

HOUSE FISH AND GAME COMMITTEE

January 18, 1983

The meeting was called to order by Chairman Les Nilson in room 420 of the Capitol Building at 12:30 p.m., with all members present.

Chairman Nilson opened the meeting to a hearing on House Bills: 101, 104.

HOUSE BILL 101

REPRESENTATIVE GLENN ROUSH, District 13, Cut Bank, opened by stating that this bill is introduced at the request of the Coal Tax Oversight Subcommittee. Rep. Roush then passed out information packets to committee members (see exhibit 1) as well as a diagram as to the percentage breakdowns of the coal tax money in the State of Montana. (see exhibit 2)

In the statutes, 15-35-108, is the allocation and expending of the 30% Coal tax in the State of Montana. We wish to amend a portion of those expenditures. The portion deals with the Sections 23-1-108, which is interest earned money out of the Park Acquisition Trust Fund. Under the statute, 2.5% of the coal tax money goes in this trust fund for park acquisitions. From that interest earned, 2/3 of the total 100% goes into park acquisition and management funding. The other 1/3 goes into cultural projects. We are not addressing those portions. In House Bill 101, we are addressing the park acquisition management and operation portion of the interest earned off the trust fund. We believe the State of Montana should not be in the real estate business for buying property. We are not talking about taking away fishing or hunting access sites. The 2/3 money would no longer be used for acquisition of sites, but would be used for the maintenance and operation of all the park sites in Montana that are presently in existence. Money can still be obtained through general fund appropriation. There are 14 proposals to be considered. We have funded these requests with this coal tax money in the past. These projects can still come through general fund appropriation. The only thing this bill is intended to do, is to cease using coal tax dollars for acquisition of park sites, and to use that money for the operation and maintenance of the present parks in Montana. For Fiscal Year '83, there is a projection of 1.2 million dollars of coal tax revenue. 1.3 for FY '84, and 1.7 for FY '85. We project for FY '89, 3.69 million dollars. There are too many underdeveloped sites, and we do not encourage buying more lands. We do encourage developing what we have.

PROPONENTS

REPRESENTATIVE CAL WINSLOW, District 65, Billings, said the overall expenditures of the coal tax is that we can get our-

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selves into a position where we have all kinds of lands, but are we taking good care of the land. The purpose is to free up dollars for the operation and maintenance of park lands.

ROBERT VAN DER VERE, Helena, said during the last session of the legislature, the Spring Meadow Lake west of Helena was bought with the coal tax money. Nothing substantial has been done to the park thus far. I think we should take about 3/4 of the money for improvements and use the rest for the acquisition of small pieces of land.

OPPONENTS

JIM FLYNN, Department of Fish, Wildlife, and Parks, submitted copies of his testimony to committee members. (see exhibit 3)

ERHARDT R. HEHN, Bozeman, presented the committee with a written copy of his testimony. (see exhibit 4)

JOHN SCULLY, Bozeman, said we are going to take this money and use it for the general fund operation procedures because it is easier. We ought to save this money for future generations and preserve some of the things we have. You are being asked today, to decide that money and projects that have been set aside will no longer exist. We can't acquire anymore, all we can do is maintain. You are just putting money in the general fund. I don't want you to use this money for general fund obligations. Try to preserve something in this state from earmarked revenue. I urge you to consider what you are asked to do. If you pass House Bill 101, you won't have to worry about projects anymore, the money will be put into the general fund.

STEVE ELLIOT, Lake Elmo Task Force, submitted a pamphlet describing the Lake Elmo Project. (see exhibit 5) A copy of Mr. Elliot's testimony is also attached. (see exhibit 6)

MIKE McLANE, Helena, said although the commitment to operation and maintenance of any park acquisition is imperative, the limitation of earmarked revenue to only operation and maintenance is in error. The intent and thrust of this bill should remain acquisition, and then operation and maintenance of those sites.

GLENDIA BRADSHAW, Audubon Society, said we feel that an important citizen participation opportunity would be lost if this legislation is passed. I would like to be able to continue in the park selection process.

SENATOR THOMAS TOWE, District 34, Billings, said I am an opponent to House Bill 101. This is inconsistent with what we have envisioned in the past to be the purpose of the coal tax.

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Rep. Roush closed by stating that House Bill 101 is not a bill to put money into the general fund. We want to maintain this money in the Department of Fish, Wildlife, and Parks, and utilize the development, operation, and maintenance of all of our parks in Montana. There are 318 sites in Montana at the present time. This money can be utilized in a better manner by developing what we have now. We do not prevent anyone from going to the general fund with a bill to acquire money for a park site. Tourism is a big industry in Montana, but I am concerned that we take care of Montana people before we worry about outside tourists. What are these park sites costing Montana? Going back to the last biennium, we have had some problems on three sites that were purchased. If a site is a good one and draws the attention of the people in the State of Montana, the legislature will take that into consideration and will purchase it. The effective date of House Bill 101 is July 1, 1985. The reason for this is so that it does not disrupt the attention to what is taking place now for funding in this legislative session.

Questions from committee. Rep. Manuel asked Mr. Skully how the general fund money would be used in this maintenance parks program. The reply was you allow the coal tax money to be used for operation and maintenance of all sites, a general fund obligation, and you have merely put the dollars in the cash register to be line itemed by the appropriations committee.

Rep. Daily asked Mr. Flynn if any of the money that comes into the Fish and Game Department from license fees is used for maintenance and operation of the State Park System. The response was that parks that were purchased by coal tax dollars are maintained by coal tax dollars.

Rep. Swift asked what number of acres of the 6,000 already acquired will develop usable standards for park services, and what is the present plan as far as projected need. Mr. Flynn responded that the coal tax projects developed in the park system will be developed to the size that the people of the state want it to be developed. RON HOLDIAY, Department of Fish, Wildlife, and Parks, then responded to Rep. Swift's first question. Nine sites have been acquired, seven have been fully developed or there is a proposal in front of you now to develop them. A proposal is in the Governor's Executive Capitol Program, to develop Spring Meadows fully. For the remaining two plans being formulated for development, the largest park is the Rosebud Battlefield, at 4,800 acres. We are in the process now of reducing the acreage there. This is one reason we have not yet gone into a development proposal for that area.

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Rep. Ellison asked what kind of a maintenance program problem are we looking at 20 years from now if the coal tax program continues at an accelerated rate. Mr. Holiday answered acquisition should remain reasonable. What we will suggest to the legislators this session, is that the projected income and carry over will total about 1.2 million dollars. Give us the operations money first and development money second for the areas that were previously acquired.

Rep. Ellison then asked if the coal tax money is used for the development and maintenance of these coal tax sites. Mr. Holiday replied they are being totally operated and developed with coal tax money.

