

HOUSE TAXATION COMMITTEE MEETING MINUTES  
February 17, 1981

A meeting of the House Taxation Committee was held on Tuesday, February 17, 1981 at 8:00 a.m. in Room 102 of the State Capitol. All members were present except Reps. Brand and Harp, who were excused. HOUSE BILLS 292, 293, 633 and 787 were heard and EXECUTIVE ACTION was taken on HOUSE BILLS 521, 541, 591, 609, 648, 787, 633, and 511.

The first bill to be heard was HOUSE BILL 293, sponsored by Rep. Gay Holliday. She distributed some amendments; see Exhibit "A." Currently, some recreational land is being assessed as agricultural land, and the difference in assessment figures is significant. 30% of the productive capacity of the land is the basis of an agricultural assessment, and 8.55% of full market value is the basis of recreational assessment. This amendment is not intended to preclude those who deserve the agricultural designation; it is designed to close a loophole. If the land is to be used as agricultural, and the dwelling is occupied year-round, it will be considered agricultural.

Mike Stephen, Montana Association of Counties, then rose in SUPPORT of the bill. This bill tightens up the current law. Numerous situations occur in which the actual purpose of the land cannot be determined; this bill ties the acreage down to less than 20 acres. Also, the percentages of income from the land are tightened up, and just what kind of situation would apply under this bill is clarified.

Roy McCaffree, Mussellshell County, said they feel a lot of their land which has been subdivided is not used as agricultural land, but is being claimed to be used in that way. Many demands have been placed on the local government from these areas receiving the tax break.

Hershel Robbins, from Mussellshell County, then rose in support of the bill, as amended.

Crenthe Toole, Montana Assessors' Association, then spoke, stating that the assessors have had a bad time under the present definition of agricultural land. It seems that those who appeal usually win in the Tax Appeals Board.

Ed McCaffree, Montana Association of Counties, then rose in support of the concept of the bill, but due to the vast acreage in the State, he wondered if there would be a possibility of having two sets of guidelines, possibly tied with the Eastern Congressional District or Gubernatorial District.

There were no OPPONENTS to HB 293. Questions were then asked. Rep. Holliday explained that the reason the bill had been amended down to 20 acres was because they were trying to be as reasonable as possible and acknowledge the areas where it would have been detrimental to hold the figure at 40 acres.

Rep. Holliday then closed. The amendments do serve to strengthen the law. She quoted the Legislative intent of the Grain Belt Appraisal Statutes. The hearing on HB 293 was then closed.

HOUSE BILL 292, sponsored by Rep. Norm Wallin, was then heard. Rep. Wallin submitted written testimony, and some amendments were proposed; see Exhibit "B."

Mr. Ed Eck, a Bozeman attorney, then rose in SUPPORT of the bill; see Exhibit "C."

Gary Langley, National Federation of Independent Business, then rose in support of the bill. He stated that he also spoke on behalf of Mons Teigen, Montana Stockgrowers Association and the Montana Cowbelles. 84% of the NFIB members responding to a survey favor this bill. In addition, both the Stockgrowers and the Cowbelles have passed resolutions in favor of the bill.

Keith Anderson, Montana Taxpayers Association, then rose in support of the bill. 86% of their membership favors complete elimination of the Inheritance Tax. This amounts to tax reform which is badly overdue. The State surplus will cover this bill's fiscal impact. In the future this may not be the case, but this is one of the consequences of tax reform.

Tom Stoll, Inheritance Tax Division, Department of Revenue, then spoke up as an OPPONENT to HB 292. The Department doesn't think the loss of \$5 million justifies the amount of relief granted. The greatest tax relief in effect is being given to the non-relatives. He also pointed out that on P. 1, line 8 of the bill, a section of the law is repealed which is the only place that permits administrative proceedings to eliminate the estate and if this law is repealed, people will have to go to the courts to have this done. He wanted a procedure drafted whereby the problems could be handled at the county level.

Questions were then asked. Rep. Dozier asked Mr. Eck a question about the examples in Exhibit "B." He wanted to know what the value of the estate in each of the brackets was. Mr. Eck said that couldn't be determined because the Inheritance Tax varies and it is impossible to look at the figure and give estate value. Mr. Stoll estimated that the estates would be large; possibly in the \$1 million bracket. In response to a question from Rep. Sivertsen about loss of the Inheritance Tax as a reduction on Federal Income Taxes, he added that the Federal government was considering reducing the Federal Estate Tax.

Rep. Roth asked Mr. Stoll about his remark about the fact that most of the relief would be for non-relatives. He replied that when a tax is based on the relationship with the higher tax going to the most distant relationships, when the tax is removed, the relief is the greatest in that direction, also.

Rep. Asay suggested that the reference to statutes concerning transfer of title might be left out of the bill. Mr. Stoll replied that if this was done the Department of Revenue would then have the responsibility of handling the cases but not collecting the money. Rep. Nordtvedt pointed out that this section of the law was not being repealed in the

bill; only amended. Mr. Stoll said that at any rate, the Department would have the job of handling these without any real reason to have them file.

Rep. Wallin stressed that the money involved in the inheritance tax had already been taxed under income taxes. Rep. Dozier submitted that often-times this was not the case; the deceased person had been able to avoid taxation. Rep. Wallin disagreed.

Rep. Wallin explained that the Senate Bill concerning the Inheritance tax dealt with lineal descendants while his bill removes the tax completely. He added that he wanted to take all descendants off because the person had already paid his taxes, and this was a form of double taxation. Rep. Williams expressed disagreement with the statement and added that it was not fair to society to start distributing to people who were not even in the State. Rep. Wallin said he thought it was the deceased person's right to give the money wherever he wanted it.

Rep. Dozier expressed concern regarding abuse of the bill.

Regarding the reference in the Fiscal Note that the Inheritance tax is volatile over time, Rep. Nordtvedt explained that if a very rich individual were to die revenue in the State might go up dramatically.

Mr. Stoll stated that if the exemption only applied to lineal descendants, the revenue loss would amount to about \$2 million per year, or about half of the present bill's fiscal impact. The impact would gradually go up, and by 18 months it would be at the rate of \$2 million.

Rep. Wallin then closed. Montana's share of the estate tax is not involved in this bill, this bill eliminates the inheritance tax. Had there been no Montana income tax, he would concede that the recipients could share their money, but this isn't the case. The inheritance tax in Montana is a form of double taxation and should be done away with. The hearing was then closed on HB 292.

HOUSE BILL 787, sponsored by Rep. Robert Anderson, was then heard. Rep. Nordtvedt explained that this bill involved a checkoff on the State Income Tax form concerning the Nongame Wildlife management. This will have joint hearings in both the Taxation and Fish and Game Committees. The Committee was asked to respond to the merits of the check-off provision only, of the bill.

Rep. Anderson explained the bill. This bill would allow Montanans to voluntarily contribute to the State's Nongame Wildlife Program. This bill will fund a previous Legislative mandate. License fees and ammunition taxes have funded it so far. Prior to 1979 a study concerning how other States handled funding suggested a checkoff system. This would place a checkoff box on the State income tax forms which would enable people to contribute \$2 - 10 to the Program; no money would

be taken from the General Fund. The Nongame Advisory Council would also be set up under the bill. The Committee would report biennially to the Legislature on the utilization of the funds.

Jim Phelps, current President of the Montana Audubon Council, then rose in support of the bill; see written testimony Exhibit "D." He submitted a letter on behalf of the Montana Wildlife Society in support of the legislation. Also, he added that a telegram from the Southwestern Sportsmens' Association was in support of the measure.

A representative of the Billings Audubon Society then rose in support of the bill. Minimal income from previous sources of funding has been generated and the checkoff system would be a convenient way to provide for contributions.

Noel Rosetta, representing himself, then rose in support of the bill. He stated that, as a Colorado resident, he had used the checkoff, the procedure was simple, and he supported it.

Janet Ellis, on behalf of Bill Sternhagen, then spoke. She distributed sample tax forms from other States showing the checkoff; see Exhibit "E." The average taxpayer should find no difficulty in knowing the purpose of the checkoff and shouldn't have any trouble filling out the form. A copy of Mr. Sternhagen's testimony was submitted; see Exhibit "F."

Lloyd Duke, a lifetime rancher from Roberts, Montana, then spoke. He stated that they could use some help with their wildlife biologists. He pointed out that since he is not a hunter, he has had no vehicle by which to contribute to the Program.

Gene Allen, Administrator of the Wildlife Division of the Department of Fish, Wildlife, and Parks, then spoke. The Administrator of the Department, Mr. Jim Flynn, had requested him to come and support the bill. In 1973 the Department was mandated to conduct a Nongame Program and the funding had been inadequate. A checkoff has worked elsewhere and provides an opportunity for people who want to support this program.

Martha Hassell, Last Chance Audubon Society, then rose in support of the bill. There is a good deal of volunteer research and study in Montana represented by the booklet the Helena Society has put together; see Exhibit "G." She stressed that this sort of thing could be coordinated by proper funding. Recently in Iowa a checkoff was approved; it was called the "Chickadee Checkoff."

Larry Copenhaver, a member of the Missouri Breaks Audubon Society, then presented information on the checkoff system in other states. In the past three years, 9 - 12% of Colorado taxpayers have donated money, raising \$650,000 in 1980. Other states have raised comparable sums.

Alfred Elwell, Prickly Pear Sportsmens' Association, then rose in

support of the measure. In the six states that have this checkoff, the only problem so far has been that in Oregon the people wanted to give more than the checkoff provided for. No states have had any trouble with other groups trying to get a checkoff on the tax forms also. He pointed out that Federal funds might be coming soon, to help double State monies taken in.

Gary Baxter, Missoula Audubon Society, then spoke. He stated that he was also representing the University of Montana Chapter of the Audubon Society. He pointed out that the funding would be for a legal subdivision of State government and not a private group, and therefore it should not cause the latter to request a checkoff. As far as setting a precedent for other State agencies, in the five states he has contacted, none of them have had any Legislative action taken by any subdivisions of their State governments. In other words there isn't a trend in this direction.

There were no OPPONENTS to HB 787.

John Clark, Department of Revenue, then made some comments. Regarding the experience the State has had with a similar setup for campaign funding, he stated that the revenue to be generated under this bill might be comparable. Computer programs would have to be changed in the Dept., at some cost to them.

Questions were then asked. Rep. Devlin asked Mr. Allen how present funding was collected. He replied that a nongame certificate is sold for \$5; however, the certificate wasn't convenient and collections were very low. It was probably more trouble than it was worth. Mr. Phelps added that they had to go to the Regional Headquarters to pay. Rep. Devlin wanted to know if there could have been more encouragement to purchase the certificates. He was told there could have been, but to make a trip from, for instance, Roundup to Billings would still have been an inconvenience.

Rep. Roth asked Mr. Anderson if this was the same bill that was introduced in 1979. He replied that the 1979 bill had been changed somewhat; the checkoff system is slightly different, and the Advisory Council is a change.

Rep. Roth wanted to know if the present funding could be maintained without the checkoff. Mr. Anderson replied that present funding comes from sportsmen's license fees and some sportsmen say that the people interested in non-consumptive uses are not sharing the burden. Rep. Roth commented that if the Audubon Society needed these funds, they might get national help. Mr. Anderson replied that the money was not for the Audubon Society but for that segment of the wildlife not being funded. Rep. Roth wanted to know if they had any particular programs in mind that needed funding. He replied that they did, but this would be gone into at the Fish and Game Committee hearing.

Rep. Dozier asked Mr. Allen if, given the economic crunch, he foresaw

having to eliminate a great part of the program presently being administered. He replied that that depended on what kind of budget they receive and whether or not they receive a fee increase. The worst scenario has them phasing out the program in the second year of the biennium.

Rep. Vinger then asked what the funding would be used for. Mr. Larry Thompson read off some of the ideas the Program could do; see written testimony Exhibit "H." Rep. Vinger expressed concern about development being shut down in the State because of nongame animal populations. Mr. Phelps said that nothing could be shut down as such, because nothing can be done without the consent of a land owner, on a nongame program. In response to a question from Rep. Switzer, Mr. Phelps said that predators weren't included with nongame animals.

Rep. Williams asked Mr. Anderson why they hadn't requested a General Fund appropriation as opposed to a checkoff. Mr. Anderson replied that currently, \$44,000 has been put in the fund each year, and that is really only a token support for the Program. The checkoff might generate as much as \$75,000, and there is a definite need for use of those funds. As far as going for a General Fund appropriation, that money might be wiped out and they feel the checkoff approach is more viable. Rep. Williams asked why they didn't go for an appropriation directly from the General Fund. Mr. Anderson replied that the idea behind the plan was that it was a voluntary plan.

Rep. Roth told Mr. Anderson that she felt the Council would just provide for another layer of bureaucracy. Mr. Anderson disagreed, stating that The Advisory Council would be comprised of five neutral members who would be providing very valuable service to keep the Program going as the Legislature had wanted it to. He expressed the feeling that the Board would provide good accountability. Rep. Roth asked if the Department of Fish, Wildlife, and Parks didn't have this as part of their duties. Mr. Anderson replied that as the act is currently written, it does, but it is only a token support to the Program.

Mr. Baxter, in response to Rep. Devlin, stated that it was a possibility that private organizations could request checkoffs, but in the other States which have a checkoff this has not happened.

Rep. Anderson then closed. This is not an Audubon Council being discussed. This act isn't new; it was established in 1973, and at present is only a token program. The nongame wildlife species are not a special interest. This program in the bill is a reasonable approach which has been used and tried in several other states and is effective. The hearing on HB 787 was then closed.

HOUSE BILL 633, sponsored by Rep. Steve Waldron, was then heard. All-terrain vehicles are taxed under Class 8 property, and realistically, nobody pays their taxes. Other States have gone to requiring that all-terrain vehicles use trails under a system; however, upon

close inspection of the bill, it doesn't do what he would like it to do. It would require some serious consideration on a number of amendments. He asked that the Committee table the bill, and added that he would address the matter in the next session of the Legislature. He requested that any people wishing to testify be allowed to.

There were no PROPONENTS nor were there any OPPONENTS to HB 633. There were no questions. The hearing was closed.

