

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
50TH LEGISLATIVE SESSION  
HOUSE OF REPRESENTATIVES

January 16, 1987

The meeting of the Taxation Committee was called to order by Chairman Ramirez on January 16, 1987, at 9 a.m. in Room 312B of the State Capitol.

ROLL CALL: All members were present except Rep. Ellison who was excused. Also present was Dave Bohyer, Researcher, Legislative Council.

CONSIDERATION OF HOUSE BILL NO. 151: Rep. Paul Pistoria, House District 36, sponsor of the bill, told the Committee HB 151 is a simple bill to provide that taxes that fall due on a holiday or a Saturday may be paid without interest on the next business day, in accordance with 1-1-307, MCA.

PROPOSERS: There were no proposers of HB 151.

OPPOSERS: There were no opposers of HB 151.

QUESTIONS ON HOUSE BILL NO. 151: There were no questions from the committee.

CLOSING: Rep. Pistoria closed without comment.

CONSIDERATION OF HOUSE BILL NO. 84, 85, AND 173: Chairman Ramirez advised those present that HB's 84, 85, and 173 would be heard together because of their nature. He stated that after each bill the sponsor opened, the Committee would hear proposers of any of the three bills, then opposers, after which each sponsor would close. Chairman Ramirez commented that the Committee would follow this procedure whenever related bills were scheduled to be heard.

Rep. Cal Winslow, House District #89, sponsor of HB 84, explained that the bill would impose a statewide 4% tax on users of hotel, motel, or campground accommodations, which would be appropriated to the Department of Commerce to fund promotion of tourism in the state. He stated that \$4.5 million is spent each year by other states to promote travel, while Montana spends only \$1.5 million. Rep. Williams advised that by 1990 it is anticipated that tourism will be the number one industry in the world.

Rep. Winslow explained that 3% of the tax would be utilized by the Montana Promotion Division of the Department of Commerce for industry and movies. He said 1% would be

awarded to cities and towns for their own promotional purposes. He told the Committee that no general funds have been set aside for this purpose.

Rep. Harry Fritz, House District 56, sponsor of HB 85, said his bill would impose a 5% accommodations tax and that it differs from HB 81, in that it would provide \$2.4 million to the Promotional Division of the Department of Commerce, to double its present budget. He stated that \$1.75 million of the tax would go to the general fund, with distributions of \$150,000 to the Montana Historical Society, 2.5% to the University of Montana to fund travel research, 5% to the Department of Fish, Wildlife and Parks (DFWP), and 10% or \$1.2 million to local governments over the biennium.

Rep. Ben Cohen, House District 3, sponsor of HB 173, stated his bill made provision for a 5% accommodations tax, because of the impact of tourism on small communities. He distributed copies of prepared testimony in support of the bill (Exhibit #1).

PROPOSERS OF HOUSE BILLS 84, 85, AND 173: Jim Flynn, Director, DFWP, told the Committee approximately 50% of visitors to Glacier and Yellowstone National Parks are non-residents of which 43% are fishermen and 23% are hunters. He encouraged the Committee to support any of the three bills.

Al Donahue, Chairman, Governor's Tourism Advisory Council, stated his support of HB 84. He said the purpose of the Council is to oversee travel and promotion in the state. He commented that the bill is supported by the Montana Innkeepers only if tax proceeds are used for travel promotion, to make the state attractive to both business and tourism.

Pat Melby, Montana Ski Areas Association, stated his support of HB 81, for the reasons outlined by Mr. Donahue.

Sidney Frissell, Dean of the School of Forestry, University of Montana, stated that the travel industry needs a research program similar to those of agriculture, mining and timber. He proposed that the four general areas to be addressed are: (1) assessment of general economic impact; (2) identification of tourist preferences; (3) identification of new markets; (4) increased availability of recreational opportunities in the state. (Exhibit #1a)

Stuart Doggett, Montana Chamber of Commerce, stated his support of HB 84, and of the efforts of the Montana Forward Coalition.

Jo Brunner, Montana Outfitters and Guides, stated her support of HB 84

Bob Correa, Bozeman Chamber of Commerce, stated his support of HB 84, and his opposition to HB's 85 and 173. He urged the Committee not to look upon the bill as a general revenue bill, but a travel promotion bill, and to look at the long term effect.

Roland Pratt, member of the Governor's Tourism Advisory Council, stated his support of HB 84.

Phil Strobe, Montana Innkeepers Association, told the Committee the way they chose to treat HB 84 was very serious. He said the Sheraton Hotel in Billings recently went through foreclosure, and that the Copper King in Butte had closed January 15, 1987. He stated he could foresee more closures during 1987, and said \$1-5 million is needed to make a significant impact on travel promotion. (Exhibits 7,7a)

Mr. Strobe explained that SB 55, sponsored by Senator Pete Story, would authorize the creation of taxing districts, to include accommodation taxes. He said it is the opinion of the Innkeepers that 4% is the maximum acceptable accommodations tax, and that this figure is supported by the Governor. He told the Committee his organization is opposed to HB 85 and HB 173.

Terry Abalin, President, Montana Ski Areas Association, stated his support of HB 84.

Herb Brubeck, member of the Montana Innkeepers Association, stated his support of HB 84.

Vern Sayer, Colonial Inn, Helena, stated his support of HB 84. He said Montana Innkeepers are already paying for some things requested by HB 84.

Jim Manion, Montana Automobile Association (AAA), told the Committees AAA spends a large amount on annual research of tourism needs. He stated that his organization has opposed such bills in the past, but views HB 84 as a positive step.

Ken Smith, KOA Campground Owners Association, stated his support of HB 84, and his opposition to HB 85 and 173.

John Wilson, Administrator, Montana Promotion Division, Department of Commerce, stated his support of HB 84. He said the Tourism Advisory Council, of which there are 18 members, voted unanimously to support the bill. Mr. Wilson told the Committee the bill means new jobs and new travel investments via extending promotional efforts. He said that

if Montana rests on its laurels as the 40th state in the nation for travel promotion expenditure levels, it will continue to experience problems. He requested that HB's 85 and 173 be set aside for now. (Exhibit #3)

Matthew Thiel, Associated Students, University of Montana, told the Committee he is concerned over the definition of hotel and motel in HB 84, as it could be construed to include colleges. He advised there may be a need to address this language and suggested that the Committee insert "college and university dorms", after "hospitals" on line 3, page 2 of the bill (Exhibit #4).

Todd Hudak, Associated Students, Montana State University, made the same request (Exhibit #5).

OPPONENTS OF HOUSE BILLS 84, 85, AND 173: Alec Hansen, Montana League of Cities and Towns, stated his opposition to HB 84 as 100% of collections would go to the Promotion Division. He asked the Committee to recognize that a portion of the tax should go to local governments. Mr. Hansen commented that Montanans are presently subsidizing tourists, while most other states have a bed tax. He said the fiscal note indicates that a 1% tax would raise \$1.25 million.

Mr. Jim VanArsdale, Mayor of Billings, told the Committee that in 1982, voters approved by referendum, a \$1 per night occupancy fee for anyone 18 years of age or older. He advised that during the nine months in 1983 in which the fee was collected, it netted the city nearly \$700,000, or the equivalent of 7 mills. He commented that the fee was declared to be illegal by the Supreme Court and was discontinued. (Exhibit #6)

Gordon Morris, Montana Association of Counties, stated his opposition to all three bills. He stated that if the Committee were to pass any one of the bills, he would like to see the distribution proposed by HB 173.

Bob Archibald, Montana Historical Society, stated his opposition to the bills.

Janet Jessop, Division of Administration Services, City of Helena, told the Committee she opposes the bills because some revenue needs to be returned to cities and towns. She clarified that she is not opposed to the concept of the bills.

Mike Korn, Montana Arts Council, told the Committee he is an expert in folklore and life in Montana. He advised there are 7 symphonies and 25 theatres in the state, and said that

cultural heritage in Montana needs to be a major consideration in dealing with the three bills.

John Emery, Park Plaza Hotel, Helena, told the Committee he changed his mind during the hearing and decided not to support any of the bills as no one had mentioned the cost of administering the bill. He stated that 90% of transactions in renting motel rooms is done on revolving credit.

QUESTIONS FROM THE COMMITTEE ON HOUSE BILLS 84, 85 AND 173:  
Rep. Raney stated that if a city or town does not collect \$35,000, it would appear the tax would only generate use of funds for neighboring, larger cities and towns. He asked if that were fair. There was no response.

Rep. Raney asked why Rep. Winslow was proposing this distribution instead of reallocating collections to the city or town of their origin. Rep. Winslow replied that some towns are very small and would thus, generate very little income.

Rep. Keenan, asked about the 30-day limit on line 22, page 1 of HB 84. Rep. Winslow replied it is difficult to estimate the length of stay.

Rep. Keenan asked if a public lodging house, as referred to on page 2 of the bill, would include the Salvation Army or a YMCA. John Wilson, Promotion Division, replied that portion is a leftover from former Rep. Waldron's bill and could be removed from HB 84.

Rep. Keenan asked how an owner would be required to come up with fair market value, as referred to on lines 2-7, page 3 of HB 84. She asked why lines 8-9, page 3 were not changed for hospitality rooms and banquet rooms. Mr. Wilson replied that would be a luxury tax.

Rep. Sands asked if a broad-based sales tax passed, would it not include accommodations. Rep. Winslow replied that, in a sense, HB 173 provides for earmarked funds, in essence stating that a sales tax be placed on rooms.

Rep. Sands asked if there should be an earmarked tax. Phil Strobe replied that is an internal political question, and that the Committee should approve one tax or the other, but not both. He stated it was his intent to ask the Appropriations Committee to modify state per diem to pay room tax.

Rep. Hoffman asked how much the state had spent on travel promotion last year. John Wilson replied \$1.18 million had been expended, and that the Division had spending authority for \$350,000 at this time.

Rep. Hoffman asked how the cost-effectiveness of advertising was determined. Mr. Wilson replied it is very expensive to track, but Senator Himsel states that 50% of advertising works; however, we do not know which 50%.

