

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

February 5, 1985

The eighteenth meeting of the Taxation Committee was called to order in Room 312-1 of the state capitol with Chairman Gerry Devlin presiding at 8:05 a.m.

ROLL CALL: Nineteen members were present with Rep. Asay being excused. Also present were Dave Bohyer, Researcher for the Legislative Council, and Alice Omang, Secretary.

CONSIDERATION OF HOUSE BILL NO. 339: Representative Jack Ramirez, House District #87, sponsor, said the principle purposes of the bill are twofold. The first purpose is to extend the minimum life of financing projects that were started prior to 1980, from 10 years to 12 years, because it took a couple of years to get this project off the ground after the act was originally adopted. Secondly, the bill would delete the sunset provision that there will be no bonds issued subsequent to 10 years after April 29, 1977. He indicated that in Billings tax increment financing has been a tremendous thing for the community; there were a number of large buildings that would not have been built had it not been for tax increment financing, particularly parking projects; and he knew it had helped other communities as well.

PROPONENTS: Greg Jackson, Urban Coalition, handed out Exhibit #1 which explains the rationale for extending tax increment provisions. He informed the committee that the Urban Coalition initiated this legislation because of two problems: (1) there was a delay of two years in implementing this program; because of the problems the county assessors had in determining the actual tax increment; and (2) there was a problem in regard to extension of the bonding capability for another two years in line with extending the tax increment financing districts from 10 to 12 years.

Phil Paul, representing Don Peoples, the chief executive of Butte-Silver Bow, expressed strong support for HB 339 and advised if this bill passes it will eliminate the 1987 deadline for issuing tax increment bonds in Montana. Butte established this program in 1980 and realized its first increment revenue in 1981, he said, and this has been an effective tool in revitalizing the central business district despite the community's economic difficulties. He stated that all indications are that Butte's economy is stabilizing; it will become more attractive to sell these bonds towards the end of the decade and the urban revitalization agency has identified a number of projects which could make use of these tax increment bonds. He indicated if this bill fails to pass they would not have the bonding alternative

available to them in 1987. House Bill 339 also calls for a two year extension of tax increment programs in the communities which established these programs prior to 1980, he contended, and although this does not apply to Butte-Silver Bow, it does promote development in other Montana communities. He continued, in such cities as Missoula and Great Falls, the programs were hampered in the early years due to the lack of established procedures for collecting increment revenues, and they strongly urged favorable consideration of HB 339.

Les Prentice, Director of the Missoula Redevelopment Agency, distributed Exhibits 2 and 2A to the committee members and explained that since 1977, when the urban renewal law was passed and this tax increment was authorized, it allowed local communities to adopt tax increment districts for the purpose of revitalizing what is called "blighted" areas. He explained the diagram to the committee and noted the purpose of tax increment financing is to set a base year; the tax increment is the increase in value above that base year so any projects that are fostered through the renewal programs and the taxes that result from those projects are called tax increments. He said this has been a very positive program in Missoula and they have seen a dramatic turn around in their downtown district.

Allen Nicholson, representing the Helena Improvement Society which is a coalition of downtown businesses, bankers and community leaders, explained the two tax increment districts in Helena and said that in neither case has any money been raised out of the districts to spend under the tax increment law. He contended that part of the problem has been in determining just how much the tax increment is; their society, in cooperation with the city, has finally determined the amount of the tax increment; and they really need an extension of this bill in order to make use of the money for which it was intended.

John Toole, Mayor of Missoula, stated that this is vital to them; their CBD has declined - it has been cut in half by lower evaluations beginning about in 1970; and under the inception of this law it has resulted in tremendous increase of their taxable values in downtown Missoula. In the case of the Sheraton Hotel, he noted, they paid \$10,000 in property taxes prior to that construction and they are paying \$200,000 in taxes today. He said this is a reallocation of property tax money - it is not permanent and sometime in the future these funds will have to be made available to the tax increment districts involved; these projects have substantially changed the nature of the community; and he recommended to the committee that they pass the bill so that the projects can be finished that have been begun. He submitted a booklet of illustrations attached as Exhibit 3.

Bill Verwolf, City of Helena, agreed that passage of HB 339 is very important and said that Helena started on its first project in 1978, which was for major construction of a hotel project in the downtown area. The project never developed, he informed the committee, and they never used the tax increment funds at that time because they didn't have a project that was needed. He advised that they then had a major construction project for a street - Cruse Drive - and when that is finished they will have some opportunities to build some additional parking structures which will enable additional construction in the downtown area. He indicated that this bill is one of the six bills that the city commission placed on their list of priorities this session; they have committed themselves to restructuring downtown; and the extensions that are provided in HB 339 are critical for the city of Helena to get projects on line and to get the bonding established to begin the development.

Tom McKerlick, Community Development Director, Billings, handed out Exhibits 4 and 5. He said the city of Billings has been in this program since 1976; they are currently generating about \$2.5 million a year in revenue out of the tax increment districts which they are putting about 80% back in to encourage additional development; and the primary focus has been parking structures and improvement of the infrastructure. They feel parking structures are necessary for downtown Billings to keep their downtown viable. He explained the figures on Exhibit 5 in regard to taxable valuations, and said they would like another two years in this program because they have initiated a new plan that looks at the long range - 10 or 15 years - for downtown Billings.

Robb McCracken, representing the Montana Department of Commerce, handed out a letter to the members, Exhibit #6, which explained the role of the department's business assistance division in the tax increment financing projects.

Raymond Hart, former Chairman of the Billings Downtown Redevelopment Board, testified that most of these redevelopment districts are in downtown areas and were the primary tax generators for their communities from 1885 through roughly 1955-1965. At the time their redevelopment district was formed, a study showed that the redevelopment district comprised .6% of the city's area and about .8% of the city's property tax base. He contended that it could be argued that the district subsidized the development of the services for the rest of the community, not only the city, but also school districts, county government and the university system through the 6 mill levy and it continues to do so. He indicated that without the taxes generated over services used, property taxes outside the redevelopment districts would be higher. He urged the support of HB 339 as an investment in the future of the cities, school districts, counties and other property supported services.

Dave Dawes, Billings Chamber of Commerce, said they also support the bill and agreed with the testimony that has been previously given. He stated that this committee will continue to hear bills trying to find ways to help in economic development and assisting with the redevelopment of infrastructures in downtown areas; this is one of the programs that has been shown to be working and working very well; and he encouraged the support of the committee. He also asked that the Montana Chamber of Commerce be shown on the record as being in support of this bill.

Carol Daly, President of the Montana Economic Development Association, urged the support of the bill because it is a program that works and there is visible proof in the communities that are using it. She said that businesses that were a drain on the taxpayers are now becoming taxpayers; there is more activity in the uptown areas in communities that previously were dying; and it is a concrete step forward encouraging this type of development.

Ross Plambeck, City of Kalispell Community Development, said the city had the same problems in the first two years of ironing out the financing mechanism but once they got their program established, they were able to assist several projects, i.e. they were successful in obtaining an \$18 million action grant for a mall project in the downtown area. He urged the continued support of the tax increment program and urged the committee to pass HB 339.

John Gilbert, Certified Public Accountant from Great Falls, said their accounting firm was one that benefited directly from tax increment financing as they bought an abandoned building which was contributing nothing to the tax rolls; they borrowed \$372,000 from the tax increment district and used bank financing for the remainder. He explained that this building now creates \$12,000 in property taxes and brought 13 new jobs to downtown. He contended they could not have done the project without the tax increment district and it is a sound way for local government to address certain governmental issues and urged the committee's support.

Patty Jo Swanberg, resident of the tax increment district in Great Falls, explained how the tax increment works regarding a resident as opposed to a businessman. She said that those familiar with Great Falls realize that a residential neighborhood surrounds the business district; people for years have been trying to rehabilitate that original townsite section; she had been on the board and was active in a private organization called Neighborhood Housing Services; and their job is to revitalize and rejuvenate the residential housing in the original business district. She indicated that tax increment money has been used to improve and rehabilitate commercial and business structures; the downtown area needs a vital residential area and the opposite is true also; the tax increment is working on the commercial businesses and the city and Neighborhood Housing

Services is working on the residential. She commented that they ran into a serious drainage problem in a major part of the neighborhood; they will use tax increment money to establish a \$3.4 million project to correct that drainage problem and \$600,000 of that initial money will come from the tax increment district. She strongly urged the committee's support.

Mike L. McPherson, Chairman of the City-County Government Committee of the Great Falls Area Chamber of Commerce, told the committee that they should have received a letter from their president, Roger Young, which is attached as Exhibit #7 in which he states that their organization is in favor of passage of HB 339. He read the remainder of the letter to the members of the committee.

There were no further proponents.

OPPONENTS: Jeff Stevens, owner of a major apartment building in the downtown Missoula tax increment financing district, spoke against the extension of tax increment financing authority for the Missoula Redevelopment Agency. He said he had no fundamental objections to allow use of downtown tax money to encourage development of the downtown area as long as that enhances the tax base in the downtown, but in some cases it has actually eroded the taxbase and the agency attempted to take credit for a number of projects with which it had little or nothing to do. He urged the committee to reject any extension of the tax increment financing authority. He submitted a copy of a letter from John H. Toole, Mayor of Missoula to "The Missoulian" in 1983, which is attached as Exhibit 9.

Julie Hacker, Vice-Chairman of the Missoula County Freeholders Association, a group of property owners in Missoula County, asked the committee to reconsider the extension of the redevelopment program on the basis that it has been a good program but it is time for it to fade into the background. See her attached testimony, Exhibit #9.

There were no further opponents.

QUESTIONS ON HOUSE BILL NO. 339: Representative Raney remarked that the opponents had raised some questions such as taking the tax increment money - the purpose of which is to redevelop so that the property will come back on the tax rolls and at some future date they will be better off than they are now - and he asked how can you build parking lots, redevelop parks, put up tents and have that be money that is going back onto our tax rolls.

Mr. Prentice replied that part of their effort is to improve public properties as well as private properties and that the public properties receive as much neglect as the private property. Therefore, he said, they must replace sewers,

sidewalks, gutters, etc. and they must operate their parks, also. He advised that rehabilitation of the riverfront property has stimulated a considerable amount of interest; that tourism is a big component of the downtown redevelopment program; and as such, those amenities that attract tourists are keyed to our efforts to stimulate that economy.

Representative Raney remarked that the purpose of the TIF is to bring property back onto the tax rolls.

Mr. Prentice responded that most of the property on the riverfront was already in the city of Missoula with the exception of some property that was acquired from the Milwaukee Railroad. The city of Missoula has not acquired any private property that they don't intend to go back on the tax rolls, he declared.

Representative Sands asked Representative Ramirez if this is a five-year extension and Representative Ramirez answered it was a two-year extension.

Representative Sands asked what the rationale was for extending the time period.

Representative Ramirez responded that the extension is for projects that were not financed; they were adopted; and now we need to issue some bonds to fund the projects.

Representative Sands asked if the extension is five years for projects already existing. Representative Ramirez replied that it is two years for those projects established before 1980.

Representative Sands asked how long is the extension for projects established after 1980. Representative Ramirez responded that they are extended until 1992.

Representative Sands asked why there is five years for some and two years for others. Representative Ramirez said he did not think any were for five years; they established the districts in 1980; and they go to 1992, which is twelve years. Those established prior to 1980 would have 12 years and those established subsequent to 1980 would have 10 years, he explained.

There were no further questions.

Representative Ramirez closed by saying Montana has had a real opportunity to stop the decay of our cities before it became too bad.

The hearing on this bill was closed.

CONSIDERATION OF HOUSE BILL NO. 392: Representative Waldron, District #58, said over the years, we have cut the tax base to local governments to provide tax relief but, in doing that, we have damaged local governments considerably. He advised that this bill provides an alternate source of funding for local governments; it also provides a distribution that promotes the state Travel Promotion Bureau; and the bill raises approximately \$20 million. He urged concurrence in this bill.

PROPONENTS: Tom McKerlick presented written testimony (Exhibit #10). He urged the committee's support of this bill.

Cheryl Bruskotter, Community Development Director of the City of Great Falls, read testimony (not presented) from Artie Aikens, Commissioner of the City of Great Falls. She said local governments are in dire straits financially; they have addressed the problem in a variety of ways but, creative budgeting has not gone far enough. She informed the committee that their primary problem is depending on property tax as the largest single source of revenue; they can't, in good conscience, continue to balance their general fund budget by increasing the financial burden on the property owners; and she urged support for this bill.

Dan Dennehy, representing the Butte-Silver Bow local government, spoke in favor of the bill. He said he felt this was a viable alternative to any additional increases in property taxes. He urged the committee's support of the bill.

Charles McKinney, director of finance for the City of Bozeman, voiced the city's support for this bill. He said he felt this is a solid move in strengthening the state's key industry of tourism, and this type of tax has been an accepted part of the hotels/motel business in other states for years.

