

MINUTES OF THE MEETING OF THE FISH AND GAME COMMITTEE
January 27, 1981

The meeting was called to order at 12:35 p.m. by Chairman Ellison. All committee members were present.

This meeting was held at the Department of Fish, Wildlife, and Parks (F, W, & P) Building.

HOUSE BILL 406 (Copy Attached)

Representative Curtiss, sponsor of HB 406, read a prepared statement to the committee (EXHIBIT 1).

There were seven proponents and two opponents of HB 406 who testified.

John Staigmilller, representing farmers and ranchers, told the committee he supports Representative Curtiss' theory on HB 406. He told the committee he has tried to get similar bills passed before.

Bill Asher told the committee he represents the following associations and they all support HB 406:

Agricultural Preservation Association
Park County Legislative Association
Sweetgrass Preservation Association
Stillwater County Agricultural Legislative Association

Chuck Rein, a rancher from Big Timber, testified on behalf of Lorents Grosfield and read his statement to the committee (EXHIBIT 2).

John Green, a rancher from Sweetgrass County, testified in support of HB 406. He read a letter from a land agent (EXHIBIT 3). Mr. Green feels it is necessary to bring the tax levying situation under control. This type of acreage removal from tax situations puts a further burden on other taxpayers.

Franklin Grosfield testified in support of HB 406 and read his statement to the committee (EXHIBIT 4).

Gary Langley, representing the Western Environment Trade Association, testified in support of HB 406.

Mons Tiegan, representing the Montana Stockgrowers Association, the Montana Woolgrowers Association and the Montana Cowbells, said the organizations support the concept of HB 406. He said their concern is the game ranges that have been acquired, removing

from the tax base of the counties the taxation on the livestock, equipment, buildings, etc. He said this is a session for equity and the livestock people are trying to obtain equity. He feels all taxpayers should be treated the same.

Opponents then testified against HB 406.

Jim Flynn, Director of the Department of Fish, Wildlife, and Parks, read a prepared statement to the committee (EXHIBIT 5).

Wilbur Rehmann, Executive Director of the Montana Wildlife Federation, spoke in opposition to HB 406. He said he hates to see tendencies to attack the F, W & P for policies which are requested and in most cases followed through by the sportsmen of Montana. The fees which will go to pay for these taxes will come from the sportsmen of the state. It is his contention if there is an inequity as reduction of taxation on livestock occurs, the amount of taxes to be paid by both F, W, & P and the livestock operators will reach an equitable solution.

Representative Daily said if this bill passes, someone will have to pay taxes. He asked Representative Curtiss if she is suggesting raising license fees or taking the money from the general fund. Representative Curtiss said she was not suggesting either of those alternatives. She said the F, W, & P can utilize some of their money to acquire more land and she thinks they should use that acquisition money to better administer the land they now have.

Representative Daily asked if this bill was drafted with the intention of stopping land acquisition or to make land acquisition fair and equitable. Representative Curtiss said the intention was to make acquisition fair and equitable.

Representative Robbins asked who sets the amount of taxes on F, W, & P lands. Ron Holliday, Administrator of the Parks Division, F, W, & P, said the county assessor sets the amount of tax.

Representative Nilson told Representative Curtiss that a group of private citizens made improvements at the Giant Springs Park in Great Falls. He asked if this bill passed, would those improvements be taxed. Representative Curtiss said yes.

Representative Manuel asked if this bill had to have a fiscal note and if so, how much. Mr. Flynn said the bill does have a fiscal note and the increases would be \$169,235 for FY'82 and \$170,863 for FY'83. He said those increases were based on the following assumptions:

1. Value of improvements on wildlife management areas is not available but is assumed to exceed \$1,000,000 which was used as a minimum figure.
2. Value of improvements on all park and recreation areas is not available but is assumed to exceed \$2,000,000 which was used as a minimum figure.
3. All improvements on Class IV property will be 8.55% taxable value.
4. An average levy of 250 mills is assumed.
5. Effect of change to "fair market value" appraisal of lands is indeterminable but has potential park expenditure increase.
6. It is assumed that Park and Fish-Wildlife parks will be responsible for inventory valuation of those improvements.
7. Personal services based on 11.8% established overhead rate.
8. 10% escalation of improvement values by 1983.

Representative Phillips asked where F, W, & P would get the money if this bill passes. Mr. Flynn said he would propose this committee appropriate it out of the general fund. It is not an item covered in the present F, W, & P budget being proposed.

Representative Daily asked how much money F, W, & P receives for park acquisition each year. Mr. Holliday said F, W, & P has two sources of acquisition money. One source is from fishing access acquisition which amounts to about \$1,300,000 per biennium and the second source is from the coal taxes set aside for acquisition of parks and management of those parks which amounts to \$1,000,000 for this biennium.

Representative Curtiss said she would like to know who is determining what the assessment is on F, W, & P lands.

Chairman Ellison asked Mr. Holliday to provide how many acres are owned by F, W, & P in Sweetgrass County.

Representative Curtiss gave examples of the amount of land owned by F, W, & P and the amount of taxes paid on that land per county.

Representative Curtiss told the committee she would like to amend HB 406 on page 1, line 5. Between "on" and "real" she would like to insert "lands".

The hearing on HB 406 was closed.

HOUSE BILL 323

Representative Herb Huennekens, sponsor of HB 323, told the committee he is representing his constituents by introducing this bill.

He said Montana has about 80,000 resident licenses sold each year. Approximately 12,000 elk are killed each year. There are presently 17,000 out-of-state licenses sold each year. He said Montana is allowing 50% more out-of-state hunters to hunt than the number of elk killed each year.

He said 6,000-8,000 out-of-state licenses are sold in Wyoming each year and about 9,000 out-of-state licenses are sold in Idaho each year.

Representative Huennekens said he was sure there would be a rebuttal to this bill from the Guide and Outfitters Association but he said they do not need 17,000 out-of-state licenses because they do not fill that amount with game killed.

Chairman Ellison asked for testimony from proponents of HB 323. There were no proponents present.

Chairman Ellison then asked for testimony from opponents of HB 323.

Jim Flynn read a prepared statement to the committee (EXHIBIT 6).

Chairman Ellison asked if the \$1,575,000 loss of revenue is per year. Mr. Flynn told him that was correct.

Tag Rittel, representing Montana Outfitters and Guides Association, testified in opposition to HB 323. He said very little thought or research has been put into this bill. He read a prepared statement to the committee (EXHIBIT 7).

Ralph Holman, an opponent of HB 323, read a statement to the committee (EXHIBIT 8).

Jack Wemple, President of Montana Outfitters and Guides Association, said he was testifying on behalf of himself. He read his testimony to the committee (EXHIBIT 9).

Duane Neil read his testimony to the committee (EXHIBIT 10).

Everett Miller told the committee there will be a loss of \$200,000 in Granite County if this bill is passed. He said one-third of the out-of-state hunters bring their families to Montana. He said there will be a loss of potential new businesses. Hunters come to Montana, fall in love with the country and buy property or start up new businesses. He said if the number of out-of-state licenses are cut, there will be a loss of established businesses and jobs.

Jack Atcheson, speaking for himself as a businessman, said there is a "too many" situation. Too many of everything for everybody. He asked if the number of licenses was cut to 10,000, who would gain? He would have to lay off four employees to compensate for the lack of income from the out-of-state hunters. He also added gas stations, motels, restaurants, etc., would lose income from the reduction of out-of-state hunters.

Wilbur Rehmann said there is not one sportsmens' club affiliated with the Montana Wildlife Federation which supports this bill.

Jack Schillheim, a Helena outfitter, is opposed to HB 323 because his livelihood would be adversely affected.

Sandra McEwen also spoke in opposition to HB 323.

Smoke Elser, representing Western Montana Fish and Game Association, opposes HB 323 because the resident hunters feel they cannot afford to make up the deficit from out-of-state hunters not coming to this state.

R. P. Meyers, a rancher and outfitter, also opposes HB 323.

Representative Huennekens said he doesn't think the question has been that the dude and outfitter business is not an important one to the state. The question is how much would that business be affected.

Representative Daily said it had been earlier stated that non-resident hunters provide 68% of the budget for F, W, & P. He asked if that was a correct figure.

Larry Putnam, F, W, & P, said about 19% of the total revenue comes from nonresident licenses.

Representative Daily said he thinks the out-of-state hunters issue is the most common complaint heard from Montana hunters and he appreciated all the testimony given today.

The hearing was closed on HB 323.