Rep. Patterson asked Rep. Winslow if he would have state employees pay an accommodations tax. Rep. Winslow replied that he would and that one could get carried away with exemptions. He stated that the tax would be about \$1.20 if HB 84 were passed.

Rep. Harp stated that it appeared to him the proponents and opponents had switched roles during the past three sessions.

Rep. Ream asked if non-profit camps would be included. John Wilson replied that additional language would be necessary to clarify that exemption.

Rep. Asay asked what percentage of the tourist dollar goes for accommodations. John Wilson replied that dollar breaks down to 21% for travel, 20% for lodging, 32% for food, and 27% for other services. Mr. Donahue stated he thought 20% would be the norm throughout the state. Alec Hansen stated that a University of Montana report from 1983, indicated that figure to be about 23%.

Rep. Raney asked how dude ranches and outfitters would be taxed on fair market value. John Wilson replied that it did not seem probable, but that one could look at similar facilities.

Rep. Koehnke asked if the Promotion Division had a presentation on exactly where such expenditures are made. John Wilson replied that Promotion Division does have a presentation which he would make available to the Committee, at its request.

CLOSING ON HOUSE BILLS 84, 85, AND 173: Rep. Winslow told the Committee they are faced with the choice in order to not stagnate as a state. He said 75% of Montana tourists came to the state only because the road passes through on the way to their destination. Rep. Winslow stated the Committee needs to decide where dollars should be distributed, and said local governments will gain from increased tourism.

Rep. Fritz stated that economic development should involve all agencies in government. He commented that HB 85 spreads the wealth among all agencies and involves everyone. He advised the Committee that tourist dollars multiply 79 times, according to an article he had read from the New Mexico travel promotion unit. He stated that it is more than mere advertising when dollars are put into development

of historical sites, and that he sees the bill as an economic development measure for an industry vital to the state.

Rep. Cohen recommended that committee members call their area innkeepers. He stated that as long as 4% of a tax would be provided to promote tourism, he would support an additional tax for other endeavors outlined in HB 173. He commented that he is looking for a bi-partisan travel promotion bill out of the Taxation Committee.

Chairman Ramirez advised those present that HB's 84, 85, and 173, would be held in subcommittee until related bills are heard. He pointed out that executive action would be taken on all selective sales tax bills simultaneously.

EXECUTIVE SESSION:

DISPOSITION OF HOUSE BILL NO. 148: Rep. Gilbert made a motion that HB 148 DO PASS.

Rep. Williams made a substitute motion that the Committee approve an amendment to remove language affecting the bonding issue (Exhibit #8).

Rep. Ream asked if the amendment would affect the fiscal note. Rep. Williams replied that it would. The motion made by Rep. Williams CARRIED unanimously.

Rep. Gilbert made a motion that HB 148 DO PASS AS AMENDED. Rep. Williams made a substitute motion to TABLE HB 184. The motion made by Rep. Williams FAILED 12-3 (roll call vote attached).

Rep. Gilbert stated that if there were no committee consensus on the bill, processing would be delayed. Rep. Williams replied that he did not think so.

Rep. Harp stated his support of the bill, and said there is a need to reduce property taxes, to implement a sales tax, and to increase revenue in new ways. He advised he thought the bill would be a good management tool, as it would take funds from several sources to get the budget into balance.

Rep. Keenan said she wished to remind the Committee what the Constitution states concerning the coal trust.

Rep. Harrington stated if coal trust funds are used, they should be used for current level funding only. He reminded the Committee that during the 1985 Special Session, the Legislature would not touch coal tax dollars.

Rep. Raney asked Rep. Asay how the coal severance tax could be reduced if the Legislature uses the funds to balance the budget. There was no response.

Rep. Gilbert stated that the question is too important for the Taxation Committee alone to answer.

Chairman Ramirez told the Committee he would vote against the motion, and said Rep. Gilbert had an extremely important point. He stated that if the Committee passed the bill and it went on to second reading in the House to get the House vote, it might even get the Senate vote. He commented that if the House Taxation Committee sent out an adverse committee report, it could kill the bill.

Rep. Keenan made a substitute motion for all motions pending that HB 148 DO NOT PASS AS AMENDED. The motion CARRIED 10-8 (roll call vote attached).

DISPOSITION OF HOUSE BILL NO. 151: Rep. Raney made a motion that HB 151 DO PASS. The motion CARRIED unanimously.

ADJOURNMENT: There being no further business to come before the committee, the hearing was adjourned at 11:40 a.m.

  
Representative Jack Ramirez  
Chairman



## DAILY ROLL CALL

HOUSE TAXATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date Jan 16, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. RAMIREZ			
REP. ASAY	✓		
REP. ELLISON			✓
REP. GILBERT	✓		
REP. HANSON	✓		
REP. HARP	✓		
REP. HARRINGTON	✓		
REP. HOFFMAN	✓		
REP. KEENAN	✓		
REP. KOEHNKE	✓		
REP. PATTERSON	✓		
REP. RANEY	✓		
REP. REAM	✓		
REP. SANDS	✓		
REP. SCHYE	✓		
REP. WILLIAMS	✓		

# STANDING COMMITTEE REPORT

JANUARY 16

19 87

Mr. Speaker: We, the committee on HOUSE TAXATION

report HOUSE BILL 148

☐ do pass  
☒ do not pass

☐ be concurred in  
☐ be not concurred in

☒ as amended  
☐ statement of intent attached

Rep. Jack Ramirez

Chairman

Be amended as follows:

1. Title, line 4.  
Following: "TRANSFERRING"  
Insert: "THE AMOUNT OF REVENUE COLLECTED FROM"
2. Title, lines 5 and 6. ¶ following: "COLLECTIONS" on line 5.  
Strike: "WHICH WOULD BE DEPOSITED IN"  
Insert: "FROM"
3. Page 2, lines 3-8.  
Strike: subsection (3) in its entirety  
Insert: "(3) The state treasurer shall transfer from the coal severance tax permanent fund, created in 17-5-703(1)(b), but not from the in-state investment fund created in 17-6-306, to the general fund an amount equal to the coal severance tax collections for the quarters ending December 31, 1986 and March 31, 1987."
4. Page 2, line 16.  
Following: "October 1,"  
Strike: "1988"  
Insert: "1987"

# STANDING COMMITTEE REPORT

JANUARY 16

19 87

Mr. Speaker: We, the committee on HOUSE TAXATION

report HOUSE BILL 151

☒ do pass  
☐ do not pass

☐ be concurred in  
☐ be not concurred in

☐ as amended  
☐ statement of intent attached

Rep. Jack Ramirez

Chairman

POSTPONE APPOINTED ACTION FALLING ON SATURDAY UNTIL NEXT  
BUSINESS DAY.

**FIRST**

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# ROLL CALL VOTE

HOUSE TAXATION

COMMITTEE

DATE 1-16-87 BILL NO. HB

NAME	ABSTAIN	AYE	NAY
RAMIREZ, REP. JACK			✓
ASAY, REP. TOM			✓
ELLISON, REP. ORVAL		✓	
GILBERT, REP. BOB		✓	
HANSON, REP. MARION			✓
HARP, REP. JOHN		✓	
HARRINGTON, REP. DAN			✓
HOFFMAN, REP. ROBERT			✓
KENNAN, REP. NANCY			✓
KOEHNKE, REP. FRANCIS			✓
PATTERSON, REP. JOHN		✓	
RANEY, REP. BOB			✓
REAM, REP. BOB			✓
SANDS, REP. JACK		✓	
SCHYE, REP. TED			✓
WILLIAMS, REP. MEL		✓	
TALLY		6	10

Joann Banschbach  
Secretary

Rep. Jack Ramirez  
Chairman

Motion: Gilbert - DPAA

Date Jan 15 87

3/27

I am requesting that I be excused from Taxation Committee meeting this date, because of other commitments.

       I do not desire to leave a proxy vote.

  K   I desire to leave a proxy vote with Representative Samuel.

(Y) (N) (A)

Indicate Bill Number and Aye, Nay, or Abstain:

HB#	Y	N	A	HJR#	Y	N	A	SB#	Y	N	A	SJR#	Y	N	A
148	✓														

Special Instructions: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rep. David S. Ellison  
(Signature)

House Transportation Committee  
January 16, 1987

EXHIBIT #1  
DATE 1-16-87  
HB 173

The Montana Travel Industry, 1983

Prepared for  
Montana Promotion Division  
Department of Commerce  
and  
Governor's Council on Economic Development

Richard Dailey  
Bureau of Business and Economic Research  
University of Montana  
Missoula, Montana

October 1984

Table 19

Travel-Related Employment in Counties with One  
Percent or More of Total State Travel Employment,  
Montana, 1982

	<u>Number of Travel Jobs in County</u>	<u>Percent of State Travel Employment in County</u>	<u>Percent of County Employment Which is Travel Related</u>
1 Yellowstone	3,095	15.4	5.3
2 Gallatin	2,251	11.2	10.0
3 Flathead	2,171	10.8	10.1
4 Cascade	1,849	9.2	4.9
5 Silver Bow	1,367	6.8	9.2
6 Missoula	1,327	6.6	3.9
7 Glacier	1,306	6.5	23.0
8 Lewis and Clark	1,005	5.0	4.3
9 Park	663	3.3	12.0
10 Dawson	583	2.9	8.4
11 Richland	402	2.0	5.2
12 Beaverhead	382	1.9	9.9
13 Custer	302	1.5	4.7
14 Hill	302	1.5	3.4
15 Roosevelt	302	1.5	5.8
16 Fergus	281	1.4	4.9
17 Madison	241	1.2	9.5
18 Lincoln	221	1.1	3.6
All other	2,150	10.2	NA
Total	20,200	100.0	5.5

Source: Based on data from U.S. Bureau of Economic Analysis, Regional Economic Information System, unpublished data, April 1984.

