

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

February 18, 1983

The thirtieth meeting of the Taxation Committee was called to order at 8 a.m. by Chairman Pat M. Goodover in Room 415 of the Capitol Building.

ROLL CALL: All members were present.

CONSIDERATION OF SENATE BILL 359: Senator Reed Marbut, Senate District 49, sponsored the bill. This bill will place more revenue in the counties' weed control programs at the expense of county planning. Some weeds are alien to their environment, and in some counties, we are seeing an increase in the weed problem. Since pressure on county planning places pressure on agriculturalists, it is appropriate to appropriate some funds to weed control.

PROPOSERS

John Holter, representing the Montana Farm Bureau, felt everyone was aware of the weed problem and that we need to take steps to solve it. See his written statement attached as Exhibit A.

Jo Brunner, representing Women Involved in Farm Economics (WIFE), submitted written testimony, and it is attached as Exhibit B.

OPPOSERS

Jim Halverson, a Roosevelt county commissioner, and representing the Montana Association of Counties, opposed any reduction in county land planning funds. He agreed with Jo Brunner, though, that 60% of the proportionate distribution should go to rural and less populated areas and 40% to the largely populated areas. His written statement is attached as Exhibit C.

H.S. "Sonny" Hanson, representing the Montana Association of Planners, opposes the bill because of the diversion of funds from county planning. They only have 10% now for county planning. He felt there should be funds allocated but asked that they come from another source. His statement is attached as Exhibit D.

Questions from the committee were called for.

Senator Towe asked Senator Marbut for his comments on the allocations suggested by Mrs. Brunner and Mr. Halverson. Senator Marbut agreed with the other witnesses on that point. The intent of the bill was not to fund all weed control through the coal tax funds. The only problem is a need for increase in weed control where development stress is being experienced.

Cities will get part of the weed control funds, too, since they are part of the counties. He is an agriculturalist himself, living in an urban area (Missoula). They have only .7 of a mill for weed control.

Senator Eck asked if they used this as an incentive to raise the millage.

Senator Towe noted that in the Department of Revenue report, only Roosevelt County was levying the maximum of 2 mills for weed control.

The hearing was closed on SB 359.

CONSIDERATION OF SENATE BILL 379: Senator J.D. Lynch, Senate District 44, said SB 379 was introduced because of the devastating blow in that area about five weeks ago (Anaconda Company layoffs). He wondered if a corporation had any responsibility toward a local government when it left a community. The Butte area people felt the company owed something for using the "Hill" for the last 100 years (particularly when they can leave \$10 million to Los Angeles for the Olympics, he said).

PROPONENTS

Donald Peoples, chief executive of the Butte-Silver Bow government, spoke on the fiscal impact of the plant closure. The Anaconda Company's taxable valuations represent 30% of Butte-Silver Bow's total taxable valuation. Butte-Silver Bow's taxable value will be significantly affected over the next three years, with a \$2.5 million tax revenue loss. School District No. 1's tax loss will be twice that of Butte-Silver Bow's. The total taxable valuation loss will be \$7.5 million. Butte-Silver Bow has already reduced its work force by 25% and they are going to reduce it by another 25% over the next year or so. This does not include the ripple effect that they are going to see. Jobs for about 1,500 people will be lost. A copy of the Anaconda Impact Report is attached as Exhibit E.

Don Judge, representing the Montana AFL-CIO, said this does provide vehicles for communities in which layoffs and plant closures occur. He asked the committee's support for this bill to help alleviate the impacts. He cited Anaconda Company unemployment figures for 1982 and 1983 for comparison. The impact to local governments, he said, is that the local governments have to pick up the tab in the form of higher premiums because of this one plant closure. His written statement is attached as Exhibit F.

OPPONENTS

F. H. "Buck" Boles, representing the Montana Chamber of Commerce, testified and his written statement is attached as Exhibit G.

Gary Langley, representing the Montana Mining Association, said he has problems with plant closure legislation of this type. There have been measures introduced in the House also to take care of this, and he asked the committee to take a look at those before they seriously considered this bill.

Questions from the committee were called for.

Senator Towe asked Mr. Boles what he thought the solution was. Mr. Boles stated that there has to be some opportunity for a company to shut down. Many times a company has no control over the situations that make it close.

Senator Crippen asked Senator Lynch what legislation there was coming over from the House. Senator Lynch responded that there are bills concerning the resource indemnity trust tax and severance pay, but whether the resource indemnity trust funds can even be used is a question in itself.

Senator Elliott asked Mr. Peoples if the company had offered to help the city. Mr. Peoples responded that they hadn't. There are about 37,900 people in Butte-Silver Bow; and 700 jobs will be affected on June 30.

Senator Elliott suggested striking "mining" from the bill so other industries could be included. Senator McCallum suggested that sawmills and logging should be included because of the 150 jobs lost in his area due to closures.

Senator Goodover remarked that Arco had offered all 450 acres of the smokestack property to the city of Great Falls. The city refused to take it because there was a \$664,000 tax impact. Now, they don't have the property and they can't make money off it either.

Senator Gage said that the local governments are happy when the businesses are in there and doing well, but when the businesses run into problems, the local governments don't want to help at all.

The committee noted that SB 299 and a bill on a referendum basis in the House that would allow borrowing from the local impact and education trust fund also address the mining industry.

In closing, Senator Lynch stated that there wasn't a person in the room who didn't recognize the problem in that area of the state. Butte is coming back; it will take a while, but to lose because of this doesn't make sense. Somehow, they can do something to get up through the critical period they are having.

CONSIDERATION OF SENATE BILL 407: Senator Delwyn Gage, Senate District 7, sponsored this bill. The only taxes being paid to a tribal government are the resource indemnity trust tax and the oil and gas severance tax, which are assessed on the Blackfeet Indian Reservation. This bill anticipates that these taxes will be assessed by tribal governments on other reservations where mining takes place. The state of Montana has no jurisdiction over Indian reservations.

PROPONENTS

Stanley Juneau, Blackfeet Indian Tribe oil and gas committee chairman, testified in support of the bill. If this bill passes, it may increase oil and gas activity on the reservation. He cited a U.S. Supreme Court case (v. Marion?) which deals with the collection of taxes on minerals in place.

Representative Glenn Roush, House District 13, supports the concept of SB 407. We may see people losing jobs if this is not enacted, he said. Many oil wells are located on the reservation. If taxes have to be paid by producers to the tribal government and to the state of Montana, you will see no expansion in the business there. It is important that you give some strong thought to this kind of legislation to let the oil and gas industry continue on reservations in Montana.

John Augustine, representing Conoco, Inc., submitted written testimony, and it is attached as Exhibit H.

James F. Zapp, Cut Bank, representing Phillips Petroleum Co., supports the bill for the same reasons. Any double taxation of principals is wrong. It will shut down the wells prematurely. SB 407 will keep jobs in the community, such as service companies, etc. (See Exhibit I.)

Terry Wisner, from Whitehall, representing himself and also the Croft Petroleum Company in Cut Bank, said he has seen oil and gas production virtually stop on the reservation because of the double taxation. Fee minerals were of value, but now are not because of double taxation (See Exhibit J.)

