

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

March 4, 1987

The meeting of the Taxation Committee was called to order by Chairman Ramirez on March 4, 1987, at 8:00 a.m. in Room 312B of the State Capitol.

ROLL CALL: All members were present. Also present was Dave Bohyer, Researcher, Legislative Council.

CONSIDERATION OF SENATE BILL NO. 3: Sen. Tom Keating, Senate District #44, sponsor of SB 3, said the bill would submit to voters a constitutional amendment requiring that at least 50 percent of coal severance tax collections be dedicated to the coal severance tax trust fund. Sen. Keating explained there is currently no cap on the \$300 million fund, and no use designed for the fund, except as a legacy for future generations of Montanans.

Sen. Keating advised that the 30 percent coal severance tax works a hardship on the state, when Wyoming's tax is 15 percent. He said Wyoming produced 135 million tons of coal in 1986, while Montana produced 33 million tons. Sen. Keating commented that a cap was originally proposed for the trust fund, which was created in 1975, with any excess reverting to the general fund. He said a special session referendum gained only 86 votes, and 22 votes in the Senate this session.

Sen. Keating offered an amendment to reduce the amount deposited to the trust fund from 50 percent to 10 percent (Exhibit #1). He advised he had letters from bonding companies stating the states' bond rating would not be in jeopardy, and urged the Committee to allow the measure to be submitted to voters.

PROPONENTS OF SENATE BILL NO. 3: Jim Mockler, Montana Coal Council, said the bill would not affect the Build Montana Program or bonds, and would allow expenditure of up to 90 percent of the trust fund, if and when necessary.

OPPONENTS OF SENATE BILL NO. 3: Harriet Meloy, Vice Chairman of Montanans for the Coal Trust, told the Committee the organization consists of approximately 100 members, and read from a prepared statement in opposition to the bill (Exhibit #2). Mrs. Meloy stated she also represented the Montana League of Women Voters, who oppose the bill.

Don Judge, Montana AFL-CIO, read from a prepared statement in opposition to the bill (Exhibit #3).

Jean Marie Souvigny, Montana Chapter of the Sierra Club, read from a prepared statement in opposition to the bill (Exhibit #4).

QUESTIONS ON SENATE BILL NO. 3: Rep. Harrington asked why there was fear about submitting the issue to voters. Don Judge replied there are presently adequate resources in the state.

Rep. Hoffman asked Sen. Keating if he had considered a sunset clause. Sen. Keating said he hadn't, and that the Legislature could divert tax dollars to the trust fund statutory at some point in the future. He commented he wouldn't object to sunseting the legislation in five to ten years, or to capping the fund.

Rep. Asay asked if it would not be an on-going raid on the trust fund to use interest from the fund for general fund purposes. Ms. Souvigny replied that would be true, if the interest were not replaced with adequate revenue.

CLOSING ON SENATE BILL NO. 3: Sen. Keating explained that Butte grew as a result of the mines, and fed three generations. He said the same situation exists with coal in eastern Montana and that it belongs to the people that own the land or lease it. He asked why there is no permanent wheat tax trust fund, or one for livestock, and said coal in the ground is worthless. He stated Montanans need to look at where their values are, and that it is time to let people rethink their action from 1975.

CONSIDERATION OF SENATE BILL NO. 55: Sen. Pete Story, Senate District #41, sponsor of SB 55, said the bill would revise the definition of a resort community for purposes of the resort community tax and would provide for a tax in unincorporated areas, extending to ski resorts and other recreational facilities.

Sen. Story explained the bill would remove the population cap for communities, delete the provision that tourism be the primary industry, remove the Department of Commerce from the Legislation, and permit unincorporated areas to create a resort area. He said that area would be limited to ten square miles to prevent communities from "cannibalizing" one another, that it would be subject to petition by vote, would provide specific uses for revenue earned, and would be made a seasonal option.

Sen. Story advised that the bill is not a back-door sales tax, does not tax necessities, and does not raise revenue for the state, since all revenue stays in local communities.

PROPOSERS OF SENATE BILL NO. 55: Carlo Cieri, Park County Commissioner, told the Committee that 435,000 people enter Yellowstone Park through Gardiner each year, while 130,000 enter through Cook City, and additional thousands enter for hunting and fishing.

Judith Tilman, Butte-Silver Bow, read from a prepared statement in support of the bill (Exhibit #5).

Jim Wysocki, City of Bozeman, stated his support of the bill.