Table 21

Selected Characteristics of Travel-Related Industries,  
Montana, 1977 and 1982

Industry	1977			1982			Percent Change	
	Number of Establishments	Number of Employees <sup>a</sup>	Sales (\$1,000)	Payroll (\$1,000)	Number of Establishments	Number of Employees <sup>a</sup>	Number of Establishments	Number of Employees
Restaurants and lunchrooms SIC 5812 A	636	8,359	120,722	32,950	687	10,114	8.0	21.0
Refreshment places SIC 5812 B	408	4,059	61,085	14,372	505	5,918	23.8	45.8
Drinking places (alcoholic beverages) SIC 5813	719	3,671	74,617	14,459	671	3,950	-6.7	7.6
Gasoline service stations SIC 5541	752	3,195	249,027	18,853	528	2,923	-29.8	-8.5
Hotels, motor hotels, motels SIC 7011	458	5,757	93,902	24,275	433	6,615	-5.5	14.9

Sources: U.S. Bureau of the Census, Preliminary Reports, 1982 Census of Retail Trade and 1982 Census of Service Industries.

<sup>a</sup>For pay period including March 12.



<u>Industry</u>	<u>1982 Receipts</u>	<u>Price Adjustment</u>
Hotels and motels	\$ 156,441,000	\$ 161,478,000
Eating and drinking places	392,529,000	409,683,000
Gasoline service stations	<u>399,439,000</u>	<u>386,098,000</u>
Total	\$ 948,409,000	\$ 957,259,000

The figures were adjusted according to changes in the Consumer Price Index to obtain a rough estimate of 1983 receipts. Our estimate of total travel expenditures in Montana in 1983 is \$814 million. If we apply the percentage of breakdown of expenditures from the Old West Commission Survey (table 9), to that total we arrive at expenditures per industry as follows:

	<u>Total</u>	<u>Nonresident</u>
Hotels and motels (23.1%)	\$ 188,000,000	\$ 98,000,000
Eating and drinking places (24.7%)	201,000,000	104,000,000
Gasoline service stations (22.7%)	<u>185,000,000</u>	<u>96,000,000</u>
Total	\$ 574,000,000	\$ 298,000,000

It is obvious at first glance that the hotel and motel expenditure figures exceed estimated receipts of hotels and motels in 1983. But some of the difference -- perhaps all -- is because our expenditure estimates for hotels and motels are for lodging only. Some of the expenditures attributed to eating and drinking also were made in hotels. The total expenditure figure for the three industries, \$574 million, is equal to 60 percent of their total receipts. That is, our estimates of expenditures by nonresident and resident travelers account for 60 percent of the estimated total receipts of these three heavily travel-oriented industries. Non-resident expenditures alone amounted to 31 percent.

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## STATE OF MONTANA

REQUEST NO. FNN407-85

## FISCAL NOTE

Form BD-15

In compliance with a written request received February 11, 1985, there is hereby submitted a Fiscal Note for S.B. 367 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION

An act imposing a statewide 5% tax on the users of hotel, motel, or tourist campground accommodations; providing for distribution of the tax proceeds for Montana tourist promotion and for counties and cities; and providing an effective date and an applicability date.

ASSUMPTIONS

1. The "Montana Travel Industry, 1983" published by the Bureau of Business and Economic Research (University of Montana) estimates that gross receipts on Montana hotels and motels were \$188 M in 1983. This estimate is assumed to apply to future years.
2. 218 private campgrounds are listed in Montana Accommodations Guide. The average campground accommodates 45 recreational vehicles and 15 tents. The average price for one R.V. is \$8 and for a tent \$5. The campgrounds are assumed to have a 5 month season with 63% occupancy. Gross receipts are estimated to be \$8,962,435.
3. Costs of administering the new tax are estimated to be approximately \$40,000 annually. These costs would be recovered from tax collections.
4. Only 3 quarters of tax would be collected in FY86 due to the effective date of the proposal.

FISCAL IMPACT

	FY1986		FY1987		
	Under	Proposed Law	Under	Proposed Law	Difference
	Current Law		Current Law		
Hotel/Motel Tax	0	\$7,386,054	0	\$9,848,072	\$9,848,072
Fund Information:					
Travel Promotion/Revenue	0	\$1,107,908	0	\$1,477,211	\$1,477,211
Local Governments	0	\$6,278,146	0	\$8,370,861	\$8,370,861

*David L. Hunter*

BUDGET DIRECTOR  
Office of Budget and Program Planning

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INTRODUCED BY *Senator Bill No. 367*  
*Donna L. G. Walker*  
*Donna L. G. Walker*

4 A BILL FOR AN ACT ENTITLED: "AN ACT IMPOSING A STATEWIDE 5  
5 PERCENT TAX ON THE USERS OF HOTEL, MOTEL, OR TOURIST  
6 CAMPGROUND ACCOMMODATIONS; PROVIDING FOR DISTRIBUTION OF THE  
7 TAX PROCEEDS FOR MONTANA TOURIST PROMOTION AND FOR COUNTIES  
8 AND CITIES; AND PROVIDING AN EFFECTIVE DATE AND AN  
9 APPLICABILITY DATE."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Definitions. For purposes of [this act],  
13 the following definitions apply:

14 (1) "Hotel" or "motel" means a building containing  
15 individual sleeping rooms or suites, providing overnight  
16 lodging facilities to the general public for compensation.  
17 The term includes a facility represented to the public as a  
18 hotel, motel, resort, inn, guest ranch, or public  
19 lodginghouse. The term does not include a roominghouse,  
20 retirement home, or other multi-unit structure that is  
21 rented on other than a daily or weekly basis.

22 (2) "Tourist campground" means a place used for public  
23 camping, primarily by automobile tourists, where persons may  
24 camp, secure tents, or park individual trailers or truck  
25 trailers for camping and sleeping purposes. The term does

1 not include a trailer court, trailer park, or mobile home  
2 park intended for occupancy by trailers or mobile homes for  
3 nonrecreational dwelling purposes.

4 Section 2. Tax rate. There is imposed on the user of  
5 a hotel, motel, or tourist campground a tax at a rate equal  
6 to 5% of the accommodation charge collected by the hotel,  
7 motel, or tourist campground.

8 Section 3. Collection and reporting. (1) The owner or  
9 operator of a hotel, motel, or tourist campground shall  
10 collect the tax imposed by [section 2].

11 (2) The owner or operator shall report to the  
12 department of revenue, at the end of each calendar quarter,  
13 the gross receipts collected during that calendar quarter  
14 attributable to accommodation charges for the use of the  
15 hotel, motel, or tourist campground. The report is due  
16 within 30 days following the end of each calendar quarter  
17 and must be accompanied by a payment in an amount equal to  
18 the tax required to be collected under subsection (1).

19 Section 4. Failure to pay or file -- penalty --  
20 interest. (1) An owner or operator of a hotel, motel, or  
21 tourist campground who fails to file the report as required  
22 by [section 3] must be assessed a penalty of 5% of the tax  
23 that should have been collected during the calendar quarter.  
24 Upon a showing of good cause, the department may waive the  
25 penalty.

1 (2) An owner or operator of a hotel, motel, or tourist  
 2 campground who fails to make payment or fails to report and  
 3 make payment as required by [section 3] must be assessed a  
 4 penalty of 10% of the amount that was not paid. Upon a  
 5 showing of good cause, the department may waive the penalty.  
 6 (3) If an owner or operator of a hotel, motel, or  
 7 tourist campground fails to file the report required by  
 8 [section 3] or if the department of revenue determines that  
 9 the report understates the amount of tax due, the department  
 10 may estimate the actual amount of the tax due and assess  
 11 that amount against the owner or operator.  
 12 (4) The amount required to be paid under [section 3]  
 13 accrues interest at the rate of 1% a month until paid.

14 Section 5. Distribution of tax proceeds. The proceeds  
 15 of the tax imposed by [section 2] must be distributed each  
 16 year as follows:

17 (1) 15% to be divided as follows:

18 (a) actual costs of administering [this act] to the  
 19 department for that purpose; and

20 (b) the balance to the department of commerce for  
 21 Montana travel promotion purposes;

22 (2) 35% to municipal and county governments in  
 23 accordance with the formula set forth in 7-6-307; and

24 (3) 50% to the municipality in which the tax was  
 25 collected or, if the tax was collected in an unincorporated

1 area, to the county in which the tax was collected.  
 2 Section 6. Extension of authority. Any existing  
 3 authority of the department of revenue to make rules on the  
 4 subject of the provisions of this act is extended to the  
 5 provisions of this act.  
 6 Section 7. Codification instruction. Sections 1  
 7 through 5 are intended to be codified as an integral part of  
 8 Title 15, and the provisions of Title 15 apply to sections 1  
 9 through 5.  
 10 Section 8. Effective date -- applicability. This act  
 11 is effective July 1, 1985, and applies to calendar quarters  
 12 beginning on or after July 1, 1985.

-End-

Rep. Cohen

HB 173

1-16-87

Tourism Caucus -

Attendance 6/19

1-16-87

EX #1  
HB 173

Cal Winslow

Dorothy Eck

Ben Cohen

Ray Lybeck

Larry Spruth

Nelson

Sam Miller

Mary Lou Peterson

Ron Bendewie

Benny Hwang

Paul RAPP-SURCEK

Joe O'Hara

John Nolan

Kenit Smith

Max Conover

Mary Ellen Connelly

Gay Hurliday

Bob Ream

Paula Marko

Bob Roney

Stella Jeant Hansen

Paul F. Jones

Jim Brown

Bruce Simon

H. K. Pincus and H. K. Sen. Pincus

Bob Brown

Mike Pallyan

Eliel Hurliday  
Mary Ellen Connelly  
? Doupts.  
Harry Fritz

#1a  
EXHIBIT  
DATE 1-16-87  
HB 84

TESTIMONY BEFORE HOUSE OF REPRESENTITIVES TAXATION COMMITTEE  
HEARING ON ACCOMMODATIONS TAX BILLS

January 16, 1987

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE.

MY NAME IS SIDNEY FRISSELL. I AM DEAN OF THE SCHOOL OF FORESTRY  
AND DIRECTOR OF THE MONTANA FOREST AND CONSERVATION EXPERIMENT  
STATION AT THE UNIVERSITY OF MONTANA IN MISSOULA.