Alec Hansen, representing the Montana League of Cities and Towns, explained some of the features of this bill. He explained that 50% of the money generated would be returned to the community feeling the impact of the tourism. As an example, Mr. Hansen said West Yellowstone has 700 full-time, year-around residents, but, in the summer, there are as many as 10,000 tourists in that community; it is hard for a community that small to support the public facilities necessary for that number of tourists; these communities need assistance to keep up the facilities so tourists will continue to visit these areas; and he noted that some of the money goes to the state's Travel Promotion Bureau, some to the hotel/motel operators for the collection of this tax, and some goes to other local governments that cannot benefit by this tax because they are not a tourist attraction or are off the beaten track. He stated the argument may be given that this is a selective sales tax but, he noted, there are many selective sales taxes the state now depends on and this one is no different - this is a financial solution for local governments that does not depend on the general fund budget.

Greg Jackson, representing the Urban Coalition, said the Coalition supports this bill for two reasons, i.e. first, it is a funding mechanism for local governments that reduces the over-reliance of funding local governments from local property taxpayers and secondly, the bill includes a distribution formula that they feel is equitable and fair, not only to local governments, but to the industry itself.

Mike Young, Finance Director for the City of Missoula, noted that the Police and Fire Department in the city of Missoula take two-thirds of the tax revenue the city receives; visitors have a significant impact on those departments; and this is an excellent way to help with tax equity in Missoula. Secondly, he said, he spoke with a major hotel owner from Missoula and that person indicated that something has to be done about the property taxes and the hotel/motel tax is simply a value-added tax and no one complains. He urged the committee's support of the bill.

OPPONENTS: Phil Strobe, attorney for the Montana Innkeepers Association, said the Association opposes the tax because it is a selective sales tax; the 10% increase in the price of the product will affect profitability; and two-thirds of the people who stay in Montana's hotels and motels register with a Montana home address. He said Montana is a large state and people who have to travel around the state have to stay in motels or hotels; many elected officials have to stay overnight; and their budgets would have to be increased to pay for the additional tax. He contended that people who come to Montana are encouraged to enjoy the great outdoors and the net effect is, we have a large number of people who don't stay in lodging facilities and roughly one-sixth of what a tourist spends is spent for a room. He indicated that a 10% tax would infringe on the profitability of the existing facilities. He said there are hotels and motels in this state who pay up to \$800 per room property tax and those facilities are paying handsomely for the services they provide.

Lorine Twedt, President of the Montana Innkeepers Association, testified that she represents a very small property of 39 rooms in Great Falls; most of her business comes from Canada and northern Montana for shopping, medical visits, etc.; and they have very few tourists in the last year. She acknowledged that to pick on one industry is not fair and she opposes the bill.

John Hyshem, Park Plaza Hotel, Helena, said 70% of their business is Montanans; 30% of that 70% are state employees traveling on state per diem; and of the 30% of out-of-state business, most of those are businessmen traveling on business. He advised that his business employees people who have minimal

skills and, if they have to cut the payroll because of this tax, there would be an impact to unemployment and welfare. He commented that they are very competitive right now but, if the tax is approved, it will make the market unable to survive. He declared that we should not tax Montanans any more.

Jerry Fraser, Ponderosa Inn in Great Falls and President of the Great Falls Hotel/Motel Association, said, in 1984, Great Falls, on an average, ran 52% occupancy for the entire year. He spoke of the declining business in Great Falls, his high rate of tax now and urged the committee not to support this bill.

Liz Gunn, General Manager of the Park Plaze in Helena, stated their rates are extremely competitive because they have to be; their employees are poorly educated, lower echelon citizens, who otherwise cannot find a job outside of this field; their margin of profit is very minimal; and they have felt the effect of the 30% exchange rate to Canadians because those tourists can no longer afford to cross the border.

Jim Manion, Assistant Manager of the Montana Automobile Association, opposed this bill because they feel that the motorists and the traveling public in Montana are basically being asked to shoulder their fair share of the tax burden with the possibility of increasing the gas tax, the possibility of increasing registration fees, the possibility of increasing drivers' license fees, and pollution control. He advised that the Association polled their 72,000 members around the state and 66% indicated they would oppose this type of tax; and, for those reasons, they oppose this bill.

Wayne Paffhause from Butte indicated the Thrift Inn and Copper King Inn are two of the largest property taxpayers in Butte-Silver Bow. He went over figures outlining how much tax this industry pays now; and contended it is costing 20-25% just to open their doors and it is very difficult to operate the business profitably; and, for that reason, he asked that the committee oppose this bill.

Roland Pratt, Executive Director of the Montana Restaurant Association, pointed out how this would affect campers. Secondly, he said administrative costs come out of the 15% that goes to the Travel Promotion Bureau and this leaves only about 5% for travel promotion. For these reasons, he asked that the committee kill this bill.

Don Larson, Co-owner of Jorgenson's in Helena, testified that his industry opposes this bill as they pay their fair share of taxes and he does not want the responsibility of being a tax collector. He thought this tax would have to be increased every year if the reason for this tax is balancing the budget, because they (the legislature) have never been able to balance

the budget. For those reasons, he urged this bill do not pass.

John Swedberg, motel owner/operator from Great Falls, said he has two points that have not been addressed, i.e. first, they are not the growth industry that people think they are; and secondly, only one-sixth of the 30% of out-of-state business would go to this tax. He suggested putting a toll gate at the entrances to Montana if we want to get money from tourists. He stated he opposed this bill.

Al Donahue from Great Falls said all of his points have been covered by previous testimony, he wondered what this would do to the school teams who travel around the state to compete; he emphasized that this is just another selective, unfair sales tax.

Janelle Fallan, Montana Chamber of Commerce, wanted to go on record as opposing this bill.

Dotty Dugdale, Copper King Inn in Butte, agreed with the previous testimony and added that the Copper King Inn pays \$100,000 per year and, if this bill passes, it would double their present property tax.

Chairman Develin asked the rest of the opponents to submit written testimony.

QUESTIONS ON HOUSE BILL NO. 392: Representative Patterson asked Representative Waldron how many state employees travel to other cities who would pay this tax and, do we have the funds to cover this increase. Representative Waldron said he could not say how many state employees travel around the state but there are quite a few. He said, what would happen is that state employees would have to quit staying at the luxury hotels and stay at cheaper accommodations.

Representative Zabrocki asked Mr. McKerlick if Billings has this hotel/motel tax. Mr. McKerlick answered in the affirmative.

Representative Zabrocki asked if it was not declared unconstitutional. Mr. McKerlick answered in the affirmative.

Representative Zabrocki asked if the money has been paid back. Mr. McKerlick answered that everyone who asked for their money back was reimbursed.

Representative Koehnke asked what were the costs of administering this tax. Mr. Hansen replied that the cost for administration was about 2%; they collected \$650,000 in nine months; and they did not have any additional employees to handle administration.

Representative Raney asked Mr. Strobe just what percentage of the tourist dollar was spent on lodging. Mr. Strobe responded that, on an average, only one out of three persons who stayed in a hotel or motel in Montana uses an address out of the state of Montana. He explained that a typical tourist spends about one-third for travel, one-third for food, one-sixth for entertainment or recreation and one-sixth is spent for rooms in hotels.

Representative Raney noted that from his calculations, this tax would only add less than 2% to the total of the amount tourists spend in Montana. Mr. Strobe responded that he could not follow that calculation but, with the lodging people having to market a product 10% higher, they probably will lose market; and the tourist can come through the state and enjoy all of the public facilities without ever having to pay the tax.

Representative Gilbert asked Representative Waldron if he felt Montanans were undertaxed at this time. Representative Waldron replied it would depend on who is going to pay the tax; he does not feel poor people should pay additional tax but then poor people don't stay in motels; and those best able to pay taxes ought to pay the taxes that support those government services that we demand.

Representative Gilbert asked if Representative Waldron would agree to amend this bill to make the tax applicable only to bona fide tourists as 70% of this tax would be paid by Montanans and they are already overburdened with taxes. Representative Waldron answered that it would not be legal to do that.

Representative Sands told Representative Waldron he did not feel state government should have to pay for local government. Representative Waldron explained that local government is a creature of the state; they designate how local governments operate, how much they can collect, what taxes they are allowed to collect, and state government places all kinds of limits on those taxes. Representative Waldron said he would be glad to eliminate some of these and the taxation committee has been quite successful in damaging local governments by putting more limits on those local governments. He indicated that the state government does exercise a great deal of control over local governments and the legislature, since 1977, has had local option taxes but those measures have always been killed.

Representative Ream questioned Mr. Strobe if the decreased profitability cited by a number of opponents is due to the anticipated decrease in business or are there other factors involved. Mr. Strobe answered that it decreases profitability because the business has to go to the market with a product artificially raised 10% in cost.

Representative Ream asked Mr. Strobe if competition is really going to change in the state or is he concerned with competition between this state and other states. Mr. Strobe said the competition would be impacted in this state.

Representative Ream said the term "selective sales tax" has been thrown around a lot today and he asked Mr. Strobe who is being selected for and who is being selected against. Mr. Strobe said we are selecting out the tourist who spends one-sixth of his dollar on lodging and three out of four people who come into the state do not use commercial accommodations.

Representative Ream asked who, out of the 70% Montanans, are being selected for this tax. Mr. Strobe responded that they don't have any figures for economic groups that stay in hotels and motels.

The hearing was closed to questions.

Representative Waldron closed by speaking about financing any government. He contended that the majority of property tax dollars do not go to funding local government; they primarily go to schools. Representative Waldron declared that all hotels and motels would charge the 10% tax so the argument that it would adversely affect competition in the state is unfounded. He contended that the campgrounds would also charge this tax; as far as Canadians are concerned, it is a problem with the cost of the American dollar, but that problem cannot be dealt with by this committee, nor even by this state. Representative Waldron advised if this bill is not acceptable, he does have a local option tax bill; this is a selective sales tax just as the gasoline tax, the liquor tax, insurance premium taxes, etc. but the difference here is that this tax is not regressive as a sales tax would be; and he urged the committee's support for this bill.

The hearing on HB 392 was closed.

EXECUTIVE SESSION:

DISPOSITION OF HOUSE BILL NO. 469: Representative Devlin presented proposed amendments to this bill (Exhibit #11). Representative Williams moved the amendments. The motion to adopt the amendments CARRIED UNANIMOUSLY. Representative Asay moved HB 469 DO PASS AS AMENDED. The motion to DO PASS AS AMENDED CARRIED UNANIMOUSLY.

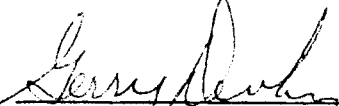
DISPOSITION OF HOUSE BILL NO. 105: Mr. Bohyer went over the amendments (Exhibit #12). Representative Raney moved the amendments. The motion to adopt the amendments CARRIED UNANIMOUSLY. Representative Ellison moved HB 105 DO PASS AS AMENDED. The motion CARRIED on a roll call vote with 11 members approving and nine members opposing the motion.

DISPOSITION OF HOUSE BILL NO. 122: Mr. Bohyer went over the amendments (Exhibit #13). This bill and amendments have already been accepted by the committee but there have been some changes regarding the public hearings (#4, Exhibit 13). Representative Switzer moved to reconsider action on HB 122. The motion CARRIED UNANIMOUSLY.

Representative Williams moved the amendments. The motion to adopt the amendments CARRIED unanimously. Representative Zabrocki moved HB 122 DO PASS AS AMENDED. The motion that HB 122 DO PASS AS AMENDED CARRIED with Representatives Keenan, Cohen, Schye, Raney and Ream opposing the motion.

Representative Devlin presented the gray copy of HB 168 which is Exhibit #14. He asked that the committee review this Exhibit for the hearing tomorrow.

Adjournment: There being no further business, the meeting adjourned at 11:08 a.m.


GERRY DEVLIN, Chairman


Alice Omang, Secretary

DAILY ROLL CALL

HOUSE TAXATION

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date February 5, 1985

NAME	PRESENT	ABSENT	EXCUSED
DEVLIN, GERRY, Chrm.	X		
WILLIAMS, MEL, V. Chrm.	X		
ABRAMS, HUGH	X		
ASAY, TOM			X
COHEN, BEN	X		
ELLISON, ORVAL	X		
GILBERT, BOB	X		
HANSON, MARIAN	X		
HARRINGTON, DAN	X		
HARP, JOHN	X		
IVERSON, DENNIS	X		
KEENAN, NANCY	X		
KOEHNKE, FRANCIS	X		
PATTERSON, JOHN	X		
RANEY, BOB	X		
REAM, BOB	X		
SANDS, JACK	X		
SCHYE, TED	X		
SWITZER, DEAN	X		
ZABROCKI, CARL	X		

STANDING COMMITTEE REPORT

Page 1 of 2.