Rep. Spaeth asked Mr. Flynn if the decisions on site acquisition are ultimately made by the legislature presently under the program. The answer was they are entirely made by the legislature. Rep. Spaeth then asked if the legislature decided that there were no sites that were good sites and did not fund site acquisition, then all the money would go to maintenance and operation. Mr. Flynn replied I don't think we could spend it all on maintenance and operation. Rep. Spaeth then stated then you don't need all the money to go to the maintenance. Mr. Flynn replied that is a very real possibility. Rep. Spaeth added if we were to pass this bill, would it not limit the legislature's discretion on how to deal with this particular money? We would not have the choice to go to site acquisition but would just be limited to spending it in operation and maintenance. Mr. Flynn's answer was yes.

Chairman Nilson closed the hearing on House Bill 101 at 1:25 p.m.

HOUSE BILL 104

REPRESENTATIVE GLENN ROUSH, District 13, Cut Bank, co-sponsor of the bill, opened by turning the presentation over to REPRESENTATIVE CAL WINSLOW, District 65, Billings, for comments. In evaluating this particular trust fund, it became apparent that here is a trust fund that is developing to a substantial amount. At the present time, it is about 8 million dollars, and the interest is being used in various ways. 2/3 go to the parks and 1/3 to arts and aesthetics programs. The purpose of House Bill 104 is to cap the trust when the amount of money has almost doubled. This is projected to occur around 1986. At this point, the trust would contain 15 million dollars. It is not the intent of this bill to cut into any programs. We still have 1.5 million dollars a year that is available for present programs, it is purely good management practice. The interest provides for these areas and allows money to be available to other areas.

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Rep. Roush then added the only change we have is on page 2, line 23, 24, and 25. The fund contains approximately 7 to 8 million dollars right now and the projections for 1989 are a possible 37 million dollars. The department has other sources of income besides the coal tax money, and other avenues of obtaining money.

There were no proponents to the bill.

OPPONENTS

JIM FLYNN, Director, Fish, Wildlife and Parks, stood in opposition to House Bill 104 as presented. A copy of Mr. Flynn's testimony is attached. (see exhibit 7)

ERHARDT HENN, Montana Recreation and Parks Association, also submitted a written testimony. (see exhibit 8)

BOB ARCHIBALD, Montana Historical Society, said the last legislative session was the first effort made by the legislature to provide for cultural and aesthetic programs. The historical society's role in this is as a collecting agent and administrator. In the last session there were 27 projects. At the present time, we again solicited proposals on a statewide basis and received some 84 proposals. This is almost three times the amount received in the last round. I think this indicates a growing awareness and interest in the existence of this money. It is a premature time to determine what that time should be, and therefore we oppose the capping.

J.D. HOLMES, Montana Arts Advocacy, said we are directly concerned with the income that the arts and culture receive from the coal tax. We oppose a cap at this time, and regard it as arbitrary. Projects have come in and have been cut in order to come within the money for this year. The proposal of 50 million dollars seems much more reasonable.

TOM SCHMIDT, Lewis and Clark Park Board, also stood in opposition to House Bill 104. A copy of his testimony is attached. (see exhibit 9)

SENATOR THOMAS TOWE, District 34, Billings, said Montana is playing a catch-up game. We have not given adequate attention to this area. We now have an opportunity to do that, and I hope we don't stop that opportunity before we match what other states are doing. The benefit to a large number of people is very substantial. It is not appropriate to limit the kinds of benefits we can bring to the hands of the people of Montana. Let's not talk about capping until we know we have met the kinds of things people of other states have done for their people.

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Representative Roush closed by stating the intent of this bill is a legitimate request that you have some concern to a capping provision. If projects in Montana are good projects, the community will go out of their way to help those projects. We don't think the sole source established for this money should be the development of local projects. If we are going to be funding projects from session to session, we will be spending a lot of money in the process.

Questions from committee members. Rep. Devlin asked Senator Towe to explain what other states are involved in. The reply was very many of the other states are more willing to take money out of the general fund budgets. There are some states that copy the federal law that every time a public building is built, there must be a certain percentage of the total cost set aside for cultural aspects associated with that building.

Rep. Swift asked if there would still be the 1.5 million dollars from the fund for use for these purposes. Rep. Roush answered we are not taking this source away.

Rep. Swift asked where the excess money would go once the fund was capped. Senator Towe answered the balance goes to the general fund. Unless the statute is changed, it goes to the general fund.

Rep. Ellison asked what proportion of the money was spent on state capitol projects. Mr. Archibald answered the only project was the restoration project, which is a six year project that will be completed this biennium. This project restored the murals in the house lobby.

Chairman Nilson closed the hearing on House Bill 104 at 1:55 p.m.

The meeting was adjourned at 2:00 p.m.



LES NILSON, Chairman



Cheryl Fredrickson, secretary

VISITORS' REGISTER

HOUSE Fish & Game

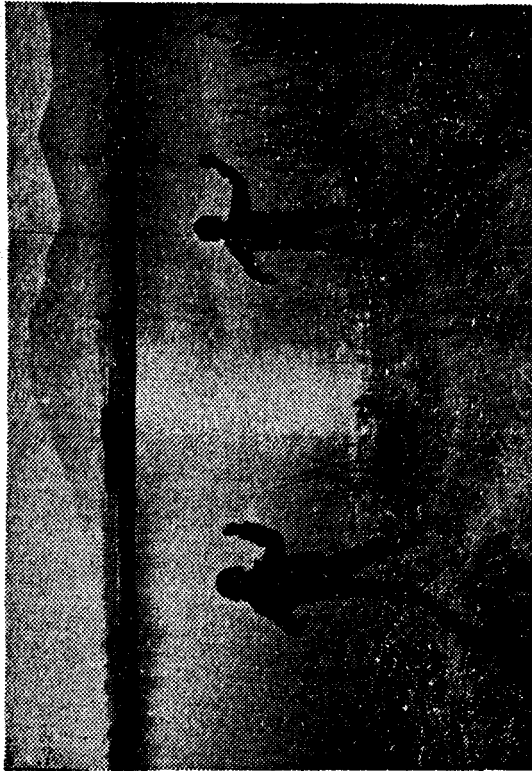
COMMITTEE

BILL HB 104, 101Date July 18, 1983SPONSOR Wingslow

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
J. D. Holmes	Helena	MT. ARTS ADVOCACY		✓
E. R. Tolson	Bozeman	Legislative & Policy Board Fish, Game & Parks Comm.		✓
Thore Rosella	Helena	self		✓
R. H. H. H.	Helena	MT. M.T. Soc.		✓
Rep. G. A. Kinsler		My - SELF	✓	
Michael McHane	Helena	myself		✓
Glenda Bradshaw	Helena	Audubon Soc.		✓
Robert H. H.	Helena	Self	X with Res.	
J. H. H.	Helena	MEIC		
Steve Elliot	Billings	Lake Elmo Task Force		X
Jim Flynn	Helena MT.	DEPT FWP		X
Alvin Smith	Bozeman	Self		X
Tom Schmidt	Helena	Lewis & Clark ^{PARK} BOARD		✓