I APPEAR AT THE REQUEST OF THE SPONSOR TO SPEAK TO YOU IN BEHALF  
OF HOUSE BILL 85, PARTICULARLY IN REFERENCE TO THE PORTIONS  
DEALING WITH THE ESTABLISHMENT OF A TOURISM AND TRAVEL RESEARCH  
PROGRAM.

ALL OF THESE BILLS INVOLVE ACQUIRING REVENUE TO SUPPORT THE  
TRAVEL PROMOTIONS BUREAU. I SUPPORT THAT OBJECTIVE FULLY. THE  
FUNCTIONS OF THE BUREAU ARE MOST CRITICAL IN THE FUTURE  
DEVELOPMENT AND MARKETING OF MONTANA'S TOURISM RESOURCES. THE  
BUREAU'S PROGRAMS ARE DEVELOPED IN CLOSE COOPERATION WITH THE  
TRAVEL ADVISORY COUNCIL--REPRESENTING THE INDUSTRY ITSELF. THIS  
IS A MOST PRODUCTIVE COMBINATION. BUT FOR LONG-TERM GROWTH IN

THE INDUSTRY, I MUST STRESS THE NEED FOR A THIRD COMPONENT--AND THAT IS A RESEARCH, INFORMATION-GATHERING PROGRAM.

THE STATE'S AGRICULTURAL INDUSTRY IS SUPPORTED BY A FLOW OF NEW IDEAS AND INNOVATIONS FROM THE AGRICULTURAL EXPERIMENT STATION AND EXTENSION SERVICE. THE MINING INDUSTRY IS SUPPORTED BY THE BUREAU OF MINES. THE TIMBER INDUSTRY CAN LOOK TO THE US FOREST SERVICE RESEARCH STATIONS AND THE SCHOOL OF FORESTRY'S MONTANA FOREST AND CONSERVATION EXPERIMENT STATION FOR ASSISTANCE WITH MANAGEMENT PROBLEMS AND INFORMATION NEEDS. THE TOURISM AND TRAVEL INDUSTRY NEEDS ITS OWN RESEARCH PROGRAM TO PROVIDE THE NECESSARY BACKGROUND INFORMATION ON WHICH THE STRONGEST POSSIBLE PROMOTION AND DEVELOPMENT EFFORT CAN BE BUILT.

RESEARCH SHOULD BE DIRECTED IN FOUR GENERAL AREAS;

1. ASSESSMENT OF THE ECONOMIC IMPACT OF THE TOURISM INDUSTRY IN MONTANA. HOW MUCH DOES THE INDUSTRY CONTRIBUTE TO THE STATE'S ECONOMY, HOW IS THIS CONTRIBUTION DEVELOPING? WE NEED A "TRAVEL BAROMETER" TO KEEP TRACK OF THE INDUSTRY, ITS HEALTH AND GROWTH.

2. IDENTIFICATION OF TOURIST PREFERENCES FOR RECREATIONAL DEVELOPMENTS AND FACILITIES. A BETTER UNDERSTANDING OF WHAT TOURISTS SEEK IN MONTANA CAN HELP STATE AND AND FEDERAL RECREATION AGENCIES AND THE PRIVATE RELATED TOURISM INDUSTRY OWNERS MORE EFFECTIVELY PLAN AND DEVELOP PROGRAMS TO ENHANCE THE INDUSTRY. GOOD TOURIST PREFERENCE DATA IS NECESSARY TO MINIMIZE UNNECESSARY DUPLICATION OF FACILITIES, TO AVOID UNSUCCESSFUL DEVELOPMENTS, AND TO BE SURE WE DON'T MISS OUT ON PROGRAMS AND FACILITIES WITH HIGH POTENTIAL TO ATTRACT VISITORS.

3. IDENTIFICATION OF NEW MARKETS AND EFFECTIVENESS OF ALTERNATIVE MARKETING STRATEGIES. HOW CAN THE RESOURCES OF THE TRAVEL PROMOTION BUREAU BE USED MOST EFFECTIVELY? HOW DO PEOPLE RESPOND TO CURRENT ADVERTISING APPROACHES? WHAT NEW MARKETING STRATEGIES MIGHT USED? WHERE ARE THERE NEW UNTAPPED MARKETS WHICH SHOULD BE APPROACHED. THE TRAVEL PROMOTION BUREAU ALREADY UTILIZES SUCH INFORMATION TO THE EXTENT IT IS AVAILABLE. MUCH MORE COULD BE DONE WITH MORE INDEPTH STUDIES.

4. HOW CAN WE INCREASE THE AVAILABILITY OF



RECREATIONAL OPPORTUNITIES IN THE STATE WHILE INSURING THE MAINTENANCE OF THE VERY RESOURCE VALUES WHICH ARE ATTRACTIVE TO TRAVELERS--OUR MOUNTAINS, RANGELANDS, WATERWAYS, PARKS, WILDERNESS AREAS, AND WILDLIFE. WHAT AREAS IN THE STATE ARE VISITED? HOW SATISFIED WERE THE VISITORS? DID THEY FIND SATISFACTORY RESOURCES AND ACCOMMODATIONS? HOW MIGHT THEIR EXPERIENCES HAVE BEEN IMPROVED. HOW CAN WE INSURE THEIR RETURN VISITS AND THAT THEY WILL BRAG ABOUT MONTANA TO THEIR FRIENDS?

THE TRAVEL AND TOURISM INDUSTRY IN MONTANA IS A GOOD INVESTMENT. OUR RECREATIONAL AND SCENIC RESOURCES ARE VALUABLE ASSETS TO OUR ECONOMY. BETTER SUPPORT FOR THE PROMOTION OF MONTANA'S RECREATIONAL ATTRACTIONS AND TOURIST SERVICES IS A KEY STEP IN ENHANCING ECONOMIC GROWTH. BUT RESOURCE DEVELOPMENT, NEW DIRECTION IN TRAVEL PROMOTIONS, AND INDUSTRY GROWTH MUST BE SUPPORTED BY SOUND RESEARCH DATA. I URGE YOU TO CONSIDER DEDICATION OF A PORTION OF THE PROPOSED TAX TO A RESEARCH EFFORT. IT IS NOT TAKING MONEY AWAY FROM THE TRAVEL INDUSTRY--IT IS RATHER A WAY OF IMPROVING THE CHANCES OF INDUSTRY GROWTH.

1-16-87

HB 84

EX

EXHIBIT: #3  
DATE 1-16-87  
HB 84

**TESTIMONY HB84**

Department of Commerce  
John Wilson, Administrator  
Montana Promotion Division  
for Keith Colbo, Director

Mr. Chairman, Members of the Committee.

House Bill 84 has the support of the Governor.

The genesis of this legislation lies with the Governor's Tourism Advisory Council. That Council made up of 18 members of the Montana tourism industry, including the Montana Innkeepers Association, the Montana Campground Owners Association, the Ski Area Operators Association, the Restaurant Association, the Outfitters & Guides Association, the Montana Chamber of Commerce and others, unanimously recommended to the Governor that a 4% statewide accommodations tax be levied for the exclusive purposes of tourism promotion and motion picture location promotion. This is a Montana travel industry supported bill.

The reasons for their support are direct.

Tourism is currently the "bright spot" in Montana's economy. Its potential as a growth industry has not begun to be realized. Continued and accelerated growth means more income for existing travel industry businesses. It means new jobs; it means new capital investments and it means a broader, more diversified Montana economy. To make those things happen it is imperative that the state increase its promotion.

Montana faces stiff competition from other states, Canadian provinces and other countries for those lucrative tourism and motion picture dollars. Simply put, if Montana rests on its laurels, remains 40th in the nation in terms of its financial commitment to tourism promotion, there is a very real risk that this "bright spot" industry may fade.

With HB84 the travel industry has taken the "bull by the horns." They realize that an increase in tourism promotion from the general fund would be imprudent and virtually impossible. Therefore, they have agreed to levy a tax on their own industry to fund tourism promotion.

There are others with legitimate and pressing needs who would like to lay claim to the revenues produced by this proposed legislation. We recognize those needs. Yet we ask you to resist them.

HB84 is a positive growth signal to Montana's tourism businesses. It is a positive growth signal to all Montana businesses that you are serious about attracting new dollars to the state to keep existing businesses healthy and encouraging demand for businesses to open.

It is the administration's position that the tax remain at 4% and that it be used for the purposes outlined in HB84. By doing so you will be doing something positive for Montana business.

Director Colbo asked that I make you aware that the Executive Budget request for tourism promotion and movie location promotion

is based upon passage of HB84. If this legislation is not received favorably by this committee and the Legislature as a whole then General Fund monies would have to be used for this function.

We urge you to send a positive growth signal.

EX #4  
1-16-87  
HB84

WITNESS STATEMENT

NAME MATTHEW THIEL BILL NO. 84 85  
ADDRESS 676 N. DAVIS RD 3 DATE Jan 16, 87  
WHOM DO YOU REPRESENT? AS. STUDENTS - UFM  
SUPPORT \_\_\_\_\_ OPPOSE \_\_\_\_\_ AMEND X

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

ASUM DOES NOT OPPOSE HB 84,  
HOWEVER WE ~~WE~~ WOULD LIKE TO  
EXPRESS OUR CONCERN OVER  
THE DEFINITION OF "HOTEL" OR "MOTEL"  
WHICH COULD INCLUDE DORMITORIES  
ON COLLEGE OR UNIVERSITY CAMPUSES.  
WE ASUM WOULD LIKE TO SEE THIS  
BILL AMENDED TO EXCLUDE  
COLLEGE OR UNIVERSITY DORMITORIES  
FROM THE DEFINITION OF "HOTEL" OR "MOTEL".

- (OVER)
- SOME DORMS DO NOT PROVIDE TO STUDENTS  
FOR PERIODS OF LESS THAN 30 DAYS  
SUCH AS SUMMER HALL AT UFM.
  - THIS MAY ALSO AFFECT SUMMER SESSION  
DORMITORY USE
  - FREDERICK UNIVERSITY DORMS DO NOT  
COMPARE WITH HOTELS DIRECTLY BECAUSE  
THEY ~~DO NOT~~ PROVIDE A PRIVATE BATH FOR ONLY  
STUDENTS.