The Committee then went into EXECUTIVE SESSION. The Chairman introduced a Committee bill which addressed HB 65; copies were distributed; see Exhibit "I." Rep. Roth moved that the Committee introduce the bill. Rep. Nordtvedt then explained the bill. It changes a section of the tax codes for qualifying for Class 7 property from 1 1/4 mile increments to 1 mile. This will keep the Southwestern Phone Company in its former tax bracket, and won't allow any other companies to abuse the privilege. Rep. Williams seconded the motion to introduce the bill. Rep. Williams said that the Subcommittee on this bill had decided against creating a separate classification. The Department of Revenue supposedly has researched this and sees no problems with it. Also, it might help future companies that might fall into a similar trap as the Southwestern Phone Company has.

The question was then called for; motion carried unanimously. Rep. Williams agreed to carry the bill.

It was then moved that HB 633 be tabled; motion carried unanimously.

Rep. Devlin then moved that HOUSE BILL 787 DO NOT PASS. A precedent would be set for checkoffs on income tax forms. Also, the Council would be set up, which would cost money, and would add another governing board within the existing bureaucracy.

Rep. Sivertsen said that he didn't believe the checkoff was the route to take. He expressed the belief that there were other ways of funding which would not impose on the Department of Revenue. He agreed that this bill would open the door to other checkoff requests.

Rep. Bertelsen then rose in support of the bill. He said that it was odd that there was no support for legislation for a program that the Legislature set up. This program is probably a lot more essential to the welfare of the State than is realized. These species help indicate what is happening to the land and the total ecosystem. He submitted that the bill wouldn't cost the Department of Revenue much money.

Rep. Williams said that he agreed with Rep. Bertelsen except that he didn't agree with the method of raising funds, and would rather go to the Appropriations Committee for funding. Rep. Bertelsen said that this couldn't be done, because it was not the will of the Legis-

lature.

Rep. Roth rose in opposition to the bill. She said she didn't think the ecosystem would be maintained by the Program.

Discussion took place regarding alternative methods of raising funds. Rep Asay cited Ducks Unlimited's methods.

Rep. Dozier rose in support of the bill. He submitted that it was hypocritical to say that nongame species should be protected without also supporting the program. He submitted that it hasn't even been discovered what all the questions are in this area.

Rep. Oberg wanted to know what would happen if one Committee recommended a DO PASS and the other recommended a DO NOT PASS. Chairman Nordtvedt explained that the hearing had been at the behest of the sponsors, who wanted to meet the transmittal deadline, and therefore wanted both hearings on the same day.

Rep. Hart then rose in support of the bill. It gives the entire population of Montana an opportunity to participate in the Program. She pointed out that the Nongame Wildlife Program couldn't possibly contact all interested people on their own. Also, she did not feel a precedent would be set. The Legislature can always say "no" to other requests. This would reach the people who may not ever have been contacted but would like to contribute.

Rep. Switzer then rose in opposition to the bill. He expressed support for the protection of nongame wildlife, but felt the Audubon Society should help fund the Program.

Rep. Sivertsen pointed out that Ducks Unlimited held an auction to raise funds, and he would be willing to volunteer his services to the Nongame Program if they wished to have an auction.

The question was then called for on the motion of DO NOT PASS and the motion carried 10 - 7; see roll call vote. Chairman Nordtvedt announced that the Fish and Game Committee would also hear the bill, and there would be two Committee Reports going to the floor of the House.

Chairman Nordtvedt then announced that he had made a procedural error, and had introduced a Committee bill without having the final vote to introduce it from the Committee, although there had been an affirmative vote to have it drafted. The bill in question would repeal the law connected with the withholding tax for nonresidents, and was drafted as an outgrowth of HB 451. Rep. Sivertsen moved that the bill be introduced as a Committee bill. Motion carried unanimously.

HOUSE BILL 521 was considered. The related bill which Rep. Menahan had wanted the Committee to wait to hear before taking action on this bill was assigned to another Committee. Rep. Dozier moved that HB 521 DO PASS.



Rep. Burnett said that the bill would not do away with any elections.

Rep. Harrington rose in support of the bill. Not having to go back and vote on something is what would happen, and he feels this would be a good thing.

Rep. Sivertsen wanted to know the reasoning behind thinking that once a level of funding has been established, it should not be up for review of the public. If it is believed that the taxpayers are competent, then their treatment of the schools will be proper. This will take the taxpayers out of the school system by only allowing them to vote on an increase.

Rep. Nordtvedt pointed out that other areas had to be reappraised at least every two years. Foundation money will probably be poured in greater than inflation. To lock in levies and put the burden on the taxpayer to reduce his levy would not be very reasonable under these circumstances.

Rep. Switzer said that this bill was almost a subterfuge to pass the same levy as the previous year and if only three more mills are needed, it would look like it was three mills but would really be three plus the original amount.

The question was then called for on the motion of DO PASS. Motion failed, with Reps. Oberg, Dozier, Hart and Harrington in favor. The vote was reversed for a DO NOT PASS recommendation.

Rep. Harrington then moved that HOUSE BILL 511 DO PASS. He pointed out that this bill almost passed the entire Legislature in 1979. This bill's passage would give the schools a better idea of what they would have to work with. Right now, the second year's budget is not passing and this is creating a problem. This would put funding on the same cycle as Foundation Program funding. Rep. Oberg rose in support of two year funding. Rep. Devlin submitted that a number of agencies did not like two-year budgets.

Rep. Harrington pointed out that if additional funding was needed for the second year, this could be asked for on the second year.

Rep. Burnett said that it would be inequitable to make a two-year determination because each year the budget has to be collated with the "A" and the "B."

Rep. Harrington said that one of the problems with the system was that even with decreasing enrollment, inflation causes costs to rise. Under this bill, it might not even be necessary to try to levy another mill the second year, and this would be a savings to the School Districts. Rep. Williams stated that when the total mill levy is rejected, it wipes out all the previous financing, and this puts the School Boards in a bad position.

Rep. Asay said he thought it would be more difficult to pass a two-year levy bound to a particular sum, than on a one-year basis. Also, the two-year estimate wouldn't be as reliable. Rep. Williams argued that this bill did not bind anyone to a two-year budget, the privilege to plan a two-year budget was all that was being given.

The question was then called for on the motion of DO PASS. There was a tie vote, and the bill was to await further action by the Committee; see roll call vote.

Rep. Zabrocki then moved that HOUSE BILL 541 DO PASS. In a previous session of the Legislature this bill was passed but was invalidated because of the repealer in another bill. This same problem, it was stated, would not arise again. Rep. Neuman brought up the Fiscal Note, which indicated a decrease in County revenues. Rep. Sivertsen said that the loss would be made up on the local level because it would be added on to the other properties.

Rep. Oberg said that he felt this bill would be a vast improvement of the Senior Citizens' property tax relief. Under this bill the most tax relief is being given to the people who need it the most.

The question was called for on the DO PASS motion; motion carried unanimously.

HOUSE BILL 591 was then considered. Discussion took place regarding what kinds of housing would qualify under this bill. Rep. Zabrocki said that the owners of the housing have no incentive to rent because they are guaranteed their profit by the federal government. Rep. Nordtvedt pointed out that there is a government subsidy on the loan already. Rep. Williams said that there were already a number of built-in privileges.

Rep. Hart stated that killing this bill would not help the problem of taking advantage of all the good things the federal government offers. The intent of the bill is to provide rent relief.

Rep. Dozier said that if the property owner's taxes are lowered, there will be no guarantee the savings will go back to the renter, whose rent payment is subsidized anyway.

The question was called for on the motion of DO NOT PASS; motion carried with Rep. Harrington opposed.

HOUSE BILL 609 was considered. Rep. Zabrocki said he had a problem with the bill, because it would take 10 years to get 100% of a community's tax base.

Rep. Switzer moved that the bill DO PASS. Rep. Williams made a substitute motion of DO NOT PASS.

Rep. Harrington stated that somewhere, an incentive needed to be provided and therefore he was in favor of the bill.

Rep. Dozier said that two separate taxes and two separate entities of government were being dealt with and the local community won't be helped by this bill.

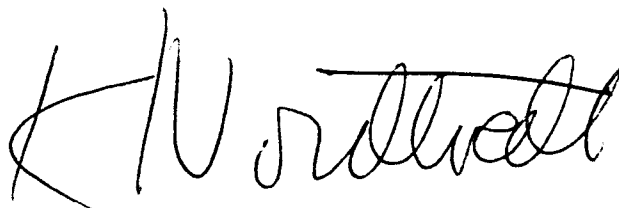
Rep. Vinger expressed the belief that there would be money for the local governments. He submitted that basically, the same amount would be paid as under an inventory tax, for the first five years. He said that he supported the bill.

Rep. Underdal questioned whether this bill would influence where an industrial plant located. Rep. Nordtvedt stated that he felt this would have an influence on the industry's decisions. Rep. Williams pointed out that the voters wouldn't have a chance to help decide. He felt that if the bill could be aimed at small businesses, it would be acceptable. At this time, the industrial revenue bond is available to use an incentive, and it doesn't have an impact on the local income from property taxation. Also, this bill would transfer the up-front money required for local impact in some industries. He stated that he had been provided with gasification plant information from the Billings area Chamber of Commerce.

Rep. Switzer suggested putting a limit on the size of the industry.

The question was then called for on the motion of DO NOT PASS; motion carried 13 - 2; see roll call vote.

Rep. Devlin moved that HOUSE BILL 648 DO PASS; motion carried unanimously. The meeting was adjourned.

A handwritten signature in black ink, appearing to read "K Nordtvedt". The signature is stylized with a large, sweeping initial "K" and a cursive-style name.

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Rep. Ken Nordtvedt, Chairman

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HB 293 AN ACT TO REVISE THE ACREAGE AND ANNUAL GROSS INCOME QUALIFICATIONS  
FOR AGRICULTURAL LAND ASSESSMENT; TO PROVIDE ELIGIBILITY CRITERIA  
FOR ASSESSMENT OF RECREATIONAL LAND AS AGRICULTURAL; AMENDING SECTION  
15-7-202, MCA.

Page 1, line 17 is amended to read:

"(a) the area of such land is not less than 5 40 20"

Page 2, line 3 is amended to read:

"consumption the equivalent of ~~15%~~ 50% 20% or more of the owners'"

Page 2, line 19 is amended to read:

"actively devoted to agricultural AS DETERMINED IN SECTION 1 and  
a dwelling that is"

## VISITORS' REGISTER

HOUSE Taxation

COMMITTEE

BILL H.R. 292

Date 2/17/81

SPONSOR *Waller*

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Amendment to HB 292

1. Amend title, line 23.

Following: "APPLICABILITY DATE"

Insert: "AND AN EFFECTIVE DATE"

2. Page 32.

Following: line 25

Insert: "Section 42. Effective date. This act is effective on  
passage and approval."

I appreciate this time to tell you a little about HB 292. I have a witness to address this committee in greater expertise after I finish!

HB 292 is a bill to eliminate the Montana State Inheritance Tax. That in simple language is what it does. It does nothing to the State Estate Tax and as my witness, Mr. Ed Eck, will explain and the reasons for both.

Mr. Eck is an attorney in Bozeman who works exclusively with Estates and Inheritances. For that reason, he will also answer your questions regarding the impact of inheritance taxes as affected by this bill.

Let me tell you my interest in inheritance taxes. We all at some time are involved. Either our age is in a bracket where we are in line to receive an inheritance or we are in the age group that wants to leave an inheritance to certain people, organizations, or both. The amount of time and accountant's fees and attorney's fees to do what one wants with his property becomes a matter of considerable expense. I want by means of this bill, to eliminate part of that expense and to permit the party who has put together some net worth to distribute them to those he loves without the State taking a part away from the recipients.

Most of the tax money received now by the State come from the smaller contributors as the information sheet, received from the state fiscal office in the Mitchell Building, will show. 1869 estates paid from \$1 to \$5000 in total taxes for a total of \$1,913.000. The largest estates were paid by only 5 estates

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and they contributed \$944,000 total. This is Estate and Inheritance taxes combined. The total revenue paid the state in 1980 was less than \$7,000,000 and about \$5,000,000 of that was inheritance tax. I submit that this is too much and should be at zero amount because the people who gave this money to beneficiaries have already paid their income taxes in putting together their net worth. An inheritance tax is double taxation and each one of us is in a position to receive a gift or to leave a gift by means of a will. I point out it is double taxation, it costs the donor considerable expense in hiring professional assistance in establishing a will, and it is especially burdensome to farmers, ranchers, and smaller estates. This is the purest kind of tax relief.



