### MINUTES OF THE MEETING TAXATION COMMITTEE MONTANA STATE SENATE

March 23, 1983

The fifty-second 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 except Senator Brown.

CONSIDERATION OF HOUSE BILL 582: Representative Dean Switzer, House District 54, sponsored this bill, which clarifies the deduction provisions of the net proceeds tax on mines applicable to nonmetallic mines and mining claims. He noted that the House had made some amendments to tie administrative costs to Montana operations.

### PROPONENTS

Tom Dale, representing the Montana Mining Association, submitted written testimony attached as Exhibit A.

Earl Lovick, representing W. R. Grace & Co., Libby operations (vermiculite mine), submitted written testimony attached as Exhibit B.

Glenn Keyes, representing Pfizer Incorporated, Dillon, submitted written testimony, attached as Exhibit C.

Ward Shanahan, a member of the tax committee of the Montana Mining Association, referred the committee to pages 3 and 4 of the bill. The net proceeds tax is contained in two sections -one tells what it is and the other tells how it is computed. The tax section doesn't actually match the computation section. More insurance deductions are specified at lines 11-14 on page 3. Lines 20-22, page 3, and lines 11-14, page 4, relate to one another in regard to administrative costs. Lines 11-14 on page 4 explain what the administrative cost deduction is. argument is what the word "necessary" on line 9, page 4 means. The companies say certain things are necessary and the Department of Revenue has disputed this. Under the Mine Health and Safety Act which we are required to abide by, reclamation of mines is necessary and so makes the engineering and geological services necessary. You can say that maintaining claims are a necessary part of the work. One determination pointed out was whether asbestoes was present. They are required to remove asbestoes from the materials, and the Department of Revenue has denied that deduction.

Cyprus Industrial Mineral Company also supported HB 582. See Exhibit D.

### OPPONENTS

Dan Bucks, representing the Department of Revenue, discussed the nature of the net proceeds tax as the Department of Revenue has interpreted it over the past 60 years. The mining property is taxed on the basis of productivity. It is not an income tax. It was not intended that all of the necessary costs of being in business be deducted from the net proceeds tax. Those costs were the costs of extracting minerals. Overhead administrative costs are costs of being in business but don't vary with the nature of the deposits.

Mr. Bucks referred to the court cases discussed on Exhibit E. The 1924 case of Anaconda Copper Mining Company v. Junop provides that allowable deductions are those that vary with the nature of the deposit, not with the nature of the company. As HB 582 passed the House, it had a fiscal cost of \$600,000 a year. Removing taxes as a deduction will make a difference of about \$300,000. That leaves administrative costs and insurance costs. The additional insurance costs are a positive step; the Department didn't object to that. It will simplify administration, he said. But they cannot support the current provisions on administrative costs. Sections 1 and 2 are not consistent -section 1 is limited to Montana and section 2 is not. Section 2 will probably increase litigation regarding clerical costs, financial planning operations, etc., both inside and outside Montana. We think it is inherently difficult to decide what portion of time actually pertains to the Montana mining operations. We agree that tremolite testing should be an allowable cost.

Mr. Bucks submitted proposed amendments, attached as Exhibit F, saying they add certain deductions, but administrative costs would be excluded. We are agreeable to deducting assaying, sampling, geological, and engineering costs in Montana because they are costs that arise directly from the extraction of the minerals and can vary with the nature of the minerals. Final determinations on the years in question (1977-79) have just or not yet been issued. There is no pending litigation to their knowledge at this time.

Ouestions from the committee were called for.

Senator Towe asked Representative Switzer if he intended to take out taxes on page 5 to reduce the impact, and Representative Switzer said yes, he did.

Senator Towe asked him how he responded to the Department of Revenue's position on administrative expenses. Representative Switzer said it's like any other business. Administrative expenses include what Mr. Bucks addressed as far as the cost of doing business is concerned. It would remove the adverse position they have on the hard-rock mining industry.

Senator Towe stated that the Department says it is not their concern that there is litigation where taxpayers are claiming deductions not now allowed in the statutes.

Representative Switzer felt the Department's amendments indicate that they do accept to some degree some of the costs not now allowed.

Ward Shanahan noted that the Cyprus Mines case (discussed in Exhibit E) used a formula to separate the costs of the office from the cost of mining. It contained a lot of home office expenses but it did not say costs attributable to the Montana operation couldn't be deducted. The Cyprus Mines case deals with subsection (4) on page 5 of the bill, which appears in only one of the two sections of the bill. If a geologist comes to Montana to perform services attributable to the Montana operation, that should be deductible.

Senator Crippen wondered if the amendments on Exhibit F(1) were proposed in the House, and Dan Bucks said no, they were not.

Senator Crippen said that notwithstanding the court cases, the Department of Revenue's position then is that they can accept these deductions. If we should pass this bill, will the Department of Revenue accept that as the decision of the legislature? Mr. Bucks replied that the current provisions on administrative costs are not workable. We are reflecting statutory case law.

Senator Crippen stated that his question goes back to the original concept, not to the Department's philosophy of the net proceeds tax. It is our decision what it is.

Senator Norman stated that he knows a person who works for Cyprus Mines looking for ore samples. He goes to mine shafts, etc., in Arizona, Nevada, Wisconsin, for example, and occasionally in Montana. That should be part of the cost of finding metal. Where does he appear in this when most of what he is doing is not in Montana? Mr. Bucks said that time and expense records could be kept related to that. It is segregated through accounting records.

Don Hoffman, from the Department of Revenue, said they do audits based on records in the company to show what an individual is doing. If an individual is not working on extraction of mineral ore on a Montana mine, the Department would not allow the deduction.

Senator Eck asked Mr. Bucks what the difference was in the process of figuring net proceeds tax on nonmetal mines and for other operations. Mr. Bucks said the process is similar. value of the gross product is taken and costs are deducted according to law to arrive at the net proceeds. The Department follows what they believe to be the statutory and case law in each case.

Senator Eck asked if administrative costs (clerical, etc.) were allowable on other proceeds taxes, and Mr. Bucks replied no, they were not.

Senator Towe stated that if you look at 15-23-603, MCA, the net proceeds for oil and gas language is verbatim except for "mine" operations and developments and the addition of administrative and other insurance expenses. If you accept that for mines, I guess we have to look at oil and gas, too. Mr. Bucks indicated there would be a very large cost involved in doing that.

Ward Shanahan stated that there was a tax deduction granted when the bill was originally drafted. In oil and gas and coal net proceeds, there are deductions with respect to taxes that aren't in this bill now. There is a series of federal tax deductions that have to do with federal tax computations See his proposed amendment attached as Exhibit F(2).

Senator Towe thought we were moving from a net to a gross proceeds tax and that maybe we should do so for the others, too. Mr. Shanahan said he didn't recommend that at this time.

Senator Gage pointed out that at the time this law was first enacted, we had no environmental regulations like we have today. Those are necessary today, and it is a cost of extraction. felt the statute needed some updating. Mr. Bucks said the suggested amendments to the bill have taken that into consideration and will do that. We are not trying to inflict departmental philosophy here. We don't believe the office costs are appropriate and fall in that category of law we are talking about.

Senator Lynch asked Mr. Shanahan if he would be amenable to including the "in Montana" language. Mr. Shanahan replied that Pfizer in Dillon was a bulk producer. They brought their mining operations into Montana from Utah and other states. We then got into an argument with the Department of Revenue, Pfizer Incorporated v. Madison County, about the difference between "mining" and "manufacturing" and what is "necessary." The Department of Revenue took one position and we took another.