AMENDMENT:

ADD "College or University Degree"  
~~AFTER~~ HOSPITAL ON line 3 of  
PAGE 2.

Ex #5  
1-16-87  
HB84

WITNESS STATEMENT

NAME Todd Hudon BILL NO. 100-1000  
ADDRESS 201 E 4th St, Room 100 DATE 1-16-87  
WHOM DO YOU REPRESENT? Asst. Sec. for Int. Affairs, State of Alaska  
SUPPORT \_\_\_\_\_ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

*[Faint handwritten notes, possibly mentioning "Hudon" and "State of Alaska"]*

#6  
DATE 1-16-87  
HB 84-85-173  
HOTEL-MOTEL TAX  
HB84, 85 & 173  
January 16, 1987

Mr. Chairman and committee members. My name is Jim VanArsdale, Mayor of the City of Billings.

Billings is the pioneer in Montana in establishing a hotel-motel lodging fee. In 1983 our voters approved by referendum a \$1.00 per adult (anyone over 18 years of age) per night occupancy fee.

Even then the \$1.00 per night was a minor fee compared to lodging taxes one would pay in other communities outside of Montana.

The occupancy fee, as we called it, was in force almost 9 months in 1983 and generated nearly \$700,000, which was equivalent to nearly 7 mills. After 9 months of collecting this fee without problems, the Supreme Court declared it illegal, saying that it was a sales tax.

Plans were to use the proceeds to defray some of the general fund costs which visitors create for the city such as police, fire and street maintenance. Our ordinance also called for 10% to 20% of the proceeds to go for promotion of tourism and/or conventions.

Even though the Supreme Court halted our lodging tax, the city funded with the money already collected, through the Chamber of Commerce, a Tourism and Convention Council and also funded a video for promoting the county's facility, METRA.

I am glad to see so many legislators recognizing that a hotel-motel fee is an appropriate mechanism to tax visitors so that they share in some of the costs that are created by visitors to our



community, and also for further promotion of business and tourism.

There are several important principals, however, that should be kept in mind when considering alternative bills including:

1) Visitors impose costs for police, fire, traffic control and street maintenance on local governments so a very substantial portion of taxes collected should go back to the point of collection to cover such costs. This would aid local governments in reducing property taxes which mainly pay for these costs now.

2) A statewide lodging tax should allow a local option add-on and should not be so high as to preclude an add-on tax by a local government.

3) The economic times in Montana dictate that we guard revenue generating ideas so that they can be best utilized to aid the taxpayer in Montana. We can no longer afford to fund special interest groups whose interest lies outside the local taxpayer.

There will be additional hotel-motel bills submitted later in the session that will deal effectively with these concerns. I urge you to keep these concerns in mind when you decide on a final bill.

HB84 fails totally to recognize cost impacts of tourists to local governments. HB84's 25% allocation to promote tourism at the local level is unduly complex and confusing and promotes special interest groups.

HB85 - This bill pays 40% of collections to the state general fund. The financial impacts, however, are primarily to local governments. The 10% proceeds going to local government for local travel promotion is inadequate to deal with costs imposed for services.

HB173 - The 6% tax rate, in my estimation, is too high and precludes a local option add-on. This bill better recognizes the impact of tourism on local governments by returning 33% of the revenue. I feel that the 66% which is earmarked for the Department of Commerce should be distributed with a greater ratio to local governments to help fund the needed services and lower property taxes.

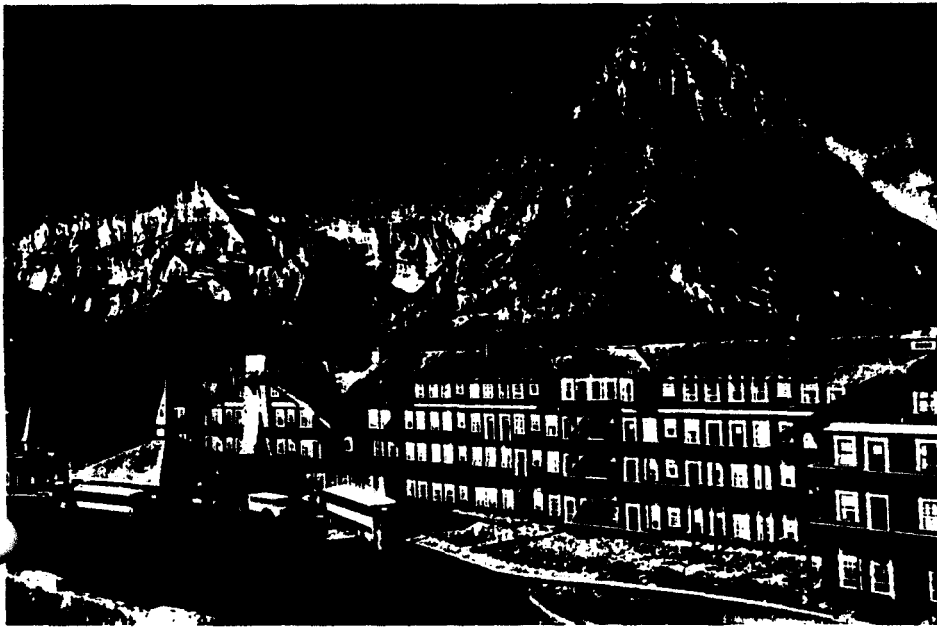
EX  
not Sukpro  
1-16-87  
HB 84

# Inside

Volume 1 Number 6  
November - December 1986

EXHIBIT #7  
DATE 1-16-87  
HB 84

PUBLISHED BY THE MONTANA DEPARTMENT OF COMMERCE



*Swiftcurrent Lake in Montana's Glacier National Park is dominated by 7,716 foot-high Grinnell Point, known to the Blackfeet Indians as Fishercap. Many Glacier Hotel, long known as the "Showplace of the Rockies," is located on the shore of the alpine lake.*

Tourism income and jobs continued to grow in 1985 and 1986. Leading indicators including highway traffic counts, airport enplanements, Amtrak passenger counts and motorcoach tours all posted gains. Increased tourism levels fueled construction of new hotels, motels, resorts and campgrounds together with expansion of downhill and cross country ski facilities.

Total travel expenditures by residents and nonresidents is expected to top \$900 million in 1986, and more than 20,200 travel-related jobs are a direct result of these expenditures.

## Marketing

The Montana Promotion Division continues to hone a finely targeted, multi-faceted marketing program. Advertising, publicity, group tour marketing and promotional publication design are all targeted toward Montana's "best prospects."

To derive maximum return per advertising dollar, advertisements are targeted to consumers whom marketing studies and practical experience have shown to be most likely to visit Montana. Promotions have prompted increases in travel information requests in spite of higher advertising and production costs and budget cuts, which resulted in a decrease in the total circulation for magazine advertising campaigns. Cooperative advertising programs with Wyoming, Alberta, the Old West Trail Association and the private sector stretch Montana's advertising dollar.

With the advent of the Build Montana program the division has undertaken an aggressive publicity campaign. The program is designed to obtain feature coverage on Montana's vacation opportunities in magazines, newspapers and on television. The results have been dramatic. For a

minimal investment the state has generated more than \$1.4 million in tourism publicity from 1984 through June 1986.

## Group travel

The division also actively markets the state as a group travel destination. In addition to publishing "nuts and bolts" group tour planning guides, an aggressive, award-winning marketing program is in place to lure tour companies to Montana. The American Bus Association estimated that Montana reaped over \$65 million in direct expenditures from groups traveling through the state in motorcoaches in 1983 and motorcoach tours are at an all time high.

## Film and television

Revenues from film locations in Montana have risen dramatically since 1984. The division actively markets the state as a location for all types of filming, with the state hosting everything from commercials for Japanese beer to Avon products to Paramount Pictures features. The 1985 and 1986 success relies on the unique locations and "filmability" of the state and the around-the-clock location scouting services provided by the division.

"Montana can be proud of the growth its tourism industry has shown in the last two years," said John Wilson, division administrator. A teamwork approach between the state and the private sector has sown the seeds of that growth. Wilson sees the competition between the states for tourism dollars growing but is optimistic that Montana can meet this increased competition.

Inside Commerce is published six times a year as an informational and educational tool for Montanans interested in public policy implementation through the Department of Commerce.

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# In this issue

Coal tax trust fund

Governor's Council  
recommendations

Agricultural conference

# Perspectives

*Neal R. Peirce founded the National Journal in 1969 and is now a contributing editor. Peirce's columns on state and local government themes are syndicated by the Washington Post Writers Group and appear in more than 150 newspapers. He has lectured throughout the U.S. and is often a guest of national television and radio news programs. In 1983, he co-authored with Jerry Hagstrom The Book of America: Inside Fifty States Today.*

*The following remarks were drawn from a presentation Mr. Peirce made at the conclusion of a two-day conference on "Taxation and the Montana Economy" co-sponsored by Montana State University and the University of Montana, September 5-6, 1986, in Helena.*



Is Montana a high tax state? That was the central topic of the conference research paper and of the discussions that followed. The message of the very scholarly, careful report done before the conference, and from all the speakers, Montanans and outsiders alike, is that if you calculate Montana's tax as if energy taxes were paid by individuals, then this is a high tax place to live. But if you accept the logic—and I find it rather compelling—that energy taxes are largely exported to other states, then Montana, if not a low tax state, is at least an average tax state, the main aberration being that property taxes are a little higher than average to make up for the absence of a state sales tax. And, average Mr. and Mrs. Montana, comparing their tax lot to counterparts in other Rocky Mountain states or across the country, don't have a great deal to complain about. This is especially true in view of a fairly impressive level of services for such a sparse population.

I hope that Montanans, at large, will make note of the counsel offered on the sales tax question. All visitors, conservative, liberal and middle-of-the-road alike, mostly agreed that the time for the sales tax is at hand. The fact is, to outsiders it makes precious little sense for Montanans to maintain blanket opposition to the sales tax, especially when Montana is in such dire fiscal circumstances. A sales tax, a rather telling point was made, is of scarcely any concern at all to business firms, either large or small ... the state's real problem, from a competitive point of view, may be its nominal top income tax bracket of 11 percent.