GROSS ESTATE OF \$175,625

## I. Tax Payable Under Present Law

Estate left to	Federal Estate Tax	Montana Inheritance Tax	Montana Estate Tax	Total Tax
Surviving Spouse	-0-	-0-	-0-	-0-
Children or Grandchildren	-0-	3,512	-0-	3,512
Brothers or Sisters	-0-	7,025	-0-	7,025
Aunts, Uncles, 1st Cousins	-0-	10,536	-0-	10,536
Other Persons	-0-	14,048	-0-	14,048

## II. Tax Payable if Montana Inheritance Tax is Repealed

Estate left to:	Federal Estate Tax	Montana Estate Tax	Total Tax
Surviving Spouse	-0-	-0-	-0-
Children or Grandchildren	-0-	-0-	-0-
Brothers or Sisters	-0-	-0-	-0-
Aunts, Uncles, 1st Cousin	-0-	-0-	-0-
Other Persons	-0-	-0-	-0-

## III. Tax Payable if Both Montana Inheritance and Estate Taxes Repealed

Estate left to:	Federal Estate Tax	Total Tax
Surviving Spouse	-0-	-0-
Children or Grandchildren	-0-	-0-
Brothers or Sisters	-0-	-0-
Aunts, Uncles, 1st Cousin	-0-	-0-
Other Persons	-0-	-0-

GROSS ESTATE OF \$425,625

## I. Tax Payable Under Present Law

Estate left to:		<u>Federal Estate Tax</u>	<u>Montana Inheritance Tax</u>	<u>Montana Estate Tax</u>	<u>Total Tax</u>
Surviving Spouse		-0-	-0-	-0-	-0-
Children, Grandchildren	credit	83,512 <u>7,620</u> 75,892	8,512	-0-	84,404
Brothers, Sisters	credit	83,512 <u>7,620</u> 75,892	17,025	-0-	92,917
Aunts, Uncles, 1st cousins	credit	83,512 <u>7,620</u> 75,892	25,537	-0-	101,429
Other Persons	credit	83,512 <u>7,620</u> 75,892	34,049	-0-	109,941

## II. Tax Payable if Montana Inheritance Tax is Repealed

Estate left to:		<u>Federal Estate Tax</u>	<u>Montana Estate Tax</u>	<u>Total Tax</u>
Surviving Spouse		-0-	-0-	-0-
Children, Grandchildren, Brothers, Sisters, Aunts, Uncles, 1st Cousins, Others	credit	83,512 <u>7,620</u> 75,892	7,620	83,512

## III. Tax Payable if Montana Inheritance and Estate Tax is Repealed

Estate left to:		<u>Federal Estate Tax</u>	<u>Total Tax</u>
Surviving Spouse		-0-	-0-
Children, Grandchildren, Brothers, Sisters, Aunts, Uncles, 1st Cousins, Others		83,512	83,512

GROSS ESTATE OF \$1,000,000

## I. Tax Payable Under the Present Law

Estate left to:		Federal Estate Tax	Montana Inheritance Tax	Montana Estate Tax	Total Tax
Surviving Spouse	credit	108,800 33,200 <u>75,600</u>	-0-	33,200	108,800
Children, Grandchildren	credit	201,300 33,200 <u>168,000</u>	20,000	13,200	201,300
Brothers, Sisters	credit	201,300 33,200 <u>168,100</u>	40,000	-0-	204,100
Aunts, Uncles, 1st Cousins	credit	201,300 33,200 <u>168,100</u>	60,000	-0-	228,000
Others	credit	201,300 33,200 <u>168,100</u>	80,000		248,000

## II. Tax Payable If Montana Inheritance Tax is Repealed

Estate left to:		Federal Estate Tax	Montana Estate Tax	Total Tax
Surviving Spouse		108,800 33,200 <u>75,600</u>	33,200	108,800
Children, Grandchildren, Brothers, Sisters, Aunts, Uncles, 1st Cousins, Others		201,300 33,200 <u>168,100</u>	33,200	201,300

## III. Tax Payable If Both Montana Inheritance and Estate Tax Were Repealed

Estate left to:		Federal Estate Tax	Total Tax
Surviving Spouse		108,800	108,800
Children, Grandchildren, Brothers, Sisters, Aunts, Uncles, 1st Cousins, Others		201,300	201,300

1980

<u>Number of Estates</u>	<u>Percent of Total Estate</u>	<u>Paying State Tax of</u>	<u>Tax Collected for this Category (Millions)</u>	<u>Percent of Total Tax Paid</u>
1869	87.8%	\$1 - \$5,000	1.913	28.5%
247	11.6%	\$5,000-50,000	3.211	47.8%
10	.4%	\$50,000-100,000	.654	9.7%
5	.2%	Over \$100,000	.944	14.0%
<hr/>	<hr/>		<hr/>	<hr/>
2231	100 %		6.722	100.0%

TESTIMONY OF E. EDWIN ECK  
MORROW, SEDIVY, OLSON,  
SCULLY & ECK, P.C.  
P.O. Box 1168  
Bozeman, Montana 59715

Mr. Chairman and Members of the Committee:

I am Ed Eck, an attorney in Bozeman, who practices law primarily in the areas of income and estate tax planning and related areas such as probate. I am here to speak in behalf of House Bill 292 which would repeal the Montana Inheritance Tax and those sections of Montana law that apply to the administration of the Inheritance Tax.

Attached to a written transcription of my comments as Exhibit "A" is the Fiscal Impact as prepared by the Department of Revenue. You will note that the Department of Revenue projects a decrease of \$4,750,000 of revenue in fiscal year 1982 and \$5,000,000 in fiscal year 1983.

Certainly when compared with the other sources of revenue available to the State of Montana, the Montana Inheritance Tax is less than significant. It is simply not a good revenue generator.

In analyzing the tax, the next question we are forced to ask is whether there are any significant social goals which are being achieved through the Inheritance Tax? The only imaginable goal for the Tax might be an attempt to provide some monetary equality among our citizens. Various committee

reports of the Joint Committee on Taxation of the U.S. Congress occasionally refer to this goal in terms of distributing wealth to "competing economic sources." In other words, some might argue that heirs do not earn their inheritances, and therefore such inheritances should be taxed in part and distributed to the government.

While I absolutely do not agree with this social goal of redistribution of wealth, I submit that the Montana Inheritance Tax is not a viable means of achieving that goal. In fact, the Montana Inheritance Tax is a greater burden comparatively on small and medium sized estates, than on larger estates. Again, attached to my comments as Exhibit "B" is a chart showing the number of estates in 1980 and the Montana Inheritance Tax paid by these estates in various categories. The first category is those estates paying up to \$5,000 of Inheritance Tax. The next category show estates paying up to \$50,000 of Inheritance Tax. When you add those two categories together, you can see that these lower categories account for 76.3% of the total tax paid. Only 23.7% of the total Inheritance Tax comes from estates paying more than \$50,000 in Montana Inheritance Tax.

In other words, these figures suggest that the Montana Inheritance Tax is not effectively redistributing wealth of large estates. To quite an extent, this is a function of the Inheritance Tax Tables. Such a table is attached to my comments as Exhibit "C". You will note that different exemptions and

rates apply depending upon the relationship of the decedent to the heir. Each heir has a specified statutory exclusion, and the rates are applied to the share of each heir.

For example, let's assume a decedent had a \$500,000 estate which he leaves four nieces and nephews equally. Disregarding the Federal Estate Tax, the share for each would be \$125,000 (\$500,000 divided by 4). The tax on each share would be computed as follows:

\$125,000	distributive share
- 1,000	exemption
<u>124,000</u>	taxable share

4%	of \$25,000	=	\$1,000
8%	of \$25,000	=	\$2,000
12%	of \$50,000	=	\$6,000
16%	of \$24,000	=	\$3,840
TOTAL	\$124,000	=	12,840

Since there are four nieces and nephews, the total Montana Inheritance Tax would be \$51,360.

The Federal Estate Tax rates vary from 18% to 70% - significantly higher than the brackets for Montana Inheritance Taxes. Taking the same \$500,000 estate distributable to nieces and nephews, the Federal Estate Tax would be computed as follows:

\$500,000 Taxable Estate

\$155,800	Tenative Tax
- 47,000	Unified Credit
- 10,000	Credit for State Death Taxes
<u>\$ 98,800</u>	Federal Estate Tax

In short, the Federal Estate Tax is almost double the Montana Inheritance Tax. A Federal Estate Tax schedule is attached hereto as Exhibit "D."

For another example, let's assume that the estate totals \$1,000,000 and is distributed to the same four nieces and nephews. The Federal Estate Tax would be computed as follows:

\$345,800	Tenative Tax
-47,000	Unified Credit
-33,200	Credit for State Death Taxes
<u>\$265,600</u>	Federal Estate Tax

Montana Inheritance Tax would be based upon the distributive estate (the taxable Federal estate less the Federal estate taxes).

\$1,000,000	Taxable Estate
- 265,600	Federal Estate Tax
<u>\$ 734,400</u>	Distributable Estate

Since there are four nieces and nephews, the share for each would total \$183,600. Because there is a \$1,000 exemption for nieces and nephews, the taxable share would total \$182,600.

4% of \$25,000	=	\$1,000
8% of \$25,000	=	\$2,000
12% of \$50,000	=	\$6,000
16% of \$82,600	=	\$13,216
<u>\$182,600</u>		<u>\$22,216</u>

Again, since there are four nieces and nephews the Montana Inheritance Tax would total \$88,864. This is significantly less than the \$265,600 of Federal Estate Tax. The larger the estate, the larger the marginal estate tax bracket. The highest bracket is 70% which is applied to estates in excess of \$5,000,000. The Montana Inheritance Tax, on the other hand, achieves its highest bracket



when the share of each heir (not the total estate) is \$100,000 in excess of the applicable exemption.

I am not suggesting that I favor the Federal Estate Tax. I do not. Philosophically, I feel that both the Montana Inheritance Tax and the Federal Estate Tax constitute double taxation. The property has been subject to income taxes already during the decedent's lifetime. After death, the Federal and State governments are taxing it again. These taxes, especially the Federal Estate Tax, can destroy the individual incentive to save.

Nevertheless, when we look at Montana Inheritance Tax, we must make two observations. First, it is not a big revenue generator. Second, as compared with the Federal Estate Tax, it does not effectively redistribute wealth. Consequently, it is clear that that Montana Inheritance Tax serves the purpose of taxation of only small and moderate sized estates. Finally, I should note that House Bill 292 will not disturb the Montana Estate Tax. As noted in the computation of Federal Estate Taxes above, the Internal Revenue Code has a credit for State Death Taxes. Basically it is a maximum credit. To the extent that Montana does not have death taxes to consume that credit for State Death Taxes, the estate will not be entitled to the credit. Additional taxes will be payable to the Federal Government.

Thus, the Montana Estate Tax is sometimes called a "sponge" tax. The Montana Estate Tax does not add additional taxation to Montana citizens or estates. It is merely a question of whether the money is paid to the State of Montana or the Federal government. In short, House Bill 292 does not eliminate this tax. I suggest that as long as there is such a Federal credit, the Montana Estate Tax should remain intact. I have attached a copy of the rate table for the computation of the credit for State Death Taxes for your convenience.

## STATE OF MONTANA

REQUEST NO. 159-81

## FISCAL NOTE

Form BD-15

In compliance with a written request received January 22, 19 81, there is hereby submitted a Fiscal Note for HOUSE BILL 292 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

An act repealing the Montana Inheritance Tax and amending those sections that apply to the administration of both the Inheritance Tax and the Estate Tax.

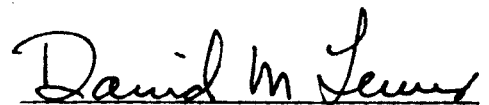
ASSUMPTIONS

1. Inheritance Tax revenue under the current law is \$6.7 million and \$7 million for FY 82 and FY 83, respectively.
2. Estate Tax revenue is \$2 million for both fiscal years. Note that actual Estate Tax revenue can be extremely volatile over time.

FISCAL IMPACT

General Fund	FY 82	FY 83
Under current law	\$6.75 M	\$7.00 M
Under proposed law	<u>2.00 M</u>	<u>2.00 M</u>
Estimated Decrease	(\$4.75 M)	(\$5.00 M)

PREPARED BY THE DEPARTMENT OF REVENUE



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-26-81

## EXHIBIT "B"

*1980*

## 1980 INHERITANCE TAX REVENUES

<u>Number of Estates</u>	<u>Percent of Total Estate</u>	<u>Paying State Tax of</u>	<u>Tax Collected for this Category (Millions)</u>	<u>Percent of Total Tax Paid</u>
1869	87.8%	\$1 - \$5,000	1.913	28.5%
247	11.6%	\$5,000-50,000	3.211	47.8%
10	.4%	\$50,000-100,000	.654	9.7%
5	.2%	Over \$100,000	.944	14.0%
<hr/> 2231	<hr/> 100 %		<hr/> 6.722	<hr/> 100.0%

# EXHIBIT "C"

## MONTANA INHERITANCE TAX RATE SCHEDULE

WHEN DECEDENT DIED ON OR AFTER JULY 1, 1977

RELATIONSHIP	Exemption	First	Next	Next	All Over
		in excess of exempt.	\$25,000	\$50,000	\$100,000
Surviving Spouse	50% of distributive share — plus \$40,000	2	4	3	8
Exemption: entire distributive share					
Minor lineal descendants	15,000	2	4	6	8
Adult lineal descendants and lineal ancestors	7,000	2	4	6	8
Brothers, sisters or descendants thereof	1,000	4	8	12	16
Son's wife or daughter's husband	1,000	4	8	12	16
Aunt, uncle or first cousin	None	6	12	18	24
Any other degree of consanguinity, stranger in blood or corporation	None	8	16	24	32

# EXHIBIT "D"

## FEDERAL ESTATE TAX RATES

### (c) Rate schedule.

If the amount with respect to which the tentative tax to be computed is:	the tentative tax is:
Not over \$10,000 . . . . .	18 percent of such amount.
Over \$10,000 but not over \$20,000	\$1,800, plus 20 percent of the excess of such amount over \$10,000.
Over \$20,000 but not over \$40,000	\$3,800, plus 22 percent of the excess of such amount over \$20,000.
Over \$40,000 but not over \$60,000	\$8,200, plus 24 percent of the excess of such amount over \$40,000.
Over \$60,000 but not over \$80,000	\$13,000, plus 26 percent of the excess of such amount over \$60,000.
Over \$80,000 but not over \$100,000	\$18,200, plus 28 percent of the excess of such amount over \$80,000.
Over \$100,000 but not over \$150,000	\$23,800, plus 30 percent of the excess of such amount over \$100,000.
Over \$150,000 but not over \$250,000	\$38,800, plus 32 percent of the excess of such amount over \$150,000.
Over \$250,000 but not over \$500,000	\$70,800, plus 34 percent of the excess of such amount over \$250,000.
Over \$500,000 but not over \$750,000	\$155,800, plus 37 percent of the excess of such amount over \$500,000.
Over \$750,000 but not over \$1,000,000	\$248,300, plus 39 percent of the excess of such amount over \$750,000.
Over \$1,000,000 but not over \$1,250,000	\$345,800 plus 41 percent of the excess of such amount over \$1,000,000.
Over \$1,250,000 but not over \$1,500,000	\$448,300, plus 43 percent of the excess of such amount over \$1,250,000.
Over \$1,500,000 but not over \$2,000,000	\$555,800, plus 45 percent of the excess of such amount over \$1,500,000.
Over \$2,000,000 but not over \$2,500,000	\$780,800, plus 49 percent of the excess of such amount over \$2,000,000.
Over \$2,500,000 but not over \$3,000,000	\$1,025,800, plus 53 percent of the excess of such amount over \$2,500,000.
Over \$3,000,000 but not over \$3,500,000	\$1,290,800, plus 57 percent of the excess of such amount over \$3,000,000.
Over \$3,500,000 but not over \$4,000,000	\$1,575,800, plus 61 percent of the excess of such amount over \$3,500,000.
Over \$4,000,000 but not over \$4,500,000	\$1,880,800, plus 65 percent of the excess of such amount over \$4,000,000.
Over \$4,500,000 but not over \$5,000,000	\$2,205,800, plus 69 percent of the excess of such amount over \$4,500,000.
Over \$5,000,000 . . . . .	\$2,550,800, plus 70 percent of the excess of such amount over \$5,000,000.