Glenn Keyes, plant controller from Pfizer, explained that the administrative costs he was referring to were for the payroll clerk. He must pay his miners, he said. Up to 1977, the payroll clerk was a legal deduction. As soon as they got a computer, they lost the deduction. He said he is talking about the girl who prepares the checks here in Montana after she gets the information from the computer from out of state-her costs of sitting in Dillon. If she was on site up at the mine, she would be deductible. Mr. Bucks stated that the problem isn't with the payroll clerk; it is with the computer outside the state. You are dealing with companies that both mine, reduce and beneficiate minerals, and also manufacture. The Cyprus Mines case says minerals are not to be valued past the beneficiation stage. Management sciences and other operations of the company are very difficult to break out from extraction, reduction and beneficiation of minerals in Montana on the computer that is utilized for the whole company's operations. It is not workable administratively to pick those costs out. That is the problem.

Senator Gage wondered if the committee could work with the Department of Revenue to come up with a percentage factor in lieu of costs. Mr. Shanahan said that they proposed .3 and .4 to the Department.

Senator Towe asked Mr. Keyes if he was seeking to have the payroll clerk's whole salary deducted, and Mr. Keyes said no, just regarding the mining checks.

Representative Switzer closed, saying the need for the bill has been demonstrated.

The hearing on HB 582 was closed.

CONSIDERATION OF HOUSE BILL 446: Representative Dave Brown, House District 83, said the hard-rock mining subcommittee's study found that impacted areas need proper funding. bill allocates the metalliferous mines license taxes two-thirds to the general fund and one-third to the hard-rock mining impact trust account beginning July 1, 1985. New section 2 provides the bases for awarding grants and loans from the impact trust account. The trust account will be maintained on a county-to-county basis. The deletion of 15-1-501(1)(c) on page 4 is to make this section consistent with the new language on page 1 of the bill. The amendment in section 5 on page 5 adds impacted local governments to the beneficiaries of the metal mines tax. Section 6 offers a slight change in the way the tax is computed. A small miners' exemption is provided. Section 8 establishes the hard-rock mining impact trust account within the earmarked revenue fund. Section 9 authorizes the hard-rock mining impact board to award grants or loans in accordance with the other provisions of this bill. Mining began in Montana in 1864; we have been 119 years without this legislation. He said he hoped that in the future we won't have to face the impact problems that Butte has today.

### PROPONENTS

Gary Langley, representing the Montana Mining Association, submitted written testimony attached as Exhibit G.

Ward Shanahan, representing Stillwater PGM Resources, submitted written testimony, attached as Exhibit H.

George Bennett, representing ASARCo, supported the bill, saying their Troy mine has been operating since before the War of the Copper Kings. This bill, and HB 718 from the 1981 session, redefine mining in this state. Mining is cyclical. Mining in the future in Montana will be on a smaller scale. Exhibit I.

John Peterson, representing Golden Sunlight Mine (Pfizer Amex), supported the concept of HB 446 and endorsed the comments of Representative Brown and the other proponents. After their mine completes production, they will provide for the local community suffering any tail end impacts.

Mark Ledbetter, representing the Northern Plains Resource Council, said HB 718 from the 1981 session solved a lot of problems and this one will solve even more. Tail end impacts are a serious problem in Montana. In Sweetgrass and Stillwater Counties, there was a sudden collapse in the tax base when the mine shut down, and bonds were left unpaid, etc. costs of closure would be dumped on ranchers to pay. These problems are expensive. The new mine in Whitehall may be grossing \$30 million a year. HB 446 would set aside \$2 million to take care of the effects when the mine closes. Two million dollars doesn't go very far. There is some money here though, so we will support it, he said.

Jim Richards, from Stillwater County, said the county commissioners are in favor of the bill.

Carol Ferguson, on behalf of the Hard-Rock Mining Impact Board, said she wouldn't take a stand on the substance of the bill. She said she was familiar with the responsibilities under the bill and can accept them.

### OPPONENTS

There were no opponents to HB 446.

Questions from the committee were called for.

Senator Towe wondered how much would be available in July of this year and if the \$.5 million that the Anaconda Company will pay would go into the impact trust fund. He suggested maybe \$150,000 would be available under this bill.

Senator Lynch asked Representative Brown if impacts relating to suspension were included as well as those occurring because of a shutdown. Representative Brown thought they would be.

Representative Brown urged that any amendments to the bill be just technical ones and nothing else. He said that if the committee wanted to put the allocation to the account back to 33% (the House amended it to 11% through June 30, 1985; then to 33% thereafter), that would be acceptable.

Senator Towe said that his bill, SB 299, would allow borrowing from the educational trust fund, but Representative Brown said he didn't like trading accounts between sources of money.

The hearing on HB 446 was closed.

Senator Norman moved that HB 446 BE CONCURRED IN. The motion was seconded.

Senator Towe then submitted to the committee a comparison of nonferrous metal prices, attached as Exhibit J. He said he would submit to the committee amendments which would (1) increase the taxing on a sliding scale, and (2) authorize borrowing from the coal tax funds. He said he wanted to prevent the taking of \$450,000 from the general fund this year by providing a means of recovery. The budget office has understated the estimates for hard-rock mines this year. He said Representative Brown's figures are more accurate. That money is scheduled to go to the general fund. Senator Towe said his amendments would add a way of recouping the money without touching the general fund.

The committee then discussed borrowing from the coal tax fund. Some thought the money should be used without having to pay it back; other thought it should be paid back to the coal tax fund if it is used.

Senator Crippen suggested that in all fairness to Senator Towe, the committee should let him submit his amendments tomorrow.

Senator Mazurek moved that the committee pass consideration of HB 446 for the day. The motion was seconded and passed, with Senator Norman voting no.

Senator Turnage reminded the committee that if we get into the trust fund, we need a 2/3 vote.

The meeting adjourned at 10 a.m.

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## ROLL CALL

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date 3/23

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## TESTIMONY OF THE MONTANA MINING ASSOCIATION ON HOUSE BILL 582 BEFORE THE SENATE TAXATION COMMITTEE MARCH 23, 1983

SENATE TAXATION COMMITTEE
EXHIBIT A

March 33, 198 3

Flower BILL/RES 582

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

My name is Thomas A. Dale. I am president of the Montana Mining Association and I am employed by Pfizer, Inc. which operates a talc mine near Dillon.

I SPEAK TODAY IN BEHALF OF THE MONTANA MINING ASSOCIATION WHICH REPRESENTS EVERY MAJOR PRODUCER OF NON-METALLIC MINERALS IN MONTANA.

1 APPEAR IN SUPPORT OF HOUSE BILL 582.

House BILL 582 IS MERELY AN ATTEMPT TO CLARIFY THAT ESSENTIAL BUSINESS EXPENSES ARE ALLOWABLE DEDUCTIONS IN CALCULATING THE NET PROCEEDS OF MINES TAX.

THE NON-METALS MINING INDUSTRY PAYS REAL AND PERSONAL PROPERTY
TAXES JUST LIKE EVERY OTHER TAXPAYER.

THE NET PROCEEDS OF MINES TAX IS A TAX UNIQUE TO THE NON-METALS MINING INDUSTRY AND IN ADDITION TO OTHER PROPERTY TAXES.