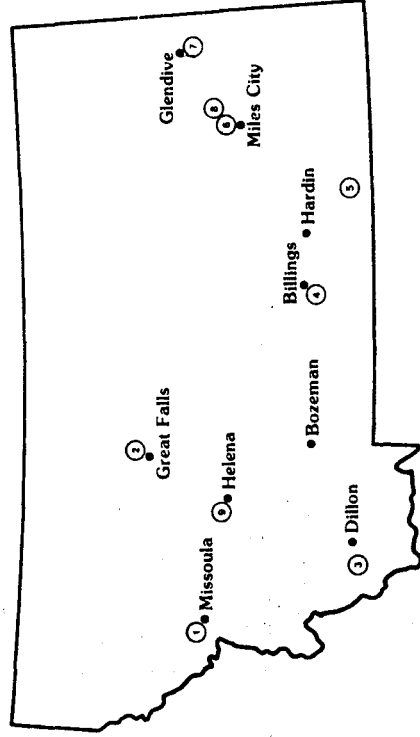
IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



Spring Meadow Lake immediately west of Helena was purchased in July, 1981

Coal Tax Trust Fund Acquisitions



- ① Council Grove State Monument
- ② Giant Springs — Heritage State Park
- ③ Bannack State Park addition
- ④ Lake Josephine State Recreation Area
- ⑤ Rosebud Battlefield State Monument
- ⑥ Roche Jaune State Recreation Area
- ⑦ Makoshika State Park addition
- ⑧ Doeden Island State Recreation Area
- ⑨ Spring Meadow Lake State Recreation Area

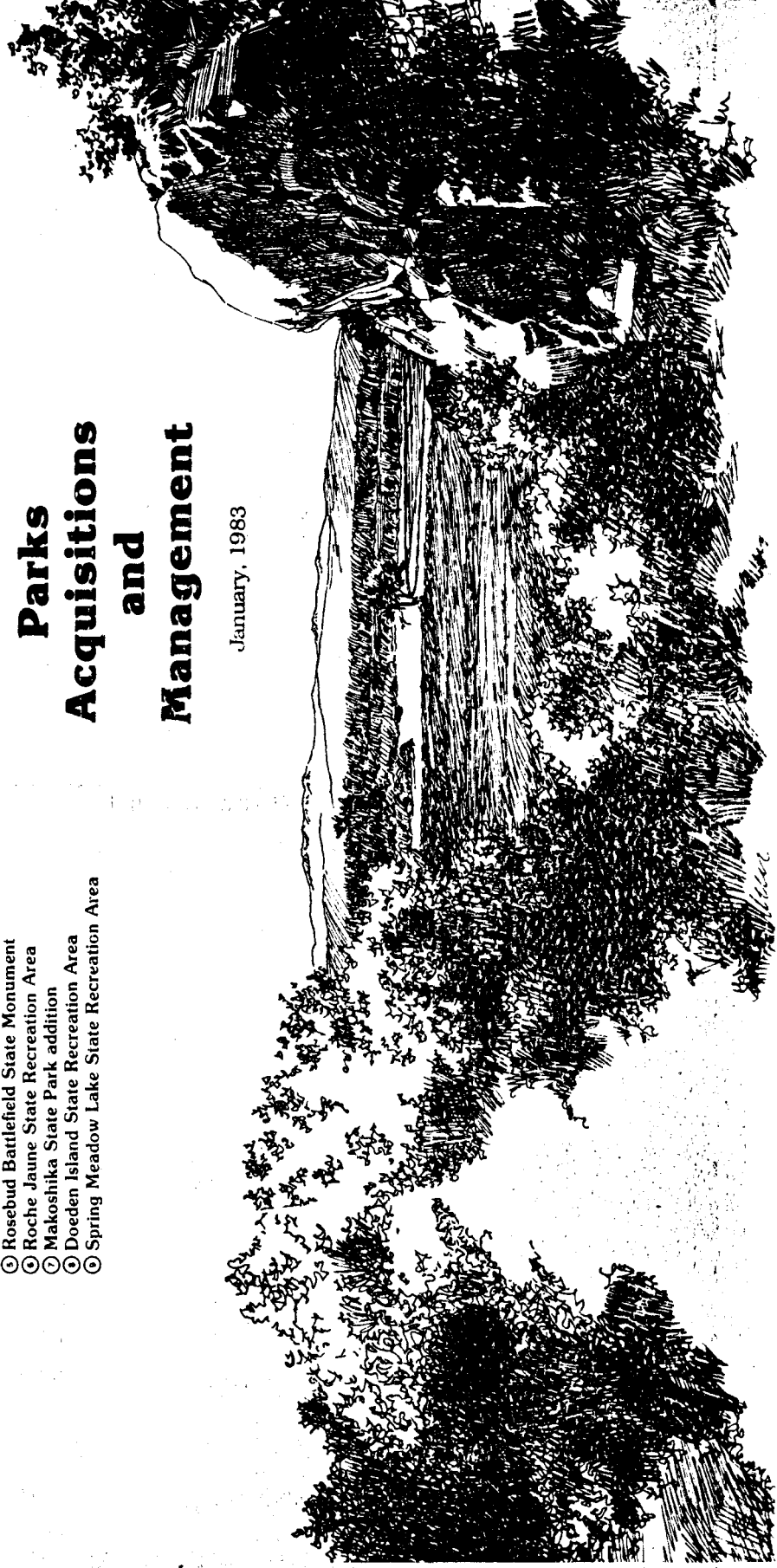
REVIEW of the COAL TAX

Parks Acquisitions and Management

January, 1983

The future of the State Park System is brighter because of the Coal Tax fund. For generations, citizens of and visitors to the State of Montana will be able to enjoy the benefits of this utilization of the tax.

Public recommendations for the use of the parks portion of the tax are welcome. Recommendations or questions should be addressed to the Administrator, Parks Division, Montana Department of Fish, Wildlife & Parks, Helena, Montana 59620.



The Montana State Park System, administered by the Department of Fish, Wildlife and Parks, receives a portion of the Coal Tax revenue for site acquisition and management (83-1-102 MCA and 15-35-108 MCA). 1 2/3% of the Coal Tax is set aside in a trust of which only the interest accrued may be expended for this purpose.

