both the residents of West Yellowstone and to the tourists who out-number the residents many times over

EAGLE'S STORE

WEST YELLOWSTONE
MONTANA 59758
PHONE (406) 646-9300

during the summer months. Over a period of time, I have visited with many businessmen from cities in Wyoming, Colorado, New Mexico and Arizona which have heavy tourist travel. These city governments are funded to a large extent from taxes paid by the visitors. The tourists coming to West Yellowstone are amazed we do not have a similar tax to finance services.

West Yellowstone has not proven to be a particularly profitable place to be in business. The great turnover in ownership of businesses points this out. Many of those persons who have stayed a long period of time are here for other than financial rewards. The 1978 drop in travel created a severe hardship for many West Yellowstone businessmen. Special provisions by the Small Business Administration has enabled re-financing for the persons in the greatest need. The energy situation will likely affect business activity in West Yellowstone something between a somewhat negative effect to a nearly disastrous proportion.

I was somewhat reluctant in becoming a member of the city planning board as it was apparent the inadequate city budget would prevent desirable projects to be implemented. Nevertheless, the planning board has put together a Master Plan which includes several badly needed objectives. Even the most critical problems will have to wait until there is a means of improving the financial condition of the city government.

Since I was a young boy I can remember the hat being passed to take care of greatly needed improvements in West Yellowstone. We are still passing the hat for such desirable projects. At this time, nobody around West Yellowstone has a big enough hat to cover such items as replacing \$100,000 road graders. I fully understand the feelings on the part of legislators who believe additional taxes should be imposed only with careful scrutiny. However, as time goes by, it is necessary to re-evaluate

EAGLE'S STORE

WEST YELLOWSTONE
MONTANA 59758
PHONE (406) 646-9300

what is reasonable and proper for the situation today and beyond. West Yellowstone faces a very critical budget situation. The obvious solution is enabling legislation to permit West Yellowstone to collect taxes from the visitors who receive services in the community. These services are geared to a proper level to accomodate the users of the various services. Such a tax does not cause a hardship for the people of Montana. It rightly enables the users of the provided services to in part pay for the services. We will appreciate your support of House Bill No. 109.

Very truly yours,

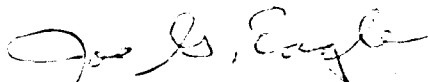

Joe G. Eagle

EXHIBIT "H"
TAXATION
4/1/81

TESTIMONY OF ALLEN WARREN
BEFORE THE HOUSE TAXATION COMMITTEE
IN SUPPORT OF H.B. 109

My name is Allen Warren and I manage the West Yellowstone Chamber of Commerce and Convention & Civic Center.

I don't know if any of you are familiar with our municipal Convention & Civic Center. The building was completed in 1907 by the Union Pacific as a dining hall. It's a lovely, rustic log and boulder structure that's now listed with the Montana Historical Preservation Office for inclusion in the National Historical Landmark Register. The building was given to the City of West Yellowstone in 1967 along with the terminal building (which is now a museum) and the old dormitory building. All three of these structures are important to Montana's history and the nation's because they mark the first real accessibility to Yellowstone National Park and are monuments to Western railroading.

Unfortunately, there are only two of them left. The old dormitory caught fire and burned to the ground this past July. We can't rebuild it because West Yellowstone was too poor to insure this invaluable property.

I stay awake at night worrying about Convention & Civic Center, because the maximum amount of insurance the town can afford on it is \$53,000 and it would cost well over a million to replace. We live in the shadow of disaster for this landmark every day - and this is just one example of how our financial problems affect us in West Yellowstone.

You've heard my neighbors talk about how the resort taxes permissible under this bill would benefit our community. However, the thought might be going through your mind - why should we worry about West Yellowstone? It's just one more tiny, little town, and many towns in Montana have problems.

Well let me tell you some things about our town you might not know:

- 1) Although we have only 200 families and take up less than one square mile of land, we collect over one per cent of all the out-of-state gasoline taxes annually in Montana. Yet because these tax dollars are proportioned back on a population basis, we get less than one thousandth of one percent of the dollars returned to municipalities for street improvements and maintenance.
- 2) The State of Montana makes a 93% or \$215,231 net profit on our gasoline taxes alone, 73% or \$24,377 net profit on liquor, and 85% or \$23,305 net profit on beer.

It would be hard to find a better individual profit center in the State than West Yellowstone, and that includes all the gas and oil and mineral and lumber and agricultural resources in Montana - because money earned in West Yellowstone takes absolutely nothing out of the state, while those others do. This is because virtually every penny of the money we collect comes from non-residents. Less than 3% of the visitors to Yellowstone Park each year are from Montana, and only a fraction of that two plus percent goes through our town. Therefore, almost all tax revenues are from out-of-staters who only use about ten miles of State Highway to get to or from Idaho into West Yellowstone. Use of that ten miles of highway earns the State \$300,000 because of West Yellowstone. And we get back only \$20,000. Many of you live in communities and drive on roads being subsidized

by the businesses of West Yellowstone.