House Bill 582 does not in any way represent any form of tax relief. It is simply meant to clarify what will be allowable deductions to arrive at a net proceeds because in past years there has been an inconsistency in the interpretation of net proceeds deductions.

PASSAGE OF HOUSE BILL 582 WILL NOT RESULT IN A LOSS TO LOCAL GOVERNMENTS. SEVERAL NON-METALLIC PRODUCERS ARE EITHER IN LITIGATION OR NEGOTIATIONS WITH THE DEPARTMENT OF REVENUE ON THE INTERPRETATION OF PROPER DEDUCTIONS. Any Loss of Revenue CITED by THE DEPARTMENT SIMPLY REPRESENTS THEIR POSITION ON THE NEGOTIATIONS AND LITIGATIONS.

THE NET PROCEEDS OF MINES LAW AS IT EXISTS TODAY IS OLD AND ARCHAIC. HOUSE BILL 582 BRINGS THE LAW INTO COMPLIANCE WITH MODERN BUSINESS PRACTICES.

THE MONTANA MINING ASSOCIATION URGES THAT THIS COMMITTEE GIVE HOUSE BILL 582 FAVORABLE CONSIDERATION.

THANK YOU.

SENATE TAXATION COMMITTEE

EXHIBIT B

Zonolite

Zonolite

Construct on Products Division

March 23, 1983

GRACE

I am Earl D. Lovick, Manager of Administration for the W. R. Grace & Co., Libby Operations where we have a producing vermiculite mine. We are subject to the Net Proceeds law and are in support of HB 582.

The net proceeds law is old and archaic. It was designed when mines were simple compared to what they are today. Costs were easy to identify and isolate as pertaining to the mining and milling of ore. This is no longer true. This bill defines deductibility of necessary costs of conducting the business of mining, milling and selling minerals which at the present time are unclear or controversial.

The following are examples of essential costs which should be deductible items for computing net proceeds of mines for property tax purposes:

- 1. Boiler and machinery insurance and public liability insurance, incidental to the mining and milling operation.
- 2. Costs of welfare and retirement fund payments.
- 3. Administration costs attributable to the support of the mine or to the concentration process.
- 4. Costs for office, clerical, plant security, engineering, geological, assaying and sampling services, and those administration costs pertaining to the support of the Montana mine and the reduction or benefication process.

Examples of those necessary costs and services which are essential to the mine operation, but which may be removed from the mine site are: research necessary to improve the metallurgical recovery process, the end result of which is preservation of a resource; and, the testing and analysis of tremolite asbestos from the concentrate which is a hazardous substance and which must meet standards adopted by MSHA (Mine Safety & Health Administration) and by NIOSH (National Institute of Occupational Safety & Health); and, administration costs which covers such items as preparation of payroll, purchasing of necessary supplies and materials; accounting for all aspects of the operation; and operating computers which record the statistical data of ore deposits, ore mining plans, and control mining areas and mill feed.

In short, this bill is amending existing laws as a housekeeping matter only and brings this law into compliance with modern techniques of doing business.

Furthermore, it should end the changing interpretation of allowable deductions each time there is a change of personnel in the Department of Revenue.

While the net proceeds tax is a property tax and is assessed in this manner rather than trying to assess the value of the deposit itself, I would like to draw attention to the name "Net Proceeds". Its taxable value is at 100% of the net proceeds, it is not intended that the mine should be taxed at 100% of gross proceeds. We believe this bill is fair and will make the administration of this tax simpler.

SENATE TAXATION COMMITTEE

## MINERALS, PIGMENTS & METALS DIVISION BILLINES 58.2

P. D. BOX 1147, DILLON, MONTANA 59725

06) 683-4231

March 21, 1983

### Mr. Chairman, Members of the Taxation Committee

I am Glenn E. Keves, Plant Controller for the Pfizer Incorporated Barretts plant near Dillon. Our operation mines and mills talc. I wish to voice my support for HB 582.

It is the intent of the bill to remove the uncertainties over deductions for mining costs. The Department of Revenue has challenged our company's claims to many costs which are reasonable and necessary for any modern mining operation to be successfully maintained. For example:

- Although the cost of conversion of the product into money has been in the act for many years, the department continues to disallow expenses related to this cost.
- Although clerical, accounting, security, engineering, and geological services are all necessary to our mining operation, disputes have arisen between the company and the department as to what "necessary" means...and whether it includes these labor costs. HB 582 would serve to clarify these deductions and would take the bias of interpretation out of the present method of calculation.
- The "net proceeds tax" is a property tax on a basic industry just like agriculture. But agriculture is given the benefit of valuing its property on "productivity" rather than a market value. These deductions in this bill achieve the same effect for non-metal mining. They achieve a productive value yielded to the producer, rather than a value which fails to reflect the costs of production. Although it is computed in a similar way to the income tax, it is paid to the county and local government.

I respectfully urge your favorable consideration of this bill.

Pfizer Incorporated

Plant Controller

March 23 113 3 Hown 3111116 582

### Cyprus Industrial Minerals Company

Highway 287 Ennis, Montana 59729 Telephone 406) 682-4275 Post Office Box 516 TWX 910) 963-2028

March 1, 1983

Senate Taxation Committee Capitol Station Helena, Montana 59620

Dear Mr. Chairman and Fellow Members:

Cyprus Industrial Minerals Company would like to express their complete support of HB 582 and HB 717. We feel that both of these bills provide:

Stimulation to the mining industry to expand or increase production facilities which means more jobs for Montanans.

A more equitable means to calculate the actual costs of doing business.

Minor overall impact as it effects only a few counties in the state.

Also, we oppose SB 299 and HB 829 as both of these bills will just add another tax burden to the metal mines and cause further degradation to an important Montana and national industry.

Very truly yours,

Donald F. Kennedy

Manager, Mines

DFK/tw

CC: Senate Taxation Committee Representatives

Pat Goodover Tom Hager
George McCallum Mike Halligan
Bob Brown J. D. Lynch

Bruce Crippen Joseph P. Mazurek

Dorothy Eck Bill Norman
Roger Elliott Elmer Severson
Delwyn Gage Thomas F. Towe



### DEPARTMENT OF REVENUE

SENATE TAXATION COMMITTEE

EXHIBIT E

March 23, 1983

Stause BILL/RES. 582



TED SCHWINDEN, GOVERNOR

## STATE OF MONTANA

HELENA, MONTANA 59620

March 22, 1983

### **MEMORANDUM**

TO:

Dan Bucks

Deputy Director Operations

FROM:

Natural Resource & Corporation Tax

SUBJECT: H. B. 582 - pertinent court cases

1) Anaconda Copper Mining Co. v. Junop (decided July 7, 1924). In this decision the court held that taxes and fire insurance are not deductible in determining the net proceeds of mines.

They specifically stated:

"We are of the opinion that the words "actual cost" in both instances were used in a restricted sense; that is to say, in case of extracting ores from the mine, not all, but only the direct, costs and expenses were contemplated as deductible items."

"It was the aim and intention of the legislature to fix some definite and uniform basis for the determination of net proceeds of mines for taxation purposes. This it has done by authorizing deductions of only actual costs. It was not its intention to permit deduction of every conceivable item of expense."

2) Pfizer, Inc. v. Madison County (decided January 19, 1973). In this particular case the issue before the court was the value of talc in Montana. However, in deciding this case, it provided language that clearly provides guidance as to when the "mining" deductions stop.