OPPONENTS

John Clark, Deputy Director, Support Services, for the Department of Revenue, said the state of Montana now has one case in federal circuit court asserting the right to tax those minerals. SB 407 would reverse the situation.

Questions from the committee were called for.

Senator Towe, addressing Mr. Clark, said the case to which he was referring was lost back in Judge Battin's court (U.S. District Court, Billings Division).

Mr. Clark mentioned that Montana is in court on the seed stripping case, too. That is about a \$6.7 million per year loss to the state. They rise in opposition to SB 407 because they still want to assert the right to tax.

Maynard Olson, Deputy Superintendent of Public Instruction, said they have two particular concerns. They understand that the Blackfeet case involves oil and gas on their reservation, and the Crow Indians' case in Billings involves minerals on the Crow Reservation. SB 407 would further erode the tax base for the school foundation.

Mr. Juneau stated that the total tax the tribe is levying now is 2% to 2.5% based on oil and gas production less royalty payments.

Senator Crippen said he thought the tribe had the power and authority to levy the tax. The Department of Revenue asserts that they also have the right.

Senator Towe said it was his understanding that there was a decision in our favor in the oil case. It was appealed to the ninth circuit court in San Francisco and is still there. In the coal case, summary judgment was granted and was then appealed to the ninth circuit court, who sent it back for factual information. Both of those cases are still in court. Senator Towe said he supports the bill's approach. He asked if there was some way we could get an agreement from the tribes that if SB 407 passed, would they drop the litigation. He asked if it was intended that SB 407 apply both to minerals mined within the territorial boundaries and without, or would it apply just within the reservation. Senator Gage said it would apply just where tribal governments have jurisdiction.

Senator Goodover asked Mr. Juneau if the tribal council had considered the impact when they decided to impose this tax. Mr. Juneau said that in 1976, the Blackfeet Tribe business council submitted its argument to the U.S. Secretary of the Interior regarding the ripple effect. In 1977, they decided not to impose a tax at that time. Because of cutbacks in federal programs, they lost money and services, and their alternative was to use the same mechanism of taxation to bring in money as the state uses.

James D. Mockler mentioned the Westmoreland Coal Company case, which has been in Judge Battin's court for three to five years now. The money involved has been escrowed.

Senator Eck wondered if changing "equal to" in line 13 of the bill to "10%" would have a negative effect on the court case. Senator Towe said they didn't know. That is why he asked if there was any possibility of entering into an agreement with the tribe. He thinks Montana will lose the Blackfeet case but will probably win the seed coal case. Tribal governments are not eligible to receive money regarding coal impacts. Passing SB 407 could have beneficial impact because we would be trying to help on the reservations.

Mr. Juneau stated that the tax was first imposed during the last quarter of the last fiscal year. He was sure that the tribal council would sit down and talk with the state about this.

Senator Gage said that part of the bill goes back several years. In 1975, the tribal council passed an ordinance giving the tribal government full jurisdiction of everyone on the reservation. He questioned what the situation was in regard to children who go to school on the reservation. It was significant that

the governor's office and others came back and said they would keep an eye on them. When it hits the pursestrings, the fees are high if the reservations want our help. The Blackfeet Reservation has marginal wells, and without SB 407, they could go out of operation.

CONSIDERATION OF SENATE BILL 361: Senator Turnage, Senate District 13, sponsored the bill. He said SB 361 creates a presumption that all land is agricultural. He explained the exceptions set forth in the bill.

PROPOSERS

Gregg Groepper, administrator of the Property Assessment Division of the Department of Revenue, said they support the bill. They are attempting to bring before the legislature a measure that would give direction to the Department of Revenue regarding the "Green Belt Law". They now have parcels of the same size or with the same conditions that may make the land agricultural land or subdivision land. They would like the committee to give some consideration to this as to what the intent is. They want clear determination for parcels from one to 20 acres in size. They think SB 361 sets this out clearly but they requested the committee's assistance in amending if the committee felt it was necessary.

Dennis Burr, representing the Montana Taxpayers Association, supported the bill also.

OPPOSERS

There were no opposers to SB 361.

Questions from the committee were called for.

Senator Towe gave an example of a subdivision with 10-acre tracts. While selling off the tracts, the owner continues to operate the remainder as an agricultural operation. What is taxed as subdivision and what is taxed as agricultural?

Senator Crippen said that a horse pasture, then, certainly would not qualify under (1)(c)(iii) of the bill. Mr. Burr said a lot with a horse on it is not considered agricultural land.

Senator Severson said he tried to get the Revenue Oversight Committee to address this problem four years ago. He asked if Senator Turnage had consulted with the agricultural interests to see what they thought should be done with agricultural land. He felt the matter should be studied by the agricultural industry. SB 361 would double to seven times his taxes, and if done today, it would increase his taxes four times. Senator Turnage responded that Senator Severson's was a tract of land with a thousand acres and that SB 361 pertains to parcels between one and twenty acres. Senator Severson then said he assumed the bill was reassessing agricultural land.

Senator Crippen asked about the farmer who sells a portion of his land now and then by occasional sale. The buyer would come under section (1)(c) on page 2 of the bill.

Senator Norman said that if the parcel was 20 acres or more, it is agricultural land. Senator Turnage asked what you do when a farmer sells a 20-acre tract to his daughter. Mr. Groepper said his department reappraises the land under the agricultural statutes. Senator Turnage asked what they would do if it was 5 acres. Mr. Groepper said that if the ownership changes, they go check to see if there was a use change.

CONSIDERATION OF SENATE BILL 434: Senator Thomas Towe, Senate District 34, sponsored the bill. He said it takes money from the coal tax pie and puts it into this highway reconstruction account. See his diagram attached as Exhibit K. Thirty-eight percent (38%) of the pie (19% of the remainder after allocation to the trust fund) goes to the general fund. He wants to earmark 30% (15% of the remainder after allocation to the trust fund) for highway reconstruction. This is a planning proposition only. It would not affect revenue this year. Using a \$100 million figure for coal tax collections per year, we are asking for \$15 million per year, or \$37 million to \$38 million per biennium. The original coal tax pie had 10% allocated for highways. In 1977, we readjusted that to 13%, but it was terminated on July 1, 1980. Three hundred one miles of roads were outlined. We expected to get \$17 million of this money; we expected to match 60/40 with federal moneys for what was to be \$63 million worth of roads. From Senator Manning's many trips to Washington, D.C., we got nothing. Somehow we managed to get \$33 million and built 101 miles of roads. We have 200 miles left of the 301 miles proposed. That 200 miles will cost \$100 million+ to build. We have regressed in roadbuilding in the coal area alone. We made a mistake when we terminated the 13% allocation. Now, we are requesting 15% from the coal tax funds for roads.

Senator Towe said there are two other proposals which are both bad--one requests 20% out of the trust fund for highways (HB 443), and the other is the equalization plan (Waldron's bill, HB 9). Senator Towe didn't like either of those. The interest income will increase by almost as much as what is being taken out of the coal tax fund. (See written testimony attached as Exhibit L.)