Alec Hansen, Montana League of Cities and Towns, told the Committee he believes the bill is part of the answer to the problem being experienced by Montana cities and towns. He said West Yellowstone raised \$.5 million in one year and reduced its mill levy from 65 to 50, and that he believes the proposal would work well in other areas of the state. Mr. Hansen stated current law needs to be changed and the bill is a practical and workable alternative.

Gordon Morris, Montana Association of Counties, said he found the concept of the bill to be exciting, and asked for Committee action on the bill, which came from the Joint Interim Committee on Infrastructure.

OPPOSERS OF SENATE BILL NO. 55: Phil Strobe, Montana Tavern Owners, told the Committee he was speaking against HB's 707 and 776, as well as SB 55.

Don Judge, Montana AFL-CIO, stated he believes any sales tax is regressive, and read from a prepared statement in opposition to the bill (Exhibit #6).

QUESTIONS ON SENATE BILL NO. 55: Rep. Sands asked if resort areas would need to be included with resort communities in section (4), lines 8-13, on page 4 of the bill. Gordon Morris replied the language does need to be changed.

Rep. Sands asked for an explanation of language on page 8, lines 10-17. Sen. Story replied that language applies to property tax relief.

Rep. Harp asked what the primary objective is, and said local governments need to state where their priorities lie when they speak before the Taxation Committee. Alec Hansen replied a package bill is needed to guarantee that cities

will continue to operate. He commented that property taxes need to be lowered and a new tax base provided.

Rep. Harp asked if proponents of the bill were looking to enact legislation similar to that of Idaho. Alec Hansen replied affirmatively.

Chairman Ramirez asked how real property tax relief would be provided to a resort area, and how the mechanics of that process would work. Sen. Story replied that the county assessor could identify those taxpayers.

Chairman Ramirez asked if identifying personal property owners would not be a very difficult task, and said South Dakota has a local option tax. Alec Hansen replied that approximately 80 cities in South Dakota use the tax.

Chairman Ramirez asked if it would not be better to have a local option tax which each community could adapt to its own needs. He commented that it would appear a general sales tax, and accommodations tax, and any local option tax would need coordinating. Alec Hansen assured the Committee this would be addressed.

CLOSING ON SENATE BILL NO. 55: Sen. Story stated that even if the accommodations tax were to pass, it hasn't helped communities such as Cooke City and Gardiner. He commented that SB 55 would accomplish this purpose.

CONSIDERATION OF HOUSE BILLS NO. 649 AND 707: Rep. Dave Brown, House District #72, sponsor of HB 707, said the bill is a potential compromise to the accommodations tax bill. He explained the bill requires a 5 percent tax, and allocates 2.5 percent to tourism promotion and the remainder to local governments. Rep. Brown stated he believes the tourism budget could triple if the bill were to pass.

PROPOSERS OF HOUSE BILLS NO. 649 AND 707: Judith Tilman, Butte-Silver Bow, read from a prepared statement in support of HB 649 (Exhibit #7).

Ardi Aikin, City of Great Falls, provided a chart on the point of diminishing return for the City of Great Falls, and read from a prepared statement in support of the bill (Exhibit #8).

Alan Tandy, City Administrator, Billings, read from a prepared statement in support of both bills, and HB 649, in particular (Exhibit #9).

Jim Wysocki, City of Bozeman, told the Committee he would support either bill.

Al Sampson, City of Missoula, stated his support of both bills.

Alec Hansen, Montana League of Cities and Towns, provided information on the range of dollars spent on travel promotion in different states (Exhibits #10a and 10b), and said he preferred HB 649, but would compromise if necessary.

Gordon Morris, Montana Association of Counties, told the Committee HB 649 is preferential as a distribution mechanism, but contains a technical error on lines 22-23, page 3. He advised that numbers 304, 305, and 306 need to be added to 7-6-307, MCA.

Ron Preston, City of Missoula, read from a prepared statement in support of both bills (Exhibit #11).

Tim Bergstrom, Montana State Firemen's Association, stated his support of both bills.

Brookes Morin, City of Helena, stated his support of the bills.

OPPONENTS OF HOUSE BILLS NO. 649 AND 707: Phil Strobe, Montana Tavern Owners and Montana Innkeepers Associations, told the Committee that one-third of tourist dollars are spent on transportation costs, one-third on food, one-sixth on sporting fees, and one-sixth on lodging. He advised that 60-65 percent of motel occupants are Montanans, and said a Mainstreet Coalition study in Washington state determined that as an accommodations tax approaches 4-5 percent, its impact to business increases. He asked the Committee to give the hotel industry two years to change the image of Montana, if no general sales tax is passed.