The court provided:

"Only deductions for the mining operation will be allowed up through the beneficiation stage. All other expenses will be incurred as to the manufacturing process."

3) Cyprus Mines Corporation v. Madison County (decided March 7, 1977). In this case the issue was the allocation method used to determine cost of marketing and conversion into money. Included in this calculation were such things as administration, production, engineering, accounting, data processing and research and development.

The court held:

"Taxpayers' allocation formula fails to meet the test of definiteness and uniformity contemplated in section 84-5403, R.C.M. 1947. Taxpayer failed to allocate the actual costs which it incurred in the mining of talc, when determining the net proceeds of its Yellowstone and Beaverhead Mines." Amend H. B. 582 as follows:

1) Title, page 1, line 4

Following:

An act to

Strike:

clarify the deduction provisions of

Insert:

provide additional deductions on

2) Title, page 1, line 4

Following:

proceeds

Strike:

tax on

Insert:

of

3) Section 1, page 3, line 20

Insert:

New subsection 14 to read:

Cost of testing extracted minerals for the purpose of satisfying federal or state health and safety

laws or regulations.

5) Section 2, page 4, line 11

Following:

developments

Strike:

including the costs for office, clerical, plant security, engineering, geological, assaying and sampling services and those administrative costs

PERTAINING to the Montana operations.

6) Section 2, page 5, line 5

Following:

Fire

Strike:

Taxes

7) Section 2, page 5

Following:

Subsection (g)

Insert:

Subsection (h) to read:

All moneys expended for necessary labor, equipment and supplies for testing minerals extracted to satisfy federal or state, health and safety laws

or regulations.

8) Section 2, page 6, line 2

Following:

thereof

Strike:

, except those persons providing services referred to in subsection (1) (b) or those engaged in the sale and marketing of the product and conversion of the same into money, including administrative personnel.

SENATE TAXATION COMMITTEE
EXHIBIT\_F(1)
March 23, 198\_3
House BILL/RES\_582

HB 582

SENATE TA	XATION	COMMITTEE
EXHIBIT	F(2)	·
March 2	23, 1983	
House	BILL/RES	582

Amend the Third Reading copy of HB 582 as follows:

l. Page 5, line 5.
Strike: "taxes,"

2. Page 5, line 7.
 Strike: "costs, including"

and, as amended, DO PASS.

# TESTIMONY OF THE MONTANA MINING ASSOCIATION RECARDING HOUSE BILL 446 BEFORE THE SENATE TAXATION COMMITTEE MARCH 23, 1933

SENATE TAXATION COMMITTEE

EXHIBIT 98 3

How BILL/RES 446

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

My name is Gary Langley, I am executive director of the Montana Mining Association.

THE MONTANA MINING ASSOCIATION REPRESENTS EVERY MAJOR PRODUCER OF HARDROCK MINERALS IN MONTANA AS WELL AS SOME COMPANIES THAT HOPE TO BECOME ACTIVE IN MONATNA IN THE FUTURE.

THE MONTANA MINING ASSOCIATION SUPPORTS HOUSE BILL 446.

THE MINING INDUSTRY SUPPORTED HOUSE BILL 718 IN THE 1981 SESSION. THIS BILL CREATED THE HARDROCK IMPACT BOARD AND SET IN MOTION THE APPARATUS FOR DEALING WITH THE FRONT-END IMPACTS OF HARDROCK MINING.

SINCE HOUSE BILL 718 WAS PASSED, THERE HAS BEEN SOME CONCERN EXPRESSED ABOUT "TAIL END" IMPACTS THAT OCCUR ONCE A MINING OPERATION CEASES PRODUCTION.

House Bill 446 specifically addresses that problem by setting aside a certain portion of metal mines license tax collections for local impacts.

House Bill 446 is the cornerstone of a report issued by the Environmental Quality Council's Subcommittee on Hardrock mining which was mandated by House Joint Resolution 66 passed by the 1981 Legislature.

TESTIMONY MARCH 23, 1933 PAGE 2

THE SUBCOMMITTEE'S REPORT ISSUED AFTER 18 MONTHS OF STUDY, HAS SINCE BEEN ENDORSED BY THE FULL ENVIRONMENTAL QUALITY COUNCIL AND THE REVENUE OVERSIGHT COMMITTEE.

WE URGE THIS COMMITTEE'S CONCURRENCE IN HOUSE BILL 446.

THANK YOU.

	EXHIBIT H March 23, 198.3
NAME Ward A. Shanahan BILL NO.	HB 446 BILL/RES.
ADDRESS P.O. Box 1715, Helena, MT 59624 DATE	03/23/83

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

WHOM DO YOU REPRESENT Stillwater PGM Resources

SUPPORT XXX OPPOSE AMEND XXX

### Comments:

Stillwater PGM Resources has generally favored the "local impact" application of property taxes generated by the extraction of natural resources. In the 1981 session, we supported HB 718, which created the Hard-Rock Impact Board. This created a system of dealing realistically with mining impacts at the local level. HJR 66, the recent EQC study, was intended to further review the "impact bill" to determine if it needed adjustment and to determine other tax requirements. The study found that the Impact Board needed proper funding and that mine closure problems should also be addressed. HB 446 specifically answers three problems:

- 1. It provides a source of funding for the impact board.
- 2. It creates a source of funding for the mine closure problem.
- It uses an existing source without unduly increasing the burden.

HB 446 has been endorsed by both the EQC and the Revenue Oversight Committee.

Although we believe the HJR 66 study demonstrates that hard-rock mining taxes should actually be cut, HB 446 is the obvious alternative. The Hard-Rock Board is in place to do the job for "tail-end impacts." HB 446 would make this possible.

Mining taxes should be kept at the local level with other property taxes. HB 446 is a step towards achieving that goal, and we approve.

The adoption in Montana of the impact financing approach to local problems, based on a demonstration of needs directly related to the changes caused by the industry, is a realistic way to solve local problems of a rural economy. We hope this approach will continue in place of the destructive effects of high state-related severance taxation. This will be a solid encouragement for our company.

(This sheet to be used by those testifying on a bill.) I  March 23 3 446  House 1 446
NAME: GEORGE T. BENNETT DATE: 3/23/83
ADDRESS: P.C. BOX 1705 HELENA 59674
PHONE: 442-8950
REPRESENTING WHOM? ASARCO INC
APPEARING ON WHICH PROPOSAL: 4.B. 446
DO YOU: SUPPORT? AMEND? OPPOSE?
COMMENT: This hill is a part of the legislature
the EGC/ROC Shuds, "Report to Hy 4811+ Wout Leg. On The Seein
Aly 48 114 Wout leg. on The Seeis
Eronomia Superda of Jonge Soale Hound-
The policy of this hill and of
The policy of this hill and of the study is supported.
0

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

.1982:	- Towe-HB446			AXATION COMMITTEE
	Gold	3	Copper March	J 198 3
CNAY	St 384. 13	8.30	Hou	Platinum
February	374.07	8.26	.77	475.00
March	330,28	7.21	-74	475.00
1-pril	350,34	7.31	.74	475.00
may	334.40	6.67	.76	475.00
Time	314.98	5.57	i <del>70</del>	475.00
July	340.10	6.49	,69	475.00
-August	369, 95	7.13	.69	475.00
Sptember	417.00	8.18	170	475.00
October	432.56	P. 7Z	-69	475.00
November	414.93	9.89	71	475.00
D'ember	445.43	/o. S8	. <del>3</del> 2	475.00
AVERAGE Po 2 YEAR	375.93	<b>₹</b> 7.86	, <del>7</del> 2	\$ 475.00

netcis

NEW YORK (AP) — Spot nonferrous metal prices Friday:

Copper 84-86 cents as pound, U.S. destinations.