Coal Tax interest revenue credited to the Department to date exceeds \$2 million. Anticipated revenue from this source for the 1982 - 83 biennium is \$1.4 million.

As required by Section 23-1-108 MCA, fourteen Coal Tax park proposals were submitted to the 48th Legislative Assembly by the Montana Fish and Game Commission.

The proposals were solicited from the public by the Montana Department of Fish, Wildlife and Parks through news releases and an informational brochure.

1983 Coal Tax Park Proposals:

Site	Acres	Coal Tax Request
Blackfoot Easement	---	\$ 100,000
Clark's Lookout	7.23	233,568
Fish Homestead (Makoshika Expansion)	2,374.00	356,173
Glen Lake	100.00	450,000
Lake Elmo	125.00	3,570,000
Les Mason Memorial	7.50	800,000
Michael Ranch (Rosebud Expansion)	511.00	250,000
Moss Mansion	1.00	77,000
Pageville School	1.00	32,000
Parker Homestead	1.00	12,500
Park System Inholdings	---	175,000
Prickly Pear	30.00	210,000
Vaughn Homestead	200.00	600,000
White Sandy	88.80	420,000
	3,446.53	\$7,286,241

Past acquisitions funded with the Coal Tax include the following:

Site	Acres	Appraisal, Survey, and Title Costs	Purchase Cost
11/77 Roche Jaune SRA	1.0	\$ 460.75	\$ 19,600
06/78 Bannack SP Add.	1 lot	---	1,850
06/78 Powder River Depot SM	easement	1,203.75	-0-
08/78 Council Grove SM	186.0	3,287.50	140,000
10/78 Rosebud Battlefield SM	4,883.0	4,070.76	881,160
01/79 Makoshika SP Add.	650.36	1,847.50	143,900
07/79 Giant Springs - Heritage SP Add.	28.6	1,800.00	97,500
08/79 Lake Josephine (leased to city)	--	4,106.16	125,000
08/81 Spring Meadow Lake SRA	55.8	714.55	293,000
04/82 Doeden's Island SRA	269	3,074.04	110,000
08/82 Engle Ranch Appraisal	-0-	2,000.00	-0-
TOTAL	6,074	\$22,565.01	\$1,812,010
Total Cost:		\$1,834,575.01	
Other Matching Funds:		\$ 225,786.42	
Coal Tax Funds:		\$1,608,788.60	

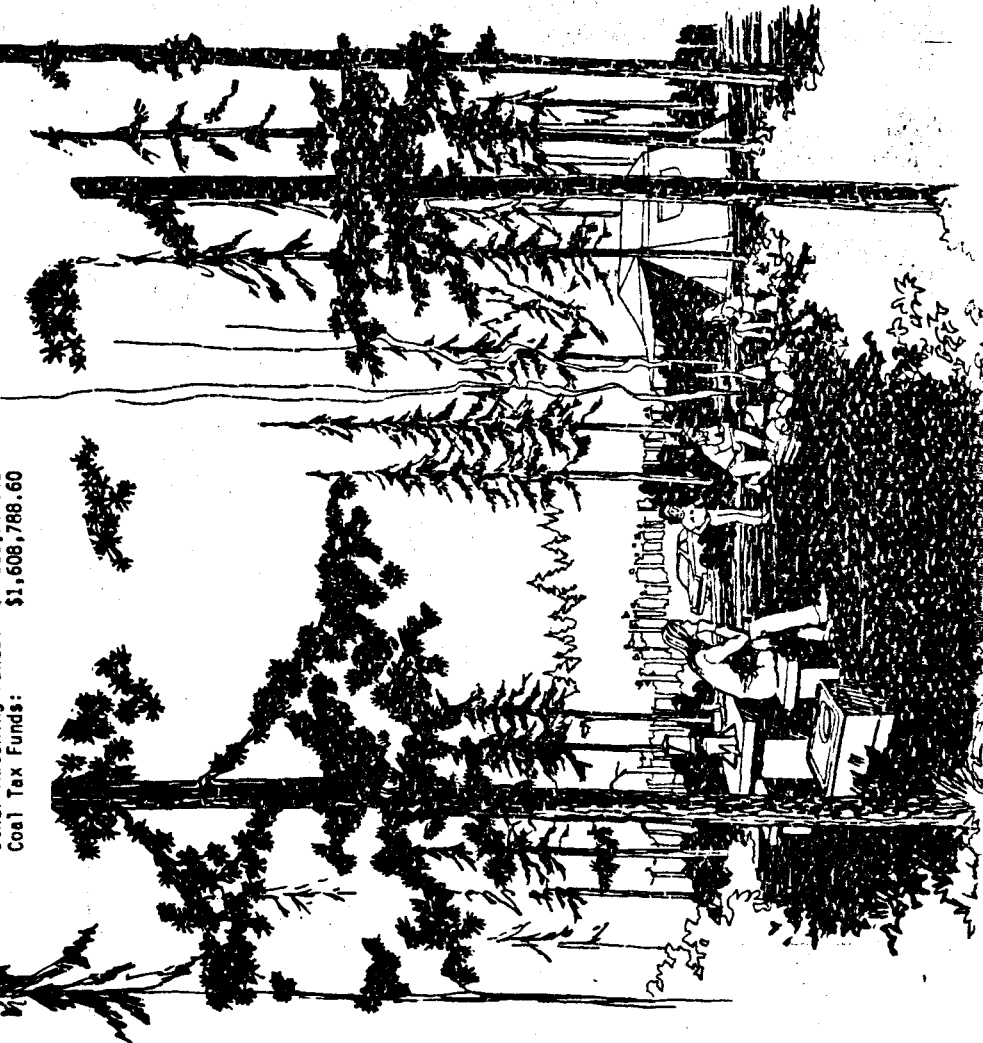
Under Section 15-35-108 MCA, Coal Tax funds may also be used for the management, operation, and maintenance of sites acquired with this funding source. The following represents the Coal Tax funds used by the Department for operations and maintenance and site improvements.