Joe Weggenman, Executive Director, Helena Chamber of Commerce, explained that 15 percent in HB 649 doesn't do anything for marketing, and urged the Committee to pass HB 84.

Pat Melby, Montana Ski Areas Association, stated his support of HB 84, and his opposition to HB's 649 and 707.

Stuart Doggett, Montana Chamber of Commerce, stated his opposition to both HB's 649 and 707, and told the Committee he would support HB 84.

Larry McCrae, President, Montana Innkeepers Association, and General Manager of Outlaw Inn, Kalispell, provided a breakdown of tourism dollars (Exhibit #12), and told the Committee he opposed both HB's 649 and 707, but could support HB 84.

Al Donahue, Chairman, Governor's Tourism Advisory Council, stated his support of HB 84, and told the Committee he had recently returned from a national exhibit on travel in Los Angeles. He advised that Montana's budget is 49th of the states, and added that "Wyoming's booth was awesome".

OPPONENTS (cont.) Brian Enderle, Missoula Chamber of Commerce, stated his opposition to both HB's 649 and 707, and commented that he would support HB 84.

Scott Jourdonnais, Red Lion Inns, Missoula, stated the same, as did Kim Smith, Montana Campground Owners Association.

TECHNICAL COMMENTS ON HOUSE BILLS NO. 649 AND 707:

Ken Morrison, Income Tax Division Administrator, DOR, told the Committee an option exists for gross receipts taxes on owner-operators of facilities, and said it would be helpful if owner-operators were required to register with DOR. Mr. Morrison advised he is concerned with language pertaining to who pays the tax, because it would include YMCA's as written.

Mr. Morrison commented that DOR has no appropriation for a lodging tax, although the Department requested it. He advised that HB 649 provides for an extension of rulemaking authority.

CLOSING ON HOUSE BILLS NO. 649 AND 707: Rep. Menahan said he believes both HB 84 and HB 649 are wrong, and that impacted areas would be happy with HB 707. He stated there is a need for monitoring an accommodations tax.

Rep. Brown made no closing comments.

Rep. Dennis Nathe, House District #19, sponsor of HB 776, said the bill exempts stripper wells from severance taxes and all new production taxes for 24 months, after December 31, 1986. He advised that page 3 contains the "meat" of the bill, and page 5 defines new production and stripper wells.

Rep. Nathe explained that the bill was introduced because there are many stripper wells in Montana which, if not pumped steadily, will lose oil in those formations. He said he hoped the bill would stimulate the industry, and added that stripper wells account for only 10 percent of the oil produced in the state.

PROPOSERS OF HOUSE BILL NO. 776: William Ballard, Balcron Oil Company, Billings, provided a map of production areas (Exhibit #13), and said SB 390, passed in 1985, brought the

state closer to being competitive, but HB 776 is needed to continue this effort.

Mr. Ballard stated the state is losing approximately 320,000 barrels per month, and that in 1986 only 360 wells were drilled, where 800 to 1,000 would have been drilled before. He advised that 370 stripper wells were abandoned during 1986, because of economic conditions.

Mr. Ballard explained that about 11 percent of Balcron Company production is in stripper wells, and about 32 million barrels in reserve are in stripper wells. He said wells in the Kevin and Sunburst areas are producing about 1.68 barrels per day, and that Rep. Nathe's bill would add about 7 years of life to a stripper well, while the Governor's bill would add about 3.5 years.

Mr. Ballard explained that to drill a 5,000 foot well in Central Montana, requires a surveyor and a rodman, a cat operator, 13 men for drilling, 2 water haulers, a geologist, 2 cement workers, and a petroleum engineer, for a total of 27 jobs. He added that a roustabout crew of 4 sets up well production, for a full time pumper creating a grand total of 53 jobs for one well.

Les Fuglevand, Can-Am Drilling Fluids, told the Committee that, of 34 mud companies, only 10 remain, of which 2 are Montana-based. He said he doubted those companies will survive 1987, if the situation does not change.

Brett Boedecker, Montana for Coalition of Eastern Montana, said the precipitating fault from the revenue base will accelerate within the next year unless incentives in the state, and oil prices on the national market, change.

Pete Madison, Oil Director, Entech, Inc., a Montana Power subsidiary, told the Committee his company operates in Canada and 13 western states. He stated he looked at 200-300 wells before selecting 50 wells to drill, of which 26 were in Canada, and only 3 were in Montana.

Mr. Madison explained that Canada institutes a drilling assistance program and a five year royalty holiday. He said the U.S. dropped from 4,300 rigs at its peak, to 900, while a rig couldn't be hired in Alberta. He requested that the Committee evaluates the legislation as it pertains to the state, rather than for the oil companies.