Orval S. Ellison
ORVAL ELLISON, Chairman

vm1

HOUSE BILL NO. 406

INTRODUCED BY

Curtiss

1 to the director, who shall approve it and transmit it to the
 2 state auditor. The state auditor shall draw a warrant
 3 payable to the county in the amount shown on the voucher and
 4 shall send the warrant to the county treasurer. The warrant
 5 is payable out of any funds to the credit of the department
 6 of fish, wildlife, and parks. ~~No voucher or payment may be~~
 7 ~~made to a county in which the department owns less than 100~~
 8 ~~acres. No voucher or payment may be made to a county for~~
 9 ~~lands owned by the department and used exclusively for game~~
 10 ~~bird farms or fish hatcheries or administrative purposes or~~
 11 ~~lands administered with money from the general fund.~~

-End-

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 87-1-603, MCA, is amended to read:

11 "87-1-603. Payments to counties for department-owned
 12 land and ~~improvements~~ -- exceptions. The director shall
 13 before October 15 of each year send a voucher to the
 14 treasurer of each county in which the department owns any
 15 lands. The voucher shall describe the lands and state the
 16 number of acres in each parcel and ~~shall further describe~~
 17 ~~all improvements including, but not limited to, roads,~~
 18 ~~fences, buildings, and facilities.~~ The voucher shall
 19 authorize the drawing of a warrant to the county in a sum
 20 equal to the amount of taxes which would be payable on
 21 county assessment of the property were it taxable to a
 22 private citizen. ~~Lands leased personally for agricultural~~
 23 ~~purposes shall be appraised as agricultural lands and all~~
 24 ~~other land shall be appraised at fair market value.~~ A county
 25 treasurer receiving a voucher shall execute it and return it

-2- INTRODUCED BILL

HB 406

*The Big Sky Country*

MONTANA STATE HOUSE OF REPRESENTATIVES

REP. AUBYN A. CURTISS
HOUSE DISTRICT NO. 20
BOX 102
FORTUNE, MONTANA 59918

HOUSE BILL 406

COMMITTEES:
FISH & GAME
JUDICIARY
NATURAL RESOURCES

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE,

FOR THE RECORD, I AM AUBYN CURTISS, DISTRICT 20, LINCOLN AND FLATHEAD COUNTIES. MR. CHAIRMAN, THERE ARE MANY PERSONS AROUND THE STATE WHO VIEW LAND ACQUISITION POLICIES OF THE FISH, WILDLIFE AND PARKS WITH ALARM. THEY PERCEIVE THE STEADY ACQUISITION OF PRIVATE LAND AS AN EROSION OF THE TAX BASE IN THE STATE. AFTER ALLEGATIONS MADE BY THOSE OPPOSING HOUSE BILL 251 ON SATURDAY, I FEEL IT ESSENTIAL TO STATE IN OPENING THAT I HAVE NOTHING AGAINST THE PEOPLE IN FISH AND GAME. SOME OF THEIR REPRESENTATIVES ARE MY GOOD FRIENDS. HOWEVER, I AM HERE TODAY TO REPRESENT ANOTHER FINE GROUP OF PEOPLE WHOM WE MAY EXPECT TO SEE ON THE ENDANGERED SPECIES LIST IF PRESENT TRENDS CONTINUE. MY REASONS FOR SUBMITTING THIS BILL ARE SIMPLE:

- (1) CONTINUAL STATE ACQUISITION OF PRIVATE LANDS IS AN EROSION OF COUNTIES TAX BASE, AND REMAINING TAXPAYERS ARE GOING TO HAVE TO MAKE UP THE DIFFERENCE.
- (2) THE DEPARTMENT SAYS THAT THEY ARE ALREADY PICKING UP THEIR FAIR SHARE WHEN MAKING THEIR "IN LIEU OF TAX PAYMENTS". MANY DO NOT AGREE!
- (3) ONE REASON IS THAT THE DEPARTMENT IS NOT REQUIRED TO MAKE IN LIEU OF TAX PAYMENTS TO COUNTIES ON LANDS TOTALING LESS THAN 100 ACRES, LANDS USED AS FISH HATCHERIES OR BIRD FARMS, OR FOR LANDS ADMINISTERED FROM THE GENERAL FUND.
- (4) SINCE MUCH OF THE LAND OWNED BY FISH & GAME IS RECREATIONAL AND ALONG WATERWAYS, OTHER LANDS IN PRIVATE OWNERSHIP WOULD BE PLACED IN A RECREATIONAL CLASSIFICATION WHICH WOULD BE ASSESSED AT A MUCH HIGHER EVALUATION THAN THE DEPARTMENT PAYS-- ALMOST ALL OF THEIR LANDS ARE CLASSIFIED AS AGRICULTURAL. WHEN THE EQUALIZATION PROGRAM GOT UNDER WAY IN OUR COUNTY, SOME OF OUR LAKESHORE PROPERTY INCREASED BY AS MUCH AS 400% IN VALUE. THE DEPARTMENT HAS NO SUCH LIABILITY.
- (5) SINCE MANY BUILDINGS ARE MOVED OR DESTROYED WHEN LAND IS ACQUIRED FOR GAME RANGE, ETC. EVALUATIONS NO LONGER REFLECT IMPROVEMENTS ---OR MORE IMPORTANTLY, THE CATTLE, LIVESTOCK AND MACHINERY INVENTORIES ONCE ASSESSED ON THAT SAME LAND.
- (6) PERSONS ARE CONCERNED THAT LARGE PRICES PAID FOR MARGINAL PIECES OF LAND ADJACENT TO THEIR PROPERTY WILL DRIVE THEIR OWN LAND VALUES AND TAXES UP.

MR. CHAIRMAN, COMMITTEE MEMBERS, IT SEEMS NO MORE THAN RIGHT THAT AN AGENCY CAPABLE OF REMOVING MORE AND MORE LAND FROM THE TAX BASE SHOULD BE ASSESSED THE SAME AS THE INDIVIDUALS WHO HELP PAY THE MAINTENANCE COSTS . THIS WOULD AFFORD SOME RELIEF AT THE COUNTY LEVEL.

I HAVE HERE SOME TAX RECEIPTS FROM VARIOUS COUNTIES WHICH YOU MAY FIND OF INTEREST.

I APOLOGIZE FOR NOT HAVING MORE COMPLETE INFORMATION, BUT IT HAS BEEN VERY DIFFICULT TO COMPILE IN THE SHORT TIME I HAVE BEEN GIVEN TO PRESENT THIS BILL. I STILL HAVE NOT HEARD FROM SEVERAL OF THE COUNTIES FROM WHICH WE REQUESTED INFORMATION.

I BELIEVE IT IS RATHER DIFFICULT FOR YOU ON THE COMMITTEE ALSO TO GET CORRECT INFORMATION WITH WHICH TO COMPARE. AS YOU WILL NOTE, THE COVER ON YOUR MANUAL IS DATED 1980, BUT THE LARGE TABLES IN THE BACK OF THE BOOK USE 1976 FIGURES AND STATISTICS, WHICH THE DEPARTMENT ALLUDES TO AS "UNCONFIRMED".

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, I ASK ONLY THAT YOU GIVE H.B. 406 YOUR THOUGHTFUL CONSIDERATION AND A "DO PASS".

THANK YOU VERY MUCH!

TESTIMONY ON HOUSE BILL #406

by: Lorents Grosfield, Big Timber, Montana, rancher.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

The last line in the old law, line 11, page 2, says that no payment in lieu of taxes may be made for "lands administered with money from the general fund." According to the Montana Executive Budget for the 1982-83 biennium, on page 208, the actual fiscal year 1980 general fund money available to the Department of Fish, Wildlife, and Parks was \$515,515. Looking further in the budget on page 215, we come to the parks program which is responsible for administering park and recreational lands; the actual fiscal year 1980 expenditure for this purpose was \$515,515. --the exact same figure. On the one hand then we have general fund moneys in their entirety spent on administering parks, and on the other hand we have the net result that no in lieu of tax payments are due on any parks so administered. I'd call that taking full advantage of a loophole.

Even more important than this loophole which provides for no taxes on many Department lands, are the inequities resulting in most cases where the Department does pay taxes. Since the Department pays taxes only on the land, taxes on the cattle, machinery, and improvements are lost and have to be made up by neighbors in the county. For example, only 25% of our total taxes on our ranch are land taxes--- the rest are taxes on cattle, machinery, and improvements; if the Department were to own our ranch, this would mean that 75% of our present tax bill would have to be made up by other ranchers in the county.

The amounts of taxes lost are substantial. My county assessor gave me a signed statement, enclosed, which says that the average taxes paid in Sweet Grass County last year per acre by the Department was 43¢ an acre, while the average taxes paid on our ranch was \$1.15, about three times the Department's average. It should be noted that much of our ranch is classed in the lowest tax categories of grazing lands and we have no river frontage or prime irrigated land; thus, though our lands are poorer lands than many of the Department's lands, we're still paying three times the taxes. According to our county assessor, many ranches along the Yellowstone River are paying over \$4.00 an acre in taxes--- this is ten times the Department of Fish, Wildlife, and Parks average. Remember that one of the reasons that those taxes ranchers are paying are so high is because they're having to make up the taxes the Department is not paying.