Lead-20-23 cents a pound, delivered, Tin-36-402 Avetas Week composite ib.

Aluminum 76 cents a pound, N.Y.

Gold-3412.50 per tray ounce, Hendy & Harman (only daily quote.)

Gold-3412.50 per tray ounce, NY Comex spot month closed Thu.

Silver-310.260 per, troy ounce, NY Comex spot month closed Thu.

Mercury-3330.00 per tray ounce, NY Comex spot month closed Thu.

Mercury-3330.00 per tray ounce, NY Comex spot month closed Thu.

Pletinum, 3399.00-3400.00 merch, tray, ounce, N.Y.

Selected World gold pitces. Friday:

London marning fixing 3415.50, off 314.00

London afternoon fixing 3415.50, off 316.00

Paris afternoon gixing 3425.60 for 316.50

3417.50, axed as a selected world gold pitces. Friday:

Frankfurthixing 3426.87 off 56.32

Zurich late afternoon s416.00 bid, off 316.50

3417.50, axed as a selected world gold yearly daily. quote)

3412.50, off 317.80 #324.84 #325.84 #325.90 off 317.00;

Engelhard (ooly daily guote) \$412.50, off 317.00;

OTC Sec   26 67 28 99			
Carrown   12.12   13.25   Carrown   12.09   13.04   Carrown   12.09   13.04   Carrown   12.09   Carrown   10.00   Carr	Time 11 V ( 13.04	CADED 14.04 11.70	
Param M   12,12   13,25   PaxWld   10,17 NL			
Pam Ny   10,17   NL   Inco   11.59   12.50   ACCm   8.45   9.23   Penn Ny   8.05   NL   Sentinel Group:   Bond   5.30   6.01   NL   Penn Ny   5.12   NL   Balan   8.74   9.55   Bond   6.25   6.83   Com   S.15.44   16.87   Flduc   28.41   31.05   Flduc   28.41   31.05   Flduc   31.76			
Penn Sq. 8.05 NL Penn Mu 5.12 NL Penn Mu 5.12 NL Philla 9.03 9.87 Bond 6.25 6.83 Phoenix Chase: Balan 11.07 12.10 CvFd 17.69 19.33 Sequola 30.05 NL Sirwith 12.83 14.02 Sentry 23.08 25.09 Shearson Funds: Stock 12.26 13.40 PC Cap 15.65 Pilgrim Grp: Pilgr Gd 11.59 12.50 Mag C 5.37 5.79 Mag In 8.23 8.87 Mag C 5.37 5.79 Mag In 8.23 8.87 Ploneer Fund: Bond 6.25 6.83 Com S 15.44 16.87 HIVId 9.00 10.65 Shearson Funds: Stock 12.26 13.40 PC Cap 15.65 Pilgr Gd 11.59 12.50 Mag C 5.37 5.79 Mag In 8.23 8.87 Ploneer Fund: Bond 9.12 9.97 Fund 19.38 21.18 It Inc 14.38 15.72 It Inc 10.78 11.78 It Inc 10.78 11.78 It Inc 10.78 11.78 Incom 11.07 12.10 Grwth 13.93 NL Sigma Funds: Capit 10.64 11.63 It Inc 10.78 11.78 Incom 13.37 NL Sigma Funds: Grwth 13.93 NL Serior Gr 13.03 14.24 Vent 9.49 10.37 Cery Gr 10.55 Shearson 10.01 10.94 Price Funds: Grwth 13.93 NL SB 18.Gr 9.22 9.71 DBst f 37.35 Dver f 60.54 Inti 10.94 NL Swininc 4.72 NL N Era 15.37 NL Sogen In 16.81 17.69 N Horiz 16.21 NL Sigma Funds: Com S1 5.66 6.19 Pro Services:  MedT 21.50 NL Fund 9.25 NL Sifrem G1 10.01 NL Incom 8.49 NL Sifrem G1 10.01 NL Sifter Inv: Pundam Punds: Com 14.79 16.16 Duoid 18.06 Invest 1.29 12.34 Optn 12.85 14.04 Georg 13.92 15.21 Am Ind 3.37 NL Optn 12.85 14.04 Georg 13.92 15.21 Optn 12.85 14.04 Georg 13.92 15.21 Optn 12.85 14.04 Cap Dg 25.19 NL Optn 12.85 14.04 Cap Op 25.19 NL Optn 12.86 Ook 99 NL O	PaxWid 10.17 NL	Inco 11.59 12.50	
Phola   9.03   9.87   Bond   6.25   6.83   Com   CyFd   17.49   19.33   Sequola   30.05   NL   Senfry   23.08   25.09   Mily   49.90   10.65   Shearson Funds:   Stock   12.26   13.40   Appre   5.14   15.94   PC Cap   15.65   Mulpin   6.56   NL   Hiyld   19.00   20.00   Pilgrim Grp:   Pilg Fd   11.59   12.50   MMun   13.14   13.83   NL   Shear   15.72   Number   15.63   Number   15.64   Number   15.65   Number		Sentinel Group:	
Phola   9.03   9.87   Bond   6.25   6.83   Com   CyFd   17.49   19.33   Sequola   30.05   NL   Senfry   23.08   25.09   Mily   49.90   10.65   Shearson Funds:   Stock   12.26   13.40   Appre   5.14   15.94   PC Cap   15.65   Mulpin   6.56   NL   Hiyld   19.00   20.00   Pilgrim Grp:   Pilg Fd   11.59   12.50   MMun   13.14   13.83   NL   Shear   15.72   Number   15.63   Number   15.64   Number   15.65   Number		Balan 874 955	IntGth 15.75 17.21
Phoenix Chase:   Com S   15.44   16.87   Plote   13.76   13.00   CvFd   17.69   19.33   Sequola   30.05   NL   Sirrwth   12.83   14.02   Sentry   23.08   25.09   Sirrwth   12.83   14.02   Service   23.08   25.09   Sirrwth   12.83   14.02   Service   13.76   13.91   12.45   Service   13.76   Section   13.77   Sectio		Bond 6.25 6.83	
Balan   11.07   12.10   Grwth   14.59   15.95   Cycle   17.69   19.33   Sequola   30.05   NL   Sentry   23.08   25.09   Shearson   Funds:   Stock   12.26   13.40   PC Cap   15.65   HIYId   19.00   20.00   Pilgrim Grp:   Pilgrim G	Phoenix Chase:	Com S 15.44 16.87	
CyFd   17.69   19.33   Sequola   30.05 NL   3/FWH   12.83   14.02   Sentry   23.08   25.09   3/FWH   12.83   14.02   Sentry   23.08   25.09   3/FWH   25.83	Balan 11,07 12,10		
Strok   12.83   14.02   Senitry   23.08   25.09   Mill   6.74   6.37   6.74   6.37   6.74   6.37   6.74   6.37   6.74   6.37   6.74   6.37   6.74   6.37	CvFd 17.69 19.33	Seguoia 30.05 NL	incom 11.39 12.45
Stock   12.36   13.40   Appre   15.14   15.94   PC Cap   15.65   Hlylid   19.00   20.00   lncom   18.40   Name   16.71   18.26   Name   16.71   Name   16.71   Name   16.72   Name   16.71   18.26   Name   16.72   Name   16.7	3rwth 12.83 14.02		Muni 6.29 6.55
PC Cap   15.65     HIYId   19.00   20.00   Value Line   Ed:   Value Line   Ed:   Value Line   Ed:   Number   15.63   Nu			
Pilgrim Grp:		Appre 15.14 15.94	
Pilig Fd   11.59   12.50   MMun   13.14   13.83   Mun   13.72   NL   Mun   13.72   NL   Mun   13.72   NL   Mun   13.73   NL   Mun   13.73   NL   Mun   13.74   NL   Mun   13.74   NL   Mun   13.75   NL   Mun   13.75   NL   Mun   13.75   NL   Mun   13.75   NL   Mun   13.76   NL   Mun   13.77   NL	PC Cap 15.65	HÍÝId 19.00 20.00	U.S. GOIG 8,Y8 NL
Mag C   S.37   S.79   NwDir   15.63   S.63   NL		Incom 18.40	
Mag C   S.37   S.79   NwDir   15.63   S.63   NL		MMun 13,14 13.83	
Ploneer Fund:   Sierra Gt 113.73   N.		NwDir 15.63	
Bond   9.12   9.97   Sigma Funds:   Vance Sanders:   Vance Sanders:   Inco   11.09   12.12   III Inc   10.78   11.78   Invest   13.62   14.89   Levrge   10.22   N.			
Fund   19.38   21.8	Ploneer Fund:	Sierra Gt 13.73 NL	Sol Sit 14 88 NI
11   1   1   1   1   1   1   1   1			
It Inc			
Plan Inv   19.71   20.53   Spci   n   13.03   14.24     Plitrind   13.69   NL   Trust   10.01   10.94     Price Funds:			
Pitirnd   13.69   NL			
Price Funds: Grwth 13:93 NL S8 Eqty 14:27 15.02 Githinc 10:87 NL Incom 8:39 NL S0Gen In 16:08 16:84 Intl 10:94 NL N Era 15:37 NL N Horiz 16:21 NL S1ate Bond Grp: Tx Fre 8:68 NL Com 51 5:66 6:19 Divers 6:60 54 Divers 6:28 Divers 6:29 Divers 6:26 Divers 6:29 Divers 6:2			CapE 1 56.37