Operations and Maintenance	
FY '78	\$ 208,526
FY '79	264,094
FY '80	80,235
FY '81	83,742
FY '82 (budgeted)	164,632
	\$ 801,229

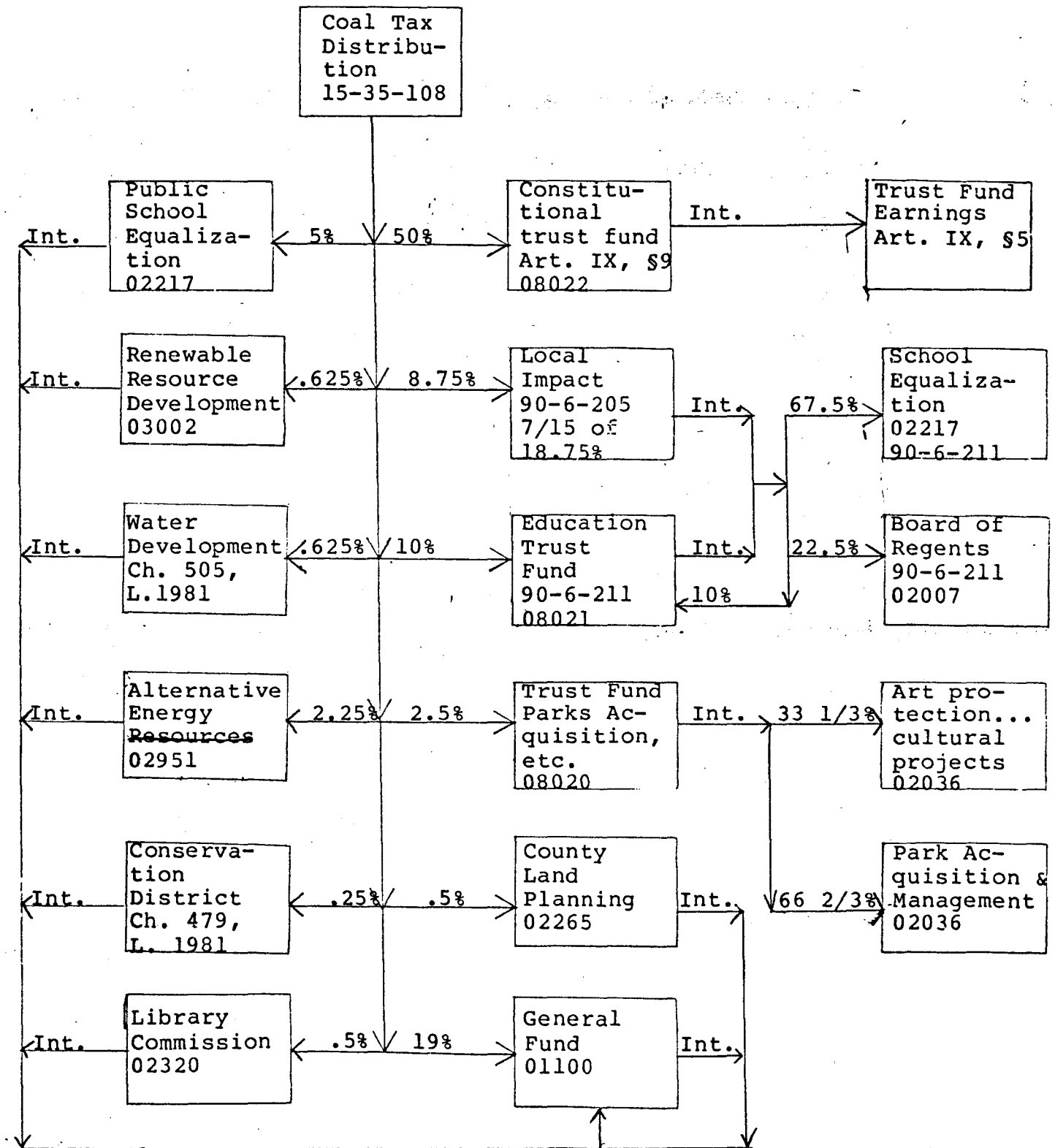
SITE IMPROVEMENTS		'80-'81 Expended	'82-'83 Appropriated
Makoshika State Park Emergency Road Repair Pave Main Access Road		\$75,746	\$ 60,000
Council Grove State Monument Road Work Construct Access Road, Parking, Signs		6,786	\$ 55,000
Roche Jaune State Recreation Area Signs, Roads, Parking, Fencing		\$ 7,498	
Rosebud Battlefield State Monument Archaeological Survey Restore and Preserve Main Ranch Building -- Provide Fencing		\$ 1,545	\$ 20,000
Giant Springs/Heritage State Park Pave Existing Roads and Install Additional Recreation Equipment		\$91,575	\$ 75,000 \$210,000

Summary of Use of Coal Tax Interest:

Acquisitions	\$1,950,000
Site Improvements	301,575
O&M	801,229
	\$3,052,804



Legislative Council
Research Division
Prepared for the Coal Tax Oversight Committee
at the Request of Bob Person, Director, Research Division



HB 101

Testimony presented by Jim Flynn, Department of Fish, Wildlife & Parks

January 18, 1983

I appear in opposition to HB 101 and would speak to what passage of that bill would mean to Montana's State Park System.

This bill would eliminate the acquisition of new park sites with the interest earned by the parks coal tax trust fund. Instead, the money could be used for operation and development of any site within the State Park System.

When the Legislature established the coal tax trust for parks in 1977, it showed tremendous support and belief for the system's contributions to the well-being of Montanans. It had the foresight to perceive the necessity of preserving and providing for the use of many outdoor recreational, historical and cultural resources now, before they are forever lost as the state develops and its population grows.

The benefit of converting a non-renewable resource, in this case coal, into a renewable one, the State Park System was a benefit well received by most Montanans.

When the Legislature first established the trust fund, it provided only for park acquisition. Two years later the options were widened to include development and maintenance of sites acquired with coal tax revenues. Nine additions, totalling over 6,000 acres, have been gained for Montanans and their guests through the coal tax parks program.

The program's popularity with the public is evident in the number of applications for new parks we've received. In 1981, eleven proposals were submitted by the public, totalling over \$6.8 million. This year another eleven proposals have been submitted, amounting to over \$6.7 million. While each of these sites needs consideration on their own merits, collectively they show that a number of local Montanans have worked hard to propose and support new state parks and have even contributed money to the parks system through cost-sharing donations.

Acquisition is still a needed element in the building of a viable park system. There are still areas of the state that are lacking in public recreation land, yet the population in those areas is growing. There are also still important historical and cultural sites in private ownership now which will be lost without the ability to acquire them with coal tax dollars. We believe it is not in the best interest of the state to terminate the acquisition program of the coal tax park program. Rather it should be continued.

We believe the coal tax parks trust fund would be a greater advantage to the people of Montana if use of its interest monies were opened up to all State Park System sites and an acquisition program continued. In this manner, the parks coal tax trust fund could enhance the entire system by encouraging the use from other sources like private donations and matching federal funds. If the use of the fund were opened to all system sites, there would be greater potential to benefit more people and their park system through donations and matching funds. The Department supports the idea of opening up the use of the parks coal tax trust fund interest to all State Park System sites.

If the fund's growth is allowed to go on, the park system would have a source of funding responsive to increasing demands facing Montana in the coming decades.

In summary, as was the 1977 Legislature's intent, the Coal Tax Parks Trust Fund has successfully served to get Montanans involved in their State Park System. The system has been enhanced through their participation.