PROPONENTS

Senator Dave Manning, Senate District 25, said he comes from a coal mining impacted area. If the 10% would have continued on year after year, we would have been through with the negatively impacted roads. Today, there are 2,000 vehicles a day on these roads. The funds should be dedicated where there is severe impact. He thought the bill should be kept alive to see what could be done with it.

Gary Wicks, director of the Department of Highways, supported the concept of using the coal tax money (not the coal trust money). There is a proposal (HB 730) to be heard next week

in the House. They suggest the funds should come from the growth or other earmarked account. As we testified before the House Taxation and Highways Committees, you would capture the growth and put it into the highway program. He thinks HB 730 is the best proposal.

Jim Halverson, representing the Montana Association of Counties, said they recognize the need for reconstruction of the highways. See Exhibit M.

Larry Tobiason, representing the Montana Automobile Association, said that whether a person drives or is a passenger, he is using the highways. He would like to see earmarking from the coal tax fund through a constitutional amendment to make permanent funding.

OPPONENTS

There were no opponents to SB 434.

Questions from the committee were called for.

Senator Turnage suggested the following amendments:

Page 1, line 20.

Following: "law"

Insert: "; provided however, from and after December 31, 1982, until December 31, 1992, 30% of the funds deposited in the fund established under 17-6-203(5) is allocated to the highway reconstruction account established in [section 2]"

Page 3, line 14.

Strike: all of line 14

Page 4, lines 3 and 4.

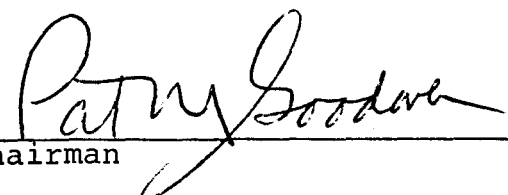
Following: "curves."

Strike: remainder of line 3 and all of line 4

Senator Towe said the coal trust fund will continue to produce income whether there is money coming in or not. An additional \$35.8 million of interest income from the trust will be received over the amount received this year. He said he doesn't like taking the money out of the trust fund, and he doesn't like to squeeze because it's too easy; if highways can do it, so can others, he said. He suggested holding this bill in committee until the committee had a chance to look at the other bills mentioned.

Chairman Goodover announced that the committee would meet at 8:30 a.m. on Saturday, February 19, instead of at 8:00 a.m. on that date.

The meeting adjourned at 10 a.m.


Chairman

ROLL CALL

SENATE TAXATION

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date 2/18/83

| NAME | PRESENT | ABSENT | EXCUSED |
|---------------------------------|---------|--------|---------|
| SENATOR GOODOVER, CHAIRMAN | ✓ | | |
| SENATOR McCALLUM, VICE CHAIRMAN | ✓ | | |
| SENATOR BROWN | ✓ | | |
| SENATOR CRIPPEN | ✓ | | |
| SENATOR ELLIOTT | ✓ | | |
| SENATOR GAGE | ✓ | | |
| SENATOR TURNAGE | ✓ | | |
| SENATOR SEVERSON | ✓ | | |
| SENATOR HAGER | ✓ | | |
| SENATOR ECK | ✓ | | |
| SENATOR HALLIGAN | ✓ | | |
| SENATOR LYNCH | ✓ | | |
| SENATOR NORMAN | ✓ | | |
| SENATOR TOWE | ✓ | | |
| SENATOR MAZUREK | ✓ | | |

DATE February 18 , 1983

COMMITTEE ON IMMIGRATION

VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretariat)

EXHIBIT A
Feb 18 3
Senate 359
DATE: Feb. 18, 1983

NAME: John Holter

ADDRESS: Bozeman

PHONE: _____

REPRESENTING WHOM? Montana Farm Bureau Federation

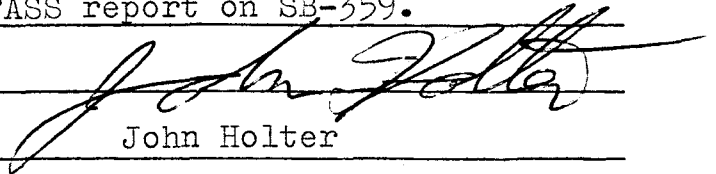
APPEARING ON WHICH PROPOSAL: SB-359

DO YOU: SUPPORT? XXX AMEND? _____ OPPOSE? _____

COMMENTS: Mr. Chairman,

This legislation is a solid step forward in
solving our severe noxious weed problem in Montana.

The MFBF recommends a DO PASS report on SB-359.


John Holter

Montana Farm Bureau

Federation

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.



WIFE Women Involved in Farm Economics

EXHIBIT B

Feb. 18

Senate

359

NAME JO BRUNNER

BILL NO. SB 359

ADDRESS 563 3rd ST. HELENA

DATE February 18

REPRESENT WOMEN INVOLVED IN FARM ECONOMICS

SUPPORT X

OPPOSE

AMEND

COMMENTS:

My name is jo brunner AND I SPEAK TODAY FOR THE MEMBERS OF THE WOMEN INVOLVED IN FARM ECONOMICS ORGANIZATION.

MR. CHAIRMAN, WE WISH TO SPEAK IN SUPPORT OF SB 359 BUT WITH RESERVATIONS ON THE DISTRIBUTION OF THE PERCENTAGES ALLOCATED TO THE COUNTIES.

W.I.F.E. MEMBERS ARE FULLY AWARE OF THE DESPERATE NEED FOR WEED CONTROL. WE BELIEVE THAT SUCH CONTROL IS INDEED THE RESPONSIBILITY OF ALL THE CITIZENS OF THE STATE OF MONTANA, AND THAT IN ITSELF COULD BE UTILIZED AS LAND PLANNING. WE DO PREFER THAT IT BE SEPERATE AND DESIGNATED AS NOXIOUS WEED CONTROL. *We support Senator Marbut's opening statement concerning AGRICULTURE needs.* OUR CONCERN IS THAT UNDER THE ALLOCATED PERCENTAGE REQUESTED IN THIS BILL, THE MAJOR PORTION OF THE FUND WILL GO TO THE COUNTIES ALREADY MORE ABLE TO FURNISH NOXIOUS WEED CONTROL. LARGE, SPREADOUT COUNTIES ARE LESS ABLE TO FUND THEIR CONTROL. COUNTIES WITH BOTH LARGE LAND AREA AND WITH LARGE CITIES WOULD RECIEVE THE GREATER PROPORTION OF THE FUND.

WE DO NOT WISH TO DOWNPLAY THE NECESSITY OF CONTROL IN ANY AREA OF OUR STATE. WE DO WISH TO UTILIZE THE SOURCES OF FUNDING ARE AVAILABLE IN THE AREAS MOST IN NEED OF HELP, AND WOULD LIKE TO REQUEST THAT SUB PARAGRAPHS A AND B, SECTION 4 LINES 15-20 BE TURNED AROUND AS FAR AS THE PERCENTAGES APPLY- THUS 60% OF THE MONEY WOULD BE APPORTIONED TO THE COUNTIES WITH THE HIGHEST LAND AREA AND 40% WOULD BE TO THE COUNTIES WITH THE LARGEST POPULATION.