Grwth 13.93 NL SB Eqty 14.27 15.02 DBs f 37.35  Grithic 10.87 NL SB 18.Gr 9.22 9.71  Incom 8.39 NL Sopen In 16.08 16.84 Dver f 60.54 NL State Bond Grp:  Tx Fre 8.68 NL Com S1 5.66 6.19  Pro Services:  MedT 21.50 NL State Bond Grp:  Fund 9.25 NL StFrm Gt 10.01 NL Incom 8.42 NL StFrm Gt 10.01 NL Incom 8.42 NL StFrm Bt 13.21 NL Ind Tr 18.18 NL Pru SIP 12.53 13.70 StStreet Inv:  Putnam Funds:  Conv 14.79 16.16 Fedl 47.76 NL Invest 63.99 64.36 MuHY 9.06 NL Invest 1.79 12.71 NL Grwth 17.43 19.05 Invest 1.52 NL Grwth 11.42 12.48 Assoc 98 NL MuHY 9.06 NL Invest 1.79 12.34 Balan 21.75 NL Grwth 11.79 12.34 Balan 21.75 NL Incom 6.77 7.26 Stein Roe Eds:  Invest 11.79 12.34 Balan 21.75 NL Wellst 12.22 NL Vista 18.54 20.26 Stock 19.14 NL Wellst 12.22 NL Vista 18.54 20.26 Stock 19.14 NL Wellst 12.22 NL Wellst 12.29 NL Wellst 12.29 NL Wista 18.54 20.26 Stock 19.14 NL Wellst 11.59 NL Rainbw 3.62 NL Strattinv:  Equit 9.45 NL Sireatinv:  Equit 9.45 NL Strattinv:  Equit 1.79 18.60 Sinspl 14.04 NL Wellst 12.22 NL Wellst 12.21 NL Rainbw 3.62 NL Strattinv:  Equit 9.45 NL Sireatinv:  Equit 9.46 NL Sireatinv:  Equit 8.42 NL Sireatinv:  Wellst 9.46			
Gritinc 10.47 NL SB E&Gr 9.22 9.71   Incom 8.39 NL SoGen In 16.08 16.84   Intl 10.94 NL Swininc 4.72 NL Sexes 178.28   N Horiz 16.21 NL State Bond Grp: Tx Fre 8.68 NL Com St 5.66 6.19   Pro Services: MedT 21.50 NL StFrm Gt 10.01 NL Incom 8.42 NL StFrm Gt 10.01 NL Incom 8.42 NL StFrm Gt 10.01 NL Incom 14.79 16.16   Pru SIP 12.33 13.70   StFrm Gt 10.01 NL Ind Tr 18.18 NL GNMA 9.24 NL StFrm Gt 10.01 NL Incom 14.79 16.16   Duofd 18.06   Int Eq 15.59 17.04   Georg 13.92 15.21   Grwth 11.42 12.48   Health 17.43 11.05   Horses 11.29 12.34   Optn 12.85 14.04   Optn 12.85 14.05   Ocean 6.27 NL Wellin 11.59 NL IGBnd 11.59 NL Voyag 17.02 18.60   Ovyag 17.02 18.60   Ov		Vent 9.49 10.37	
Incom			
Init			
N			Ex8s 1 78,28
N Horiz 16.21 NL Tx Fre 8.68 NL Pro Services:			ExFdf 89.62
Tx Fre 8.88 NL Com \$1 5.66 6.19			
Pro   Services:   Med   Progris   9.56   10.45   Progris   9.56   10.			
MedT   21,50 NL   Progrs   9,56 10,45   Explir   37,07 NL			
Fund   9.25 NL   StFrm BI   13.21 NL   Ind Tr   18.18 NL   Ind Tr			
Incom			
Pru SIP   12.53 13.70   StStreet Inv:   Exch   74.57 NL   Vest   15.25 NL   Vest   15.25 NL   Vest   15.26 NL   Vest   15.27 NL   Vest   16.57 NL   Vest			
Conv   14.79   16.16   Exch   74.57   NL   Words   13.29   NL   NL   Words   15.27   NL   Words   16.27   NL   W			
Duold   18.06   Invest   63.79 e4.36   MuSht   15.27   NL	Putnam Funds:		
11		Fed! 47.76 NL	
Georg   13-92   15-21   Am Ind   3-37   NL   Mulat   9-40   NL			
Second   13-21   12-8	int Eq. 15.59 17.04		
Health   17.43   19.05   Invest   1.52   NL   QDiv   14.79   NL   QDiv   18.01   NL   NL   NL   QDiv   18.01   NL   NL   QDiv   NL			
Hi Yild   17.05   18.28			
No.			
Trace   Trac			
12.85   14.04   12.80   14.04   12.80   12.22   NL			
Tax Ex 21.17 22.23			
Vista   18.54 20.26   Stock   19.14 NL   IGBnd   7.99 NL     Voyag   17.02 18.60   StnSpl   14.04 NL   HiYBd   8.97 NL     Quasar   49.24 NL   StnTx   7.65 NL   Wndsr   10.84 NL     Rainbw   3.62 NL   Univ   66.99 NL   Ventur In   11.01 12.03     RochTx   12.31 13.45   Stratlav   11.65 12.73   WallSt G   8.42 9.20     Safeco Secur:   Strat Gth   30.89 NL   Wein Eq   31.88 NL     Grwth   16.79 NL   SunGrth   11.23   12.27   SunGrth   11.23   12.27     Grwth   16.79 NL   Tax Mgd   14.29   15.62   Mey   18.07 NL     Straul Invest:   Globe   29.56   32.31   New   18.07 NL     Straul Invest:   Globe   29.56   32.31   New   13.14 NL     Straul Invest:   Straul Invest:   New   18.07 NL     Straul Invest:   Straul Invest:   Straul Invest:   New   13.14 NL     Straul Invest:   New   New   13.14 NL     Straul Invest:   Straul Invest:   New   New   13.14 NL     Straul Invest:   New   New   New   New   13.14 NL     Straul Invest:   Straul Invest:   New			
Voyag         17.02 18.60         StnSpl         14.04 NL         NL         HiYBd         8.97 NL         NL           Quasar         49.24 NL         StnTx         7.65 NL         Venturin         10.84 NL         NL           Rainbw         3.62 NL         Univ         66.99 NL         Venturin         11.01 12.03           RochTx         12.31 13.45         StratInv         11.65 12.73         WallSt G         8.42 9.20           Safeco Secur:         Strat Gth         30.89 NL         Wein Eq         31.88 NL           Equit         9.45 NL         SunGrth         11.23 12.27         Wisc Inc         3.59 NL           Grwth         16.79 NL         Tax Mgd         14.29 15.62         Wood Struthers:         deVeg         46.30 NL           StPaul Invest:         Globe         29.56 32.31         New         18.07 NL			
Quasar         49.24         NL         StnTx         7.65         NL         Wndsr         10.84         NL           Rainbw         3.62         NL         Univ         66.99         NL         Wenturin         11.01         12.03           RochTx         12.31         13.45         Stratlav         11.65         12.73         WallSt         G         8.42         9.20           Safeco         Secur:         Strat         Gth         30.89         NL         Wisc         Inc         3.58         NL           Grwth         16.79         NL         Tax         Mgd         14.29         15.62         Wood Struthers:         deVeg         46.30         NL           Straul         Invest:         Globe         29.56         32.31         New         18.07         NL		310CR 17.14 NL	
Nambw   3.62 NL   Univ   6.99 NL   WallSt   G   8.42 9.20			
RochTx   12.31 13.45   Stratiny II.65 12.73   Safeco Secur: Strat Gth   30.89 NL   Equit   9.45 NL   SunGrth   11.23 12.77   Wisc Inc   3.59 NL   Grwth   16.79 NL   Tax Mgd   14.29 15.62   Mever   18.07 NL   StPaul Invest: Globe   29.56 32.31   Signal   13.14 NL			
Safeco Secur: Strat Gth 30.89 NL Wein Eq 31.88 NL Equit 9.45 NL SunGrth 11.23 12.77 Wood Struthers: Growth 16.79 NL Tax Mgd 14.29 15.62 Wood Struthers: developed 46.30 NL StPaul Invest: Globe 29.56 32.31 Neuw 18.07 NL StPaul Invest: Globe 29.56 32.31			
Equit 9.45 NL SunGrth 11.23 12.27 Wisc Inc 3.59 NL Grwth 16.79 NL Tax Mgd 14.29 15.62 Wood Struthers Inco 11.52 NL Templeton Group: deVeg 46.30 NL StPaul Invest: Globe 29.56 32.31 Neuw 18.07 NL			
Grwth 16.79 NL Tax Mgd 14.29 15.62 Wood Struthers: discount of the struthers of the struthers of the struthers: developed 46.30 NL StPaul Invest: Globe 29.56 32.31 Neuw 18.07 NL StPaul Invest: Globe 29.56 32.31			
Inco 11.52 NL Templeton Group: 0eVeg 46.30 NL StPaul Invest: Globe 29.56 32.31 Neuw 18.07 NL			
StPaul Invest: Globe 29.56 32.31 New 18.07 NL			
		Globe 29.56 32.31	
			Pine 13,14 NL
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	,		