February 5, 1935

MR. SPEAKER

We, your committee on TAXATION

having had under consideration HOUSE Bill No. 469

FIRST reading copy (WHITE)
color

AN ACT TRANSFERRING THE RESPONSIBILITY FOR REDUCING
PROPERTY TAX DUE TO DESTRUCTION OF PROPERTY FROM THE
DEPARTMENT OF REVENUE TO THE COUNTY ASSESSOR.

Respectfully report as follows: That HOUSE Bill No. 469

Be amended as follows:

p. 1 of 2

1. Title, lines 4 through 7.

Following: "AN ACT" on line 4.

Strike: the remainder of line 4 through "ASSESSOR;" on line 7.

2. Title, line 9.

Following: "MCA"

Insert: "AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN
APPLICABILITY DATE"

3. Page 1, line 15.

Strike: "county assessor"

Insert: "department of revenue"

XXXXX
DO NOT

February 5, 1985

2 + 2

4. Page 2.

Following: line 16

Insert: "NEW SECTION. Section 2. Effective date - applicability.
This act is effective on passage and approval and applies to taxable
years beginning after December 31, 1985."

And as amended,
DO PASS.

STANDING COMMITTEE REPORT

.....February 5..... 19...35...

MR. **SPEAKER:**.....We, your committee on.....**TAXATION**.....having had under consideration.....**HOUSE**..... Bill No.....**105**...first..... reading copy (white)
color

**"AN ACT REQUIRING THE STATE TAX APPEAL BOARD TO DECIDE APPEALS WITHIN
90 DAYS;**

Respectfully report as follows: That.....**HOUSE**..... Bill No.....**105**.....**Be amended as follows:**

1. Title, lines 5 and 6.
Following: "WITHIN" on line 5
Strike: "90"
Insert: "180"
Following: "DAYS;"
Strike: "PROVIDING A PENALTY OF WITHHOLDING OF PAYMENT FOR
SERVICES UNTIL APPEALS ARE DECIDED"
Insert: "ALLOWING THE PARTIES INVOLVED IN THE APPEAL TO
APPLY FOR A WRIT OF HABEAS CORPUS WHEN THE TIME PERIOD
EXPIRES"
2. Page 2, line 23.
Following: "within"
Strike: "90"
Insert: "180"

B5785

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3. Page 2, line 24.

Following: "within"

Strike: "90"

Insert: "150"

4. Page 2, line 25.

Following: "held."

Insert: "(4)(a)"

5. Page 3, lines 1 through 9.

Following: "period."

Strike: the remainder of line 2 through line 9

Insert: "any party to the petition may file for a writ of mandamus pursuant to Title 27, chapter 26.

(b) No person other than a party to the petition may petition for a writ of mandamus under this section."

6. Page 5, line 7.

Following: "within"

Strike: "90"

Insert: "150"

7. Page 5, line 8.

Following: "within"

Strike: "90"

Insert: "150"

8. Page 5, lines 11 through 14.

Following: "held." on line 11

Strike: the remainder of line 11 through line 14

Insert: "(6)(a) If any appeal remains pending and undecided beyond the prescribed time limit, any party to the petition may file for a writ of mandamus pursuant to Title 27, chapter 26.

(b) No person other than a party to the petition may petition for a writ of mandamus under this section.

AND AS AMENDED,
DO PASS

ROLL CALL VOTE

HOUSE COMMITTEE TAXATION

DATE February 5, 1985 BILL NO. HB 105 TIME _____

NAME	AYE	NAY
DEVLIN, GERRY, Chrm.	✓	
WILLIAMS, MEL, V.Chrm.		✓
ABRAMS, HUGH		✓
ASAY, TOM	✓	
COHEN, BEN		✓
ELLISON, ORVAL	✓	
GILBERT, BOB	✓	
HANSON, MARIAN	✓	
HARRINGTON, DAN		✓
HARP, JOHN	✓	
IVERSON, DENNIS	✓	
KEENAN, NANCY		✓
KOEHNKE, FRANCIS		✓
PATTERSON, JOHN	✓	
RANEY, BOB	✓	
REAM, BOB		✓
SANDS, JACK	✓	
SCHYE, TED		✓
SWITZER, DEAN	✓	
ZABROCKI, CARL		✓

Secretary Alice Omang

Chairman Gerry Devlin

Motion: DO PASS AS AMENDED

STANDING COMMITTEE REPORT

Page 1 of 2

February 5, 19 85

MR. SPEAKER:

We, your committee on TAXATION

having had under consideration HOUSE Bill No. 122

first reading copy (white)
color

TO GENERALLY REVISE THE PROPERTY TAX INCENTIVE FOR NEW AND
EXPANDING INDUSTRY;

Respectfully report as follows: That HOUSE Bill No. 122

be amended as follows:

1. Title, line 7.

Following: "PROVIDING"

Insert: "AN IMMEDIATE EFFECTIVE DATE AND"

2. Page 2, line 11.

Following: "issued;"

Insert: "a construction permit is issued."

3. Page 2, line 14.

Following: "industry"

Strike: "such improvements"

DO PASS

4. Page 2, line 22.

February 5, 1985

Following: "by"

Insert: "separate"

Following: "resolution"

Insert: "for each project"

Following: "following"

Insert: "due notice as defined in 76-15-103 and"

5. Page 2, line 24.

Following: "jurisdiction."

Insert: "The governing body may not grant approval for the project until all of the applicant's taxes have been paid in full. Taxes paid under protest do not preclude approval."

6. Page 3, line 5.

Following: "of"

Insert: "the"

Following: "improvements"

Insert: "or modernized processes"

7. Page 3, ~~line 19~~

Following: line 18

Insert: "(4) The tax benefit described in subsection (1) applies only to the number of mills levied and assessed for high school district and elementary school district purposes and to the number of mills levied and assessed by the governing body approving the benefit over which the governing body has sole discretion. In no case may the benefit described in subsection (1) apply to levies or assessments required under state law."

8. Page 3, line 23.

Following: "4."

Strike: "Applicability"

Insert: "Effective date -- applicability"

Following: "act"

Insert: "is effective on passage and approval and"

9. Page 3, line 24.

Following: "beginning"

Strike: "on or"

Following: "after"

Strike: "July 1, 1985."

Insert: "December 31, 1984"

AND AS AMENDED

DO PASS

Exh. b. 1
HB 339
2/5/85
Greg Jackson

RATIONALE FOR EXTENDING TAX INCREMENT PROVISIONS:

Tax Increment Financing Authority:

Under the current law, tax increment authority expires on the tenth year after the adoption of an urban renewal plan by a municipality. Because the state, through the County Assessors offices, was unable to effectively segregate tax increment during the first two years that it was available, the authority to use tax increment funds should be extended another two full years in order to allow urban renewal programs to realize the full ten year benefit of tax increment financing that the law intended them to have.

Tax Increment Bonding Authority:

The Urban Renewal Law prohibits the issuance of tax increment bonds after April 1987. This means that any Montana community adopting an urban renewal plan under state law after that date will not have this financing tool available to them. Bonding authority is an important redevelopment tool. The benefits accruing from TIF bonding are critical to the overall and lasting success of an Urban Renewal Plan. TIF bonding enables pivotal capital intensive projects to be undertaken while only encumbering existing revenue; it does not levy any new taxes. Often these "pivotal" projects stimulate long and short term job opportunities while adding security and value to previous efforts.

Because time is necessary to develop TIF bond capacity, communities generally are not ready to effectively utilize this mechanism until near the end of an Urban Renewal Plan. Thus, it seems most logical that TIF bonding authority run concurrently with tax increment authority.



P.O. BOX 7577 • MISSOULA, MONTANA 59807

(406) 543-6623

HB339
Exhibit 2
HB339
2/5/85
Les Prentice

January 29, 1985

Les Prentice
Missoula Redevelopment Agency
201 W. Spruce
Missoula, MT 59802

Dear Les:

The Chamber's Board of Directors gave unanimous support to HB339 which extends tax increment financing for two years.

The Chamber salutes the work of the Redevelopment Agency and appreciates the close working relationship which we have developed with you and your staff.

Should anyone have questions about The Chamber's support for HB339 or our support of the overall redevelopment program, please encourage them to call me at 543-6623.

Good luck with HB339, your agency is deserving of community wide support.

With warm and personal regards,
THE CHAMBER.

David Owen, Executive Vice President

DO/cs

RECEIVED

FEB 1 1985

MISSOULA REDEVELOPMENT AGENCY
MISSOULA, MONTANA

TAX INCREMENT FINANCING

KY 1017 2 11
HB 339
2/5/85
Les Prentice

Tax Increment Financing (TIF)--What is it?

- o TIF authorized pursuant to the Urban Renewal Law (7-15-42/43)
- o Requires local governing bodies to declare a finding of blighted conditions.
- o Urban Renewal District formed with local adoption of Urban Renewal Plan
- o Base year establishes assessed valuation within the district.
- o Subsequent increases in assessed valuation earmarked to local Urban Renewal Agencies as tax increment increases

What can Urban Renewal Agencies do?

- o Land acquisition
- o Demolition and removal of structures
- o Relocation
- o Public Improvements
- o Other

What are the benefits of TIF?

- o Tax increment funds are used to leverage private investment
- o Increased local employment and economic activity
- o TIF is more efficient for local governments than tax abatements, developers and businesses pay full assessed valuation
- o TIF represents no commitment of state revenue
- o TIF increases revenues from business licenses and other revenue sources which reflect restored economic vitality in an area
- o Communities benefit from decreased crime and health risks associated with blighted areas
- o TIF is appropriate for nearly all sizes of communities, e.g. in Wisconsin, towns as small as 300 in population have established Tax Increment Districts

Richard Mitchell, in the Journal of Housing, states:

" . . if government does not utilize the powers and skills it has at its disposal to arrest and reverse the spread of blight and deterioration, it is, by lack of act, adding to every tax bill a charge for this neglect, which is the product of decreased valuation and demand for increased governmental fire, police, health, and welfare services."

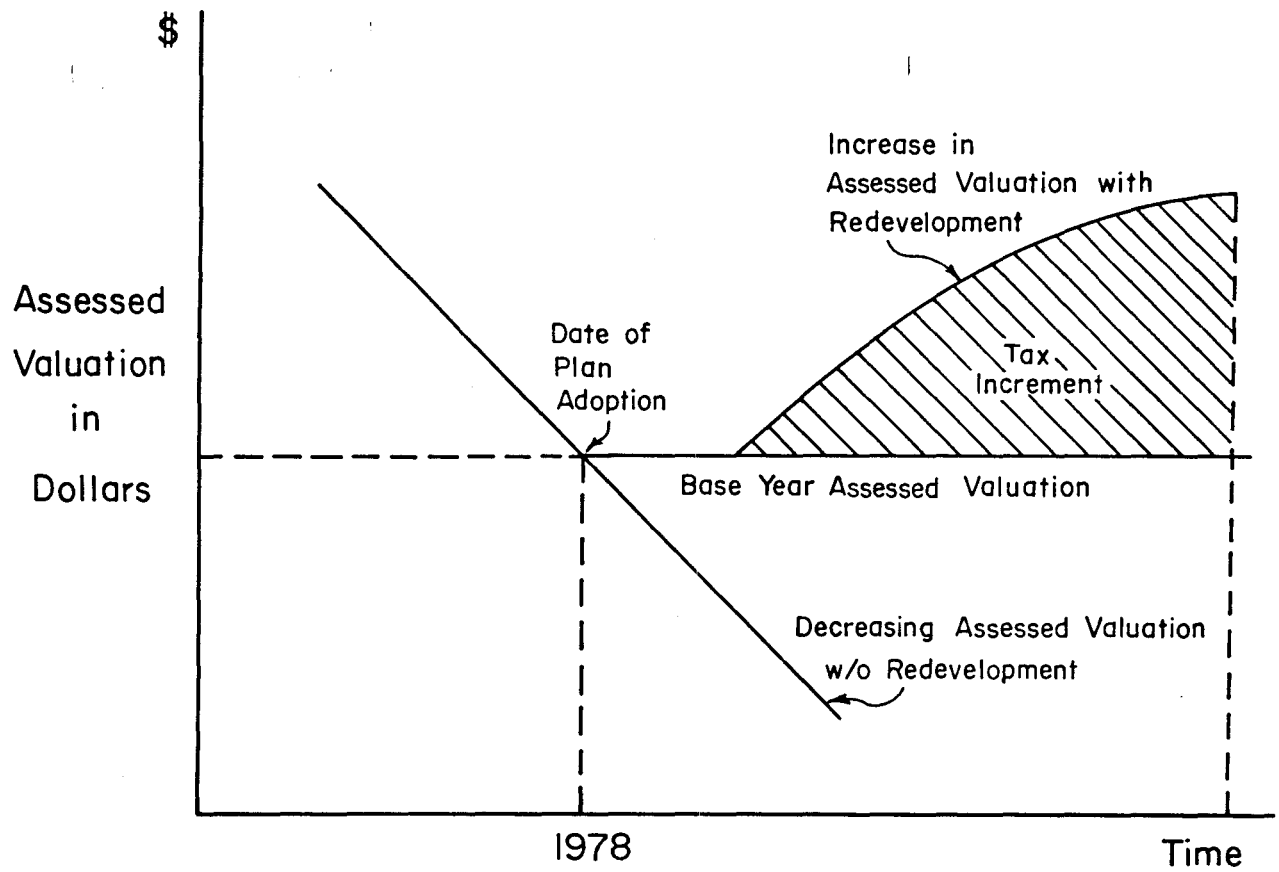


Figure 1. Tax Increment Financing

TAX INCREMENT PROGRAMS IN MONTANA

To date, several cities have adopted Urban Renewal Plans and several are currently considering instituting Urban Renewal Programs. The cities which have taken the lead in this area are Billings, Butte, Great Falls, Kalispell and Missoula.