WE ALSO WOULD REQUEST THAT LANGUAGE BE INSERTED THAT WOULD NOT ALLOW BOTH CRITERIA BE CONSIDERED FOR THIS ALLOCATION; EITHER THE LAND AREA OR THE POPULATION, NOT BOTH WOULD BE THE METHOD OF ALLOCATION.

THANK YOU.

"Hell has no fury like a woman scorned"

NAME: JIM HALVERSON

| | |
|---------------|----------------------|
| SENATE | EXHIBIT <u>C</u> |
| <u>Feb 18</u> | <u>3</u> |
| <u>Senate</u> | DATE: <u>3-18-83</u> |
| | <u>359</u> |

ADDRESS: WOLF POINT MT

PHONE: 653-1590

REPRESENTING WHOM? ROOSEVELT CO MACO

APPEARING ON WHICH PROPOSAL: 359

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? _____

COMMENTS: Roosevelt County on behalf of rural Counties -
If state funds were to be used for weed control, I ask
that the distribution formula be changed to rep more the rural
land area.

I urge the committee consider local effort I ask you
consider not only amount of mill effort but the effort
of local boards in service provided and amount of fees (if
any) for services provided on private properties; etc.

MACO Opposes any reduction in land planning funds

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

EXHIBIT

D

Feb 18

3

Senate

359

DATE: 2/18/83

NAME: H.S. HansonADDRESS: 11 ELEANOR

PHONE: _____

REPRESENTING WHOM?

Mont. Assoc. of Planners

APPEARING ON WHICH PROPOSAL:

SB-359

DO YOU:

SUPPORT? _____

AMEND? _____

OPPOSE? ☒

COMMENTS:

1. We oppose Diversion of Funds from
planning, REGARDLESS OF THE USE.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

SENATE TAXATION COMMITTEE
EXHIBIT E
Feb 18, 1983
Senate BILL/RES. 379

Submitted by Don Resper

SB 379

AN ANALYSIS OF THE IMPACT
ON BUTTE-SILVER BOW CAUSED BY THE
ANACONDA MINING SUSPENSION



Office of Budget Administration
Butte-Silver Bow Courthouse
Butte, Montana 59701
406/723-8262

TO: Donald R. Peoples, Chief Executive
FROM: Gary Rowe, Budget Administrator *GR*
RE: Anaconda Impact Report
DATE: January 25, 1983

Attached please find the Anaconda Company mining suspension impact report which you requested to be prepared. At this time, the projected impact is based on estimates gathered from the best available sources. As noted in the report, actual losses for fiscal year 1983-84 will be available in late March or early April.

In my opinion, the projections of revenue loss contained in this report are conservative. The primary criterion applied to these estimates was not to overstate the potential economic impact to Butte-Silver Bow. It is intended to update and expand this report as more information becomes available. At this point staff members are currently researching secondary impacts caused by the ripple effect.

The total impact to Butte-Silver Bow in future fiscal years is difficult to precisely predict because of the delayed nature of secondary impacts and the exact amount of the Anaconda Company's real and personal property dispositions is unknown. However, the scope and magnitude of the potential revenue loss is such that it compels Butte-Silver Bow to act now.

The government's current policy of minimizing non-priority expenditures and maximizing non-tax revenue sources must be more aggressively pursued. The importance of fiscal assistance from the State of Montana has been ten-fold increased by this economic blow to the community.

GR/cm

The purpose of this report is to provide a foundation from which Butte-Silver Bow can construct a continuing analysis of impacts caused by the closure or suspension of Anaconda's mining operations. The reader is cautioned to use the projections cited in this report as estimates only. However, the figures cited in the schedule labeled "Inventory of Anaconda Taxable Valuations and Taxes" are very accurate.

Economic Background

Butte-Silver Bow has been in a progressively increasing cut-back mode of management since consolidation. The government's initial reductions were attributable to elimination of duplication of services and economies of scale. Butte-Silver Bow continued to cut-back in the last few years of the 1970's in a reaction to inflation and a stagnant local economy.

In the 1980's the community was particularly affected by the national economic downturn because copper's primary markets are in the areas of housing and autos. This, in turn, increased pressure on local government management to continue to scale back services to meet declining tax revenues.

It is readily apparent to the most casual observer that the announced Anaconda Company suspension simply exacerbates Butte-Silver Bow's already bleak economic profile.

Schedule I and its narrative attempts to place into perspective the size and scope of mining's contribution to the Butte-Silver Bow local government operation.

SCHEDULE I

Inventory of Anaconda Taxable
Valuations and Taxes

| <u>Property Classification</u> | <u>1982-'83 Taxable Valuation</u> | <u>1982 Taxes</u> |
|------------------------------------|---------------------------------------|-----------------------|
| Gross Proceeds | <u>\$2,485,265</u> | <u>\$1,027,433.40</u> |
| Real Property: | | |
| - Commercial | \$1,825,161 | \$ 827,804.76 |
| - Other | <u>251,377</u> | <u>102,312.95</u> |
| TOTAL | <u>\$2,076,538</u> | <u>\$ 930,117.71</u> |
| Personal Property: | | |
| - Furniture | \$ 53,069 | \$ 21,939.24 |
| - Pollution Devices | 4,870 | 2,013.30 |
| - Machinery & Equipment | 8,179,354 | 3,403,664.68 |
| - Trucks | 1,584,304 | 654,967.12 |
| - Rights of entry | <u>2,593</u> | <u>1,072.96</u> |
| TOTAL | <u>\$9,824,190</u> | <u>\$4,083,657.30</u> |
| GRAND TOTAL | <u>\$14,385,993</u> | <u>\$6,041,208.41</u> |

Schedule I inventories current taxes and valuations of the Anaconda Company. The total valuation of \$14,385,993 represents 30% of Butte-Silver Bow's total taxable valuation of \$48,164,803. Of the \$6,041,208.41 in Anaconda taxes for 1982-'83, Butte-Silver Bow should receive approximately \$2,235,000 which represents 33% of all property taxes Butte-Silver Bow has anticipated for FY 1982-'83.

For FY 1982-'83, total anticipated revenue* in all property tax-supported funds amounts to \$11,811,197. Anaconda property taxes due Butte-Silver Bow represents 19% of this figure. However, the suspension of operations will not result in an immediate loss of Anaconda tax revenue.

The cycle for Anaconda Taxation is roughly as follows:

| | |
|----------|---|
| December | End of year for tax purposes |
| March | Declarations of Property due to Department of Revenue |
| July | Dept. of Revenue notifies Assessor of Anaconda's valuations |
| November | Taxes due on previous year's property declaration |
| June | Second half taxes due |

The gross proceeds listed on Schedule I is for Anaconda operations ending December 31, 1981 which means Butte-Silver Bow can expect a year and a half more of this tax. A yearly history of gross proceeds is as follows:

| | |
|------|-------------|
| 1977 | \$1,375,335 |
| 1978 | 1,102,496 |
| 1979 | 1,084,112 |
| 1980 | 1,842,803 |
| 1981 | 1,293,681 |
| 1982 | 1,027,433 |

The largest single classification of property valuation is "Machinery and Equipment" which has a taxable value of \$8,179,354. This (and also "Trucks") appears to be the most unstable valuation. It is already known that much of their "Trucks" and "Machinery and Equipment" were disposed of recently which will affect our next year's valuation.