# EXHIBIT "E"

## CREDIT FOR STATE DEATH TAXES

### (b) Amount of credit.

The credit allowed by this section shall not exceed the appropriate amount stated in the following table:

If the adjusted taxable estate is:	The maximum tax credit shall be:
Not over \$90,000	8/10ths of 1% of the amount by which the adjusted taxable estate exceeds \$40,000.
Over \$90,000 but not over \$140,000.	\$400 plus 1.6% of the excess over \$90,000.
Over \$140,000 but not over \$240,000.	\$1,200 plus 2.4% of the excess over \$140,000.
Over \$240,000 but not over \$440,000.	\$3,600 plus 3.2% of the excess over \$240,000.
Over \$440,000 but not over \$640,000.	\$10,000 plus 4% of the excess over \$440,000.
Over \$640,000 but not over \$840,000.	\$18,000 plus 4.8% of the excess over \$640,000.
Over \$840,000 but not over \$1,040,000.	\$27,600 plus 5.6% of the excess over \$840,000.
Over \$1,040,000 but not over \$1,540,000.	\$38,800 plus 6.4% of the excess over \$1,040,000.
Over \$1,540,000 but not over \$2,040,000.	\$70,800 plus 7.2% of the excess over \$1,540,000.
Over \$2,040,000 but not over \$2,540,000.	\$106,800 plus 8% of the excess over \$2,040,000.
Over \$2,540,000 but not over \$3,040,000.	\$146,800 plus 8.8% of the excess over \$2,540,000.
Over \$3,040,000 but not over \$3,540,000.	\$190,800 plus 9.6% of the excess over \$3,040,000.
Over \$3,540,000 but not over \$4,040,000.	\$238,800 plus 10.4% of the excess over \$3,540,000.
Over \$4,040,000 but not over \$5,040,000.	\$290,800 plus 11.2% of the excess over \$4,040,000.
Over \$5,040,000 but not over \$6,040,000.	\$402,800 plus 12% of the excess over \$5,040,000.
Over \$6,040,000 but not over \$7,040,000.	\$522,800 plus 12.8% of the excess over \$6,040,000.
Over \$7,040,000 but not over \$8,040,000.	\$650,800 plus 13.6% of the excess over \$7,040,000.
Over \$8,040,000 but not over \$9,040,000.	\$786,800 plus 14.4% of the excess over \$8,040,000.
Over \$9,040,000 but not over \$10,040,000.	\$930,800 plus 15.2% of the excess over \$9,040,000.
Over \$10,040,000	\$1,082,800 plus 16% of the excess over \$10,040,000.

For purposes of this section, the term "adjusted taxable estate" means the taxable estate reduced by \$60,000.

## VISITORS' REGISTER

HOUSE Taxation

COMMITTEE

BILL ~~HB~~ 293  $\frac{1}{2}$  787Date 2/17/81SPONSOR Halliday + Anderson

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
<del>Rep. Guy Thelander</del>				
<del>Patricia Nichols</del>	<del>Helena</del>	<del>Self Audubon</del>	<del>✓</del>	
<del>John Felt</del>	<del>Beaumont</del>	<del>Self - Yellowstone</del>	<del>✓</del>	
Thel Rosetta	Helena	Self Audubon	✓	
Neil Enke	Helena	Self - Audubon	✓	
James Phelps	Beaumont	Self Co. Comm	✓	
James Phelps	Beaumont	MT Audubon Council	✓	
Roy McElroy	Missoula	Missoula Co	✓	
W. McElroy	Helena	W. F. Co.		
Gene Hickman	Great Falls	Self - Audubon	✓	
Larry Copeland	Great Falls	Self - Wildlife Resources	✓	
John Stoll	Helena	Dept of Rev		
Susan Thompson	Helena	Self	✓	
Janet Ellis	Helena	Dill Sternhagen	✓	
Cary B Lund	Helena	Self	✓	
Larry Thompson	117 Pine	Self	✓	
GARY BAXTER	Missoula	Self - Audubon	✓	
Susan Hickman	Great Falls	Audubon.	✓	
Mike Stoll	Helena	MTA	292	
Orville Toole	Beaumont	MT Resources	293	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



## VISITORS' REGISTER

HOUSE Taxation

COMMITTEE

BILL 150-2378

Date 2/17/81

SPONSOR ~~William~~ Anderson

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

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- 100-100-100

**THE WILDLIFE SOCIETY  
MONTANA CHAPTER**

January 21, 1981

James H. Phelps, President  
Montana Audubon Council  
2110 Bradbrook Court  
Billings, Montana 59102

Dear Mr. Phelps:

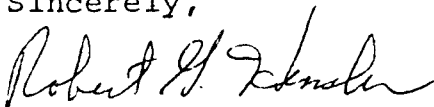
The Montana Chapter of the Wildlife Society, an organization of practicing wildlife professionals with approximately 150 members throughout our state, is proud and pleased to endorse the Montana Audubon Council's measure to enhance Montana's general wildlife program and seek revenue for this effort with a voluntary contribution using a state income tax return check-off system.

We are aware of the success of this type of fund raising program in Colorado and Oregon, and believe Minnesota and Kentucky will experience similar success when they receive their first contributions this spring. We know of a number of other states, including our neighbor Idaho, that are introducing similar legislation this winter. More important, we know that such funds have been used to increase the general knowledge of the whole wildlife resource and popular understanding and awareness of its place in our lives.

We believe there is a general interest in wildlife in Montana. We recognize the rightness of non-consumptive users of wildlife having an opportunity to pay their fair share of the cost of wildlife programs which benefit them. We hold that there are many hunters and non-hunters, fishermen and non-fishermen who are sufficiently interested in the welfare of wildlife to make a contribution if given a tax check-off opportunity. We trust this constituency will have an opportunity for active involvement and participation in programs that will result from this new revenue.

We wish you success and offer support.

Sincerely,



Robert G. Hensler, President  
Montana Chapter, Wildlife Society

MWA/mjw

THE MONTANA AUDUBON COUNCIL

Testimony by Jim Phelps, President Montana Audubon Council,  
Supporting HB 787

Mr. Chairman and members of the Committee,

My name is Jim Phelps from Billings, Montana, and I am the current president of the Montana Audubon Council. The Council represents 8 chapters of the Montana Audubon Society. Our chapters are located in the Flathead Valley, the Missoula and Bitterroot Valleys and in the Butte-Anaconda-Dillon areas in Western Montana. In eastern Montana we have chapters in Helena, Bozeman, <sup>Billings</sup> Great Falls and Miles City. Our membership is approaching nearly 2,000.

More than half our states have nongame wildlife programs funded by a variety of methods ranging from sportsmen's license fees, sales taxes, general fund appropriations and the sales of special license plates on automobiles. Six states including Utah, Colorado, Oregon, Minnesota, Kentucky and Kansas fund their programs with the voluntary tax check-off. Colorado was the first state to adopt this "check-off" in 1977 providing us with three years experience with this method. Their results indicate that approximately 10% of these taxpayers contributed an average of \$3-\$5 from <sup>their</sup> refunds to the state's nongame program. Based on these statistics, we should be able to raise about \$75000 a year which we feel is sufficient to carry out a program.

I participated on the governor-appointed Advisory Council. Our research indicated that most state wildlife programs are supported by special taxes and fees. The tax check-off system, therefore, follows in this tradition.

Interest and concern for nongame wildlife is growing in Montana. This is reflected in the growth of the Montana Audubon Society which has recently added new chapters in Great Falls and Miles City. We urge you recognize the need for Montana to improve its nongame program and pass HB 787. Thankyou.

This statement is presented in behalf of Bill Sternhagen, a Helena attorney:

I was a member of the Governor appointed Nongame Advisory Council that supported the tax checkoff in 1979. I support this checkoff method still.

After examining the tax forms used in several states, as shown here, it is my opinion that the average taxpayer will find no difficulty in knowing the purpose of this checkoff and will be able to decide for himself/herself whether he/she wishes to contribute to the funding. I do not believe that people will have any trouble filling out a tax form that contains such a checkoff.

I urge you to pass HB 787. Thank you Mr. Chairman and members of the committee.

*Bill Sternhagen*

## Sample tax forms with Nongame Check-offs

## COLORADO

16	CREDIT AGAINST TAXES FOR 1980 INCOME TAX YEAR, ENTER 20% OF THE AMOUNT ON LINE 15.....	16		
17	NET TAX. SUBTRACT THE AMOUNT ON LINE 16 FROM THE AMOUNT ON LINE 15.....	17	\$	
18	IF LINE 14 IS LARGER THAN LINE 17, ENTER AMOUNT COLORADO OWES YOU.....	18	\$	
19	COLORADO NONGAME WILDLIFE PROGRAM. CHECK IF YOU WISH TO DESIGNATE <input type="checkbox"/> \$1, <input type="checkbox"/> \$5, <input type="checkbox"/> \$10, OR \$ (WRITE IN AMOUNT) OF YOUR TAX REFUND TO THIS PROGRAM. IF THIS IS A JOINT OR A COMBINED RETURN, CHECK IF SPOUSE WISHES TO DESIGNATE <input type="checkbox"/> \$1, <input type="checkbox"/> \$5, <input type="checkbox"/> \$10, OR \$ (WRITE IN AMOUNT).....	19	\$	
20	SUBTRACT THE AMOUNT ON LINE 19 FROM THE AMOUNT ON LINE 18. THIS IS YOUR REFUND.....	20	\$	
21	IF LINE 17 IS LARGER THAN LINE 14, ENTER THE AMOUNT YOU OWE COLORADO. MAKE CHECK OR MONEY ORDER PAYABLE TO THE COLORADO DEPARTMENT OF REVENUE.....	21	\$	

## KANSAS

27. Balance (Subtract line 26 from line 19) (Cannot be less than zero)				
28. Kansas income tax withheld (Attach Kansas copies Form W-2)	(Q) 28			Make check or money order payable to Kansas Income Tax
29. Estimated tax paid	(R) 29			
30. Solar energy refund	(S) 30			
31. Total prepaid credits (Add lines 28, 29 & 30)			31	
32. BALANCE DUE (If line 27 is greater than line 31) [T] Interest [U] [V] [W] [X] Credit Forward			32	[Y] Refund
33. REFUND or Estimated tax credit carry forward (If line 31 is greater than line 27)			33	
34. KANSAS NON-GAME WILDLIFE IMPROVEMENT PROGRAM. Check if you wish to donate, in addition to your tax liability, ( ) \$1, ( ) \$5, ( ) \$10 or ( ) \$ ( ) \$ of your tax refund for this program. If joint return, check if spouse wishes to donate or designate ( ) \$1, ( ) \$5, ( ) \$10 or ( ) \$ Enter total on line 34			[Z] 34	Total Wildlife Contribution

## UTAH

12. Total Credits (total of line 7 through 11)			12	
13. Tax Due if line 6 is larger than line 12 — subtract line 12 from line 6 and enter balance Pay This Amount			13	
14. Refund — If line 12 is larger than line 6 — subtract line 6 from line 12 and enter Amount of Refund			14	
15. <input checked="" type="checkbox"/> Utah Nongame Wildlife Fund. I wish to contribute <input type="checkbox"/> \$1, <input type="checkbox"/> \$5, <input type="checkbox"/> \$10, or (write amount) or <input type="checkbox"/> None of my refund to this fund (enter amount shown)			15	
16. Net Refund — Subtract line 15 from line 14 and enter amount to be refunded to you			16	
17. Did you File a Utah Return for 1979? <input type="checkbox"/> YES <input type="checkbox"/> NO If no, give reason:	Send return and remittance to:	UTAH STATE TAX COMMISSION STATE OFFICE BUILDING SALT LAKE CITY, UTAH 84134	OFFICIAL USE ONLY Code Approved	

## OREGON

15. Refund. If line 14 is more than line 13, you have a refund. Subtract line 13 from line 14	15		
16. Oregon Nongame Wildlife Fund. I wish to contribute \$1 <input type="checkbox"/> , \$3 <input type="checkbox"/> , \$5 <input type="checkbox"/> , None <input type="checkbox"/> of my tax refund to the Nongame Wildlife Fund. If joint return, spouse's contribution \$1 <input type="checkbox"/> , \$3 <input type="checkbox"/> , \$5 <input type="checkbox"/> , None <input type="checkbox"/> Fill in the total contribution if any. A contribution will reduce your refund.	16		
17. NET REFUND. Subtract line 16 from line 15. This is your refund	17		
18. TAX-TO-PAY. If line 13 is more than line 14, you have tax-to-pay. Subtract line 14 from line 13	18		

WITNESS STATEMENT

NAME Gene Allen BILL No. HB-787 <sup>non</sup> <sub>gan</sub>  
ADDRESS Helena DATE 2-19-81  
WHOM DO YOU REPRESENT Mt. Dept. of Fish, Wildlife, Parks  
SUPPORT ✓ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

TERMINATION 2/17/81  
EXHIBIT "G"

# BIRDS

of the

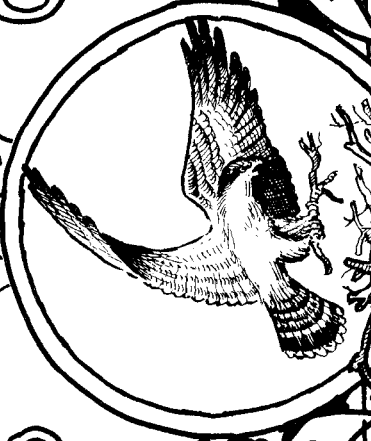
## HELENA VALLEY

LAST CHANCE AUDUBON SOCIETY

HELENA, MONTANA

PRICE  
\$1.00

1979



L. THOMPSON

## BIRDS OF THE HELENA VALLEY

### INTRODUCTION

The authors of this booklet feel there is a need for a guide to birding in the Helena area, and also a need to document the many species of birds which have been seen in the area over the years. It is hoped that this booklet will thus serve both purposes: that it will be useful to people living in or visiting the Helena area and wondering where to go to look for birds, and that it will provide some useful technical information on local bird communities.