A booklet available from the Department called "Lands Controlled by the Montana Department of Fish, Wildlife, and Parks, July, 1980" states that the Department owns 213,516 acres, and leases another 102,715 acres for a total of 316,231 acres. Of these the total owned acres used for parks and recreation areas, excluding game bird farms, fish hatcheries, and administrative sites, is 213,014 acres, with a total purchase price of \$16,467,170. The total in lieu of tax payments for 1980 by the Department was \$97,482.

<u>\$97,482</u>	=46¢ an acre, the average in lieu of tax payment
213,014 acres	for the state

That's pretty close to the Sweet Grass County average mentioned above of 43¢.

For property tax purposes, Class 3 land is agricultural land and is taxed at 30% of its productive capacity; class 4 land includes most other land and also improvements, and is taxed at 8.55% of its fair market value. If the total purchase price of the Department lands were substituted for the fair market value for tax purposes, and an average figure of say 210 mills were used, the total tax would be \$295,668, or about triple what the Department is now paying. Actually, their taxes under HB406 would, and should, be higher than this; remember that our taxes on our ranch are nearly triple what the Department pays on its local lands, but our land is far inferior to the kinds of river bottom lands that the Department owns. By taxing those lands at fair market value as HB 406 would require, the river bottom lands would of course be taxed higher in proportion to their higher fair market value.

In my opinion then, the Department of Fish, Wildlife, and Parks should pay taxes on lands they purchase just like any other individual who purchases land has to. If the Department changes the use of purchased land from agricultural to recreational, this should be reflected in their taxes as it would be for any other purchaser. Recreational lands should not be appraised as agricultural, but should be appraised at fair market value as required under Montana tax law. HB 406 is needed to clarify this as regards Department lands, and I therefore urge your support of this bill.

Thankyou,

Lorents G. G. G. G.

STATE OF MONTANA



DEPARTMENT OF

FISH AND GAME

Helena, Montana 59601
November 14, 1980

Sweet Grass County Assessor
Sweet Grass County Courthouse
Big Timber, Montana 59011

Dear County Assessor:

Attached is a copy of a 1980 tax notice for Department of Fish, Wildlife & Parks property. This property is the Greycliff Dog Town State Monument, administered with money from the general fund. No payments in lieu of taxes are made on properties administered with general fund monies.

Please remove the property from further tax/assessment. Your cooperation will be greatly appreciated and if you have any questions, please feel free to contact me at our Helena office (phone number 449-3070).

Sincerely,

Donald J. Malisani
Land Agent

DJM/b

enc.

NOV 17 1980

Testimony on HB 406

My name is Franklin Grosfield and I'm a rancher from Sweet Grass County. My only source of income is the land and the livestock that I can produce on it.

I am here in support of HB 406 because I think it's a step in the right direction in correcting an unfair and inequitable situation.

The Department of Fish, Wildlife and Parks is one of the bigger land owners in this state, and they're growing bigger because they have access to public money to buy more land. This in itself works a hardship on agricultural producers like myself who don't happen to have a handy source of outside revenue like the coal tax and federal matching funds to buy land.

But that's not the bad news. The bad news is that the Department of Fish, Wildlife and Parks, having purchased land, and in the process of having driven land values up way beyond the reach of legitimate farmers and ranchers, then turns around and pays to the county an in-lieu-of-tax payment that is substantially lower than a farmer or rancher would pay on that same land.

In my view, there are a couple of things wrong with this. First, it takes a certain number of dollars to provide county services in any county. The source of these dollars is primarily the property tax. Now, if any property owner pays less on his property, then, obviously, to raise the same number of dollars, the other property owners have to pay more. So if FW&P pays less, I have to pay more.

The second thing wrong with the present set-up is that FW&P lands tend to require more dollars from the county for services, law enforcement, road maintenance, and weed control among others. I can testify to this from some personal experience and observation of the Grey Bear Fishing Access Site which is across the Yellowstone River from my ranch. From the standpoint of my family's safety and peace of mind, I'm thankful it's at least that far away.

Because included in the clientele of this campground are a certain number who require the attention of our county sheriff who patrols the site rather frequently in response to various and sundry complaints including family disturbances, stolen cars, illicit drugs, vandalism, missing persons, etc.

The access road is a county road, maintained with money from the county road fund.

Among the noxious weeds that are allowed to grow and produce seed at

this site are leafy spurge, knapweed, white top and hemlock. So the county weed crew and surrounding landowners are always assured of a plentiful supply of noxious weeds, which they are required by state law to control.

In conclusion, I ask your support of this bill, because I think it's time FW&P starts to accept its responsibilities as a landowner.

SWEET GRASS COUNTY- 1980

LAND DESCRIPTION
(SECTION/TOWNSHIP/
RANGE)

DEPARTMENT OF FISH
WILDLIFE AND PARKS
PAYMENTS IN LIEU
OF TAXES, PER ACRE

RANCHER TAXES
ON ADJACENT
COMPARABLE
LAND, PER ACRE

34 T1N, R14E	\$.37	\$4.61
28 T1S, R17E	1.32	4.14
7,8,9,16 T1S, R16E	.16	2.17
35 T1N, R13E	.64	1.18
7,8 T1S, R16E	.22	2.41
15 T2S, R13E	.61	1.44

1/27/81

January 27, 1981

PRESENTED BY: James W. Flynn, Director
Dept. Fish, Wildlife, & Parks

HB 406

Mr. Chairman, members of the committee, my name is Jim Flynn. I appear today on behalf of the Montana Department of Fish, Wildlife, & Parks, and I speak in opposition to HB 406.

The department presently pays to several counties an amount equal to the property tax for basically its wildlife habitat, fishing access and its administrative site lands. Exempted are payments to counties where our entire holdings are less than 100 acres and sites which are used for game bird farms or fish hatcheries. Also exempted are lands "administered with money from the general fund" which have traditionally been interpreted to mean all state park system lands except fishing access sites.

This bill would add the taxation of all of the state park system sites and remove the 100 acre exemption. (It would, however, exempt presently taxed administrative sites.)

Adding lands to the tax roles is not the most significant impact of this bill, however. Two other provisions will be far costlier. They are: (1) taxing all improvements "including but not limited to roads, fences, buildings, and facilities" (2) the lands will be appraised at "fair market value."

HB 406 raises significant, presently unanswerable, questions which make it impossible to accurately assess its impact upon the department. Also, the bill would impose taxation at rates and for items which are unprecedented. Specifically, the questions raised are:

1. What is the fair market value tax for our land and how does it compare with the rates we are now paying? For example, if all of our holdings on Flathead Lake were valued as homesites (and most could be) and we were taxed at the fair market value of up to \$1,000/front foot, which is not beyond reason,

the bill for Flathead and Lake counties alone would be staggering. Are private citizens around Flathead Lake being taxed on a basis of fair market value? Should they be? If not, should the department be? By implication, they should be under terms of payment on "the property were it taxable to a private citizen." Extending this logic throughout the state, every site which is near water but not on the floodplain (and not being leased for agricultural purposes) could be similarly taxed as very desirable homesites.

2. How does one determine the value of improvements, such as roads, fences, parking lots, landscaping, water systems, boat ramps, latrines, interpretative signs, exhibits, etc. Private persons have not been taxed for these improvements before. No one but the department would be if this bill is passed. The impact on the Dept. of Revenue is unknown.

The determination of value for an archeological site and historic building or buffalo jump is presently uncalculated. Should the department be taxed, will private citizens who possess such features on their lands pay taxes on them?

3. Another category for which questions are raised are how will lands administered by the department for other governmental entities be handled, i.e. Dept. of State Lands, DNR&C, Dept. of Highways, U.S. Corps of Engineers, U.S. Water & Power Resources Service? The reverse situation, land administered by others but owned by us, i.e. Hamilton Rifle Range, Lake Josephine at Billings, also needs to be addressed as does leased lands and improvements upon leased lands.
4. In the case of park system sites, the existing exemption derives from the source of acquisition, operation, and maintenance monies -

the general fund. This proposal does not provide for an appropriation however, should it pass, a good share of this additional tax burden will have to be paid from the general fund.

Finally, there is an additional financial burden proposed by the bill. It requires that the director each year send to each county a detailed listing of all its lands and its improvements. This will be a significant undertaking, especially the first year when the data base would have to be compiled for the initial list of "improvements." The department expects at least one FTE will be required and approximately \$14,000 personal services funding the first year to implement this activity. Other related questions are how does one define a water system, i.e. number of taps, running feet of line. Is a "parking barrier post" an improvement? If so, is a "barrier rock"? What's the difference between a dirt trail, a graded road, a pit run gravel road, crushed gravel road and a paved road? Is a swimming area an improvement or just the buoys? They are removed each year, so should they be considered at all? What's the difference between a steel stove, a fire pit with a mortared rock perimeter and a hole in the ground lined with rocks? Is a ditch that we don't use an improvement? What's the difference between a new fence and one that is 20 years old, a post fence as opposed to a jack leg fence? Would signs be taxed at the same rate billboards are taxed?