Stephen Gransow, Meadowlark Search, told the Committee he works with land titles, and had only two weeks of work in oil and gas industry during 1986.

Jack Padon, Norfolk Operators, told the Committee he would prefer to do exploration in Montana. He stated that former oil executives from the 1959 net proceeds tax era, advised him Montana is the first state to leave and the last state to return to. He said Norfolk is the largest supplier of gas in the state, of which 6.6 percent is stripper wells and 93.4 percent is running wells, contrary to earlier testimony.

Harold Ude, Laurel, told the Committee Cenex is the 15th largest producer in the state and read from a prepared statement in support of the bill (Exhibit #14). He explained that 17 stripper wells were shut down during 1986, of which 5 of 6 would not have been, if HB 776 were in effect.

Doug Abelin, Cut Bank independent gas producer, advised the Committee his is nearly all stripper well production. He stated that two years ago he grossed \$200,000, and last year grossed \$4,000, adding he has had no jobs since September, 1986, and would be out of business by June, 1987, if no work is available.

Janelle Fallon, Montana Petroleum Association, said oil production is rising in the U.S., which would increase to about 1,000 wells.

Sen. Larry Tveit, Senate District #11, told the Committee he has acted as Director of the Northeast Land and Mineral Association and the Northern and Eastern Montana Mining Group, for the past 9 years. He said only 2 percent of the oil in the state has been found and that it is necessary to find oil in the overthrust. Sen. Tveit added that the bill has merit and asked the Committee to support it.

Stuart Doggett, Montana Chamber of Commerce, stated his support of the bill.

Sen. Del Gage, Senate District #5, said the Cut Bank and Pondera fields are where taxes have been paid the past 40 years. He stated that in 1986, he pulled five leases at random in that area and found that taxing jurisdictions were getting more from the leases than the lessor. He added that one owner who shut down a well that was producing 25 gallons per day, later reopened the same well at 2 gallons per day.

Kay Foster, Billings Chamber of Commerce, read from a prepared statement in support of the bill (Exhibit 15).

TECHNICAL COMMENTS ON HOUSE BILL NO. 776: Don Hoffman, DOR, told the Committee that on page 5 of the bill there is a problem, as not all gas wells have a meter. He suggested

inserting language in (b) to apply on a per producer, per day basis, and said he would work with either the bill's sponsor or the Committee, if it were deemed necessary.

QUESTIONS ON HOUSE BILL NO. 776:

Rep. Ream asked if there were no sunset date. There was no response.

Rep. Hoffman asked Janelle Fallon what she would think of putting a cap on, related to production prices. Ms. Fallon replied she did not favor this action, because it can take years to put projects together. She added that wells in production now will be paying higher taxes if oil prices increase.

Rep. Ream asked what the average life of a well is. Mr. Ballard replied that average life is about 20 years, although some wells have been producing for more than 50 years, depending upon the quality of reservoirs.

Rep. Williams asked what the potential is in the overthrust, and if any wells drilled there have potential. Mr. Ballard replied that less than a dozen wells have been drilled there to date.

Rep. Williams asked if those wells have proven that significant gas and oil reserves exist, and at what depths. Mr. Ballard replied some wells are 8,000-9,000 feet in depth, while those in the mountains may be 15,000-20,000 feet deep. He advised that there is a tremendous area outside of the wilderness in which to look.

Rep. Asay asked if the 10 percent stripper well production figures were correct. Mr. Ballard replied that North Dakota classifies deep stripper wells at 10,000 feet or deeper, which are producing 25 or more barrels.

CLOSING ON HOUSE BILL NO. 776: Rep. Nathe stated he obtained the 10 percent figure from the fiscal note, and said the bill affects stripper wells to maintain current production and jobs. He added that there will be no stripper wells if action is not taken, especially because northeastern Montana is tied to the oil industry.

ADJOURNMENT: There being no further business before the Committee, the meeting was adjourned at 12 noon.


Representative Jack Ramirez,
Chairman

DAILY ROLL CALL

HOUSE TAXATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date March 4, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. RAMIREZ	7		
REP. ASAY	7		
REP. ELLISON	7		
REP. GILBERT	7		
REP. HANSON	7		
REP. HARP	7		
REP. HARRINGTON	7		
REP. HOFFMAN	7		
REP. KEENAN			7
REP. KOEHNKE	7		
REP. PATTERSON	7		
REP. RANEY	7		
REP. REAM	7		
REP. SANDS	7		
REP. SCHYE	7		
REP. WILLIAMS	7		

#1
4-87
king

#1
DATE 3-4-87
SB 3

Amendments to SB 3, Third reading copy.