Some very thoughtful advice was offered throughout the conference about how a sales tax could be instituted with sufficient exemptions, including food and clothing and prescriptions, to prevent it being a regressive instrument. There was mention, though I found it a trifle brief, of the innovative areas to which sales taxes can today be applied—particularly in a broad array of services, including but surely not limited to attorney and accountant fees, advertising, data processing and the like. While the potential yield from a tax on services in Montana wouldn't equal that of Colorado, Texas or California, broad taxes on services represent an idea whose time has come in our country. Taxes should be applied to vibrant, growing sectors of an economy. Services fit that description and, in most areas, taxes on them would hit middle-to-upper income people.

While on the subject of sales taxes, one must also mention tourism. It's the healthiest segment of your economy right now, and one with immense potential—and you're not touching it with taxation. Clearly, there are some real opportunities to start chipping away at the state's deficit through entirely reasonable new or expanded taxes.

The Montana tax area that perplexes outlanders the most is clearly in the energy field—your severance and proceeds taxes. Only a few years ago you were America's blue-eyed Arabs with your stunning 30 percent severance tax on coal. But yesterday when you got into this subject, you learned about the frightening roller coaster Alberta, your big Canadian counterpart, has been riding, going from multi-billion dollar energy-driven surpluses to prospective multi-billion dollar deficits.

Mainlining on natural resources taxes is a phrase I heard yesterday. And, as with any drug, there is that up and down syndrome. One almost inevitably walks into the trap of raising service deliveries to match the boom time energy tax bonanza only to find one's self high and dry when the other end of the cycle comes round.

It stands to reason, therefore, that if the market value is down, so too should the severance tax decline, at least for now. And the question of dipping into the trust fund, and how deeply, reveals that fact that Montana's trust fund treasure could be devoured by three years of the state's current deficit.

How can anyone indeed suggest how you can handle that problem—because in fact its variables are too immense for any kind of estimate of true effects.

A decade ago New England was in the depths with the country's grimmest jobless rates, and state and local government budget crises of sinister proportions. But how the world has changed! Today that region has the nation's lowest unemployment, in some respects the brightest immediate prospects of all American regions. There are a number of reasons for New England's Phoenix-from-the-ashes act, including its luck in being an early seedbed of high technology and the recipient of high numbers of defense contracts.

But New England did not make it back to prosperity by playing "El-Cheepo" government, trying to imitate the low-wage, low-skill profile of Tupelo, Mississippi. It is true that some public expenditures, especially for welfare, were trimmed back, and that Massachusetts shucked its old Taxachusetts image: but not by gutting its tax structure, not by getting on the top of the Alexander Grant or anybody else's list of the best places to plot down a low-wage manufacturing plant.

No, New England achieved its comeback, and is likely to remain strong into the years to come, because it maintained the high investment it had always made in education, elementary, secondary and university education, and human development in the broadest sense.

In the dawning world economy, human resource development is going to be not just one answer, but the preeminent answer. That would not mean that a state such as Montana would turn its back on its natural beauty, its natural resources, its tourism potential. But it does mean thinking: the future demand for loggers and hunters and miners and farmers is not going to, will never, match that of the past. We are in a world in which truly educated populaces, and let us stress it, re-educable populaces, are the vital commodity. A world in which people will often change their jobs and whole job skill requirements two or three times in a lifetime.

Let's think for a moment about how

these projections fit into state economic development.

I was delighted to hear the results of a study discrediting the tax abatement game as a waste of public resources. We still have the dreary efforts to rank states on economic climate, most frequently how cheap they offer everything. If those studies had been true, why are such states as Massachusetts, New York and California now prospering? They were never on anyone's low tax list. But look at them today, and you see the new world economy playing out before your eyes. Perhaps we should stop listening, once and for all, to businesses and the rating services they support. These kinds of business figures will never admit their state taxes are the right amount—they always want things cheaper. They are not the business leadership a state truly needs to shape its future.

What has worked in Massachusetts is the idea of a proactive state government working to foster the economy of places on their backs. And, in time that policy evolved into a full-scale state industrial policy. It did not leave economic development to some single department in state government, but rather set up a development cabinet with the governor's full attention and made the effort a mainpiece of state governance: one that shaped policy from public works to steering of federal funds to regulatory policy.

I believe a third era of state-of-the-art development is now dawning. We will see a new lexicon to describe state economic development in the '90s. One in which the last barriers between economic development and mainstream state governance will break down. Social programs will enter the arena. In the past, only job training used to straddle the line. Now the economic development agenda embraces day care, the quality of schools, health care, welfare, you name it.

You will see more and more states referring to the so-called "softer" social supports as "human capital investment programs." Not to abandon hard, day-to-day economic planning and strategies, but to recognize that the totality of the development of human resources is what, in the long run, will make states sink or swim in an extraordinarily dangerous international economy. An economy, I need hardly note, where any low-wage, low-skill operation is in danger of being carried off to a Third World country where the wages are just a fraction of ours. That's a lesson the Old South is now learning with immense pain, particularly because it never valued education very highly, stunted

on money and care for its youngsters over generations, and now has big chunks of its population incapable of relearning, of moving on to technologically advanced occupations.

Now, please don't get me wrong. I am not proposing that top heavy government, or even the idea of a dominant public sector, is the automatic answer to a state's needs. The Committee on Economic Development, in its new report on dynamic state economies, insists "that primary energy and innovation for strong state and regional economies must come from the private sector. The key to economic vitality is a dynamic, innovative and market-driven private sector."

I agree. But I also concur with the CED's next assertion, that "private sector leaders should act as full partners with the governments and citizens for whom they share a common destiny and help provide the leadership needed to achieve common goals."

I believe that states in tough spots like yours desperately need full-fledged private sector partners, people with a deep stake in, interest in the state's future.

You need business leaders willing to work very closely with the universities, and mobilize the universities' immense potential to help the state move forward.

You need business leadership working closely with the political leaders to do some top-notch strategic planning: to create a shared civic vision of a group that balances concern about each member's parochial concerns with a determination to make Montana, as a state, viable and successful in our times.

Public-private partnerships, of course, relate back directly to the taxation theme of this conference. Taxes must be seen as part of an overall strategy, not as an isolated phenomenon. Broad strategic planning, creating an active constituency devoted to your state future, will help you do that, help forge the political consensus for the tough steps you need to take.

For you, indeed, face this excruciatingly tough question: if federal transfer payments are declining, and most important, if you can no longer export a large chunk of your taxes, if you have to pay the bill for all the services yourself, what do you, as a people, want in state services? Would you rather gut what you have, and darken your future in a very serious way, if the alternative is the kind of sales tax most people in most other states of this Union pay?

Of course this is a frightening time for Montana. The state lacks many of the

*Continued on page 4*

fiscal, broad intellectual resources some other states are able to call on. It needs to plan for entrepreneurial growth without knowing just what form that growth will eventually take. It must maintain a high and growing commitment to education of its children, without knowing just what their life work will be in the state of natural resources facing the information-age economy.

It would be easy for you to lose your collective nerve, to retreat into incriminations and gut your public sector, to spend your trust fund overnight and pray for some salvation from outside that will likely never materialize.

This outsider hopes that won't happen, because Montana, and Montanans, are too great a treasure to place in jeopardy.



## ECONOMIC DEVELOPMENT COUNCIL

### 1986 agenda completed

The Governor's Council on Economic Development took final action on its subcommittee recommendations at a meeting in Helena on October 30. In all, the council adopted over 20 recommendations addressing three significant problem areas in the Montana economy.

The development of final recommendations concludes a year-long effort by the council. In December 1985, Governor Schwinden met with the council and asked it to seek long-term solutions to problems in business climate, liability insurance and agricultural debt. To address these issues, the council formed subcommittees that met periodically throughout the first half of the year to gather information and public input.

Among the measures adopted by the council are business climate recommendations calling for a reduction in Montana's coal severance tax, a reduction in the corporate income tax rate through the elimination of special business tax incentives, a revision of the state's unitary method of corporate income taxation, a reduction in the personal income tax by broadening the base, and reviews of both the personal property tax and Montana's overall tax structure.

Insurance recommendations include calls for the Legislature to develop specific definitions of bad faith, limit contingent fees to 40 percent, cap punitive damages at \$5 million, alter the doctrine of joint and several liability and modify the collateral source rule. In addition, the council recommends that Montana's courts more strictly enforce Rule 11 of the Montana Rules of Civil Procedure, a measure that was implemented to discourage the filing of frivolous lawsuits.

The council's agricultural debt recommendations address a variety of problems facing farmers and ranchers in Montana. Among the recommendations are calls for legislation allowing emergency state chartering of banks and emergency branch banking in failed bank situations. Both recommendations stress the importance of

local financial institutions to agricultural operators. Additional measures include continuing the Department of Agriculture's program for counseling and debt mediation, continuing the linked deposit farm loan program, establishing an informational agricultural network, establishing a state beef inspection and grading program, and increasing funding for the Montana Agricultural Experiment Station system.

The recommendations were presented to Governor Schwinden in November and will be submitted to the 50th Legislature in January.



# POTENTIAL USES OF COAL TAX TRUST

The Montana Economic Development Board recently completed its second report to the legislature on potential uses of the Coal Tax Trust Fund for economic development.

The statutorily defined purpose of the trust is to compensate future generations for the loss of a valuable and depletable resource; to meet any economic, social and environmental impacts caused by coal development not otherwise provided for by other coal tax sources; and to develop a stable, strong and diversified economy which meets the needs of Montana residents both now and in the future, while maintaining and improving a clean and healthful environment.

In its 1985 report, the MEDB identified four key issues that remain at least partially unaddressed in 1986 and merit additional debate.

1. The steady erosion of the purchasing power of trust deposits, a problem exacerbated by the increasing reliance being placed on trust fund interest and income to support the state's general fund. (In fiscal 1986, 9.3 percent of the general fund, or \$43.4 million, came from coal trust investment earnings. In 1978 only 0.9 percent of the general fund was derived from trust earnings; and in 1982 that amount was still only 3.6 percent.)