Missoula: In recent times Missoula has seen significant disinvestment in the downtown area. 1979 saw 22 downtown establishments close their doors. Currently there are few storefronts vacant on Higgins Avenue, the principal downtown street. In response to the deterioration of the downtown and the associated drop in taxable valuation the Missoula City Council adopted an Urban Renewal Plan and formed an Urban Renewal Agency which was subsequently renamed the Missoula Redevelopment Agency (MRA). While not all of the activity downtown is attributable to MRA, a substantial portion is "spin-off" and may not have occurred without the impetus of tax increment supported development.

Program adopted:	1978
Private dollars leveraged:	\$28,640,213
"Spin-off" Private Investment:	\$55,100,000
Estimated jobs created:	
Construction	846
New	518
Retained	606

Major Projects:

Riverfront Improvements--Many projects are completed or underway along the Clark Fork River to preserve and upgrade the river corridor. The river corridor has been identified as a priority consideration by the citizens of Missoula who wish to see the river become a source of community pride. Because the Clark Fork runs through the Urban Renewal District, it is anticipated that the increased utilization of the river corridor will have a corresponding increase in economic activity in the downtown.

Commercial Development--The opening of the 200-room Sheraton Hotel with convention/banquet facilities for 800 people was made possible by the award of a UDAG grant from the federal government. MRA is administering the UDAG grant as well as tax increment funded improvements. This facility has expanded the community's ability to host major conventions and has brought increased economic activity to the downtown.

Construction of a new building for Missoula's local paper, the Missoulian has begun. This project which leveraged approximately \$3,500,000 in private investment will retain 109 jobs for the community.

Other Major Commercial Projects:

- o Central Square--a three story professional office building
- o The Milwaukee Depot--a restaurant and office project
- o Comfort Inn--a new major motel facility
- o The Higgins Building--renovation of a historic building

Commercial Rehabilitation Loan Program (CRLP)--The CRLP program has been established to rehabilitate blighted areas through the encouragement of private enterprise. Working in cooperation with local lending institutions, MRA will subsidize market interest rates available to eligible applicants as an incentive to upgrade the exterior appearance of their commercial structures. The applicant has sole responsibility to repay the rehabilitation loan while participating lenders approve the loans to which the interest subsidy is applied, and provide loan administration and collection utilizing their existing procedures.

Butte-Silverbow: With the well publicized closure of copper-producing facilities it is small wonder that Butte's CBD has suffered hard times. However, the efforts of the Butte-Silverbow Urban Revitalization Agency (URA) have attempted to mitigate this trend.

Major Projects:

Facade Improvement Program: The URA provides interest subsidies, matching grants, sign grants and design assistance for building facade improvement. This promotes good urban design while making use of an important resource--Butte's historic architecture. The program provides direct assistance to businesses and Uptown property owners.

Parking SID: The URA, through tax increment financing, has provided the "up-front" funds for development of off-street parking in the CBD. Property owners provide only a portion of the cost through an annual assessment. New businesses and residential activity may locate in the CBD without first having to provide off-street parking. Prior to establishment of the SID, parking requirements were a major obstacle to new development.

Cultural Events Program: The URA has used a portion of tax increment to promote an annual arts festival, traveling theater groups, public art projects (murals and student arts) and various concerts. These programs bring people and vitality to Uptown Butte, extend the hours of activity and improve the area's image in the region.

Great Falls: Like other cities, Great Falls witnessed a reduction in property values in the downtown area as economic conditions caused businesses to close their doors. In response to this trend, Great Falls adopted an Urban Renewal Plan and embarked upon a program to mitigate economic reversals.

Major Projects:

A waterline extension (\$9,444) facilitated a \$2,000,000 Montana Farmers Union Insurance Company office building.

Utility improvements (\$54,017) made possible the renovation of the former Great Northern Depot for the offices of the Great Falls Gas Company. Private sector investment in the project was approximately \$1,270,000.

A \$350,000 low interest loan leveraged an additional \$925,000 private investment for renovation of the former Russell Building for retail, restaurant and office space.

The Southside Storm Drainage project is scheduled for construction this spring. Great Falls anticipates bonding approximately \$2,000,000 of the total \$3,500,000 project cost with tax increment funds. The project will alleviate periodic flooding in a major portion of the CBD and the adjoining neighborhood.

Kalispell: Downtown efforts in Kalispell have been very successful. The public/private partnership has gained two national awards for the City of Kalispell. The city's current budget has \$800,000 set aside for tax increment financed projects.

Major Projects:

Resolution #3547 pledges \$578,925 of the city's TIF funds for the design, construction and installation of designated public utilities necessary for the construction of the "Kalispell Center." The Kalispell Center is an \$18,000,000+ project funded with public/private investments. It is anticipated that 475 new jobs will be created and additional \$250,000 will be added to local tax base.

Kalispell has a loan leveraging agreement in housing with First Federal Savings Bank and a similar agreement with Norwest Bank in the commercial area. 102 commercial loans have closed with 27 new businesses located in the project area. The total capital leveraged is \$2,877,444 and 190 jobs have been created.

Because of Kalispell's leveraging programs, a significant beautification has occurred with private dollars in the planting and maintenance of sidewalk trees and the private landscaping and maintenance of a major CBD off-street parking lot.

TIF IN OTHER STATES

TIF is a widespread mechanism to achieve economic development. Well over one-half of the states currently authorize TIF. The geographic distribution of TIF states is well balanced, however, the south does appear somewhat underrepresented.

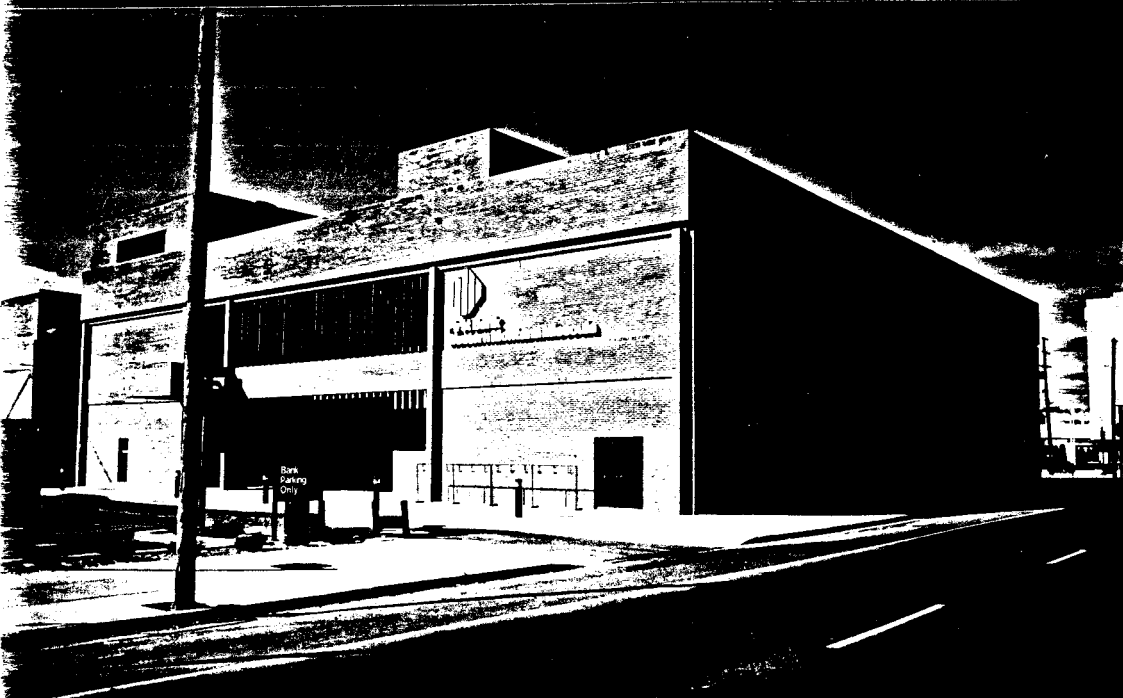
Of the Western and Rocky Mountain states only Idaho, Nevada, New Mexico and Washington have no TIF legislation. Research indicates that all Western and Rocky Mountain states authorizing TIF, except Montana, have no sunset attached specifically to TIF statutes.

STATES WITH TIF STATUTES

Arizona	Kentucky	Iowa
California	South Dakota	Ohio
Colorado	Maryland	Maine
Connecticut	Massachussetts	Oregon
Florida	Michigan	Tennessee
Georgia	Minnesota	Texas
Illinois	Missouri	Utah
North Dakota	Nebraska	Wisconsin
Kansas	New York	Wyoming



COWELL BLOCK 1972 (BEFORE)



FIRST BANK WESTERN 1980



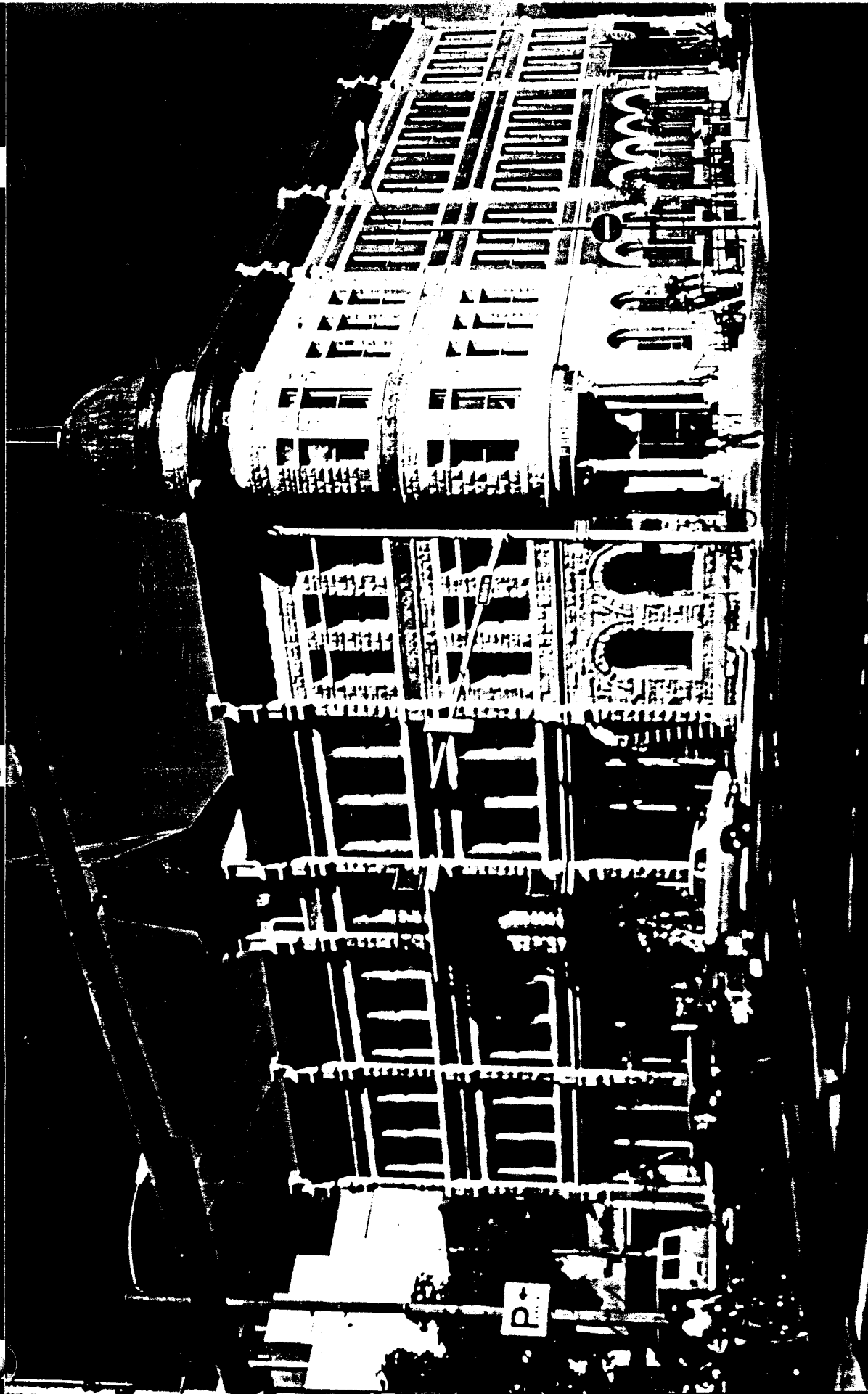
COWELL BLOCK 1983 (AFTER)