A map showing roads and points of interest which are accessible by the public is shown in the center fold. Most of the land in the Helena Valley is privately owned; the authors and the Last Chance Audubon Society ask all users of this guide to respect the wishes and rights of all landowners and to refrain from entering private land without permission. Bird watching requires no permits or license, but bird watching itself gives no one the right to trespass on private property.

### HOW TO USE THIS GUIDE

This guide is not meant to be either a field guide or a simple guided tour along one route. The authors believe part of the enjoyment of bird watching lies in the discovery of unexpected places and unexpected species. As a result, the map included here gives enough information to begin an exploration of the area without excessive detail. For the beginning



birdwatcher or short-term visitor, the text and map suggest birding trips to suit the interests and available time of the reader.

The bird list in this guide lists all species which have been documented in the area shown on the map. Of course, not all of these species are present at the same time, and some are rarities which have been seen only once. For a complete listing of Montana species, the authors suggest A List of Montana Birds, available free from the Montana Department of Fish and Game, and P. D. Skaar's Montana Bird Distribution (available at nominal cost from P. D. Skaar, 501 South Third, Bozeman, MT 59715).

The points of interest shown by numbered dots on the map are areas the authors have found to be generally interesting locations for bird watching. Some, of course, are better than others, and the birds present change from season to season and from hour to hour. Birds inhabit the entire area and the reader may find favorite locations of his own. Each of the numbered points is described later in the text. The arrows shown merely suggest routes which may be taken. An examination of the map and the descriptions of the points of interest will allow the reader to choose a trip lasting one hour or one lasting all day. The arrows are not meant to hamper anyone's style!

#### NATURAL HISTORY OF THE AREA

Helena lies on the southern edge of the Helena Valley, a broad intermontane valley drained by three small tributaries of the Missouri River: Prickly Pear Creek, Tenmile Creek, and

Silver Creek. Hauser Dam, built in 1911, impounds the Missouri River creating Lake Helena and Hauser Lake. Since the water level of this impoundment varies only slightly, the reservoir has many of the characteristics of a natural lake. Another significant body of water is the Helena Valley Regulating Reservoir, built in the 1950's by the U.S. Bureau of Reclamation. The reservoir is filled by water pumped out of Canyon Ferry Reservoir upstream of Hauser Dam. Numerous irrigation ditches cross the area, some of which originate at the regulating reservoir.

The valley is bordered on the north and northeast by the foothills of the Belt Mountains. Immediately south of Helena lie the Helena Mountains. The Elkhorn Mountains are a moderately high range southwest of East Helena. Visible from and lying to the west of Helena is a low range of hills separating the Helena and Townsend Valleys and known as the Spokane Hills. The dry, rocky Scratchgravel Hills form the western edge of the Helena Valley.

Although the mountains surrounding the Valley receive up to 30 inches of precipitation per year, the Valley generally receives less than ten inches. Parts of the Valley could be considered a true desert, one of the few in the state. Originally, most of the valley existed as short-grass prairie, probably dominated by blue grama and needle-and-thread, with some riparian shrub habitats near the small streams and the area now covered by Lake Helena. The introduction of agriculture, irrigation, and human habitation dramatically changed the vegetation in much of the Valley, and thus changed the habitats

available for birds and other wildlife. Although most of the valley is rural, subdivisions are continually changing the nature and use of the land. Agricultural land and natural grassland is steadily being replaced by tract houses and trailer courts. The area covered by the map contains a variety of habitats lying at elevations from 3650 to over 5400 feet. Elevations in the Valley range from about 3650 to 4000 feet.

Some of the predominant habitats and their characteristic bird species are listed below:

OPEN WATER. Open water is found at stop number 4 (gravel pits), 12 (regulating reservoir), 13 (Hauser Lake), 16 and 19 (Lake Helena). Most water and shore birds listed can be seen at these locations at the appropriate season.

STREAMSIDE SHRUBBERY. Many streams and canals are bordered with lush shrubbery, which provides attractive habitat for eastern kingbirds, yellow warblers, song sparrows, and northern and loggerhead shrikes.

RIPARIAN FORESTS. Along reservoirs and larger streams are found tall cottonwoods and willows, which are among the most diverse habitats in Montana. Here are found orioles, vireos, and a variety of warblers, to name a few.

GRASSLANDS. Relatively few bird species are found in grassland habitats; these include horned larks, western meadowlarks, longspurs, and savannah and vesper sparrows.

SAGEBRUSH-GRASSLANDS. Sagebrush in the valley is limited to a few remnant stands; a search of sagebrush areas may be rewarded with a rare sighting of a sage thrasher or Brewer's sparrow.

CROPLAND. The Helena Valley contains both irrigated and dry cropland; a variety of crops are produced, especially alfalfa and wheat.

BRUSHY DRAWS. Coulees and intermittent drainages are often bordered with shrubbery, including chokecherry, hawthorne, bitterbrush, and willows. These thickets often harbor such species as the song sparrow, eastern kingbird, lark sparrow, and Townsend's solitaire.

ROCKY MOUNTAIN JUNIPER WOODLAND. This dry, stunted "pygmy forest" is a favorite haunt of pinyon jays, waxwings, robins, nuthatches, and Townsend's solitaires.

PONDEROSA PINE FOREST. Most of the forest bordering the valley is dominated by Ponderosa pine; Douglas fir is found in some moister locations, and limber pine and Rocky Mountain Juniper is also found on drier slopes. Look for nuthatches, woodpeckers, dark-eyed juncos, mountain bluebirds, and pinyon jays.

#### POINTS OF INTEREST

(NUMBERED DOTS ON THE MAP)

1. MOUNT HELENA. This point is the highest on the map and from here the entire Helena area can be viewed. Much of this mountain is a city park and contains a number of trails but no roads. Near the top are some extensive dolomite cliffs which add to the diversity of the grassland and coniferous forest which covers the remainder of the mountain. Look for mountain bluebirds, western tangers, lazuli buntings, red-and white-breasted nuthatches, Clark's nutcrackers, brown creepers, and mountain chickadees.

2. DRY GULCH (DAVIS GULCH). A brushy canyon bottom with some cottonwoods and tall shrubs flanked by Douglas fir, ponderosa pine, and dry grassland. Look for dusky flycatchers, black-billed cuckoos, rock wrens, warbling vireos, ruby-crowned kinglets, dark-eyed juncos, and yellow-rumped warblers.
3. UPPER EAST SIDE. The City of Helena, especially this area, offers good bird watching. Besides the feeders and city habitat found throughout the city, the southern edge of the city abuts the pine-clad foothills. Among the more unusual visitors seen in the city limits are blue grouse, sharp-shinned hawk, merlin and pygmy owl.
4. GRAVEL PIT. This large excavation is flooded and forms a "lake" in a semi-industrial part of town. Vegetation around the pit is well-established and consists of willows and deciduous trees. Ducks and other water birds are commonly seen here. The pit must be viewed only from the road, as it is on private land.
5. FAIRGROUNDS. The pond at the edge of the fairgrounds parking lot generally has some tame waterfowl. Surrounding the area is some riparian habitat and groves of deciduous trees; look for mallards, ring-billed gulls, black-billed magpies, yellow warblers, black-capped chickadees, ravens, and crows.
6. OLD DREDGING PILES. Gold dredging several decades ago has left these gravel spoils piles which are now partly vegetated. Many shrub-nesting birds may be found here.
7. SCRATCHGRAVEL HILLS. These hills rise abruptly from the valley floor to an elevation of 5250 feet. Although partly

- covered by forest, these hills are quite dry. Look for chip-ping sparrows, red-breasted nuthatches, pinyon jays, Townsend's solitaires, and Cooper's hawks.
8. ODD FELLOWS CEMETERY. The many tall trees here are an attractive roost for many tree-loving species. In winter, look for pine grosbeaks, evening grosbeaks, and hairy and downy woodpeckers.
9. SILVER CREEK. The brushy banks of this small stream attract such birds as common yellowthroats, yellow warblers, lazuli buntings, and loggerhead and (in winter) northern shrikes.
10. STANFIELD'S LANE. A public road leads to a private bridge over Prickly Pear Creek. Birdwatchers are welcome to walk over the bridge and a short distance down the road. This lane is prime riparian habitat and many woodland species can be viewed here.
11. FLOWEREE ROAD. This road passes through pasture land and along a meandering stretch of Prickly Pear Creek. Birds of the open fields, roadside, and riparian habitat can be observed along this route which offers an abbreviated sampling of the valley.
12. REGULATING RESERVOIR. One of the best bird watching places in the entire area is this man-made lake. Whenever there is open water (March to December) there are numerous species found here, often including rare migrants and summer visitors. Driving around the reservoir is prohibited but a leisurely walk along its shore is well worth the time. The riparian vegetation along the shore is developing and the habitat is getting better each year. Besides the many species of ducks, loons, grebes,

swans, herons, cormorants, and many shorebirds can be viewed at various times of the year.

13. HAUSER LAKE. The road to York passes close by this lake and water birds can often be seen. This part of the area is one of the driest in the state. The low hills are sparsely vegetated, providing habitat for lark sparrows, Brewer's sparrows, and vesper sparrows.

14. CATTAILS. A very small stream (fed partly by leakage of the Regulating Reservoir) supports a small cattail marsh here. Birds in this riparian setting can be viewed easily from the road. Red-winged blackbirds can be seen nearly year-round, and a careful look might reveal a long-billed marsh wren or a sora.

15. SID MARTIN'S OVERLOOK. A medium large ponderosa pine on the west side of the road marks this vantage point overlooking the lower end of Lake Helena. East of the road is a hillside of grasslands and juniper. Between this point and the lake is a pasture and some riparian shrubs. Although the ducks and geese are at some distance, this spot is particularly good for observing bald eagles in the winter and early spring. Winter-killed fish attract these great birds as the ice melts in March. A scan with the binoculars may reveal a half-dozen or more eagles patiently sitting on the ice. Shortly after the ice is completely melted, the eagles disperse and are only rarely seen during the summer. A large great blue heron colony can be seen across the lake. Huge flocks of such birds as white pelicans (200 or more), pintails (up to 25,000), snow geese (10,000), and whistling swans can be seen during migration.

16. CAUSEWAY. Despite great numbers of fishermen at this site, many open-water species can be seen. This place is the only public access to Lake Helena. Look for western, eared, and horned grebes, as well as common loons and goldeneyes.

17. ROAD TO HAUSER DAM. This road crosses a dry upland, then drops down to the water's edge past some steep cliffs. This variety of habitat generally provides good watching.

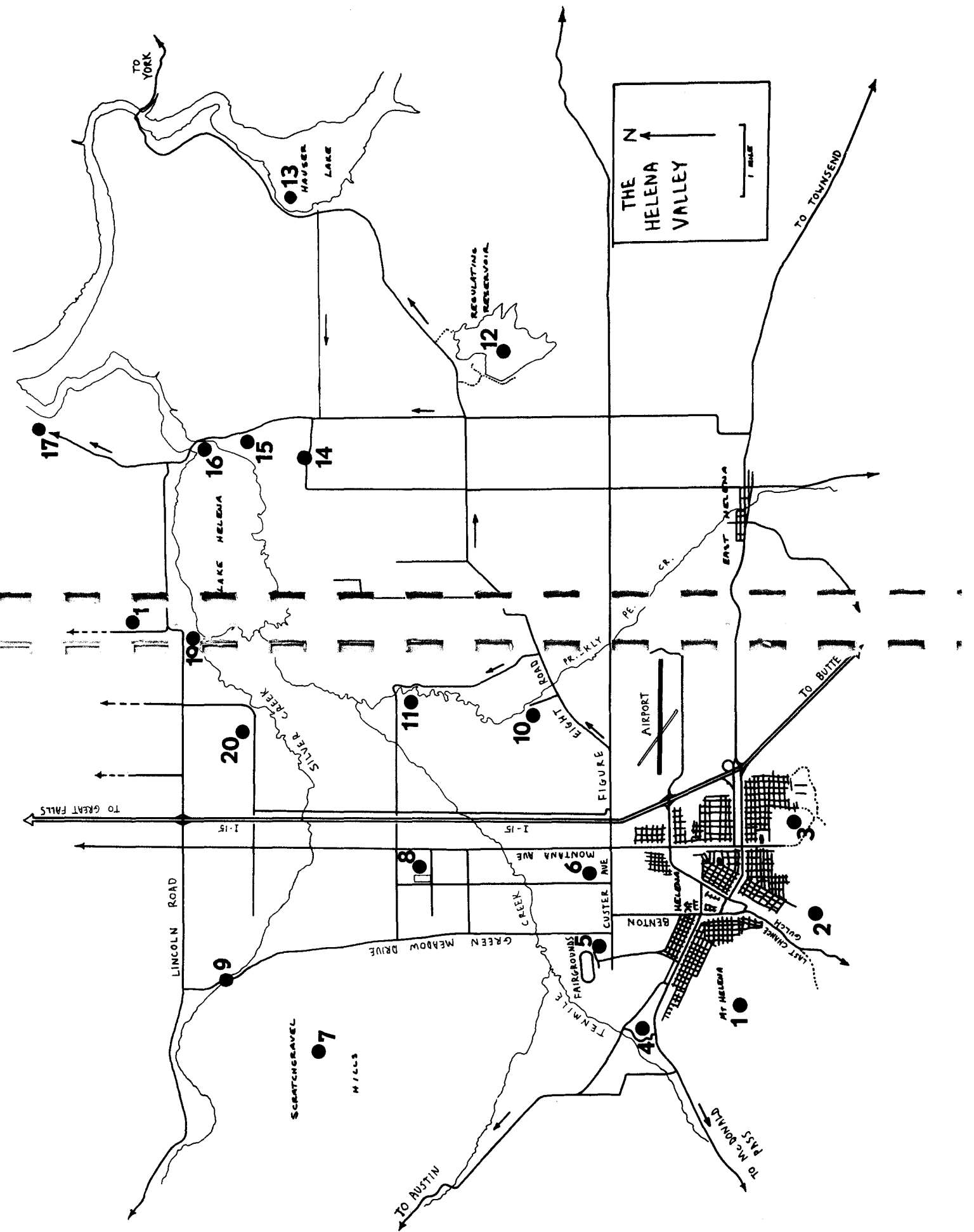
18. NORTHERN EDGE OF THE VALLEY. This area contains the transition from the dry grasslands of the valley edge to Ponderosa pine savannah of the slightly higher elevations. A large prairie dog town can be found near this point, and often supports a pair of burrowing owls.