A review of the fiscal note accompanying this bill shows the large number of assumptions that must be made in any comment on the bill's effect. The necessity for such large number of assumptions, together with the effect on general fund appropriations and the unanswered questions are sufficient reasons to defeat this proposal.

NAME Bill Ashok BILL No. HB 416
ADDRESS MANHATTAN MT. DATE 1-17-81
WHOM DO YOU REPRESENT SEE BELOW
SUPPORT ✓ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

AGRICULTURAL PRESERVATION ASSOCIATION
PARK COUNTY LEGISLATIVE ASSOCIATION
SWEETENED PRESERVATION ASSOCIATION
STILLWATER COUNTY AGRICULTURAL LEGISLATIVE ASSOCIATION

NAME G. P. Meyer Jr BILL No. 406
ADDRESS Bayview Mont DATE 1-27-81
WHOM DO YOU REPRESENT Self
SUPPORT X OPPOSE ~~X~~ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME Mons Teigen House BILL No. 406
ADDRESS Aelena DATE 1/27/81
WHOM DO YOU REPRESENT Manh Stockgrowers - Cowbells - Wadgrowers
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME John A. Green BILL No. 406 H.B.
ADDRESS Box 266, Melville, NH DATE 1-28-81
WHOM DO YOU REPRESENT Sweet Grass Co.
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME

Jack M. Rice

BILL No.

426 48

ADDRESS

Big Lake

DATE

1-17-81

WHOM DO YOU REPRESENT

Sweet Cedar Pioneers Assoc.

SUPPORT

X

OPPOSE

AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Sweetgrass Preservation Act

NAME Franklin Grosfield BILL No. 406
ADDRESS Big Timber DATE Aug 27
WHOM DO YOU REPRESENT _____
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME

Gary Langley

BILL No.

406

ADDRESS

Helena

DATE

WHOM DO YOU REPRESENT

WETA

SUPPORT

☒

OPPOSE

AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Passage of this bill would
help make up for the loss
of property taxes when the
Fish & Game Dept. purchases
land.

1 HOUSE BILL NO. 323
2 INTRODUCED BY House Rep. Thompson
3 Carlson

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO FURTHER LIMIT THE
5 NUMBER OF NONRESIDENT BIG GAME COMBINATION LICENSES SOLD IN
6 A LICENSE YEAR; AMENDING SECTION 87-2-505, MCA."

7

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Section 87-2-505, MCA, is amended to read:

10 "87-2-505. Class B-10--nonresident big game
11 combination license. Except as otherwise provided in this
12 chapter, a person not a resident, as defined in 87-2-102,
13 but who will be 12 years of age or older prior to September
14 15 of the season for which the license is issued may, upon
15 payment of the fee of \$225 and subject to the limitations
16 prescribed by law and department regulation, apply to the
17 fish and game office, Helena, Montana, to purchase a B-10
18 nonresident big game combination license which shall entitle
19 the holder to all the privileges of Class B, Class B-1,
20 Class 3-7, and black bear licenses, and an elk tag. This
21 license includes the nonresident conservation license as
22 prescribed in 87-2-202. Not more than ~~17,000~~ 10,000 Class
23 B-10 licenses may be sold in any one license year."

-End-

INTRODUCED BILL

HB 323

STATE OF MONTANA

REQUEST NO. 169-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 21, 19 81, there is hereby submitted a Fiscal Note for HB 323 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to further limit the number of nonresident big game combination licenses sold in a license year.

ASSUMPTIONS:

Current price of the nonresident big game license is \$225. This price may increase to \$300 (May 1, 1982) and \$325 (May 1, 1983) if the fees contained in HB 200 are adopted by the Legislature.

FISCAL IMPACT:

Loss of revenue to Department of Fish, Wildlife, and Parks:

Current Law: \$1,575,000, if fees are not raised.
Proposed Law HB 200: \$2,100,000, FY 83, if fees are raised.
\$2,275,000, FY 84, if fees are raised.

Based on a 1975 study by the Montana Outfitter and Guides Association, it is estimated that each nonresident hunter spent \$1,004.74 (not including licenses) while in Montana. This figure has not been adjusted for inflation.

Direct loss to the economy of the state of Montana is estimated at \$7,033,180 (7,000 hunters times average expenditures while in Montana of \$1,004.74). Using a multiplier effect of 1.84 (used by the Department of Highways for tourism) total economic loss to the State of Montana is estimated at \$12,941,051.

Daniel M. Lewis

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-26-81

PRESENTED BY: James W. Flynn, Director
Dept. Fish, Wildlife, & Parks

January 27, 1981

HB 323

Mr. Chairman, members of the committee, my name is Jim Flynn, I appear today on behalf of the Montana Department of Fish, Wildlife, & Parks, and I speak in opposition to HB 323.

This proposal has a greater economic impact than reducing license revenues for the department. During the past hunting season, an estimated 14,000 nonresidents hunted elk in Montana. These hunters spent approximately 104,000 hunter days in this state for an average 7.5 days per hunter. Assuming each nonresident hunter spends a day getting ready to hunt and a day after each hunt, each hunter spent 9.5 days in Montana. At a conservative estimate of \$100/day, that is \$13,000,000 spread over the entire state. A letter from a non-resident hunter who stayed with friends during his one-week hunt states that he spent over \$900, excluding his license, this past November.

The revenue produced by this license provides a significant portion of the revenue utilized by the department. In 1980, it provided approximately 19% of the total revenue. The department has been asked to prepare and has prepared a worksheet upon which a fiscal note is based for this legislation. It is anticipated that based on current law, if HB 323 were enacted, \$1,575,000 less income will be available to the department. The effect of such loss in income is uncalculated but it will cause a dramatic reduction in services of all types currently provided by the department.

A method to offset this effect could be the need to increase all other licenses in order to match the income lost by HB 323. This increase

could result in significant increases across the board for resident licenses such as the conservation license, the fishing license, adult bird license, elk license, deer license, and archery license. In each of these instances, one method of making up this lost revenue would be the addition of at least \$3 more per license. There is also the possibility of increasing the cost of nonresident licenses to cover the revenue lost by the reduction of the limit on the big game combination license. This alternative should be approached with caution. While it is true the state of Montana has successfully defended the differential between resident and nonresident licenses up to and through a U.S. Supreme Court test, it must be recognized that there is a limit to the size of the cost ratio between residents and nonresidents. Increasing that ratio quickly approaches the point where such differentials will be declared improper or unconstitutional.

As my previous testimony points out, the issue in HB 323 is not the wildlife - elk - resource. Reduction of the numbers is not necessary to preserve elk numbers. There is no guarantee that this reduction insures more elk for Montana residents. Of the approximately 12,200 elk taken each year, 9,900 are taken by residents. The remainder, approximately 2,300, are taken by nonresidents.

Montana Outfitters and Guides
Wolf Creek, Montana
January 27, 1981

Fish and Game Committee

Mr. Chairman and Committee Members,

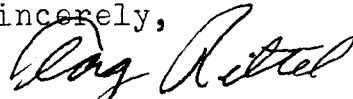
House Bill 323 to reduce the numbers of non-resident hunting license has come at a very bad time, when the Department of Fish and Game is in a very tight financial squeeze because of inflation.

The 7,000 big game license this bill would cut would reduce the money for the department by over one and a half million dollars just in license money alone.

It would also make a crush on many of us Montanan*s who depend on non-residents who spend millions of dollars yearly on recreation in Montana. Many of us would be completely put out of business. We don*t feel Montana can stand a drastic cut like the ~~elimination~~ elimination of 7,000 big game license.

We also feel very little thought or research has gone into this bill. It is evident this is a very bad bill and we ask that you waste very little of your time on bad legislation of this kind and kill it.

Sincerely,



Tag Rittel Legislative Chairman
Montana Outfitter and Guides Assoc.

House Fish and Game Committee
House of Representatives
Helena, Montana
Representative Orville Ellison; Chairman

Mr. Chairman:

One of the foremost questions Montana residents are now asking ourselves is; "how can we improve our economy and still maintain the privileged and excellent quality of life, land and water we now enjoy."

While in the construction business for over 30 years, we have figured jobs in most areas of the United States and have performed contracts in many states. Believe me I wouldn't trade my few thousand acres of Montana land for Los Angeles, New York, Seattle, Miami or any other like polluted city if I had to live there.

House Bill 323 proposes to reduce the number of Non-Residents B-10 licenses from 17,000 to 10,000 resulting in a loss to our economy of upwards to \$20,000,000.00 and that could reach 60 million. The many resources of Montana are our greatest invaluable asset. Agriculture is our number one primary industry, however travel/tourism ranks second in jobs and fourth in income. Montana travel industry figures for 1979 show as follows;

Total expenditures all travel	- 900 million,	tourism	- 373 million.
Montana net income	- 172 million,	tourism	- 70 million.