HIGGINS BUILDING (BEFORE)



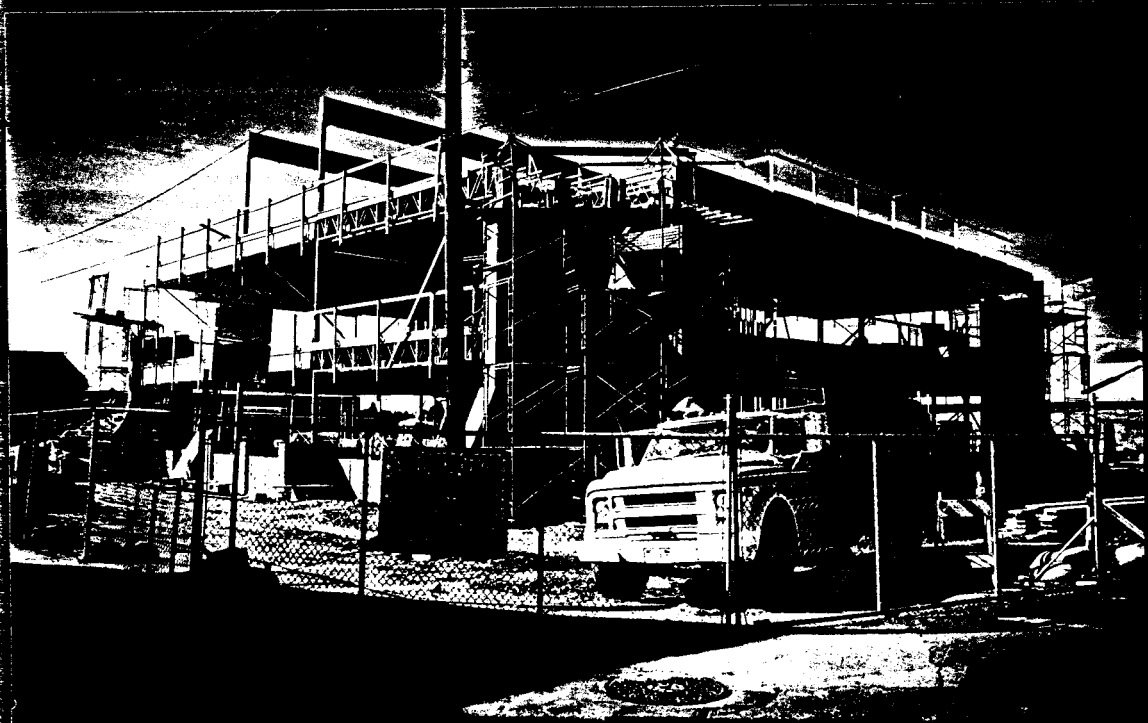
LUCY BUILDING (WYCKMAN'S) 1984



HIGGINS BUILDING 1984 (AFTER)



PARK HOTEL 1982 (BEFORE)



CENTRAL SQUARE
UNDER CONSTRUCTION - 1981



PARK PLAZA APARTMENTS 1984 (AFTER)



MILWAUKEE RAILROAD DEPOT 1978 (BEFORE)



EYECARE NORTHWEST 1984



CLARK FORK STATION 1984 (AFTER)



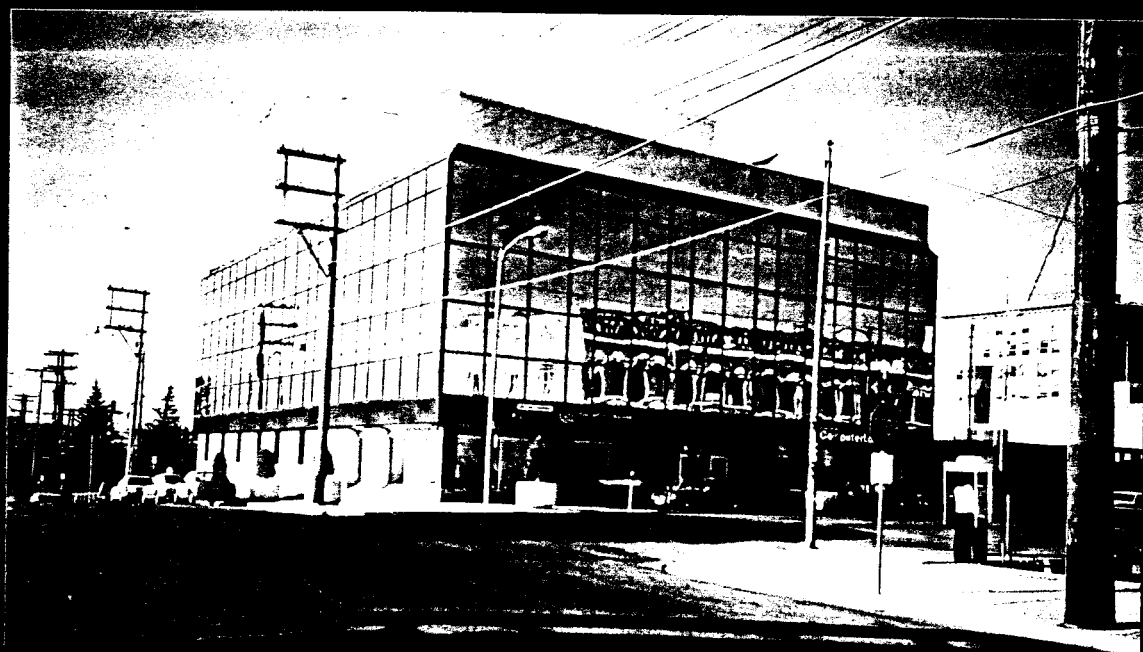
GOLDEN PHEASANT 1984



WESTERN MONTANA CLINIC 1984



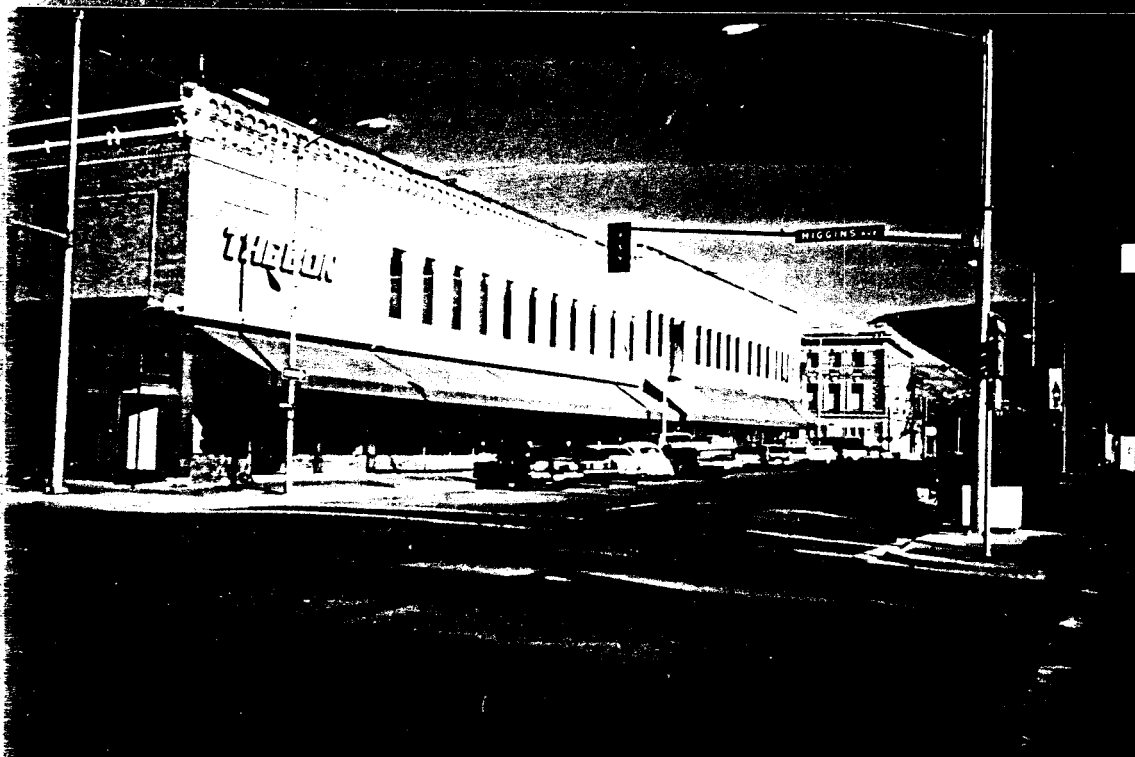
HOWARD BUILDING 1980 (BEFORE)



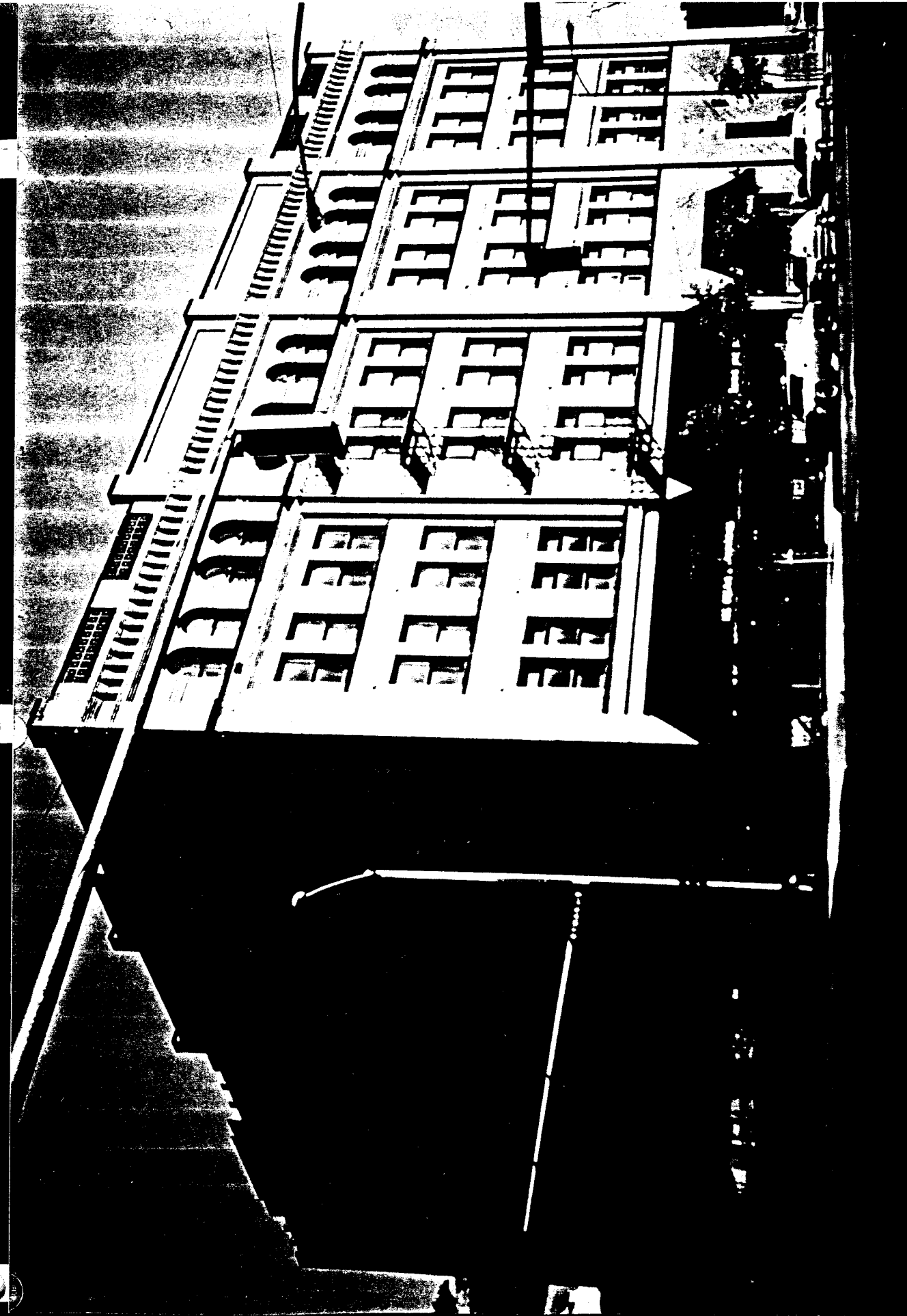
HOWARD BUILDING 1984 (AFTER)