The Department of Fish, Wildlife and Parks supports continued growth of the Coal Tax Parks Trust Fund and opening its use to development of all State Park System sites. We do not support termination of the acquisition program.

Testimony for House Bill 101

My name is Erhardt R. Hehr. I reside in Bozeman, MT. I am here to oppose that portion of House Bill 101 that would terminate the purchasing of new state parks with coal tax trust fund money.

As a Bozeman/Gallatin County Recreation Board member I testify to the value of the use of trust fund money for acquisition, operation and management of new state parks. Local governing body funds are not available to take advantage of opportunities to acquire and develop sites of special cultural, historical and/or recreational value. The types of outdoors recreation provided by the vast acreages of public land in Montana do not provide the readily accessible recreation opportunities that are desired by the majority of either Montana citizens or our tourist guests.

One of the objectives of the Montana Recreation and Park Association is to promote a state-wide system of recreation and parks. As past president of the association I voice its opposition to the changes proposed in House Bill 101 and 104. Tourism

has become one of Montana's leading industries and it is relatively insensitive to periods of economic recession. It is an established fact that most tourists entering Montana are passing through to destinations in other states. The type of state parks that have been acquired and developed with park trust fund income do provide interest points and recreation opportunities that are attractive to the mass of American vacationers.

The Federal Land and Water Conservation Fund did provide opportunities for local cost-share funding for acquisition and development of recreation sites. No new funds were appropriated in the 82-83 federal budget. Future funding for the state cost-sharing program does not appear to be promising.

At the 1982 annual business meeting of the Montana Recreation and Park Association the membership instructed the Board of Directors to support the establishment of a state funded cost-share program by this Legislative Session. Rather than to cap the Parks Coal Tax Trust Fund at 15 million, the Montana Recreation and Park Association supports the Department of State, Wildlife and Parks' recommendation of a 50 million upper limit.

What has to happen:

- The Lake Elmo Task Force has proposed that Lake Elmo be acquired with special coal tax money set aside specifically for park acquisition. The state legislature will act on this request in early 1983.
- This is our last chance! If acquisition does not occur now, it probably never will. The acquisition program may never again be available.

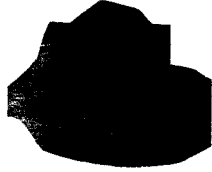
What can I do to help?

- The Lake Elmo Task Force needs your help and support in this effort.
- Please contact your local representative and senator to voice your support of the Lake Elmo acquisition proposal.
- Please attend the Lake Elmo Task Force meetings and show your support.
- Please pass the word to your friends and acquaintances to build support for the Lake Elmo acquisition

Thanks!

- Preservation of Lake Elmo as a park will benefit our community today and generations into the future. We must have the wisdom our community forefathers had. What would we do without Pioneer, North or South Park? It is in our hands to see that Lake Elmo is preserved.

For additional information please call:



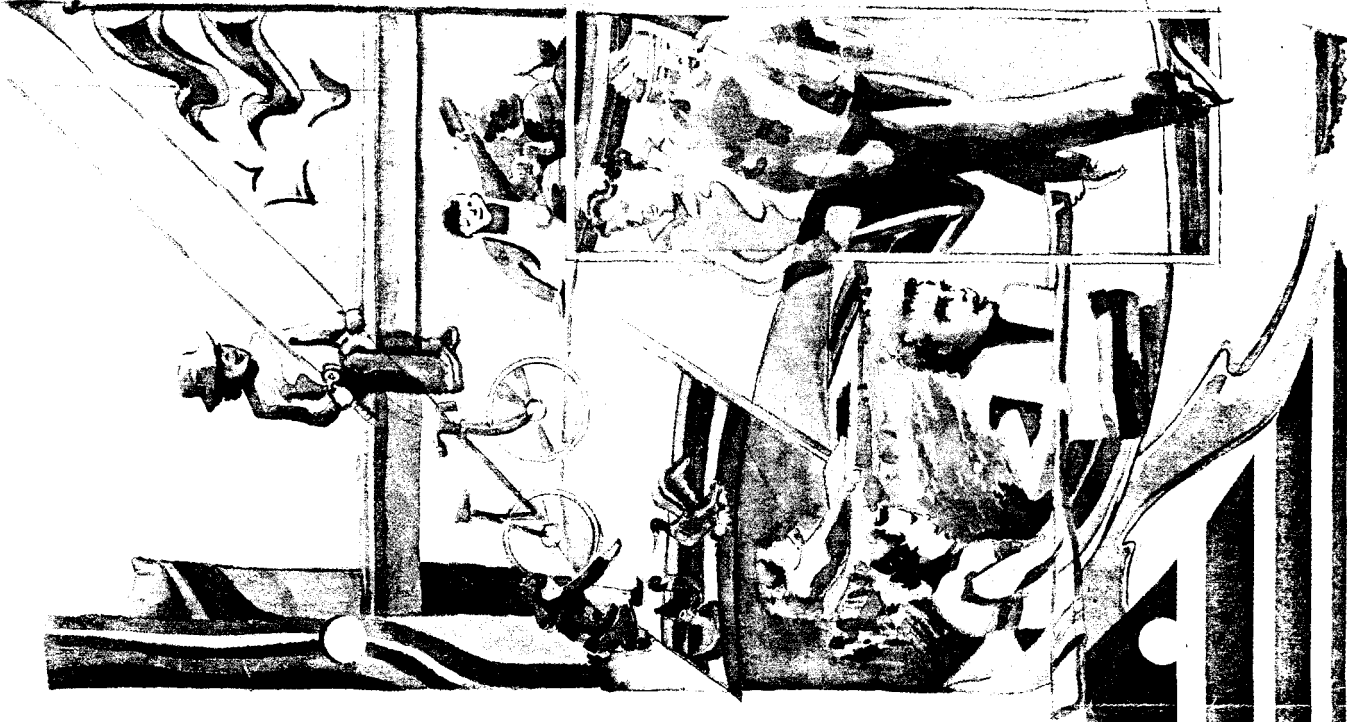
Lake Elmo Task Force

2312 Constellation Trail
Billings, MT 59105
245-3181 or 252-4816

Rod Shepherd, Chairman

"A Park For All Seasons"