In the fiscal year 1980-81 the Montana travel Bureau spent \$616,164.00 and Montana Outfitters spent additional thousands to attract visitors and bring this economic benefit to Montana.

Our resources, land, water, forests, mountains, plains, fish, Game and the vastness of our great state are all part of travel/tourism, a very important basic Montana industry which includes Outfitting and Guiding.

Tourism brings out of state money to Montana Communities without putting demands on Community services such as schools, etc. Tourism is a clean renewable resource that provides diversity for Montana's economy and aids in the maintenance of Montana culture and lifestyle.

The 7,000 Non-Residents proposed to be eliminated by H.B. 323 are an extremely important factor in travel/tourism and in considering the wisdom of this proposal.

- 1- Deleting 7,000-\$225.00 licenses will result in a large number of lost jobs, and a severe jolt to our economy. It will mean depriving our Department of Fish, Wildlife and Parks of \$1,575,000.00 in lost revenue the first year, over 2 million the second year. Will the resident pick this up? Or the sponsor of this bill?

- 2- Proposed reduction, if passed, will surely bring a challenge to the constitutionality of our first come first served policy and bring on a mandatory drawing system as it did in Wyoming. We have only to look at the records to see the cost of computer drawings for the 10,000 remaining licenses.
- 3- Statistically Outfitters serve about 30 per cent of the currently issued 17,000 Non-Resident B-10 license holders or a little over 5,000. The rest are accompanied by friends or on their own. These 5,000 are the Non-Residents who spend a few thousand dollars each in Montana because they want and need the services of Outfitters and Guides. These 5,000 clients are a major factor in the Outfitting industry that deserves consideration.

A 1975 economic impact study conducted by the Montana State University in conjunction with the Montana Chamber of Commerce and Montana Outfitters and Guides Association showed that;

- A- 405 Outfitters had invested nearly 20 million dollars in stock and equipment, not counting land values, in order to serve clients. "A significant investment."
- B- That clients paid Outfitters \$12,464,000.00 in fees, the major portion thereof received from the approximate 5,000 plus Big Game license holders.
- C- That clients paid out another approximately \$8,000,000.00 to Motels, Restaurants, Bars, Taxidermists, Gas, Gifts, and other supplies and again a major portion coming from Non-Resident Big Game license holders, for total expenditures of approximately 24 million dollars.
- D- Outfitters in turn spent several million dollars in Guide, Cook, and other wages. Groceries, Restaurants, gas, repairs, Bars and other expenses.
- E- The economic value of the Outfitting industry to Montana, after applying the standard multiplier, is currently approximately 70 million dollars. It is not unreasonable to assume that by a reduction of 7,000 license holders the Outfitting industry could lose 50 per cent of their potential clients costing the economy of Montana 30 to 35 million dollars. It is even possible that only a very few potential clients would receive licenses out of the remaining 10,000 available B-10's resulting in putting the industry for all effective economic purposes, out of business which in turn would effect almost every business in Montana detrimentally.

What do the Non-Residents get for their money? Most enjoy the experience even though the success ratio is low.

In 1974 we made a study of Fish and Game records, covering the prior 10 year period which reflected as follows;

- A- Non-Resident license revenue was financing just under 70 per

- cent of the cost of operating the Fish and Game Department.
- B- Non-Residents harvested an average of 15.2 per cent of the Elk harvested while Residents harvested 84.8 per cent.
- C- On Deer the ratio was 17.4 per cent for Non-Residents and 82.6 per cent for Residents. Not a bad trade-off.
- Current figures I am sure would be lower.

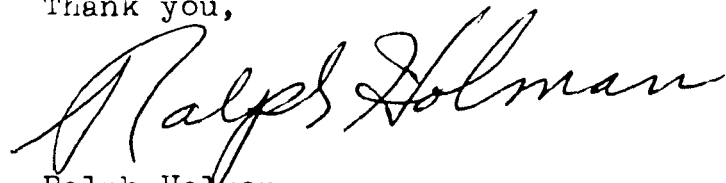
A few years ago the President's Advisory Committee recommended that States implement regulations for Non-Residents on a 1 to 5 basis. Our current fees exceed this, our current 17,000 B-10 licenses are very close.

Montana covers over 93 million acres. 17,000 license holders means only one Non-Resident for each approximate 5,500 acres. Surely we can stand that in return for the millions of new dollars they bring into Montana.

Montana is one half again as large as Wyoming. This last season Wyoming had \$8,500,000.00 in license sales including 39,000 Non-Resident deer and 36,000 Non-Resident antelope licenses while Montana had \$3,900,00.00 revenue, (900 deer and 900 antelope.) (Figures apply to elk, deer and antelope.)

The Outfitting and Guiding Industry of Montana respectfully request that you do not pass H.B. 323.

Thank you,

A handwritten signature in cursive script that reads "Ralph Holman". The signature is written in dark ink and is positioned above the printed name.

Ralph Holman

McLeod, Montana

JANUARY 27, 1981

FROM: JACK F. WEMPLE RT 1, BOX 100A-39 VICTOR, MONTANA 59875

TO: HOUSE FISH & GAME COMMITTEE - ORVAL ELLISON, CHAIRMAN

SUBJECT: HB 323 TESTIMONY


THE NON RESIDENT PROVIDES APPROXIMATELY 68% OF THE DEPARTMENT OF FISH, WILDLIFE & PARKS' ANNUAL MONIES. WITH THIS IN MIND, THE REDUCTION OF 7,000 NON RESIDENT LICENSES, AS THIS HB323 IS DESIGNED TO DO, WOULD COST THE DEPARTMENT OF FISH, WILDLIFE & PARKS \$1,575,000.00 PLUS MATCHING FUNDS, IN REDUCED REVENUE. THE DFWP IS NOW STRUGGLING WITH THEIR BUDGET AND HAVE A BILL IN THIS SESSION OF THE LEGISLATURE TO DRASTICLY INCREASE MOST ALL HUNTING AND FISHING LICENSE FEES OVER THE NEXT THREE YEARS. IF THIS HB323 WERE TO PASS, THE DFWP WOULD BE PUT IN AN EMERGENCY FINANCIAL SITUATION, AND THEY WOULD HAVE TO REQUEST THIS LEGISLATIVE SESSION FOR AN ADDITIONAL LICENSE INCREASE, OVER AND ABOVE WHAT THEY ALREADY REQUESTED. THIS INCREASE, I AM SURE, WOULD HAVE TO BE PASSED ON TO THE RESIDENT SPORTSMEN AS WELL AS THE NON RESIDENT SPORTSMEN.

SINCE THE INCEPTION OF THE 17,000 NON RESIDENT LIMIT ON HUNTING LICENSES, OUR GAME HERDS HAVE INCREASED DRAMATICALLY. OUR DEER HERDS ALL OVER THE STATE, ARE ONCE AGAIN ON THE UPSWING AND INCREASING IN SURPRISING NUMBERS. THE ELK HERDS OVER MOST OF THE STATE, ARE AT AN ALL TIME HIGH. WITH THESE FACTS, WHICH I AM SURE CAN BE SUBSTANTIATED BY THE DFWP GAME BIOLOGISTS, THERE HAS BEEN NO DETRIMENTAL EFFECT ON OUR GAME HERDS TO SUPPORT LEGISLATION AS HB323 WOULD LEAD YOU TO BELIEVE.

IN THIS TIME OF EXTREME ECONOMIC SITUATIONS, I DO NOT BELIEVE THIS HB323 TO BE IN THE BEST INTEREST OF MONTANA AND IT'S SPORTSMEN.

MY BEING AN OUTFITTER HAS NOTHING TO DO WITH MY TESTIMONY, OTHER THAN THE FACT THAT THE OUTFITTING INDUSTRY IN MONTANA ADDS OVER \$6,000,000 TO THE ECONOMY OF THIS GREAT STATE. FACTS ARE FACTS NO MATTER WHO PRESENTS THEM.

THANK YOU FOR THE OPPORTUNITY TO TESTIFY AGAINST THIS HB323.


JACK WEMPLE
Rt. 1, Box 100A-39
Victor, Montana 59875

PUBLISHED BY

**Montana Outfitters
& Guides Association
P.O. Box 631
Hot Springs, Montana**

PREFACE

In an effort to further safeguard the Hunting, Fishing, and other Outdoor Recreation in Montana, provided by the Outfitting Industry, a committee was appointed by a special board of directors, elected at a general Outfitters meeting held in Helena, Montana, March 16, 1974. This committee, in cooperation with the Montana Chamber of Commerce and the Montana State University at Bozeman, was charged with the responsibility of conducting an Economic Impact Study of the Outfitting Industry of Montana.

It is our hope that this study will improve the significance of the Outfitting Industry in lobbying for legislation, both on a National and State level, to preserve the Wildlife resources of Montana, provide maximum recreation opportunities for our Guests, and give the Outfitting Industry a more favorable position in the eyes of the public.