2. The narrow range of management options available to the fund's trustees (the Board of Investments and the MEDB).

3. The relatively limited use of the trust for in-state investments.

4. The lack of criteria and procedures to objectively evaluate proposals to appropriate all or a portion of the trust's principal.

The MEDB also found that two issues (purchasing power and principal appropriation) are even more critical as a result of the events of the last two years, which include the sharp decline in interest rates, falling world oil prices, decreased coal sales (resulting in smaller new deposits to the trust) and overall state revenue shortfalls.

According to the MEDB's projections, the \$245.5 million deposited in the trust from 1978 through 1985 will have lost \$127.5 million in purchasing power by the year 2000, or 50.4

percent of those deposits. As the MEDB points out, "If the principal of the coal tax trust fund does not increase substantially, future earnings will be inadequate to maintain the trust's current proportional share of the revenue needed to meet escalating general fund demands."

The report suggests that there are two ways to increase earning capacity. One is to increase deposits to the trust principal through increased coal sales, increased severance taxes or reduced tax credits, increased redeposit amounts, or the addition of capital gains on bond swaps to the principal. The second is by increasing the rate of return on deposits, either by diversifying the investments in the trust portfolio within current limitations, or by making equity investments with trust funds (an action that would require a constitutional amendment).

To date there has been only one appropriation from the coal trust's principal, an action of the 1981 Legislature that allows trust resources to be used to cover shortfalls in the state's coal severance tax bonds issued by the Department of Natural Resources and Conservation to finance various water development projects. Because almost all bonds issued to date have contained substantial interest write-downs for borrowers during the first five years of the bond term, the current drawdown from the trust to cover the difference on bonds already issued is projected by the Office of Budget and Program Planning to total approximately \$547,000 per year for the remainder of the decade.

Although the creators of the trust provided a mechanism (a three-quarters vote of both houses of the legislature) through which all or a portion of the trust principal could be appropriated, they provided no definition of what would constitute a proper justification for such and appropriation. The MEDB has suggested some criteria that it believes deserve further consideration.

1. The body of the trust should never be appropriated (or borrowed) to meet general government expenses, which are the proper responsibility of the current generation.

2. Whenever possible, amounts appropriated from the trust should be replaced with interest. This recommendation implies that expenditures from the trust preferably should be for revenue-generating purposes.

3. Amounts not otherwise available that are needed to mitigate the impacts of coal development (or mine closures) are statutorily eligible to be appropriated from the principal.

4. No appropriation should be made unless the identified need has been thoroughly documented, studied and found to be "compelling," with no other financial resources available.

5. The benefits to be gained through an appropriation must outweigh both the losses in earnings that will result and the negative impact of those losses on activities supported with trust earnings. Expected economic development benefits should be clearly defined and, if possible, quantified prior to appropriation, and should be closely monitored and evaluated thereafter.

6. Programs or activities undertaken with appropriated trust funds must have long-term value to the state, helping correct structural or systematic imbalances in the economy, for instance, rather than dealing solely with short-range cyclical problems.

7. Insofar as possible, benefits accruing from trust appropriations should inure to all citizens, not just to particular industries, geographic areas or interest groups.

In its report the MEDB analyzed all the proposals to use the coal trust principal that were proposed or considered during the June 1986 special session and found that none of them would have satisfactorily met the above criteria.

Copies of the MEDB report can be obtained by writing its office at Room 50, 1520 East Sixth Avenue, Helena, Montana, 59620-0505, or by calling (406) 444-2090.

## ACCOMMODATIONS TAX PROPOSED

### Travel industry in agreement

Governor Ted Schwinden has accepted the recommendation of his 17-member Tourism Advisory Council and will support a statewide 4 percent accommodations tax. Schwinden's support, however, is contingent on the tax proceeds being used strictly to promote tourism. In accepting the council's recommendation, Schwinden said that the state budget will continue to be tight and that tourism promotion via an accommodations tax was "an idea whose time had come."

Previous efforts to initiate the tax have failed because of lack of support within the travel industry. But on October 21 three-quarters of the Montana Innkeepers Association membership, which represents over 100 hotels and motels throughout the state, endorsed the tax.

**MONTANA**  
*naturally inviting!*

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The current general fund appropriation for the Montana Promotion Division is \$1.2 million per year, which ranks 42nd in the nation for its appropriation for travel promotion. If the tax proposal is adopted by the legislature, Montana would be more competitive and rank approximately 22nd nationwide.

Vice President of the Innkeepers Association and council member, Lonnie Funk, commented that travel is Montana's number two industry, "We are asking the legislature to protect and promote this growing industry."



## DEPARTMENT AUTOMATES

This past March, the Department of Commerce streamlined its operations by purchasing a computer. The management/information system has increased department efficiency and productivity and now assists in most day-to-day department operations.

Included in the computer system is word processing capability, electronic spreadsheets, a data base system, electronic mail and calendars, electronic legislative bill status information and budget information.

After many months of research and bid procedures, the system bid was awarded to AT&T Information Systems for two 3B2 Model 400 computer systems, each containing four megabytes of memory and 122 megabytes of disk space. The system allows for the attachment of personal computers already located throughout the department and can also communicate with the state's IBM mainframe computer.

"Because of the state's economic situation, the only effective way for the department to provide current and timely information was to automate," said Keith Colbo, director of the department.

One of the major tasks was automating all the professional and occupational licensing boards.

Jim Kembel, administrator of the Business Regulation Division, had this to say about the system: "The usefulness of the system was really driven home when I was able to send all my program managers copies of a blank budget worksheet via the computer and have them return the completed

worksheets to me—once again electronically. Finally, I was able to compile all 29 board budgets into one division budget in a matter of minutes."

Additional division benefits include a dramatic reduction in printing costs as well as less time spent by staff preparing renewals and licenses. In addition, inquiries about license information is now available at the touch of a key and statistical information on the various boards can be retrieved quickly.

Currently, 37 percent of the department is automated, allowing for maximum utilization of the system, with additional users coming "on-line" in planned phases.





## AVIATION IN MONTANA

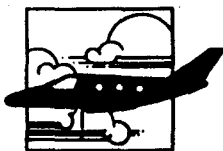
The Montana Aeronautics Division is currently updating the Montana State Aviation System Plan. The first phase, to be accomplished over a 12-month period, is financed by a \$196,000 federal grant issued through the Federal Aviation Administration (FAA). A \$75,000 FAA grant will subsequently be issued to complete the project and produce a final report.

A system plan might best be described as a blueprint that details the aviation system requirements statewide for the next five years and, in less detail, for the next ten- and twenty-year period.

The first step is to inventory the system as it exists today, and then to forecast future demands on the system, and finally to analyze how to meet those demands. The process includes analysis of a number of variables that influence the aviation system, such as demographics, environmental requirements, and other transportation systems.

The executors of the study will be advised by a large group of volunteers representing a cross section of aviation

interests with planning and engineering expertise. The advisory committee will meet at least five times throughout the study period and will also hold four public hearings. Along with the final report, the division hopes also to produce a video tape and brochure on the economic benefits of aviation in Montana.



## POL INVESTIGATORS

The reorganization of the Professional and Occupational Licensing Bureau in June 1985 established an Investigative Section that inquires into complaints filed against licensees and submits reports to the appropriate licensing boards for determination of possible disciplinary action.

Complaints originate with consumers, other licensees and occasionally board members. Staff are nationally certified in investigative techniques and are cross-trained to handle the questions of most boards. Prior to the establishment of this section, personnel were assigned to individual boards. The new situation, however, sees staff with sufficient knowledge and skills to accomplish various assignments for several boards, resulting in more efficient operations and revenue savings.

In addition to complaint investigations, the section also audits real estate brokers' trust accounts; billing practices of some medical professions in relation to private insurance, medicaid and medicare; and inspects cosmetology shops and dentistry offices. Inspections of funeral homes are conducted upon board directive.

The Professional and Occupational Licensing Bureau is composed of 29 boards that regulate more than 55,000 licensees.

## ACCOUNTING PROFESSION

The Montana Board of Public Accountants has established rules for a program to review the quality of work produced by public accountants.

The program, announced by Board Chairman Robert E. Bragg, focuses on licensed and certified public accountants who have permits to practice public accounting and it defines the review process for accounting products, firm audits, reviews, compilations and financial projections.

According to Bragg, the monitoring program has the potential to be one of the most significant developments affecting the state's accounting profession to occur in recent years. The program requires every accounting firm and individual practitioner to be reviewed annually and will place

Montana in the forefront of a national movement.

"This is truly a progressive program," Bragg said. "Our recommendations should increase the adherence to reporting standards, with our intention being to improve financial reporting through education."

In response to the program, Denis L. Adams, president of the Montana Society of CPAs, stated that the "program is workable and will provide us with cost-effective, long-term benefits. We certainly want to maintain public confidence in our profession."

## CROP AND LIVESTOCK MARKETING CONFERENCE

Innovative crop and livestock marketing strategies will be showcased at a conference to be held at Montana State University in Bozeman, February 6 and 7, 1987. The conference will enable producers to examine crop diversification and specialty market options and to exchange information with marketing representatives about value-added products and appropriate technologies.

Organized by the Alternative Energy Resources Organization (AERO), a private, non-profit membership organization based in Helena, the conference received major funding from the Montana Science and Technology Alliance. Other co-sponsors include the Montana Department of Agriculture, the Montana Agricultural Experiment Station and Cooperative Extension Service as well as agricultural and commodity organizations throughout Montana.

The conference will feature nationally-known speakers, regional

practitioners and resource people in a workshop and panel discussion format. Farmers and ranchers from throughout the Northern Rockies, the Pacific Northwest and Canada's prairie provinces will meet with processors and marketing representatives, view many exhibits and have time for individual meetings with marketing representatives to explore possible contracts. The conference aims to assist primarily producers of small grains and seed, livestock, specialty crops and produce.