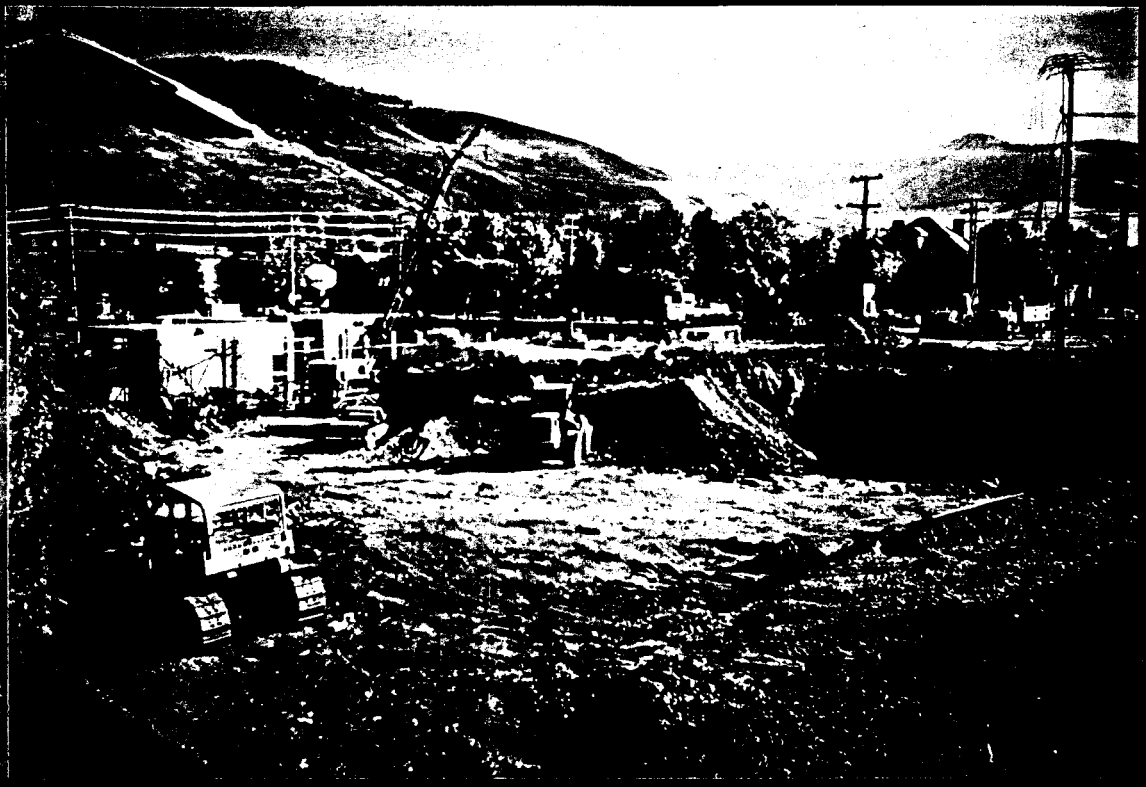
MISSOULA MERCANTILE (THE BON) 1978



THE BON 1984



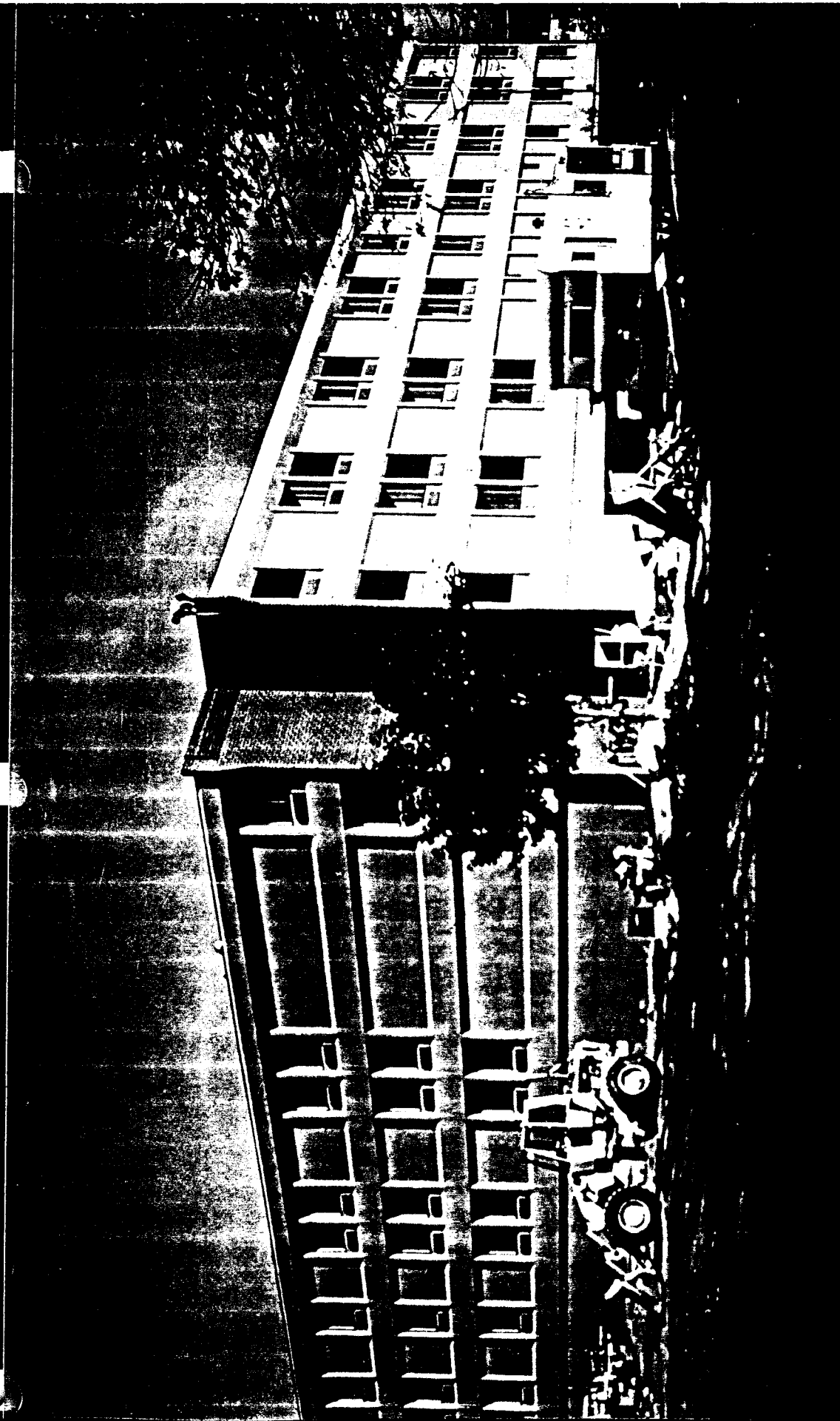
THE PALACE HOTEL 1984



MISSOULIAN CONSTRUCTION SITE 1984



MAIN STREET PARKING LOT 1984



SHERATON HOTEL 1984

CITY OF BILLINGS
TAX INCREMENT HISTORY
RECAP OF EXPERIENCE & LEGISLATIVE PROPOSAL

Exhibit 4
HB 339
2/5/85
Tom McKenlich

Montana Codes make provision for cities and towns to create urban renewal districts to address blighted conditions within their boundaries. The law requires an in-depth assessment of blight within the proposed urban renewal area and a plan for curing the on-going deterioration. Such a district was established in the core of downtown Billings covering an area of approximately 90 blocks. This district was established in 1976.

Concurrent with the establishing of the district, Tax Increment financing provisions were also set in place. The mere establishing of an urban renewal district without making provision for a method of financing public improvements would have severely hampered or delayed any real growth or improvement. Consequently, we have been able to make major public improvements in our downtown area over the past 8 years.

The concept of Tax Increment financing of urban renewal projects is not new; it has been used extensively and successfully in many states over the past 15 to 20 years. Property tax revenues, and in some states sales tax revenues, generated from the district are re-invested back into the district to provide public improvements necessary to stimulate additional private investment with the resulting increase in tax base. Although property owners within the district continue to pay property taxes at the same rate as the balance of the City, all increases in taxes from new building and remodels, subsequent to the date the district was established, flow directly to the City for re-investment in the district rather than being allocated to the 4 taxing jurisdictions. That portion of property taxes in existence at the time the district was established (frozen base) continues to be divided between the taxing bodies. The difference between the "frozen base" and current property tax level is known as the "increment" and is the basis for financing within the district.

The current tax increment law has 2 areas that need to be acted upon in the upcoming legislature:

- 1) Tax increment districts shall terminate upon the 10 year following their adoption or upon the payment or provision for payment in full or discharge of all bonds for which the tax increment has been pledged and the interest thereon, whichever last occurs.
- 2) The law also "sunsets" tax increment bonding provisions as of April 29, 1987. No further bonds may be issued after that date.

Since we were unable to segregate tax increment revenues between 1976 and 1978, it is our feeling that all districts created prior to 1980 should be allowed a 2 year extension. This will give us the 10 year experience in the older districts that the law obviously provided. Anything less than 10 years in a district is just not ample time to really implement a program and expect to accomplish significant results. (Revenues are not generated in sufficient amounts during the initial years of the district.)

It is also our opinion that the current bonding restriction should be removed from the law. Bonding should be allowed the first ten years of any newly created district. As the law now reads, districts created now, or over the last few years, would not be able to bond after April 29, 1987, regardless of their status. Since bonding is so crucial to the program, and allows leveraging of the revenues, it is imperative that the provision run concurrent with any district.

Cities such as Missoula, Kalispell, Great Falls and Butte were not able to either establish their districts or start generating ample revenues the first few years to really implement a viable program. They are now generating revenues between \$300,000 and \$1,300,000 annually, but their districts are nearing expiration. By allowing or providing for another 2 years, or a total of 12 years on these older districts, they will be able to complete most of those programs they have started. Billings could also use this additional 2 years to implement recommendations received from a consultant study of the district this year.

Other than the above 2 changes to the law, we would see the provision of 10 year districts to be ample for any future application of the program. The Billings City Council and the Urban Coalition of Cities and Counties support the above recommendations.

TM/pt

Exh. 6, 15
HB 339
2/5/85
Tom McK

February 1, 1985 - R

CITY OF BILLINGS
TAX INCREMENT DISTRICT
HISTORY

The City of Billings will have injected approximately \$19 Million back into its 90 block Tax Increment District as of the end of this fiscal year. This represents 7 years of experience from annual revenues ranging from \$715,000 in 1978 to \$2,594,000 in 1985 and bond issues exceeding \$7,000,000. The primary thrust of our programs have been in the areas of parking structures, infrastructure improvements and development assistance as follows:

Parking Structures	\$ 11,250,019
Infrastructure	1,515,278
Development Assistance	3,257,995
Planning	110,000

The above expenditures total 86% of total investment and will have contributed directly to at least \$75 Million of new development. (Market Value) This development includes the Sheraton Hotel Building, the Norwest Bank Building, the 18 story 1st Interstate Building, a new 88 unit apartment building and several historic building renovations including The Fox Theatre for Performing Arts.

We strongly believe that the use of Tax Increment Financing, both in the public and private sector, has significantly impacted the growth of downtown Billings. This area was in a dormant condition at the initiation of the district in 1976 with many older functionally obsolescent buildings, severe parking problems and an eroding retail environment. We were also looking at the advent of shopping malls at either end of our City. Since the initiation of the district, we have seen the Central Business District make a comeback to where it has been able to compete with the new malls and generally perform better than the rest of the City.

	City Taxable Valuation	District Taxable Valuation	Net City Taxable Valuation
1975-76	\$ 80,941,905	(1) \$ 6,109,487 - 8%	\$ 74,832,418
1984-85	109,243,008	15,217,539 - 14% (2)	94,025,469
Increase	\$ 28,301,103 - 35%	\$ 9,108,052 - 149%	\$ 19,193,051 - 26%
		32% (3)	

(1) Base year adjusted from \$9,396,438 to \$6,109,487 as a result of loss of Business Inventory Tax - \$3,286,951

(2) Taxable value of the District has gone from 8% to 14% of Total City valuation

(3) 32% of increase in City Taxable Valuation occurred in Tax Increment District the past eight years

The City of Billings completed a planning study of their Tax Increment District in 1984 resulting in recommendations for further improvements to the district addressing anticipated needs over the next 10-15 years. We feel that much of this work could be accomplished in the next 3 years, if the district could be extended 2 years. There is no other alternate form of funding available at this time, nor anticipated over the next few years.