19. BLUE SILOS. This overlook from the road can be rewarding at certain times. Open water species can be seen on this part of Lake Helena. Mating displays of the western grebe have been observed from this point.

20. MASONIC HOME. The drive by the Masonic Home can yield species of the roadside, pasture, and cropland. Great horned owls and red-tailed hawks nest in the tall cottonwoods nearby.



This booklet was compiled by Lynn Brant, George Holton, Sid Martin, and Larry Thompson. Most of the information contained herein was condensed from years of careful observation of the Valley at all seasons by Sid Martin and George Holton. The authors welcome any additions or corrections which might make this booklet more valuable for use in future editions.



SPECIES ACCOUNTS

ABBREVIATIONS

B = breeding records established

b = breeding based on strong circumstantial evidence

M = Spring and fall migrant only

S = Summer visitor, no evidence of breeding

W = regularly wintering bird

w = Occasionally winters (seen on 5 or fewer Christmas counts)

O = occasional, accidental, or casual

\* = Based on fewer than three records

\*\* = Based on only one record

ABUNDANCES: r = rare; u = uncommon; c = common; a = abundant;

o = accidental

Species and Status	Season Most Likely Seen	Where Seen (Stop Number)	Abundance	Habitat
Common Loon (S,M)	sp, fa	12, 13, 16	u	Open water
Horned Grebe (S, M)	sp, su, fa	12, 13, 16	u	Open water
Eared Grebe (b)	sp, su, fa	12, 13, 16	c	Open Water
Western Grebe (Bw)	sp,su,fa	12,13,16	c	Open Water
Pied-billed Grebe (Bw)	sp,su,fa	12,13,16	r	Open water
White Pelican (S)	sp,su,fa	12,13,16	c	Open water
Double-crested Cormorant (B)	su	12,13,16	c	Open water
Great Blue Heron (Bw)	sp,su	12,16,19	c	Streams, shorelines
Black-crowned Night Heron (b)	su	16	r	Shorelines
American Bittern (m)	sp	14,19	r	Marsh
White-faced Ibis (O*)	sp	19	o	Shorelines
Whistling Swan (MW)	sp,fa	12,13,16	c	Open water
Canada Goose (BW)	sp,su,fa	12,13,16	c	Water, fields, shore

White-fronted Goose (M)	wi,sp,fa	12,13,16	r	Open water	
Snow Goose (M)	sp,fa	12,13,16	c	Open water	
Ross' Goose (M)	sp,fa	12,13,16	r	Open water	
Mallard (BW)	wi,sp,su,fa	9,11,12,13,16	a	Water,fields,shore	
Gadwall (bw)	sp,su,fa	12,13,16	c	Water,fields,shore	
Pintail (BW)	sp,su,ra	12,13,16	a	Water,fields,shore	
Green-winged Teal (bw)	sp,su,fa	12,13,16	c	Water,fields,shore	
Blue-winged Teal (bw)	sp,su,fa	12,13,16	c	Water,fields,shore	
Cinnamon Teal (m)	sp,fa	12,13,16	u	Water,fields,shore	
European Wigeon (O**)	May 3, 1973	12	o	Open water	
American Wigeon (bw)	sp,su,fa	12,13,16	c	Water,fields,shore	
Northern Shoveler (b)	sp,su,fa	12,13,16	c	Water,fields,shore	
Wood Duck (bw)	sp,su,fa	12,13,16	r	Water,fields,shore	
Redhead (m)	sp,fa	12,13,16	u	Water,shores	
Ring-necked Duck (S)	sp,su,fa	12,13,16	r	Water,shorelines	
Canvasback (S)	sp,su,fa	12,13,16	u	Water,shorelines	
Greater Scaup (O**)	Seen 1975	-	o	Water	
Lesser Scaup (Sw)	sp,su,fa	12,13,16	u	Water,shorelines	
Common Goldeneye (SW)	wi,sp,su,fa	12,13,16	c	Open water	
Barrow's Goldeneye (SW)	wi,sp,su,fa	12,13,16	u	Open water	
Bufflehead (Sw)	wi,sp,su,fa	12,13,16	u	Open water	
Oldsquaw (O**)	Dec.14,1969	16	o	Open water	
White-winged Scoter (O**)	sp,fa	-	o	Open water	
Ruddy Duck (S)	su,fa	12,13,16	u	Open water	
Hooded Merganser (O)	sp,fa	12,13,16	r	Open water	
Common Merganser (bw)	sp,su,fa	12,13,16	c	Open water	
Red-breasted Merganser (Sw)	sp,su,fa	12,13,16	u	Open water	
Turkey Vulture (Sw)	sp,su	11,15,19	u	Pastures,cottonwoods	
Goshawk (w)	wi	1,2,17	r	Trees,thickets	

Sharp-shinned Hawk (bw)	wi,sp,su,fa	2,4,5,6,7,8	u	Trees,thickets	
Cooper's Hawk (bw)	wi,sp,su,fa	1,7,17	u	Trees, thickets	
Red-tailed Hawk (B)	sp,su,fa	10,11,15,19,20	u	Cottonwoods	
Swinson's Hawk (b)	su	9,10,11,13	r	Fields,pastures	
Rough-legged Hawk (W)	wi	8,10,11,15,19	c	Fields,pastures	
Ferruginous Hawk (O)	sp	15,18,20	r	Fields,pastures	
Golden Eagle (bw)	sp,su,fa	7,17	u	Open grassland,cliffs	
Bald Eagle (W)	wi,sp,fa	12,13,16	u	near water	
Marsh Hawk (BW)	sp,su,fa	10-12,14,15,19	u	Wet meadows	
Osprey (S)	su	16,19	u	Open water	
Gyr Falcon (w)	wi	15,19,20	r	Fields,pastures	
Prairie Falcon (bw)	wi,sp,fa	9,18,20	u	Fields,pastures	
Peregrine Falcon (w)	wi	20,11	r	Fields,pastures	
Merlin (bw)	wi,sp,fa	1,2,17	r	Trees,thickets	
American Kestrel (Bw)	sp,su,fa	4-6,10,11,20	c	Trees,grassland	
Blue Grouse (w)	sp,fa	1-3,7,17	r	Thickets	
Sharp-tailed Grouse (bw)	wi,sp,su,fa	11,14,19,20	r	Grassland,thickets	
Ring-necked Pheasant (bw)	wi,sp,su,fa	11,14,15,19	r	Thickets,fields	
Gray Partridge (BW)	wi,sp,su,fa	10,12,15,20	c	Fields,grassland	
Sandhill Crane (B)	sp,su,fa	12,14,15,19	c	Wet meadows,fields	
Virginia Rail (O*)	sp,fa	14,19	r	Marshes	
Sora (b)	su	14,19	u	Marshes	
American Coot (bw)	sp,su,fa,wi	12,13,16	c	Open water	
Semipalmated Plover (M)	sp,fa	12,13,16,19	u	Shores	
Killdeer (BW)	sp,su,fa	12-14,16,19	a	Shores,marshes	
Black-bellied Plover (M)	sp,fa	12,16,19	u	Shores	
Common Snipe (BW)	sp,su,fa	12,19	c	Marshes,wet meadows	
Long-billed Curlew (b)	sp,su	10-12,15,15,19	u	Moist grassland	

Whimbrel (O*)	July 16, 1977	-	o	Shores	
Upland Sandpiper (O)	sp, fa	9, 11, 18, 19	o	Moist grassland	
Spotted Sandpiper (B)	sp, su	10-12, 16, 19	c	Shores	
Solitary Sandpiper (b)	sp, su	12, 13, 16	r	Shores	
Willet (S)	sp, su	10, 12, 16, 19	r	Shores	
Greater Yellowlegs (M)	sp, su, fa	10, 12, 13, 16	u	Shores	
Lesser Yellowlegs (M)	sp, su, fa	10, 12, 13, 16	c	Shores	
Baird's Sandpiper (M)	sp, fa	12, 13, 16	u	Shores	
Dunlin (M*)	sp, fa	12, 13, 16	o	Shores	
Long-billed Dowitcher (M)	sp, su, fa	12, 13, 16	c	Shores	
Semipalmated Sandpiper (M)	sp, fa	12, 13, 16	u	Shores	
Marbled Godwit (S)	sp, su	12, 13, 16	u	Shores	
Sanderling (M)	sp, fa	12, 13, 16	u	Shores	
American Avocet (S)	sp, su, fa	12, 13, 16	c	Shores	
Black-necked Stilt (O*)	su, fa 1977	-	o	Shores	
Wilson's Phalarope (b)	su	12, 13, 16	c	Open water	
Northern Phalarope (M)	sp, fa	12, 13, 16	r	Open water	
Parasitic Jaeger (O*)	sp, fa	19	o	Open water	
California Gull (Sw)	sp, su, fa	5, 12, 13, 16	u	Water, dumps	
Ring-billed Gull (Sw)	sp, su, fa	5, 12, 13, 16	c	Water, dumps	
Franklin's Gull (S)	sp, su	12, 16, 19	u	Marshy shores	
Bonaparte's Gull (M)	sp, fa	12, 16, 19	u	Fields, shores	
Common Tern (M)	sp, fa	12, 13, 16	u	Open water	
Black Tern (M)	sp, fa	12, 13, 16	u	Open water	
Rock Dove (BW)	wi, sp, su, fa	5, 10, 8	c	Buildings	
Mourning Dove (B)	sp, su	10, 11, 15, 19	c	Trees, tall shrubs	
Black-billed Cuckoo (B)	sp, su	2, 4, 10	r	Cottonwood forest	
Screech Owl (w)	wi	2, 5, 7, 10	r	Woods, thickets	

Great Horned Owl (BW)	wi, sp, su, ra	8, 10, 19, 20	u	Cottonwood groves	
Snowy Owl (W)	wi	9, 11, 18, 20	r	Grassland	
Pygmy Owl (bw)	wi	3, 10, 11	u	Conifers, cottonwood	
Burrowing Owl (B)	sp, su	18	u	Grassland	
Short-eared Owl (BW)	sp, su, fa, wi	10-12, 14, 19	u	Moist grassland	
Common Nighthawk (b)	su	10, 11, 12, 14, 19	a	Over water	
Rufous Hummingbird (M)	sp, fa	3, 4, 5, 8	u	Flowering shrubs	
Calliope Hummingbird (M)	sp, fa	3, 4, 5, 8	u	Flowering shrubs	
Belted Kingfisher (bw)	sp, su	10, 12, 16, 19	c	Streams, shores	
Common Flicker (BW)	wi, sp, su, fa	1, 2, 4, 5, 8, 10	c	Cottonwoods	
Lewis' Woodpecker (O)	sp, fa	9, 18	u	Scattered trees	
Hairy Woodpecker (bw)	wi, sp, su, fa	1, 2, 3, 10, 20	c	Cottonwoods	
Downy Woodpecker (bw)	wi, sp, su, fa	1, 2, 3, 10, 20	c	Cottonwoods	
Eastern Kingbird (b)	sp, su	9-12, 19, 20	c	Tall shrubs	
Western Kingbird (b)	sp, su	9, 11, 18, 20	u	Shrubs, grassland	
Say's Phoebe (b)	sp, su	9, 11, 18	u	Buildings, fields	
Western Flycatcher (b)	sp, su	2, 7, 17	u	Moist forests	
Western Wood Pewee (b)	su	1-5, 10, 20	c	Tall trees	
Horned Lark (BW)	wi, sp, su, fa	9, 11, 12, 18, 20	a	Grassland, cropland	
Violet-green Swallow (b)	su	1-3	c	Cliffs, forest edges	
Tree Swallow (B)	sp, su	1-4, 10, 19	a	Snags near water	
Bank Swallow (B)	sp, su	9-11, 15, 17	a	Streambanks	
Rough-winged Swallow (b)	sp, su	9-11, 14	c	Near water	
Barn Swallow (B)	sp, su	1-5, 8, 9, 19, 20	a	Buildings, bridges	
Cliff Swallow (B)	su	1-3, 9, 11, 20	c	Cliffs, buildings	
Gray Jay (w)	wi	1-3, 7, 17	u	Conifers	
Blue Jay (O*)	sp, fa	-	o	Trees, tall shrubs	
Steller's Jay (w)	wi	1-3, 7, 17	u	Conifers	



Black-billed Magpie (BW)	sp,su,fa,wi	4-6,8,10-20	a	Trees,shrubs
Common Raven (SW)	wi,sp,fa	9-12,14,18,20	c	Open fields
Common Crow (bw)	sp,su,fa	10,11,19,20	u	Cottonwood groves
Pinyon Jay (bw)	sp,su	15,17	u	Juniper woodland
Clark's Nutcracker (W)	wi	1-2,13,17	u	Conifers,junipers
Black-capped Chickadee(bw)	wi,sp,su,fa	2-5,10,12,15	c	Trees,thickets
Mountain Chickadee (bw)	wi,sp,su,fa	1-3,7,17	c	Conifers
White-breasted Nuthatch (bw)	wi,sp,su,fa	1-4,7,17	u	Trees
Red-breasted Nuthatch(bw)	wi,sp,su,fa	1-3,7,17	c	Conifers
Pygmy Nuthatch (bw)	sp,su	7,17	u	Pines,junipers
Brown Creeper (bw)	sp,su	1-3,7,17	u	Pines
Dipper (bw)	wi,sp,su,fa	13,17	u	Streams,open water
House Wren (B)	su	5,6,10,19,20	u	Cottonwoods
Long-billed Marsh Wren (Bw)	sp,su,fa	14	u	Cattails
Rock Wren (B)	su	1-3,7,17	u	Cliffs,rockslides
Gray Catbird (B)	su	5,8,10,19,20	u	Dense thickets
Brown Thrasher (O)	su	9-11,15	r	Tall shrubs
Sage Thrasher (b)	su	9,15,18	r	Sagebrush
American Robin (BW)	sp,su,fa	1-6,10,15,20	a	Lawns,trees
Hermit Thrush (M)	sp,fa	10,11,15,19	u	Conifers
Swainson's Thrush (M)	sp,fa	10,11,15,19	u	Conifers
Veery (b)	sp,su	2,10,11,19	u	River groves
Mountain Bluebird (B)	sp,su,fa	1-3,7,17	c	Forest edges
Townsend's Solitaire (bw)	wi,sp,su,fa	1-3,7,15,17	u	Pines,junipers
Golden-crowned Kinglet(Mw)	wi,sp,fa	1-3	u	Conifers
Ruby-crowned Kinglet (B)	sp,su	1-5,10,19	c	Tall trees
Water Pipit (M)	sp,fa	12,13,16	u	Shores
Bohemian Waxwing (W)	wi	1-6,8	a	Trees,junipers
Cedar Waxwing (Bw)	su	1-4,8,10,19	u	Trees,junipers