According to a recent report from the Office of Technology Assessment, a congressional research agency, "America's plunging share of world agricultural trade is, in part, a reflection of poor performance in the area of high-value foods. Value-added products have overtaken the world trade value of bulk commodities."

"Throughout the region, forward thinking farmers and ranchers are finding economic opportunities in the

changing agricultural marketplace," said Jim Barngrover, a conference organizer and president of AERO. Barngrover is also past chairperson of AERO's Sustainable Agriculture Task Force, which was formed in 1983 to promote agricultural systems that are economically and ecologically stable. "These producers have a story to tell that may offer alternatives for the region's troubled agricultural and rural economies," he said.

Registration for the conference is \$35.00. Conference space and lodging in Bozeman is limited, so early registration is encouraged. For further conference information and registration, contact: AERO, 324 Fuller, C-4, Helena, Montana 59601, (406) 443-7272.



## Can We Help You?

Keith L. Colbo, <i>Director</i> .....	444-3797
Business Assistance Division, Carol Daly, <i>Administrator</i> .....	444-3923
Business Regulation Division, W. James Kembel, <i>Administrator</i> .....	444-3737
Legal Unit and Consumer Affairs, Brinton Markle, <i>Chief Counsel</i> .....	444-4314
Local Government Assistance Division, Newell Anderson, <i>Administrator</i> .....	444-3757
Montana Board of Housing, Jay McLeod, <i>Administrator</i> .....	444-3040
Montana Economic Development Board, Robert Pancich, <i>Administrator</i> .....	444-2090
Montana Health Facility Authority, Jack Nielson, <i>Administrator</i> .....	444-5435
Office of Economic Analysis, Steve Huntington, <i>Administrator</i> .....	444-3814
Montana Promotion Division, John Wilson, <i>Administrator</i> .....	444-2654
Montana Science and Technology Alliance, Samuel Hubbard, <i>Executive Director</i> .....	444-3707
Aeronautics Division, Michael Ferguson, <i>Administrator</i> .....	444-2506
Financial Division, Fred Napier, <i>Administrator</i> .....	444-2091
Transportation Division, William Fogarty, <i>Administrator</i> .....	444-3423
Management Services Division, Andy Poole, <i>Administrator</i> .....	444-5432
Coordinator of Indian Affairs, Donald Clayborn, <i>Coordinator</i> .....	444-3702

## INSIDE COMMERCE

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MONTANA DEPARTMENT  
OF AGRICULTURE  
MONTANA, MT 59601

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EXHIBIT # 8  
DATE 1-16-87  
HB 148

PROPOSED AMENDMENTS TO H.B. 148 (Introduced Bill)

1. Page 2, lines 3-8.  
Strike: subsection (3) in its entirety  
Insert: "(3) The state treasurer shall transfer from the coal severance tax permanent fund, created in 17-5-703(1)(b), but not from the in-state investment fund created in 17-6-306, to the general fund an amount equal to the coal severance tax collections for the quarters ending December 31, 1986 and March 31, 1987."
2. Page 2, line 16.  
Following: "October 1,"  
Strike: "1988"  
Insert: "1987"

1/2  
684  
EX

WITNESS STATEMENT

NAME Joe Brunner BILL NO. HB 84  
ADDRESS 2454 1st Avenue DATE 1/10/84  
WHOM DO YOU REPRESENT? Mont. Outfitters and Guides Assoc  
SUPPORT ✓ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

I represent the Montana Outfitters and Guides Association

We wish to go on record as in support of HB 84

We believe that HB 84 will be beneficial not only to state in general but to the state's outdoor business by the increased number of visitors, increased revenue and other goals of outdoor.

WITNESS STATEMENT

NAME Kim Smith BILL NO. 84  
ADDRESS 5820 N Mont DATE 1/16/87  
WHOM DO YOU REPRESENT? Montana Campground Owners Ass  
SUPPORT / OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: We, (The Montana Campground Owners)  
support HB84 because it will return all  
the money collected to promote the state.



JAMES W. MURRY  
EXECUTIVE SECRETARY

Box 1176, Helena, Montana

ZIP CODE 59624  
406/442-1708

EXHIBIT \_\_\_\_\_  
DATE 1-16-87  
HB 84-85-173

January 16, 1987

The Honorable Jack Ramirez, Chair  
House Taxation Committee  
Montana House of Representatives  
Capitol Station  
Helena, Montana 59620

Dear Representative Ramirez:

We regret that we were unable to attend today's hearings on House Bills 84, 85 and 173. Because the hearing notice was set only last night, we were unable to schedule anyone to appear to testify on these bills.

The fact that the Montana State AFL-CIO did not appear should not be construed as support for these selective sales taxes. House Bills 84, 85 and 173 would impose statewide 4%, 5% and 6% hotel, motel and campground accomodation taxes respectively.

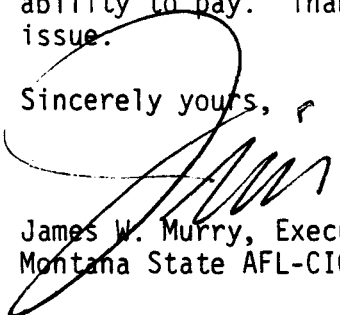
Mr. Chairman, our labor federation is disappointed with the content and intent of these bills. The first disadvantage is that selective sales taxes will only penalize all Montanans who use recreation facilities. While these bills are touted as "tourist" taxes, it is fallacious to contend that all (or even a majority) of users of these facilities are from out-of-state. It's also inconsistent to promote in-state tourism on the one hand and then discourage Montanans from vacationing at home by imposing costly sales taxes.

Secondly, selective sales taxes can be viewed as "creeping" sales tax legislation. The Montana State AFL-CIO has been opposed to a general sales tax for over a quarter of a century and in our opinion, if a rash of selective sales taxes are adopted, a general sales tax will inevitably follow.

Mr. Chairman, there is no arguing with the fact that Montana's economy is in sorry shape, but it is our belief that regressive tax measures are not the answers to our revenue shortfalls. We therefore urge you to give House Bills 84, 85 and 173 a "do not pass" recommendation.

What we need is equitable, progressive taxation which is based on one's ability to pay. Thank you for considering our position on this important issue.

Sincerely yours,

  
James W. Murry, Executive Secretary  
Montana State AFL-CIO

cc: Members of the House Taxation Committee

## VISITORS' REGISTER

TAXATION

COMMITTEE

HB 84  
Winslow

BILL NO.

HB 84

DATE

Jan. 16, 1987

SPONSOR

Winslow

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
<del>VERA SITTER</del> Alec Sitter	<del>MONT. TAXPAYER ASSN</del> M.T.		
Kim Smith	Mt Campground Owners	✓	✓
John Wilson	Mt Dept of Commerce	✓	
Jim Wilson	Mt Dept of Commerce	✓	
Fit Bacos	Mt Chamber	✓	
STUART DOGGETT	✓	✓	
AL DONOHUE	TOURISM ADVISORY COUNCIL	✓	
Jim Donohue	City of Billings		X
Roland D Pratt	tourism advisory council	✓	
George Allen	Mt. Ranger Cabin	✓	
John G. Gorman	Park Play - Hotel	✓	✓
John G. Gorman	Montana Tourism	✓	
John G. Gorman	Mont. Tourism Bureau	✓	✓
D. W. Larson	Mont. Tourism		✓
Ferry Abelin	Montana Ski Area	✓	
Pat Melby	Mountain Ski Areas Assn	✓	
Borden Morris	M.A.C.		✓
John B. Morris	M.A.C.	✓	
Mike Cherry	Traveler	✓	
John B. Morris	Association of...	(with amendments)	

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

NCEL SCYE

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Harry Nechache  
 Bob Correa  
 CS 33  
 Joe + Jessup

BOZEMAN  
 Boy Chamber of Comm  
 City of Bozeman

✓  
 ✓  
 ✓



## VISITORS' REGISTER

TAXATION

COMMITTEE

BILL NO. HB 85DATE Jan. 16, 1987SPONSOR Fritz

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Kim Smith	mt. Campground Owners		✓
Fr. Boles	MT CHAMBERS		✓
STUART DOGGETT	" "		✓
Wm. Van Arsdale	City of Billings		✓
George Allen	mt. Retard Assn		✓
John Emery	Rock House Hotel		✓
Robert Huggins	Mont. Marketers		✓
<del>Montana Farm Bureau</del>			✓
Lena Frank	Mont. Farm Bureau		✓
W. J. Larson	Gargaron		✓
Roland West	James & Hilera		✓
<del>Mont. Life Progs</del>	<del>Mont. Life Progs</del>		
Pat Melby	Mont. Ski Areas Assn		✓
Gordon Morris	MALC		✓
Terry Abels	Mont. Ski Areas Assn.		✓
Nice Hager	Mont. T	✓	
Mary Decharle	BOZEMAN		✓
Bob Corbett	Bozeman Charter		✓
Just F. ...	City of ...		✓

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

VENN SITER  
KAME HUGGS

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Sid Frissel

School of Ed., Univ of Mont.

HB 151  
Pistoria

VISITORS' REGISTER

TAXATION

COMMITTEE

BILL NO.

HB 151

DATE

Jan. 16, 1987

SPONSOR

Pistoria

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## VISITORS' REGISTER

TAXATION

COMMITTEE

BILL NO.

HB 173

DATE

Jan. 16, 1987

SPONSOR

Cohen

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Kim Smith	Mt Campground owners		✓
PH BOLES	MT CHAMBER		✓
STUART DOBETT	" "		✓
Wendy A. ...	City of Billings		✓
Ernest Allen	Mt. Patriotism		✓
Wendy ...	Montana ...		✓
Lerna Frank	Mt. ... Bureau		✓
W. L. ...	of ...		✓
Pat Melby	Mt. ... Area		✓
Arnon Miller	MIACO	✓	
Terry Abelin	Montana Ski Access		✓
Paul D. Pratt	...		✓
John ...	Park Plaza		
...	...	...	
Gary Aschach	Bureau		✓
Bob Comer	Bureau Chamber of Com		✓
Vern Sitter	M.T. ... ASSN		✓
ALTT THILL	ASLM	AMEND	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.