local	stoc	ks
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(P) — Selected closing skane Stock Exchange Listed Stocks

Bid

Asked .90

6.00 5 .28

16.00 16.50 22.25 23.00 .26 .30 .30 .34

.251.50

2.00

4.00

3.00

al Dow-Jones avgs.

1058.13 1067.42—7.91 468.63 473.95— 3.73 123.52 123.94— 1.52 418.93 422.63— 3.46 7.681,900 2.281,100

Low Close

4.10 4.35 2.00 2.35 .50 .55 .30 .40 .30 .40 .25 .35

ounter

.80 .90 25.50 26.00 3.90 4.20

3.90 4.20 18.50 19.50 1.50 2.00 3.75 4.00 14.75 15.50

1.10 4.00 4.25

Bank Corp. of Monte	ana	251/4	26
Colo. National		21	211
First Bank		371/2	374
Wyo. Bank Corp.	131/a		
Coors		131/2	134
Storage Tech.	22 Vs		
Wendy's	1436		
DeKalb		181/4	189
Dyco Petro.	131/4		
Energy Res. Gp.		31/4	344
General Hydro		11/2	15
Juniper Petro.	934		
Navatex		21/4	27
Westmoreland		141/2	143
Pat. Petro.	476		
Big Sky	34		
Greenwood Res.		11/2	134
Petro Lewis	1034		
Rocky Mt. Nat. Gas		834	9
_ Montana Power pré.	.00	441/2	
			27
Billigas Gaz		2/10/9	<b>3</b> )
metals	Ω	6D	
	Γ,	$\varphi_{\mathcal{D}}$	

NEW YORK (AP) - Spot nonferrous metal prices Wednesday

Copper -795/8-82 cents a pound, U.S. destinations.

Lead -21-23 cents a pound.

Zinc -40 cents a pound, delivered. Tin -56,4743 Metals Week composite lb. Aluminum -76 cents a pound, N.Y. Gold -\$490,50 per troy ounce, Handy & Har-

man (only daily quote.)
Gold -5492.20 per troy ounce, NY Comex

spot month closed Wed.
Silver -\$13,900 per troy ounce, Handy &

Harman (only daily quote.)
Sliver s13.825 per troy ounce, NY Comex spot month closed Wed:

Mercury -5335,00 per flask.
Platinum -5475,00-5481.00 merch. troy

Selected world gold prices Wednesday: London morning flxing \$492.25 off \$5.25 London afternoon flxing \$490.50 off \$6.75 Paris afternoon flxing \$497.86, off \$4.82 Frankfurt flxing \$493.00, off \$5.50 Zurich jate afternoon \$489.75 bid. up \$8.29 Zurich late afternoon \$489.75 bid, up \$8.25 \$490.75, asked Handy & Harman (only daily quote) \$490.50, off \$6,75