Projected Taxable Valuation Decline

The following schedule attempts to estimate losses in taxable valuation that are likely to occur as a result of the reduction of mining's role in the community. The loss estimates on the schedule are based on informal information gathered from unofficial sources and as such should be used with caution.

*Excluding FAA Grants

SCHEDULE II

Estimated Decline of Anaconda
Company's Taxable Valuation

| Property Classification | 1982-83 Taxable Valuation | 1982 Loss | 1983-84 Taxable Valuation | 1983 Loss | 1984-85 Taxable Valuation | 1984 Loss | 1985-86 Taxable Valuation |
|----------------------------|---------------------------------|--------------------|---------------------------------|--------------------|---------------------------------|--------------------|---------------------------------|
| Gross Proceeds | <u>\$2,485,265</u> | <u>\$750,031</u> | <u>\$1,693,234</u> | <u>\$846,617</u> | <u>\$ 846,617</u> | <u>\$846,617</u> | <u>\$ -0-</u> |
| Real Property: | | | | | | | |
| - Commercial | <u>\$1,825,161</u> | <u>\$ 54,750</u> | <u>\$1,770,411</u> | <u>\$170,411</u> | <u>\$1,600,000</u> | <u>\$160,000</u> | <u>\$1,440,000</u> |
| - Other | <u>251,377</u> | <u>7,500</u> | <u>243,877</u> | <u>23,877</u> | <u>22,000</u> | <u>22,000</u> | <u>198,000</u> |
| TOTAL | <u>\$2,076,538</u> | <u>\$ 62,250</u> | <u>\$2,014,288</u> | <u>\$194,288</u> | <u>\$1,820,000</u> | <u>\$182,000</u> | <u>\$1,638,000</u> |
| Personal Property: | | | | | | | |
| - Furniture | <u>\$ 53,069</u> | <u>\$ 5,069</u> | <u>\$ 48,000</u> | <u>\$ 4,800</u> | <u>\$ 43,300</u> | <u>\$ 4,300</u> | <u>\$ 38,900</u> |
| - Pollution Devices | <u>4,870</u> | <u>-0-</u> | <u>4,870</u> | <u>2,435</u> | <u>2,435</u> | <u>2,435</u> | <u>-0-</u> |
| - Machinery & Equip. | <u>8,179,354</u> | <u>1,650,000</u> | <u>6,529,354</u> | <u>1,229,354</u> | <u>5,300,000</u> | <u>1,325,000</u> | <u>3,975,000</u> |
| - Trucks | <u>1,584,304</u> | <u>396,076</u> | <u>1,188,228</u> | <u>237,646</u> | <u>950,582</u> | <u>158,430</u> | <u>792,152</u> |
| - Rights of Entry | <u>2,593</u> | <u>-0-</u> | <u>2,593</u> | <u>-0-</u> | <u>2,593</u> | <u>-0-</u> | <u>2,593</u> |
| TOTAL | <u>\$9,824,190</u> | <u>\$2,051,145</u> | <u>\$7,773,045</u> | <u>\$1,474,235</u> | <u>\$6,298,810</u> | <u>\$1,490,165</u> | <u>\$4,808,645</u> |
| GRAND TOTAL | <u>\$14,385,993</u> | <u>\$2,905,426</u> | <u>\$11,480,567</u> | <u>\$2,515,140</u> | <u>\$8,965,427</u> | <u>\$2,518,782</u> | <u>\$6,446,645</u> |

The estimated taxable valuation loss can be converted into an estimated tax revenue loss by applying the current year mill levy to subsequent years. The following schedule summarizes this information:

SCHEDULE III

Estimated Tax Revenue Loss

| Year | Est. Taxable Val. Decline | 1982-83 Mill Levy | Cumulative Loss | | | |
|---------|------------------------------|----------------------|---------------------|---------------------|---------------------|--------------------|
| | | | 1983-84 Tax Loss | 1984-85 Tax Loss | 1985-86 Tax Loss | Total |
| 1983-84 | \$2,905,426 | .15379 | \$446,825 | \$446,825 | \$446,825 | \$1,340,475 |
| 1984-85 | 2,515,140 | .15379 | -0- | 386,803 | 386,803 | 773,606 |
| 1985-86 | <u>2,518,782</u> | .15379 | <u>-0-</u> | <u>-0-</u> | <u>387,363</u> | <u>387,363</u> |
| TOTAL | <u>\$7,939,348</u> | | <u>\$446,825</u> | <u>\$833,628</u> | <u>\$1,220,991</u> | <u>\$2,501,444</u> |

Budgetary and Service Level Impacts

A revenue loss of \$2.5 million over three years is potentially devastating to the level of services provided by Butte-Silver Bow. As previously noted, Butte-Silver Bow has been cutting back for the past six years so the majority of all marginal activities have been eliminated. The cuts, which will have to be made to offset the revenue loss from the Anaconda suspension, will deeply affect Butte-Silver Bow's service delivery capacity.

There are two probable courses of action available to Butte-Silver Bow to reduce its total budget. The first is an across-the-board reduction and the second would be to prioritize every function and eliminate entire offices and departments from the bottom up.

The latter course of action is unlikely because it would require amendments to the current governmental structure as provided by the Butte-Silver Bow charter. Local government management is therefore left with the unsavory prospect of cutting all functions and activities budgets including primary services.

Schedule IV spreads the estimated tax loss to every function or activity within every tax-supported fund. It also depicts the level of budget cuts required to absorb the revenue loss predicted on Schedule III. Schedule IV is organized by primary and other services which are broken down into the categories of Salaries and Benefits, Operation and Maintenance, and Capital Outlay.