Northern Shrike (W)	wi	10-12,15,20	u	Shrub thickets
Loggerhead Shrike (O)	su	9-11,15,18,20	r	Shrub thickets
Starling (BW)	wi,sp,su,fa	4-6,8,10	a	Buildings,fields
Red-eyed Vireo (b)	su	2,10,11,20	u	Tall cottonwoods
Warbling Vireo (b)	su	1-4,10,20	c	Tall cottonwoods
Tennessee Warbler (O*)	sp,fa	-	o	Shrubs,trees
Orange-crowned Warbler(M)	sp,fa	1-3,6,10,20	r	Conifers
Yellow Warbler (B)	sp,su	1-6,9-11,20	a	Willows,thickets
Yellow-rumped Warbler (M)	sp,fa	1-3,7,17	c	Conifers
Ovenbird (O)	su	2,10,17,19,20	r	River groves
Northern Waterthrush (b)	sp,su	2,10,17,20	u	Thickets near water
MacGillivray's Warbler(b)	sp,su	2,7,17	u	Dense thickets
Common Yellowthroat (b)	sp,su	9-11,19,20	c	Shrubs and thickets
Wilson's Warbler (M)	sp,fa	1-4,12,20	u	Shrubs,trees
American Redstart (b)	su	2,10,20	u	Thickets near water
House Sparrow (BW)	wi,sp,su,fa	4-6,10,19	a	Buildings,farms
Bobolink (b)	su	10,12,14	u	Moist grassland,crops
Western Meadowlark (Bw)	sp,su,fa	8-11,14,18,20	a	Grassland
Yellow-headed Blackbird (B)	su	12,14,19	c	Marshes
Red-winged Blackbird (BW)	wi,sp,su,fa	5,10,12,14,19	a	Cattails
Northern Oriole (B)	su	2,10,20	u	Tall cottonwoods
Rusty Blackbird (O*)	sp,fa	-	o	Farmyards
Brewer's Blackbird (B)	su	10,11,14,18,20	c	Fields,grasslands
Common Grackle (b)	su	10,11,19,20	r	Urban groves
Brown-headed Cowbird (Bw)	su	4-6,10,19,20	c	Pastures
Western Tanager (S)	su	1,2,7,17	u	Conifers
Black-headed Grosbeak (O)	su	2,5,10,20	o	Tall trees
Lazuli Bunting (b)	su	1-5,10,20	c	Trees,shrubs
Evening Grosbeak (bw)	sp,su,fa,wi	4,5,8,10	a	Trees
Cassin's Finch (Bw)	sp,su,fa,wi	2-5	c	Trees,shrubs

House Finch (w)	wi	2-5	u	Trees, towns
Pine Grosbeak (w)	wi	2-5,8,20	c	Tall trees
Gray-crowned Rosy Finch (w)	wi	10-12,15,18,19	u	Shrubs, fields
Black Rosy Finch (O)	wi	10-12	r	Shrubs, fields
Hoary Redpoll (w)	wi	2-5	r	Weedy fields
Common Redpoll (w)	wi	2-5	u	Weedy fields
Pine Siskin (Sw)	sp, su	1-3,7,17	c	Conifer groves
American Goldfinch (Bw)	su	4,5,8,10,11,20	u	Roadsides, shrubs
Red Crossbill (w)	wi	1-3,7,17	u	Conifers
White-winged Crossbill (w)	wi	1-3,7,17	r	Conifers
Green-tailed Towhee (b)	su	1,2,7,17	r	Shrubby hillsides
Rufous-sided Towhee (b)	su	1-5,10,19	c	Shrub thickets
Lark Bunting (O)	su	9,15,18,20	u	Grassland
Savannah Sparrow (b)	su	10-12,14	a	Grassland
Vesper Sparrow (B)	su	1,7,15,17,18	a	Grassland
Lark Sparrow (b)	su	1,2,7,9,15,17	u	Dry grassland
Dark-eyed Junco (BW)	wi, sp, su, fa	1-7,17	c	Conifers, thickets
Tree Sparrow (w)	wi	1-3,10,15,19	c	Thickets
Chipping Sparrow (B)	sp, su, fa	1-3,7,17,19	c	Thickets
Clay-colored Sparrow (b)	su	5	u	Low Shrubs
Brewer's Sparrow (b)	su	1,2,7,9,18	u	Sagebrush, bitterbrush
Harris' Sparrow (w)	wi	14	r	Thickets
White-crowned Sparrow (Mw)	wi, sp, fa	1-5,10,20	u	Thickets
Song Sparrow (BW)	sp, su, fa	5,10-12,14,20	u	Cottonwoods
Lapland Longspur (w)	wi	9,11,18,20	u	Grassland
Chestnut-collared Longspur (O)	su	9,11,18,20	o	Grassland
Snow Bunting (w)	wi	9,11,18,20	u	Grassland, roadsides



What This bill places a check-off box on the Montana state income tax form which enables Montanans to contribute \$2, \$5 or \$10 to the nongame wildlife program by either donating it out of their tax refund or adding the amount to the taxes owed.

This bill also creates a Nongame Advisory Council, a governor appointed citizens committee which will advise the Department of Fish, Wildlife and Parks on the management of nongame wildlife.

Why The 1973 Montana nongame and Endangered Species Act requires the state to manage nongame wildlife "for human enjoyment, for scientific purposes, and to insure their perpetuation as members of ecosystems." (87-5-103 MCA)

Funding for the current nongame wildlife program has come primarily from sportmen's licensing fees. That current small program (\$44,000) may well go in 1982 given the budget crunch of the Department of Fish, Wildlife and Parks. Another funding source is badly needed.

This is the funding of a public responsibility by those--and only those--who wish to participate. It is a convenient way for those interested to voluntarily pitch in and help: the photographer, hiker, plain citizen.

#### Taxes Owed and Tax Refunds

The proposal enables taxpayers to "check-off" or "add-on" money that will go to the nongame wildlife program. A taxpayer having a refund coming may "check-off" in a box provided a small sum that will be deducted from his refund. A taxpayer required to pay additional taxes, may "add-on" an equally small amount.

In 1979, 50% of the Montana taxpayers owed taxes on their tax forms. In 1980 the number owing taxes was 46%. The tax "check-off" and "add-on" enables all Montana taxpayers to contribute monies to the nongame wildlife program.

#### Nongame Programs in Other States:

As of July, 1980, 27 states were funding nongame wildlife programs and 7 were developing such programs. Sources of money for these programs include state general funds, a sales tax, voluntary donations, tax form check-offs, and the sale of personalized auto tags, t-shirts, wildlife stamps and shoulder patches.

Montana has tried selling nongame certificates to help fund the nongame wildlife program--a \$5 certificate purchased where hunting licenses were sold. Last year only \$600 was raised by this means. Alternative funding programs used in other states have been examined: sales of personalized auto tags is preempted in Montana, a state sales tax is not feasible. The income tax check-off has been successful in other states and is workable in Montana.

### The Check-off System in Other States:

Six states currently have a check-off box for nongame wildlife on their tax forms. Several other states are trying to get similar programs started now. Those six states are Colorado, Oregon, Utah, Kansas, Kentucky and Minnesota.

Colorado was the first state with a tax form check-off, starting that program in 1978. Oregon taxpayers have had one year (1980) to contribute by this means. The other four states are collecting money for their nongame wildlife program through tax check-offs for the first time this year.

The success of the tax check-off fund raiser has been incredible in Colorado and Oregon:

<u>State</u>	<u>Year</u>	<u>Amount of Money Raised</u>	<u>Per cent (%) of Taxpayers Contributing</u>	<u>Average Contribution</u>
Colorado	1978	\$350,000	9%	\$3.85
	1979	\$500,000	--	----
	1980	\$650,000	12%	\$5.00
Oregon	1980	\$345,000	9%	\$3.66

Montana had 362,000 tax forms filed in 1979 and 367,000 filed in 1980. Considering the above information, Montana can expect to raise at least \$75,000.

FEB 19 1980

Allen's P. C. B Est. 1888

# Taxpayers go 'wild' for wildlife

By JOSEPH R. SAND

SALEM (UPI) — A spot check of early Oregon income tax returns indicates about 10 percent of the taxpayers are doing something "wild" with their tax refund — donating it to a non-game wildlife fund.

The 1979 Legislature established the fund which is designed to give the Fish and Wildlife Department money to help protect and preserve non-game wildlife and their habitats.

Carol Wisner, Department of Revenue, said a spot check of some 25,000 early income tax returns indicate about 10 percent of the taxpayers are checking the box to donate \$1, \$3 or \$5 to the wildlife fund.

There has been one problem. The law provided that only donations of the specified dollar amounts could go to the fund

and some taxpayers have been writing in larger amounts. Those returns have to go back for corrections.

The theme for the new fund is "Do Something Wild," and the extra contributions prompted Ron Shay, information officer for the Fish and Wildlife Department, to say: "Do something wild, but not too wild."

When the measure to set up the fund was in the Legislature, it was noted that a similar law was enacted in Colorado in 1977 but with a maximum \$10 contribution. Taxpayers of Colorado donated \$355,000 the first year which brought legislative speculation that Oregon, with fewer taxpayers, could expect about \$280,000.

Shay said he feels that estimate is high. If 10 percent of the 1.5 million taxpayers donate \$1, the fund would realize

\$150,000. However, he said he felt some would donate more, so, "My guess is about \$200,000 this first year."

Sen. John Powell, D-Halsey, was chairman of the Senate Revenue Committee and carried the bill in the Senate. He said he backed the bill "because it is simply a matter of fact that we have not, over the years, provided any kind of program for non-game wildlife."

"We don't know, for example, what is happening to a lot of wildlife in Oregon. This will at least allow some initial work on finding out about non-game wildlife," Powell said.

Shay said, "We know what creatures we have in the state." There are about 500 species of non-game birds and animals in Oregon.

But, he added, the department doesn't know where the critical areas are, what

areas the state should acquire to protect non-game species.

For instance, Shay said, checks need to be made on scarce non-game wildlife such as bald eagles and spotted owls. And, it may be decided the state needs some small ponds in wetlands or some salt marshes on the coast to preserve key habitats.

Until now, the state's non-game activities have been financed by about \$150,000 in license fees. Shay said that clearly isn't enough to do an adequate job of ensuring a future for the non-game creatures.

Nongame wildlife is also known as "Watchable Wildlife"--those creatures not usually hunted or fished. The Mountain Bluebird and Flying Squirrel are two examples of more than 600 nongame animals in Montana. Game, furbearers and predators are excluded from the nongame definition as shown below.

The 1973 Montana Nongame and Endangered Species Act requires the state to manage non-game wildlife "for human enjoyment, for scientific purposes, and to insure their perpetuation as members of ecosystems." (87-5-103 Montana Code Annotated).

What This bill places a convenient check-off box on the Montana state income tax form which enables Montanans to voluntarily contribute \$2, \$5, or \$10 to the nongame wildlife program.

Colorado, Kentucky, Minnesota, Oregon, Kansas, and now Utah have enacted this plan. Although this bill fell a few votes short in Montana's House last session, we feel it is time to try again as this has been very successful in other states. Based on these states, Montana can expect to raise \$75,000.

This bill also creates a Nongame Advisory Council, a governor appointed citizens committee which will advise the Department of Fish, Wildlife, and Parks on the management of nongame wildlife.

Why Funding for the current nongame wildlife program has come primarily from sportsmen's licensing fees. That current small program (\$44,000) may well go, given the budget crunch of the Department of Fish, Wildlife and Parks. Another funding source is needed.

This is not "just another" special fund. Wildlife has traditionally been supported by special funding programs (sportsmen's license fees support game management programs, for example). The "check-off" system follows in this tradition.

EXACTLY WHAT IS A NONGAME SPECIES?

<u>Game*</u>	<u>Nongame*</u>
Elk	Masked Shrew
Ducks	Pika
Geese	Grasshopper Mouse
Bear	Raccoon
Trout	Black-tailed Prairie Dog**
Deer	Snowshoe Hare
	Bison
<u>Furbearer</u>	Big Brown Bat
Mink	Yellow-bellied Marmot
Fisher	Northern Flying Squirrel
Martin	Sagebrush Vole
Otter	White Pelican
Bobcat	Woodpeckers
Canada Lynx	Owls
Beaver	Golden Eagle
Northern Swift Fox	Hummingbirds
Muskrat	Hawks
Wolverine	Sagebrush Lizard
	Western Toad
<u>Predator</u>	Pumpkinseed
Coyote	Yellow Perch
Skunks	Osprey
Weasels	Great Blue Heron
Civet Cat	Bank Swallow
	California Gull
<u>Endangered Species</u>	Western Tanager
Whooping Crane	Desert Cottontail
Black-footed Ferret	White-tailed Jack Rabbit
Timber Wolf	Least Chipmunk
Peregrine Falcon	Killdeer

\* These are not complete lists of species. They are only examples.

\*\*Please see 2) below.

AND TO CLARIFY SOME COMMON MISCONCEPTIONS ABOUT HB 787

--Will ranching or farming operations be affected?

The existing state laws protect the land management practices of the agriculturalist; therefore, neither this bill or the nongame program will affect this community.