DEPARTMENT OF COMMERCE
COMMUNITY DEVELOPMENT DIVISION



TED SCHWINDEN, GOVERNOR

STATE OF MONTANA

(406) 444-3757

HELENA, MONTANA 59620

Exhibit 6
HB 339
2/15/85
Robb McCracken
COGSWELL BUILDING—ROOM C 211
CAPITOL STATION

February 4, 1985

Gerry Devlin, Chairman
House Taxation Committee
Capitol Building
Helena, MT 59620

Dear Chairman Devlin and Members of the Committee:

As the representative of the Montana Department of Commerce, I urge you to support HB 339.

The bill reauthorizes the use of tax increment financing (TIF) for municipal governments. Tax increment financing is a real success story for Montana municipal governments and for downtown businesses. Municipalities have generated thousands of dollars through TIF which has been reinvested in downtown areas to revitalize the community business core and the physical environment. Tax increment monies have been used to leverage private dollars for downtown projects, thus, increasing the results of public investment.

The role of the Department of Commerce is, in part, to promote business expansion and to assist communities in financing public facilities. Tax increment financing is a local method which communities use for both of these purposes.

The Department's Business Assistance Division has worked "on site" with 23 local development organizations which have expressed a keen interest in utilizing TIF. The Community Development Division has also worked with several different communities on TIF. There are municipal governments which to date have not adopted TIF but which are actively considering doing so. Passage of HB 339 will allow these communities the option to adopt TIF as part of their local downtown redevelopment, economic development, and infrastructure financing programs.

Thank you for the opportunity to address the Committee.

Sincerely,

Robb McCracken

Robb McCracken
Planner IV
DOC/Community Development Division

cc: Sam Hubbard, DOC
Larry Douglas, DOC

Exhibit 7
HB 339
2/5/85
Mike McPherson



**GREAT
FALLS AREA
CHAMBER OF COMMERCE**

P.O. BOX 2127
926 CENTRAL AVENUE
GREAT FALLS, MONTANA 59403
(406) 761-4434

January 28, 1985

To: House Taxation Committee
Montana State Legislature

From: Roger W. Young, President

Subject: **TAX INCREMENT FINANCING HB339 (RAMIREZ)**

The Executive Committee of the Great Falls Area Chamber of Commerce has placed our organization on record as favoring the passage of HB 339 (Ramirez) which will extend the life of tax increment financing districts by two more years. This matter was evaluated by our City-County Government Committee and has their wholehearted endorsement.

HB 339 will give the cities who have elected to use tax increment financing the full ten years of benefit which were originally intended. The Great Falls TIF was organized in 1977, but did not earn its first increment until 1980. The funds have been put to good use and have resulted in several projects of both new construction and rehabilitation. Much spin-off development has resulted in both commercial and residential areas. The tax base has increased substantially.

Inasmuch as Federal funding sources for redevelopment are disappearing, it is more important than ever that tools like tax increment financing be used to provide local government with the necessary resources to stimulate development and replace aging infrastructure. Tax increment financing helps make areas like downtown Great Falls more self sufficient. In our opinion, the program is just beginning to blossom. Two more years will be very helpful. At your February 5 hearing on this matter, please record us as a Proponent of HB 339's passage.

cc: Cascade County Legislative Delegation

Exhibit 8
MS 339
2/5/85
Jeff Stevens

Missoula redevelopment is floundering

1983

There has been some confusion this year about the corrected tax bills which were mailed to all Missoula County taxpayers recently.

I am referring to the title called "city" and the title called "increment." The city levy is shown as 82.35 mills, and the increment

Reader comment

ment levy is shown as 83.89 mills. To determine the city millage, however, these two figures should not be added together.

The total levy for all property located within the city is 112.8 mills. The increment levy is shown on property located within the Urban Renewal District only and is not shown on tax bills pertaining to property located outside that district.

This has led some downtown property owners to think that they are paying higher taxes because their property is located in the Urban Renewal District. They are not. The total city levy is 112.8 mills and property owners pay taxes on that levy and nothing more.

In view of the widespread lack of understanding about tax increment financing in Missoula County, it would seem that a review of this process is now necessary.

Several months ago, I resigned my position on the board of the Missoula Redevelopment Agency (the city's redevelopment arm) over differences in policy. I made no fuss about this at the time.

Under the Urban Renewal Law and the

'It was the last, best hope of creating a beautiful downtown'

subsequent enactment of tax increment provisions, a "blighted area" (the Urban Renewal District in downtown Missoula) was created by the City Council. The increment provisions enabled the city to "freeze" the taxes as of 1979 in the renewal district. After the freeze, certain tax increases (mainly new construction) were channeled directly to the city, thus bypassing the school districts, the county, the city general fund and the state.

The city was given very broad leeway in using these funds in the Renewal District. It was the Legislature's intent, as shown by the hearings on the bill, to restore the tax base in the district. By the late 1970s, the tax revenue from downtown Missoula had been reduced 50 percent due to movement of stores to the suburbs, and general deterioration caused by vacancies, etc.

It was, therefore, very important for the taxing jurisdictions mentioned above that this tax base be restored. The tax increment was supported by them and the people of the county gave enthusiastic evidenced support.

Beginning in 1979, the city got a windfall. Considerable major construction was undertaken by banks, savings and loans and office buildings, plus new medical facilities. The city, and its development arm, the MRA, immediately took credit for this construction.

This was improper. The MRA had virtually nothing to do with these projects. Only in the case of the Central Square office building were new sidewalks built and the owners

were assisted by the redevelopment director in obtaining a UDAG grant from the federal government. The other projects were the result of unilateral business decisions by private business firms and were built without city help.

But this construction caused the amount of tax increment to leap upward and this year it could reach as much as \$600,000.

The money collected by the city (MRA) has been used for other "public purposes," a use permitted by law. Unfortunately, however, these public purposes produce no tax increment whatsoever. They are mere pleasant amenities.

Spending the taxpayer's money in this way, without public hearings and without first consulting with other taxing jurisdictions, is unwise. I admit that I voted for some of these public purposes and I now regret my vote.

Periodic liaison with the school districts, the county and the state should be maintained. It is these jurisdictions which have had to either raise taxes or reduce expenditures so as to make tax increment financing possible. They have a right to expect a long-range policy of increasing the tax base in downtown Missoula so as to recoup the funds they have lost to the increment.

Furthermore, every taxpayer in Missoula County should interest himself or herself in this program since every taxpayer contributes in one way or another to the increment. And

lose contact with those who have made its function possible. And the board's administrative expenses are, I think, too high. The budget shows \$123,120. All of this comes out of its tax increment and \$95,992 is for personnel.

The MRA has no goal. It drifts, responding to this group or that group who have learned that it is the source of easy money, and most of these groups have no tax-producing projects. It initiates few projects of its own.

It has talked idly of leveraging its income to produce millions through a bond issue and so transforming the face and the tax base of downtown Missoula. It never talks of enlisting the aid of the people for financial and personal assistance for nontax-producing projects, yet this is the means by which such projects have been accomplished in downtown Missoula in years gone by.

The dreary tenements still stand, the expensive out-of-town consultants come and go, MRA employees sit at their desks and talk expansively of great things to come, but the dynamism is totally absent.

I could not remain on this board under these conditions and leaving it was difficult. It was the last, best hope of creating a beautiful downtown Missoula, and this had become almost a lifetime work for me.

Perhaps government, by its very nature, is incapable of seeding and plowing the ground which will tomorrow provide its sustenance. — John H. Toole, 617 Crestline Drive, Missoula.

5

WITNESS STATEMENT

Name Julie Hooker Committee On Taxation
Address Star Rte, Bonner Date 2-4-85
Representing _____ Support _____
Bill No. HB 329 Oppose X
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. Time for program to be discontinued and all tapes be used for purpose for which they were collected.
2. ~~such as schools local govt.~~
Has been good program - should not go on into perpetuity.
3. Time for public to cease "buying up" and subsidizing developers.
4. Bring projects back into tax paying supporters of our community.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

Exh. bit 10
HB 392
2/5/85

2/5/85

TESTIMONY BY TOM MCKERLICK ON BEHALF OF MAYOR JIM VAN ARSDALE IN SUPPORT OF
HOUSE BILL 392

THE CITY OF BILLINGS SUPPORTS HOUSE BILL 392. THE CITY SUPPORTS THE TAX THAT IS SUGGESTED IN THIS BILL TO BE CHARGED FOR THOSE PEOPLE USING THE ACCOMODATIONS OF HOTEL-MOTELS AND TOURIST CAMPGROUNDS. CITIES AND COUNTIES HAVE A STRONG NEED FOR ADDITIONAL REVENUE SOURCES. BILLINGS USED A MOTEL-HOTEL TAX FOR APPROXIMATELY NINE MONTHS UNTIL THE SUPREME COURT RULED IT TO BE AN ILLEGAL TAX. OUR PARTICULAR TAX WAS APPROVED BY THE VOTERS AND WAS A LUCRATIVE SOURCE OF REVENUE. THE TAX WAS \$1.00 PER NIGHT FOR EACH PERSON STAYING IN THE MOTEL-HOTEL FACILITY. IT GENERATED APPROXIMATELY \$630,000 IN 8½ MONTHS.

THE MOTEL-HOTEL FEE WILL PROVIDE A WAY FOR PEOPLE WHO VISIT OUR COMMUNITIES ON A TEMPORARY BASIS TO ASSIST IN PAYING FOR SOME OF THE COSTS TO PROVIDE MUNICIPAL SERVICES. IN BILLINGS, WE EARMARKED A PORTION OF OUR TAX TO BE USED FOR THE PROMOTION OF THE TOURISM INDUSTRY AS IS SUGGESTED IN THIS BILL.

IN SUMMARY, CITIES & COUNTIES OF THIS STATE ARE IN NEED OF ADDITIONAL REVENUE.. MOTEL-HOTEL TAXES ARE USED IN CITIES THROUGHOUT THIS COUNTRY. IT IS A TAX THAT THE PUBLIC WILL ACCEPT AND IT IS A TAX THAT WILL GENERATE SIGNIFICANT REVENUES. I URGE YOUR SUPPORT OF HOUSE BILL 392.

2/5/85

Amendment to HB 469 to account for Devlin comments of Greg Groepper.

1. Title, lines 4 through 7.

2 Act
Following: ^{11An} "ACT" on line 4

Strike: the remainder of line 4 through "ASSESSOR;" on line 7.

3. ~~Page 1~~, line 15.

Strike: "county assessor"

Insert: "department of revenue"

2. Title, line 9.

Following: "MCA"

Insert: "AND PROVIDING AN IMMEDIATE EFFECTIVE DATE
AND AN APPLICABILITY DATE"

4. Page 2.

Following: * line 16

Insert: "New Sections. Section 2. Effective date - applicability
This act is effective on passage and approval and applies to
taxable years beginning after December 31, 1985."

STANDING COMMITTEE REPORT

HB105
Exh. 6, 7, 12
HB105
2/5/85

MR.

We, your committee on

having had under consideration Bill No.

_____ reading copy (_____)
color

Respectfully report as follows: That Bill No.

1. Title, lines 5 and 6.

Following: "WITHIN" on line 5

Strike: "90"

Insert: "180"

Following: "DAYS;"

Strike: "PROVIDING A PENALTY OF WITHHOLDING OF PAYMENT FOR
SERVICES UNTIL APPEALS ARE DECIDED"

Insert: "ALLOWING THE PARTIES INVOLVED IN THE APPEAL TO
APPLY FOR A WRIT OF MANDAMUS WHEN THE TIME PERIOD
EXPIRES"

2. Page 2, line 23.

Following: "within"

Strike: "90"

Insert: "180"

DO PASS

3. Page 2, line 24.
Following: "within"
Strike: "90"
Insert: "180"

4. Page 2, line 25.
Following: "held."
Insert: "(4)(a)"

5. Page 3, lines 2 through 9.
Following: "period,"
Strike: the remainder of line 2 through line 9
Insert: "any person or the department of revenue in behalf
of the state or any municipal corporation aggrieved and
a party in the petition may file for a writ of mandamus
pursuant to Title 27, chapter 26.
(b) No party other than those included in sub-
section (a) may petition for a writ of mandamus under
this section.

6. Page 5, line 7.
Following: "within"
Strike: "90"
Insert: "180"

7. Page 5, line 8.
Following: "within"
Strike: "90"
Insert: "180"

8. Page 5, lines 11 through 14.
Following: "held." on line 11
Strike: the remainder of line 11 through line 14
Insert: "(6)(a) If any appeal remains pending and
undecided beyond the prescribed time limit, any person
or the department of revenue in behalf of the state or
any municipal corporation aggrieved and a party in the
petition may file for a writ of mandamus pursuant to
Title 27, chapter 26.
(b) No party other than those included in sub-
section (a) may petition for a writ of mandamus under
this section.