SCHEDULE IV

Estimated Budgetary and Service Level Impact

| | 1982-83 Actual Budget | 1983-84 Current Year Tax Loss | 1983-84 Budget | 1984-85 Current Year Tax Loss | 1984-85 Budget | 1985-86 Current Year Tax Loss | 1985-86 Budget |
|--------------------------|-----------------------------|-------------------------------------|---------------------|-------------------------------------|--------------------|-------------------------------------|--------------------|
| Fire: 13% | | | | | | | |
| Personal (89%) | \$1,245,000 | \$51,697 | \$1,193,303 | \$44,753 | \$1,148,550 | \$44,818 | \$1,103,732 |
| O & M (10%) | 144,545 | 5,809 | 138,736 | 5,028 | 133,708 | 5,036 | 128,672 |
| Capital (1%) | 3,000 | 581 | 2,419 | 503 | 1,916 | 503 | 1,413 |
| TOTAL | \$1,392,545 | \$58,087 | \$1,334,458 | \$50,284 | \$1,284,174 | \$50,357 | \$1,233,817 |
| Sheriff: 18% | | | | | | | |
| Personal (89%) | \$1,677,833 | \$71,582 | \$1,606,251 | \$61,966 | \$1,544,285 | \$62,055 | \$1,482,230 |
| O & M (10.5%) | 206,587 | 8,445 | 198,142 | 7,311 | 190,831 | 7,552 | 183,279 |
| Capital (.5%) | 868 | 402 | 466 | 348 | 118 | 118 | -0- |
| TOTAL | \$1,885,288 | \$80,429 | \$1,804,859 | \$69,625 | \$1,735,234 | \$69,725 | \$1,665,509 |
| Public Works: 20% | | | | | | | |
| Personal (89%) | \$1,446,530 | \$60,768 | \$1,385,762 | \$68,851 | \$1,316,911 | \$68,951 | \$1,247,960 |
| O & M (10.5%) | 658,469 | 27,703 | 630,766 | 8,123 | 622,643 | 8,135 | 614,508 |
| Capital (.5%) | 18,148 | 894 | 17,254 | 387 | 16,867 | 387 | 16,480 |
| TOTAL | \$2,123,147 | \$89,365 | \$2,033,782 | \$77,361 | \$1,956,421 | \$77,473 | \$1,878,948 |
| All Other: 49% | | | | | | | |
| Personal (63%) | \$3,226,324 | \$137,935 | \$3,088,389 | \$119,406 | \$2,968,983 | \$119,579 | \$2,849,404 |
| O & M (36%) | 1,821,053 | 78,820 | 1,742,233 | 68,232 | 1,674,001 | 68,331 | 1,605,670 |
| Capital (1%) | 79,442 | 2,189 | 77,253 | 1,895 | 75,358 | 1,898 | 73,460 |
| TOTAL | \$5,126,819 | \$218,944 | \$4,907,875 | \$189,533 | \$4,718,342 | \$189,808 | \$4,528,534 |
| GRAND TOTAL | \$10,527,799 | \$446,825 | \$10,080,974 | \$386,803 | \$9,694,171 | \$387,363 | \$9,306,808 |

Schedule V represents a breakdown, by function, of full-time equivalent positions which will be eliminated through budget reductions outlined in Schedule IV.

SCHEDULE V

Estimated Personal Reductions

| | | |
|-------------------------|----------------------------------|-----------------|
| <u>Fire Department:</u> | Average Employee Salary | \$19,937 |
| | Employer Provided Benefits (26%) | <u>5,184</u> |
| | TOTAL | <u>\$25,121</u> |

| <u>Year</u> | <u>Pers. Budget Reduction</u> | <u>Average Cost Per Employee</u> | <u>Reduction Required</u> |
|-------------|-------------------------------|----------------------------------|---------------------------|
| 1983-84 | \$51,697 | \$25,121 | 2.05 |
| 1984-85 | 44,753 | 25,121 | 1.78 |
| 1985-86 | 44,818 | 25,121 | <u>1.78</u> |

5.61 position reduction

| | | |
|----------------------------|----------------------------------|-----------------|
| <u>Sheriff Department:</u> | Average Officers Salary | \$19,453 |
| | Employer Provided Benefits (26%) | <u>5,058</u> |
| | TOTAL | <u>\$24,511</u> |

| | | |
|--|----------------------------------|-----------------|
| | Average Support Staff Salary | \$11,707 |
| | Employer Provided Benefits (23%) | <u>2,693</u> |
| | TOTAL | <u>\$14,400</u> |

| <u>Year</u> | | <u>Pers. Budget Reduction</u> | <u>Average Cost Per Employee</u> | <u>Reduction Required</u> |
|-------------|-----------|-------------------------------|----------------------------------|---------------------------|
| 1983-84 | *Officers | \$58,698 | \$24,511 | 2.39 |
| | Support | 12,884 | 14,400 | .90 |
| 1984-85 | Officers | 50,812 | 24,511 | 2.07 |
| | Support | 11,154 | 14,400 | .77 |
| 1985-86 | Officers | 50,885 | 24,511 | 2.08 |
| | Support | 11,170 | 14,400 | <u>.78</u> |

OFFICERS 6.54 position reduction

SUPPORT 2.45 position reduction

*Officers represent 82% of the current budget for personal services.

| | | |
|---------------|----------------------------------|-----------------|
| Public Works: | Average Employee Salary | \$21,286 |
| | Employer Provided Benefits (35%) | <u>7,450</u> |
| | TOTAL | <u>\$28,736</u> |

| <u>Year</u> | <u>Pers. Budget Reduction</u> | <u>Average Cost Per Employee</u> | <u>Reduction Required</u> |
|-------------|-------------------------------|----------------------------------|--------------------------------|
| 1983-84 | \$60,738 | \$28,736 | 2.11 |
| 1984-85 | 68,851 | 28,736 | 2.40 |
| 1985-86 | 68,951 | 28,736 | <u>2.40</u> |
| | | | <u>6.91</u> position reduction |

| | | |
|------------------------|----------------------------------|-----------------|
| All Other Departments: | Average Employee Salary | \$16,000 |
| | Employer Provided Benefits (25%) | <u>4,000</u> |
| | TOTAL | <u>\$20,000</u> |

| <u>Year</u> | <u>Pers. Budget Reduction</u> | <u>Average Cost Per Employee</u> | <u>Reduction Required</u> |
|-------------|-------------------------------|----------------------------------|---------------------------------|
| 1983-84 | \$137,935 | \$20,000 | 6.90 |
| 1984-85 | 119,406 | 20,000 | 5.97 |
| 1985-86 | 119,579 | 20,000 | <u>5.98</u> |
| | | | <u>18.85</u> position reduction |

The "Ripple Effect"

It is important to keep in mind that the financial effects of the suspension presented in this report are primary in nature. That is, these effects are those caused directly by the reduction of the Anaconda Company's role in financing local government services. Secondary impacts include the loss of primary and secondary jobs and the potential closure of support businesses.

It is likely that secondary impacts will be experienced gradually over a long period of time. For example, the tax base will not be immediately affected by the closure of any support business. The valuation of the business would remain part of the real property tax base until it is tax deeded or its valuation will sufficiently erode until it becomes insignificant. However, it is also likely that Butte-Silver Bow will experience a dramatic rise in its tax delinquency rate.

The Budget Office and Public Works staffs are currently analyzing secondary impacts. This analysis will include an inventory of local businesses which exist primarily to serve the Anaconda Company and a perspective on primary and secondary jobs.

| | |
|---------------------------|----------------------|
| SENATE TAXATION COMMITTEE | |
| EXHIBIT <u>F</u> | |
| <u>Feb 18, 1983</u> | DATE: <u>2/18/83</u> |
| <u>Senate Bill</u> | <u>379</u> |

NAME: Don Judge

ADDRESS: Helena

PHONE: 442-1708

REPRESENTING WHOM? MT STATE AFL-CIO

APPEARING ON WHICH PROPOSAL: S B 379

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: Something must be done to offset the impacts
of major plant closures in Montana. This bill is not a
comprehensive plant closure act, but it does provide a vehicle
for helping communities & workers affected by major layoffs or
closures. When such occurrences happen, the costs to local
governments can be enormous. Workers suffer, small businesses
suffer and the state suffers. We urge you to
consider passage of SB 379 as a means to help
alleviate this suffering.