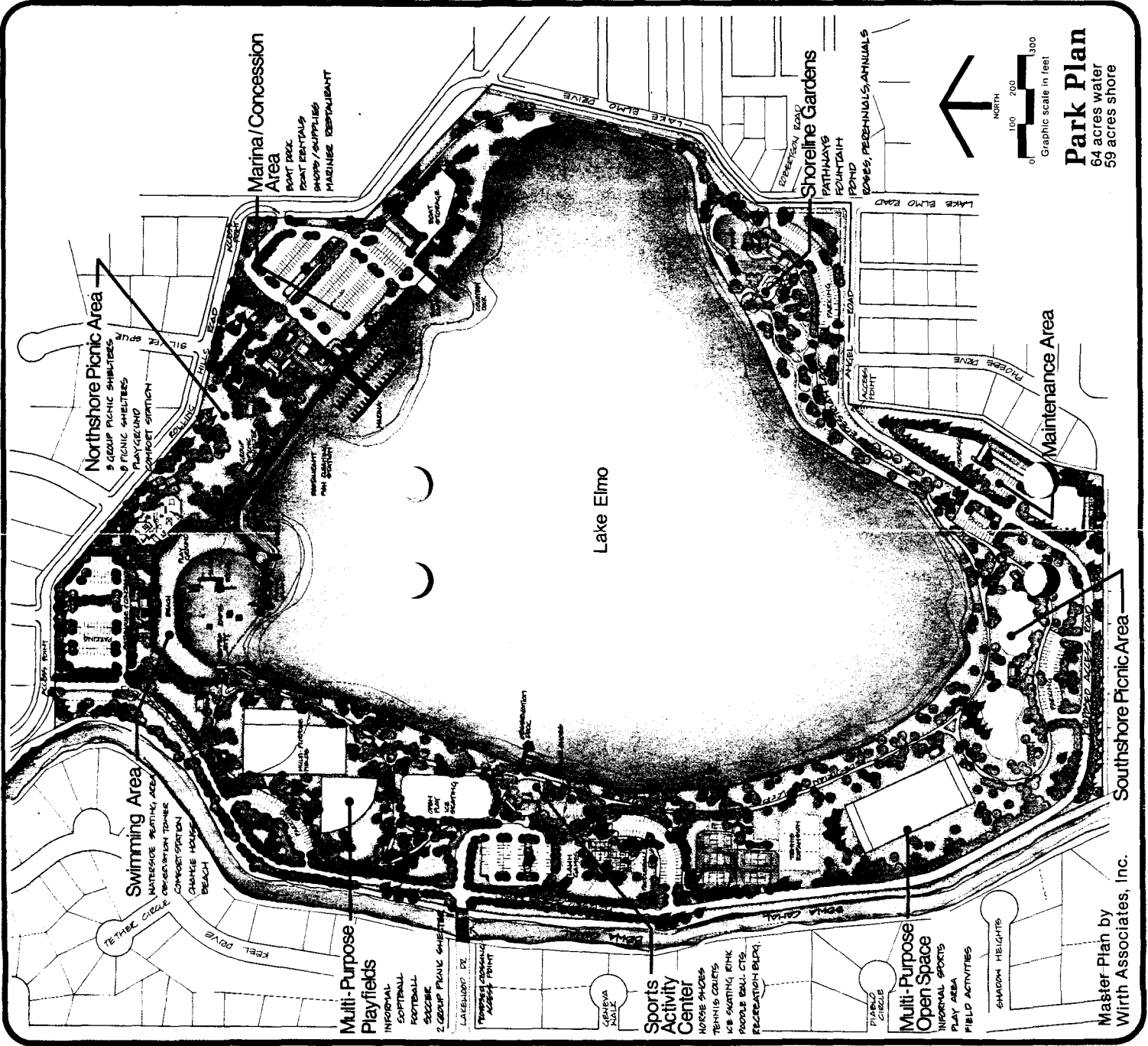
Lake Elmo



- An outstanding opportunity for:**
- **Preservation of a scenic lake area**
 - **Development of a regional/community park and a water-oriented recreation area.**

Lake Elmo, which is located in the densely populated northeast corner of Billings, includes 64 acres of water area and 59 acres of shoreline. This one-of-a-kind resource is ideal for the development of a sorely needed park and water based recreation area. Lake Elmo can accommodate a cross section of uses to fulfill both regional and immediate community needs including:

- **Swimming**
- **Fishing**
- **Boating**
- **Picnicking**
- **Open Space**
- **Sports Fields**
- **Pedestrian Ways**
- **Shoreline Gardens**
- **Cross-country Skiing**
- **Ice-skating**
- **Bikeways**
- **Pedestrian/Jogging Paths**





Lake Elmo Task Force

2312 Constellation Trail
Billings, MT 59105
245-3181 or 252-4816
Rod Shepherd, Chairman

HEARING BEFORE FISH, WILDLIFE, AND PARKS COMMITTEE

January 18, 1983

Mr. Chairman, members of the Committee, my name is Steve Elliot appearing here today on behalf of the Lake Elmo Task Force, a citizens' group which has been formed to help create Lake Elmo and the surrounding 59 acres as a State Park. The funds that the Task Force are seeking are specifically made available from the coal tax for park acquisition. The Lake Elmo Task Force appears here today in opposition to House Bill 101 which, if successful, would eliminate funding for park acquisition.

Having worked the past three months on the Lake Elmo project, I have realized how important our parks are. This importance is hard to measure in terms of money alone. As an example, Pioneer Park in Billings is probably the best known park to the entire community. Few people today realize that the park was purchased for \$1,000.00 an acre in 1918. A landscape plan was done for it in 1921 by Dorothy Gray, a landscape architect. The park was not dedicated until 1932. Only the old timers recall that in its original state, Pioneer Park was a dairy farm with no trees, no grass, and none of the other amenities we Billings people now take for granted. When the Park was purchased, many people felt it was unwise because Billings needed the area for its expansion.

The land around Lake Elmo consisting of 59 acres, almost twice as large as Pioneer Park, offers the same potential for public pleasure and recreation as Pioneer Park's 34 acres did in 1918. The 64 acres of the Lake offer the only nearby lake to our community. The Heights area has been the focal point of much of the recent growth in Billings. Nearly 20,000 residents live in the Heights area, yet adequate park opportunities have not kept pace with this recent growth.

Since Lake Elmo is the only nearby lake, the area will potentially serve the largest concentration of Montanans. Without the continued opportunity to utilize the coal tax funds set aside for park acquisition, opportunities like Lake Elmo will probably fail and the future residents of our state will be the ultimate losers.

Parks are forever. They serve both present and future generations. If I recall the debate on Montana's coal severance tax in 1975, one of the objectives was to provide for future generations. By keeping the funding for park acquisition, this objective can be achieved. The Lake Elmo Task Force urges you to defeat HB 101.