Exh. 6, 7 13
HB 122
2/5/85

PROPOSED AMENDMENTS: House Bill No. 122, introduced copy.

1. Title, line 7.

Following: "PROVIDING"

Insert: "AN IMMEDIATE EFFECTIVE DATE AND"

2. Page 2, line 11.

Following: "~~issued~~,"

Insert: "a construction permit is issued,"

3. Page 2, line 14.

Following: "industry"

Strike: ",such improvements"

4. Page 2, line 22.

Following: "by"

Insert: "separate"

Following: "resolution"

Insert: "for each project"

Following: "following"

Insert: "due notice as defined in 76-15-103 and"

5. Page 2, line 24.

Following: "jurisdiction."

Insert: "The governing body may not grant approval for the project until all of the applicant's taxes have been paid in full. Taxes paid under protest do not preclude approval."

6. Page 3, line 5.

Following: "of"

Insert: "the"

Following: "improvements"

Insert: "or modernized processes"

7. Page 3, line 19.

Following: line 18

Insert: "(4) The tax benefit described in subsection (1) applies only to the number of mills levied and assessed for high school district and elementary school district purposes and to the number of mills levied and assessed by the governing body approving the benefit over which the governing body has sole discretion. In no case may th benefit described in subsection (1) apply to levies or assessments required under state law."

8. Page 3, line 23.

Following: "4."

Strike: "Applicability"

Insert: "Effective date -- applicability"

Following: "act"

Insert: "is effective on passage and approval and"

9. Page 3, line 24.

Following: "beginning"

Strike: "on or"

Following: "after"

Strike: "July 1, 1985."

Insert: "December 31, 1984"

Exhibit 14
HB 168
2/5/85
Devlin

Bill Summary

House Bill No. 168

Gray Copy

House Bill 168 would require the Department of Revenue, when revaluing property under the statutorily required cyclical reappraisal, to use the capitalization of net income method of appraisal when valuing agricultural lands.

The capitalization of net income method (CNI) of appraisal is a method that bases the value of an income producing property on that property's ability to produce income based on a specific use; the method does not contemplate the property being utilized in an alternative fashion. The CNI method is one of three commonly used appraisal methods and is typically used by financial institutions as a method for determining the loan value of a given property.

The CNI method of appraisal can be simply stated algebraically:

$$V = \frac{I}{R}$$

In this equation, V represents the value of the property, I represents the annual net income of the property, and R represents the capitalization rate or rate of return.

As required in House Bill 168, net income (I) is to be determined by the Department of Revenue by subtracting the per unit production costs of a given commodity by the commodity's per unit price. This exercise results in a factor representing the net income per unit of production of the commodity. Because the purpose of valuing agricultural

3-YEAR AVERAGE VALUE OF 24 BUSHEL-PER-ACRE DRYLAND PRODUCING
WHEAT =

$$\frac{(\text{Year 1 value} + \text{Year 2 value} + \text{Year 3 value})}{3}$$

3

$$\frac{\$40.92 + \$46.40 + \$21.43}{3}$$

3

$$\frac{\$108.75}{3} = \$36.25$$

3

Based on the above example, 24 bushel dryland producing wheat would be valued at \$36.25 per acre. If one were to make one last assumption, i.e. that the number of mill levied in a given year and jurisdiction was 205 mills, the property tax paid on the land would amount to \$2.23, (determined by simply substituting for the variables in the basic tax formula: $(36.25)(.30)(.205)$.)

It is very important to remember that the example illustrated in this summary is based on hypothetical numbers, assumptions that were simply picked out of thin air. Should any of the variables considered in the equation change significantly, the resultant value would change similarly.

YEAR 2

Assumptions

1. Commodity price of \$3.44 per bushel.
2. Production costs of \$2.98 per bushel.
3. FLB interest rate of 9.47%.
4. Average taxes levied statewide of 193 mills.

$$\begin{aligned} V &= I/R \\ &= [(3.44 - 2.85)(24)]/[0.0947 + (0.193 \times 0.30)] \\ &= (.59)(24)/(0.0947 + 0.0579) \\ &= 14.16/.1526 \\ &= \$92.79, \text{ but accounting for rotation, must divide} \\ &\quad \text{by 2} \\ &= \$46.40 \end{aligned}$$

YEAR 3

Assumptions

1. Commodity price of \$3.21 per bushel.
2. Production costs of \$3.05 per bushel.
3. FLB interest rate of 8.50%.
4. Average taxes levied statewide of 202 mills.

$$\begin{aligned} V &= I/R \\ &= [(3.21 - 2.95)(24)]/[0.0850 + (0.202 \times 0.30)] \\ &= (.26)(24)/(0.0850 + 0.0606) \\ &= 6.24/.1456 \\ &= \$42.86, \text{ but accounting for rotation, must divide} \\ &\quad \text{by 2} \\ &= \$21.43 \end{aligned}$$

The following example should help to illustrate the application of House Bill 168.

GENERAL ASSUMPTIONS USED IN THE ILLUSTRATION

1. The land being valued is nonirrigated farm land.
2. The commodity being produced is wheat.
 - 2.a. Nonirrigated wheat produced one crop every other year.
3. Production on the land has historically averaged 24 bushels per acre; expectation is continued production at the same level.
4. Production costs, commodity prices, interest rates, and taxes will vary each year over the period.
5. Total number of acres statewide remains constant.
6. Total productive capacity value of all agricultural lands statewide remains constant.
7. Taxable percentage applicable to agricultural lands is 30%.

YEAR 1

Assumptions

1. Commodity price of \$3.27 per bushel.
2. Production costs of \$2.75 per bushel.
3. FLB interest rate of 9.55%.
4. Average taxes levied statewide of 190 mills.

$$\begin{aligned} V &= I/R \\ &= [(3.27 - 2.91)(24)] / [0.0955 + (0.190 \times 0.30)] \\ &= (.52)(24) / (0.0955 + 0.0570) \\ &= 12.48 / 0.1525 \\ &= \$81.84, \text{ but accounting for rotation, must divide} \\ &\quad \text{by 2} \\ &= \$40.92 \end{aligned}$$

lands by this method is to determine the value per acre, the factor representing the per unit net income must be multiplied by the per acre yield to arrive at a per acre net income. All of these arithmetical gymnastics can again be stated fairly simply algebraically:

$$I = (P - C)U$$

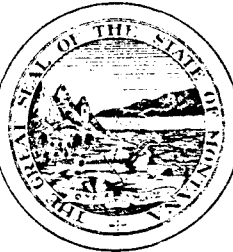
These terms are described in House Bill 168, where I is the net income per acre, P is the per unit commodity price, C is the per unit production cost, and U is the yield in units per acre.

The second variable in the basic CNI equation is the factor R, the capitalization rate. In House Bill 168, R is comprised of two factors: an average interest rate, and an effective tax rate. The bill requires the interest factor to be the annual average interest rate on agricultural loans as reported by the Federal Land Bank Association of Spokane, Washington. The bill further requires the Department of Revenue to determine the effective tax rate by dividing the total estimated tax due on agricultural land by the total productive capacity value of the land.

Once all of the variables are known, simple substitution into the various equations results in the capitalized net income value of the property.

House Bill 168 requires the Department of Revenue to base the value of agricultural lands on the 3-year average CNI values. Consequently, the Department will have to compile data over such a period, calculate separate CNI values for each of the years, and average the three separate CNI values for each type of agricultural land, i.e. irrigated, grazing, nonirrigated, etc.

DEPARTMENT OF COMMERCE
COMMUNITY DEVELOPMENT DIVISION



TED SCHWINDEN, GOVERNOR

COGSWELL BUILDING—ROOM C 211
CAPITOL STATIO

STATE OF MONTANA

(406) 444-3757

HELENA, MONTANA 59620

February 4, 1985

Gerry Devlin, Chairman
House Taxation Committee
Capitol Building
Helena, MT 59620

Dear Chairman Devlin and Members of the Committee:

As the representative of the Montana Department of Commerce, I urge you to support HB 339.

The bill reauthorizes the use of tax increment financing (TIF) for municipal governments. Tax increment financing is a real success story for Montana municipal governments and for downtown businesses. Municipalities have generated thousands of dollars through TIF which has been reinvested in downtown areas to revitalize the community business core and the physical environment. Tax increment monies have been used to leverage private dollars for downtown projects, thus, increasing the results of public investment.

The role of the Department of Commerce is, in part, to promote business expansion and to assist communities in financing public facilities. Tax increment financing is a local method which communities use for both of these purposes.

The Department's Business Assistance Division has worked "on site" with 23 local development organizations which have expressed a keen interest in utilizing TIF. The Community Development Division has also worked with several different communities on TIF. There are municipal governments which to date have not adopted TIF but which are actively considering doing so. Passage of HB 339 will allow these communities the option to adopt TIF as part of their local downtown redevelopment, economic development, and infrastructure financing programs.

Thank you for the opportunity to address the Committee.

Sincerely,

Robb McCracken

Robb McCracken
Planner IV
DOC/Community Development Division

cc: Sam Hubbard, DOC
Larry Douglas, DOC

VISITORS' REGISTER

COMMITTEE

BILL NO. HB 339DATE 2/5/85

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Cheryl Buskett	Gt Falls	✓	
John C. Bolen	Great Falls	✓	
John R. Gilbert	Great Falls	✓	
Patty J. Hunsicker	" "	✓	
Michael L. McDierson	" "	✓	
Kary Hart	Billings	✓	
Tom McKerlick	"	✓	
LES PRENTICE	MISSOULA	✓	
John Craig Parkman	Missoula	✓	
Ross PLAMBECK	KALISPELL	✓	
Phil Paul	Butte-Silver Bow	✓	
Greg Jackson	Urban/Calvin	✓	
Carol Kelly	Butte	✓	
Joe Harrington	Hot Springs-Beth		✓
Al Sampson	city of MSla-	X	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

TAXATION

COMMITTEE

BILL NO. HOUSE BILL 339DATE February 5, 1985SPONSOR REPRESENTATIVE RAMIREZ

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
PAT MEURY	723 Gilbert Helena	✓	
Alan Nicholson	711 Zwickstr Dr.	✓	
Janelle Fallan	Helena	✓	
Johni Blackey	Mt. Co. ^{Bonner} Trichell		X
Jeff Steven	123 S. S. Missoula		✓
Don Cross	Billings	✓	
G. MORRIS	MHC		
Leon Staley	Missoula	✓	
Bill Verwolf	Helena	✓	
Randy Miller	Missoula	✓	

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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

COMMITTEE

BILL NO. 392

DATE _____

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
<i>Bergerson's Holiday</i>	<i>Edison Shelly's</i>		✓
<i>JOHN HASHEM</i>	<i>PARK PLAZA</i>		✓
<i>LIZ GUINN</i>	<i>PARK PLAZA</i>		✓
<i>Wayne Paffhausen</i>	<i>Butte (Copper King Inn)</i>		✓
<i>HARBHARAN SINGH</i>	<i>Butte (M. B. Hi Hotel)</i>		✓
<i>Dotty Nagda</i>	<i>Butte - Copper King Inn</i>		✓
<i>Conner Corvelli</i>	<i>Butte - Copper King Inn</i>		✓
<i>Carol Hammer</i>	<i>Butte - Copper King Inn</i>		✓
<i>RAYMOND HART</i>	<i>BILLINGS - HART HOTEL</i>	✓	
<i>Chuskeuta</i>	<i>Gr Falls</i>	✓	
<i>Al Dorio</i>	<i>" "</i>		✓
<i>JERRY FANSEN</i>	<i>Gr Falls</i>		✓
<i>John Swerby</i>	<i>Gr Falls</i>		✓
<i>Lorine Tiedt</i>	<i>Gr Falls</i>		✓
<i>Tom Mitterlick</i>	<i>Billings</i>	✓	
<i>Don Danahy</i>	<i>Butte - Silver Bow</i>	✓	
<i>Greg Jacksof</i>	<i>Urban Coeur d'Alene</i>	✓	
<i>Bill Larson</i>	<i>Spokane</i>		✓
<i>Jim Morrison</i>	<i>Idaho</i>		✓

JUDY CARLSON *ELLISTON*
 IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

TAXATION

COMMITTEE

BILL NO. HOUSE BILL 392DATE February 5, 1985SPONSOR REPRESENTATIVE WALDRON

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
MARIE DURKEE	HELENA		X
Charles McKinley	BOZEMAN	✓	
Paula Tallan	Helena		✓
W. Morris	MACO		
Leon Staley	Missoula		
Bill Verwoelf	Helena	✓	
Bland D Pratt	mt Restaurant Assoc		✓
Jodie Barker	Brink Tkt		X

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.