Engethard (only daily quote) \$490.50, off \$6.75

Engelhard fabricated (only daily quote) \$515.03, off \$7.08

ividy	00.11		00.71	41.40	1
Aug	67.70	67.90	67.70	67.80	+ 35
Sep	66.95	67.10	66.95	67.00	09
Oct	66.30	66.30	66.30	66.30	
Nov	66.75	67.00	66.75	66.85	02
Prev.	sales 1.	734.			
Prev	day's ope	n int	10,827.	off 52.	
HOGS					
30,000	be.: cents	per It		,	
Feb		58.75		58.72	+.62
Apr	53.30	53.50	52.75	53.45	+.15
Jùn	54.85	55.20	54.40	55.10	+.30
Jul	54.90			54.92	+.22
Aug	53.05			53.27	+.05
Ocf	49.30	49.50	49.00	49.25	25
Dec	49.10			49.25	15
Feb	48.50			48.50	05
Apr		47.25		47.00	10
Prev.	sales 19	900.			
Prev	day's ope	n Int	47,598.	UD 1.13	38.
PORK	BELLIES				
38,000 (	bs.; cents	per It	١.		
Feb	77.85			78.47	+.17
Mar	77.50	78.65	76.60	78.22	+.35
May	77.60	78.55	76.60	78.35	+.33
Jul	77.00	77.35	75.90	77.12	25
Aug	75.00	75.20	73.65	74.55	82
Feb	65.50	66.05	65.10	65.65	+.50
	sales 13,				
Prev	day's oper		19,127,	off 336	
FRESH	BROILER	8			
	bs; cents	per lb			
Νo	ope	n		contr	acts.

### potatoes

CHICAGO (AP) — USDA — Major potato markets FOB shipping points US. IA Tuesday in 100 ib sacks Minnesota N. Dakota round reds 4.59-5.25; Coloredo round reds 6.00-6.50; Idaho russets 4.00-4.75; Washington russets 3.75-4.25; Colorado russets 4.50; Wisconsin russets 4.00-

50 lb cartons Idaho russets 14.00-15.00; Washington russets 11.00-13.00; Wisconsin russets 9.50-11.00; Colorado russets 12.00-15.50; Michigan round whites 2.00-2.25.

### eggs

CHICAGO (AP) - USDA Wednesday was unchanged. AA 1.4700-1.4900. A 1.45/y-1.4900.

Eggs: Trade sentiment steady Wednesday: Sales delivered to volume buyers unchanged. A Extra large 62-65; A large 60½-61; A mediums

## Denver

### eggs

Asked

DENVER (AP) — Market steady. Demand fair to moderate. Offerlings adequate to ample on all grades and sizes. Large AA. 60-61; medium AA. 53-54; small AA 42-43 large A. 59-60, medium A.52-53, large B.49-50.

DENVER (AP) — Pintos: Colorado and Nebraska, 9.50-10.00; Nebraska Great North-

## **Portland**

PORTLAND, Ore. (AP) — Closing prices for grains arriving Wednesday, Portland for curren shipment by rail, truck or barge per bushel, except oats, corn and sorghums, per cwt. No.1 soft white wheat 4.54 No.1 white club wheat 4.54 No.1 hard red winter wheat 4.37 No.2 barley 2.40 No.2 Mont, briy at Ykma 2.33 Montans 1 hard red winter wheat 4.31 lpcf protein 4.37 Montana 11 pct protein 12 pct protein 13 pct protein Montana 1 dark northern spring wheat 13.5 pct protein 14 pct protein 15 pct protein

OMAHA Neb (AP)(USDA) - Omaha Livestock Market quotations Wednesday

Hogs: 3200; fairly active; barrows and gilts fully steady except some uniform 200-230 lb 25 lower; U-S 1-2s 200-250 lb 59.00-59.25; good volume 59.25; uneven weights 58.75; U-S 1-3s, 250-280 lb 57.00-58.50; a few 59.00; sows 500-650 lb 1.00-1.50 lower; other weights steady; U-S 1-3s 300-650 lb 50.50-59.50.

Cattle and Calves: 2000; receipts includes around 500 head slaughter cows; small supply around 300 head slaughter cows; small supply slaughter steers and heifers near steeady; slaughter cows average steady but buying interest not as agressive as Monday and Tuesday; steers three loads choice 1200-1250 ib 61.75-62.00; scattered loads and part loads choice 02:00; scattered loads and part loads choice 1050-1300 ib 60:25-61.50; muddler lots 58:00-59:00; helfers scattered loads and part loads choice 950-1125 ib 59:50-60.50; part load 60:75; some 875-950 ib 58:50-59:50; tew muddler lots to 57:00; cows high Cutter, utility and commercial 1-3s 41.00-42.50; few high dressing 43.00; cutter 39.50-41.00; canner and low cutter 37.00-40.00.

Sheep: 50; not enough any class to afford a

market test.

## Minneapolis

### cash grain

MINNEAPOLIS (AP) - Wheat receipts Wednesday 121; year ago 181; spring wheat cash trading basis unchanged to down 1 to 3; prices up 1/4 to down 23/4

No.1 dark northern 11-17 protein 3.853/4 nom

Test weight premiums: zero to one cent each pound 58 to 60 lbs; one cent discount each 1/2 lb under 58 lbs.

Protein prices; 11 percent, 3.85% nom, up 14; 12, 3.8614, up 14; 13, 3.8814, up 14; 14, 3.8814, down 14; 15, 3.9414, down 214; 16, 4.0314 nom, down 214; 17, 4.0814, down 214.

No.1 hard Montana winter 3.87% nom, up

Minn-S.D. No.1 hard winter 3.87% nom, up

No.1 hard amber durum, choice 4,40, milling 3,90 to 4,35, terminal Minneapolis 3,80 nom; Duluth 3,85 nom; prices unchanged to up 5. Number traded: choice 3 cars, milling 28 cars; top traded choice 3 cars, milling 1 cars. Off grade low as 3,80 nom Minneapolis; 3,85 nom Duluth. Discounts, amber 5, durum 10. Corn No.2 yellow 2,51¼ nom, up 3. Oats No.2 extra heavy white 1,653 nom to 1,68 unchanged. Barley, cars 84, year ago 104; Malting 65 Pl, Morex 2,35 to 2,50 unchanged; Glenn 2,35 to 2,50 unchanged; teed Minneapolis 1,71 nom, unchanged; Duluth 1,90 nom, unchanged.

changed. Rye No.1 2.55 nom, unchanged; No.2 2.50

Flax No.1 5.40 nom, unchanged.

Soybeans No.1 yellow 5.681/4 nom down 2. Sunflowers Minneapolis 9.10 nom down 5; Duluth 9.15 nom down 10

## New York foreign exchange

NEW	YORK	(AP) —	Foreign	Exchange
New York	prices.			
	Fgn. currency in dollars		Dollar in ign, currency	
	Wed		. Wed	. Tue.
Britain	1.5410	1.5365	.6489	.6508
Canada	.8162	.8171	1.2251	1.2239
Denmark	.1171	.1168	8.5340	8.5600
France	.1452	.1444	6.8865	6.9225
Japan	.00422	2 .004205	236.85	237.90
Mexico	.0105	.0105	95.00	95.00
Mexico	.00640	.006800	156.00	148.00
Norway	.1411	.1404	7.0850	7,1240
Switz.	.4950	.4960	2.0200	2.0160
W. Ger.	.4120	.4096	2.4270	2.4415
Source	: Bank o	f America	, New Yo	



252-1212



Closing 2/9 Gold \$492.20 Silver \$13,84 924 Grand Ph. 248-8446 Next to Mr. Donut