Yet despite this major inequity, we're not here with our hands out asking for more money from the State.

And we're not here asking you to change the whole system just to accomodate West Yellowstone.

We're here to do what we've always done- take care of our own problems. All you gentlemen have to do is give us the enabling legislation we need.

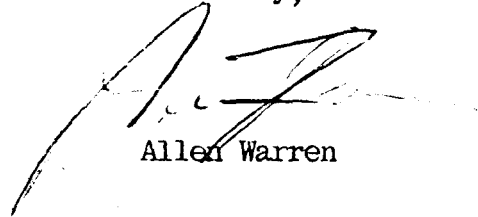
I've heard a lot of talk about this bill opening up a Pandora's Box for local sales taxes in Montana. That's pure bunk. This is a resort tax, and we invite you to put whatever definition you like on the word "resort". It will be extremely simple for you to restrict this to only a handful of towns in the State and then only the towns that really deserve it. These towns, such as West Yellowstone, are collecting a widely disproportionate amount of taxes for Montana for their size, but conversely are required to provide a widely disproportionate amount of municipal services. We are really like a town of 10 to 15,000, which would get back around \$200,000 on the present formula - yet we get back only \$20,000.

We realize that we're the exception not the rule in Montana. But we simply can't believe you're going to allow our town to go bottom up because of an inability to recognize that exceptions must be allowed to live too.

LADIES and

Gentlemen, the present system is squeezing the life out of us. Give us a chance. Give us this bill. And if not, give us an alternative. This particular bill will solve our problems without affecting the rest of the state. But even a motel bed tax alone would give us some relief. Despite the fact we're stuck way off in a corner of the state, we're Montanans too. We besiege you to recognize us.

Sincerely,

A handwritten signature in black ink, appearing to be 'A. Warren', written over the printed name.

Allen Warren

EXHIBIT 11
TAXATION
11/1/77

MY NAME IS RON DENT AND I AM THE MANAGER OF THE YELLOWSTONE AIRPORT, LOCATED NEAR WEST YELLOWSTONE. THE VIEWS CONTAINED HEREIN ARE MINE AND NOT THOSE OF THE MONTANA AERONAUTICS DIVISION OR ANY OTHER STATE AGENCY.

I HAVE BEEN A RESIDENT OF THE YELLOWSTONE PARK REGION FOR 8 YEARS AS A PARK RANGER, PARK CONCESSION EMPLOYEE, GEOLOGIST, AND INVOLVED IN THE MANAGEMENT OF TWO OF THE REGION'S AIRPORTS. I FEEL THAT THIS EXPERIENCE GIVES ME A GOOD OVERVIEW OF THE AREA'S TOURIST INDUSTRY AND ITS NEEDS.

WEST YELLOWSTONE IS AN IMPORTANT CORNERSTONE IN THE MONTANA TOURIST INDUSTRY. FOR MANY OF THE 1.5 MILLION TOURISTS WHO PASS THROUGH THE WEST PARK ENTRANCE EVERY YEAR, WEST YELLOWSTONE AND THE 10 MILES OF HIGHWAY FROM TARGHEE PASS FORMS THEIR ENTIRE IMPRESSION OF MONTANA. CAN ANY MONTANIAN LOOK CLOSELY AT WEST YELLOWSTONE AND AGREE THAT THIS SMALL SLICE IS REPRESENTATIVE OF OUR STATE?

THROUGHOUT THE BUSY SUMMER SEASON, I HEAR THE COMMENT "THAT PLACE IS A DUMP" REPEATED AD NAUSEAM. WILL A VISITOR WITH THAT DISMAL VIEW DESIRE TO SPEND A HARD-EARNED PORTION OF HIS VACATION AND A CHUNK OF HIS BUDGET IN SUCH A LOCATION? WHO SUFFERS? NOT ONLY WEST YELLOWSTONE, BUT THE ENTIRE STATE. THESE VISITORS CONTRIBUTED ALMOST \$300,000 IN TAXES FROM THE SALES OF LIQUOR, BEER, CIGARETTES, AND GASOLINE.

AT THIS TIME, THE TOWN'S INCOME FROM TAXES IS THAT OF A HAMLET OF 600 PEOPLE. ITS FISCAL NEEDS ARE THOSE OF A POPULATION OF 12,000 TO 15,000, THE POPULATION DURING ANY SUMMER'S NIGHT. ALTHOUGH THESE ARE TRANSIENT RESIDENTS, THEIR

NEEDS ARE THE SAME AS THOSE OF PERMANENT CITIZENS; FIRE AND POLICE PROTECTION, MEDICAL CARE, WATER & SEWER FACILITIES, MAINTAINED STREETS, AND THE CUSTOMARY MUNICIPAL SERVICES WITH THE EXCEPTION OF SCHOOLS. THE REVENUE AVAILABLE CANNOT COPE WITH THESE DEMANDS.