Here's why:

- 1) The DFWP has very little regulatory authority under the Nongame and Endangered Species Act. Before a nongame animal can be "managed" (should this ever become desirable), DFWP must first obtain legislative approval to reclassify the animal "in need of management." The legislature has the final word.
- 2) No regulations could conflict with the landowners rights to control rodents or any other animal causing depredation because these rights are protected by Department of Livestock regulations.
- 3) Finally, the Nongame Advisory Council created by HB 787 will also act in guiding nongame policies.

--What about some obscure little species of mouse or bird being found and placed on the endangered species list?

Enormous gaps in knowledge exist concerning the animals in Montana. We don't know what we have. The best way to get an animal on the Federal Endangered Species list is to not know much about the animal. Montana should be able to identify and manage its own wildlife. We want to make sure that no more animals wind up on the endangered or threatened list.

--Won't other groups want the same check-off privilege?

The answer is: it hasn't happened in any state yet. The other groups are private groups so they can't use this system. This is the funding of public responsibility by those--and only those--who wish to participate.

--How would the money be spent? What can be done in a nongame wildlife program?

There is so much to be done! Enormous gaps in knowledge exist. Adequate surveys need to be done, existing information needs to be pooled, educational and interpretive facilities could be developed, and much more.

As an example, Mountain Bluebird populations took a real plunge ten years ago in various areas in Montana. Bluebird nesting boxes, strategically placed, have helped stabilize or increase the populations. This effort would not be productive if boxes were built wrong, placed wrong, or abused by unaware members of the public. Information gathering and public education are hence critical aspects of an effective nongame wildlife program.

Other program possibilities include:

- 1) the continuation of raptor surveys
- 2) more information gathering and regulation of falcons taken for falconry; the pressure on falcons is increasing due to the rising market value of birds as a result of the demand for falcons in other countries
- 3) an inventory and publication of Montana's reptiles and amphibians
- 4) information gathering on animals of special interest or concern to Montanans, such as Osprey, Hoary Marmot, Golden Eagle, Northern Bog Lemming, Pileated Woodpecker, Long-Eared Owl, Wood Frog, Short-Nosed Gar, and many more.

A FINAL WORD....

Proper management of nongame wildlife species will also be beneficial to game animals. With a better understanding of what wildlife resources Montana has, the balance that exists today can be maintained as Montana continues to grow.



Daniel Sullivan  
 Rt. 1 Box 185  
 Manhattan, It. 59741

Rep. Ken Nordtvedt  
 Chairman Taxation Committee  
 Montana House of Representatives  
 Capitol Station  
 Helena, It. 59620

RE: NONGAME FUNDING BILL. Please include the following comments as part of the official hearing record.

The 1973 Montana Nongame and Endangered Species Act requires the management of nongame wildlife. The essential goals of the Act is to provide human enjoyment, scientific study and perpetuation of healthy nongame populations. The Act is not funded although I believe most Montana citizens support the intent of the Act. Because of increasing costs of game management programs the Montana Department of Fish, Wildlife and Parks will unlikely be able to continue any substantial funding for nongame.

At present supporters of nongame have no convenient or organized method of funding their interest. A method by which nongame supporters may voluntarily contribute funds for nongame programs is now being presented to the legislature. The Nongame Funding Bill provides a check - off system on the Montana state income tax form. This proposal would allow Montanans to earmark \$2, \$5, \$10 of their state income tax refund for nongame programs. This will provide a convenient method of funding nongame programs. The funds can be efficiently used because they will be pooled into a single fund and administered by a single agency (Department of Fish, Wildlife and Parks). The method of funding is voluntary. It is not a Tax.

The nongame bill will not protect coyotes and other predators. Animals that have been designated predators by law can not be included in a nongame wildlife program. Although rodents such as prairie dogs and ground squirrels are considered nongame the Montana Department of Livestock has the authority to control them as pests. The nongame program does not preclude Livestock's authority.

A companion bill, the Citizens Nongame Program Advisory council Bill, should also be supported. The council, composed of members of the agricultural, conservation and scientific communities, will provide balanced input to the Department of FWP concerning the use of nongame funds and program direction.

The interest and enjoyment of nongame wildlife by people is greater than all other licensed uses of big game and fish combined. Yet, efforts to maintain and improve nongame populations is nearly nonexistent. Passage of these bills will be an important step in wildlife management. I urge support of this legislation. Thank you for your consideration of this matter.

Sincerely,  
 DAN SULLIVAN  
 Daniel Sullivan

2117131  
EXHIBIT 14

WITNESS STATEMENT

NAME Larry A. Thompson BILL No. 787  
ADDRESS 117 Pine, Helena DATE 2-17-81  
WHOM DO YOU REPRESENT self  
SUPPORT ✓ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

## TESTIMONY OF LARRY S. THOMPSON

My name is Larry S. Thompson, and I reside at 117 Pine Street, Helena. I was born and raised in Kalispell, Montana, and I received a bachelor's degree in zoology from Montana State University and a Master's degree in zoology from Washington State University. For the last seven years, I have been employed as a professional wildlife biologist.

I believe that a checkoff system, as proposed by HB 787, is the best way of ensuring that the state's nongame wildlife program receives adequate funding. Why do we need to fund an expanded nongame program? In this statement, I'd like to point out a few specific projects which an adequately funded nongame program could accomplish-- projects which would prevent duplication of effort, and which would save money in the long run.

1. PROVIDE A STATEWIDE DATA BASE. State and federal agencies are under a legislative mandate to address nongame wildlife when preparing environmental impact statements on major actions. This often requires that a full-scale inventory be carried out every time an EIS is written, since there is no clearinghouse which agencies can call on to obtain existing data. A concerted effort to compile existing nongame data by habitat or region, and to keep tabs on all ongoing research, would streamline the inventory process, prevent duplication, and save considerable time and money.

2. DEVELOP STANDARD INVENTORY TECHNIQUES. Nongame inventories currently under way in Montana often employ widely different survey methods. This makes it difficult to extrapolate findings from one area to another, or to identify regional patterns or trends. An expanded nongame

program could assist researchers in designing nongame studies so that the results would be compatible with those of other studies. This could eventually lead to a useful data base as different habitats and regions are covered, a data base which would reduce the amount of future inventory effort required.

3. IDENTIFY INDICATOR SPECIES OR COMMUNITIES FOR USE IN MONITORING.

Research to identify nongame indicators and to design effective nongame monitoring techniques would be a valuable function of the state nongame program, and could help cut costs of required long-term monitoring studies. Nongame monitoring studies could be designed to identify the parameters which influence population increases or declines.

4. IDENTIFY COST-EFFECTIVE MITIGATION TECHNIQUES. Mitigation of wildlife losses is often required by law; the state nongame program could coordinate research to identify the most cost-effective means of mitigation, again cutting costs in the long run. For example, it may be found that bluebird populations could be quickly and cheaply restored by providing nest boxes.

5. COORDINATE VOLUNTEER EFFORTS. Many nongame research studies are being carried out by volunteers, Audubon societies, and interested amateurs. A few examples are the cooperative Breeding Bird Survey, the Christmas Bird Counts, and roadside raptor surveys. These studies could provide invaluable data on population trends and habitat requirements; however, there is presently no money available to pay for the necessary data analysis.

These are just a few of the projects which Montana's nongame program could accomplish with the funding provided by the checkoff system. I chose these examples to illustrate how the nongame program, by coordinating and streamlining the many nongame studies which are already required by law,

could increase efficiency and cut costs, while at the same time adding significantly to our understanding of Montana's wildlife resource. I feel this is important in light of the increasing public concern over government spending and taxation. Users of the nongame resource also need a convenient way to contribute to resource management, if they so desire. I therefore strongly urge your support in providing funding for Montana's nongame program by means of a voluntary tax checkoff donation.

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_

3 BY REQUEST OF THE HOUSE TAXATION COMMITTEE

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE MILEAGE  
6 LIMITATIONS ON TELEPHONE COMMUNICATIONS EQUIPMENT THAT  
7 QUALIFIES FOR CLASS SEVEN TAXATION; AMENDING SECTION  
8 15-6-137, MCA."

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

11 Section 1. Section 15-6-137, MCA, is amended to read:  
12 "15-6-137. Class seven property -- description --  
13 taxable percentage. (1) Class seven property includes:

14 (a) livestock, poultry, and unprocessed products of  
15 both;

16 (b) all property used and owned by persons, firms,  
17 corporations, or other organizations that are engaged in the  
18 business of furnishing telephone communications exclusively  
19 to rural areas or to rural areas and cities and towns of 800  
20 persons or less;

21 (c) all property owned by cooperative rural electrical  
22 and cooperative rural telephone associations that serve less  
23 than 95% of the electricity consumers or telephone users  
24 within the incorporated limits of a city or town;

25 (d) electric transformers and meters; electric light

1 and power substation machinery; natural gas measuring and  
2 regulating station equipment, meters, and compressor station  
3 machinery owned by centrally assessed public utilities; and  
4 tools used in the repair and maintenance of this property;  
5 and

6 (e) tools, implements, and machinery used to repair  
7 and maintain machinery not used for manufacturing and mining  
8 purposes.

9 (2) To qualify for this classification, the average  
10 circuit miles for each station on the telephone  
11 communication system described in subsection (1)(1) must be  
12 more than ~~4-1/4~~ miles 1 mile.

13 (3) Class seven property is taxed at 2% of its market  
14 value."

-End-

Ken- Please vote me yes on 787  
Turner



# STANDING COMMITTEE REPORT

March 19, 1922

MR. SPEAKER

We, your committee on TAXATION

HOUSE 292

having had under consideration

Bill No.

292

A BILL FOR AN ACT ENTITLED: "AN ACT REPEALING THE MONTANA INHERITANCE TAX AND AMENDING THOSE SECTIONS THAT APPLY TO THE ADMINISTRATION OF BOTH THE INHERITANCE TAX AND THE ESTATE TAX; AMENDING SECTIONS 15-1-502, 15-1-503, 72-3-631, 72-3-807, 72-3-1006, 72-3-1104, 72-4-304, 72-14-303, 72-16-101, 72-16-102, 72-16-201, 72-16-207, 72-16-208, 72-16-210 THROUGH 72-16-212, 72-16-214, 72-16-215, 72-16-317, 72-16-431, 72-16-441, 72-16-443, 72-16-452, 72-16-453, 72-16-455, 72-16-456, 72-16-458, 72-16-459, 72-16-461, 72-16-465, 72-16-471, 72-16-502 THROUGH 72-16-504, 72-16-902 THROUGH 72-16-905, 72-16-907, MCA; REPEALING SECTIONS 35-21-422, 72-16-202, 72-16-209, 72-16-213, 72-16-216, 72-16-301 THROUGH 72-16-308, 72-16-311 THROUGH 72-16-316, 72-16-318, 72-16-319, 72-16-321, 72-16-322, 72-16-331 THROUGH 72-16-342, 72-16-401 THROUGH 72-16-403, 72-16-411 THROUGH 72-16-425, 72-16-432 THROUGH 72-16-440, 72-16-442, 72-16-460, 72-16-491 THROUGH 72-16-493, 72-16-701 THROUGH 72-16-706, 72-16-801 THROUGH 72-16-805, AND 72-16-902, MCA; AND PROVIDING FOR AN APPLICABILITY DATE."

HOUSE 292

Respectfully report as follows: That..... Bill No.

DO NOT PASS

DO PASS

# STANDING COMMITTEE REPORT

March 23, 1961

MR. SPEAKER

We, your committee on TAXATION

having had under consideration HB Bill No. 293

A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE ACREAGE AND ANNUAL GROSS INCOME QUALIFICATIONS FOR AGRICULTURAL LAND ASSESSMENT; TO PROVIDE ELIGIBILITY CRITERIA FOR ASSESSMENT OF RECREATIONAL LAND AS AGRICULTURAL; AMENDING SECTION 15-7-202, MCA."

Respectfully report as follows: That HB Bill No. 293

second reading (yellow), be amended as follows:

1. Title, line 7.  
Following: "OF"  
Strike: "RECREATIONAL LAND AS"  
Following: "AGRICULTURAL"  
Insert: "LAND"
2. Page 1, line 21 through page 2 line 1.  
Following: "use" on page 1, line 21  
Strike: line 21 through "program" on line 1, page 2
3. Page 2, line 3.  
Following: "equivalent of"  
Insert: "\$3,300 or"

~~XXXXXX~~ DO PASS

(Page 1 of 2 pages)

## COMMITTEE ON TAXATION AMENDMENTS TO HOUSE BILL 293:

4. Page 2, line 5.

Following: "ownership"

Insert: "and the owner of record must supply:

(i) proof of the previous or current year's filing of a federal farm and ranch income tax statement; and

(ii) a copy of the previous or current year's completed county farm and ranch assessment form"

5. Page 2, line 9.

Following: "farms"

Insert: "and the owner of record must provide a copy of the previous or current year's county farm and ranch assessment form that shows that the average yearly number of animals raised in confined areas for the production of food or fiber equals 20 or more animals; or

(d) other clear and convincing evidence"

6. Page 2, lines 10 through 12.

Following: "(2)"

Strike: lines 10 through 12 in their entirety

Insert: "Any land accepted and approved as a division of land by the local taxing authority or approved and accepted by the local taxing authority in conformity with local zoning ordinances for a use other than agricultural shall not be valued or classified as agricultural."

7. Page 2, lines 17 through 21.

Strike: subsection (4) in its entirety

AND AS AMENDED

DO PASS

# STANDING COMMITTEE REPORT

March 4, 1981

19.....

MR. SPEAKER.....

We, your committee on TAXATION.....

having had under consideration ..... HOUSE Bill No. 293.....

A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE ACREAGE AND ANNUAL GROSS INCOME QUALIFICATIONS FOR AGRICULTURAL LAND ASSESSMENT; TO PROVIDE ELIGIBILITY CRITERIA FOR ASSESSMENT OF RECREATIONAL LAND AS AGRICULTURAL; AMENDING SECTION 15-7-202, MCA."

Respectfully report as follows: That..... HOUSE Bill No. 293,  
introduced (white), be amended as follows:

1. Page 1, line 17.

Following: "5"

Strike: "40"

Insert: "20"

2. Page 2, line 3.

Following: "15"

Strike: "50"

Insert: "20"

3. Page 2, line 19.

Following: "use"

Insert: ", as determined in section 1,"

AND AS SO AMENDED

DG+PASS