Thank you.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME:

F.H. BOLES

EXHIBIT

G

Feb 18

3

Senate

379

DATE:

2/18/83

ADDRESS:

HELENA

PHONE:

442-2405

REPRESENTING WHOM?

MONTANA CHAMBER

APPEARING ON WHICH PROPOSAL:

SB 379

DO YOU:

SUPPORT?

AMEND?

OPPOSE?

X

COMMENTS:

THIS IS A BACK LOOK APPROACH TO SO CALLED
"PLANT CLOSURE" LEGISLATION. SUCH LEGISLATION HAS
BEEN REJECTED IN ~~PREVIOUS~~ ^{PREVIOUS} ~~LAST~~ SESSIONS OF THE
MONTANA LEGISLATURE. IN ADDITION IN THE LAST
TWO GENERAL ELECTIONS INITIATIVES TO IMPOSE
THIS TYPE OF LAW ON BUSINESS. THEY BOTH FAILED
TO GAIN ENOUGH SIGNATURES TO QUALIFY FOR THE
BALLOT. THE PEOPLE OF MONTANA DON'T WANT THIS TYPE
LEGISLATION.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

S-407

PROPOONENT

2-18-83
SENATE TAXATION COMMITTEE
EXHIBIT H
Feb 18, 1983
Senate Bill No. 407

Conoco supports this bill- alleviates a situation

where not only we but many co's are subjected to double taxation. This bill would extend the life of those stripper wells where production is low and ^{the} operating costs make these wells marginal. In some cases, the elimination of double taxation might even allow putting some shut down wells back on a production status. ^{My Co.} ~~Conoco~~ alone, in the Cut-Bank area operates about 140 wells with around 340 bbls of production. The longer these wells are in production, the better for everyone, including the producer, royalty owners, employees. The local communities and the state.

I hope you pass this bill.

John Augustine
Lakewood, CO

Representing Conoco, Inc

SENATE COMMITTEE
EXHIBIT I
Feb 18 1983 DATE: 2-18-83
Senate 907

NAME: James F Zapp

ADDRESS: Box 938, Cut Bank, MT

PHONE: 873-5091

REPRESENTING WHOM? Phillips Petroleum Co

APPEARING ON WHICH PROPOSAL: SB 407

DO YOU: SUPPORT? X ~~AMEND~~ ~~OPPOSE~~

COMMENTS: ~~Join~~ Bill

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

EXHIBIT

J

Feb 18 1983

Senate

407

DATE: 2-18-83

NAME: TERRY WISNER

ADDRESS: RT 1, BOX 1801 WHITEHALL, MT 59759

PHONE: 287-5201

REPRESENTING WHOM? MYSELF - CROFT PETROLEUM CO.

APPEARING ON WHICH PROPOSAL: 407

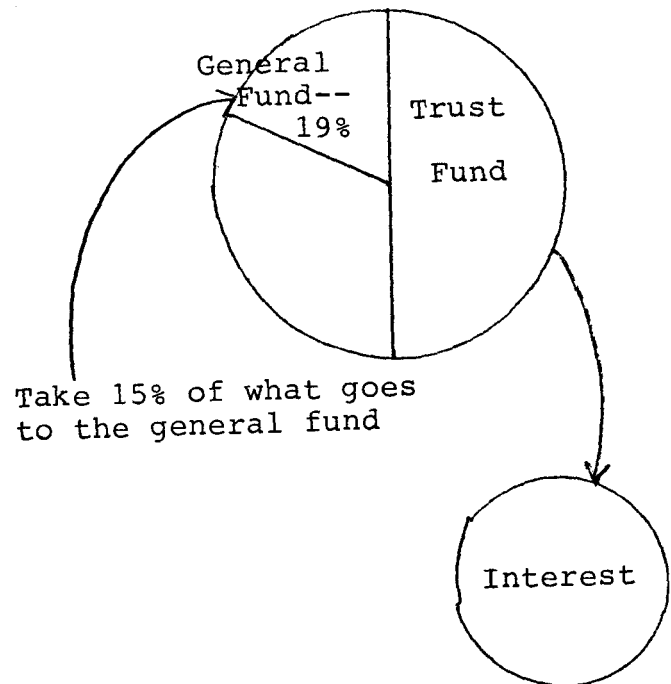
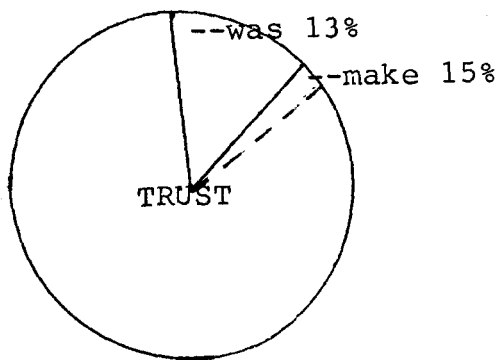
DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS:

THIS BILL IS NEEDED TO RELIEVE A
DISASTROUS DOUBLE TAXATION SITUATION ON
OIL + GAS PRODUCTION ON THE BLACKFEET
INDIAN RESERVATION. IF THIS SITUATION CONTINUES
TO EXIST, NEW PRODUCTION WILL CEASE +
CURRENT PRODUCTION WILL BE ABANDONED SOONER

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

| |
|---------------------------|
| SENATE TAXATION COMMITTEE |
| EXHIBIT <u>K</u> |
| <u>Feb 18, 1933</u> |
| <u>Senate Bill # 434</u> |



301 miles

\$17 million - \$63 million
 \$33 million - 101 miles
 200 miles - \$100 million+

| | |
|------------------------------|---------------|
| SENATE LEGISLATION COMMITTEE | |
| EXHIBIT | L |
| Feb 18 | 1983 |
| Senate | BILL/RES. 434 |

HIGHWAY COAL TAX IMPROVEMENT ACCOUNT.

The 1975 Legislature passed into law Chapter 502, 1975 Session Laws, which established the Coal Area Highway Improvement Account.

That law amended Section 84-1309.1, RCM 1947, to allocate for the next four fiscal years, 10% of total coal tax collections to the Coal Tax Earmarked Account. The total amount collected by the Department of Highways in the coal tax highway improvement account was \$15,117,191.28. These monies were to be obligated by June 30, 1979, but subsequent legislation changed the date to June 30, 1983.

These monies were earmarked for construction and/or reconstruction of roads in the impact area which was designated by the legislature as Rosebud, Treasure and Big Horn Counties. No set criteria was established for selecting projects within this area, nor was it required to fund projects in each of the counties.

In order to build as many miles of roads as possible, Department of Highways personnel, plus legislators, made trips to Washington, D.C. in efforts to obtain special federal funds for energy impacted areas. The plan was to match the special federal funds with the coal tax improvement funds; however, these federal funds were not appropriated. By attempting to obtain these special federal funds, we delayed awarding contracts utilizing the coal tax funds until August, 1980.