Many individuals were involved in this study and I would like to offer my many thanks to the following persons: Dr. Roland R. Renne, Director, Foreign Trade Studies, Montana State University; Martin L. Paulson, Research Associate, Montana State University; Rudy Suta, Research Associate, Montana State University; Dr. Richard McConnen, Economics Department and Dean of Montana State University; Forest H. (Buck) Boles, Executive Vice President, Montana Chamber of Commerce; Joe Gaab, Supervisor of Outfitting, Montana State Fish and Game Department; and the following committee members of the Montana Outfitters and Guides Association, Arnold E. (Smoke) Elser, Andy Koch, Everett Miller and Tag Rittle. Many other individuals were involved in the development of this study, and for their effort and assistance, I would like to say thank you.

Jack Wemple, *Chairman*
Outfitter Economic Impact Study
Victor, Montana 59875

I. Assumptions

1. In 1975, there were 405 outfitters in Montana.
2. In 1975, there were 22,275 clients served by the industry in Montana, (based on 55 clients per outfitter from outfitter survey).
3. If a response bias exists, in terms of estimating expenditure patterns, it is assumed that the correct pattern of expenditure can still be estimated by using survey data.

II. Outfitter survey (from Jack Wemple's summary).

- A. Investment in 1975 averaged \$46,843 (or \$18,548,415 total for 405 outfitters) in equipment, stock, etc., used in their operations. These investment figures evidently do not include land values. The average investment is higher in the western part of the state (\$53,237 in District 1 and \$53,162 in District 2) than in the eastern part of the state (\$34,131 in District 3). The average outfitter in the western part of the state also serves a larger number of clients. This is probably a reflection of the differences in the nature of the business in eastern Montana.
- B. The average income was \$16,485 per outfitter surveyed. This would amount to \$300 per client. This would give an estimate of total income from guiding in the state of around \$6,680,000 in 1975.
- C. Outfitters spent an average of \$5,649 for wages. The out-of-state expenses averaged \$1,625. Jack Wemple estimates average total expenses at \$13,518.

III. Clients survey - based on statistical summary of survey results

- A. The average client reported they spent \$1190. They reported average payment to outfitters of \$560, or approximately half of their total expenditure.
- B. Average and total client expenditures were as follows:

	Survey Average	Percent of total	Total (average by 22,275)
License Expenditures	\$162.20	14	\$ 3,613,005
Private Transportation (In Mt.)	64.90	5	1,445,648
Commercial Transportation (All)	75.85	6	1,689,559
Restaurants	56.32	5	1,254,528
Motels	50.48	4	1,124,442
Supplies	49.34	4	1,099,049
Food	22.86	2	509,207
Alcohol	18.60	1	414,315
Packing Plants	13.68	1	304,722
Outfitter	559.58	50	12,464,645
Tips	21.65	2	482,254
Telephone	8.01	1	178,423
Fines	.48	0	10,692
Trailer Rental	2.97	0	66,157
Taxidermy	14.18	1	315,860
Gifts and Souvenirs	35.81	3	797,668
Other	10.23	1	227,873
TOTAL	\$1,167.14	100	\$25,998,047

- C. Clients from five states: Pennsylvania (sample 208 or 11 percent), California (sample 197 or 10 percent), Minnesota (sample 181 or 9.6 percent), Wisconsin (sample 65 or 8.8 percent), and Michigan (sample 154 or 8.2 percent) were the most numerous and accounted for 905 or 47.6 percent of the total clients. Clients from these states spent an average of \$1109, or slightly below the average. Their average payment to outfitters was \$520, or slightly below the overall average. However, clients from these five states paid outfitters a total of \$5,513,508 income as estimated from client expenditure patterns.
- D. Except for commercial travel, all expenditures were assumed to have taken place in Montana. A further examination of expenditures for licenses in 1975 seems warranted.

IV. Income of Outfitters and Guides Industry in Montana, 1975.

A. Survey Results

	Client Survey	Outfitter Survey	Client & Outfitter (Average)
Outfitters & Guides			
Total	\$ 13,355,645	\$ 6,680,000	\$ 10,017,823
Average/client	599.58	300.00	449.79
Other Expenditures in Montana (excludes commercial transportation)			
Total	\$ 11,466,947	(\$ 5,744,800) ^a	\$ 8,605,874
Average/client	514.79	(258.00) ^a	386.40
Total Expenditures in Montana			
Total	\$ 24,822,592	(\$12,424,800) ^a	\$ 18,623,696
Average/client	1,114.25	(558.00) ^a	836.13

A. Estimated by assuming that "Other Expenditures" were equal to 86 percent of expenditures per client as is case in client survey.

- B. The range of results above cover a wide range. The precise nature of the bias involved is not known, but it is assumed (based on other response bias results) that the bias on the client survey will be at least 20-30 percent too high. For purposes explaining the economic size of the Outfitters and Guides industry in Montana, it seems reasonable to use the average of the two surveys as summarized in A above. The summary of direct expenditures could go as follows: "The Outfitters and Guides industry means \$18,000,000 new money to the state. Of this, about \$10,000,000 is paid to outfitters and guides. The remaining \$8,000,000 is spent for motels, restaurants, supplies, hunting and fishing licenses, etc. The average client spends in excess of \$800 in Montana, with about \$450 of these new dollars going to outfitters and guides. These figures are for 1975 and would be about 10-15 percent higher in 1977 due to inflation alone."
- C. In addition to these direct expenditures, Montana also benefits as the result of the "multiplier" effect. Each new dollar spent is, in turn, spent by the person who receives it. This chain of expenditure means that each new dollar spent will result in total business expenditures increasing about \$2.50. Montana's total personal income is about \$4,500,000,000. While outfitters and guides are responsible for only a small portion of this amount, it is an important industry to Montana.

1979 UPDATE

I Assumptions

1. In 1979 there were 430 outfitters in Montana.
2. In 1979 there were 23,650 clients served by the industry (55 clients per outfitter).

II A.	\$	46,843 x 35% =	70,081	
		70,081 x 35% =	30,134,830	
		53,237 x 35% =	71,870	Western part, Dist. #1
		53,162 x 35% =	71,769	Western part, Dist. #2
		34,131 x 35% =	46,077	Eastern part, Dist. #3
B.		16,485 x 35% =	22,255	Average income per outfitter
		300 x 35% =	405	Per client
		6,680,000 x 35% =	9,018,000	Total income from guiding
C.		5,649 x 35% =	7,626	Outfitters spent on wages
		1,625 x 35% =	2,194	Out of state expenses
		13,518 x 35% =	18,249	Average total expenses

III Clients Survey

A.	1,190 x 35% =	1,607	Clients spent
	560 x 35% =	756	Average payment to outfitter

IV Outfitters & Guides Income

A. Client Survey	Outfitter Survey	Client & Outfitter Average
<u>Total</u>		
\$13,355,645 x 35% = 18,030,121	6,680,000 x 35% = 9,018,000	10,017,823 x 35% = 13,524,000
<u>Average Client</u>		
\$ 599 x 35% = 809	300 x 35% = 405	449 x 35% = 60
<u>Expenditures - Other</u>		
11,466,947 x 35% = 15,480,376	5,744,800 x 35% = 7,755,480	8,605,874 x 35% = 11,617,930
<u>Average Client</u>		
515 x 35% = 695	258 x 35% = 348	386 x 35% = 52
<u>Total Expenditures</u>		
24,822,592 x 35% = 33,510,499	12,424,800 x 35% = 16,773,480	18,623,696 x 35% = 25,141,990
<u>Average Client</u>		
1,114 x 35% = 1,504	558 x 35% = 753	836 x 35% = 1,120
B.		
18,000,000 x 35% = 24,300,000		New money to state
10,000,000 x 35% = 13,500,000		Paid to outfitters and guides
8,000,000 x 35% = 10,800,000		Spent on motels, etc.
800 x 35% = 1,080		Client spends
450 x 35% = 608		To outfitters and guides
C.		
2.50 x 35% = 3.62		Business increase
4,500,000,000 x 35% = 6,075,000,000		Montana's personal income

Mr. Chasomian & Committee members

I am Duane Neal from Park, Mont.
I am a member of Mont Outfitters and Guides
and presently serving as Director at large.
I am a land owner, taxpayer, outfitter, sportsman
and conservationist deriving my living
from my family's outfitting business.

I am here today representing my families business
interests and also to assure you that the
outfitters from my area of the state are in
complete agreement with the testimony presented
today by Montana Outfitters and the
Chairman of the Montana Outfitters Council,

I find it ironic that the tourism industry
spends millions of Dollars ^{and the State of Montana \$16,000} each year
advertising the many varied ^{tourist} attractions
here in Montana that has made the
industry the ^{3rd largest} ^{in income generated} into the states
economy. This industry takes nothing
from the state except for memories
of a glorious visit and a very small
portion of our annual hunting harvest
of game animals, while hunting.

a majority of the cost of operating
our Fish and Game Dept. At each
session of the legislature the Outfitting
industry ~~has~~ is faced with having to
travel ~~also~~ to Helena and fight selfish
legislation of this nature when in
our area as well as state wide the
 elk herds are on the increase.