HB 104

Testimony presented by Jim Flynn, Department of Fish, Wildlife & Parks

January 18, 1983

My name is Jim Flynn and I am the Director of the Department of Fish, Wildlife and Parks. I am here to speak about the impact of House Bill 104 on Montana's State Park System. This bill caps the coal tax trust fund for parks at \$15 million. This would strike against the best interests of Montanans and their park system which receives over three and one-half million visitors annually. The Department of Fish, Wildlife and Parks can understand the reasoning behind a cap on the fund's unlimited growth, but feels that a more realistic and supportive amount for the park system would be \$50 million.

When the Legislature established the coal tax trust for parks in 1977, it showed tremendous support and belief for the system's contributions to the well being of Montanans. It had the foresight to perceive the necessity of preserving and providing for the use of many outdoor recreational, historical and cultural resources now, before they are forever lost as the state develops and its population grows.

It could see the benefit of converting a non-renewable resource, coal, into a renewable one, the State Park System.

When the Legislature first established the trust fund, they provided only for park acquisition. Two years later they widened its options to include development and maintenance of sites acquired with coal tax. Nine terrific additions, totalling over 6000 acres, have been gained for Montanans and their quests through the coal tax parks program.

The program's popularity with the public is evident in the number of applications for new parks we've received.

In 1981, eleven proposals were submitted by the public, totalling over \$6.8 million. This year another eleven proposals have been submitted, amounting to over \$6.7 million. While each of these sites need consideration on their own merits, collectively they show that alot of local Montana people have worked hard to propose and support new state parks and have even contributed money to the parks system through cost-sharing donations.

Capping the trust fund at \$15 million will stagnate the future ability of the Legislature working through the State Park System to conserve outdoor recreational and cultural resources in a rapidly changing society. It is unlikely that conservation of these important resources will become any less expensive in the coming decades. It is likely these resources will become increasingly important to the economic and healthful well-being of Montanans as the population grows and more open space is lost. Capping the parks coal tax trust fund at \$15 million will not allow the benefits which the Legislature originally intended to be fully realized.

We believe the fund would provide greater benefit to people if it would be capped at \$50 million. We can project, if this occurred that the fund could grow to 50 million by about 1991. This would generate with interest rates as they are now, over \$3 million annually. If the coal tax trust fund for parks is allowed to grow to \$50 million, within three bienniums, Montana's State Park System could be removed from General Fund support for maintenance and the need for Long Range Building Funds for development. Instead the park system would have a consistent dedicated source of funding to develop, maintain and acquire sites. It is important to note that under this scheme the Legislature would still totally determine the park system's direction. Use of the parks trust fund monies would continue to be subject to Legislative approval. The ratio of dedicated park system coal tax funding between park operations, development and acquisition would be determined by each session of the Legislature.

In summary, as was the 1977 Legislature's intent, the Coal Tax Parks Trust Fund has successfully served to get Montanans involved in their State Park System. The system has been enhanced through their participation. The Department of Fish, Wildlife and Parks does not support capping the parks coal tax trust fund at \$15 million but rather proposes a cap at \$50 million.

Through this, we believe that the people of Montana will benefit from having a dedicated source of funding for their entire park system and through the Legislature's biennial direction in appropriating funding for acquisition, development and maintenance.

COAL TAX TESTIMONY
(SUPPORTING PARK ACQUISITION THROUGH COAL TAX FUNDS)

Exhibit 9

My name is Tom Schmidt. I am a member of the Lewis and Clark County Park Board. I am here to relate the importance of the Coal Tax Parks Trust Fund program to Lewis & Clark County. My county has a population of over 43,000 people. Though they have a lot of places to recreate if they can drive anywhere from five to 100 miles, there are not many public recreation sites near towns like Helena.

The Lewis & Clark County Park Board was established by the County Commission in 1979 to provide direction for the county's subdivision park land donations as well as advise on other recreation needs of the county. The Board has no money for purchase of sites which would enhance recreation opportunities within the county.

Last legislative session, the Board submitted an application to the Coal Tax Parks program for Spring Meadow Lake, a 60-acre site on the outskirts of Helena. The Legislature wisely chose this site which is providing a tremendous place for people of all ages to enjoy. Already in its first year operated by Fish, Wildlife and Parks, the site has had over 40,000 people use it.

Neither Lewis & Clark County nor the city of Helena could afford to own or operate Spring Meadow Lake. Without the Coal Tax Parks Acquisition program, Spring Meadow Lake resources could have been lost to subdivision development and thus deprive many citizens of its attributes. The Coal Tax Park program worked in Lewis & Clark County. I'm sure there are many similar projects in the rest of the state---especially in the more populated areas. I think you should be very cautious about discontinuing this fine program. I urge you to not pass House Bill 101 and 104.

STATE OF MONTANA

REQUEST NO. 064-83

FISCAL NOTE

Form BD-15

In compliance with a written request received January 10, , 19 83 , there is hereby submitted a Fiscal Note for House Bill 104 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 104 limits the allocation to the Parks and Cultural Trust Fund to \$15 million.

ASSUMPTIONS:

- 1) Parks and Cultural Trust Fund balance - December 31, 1982 - \$10,553,024.
- 2) OBPP Coal Severance Tax revenue estimates - FY 83 - \$89,374,000; FY 84 - \$98,653,000; and FY 85 - \$123,068,000.
- 3) 2.5% allocated to Parks and Cultural Trust Fund.
- 4) One-half of the FY 83 revenues to be added to Parks and Cultural Trust Fund balance.
- 5) Interest earnings are allocated to appropriate agencies.
- 6) When allocations to Parks and Cultural Trust Fund reaches \$15 million, remaining revenues are reallocated to general fund.

FISCAL IMPACT:

	<u>FY 84</u>	<u>FY 85</u>
General Fund (Reallocation)		
Under Current Law	No Impact	-0-
Under Proposed Law	No Impact	\$ 2,213,224
Estimated Increase	No Impact	2,213,224
Parks and Cultural Trust Fund		
Under Current Law	\$ 2,466,325	3,076,700
Under Proposed Law	2,466,325	836,476
Estimated Decrease	-0-	(2,213,224)

Continued

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-13-83

	<u>FY 84</u>	<u>FY 85</u>
Parks and Cultural Trust Fund Interest		
Fish and Game Parks Account		
Under Current Law	\$ 815,000	\$ 1,072,000
Under Proposed Law	815,000	1,018,000
Estimated Decrease	-0-	(54,000)
 Parks and Cultural Trust Fund Interest		
Historical Society Account		
Under Current Law	\$ 407,500	\$ 536,000
Under Proposed Law	407,500	496,000
Estimated Decrease	-0-	(40,000)

LONG RANGE IMPACT:

Since the trust fund will not reach the \$15 million maximum level until FY 85, the fiscal impact does not reach a maximum level until FY 86 and beyond. It is estimated that interest earnings lost from FY 86 and beyond will be substantial for the Department of Fish, Wildlife and Parks and the Historical Society.