The following two coal tax projects have been let to contract:

1. a. Colstrip-Forsyth Road (South Section). This project extends from one mile south of Colstrip to five miles north of Colstrip.
b. Project Number - CT 39-1(11)21.
c. Length - 5.8 miles.
d. Project cost - \$5,524,038. Project is funded with \$5,196,709 coal tax monies and the remaining with private utility company monies.
e. Project status - 76% complete as of August 1, 1981.
f. Project completion date - September 15, 1981.
g. Contractor - COP Construction Company.
2. a. Colstrip-Forsyth Road (Center Section) five miles north of Colstrip to 16 miles north of Colstrip.
b. Project number - F-CT 39-1(9)27.
c. Length - 10.9 miles.
d. Project cost - \$7,810,514. Project is funded with \$1,500,000 coal tax funds and remaining amount with primary system monies.
e. Project status - One percent complete as of August 1, 1981.
f. Project completion date - September 15, 1982.
g. Contractor - Hilde Construction Company.

Listed below is a recapitulation of coal tax monies as of present date:

| | |
|------------------------------|---------------------|
| Coal Tax Income | \$15,117,191.28 |
| Coal Tax Project Commitments | <u>6,696,709.00</u> |
| Unobligated coal tax monies | \$ 8,420,482.28 |

The following projects may be considered for coal tax funding:

1. Big Horn County

A. Busby - South through Cheyenne Indian Reservation 13.0 miles.

(1) Estimated cost - \$4,000,000.

(2) Bureau of Indian Affairs conducting engineering and R/W phase. Could be advanced to contract early 1982.

B. Crow Agency - Busby (West Section) 8.0 miles.

(1) Estimated cost - \$5,500,000.

(2) Negotiation on 2 tribal parcels is holding the job from being able to go to contract award.

C. Busby - South (South Section) 7.5 miles.

(1) Estimated cost - \$3,000,000.

(2) The project is in preliminary engineering phase. The project is presently scheduled for contract award by May, 1983; however this date is very optimistic.

2. Treasure County

A. Sarpy Creek Road (Center Section) 5.0 miles.

(1) Estimated cost - \$1,750,000.

(2) Project has some rights-of-way parcels open. It is scheduled for contract award in March, 1983.

3. Rosebud County

A. Rosebud - South (South Section) 4.0 miles.

(1) Estimated cost - \$1,500,000.

- (2) Project presently scheduled for October, 1985. It could be ready to let to contract by February, 1982.

B. Colstrip-Forsyth Road (Armell's Creek N & S) 6.4 miles

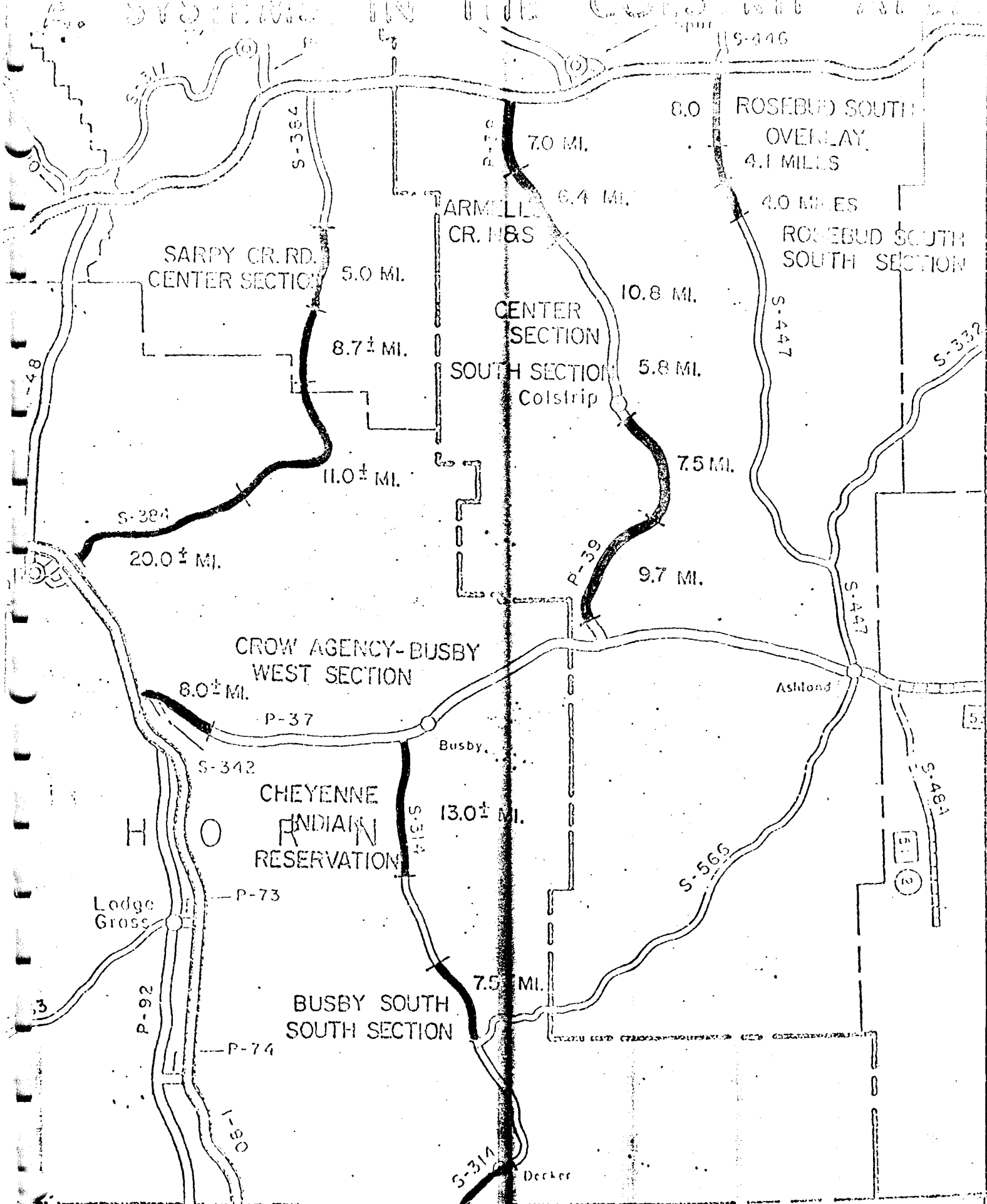
- (1) Estimated cost - \$9,200,000.
- (2) Presently scheduled for contract award in fall, 1981.

C. Rosebud South Overlay 8.0 miles

- (1) Estimated Cost - \$750,000
- (2) Presently scheduled for a contract award in March, 1982.

Various considerations are given to project selection. Some are:

1. Recommendations by the three affected county commissions.
2. Projects must be ready to be let to contract prior to June 30, 1983.
3. Projects must have a need for reconstruction.
4. Senate Bill 422, which was enacted during the last session, requires the Department of Highways to reconstruct these highways in consultation with the governing bodies of the counties in the area.



SENATE RECONSTRUCTION COMMITTEE
EXHIBIT M
Feb 18 DATE: 2-18-83
Senate BILL: 434

NAME: Jim HALVERSON

ADDRESS: WOLF POINT MT

PHONE: 653-1590

REPRESENTING WHOM? MACO

APPEARING ON WHICH PROPOSAL: SB 434

DO YOU: SUPPORT? — AMEND? — OPPOSE? —

COMMENTS: MACO recognizes need for reconstruction
supports bill at least in concept.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.