Gentlemen I join wholeheartedly with
those here ⁱⁿ ~~today~~ Helena today opposing
this legislation.

Thank you

Wm. M. Neal
Pray, Mont.

Rep. Ellison

INFORMATION REGARDING A PROPOSED LIMITATION OF 12,000
ON MONTANA'S NONRESIDENT BIG GAME LICENSES

Revenue loss using the current price of the license:

17,000 x \$225 =	\$3,825,000
12,000 x \$225 =	<u>\$2,700,000</u>
Revenue Loss:	\$1,125,000

RECEIVED

JAN 13 1981

RECEIVED

Revenue loss if price of license is \$300:

17,000 x \$300 =	\$5,100,000
12,000 x \$300 =	<u>\$3,600,000</u>
Revenue Loss:	\$1,500,000

Revenue loss if price of license is \$325:

17,000 x \$325 =	\$5,525,000
12,000 x \$325 =	<u>\$3,900,000</u>
Revenue Loss:	\$1,625,000

Summary: With the proposed nonresident big game license fee increases from \$225 to \$300 in 1982 and up to \$325 in 1983, revenue loss from a 12,000 cap on nonresident licenses rather than a 17,000 cap would be \$1,500,000 in FY 1982 and \$1,625,000 in FY 1983.

Consequences: To replace this loss of revenue, additional monies would have to be raised from the sale of other licenses (primarily resident licenses). Attached are listings of Montana's hunting and fishing licenses along with the amount of money each license would generate if the Department's license fees were approved by the Legislature. To replace this revenue loss, these fees (primarily resident fees) would have to be raised considerably more than already proposed by the Department of Fish, Wildlife, & Parks.

2 Attachments

LEP/bs

SALE OF 1979 LICENSES
FOR THE PERIOD OF
MAY 1, 1979 - APRIL 30, 1980

HUNTING AND FISHING LICENSES:

Resident Sportsman	2,330	@ \$ 35.00	\$ 81,550.00
Resident Conservation	282,615	@ 2.00	565,230.00
Resident Fishing	172,654	@ 5.00	863,270.00
Resident Bird - Adult	60,996	@ 4.00	243,984.00
Resident Bird - Youth	4,082	@ 2.00	8,164.00
Nonresident Conservation	97,795	@ 1.00	97,795.00
Nonresident 1-Day Fishing	127,469	@ 2.00	254,938.00
Nonresident 6-Day Fishing	23,427	@ 10.00	234,270.00
Nonresident Season Fishing	14,396	@ 20.00	287,920.00
Nonresident Bird	2,480	@ 30.00	74,400.00
Elk - Adult	80,108	@ 8.00	640,864.00
Elk - Youth	4,903	@ 2.00	9,806.00
Deer A - Adult	119,260	@ 7.00	834,820.00
Deer A - Youth	8,439	@ 2.00	16,878.00
Deer B	1,197	@ 12.00	14,364.00
Resident Conservation - 1 Year	146	@ 1.00	146.00
Resident and Nonresident Turkey	3,900	@ 2.00	7,800.00
Nonresident Big Game	17,000	@ 225.00	3,825,000.00
Bow and Arrow	11,304	@ 6.00	67,824.00
Resident Grizzly	472	@ 25.00	11,800.00
Duplicate	314	@ 1.00	314.00
Residency Statement	136,005	@ 0.00	0.00
Nonresident Grizzly	112	@ 125.00	14,000.00
Resident Sheep - Unlimited	158	@ 25.00	3,950.00
Nonresident Sheep - Unlimited	112	@ 125.00	14,000.00
Nonresident Bird and Fish	951	@ 50.00	47,550.00
Nonresident Black/Brown Bear	108	@ 50.00	5,400.00
Resident Antelope	15,855	@ 5.00	79,275.00
Nonresident Antelope	963	@ 50.00	48,150.00
Duplicate #2 - A	191	@ 1.00	191.00
Duplicate #2 - B	389	@ 2.00	778.00
Duplicate #2 - C	2,293	@ 3.00	6,879.00
Nonresident Deer	314	@ 50.00	15,700.00
Resident Sheep - Drawing	651	@ 25.00	16,275.00
Nonresident Sheep - Drawing	176	@ 125.00	22,000.00
Resident Goat - Drawing	401	@ 15.00	6,015.00
Nonresident Goat - Drawing	22	@ 75.00	1,650.00
Resident Moose	563	@ 25.00	14,075.00
Nonresident Moose	12	@ 125.00	1,500.00
Duplicate - Special	108	@ 1.00	108.00
Grizzly Trophy	11	@ 25.00	275.00
Resident Black/Brown Bear	9,694	@ 6.00	58,164.00
Resident Mountain Lion	614	@ 5.00	3,070.00
Nonresident Mountain Lion	111	@ 25.00	2,775.00
Nonresident Spring Bear	1,057	@ 35.00	36,995.00
Non Game Certificate	120	@ 5.00	600.00
Deer and Elk Permit Fee	53,312	@ 1.00	53,312.00
TOTALS	1,259,590		\$8,593,824.00
DEALERS' FEES			126,545.85
			\$8,467,278.15

May 1, 1983	Change	Annual Rev.	Impact
100	10	110	10
110	11	121	11
121	12	133	12
133	13	146	13
146	14	160	14
160	16	176	16
176	17	193	17
193	19	212	19
212	21	233	21
233	23	256	23
256	25	281	25
281	28	309	28
309	30	339	30
339	33	372	33
372	37	409	37
409	40	449	40
449	44	493	44
493	49	542	49
542	54	596	54
596	59	655	59
655	65	719	65
719	71	788	71
788	78	862	78
862	86	940	86
940	94	1024	94
1024	102	1116	102
1116	111	1217	111
1217	121	1328	121
1328	132	1448	132
1448	144	1578	144
1578	157	1719	157
1719	171	1870	171
1870	187	2032	187
2032	203	2205	203
2205	220	2389	220
2389	238	2587	238
2587	258	2799	258
2799	279	3024	279
3024	302	3264	302
3264	326	3518	326
3518	351	3787	351
3787	378	4071	378
4071	407	4369	407
4369	436	4682	436
4682	468	5009	468
5009	500	5350	500
5350	535	5705	535
5705	570	6075	570
6075	607	6460	607
6460	646	6860	646
6860	686	7276	686
7276	727	7707	727
7707	770	8154	770
8154	815	8617	815
8617	861	9096	861
9096	909	9591	909
9591	959	10102	959
10102	1010	10630	1010
10630	1063	11175	1063
11175	1117	11737	1117
11737	1173	12317	1173
12317	1231	12914	1231
12914	1291	13529	1291
13529	1352	14161	1352
14161	1416	14811	1416
14811	1481	15479	1481
15479	1547	16165	1547
16165	1616	16869	1616
16869	1686	17591	1686
17591	1759	18331	1759
18331	1833	19089	1833
19089	1908	19865	1908
19865	1986	20669	1986
20669	2066	21491	2066
21491	2149	22331	2149
22331	2233	23189	2233
23189	2318	24065	2318
24065	2406	24969	2406
24969	2496	25891	2496
25891	2589	26831	2589
26831	2683	27799	2683
27799	2779	28785	2779
28785	2878	29789	2878
29789	2978	30811	2978
30811	3081	31851	3081
31851	3185	32909	3185
32909	3290	33985	3290
33985	3398	35079	3398
35079	3507	36191	3507

- a). May 1, 1979, to April 30, 1980
- b). Number of licenses sold statewide
- c). New license or fee
- d). It is estimated there are about 4,000 anglers fishing for paddlefish each year in Montana. The license would apply to both residents and nonresidents.
- e). Price of each duplicate sold will vary, depending on cost of original license. Most lost licenses should cost about \$10 under new proposed fees. \$10 per license was used to calculate annual revenue impact.
- f). Limited by law to 17,000.
- g). Approximate number of drawing applications in 1980



Wine & Dine

• P. O. BOX 89

PHILIPSBURG, MONTANA 59858

TELEPHONE 859-3939

January 24, 1981

House of Representatives
Chairman Orville Ellison

Reference House Bill No. 323 OPPOSED

Dear Chairman Ellison and Committee members,

I have been operating the Club House, a bar and cafe, for the past six years and know for sure that further limiting of the non-resident hunters would be most crippling in my business.

I would estimate a loss in business of a minimum of \$6,000. during a hunting season. (This is figured on a 41% cut of the present non-resident hunters).

Though this is not overwhelming in a large volume business, it is most devastating in my small operation.

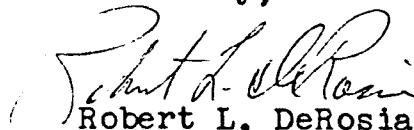
Within our community and Granite County, you could estimate at least a \$200,000. loss of business (OF OUT OF STATE MONEY) annually. Take that times 3 and we will have lost over one-half million dollars.