ALSO, FURTHER DEMANDS WILL BE PLACED UPON THESE LIMITED RESOURCES IF THE YELLOWSTONE NATIONAL PARK MASTER PLAN IS REALIZED. THIS PLAN CALLS FOR THE PHASING OUT OF MOST NON-ESSENTIAL SERVICES WITHIN PARK BOUNDARIES, FORCING THE GATEWAY COMMUNITIES TO TAKE UP THE EXTRA LOAD.

IF WEST YELLOWSTONE IS TO MEET THESE DEMANDS, AND BECOME ATTRACTIVE AS A DESTINATION OF ITSELF INSTEAD OF A "GAS & RUBBER HATCHET" STOP ON THE WAY TO BIGGER ATTRACTIONS, A WAY MUST BE FOUND TO INFUSE CAPITOL INTO THE TOWN'S OPERATING BUDGET TO MEET EXISTING AND FUTURE DEMANDS ON THE TOWN'S RESOURCES. I BELIEVE THAT BILL 109 CAN HELP ACHIEVE THESE GOALS.

AS A FORMER RESIDENT OF JACKSON, WYOMING, I HAVE SEEN THE EFFECT THAT USER-GENERATED FUNDS CAN HAVE ON A TOURIST ECONOMY. JACKSON PLAYS HOST TO OVER 3½ MILLION VISITORS A YEAR, BUT BECAUSE OF ADEQUATE FUNDING BY THE VISITORS, JACKSON HAS BEEN ABLE TO COPE WITH THE DEMANDS PLACED UPON THEIR FACILITIES AND GROW INTO ONE OF THE MAJOR REVENUE PRODUCING AREAS OF WYOMING.

I BELIEVE THAT WEST YELLOWSTONE CAN ACHIEVE EQUIVALENT SUCCESS, ON A MORE LIMITED SCALE, IF THERE ^{ARE} ~~XX~~ SUFFICIENT FUNDS AVAILABLE FOR MAINTENANCE AND CAPITOL IMPROVEMENTS. THE AREA IS RICH IN RECREATIONAL RESOURCES AND WEST YELLOWSTONE MUST HAVE A FINANCIAL INFUSION IN ORDER TO SERVE THE NEEDS

OF THE EVER-GROWING NUMBERS VISITING THIS REGION.

THE CITIZENS OF WEST YELLOWSTONE ARE NOT SEEKING A GOVERNMENT HANDOUT, NOR ARE THEY SEEKING TO FURTHER BURDEN THE MONTANA TAXPAYER. THEY ONLY WISH TO CHARGE THE USER FOR SERVICES PROVIDED. IF THIS IS ACHIEVED, THROUGH PASSAGE OF BILL 109, THE ENTIRE STATE WILL BENEFIT. THE COMMUNITY WILL BECOME MORE ATTRACTIVE TO TOURISTS, CREATING A DESIRE TO LENGTHEN THEIR STAY OR TO RETURN FOR FUTURE VISITS. THE INCREASED VISITATION WILL GENERATE MORE STATE TAX REVENUE, AND VISITORS, BOTH AMERICAN AND FOREIGN, WILL HAVE A BETTER IMPRESSION OF OUR STATE.

WITH THESE THOUGHTS IN MIND, I RESPECTFULLY URGE YOU TO FAVORABLY CONSIDER THIS BILL.

NAME Phil STROPE BILL No. HB 109
ADDRESS HELENA DATE 1-19-81
WHOM DO YOU REPRESENT MONT INNKEEPERS ASS
SUPPORT _____ OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

HB 109 IS A SALES TAX
HB 109 IN 1981 IS HB 122
OF 1977 AND SB 13-25
OF 1979 REVISITED - IT
WILL FRAGMENT THE POWER
TO CREATE TAXES. TODAY
THE LEGISLATURE CREATES
TAXES, LOCAL GOVT COLLECT
TAXES. HB 109 WOULD
ALLOW LOCAL GOVT TO
CREATE TAXES.

Phil Strobe

NAME Donald L. Larson Bill No. 113 & others
ADDRESS Boulder Nxt DATE 9-15-81
WHOM DO YOU REPRESENT Aspen's Assoc.
SUPPORT _____ OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME DAVILL E. SCHAFER Bill No. 86-113-119

ADDRESS DEER LODGE DATE 1/15/91

WHOM DO YOU REPRESENT DEPT. OF JUSTICE

SUPPORT _____ OPPOSE _____ AMEND NEUTRAL

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

FOR INFO ONLY
TO ANSWER QUESTIONS

STANDING COMMITTEE REPORT

January 22, 1951

SPEAKER:

MR.

TAXATION

We, your committee on

having had under consideration House Bill No. 109

A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW A DEFINED RESORT COMMUNITY TO ESTABLISH A RESORT TAX AFTER A VOTE OF ITS ELECTORS; ESTABLISHING CATEGORIES OF GOODS AND SERVICES EXEMPT FROM THE TAX; PROVIDING RESORT COMMUNITY PROPERTY TAX RELIEF; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Respectfully report as follows: That House Bill No. 109

DO NOT PASS

~~DO PASS~~