Chairman Ellison, besides the negative economic impact this would have in our county and community, consider this. The cutting back of 7,000 non-resident hunters could conceivably restrict the many Montanan's who now live out of state from hunting because of lack of available licenses. Also many of our local people have out of state guests each year during hunting season, this too would curtail because of lack of licenses. TO SAY NOTHING OF THE DAMAGE IT WOULD CAUSE TO OUR TOURIST BUSINESS, OUR STATE'S LARGEST, MOST ENVIRONMENTALLY CLEANEST INDUSTRY.

Many, many of these non-resident hunters return during the summer months with their families and many eventually move to this state.

It is my sincerest hope that you and your committee not only decline this bill, but seriously consider increasing the quota or taking off the quota entirely.

Sincerely,



Robert L. DeRosia

Maverick Realty

• P. O. BOX 89

PHILIPSBURG, MONTANA 59858

TELEPHONE 859-3939

January 24, 1981

House of Representatives
Chairman Orville Ellison

Reference House Bill No. 323
-OPPOSED-

Dear Chairman Ellison and committee members,

I am active in the Real Estate business in Philipsburg and Granite County and feel it is important to specifically point out some possibly overlooked considerations in respects to cutting the number of non-resident hunters by 41%.

Non-resident hunters are for the most part responsible citizens, who have planned their money and time to enjoy an outing once a year that takes them away from their busy or routine life patterns.

Many of these hunters will return during the summer months with their families, most just to vacation, but many, many to buy property and to locate here by purchasing a little business and adding their expertise to our communities.

During the past year, our office has had over a quarter of a million dollars in sales to non-resident hunters. All of these non-resident hunters are responsible, hard working people who will be a credit to our community.

One is a U.S. Air Force Captain, married, has a family, age 34, from Iowa, who plans to settle here upon retirement and be a productive person in the community.

Another is 41 year old man, married with a family, from Pennsylvania, who has 26 years experience in grocery business. He has purchased one of our two grocery stores, and plans to expand and merchandse so that our local prices will compete with the surrounding bigger cities, thusly allowing our citizens to save gas by shopping at home.

The third is 40 years old, married, from New Jersey and has purchased our only small Motel and plans to expand it and develop a trailer park with all facilities (something we do not have and sorely need in our community).

I could go on, but in respect for your limited time, I will close hoping I have illustrated to you and the committee that the non-resident hunter is a source of new life that our state can ill afford to lose.

It is my sincere hope that the quota be abolished for non-resident hunters, rather than cut back.

Sincerely,


Robert L. DeRosia

Robert L. DeRosia
P.O. Box 89
Philipsburg, Montana 59858

January 24, 1981

House of Representatives
Chairman Orville Ellison

Reference House Bill No. 323 OPPOSED

Dear Chairman Ellison and Committee members,

I have submitted a letter to you as seen through the eyes of a local businessman and our need for the out of state business.

I have also submitted to you a letter showing the importance of the non-resident hunter to the real estate industry of this state, and to the economy of the state.

So you will know where I am coming from I have listed some of my present activities. I am a director, representing Granite County, on the newly formed 7 county "Montanan's Gold West Territory" whose primary purpose is to promote tourism. I am also Mini-tour Committee Chairman for the Yellowstone West Country of the Montana Travel Host an affiliate of the Montana State Chamber of Commerce, whose sole purpose is promotion of tourism. I am a member of the Pintlar Scenic Route Committee whose primary purpose is to promote tourism. I have for the past 5 years been president of the O.E.D.P. (Overall Economic Development Program) of Granite County whose primary purpose is to help develop employment by attracting industry.

As you can see, cutting back the non-resident hunting quota is extremely damaging to everything that our various committees are attempting to do.

With tourism being one of the top industries in the state of Montana, with the least amount of state financial support, it would be very sad indeed to cripple us because of the selfishness of special interest groups and individuals who want to keep the hunting to themselves but not considering the economic damage it would cause.

Having sold all of my life, I know it to be a fact that 10% of the salesman sell 90% of the business. So is it, that 10% of the hunters get 90% of the game. Many of these non-resident hunters only want to enjoy the trip - hunting for the game is their satisfaction more so than making the kill.

In conclusion, we of Montana should remember that most of our hunting is on Federal land - this land is and should be for the benefit of all citizens of the United States and we in this state who are paying taxes and supporting Montana but are dependent upon tourism and the need for industry should not be penalized by the interest of a few.

Sincerely, *Robert L. DeRosia*

NAME JACK HITCHESON BILL No. 323
ADDRESS 3210 OTTAWA DATE JUN 27, 80
WHOM DO YOU REPRESENT SELF
SUPPORT _____ OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

will speak

House Bill 323

opponent

Honorable chairman and committee

This bill should be Killed for these reasons:

1. Loss of revenue
2. Limitting the number of returning native montanans for hunting
3. Limitting one part of the recreational package effects the other parts
4. employment Loss

John H. Groomes

Philipsburg, Mont.

NAME JACK F. WAMPLER BILL No. HB323
ADDRESS Victor Mt. DATE 1-27-81
WHOM DO YOU REPRESENT Self
SUPPORT _____ OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: Would like to read Testimony

NAME Kelly Thompson BILL No. 323
ADDRESS _____ DATE 1-27-81
WHOM DO YOU REPRESENT Myself
SUPPORT _____ OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME

R. P. Myers

BILL No.

323

ADDRESS

Bozeman

DATE

127/81

WHOM DO YOU REPRESENT

Self

SUPPORT

OPPOSE

☒

AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME DUANE NEAL BILL No. HB 323
ADDRESS PRAY, MONT DATE 1/27/81
WHOM DO YOU REPRESENT SELF + support of all Outfitter Groups
SUPPORT _____ OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

616 spent by Montana

NAME Tap Rittel BILL No. 323
ADDRESS WOLF CREEK MONT DATE Jan 27-81
WHOM DO YOU REPRESENT MONTANA OUTFITTERS - ASSOC ^{GUIDE}
SUPPORT _____ OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

ATTACHED

Just a few years ago all of us
worked together in determining the
number of non resident hunters Montana
could handle. This seems too soon to
be wanting to control the non resident
hunter. It has only been the last
two years that this limitation has been
filled.

NAME Ernest L Miller BILL No. 323
ADDRESS 1445 S. 1st St DATE 1/27/81
WHOM DO YOU REPRESENT Business and Land owners Phillipsburg
SUPPORT _____ OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

14

NAME JACK SCHILLA BILL No. 323
ADDRESS 807 Cherry, Helena DATE Jan, 27, 1981
WHOM DO YOU REPRESENT Myself - Outfitter
SUPPORT _____ OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: MR Chairman & Committee Members; —
I'm opposed to House Bill 323 —
My Livelihood As A Licensed Guide
AND OUTFITTER COULD BE ADVERSELY
EFFECTED. DURING THE 1980 HUNTING
SEASON I ACCOMMODATED 46 ~~==~~ Non Resident
Elk Hunters. ACCOUNTING FOR THE MAJOR
SOURCE OF MY INCOME. I EMPLOYED
6 INDIVIDUALS AS GUIDES, COOKS, &
WRANGLERS AND PAID OVER 5 THOUSAND
DOLLARS IN WAGES. ANY CONSIDERATION
GIVEN ME IN SUPPORT OF MAINTAINING
THE 17,000 NON RESIDENT LICENSE QUOTA
AS BEING AS WHAT I BELIEVE IS
ADEQUATE, WILL BE APPRECIATED.

NAME RALPH HOLMAN BILL No. H.B. 323
ADDRESS MCLEOD DATE _____
WHOM DO YOU REPRESENT OUTFITTERS
SUPPORT _____ OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

attached.

STANDING COMMITTEE REPORT

February 10

1931

MR. SPEAKER:

We, your committee on FISH AND GAME

having had under consideration HOUSE Bill No. 323

A BILL FOR AN ACT ENTITLED: "AN ACT TO FURTHER LIMIT THE NUMBER
OF NONRESIDENT BIG GAME COMBINATION LICENSES SOLD IN A LICENSE
YEAR; AMENDING SECTION 37-2-505, MCA."

Respectfully report as follows: That HOUSE Bill No. 323

~~DO PASS~~ DO NOT PASS

STANDING COMMITTEE REPORT

February 10 19 81

MR. SPEAKER:

We, your committee on FISH AND GAME

having had under consideration HOUSE Bill No. 406

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR PAYMENT IN LIEU
OF TAXES ON REAL ESTATE IMPROVEMENTS OWNED BY THE DEPARTMENT OF FISH,
WILDLIFE, AND PARKS; AMENDING SECTION 37-1-603, MCA."

Respectfully report as follows: That HOUSE Bill No. 406

~~DO PASS~~ DO NOT PASS