1. Title, line 6.

Strike: "DELETE"

2. Title, line 7.

Strike: "THE"

Following: "DEPOSIT"

Strike: "REQUIREMENT"

Insert: "REQUIRE"

Following: "LEAST"

Strike: "50"

Insert: "10"

3. Page 1, line 16.

Following: "the"

Strike: "There is a"

Insert: "The legislature shall dedicate not less than 10 percent of the"

Following: "to-a"

Insert: "to a"

4. Page 2, line 4.

Strike: "DELETE"

5. Page 2, line 5.

Strike: "the"

Following: "deposit"

Strike: "REQUIREMENT"

Insert: "require"

Following: "LEAST"

Strike: "50%"

Insert: "10%"

6. Page 2, line 9.

Strike: "DELETE the deposit REQUIREMENT"

Insert: "require"

Following: "LEAST"

Strike: "50%"

Insert: "10%"

Ex #2
3-4-87
Meloy
SB 3

#2
DATE 3-4-87
HB SB 3

Testimony opposed to SB 3
House Taxation Committee
Mar 4, 1987

My name is Harriett Meloy. I appear as Vice Chairman of Montanans for the Coal Trust--a citizen organization of over 100 members concerned about the protection of the Coal Tax Trust Fund. Most of the members are past or present legislators. Tom Towe, Chairman of Montanans for the Coal Trust would like to have been here today to present testimony but it was necessary for him to return to Billings last night.

Senate Bill 3 would place before the people a proposal to change the Constitution to eliminate the requirement that 50% of the Coal Tax be placed in the Permanent Trust Fund. Presumably the legislature could put any amount into the Trust Fund it pleases each year. Unquestionably, the purpose of the bill and the change in the Constitution is to allow the legislature to decide no funds should be put in the trust fund and reduce the coal tax by 1/2 without affecting anything else in state government.

Montana is known as the Treasure State. At the turn of the century it had vast deposits of copper and other hard rock minerals. At one time Butte was the largest mining town in the world outside Johannesburg, South Africa. The "copper kings" made vast fortunes out of Montana's treasures. Many non-Montanans, the Rothchilds, the Rockefellers, the Hearsts, Boston and Montana Company, and the Anaconda Company to name a few, added to their already substantial wealth out of Montana's treasures.

Now, most of the copper is gone and very little mining remains. And what do we of this generation have to show for the fabulous wealth of copper ore? Most of the wealth has gone out of state to out of state owners. Even Montana's copper kings ended up bestowing benefits on communities outside Montana. They helped the Stanford University library, the Los Angeles Philharmonic Orchestra, the Corcoran Art Gallery in Washington, D. C. and the law school at the University of Virginia. The only comparable contribution to benefit Montana was \$25,000 given by William Clark to build a theater inside the walls of the old prison.



EXHIBIT #3
DATE 3-4-87
HB 803

Box 1176, Helena, Montana

JAMES W. MURRY
EXECUTIVE SECRETARY

ZIP CODE 59624
406/442-1708

TESTIMONY OF DON JUDGE ON SENATE BILL 3, BEFORE THE HOUSE
TAXATION COMMITTEE, MARCH 4, 1987.

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, MY NAME IS DON JUDGE AND I AM HERE TODAY ON BEHALF OF THE MONTANA STATE AFL-CIO TO TESTIFY IN OPPOSITION TO SENATE BILL 3.

THE COAL SEVERANCE TAX TRUST FUND WAS ESTABLISHED FOR VERY SOUND REASONS, BASED ON HISTORICAL PRECEDENTS: TO MITIGATE THE BOOM AND BUST CYCLES THAT HAVE ACCOMPANIED MINING IN MONTANA. AFTER LOOKING AT SUCH DISTURBING LEGACIES STEMMING FROM THE BERKELY PIT, LIKE THE TAILING PILES IN ANACONDA AND THE NO LONGER EXISTING COPPER REFINERY IN GREAT FALLS; LAWMAKERS CONFIRMED THEIR VISION TO PLACE 50% OF REVENUES DERIVED FROM COAL PRODUCTION AND PLACE THEM INTO A TRUST WHICH PROVIDES FOR FUTURE GENERATIONS.

MR. CHAIRMAN, THERE IS NO DOUBT THAT MONTANA'S ECONOMY IS IN BAD SHAPE, BUT WE BELIEVE THAT THIS BILL IS SHORTSIGHTED AND NOT AT ALL IN THE BEST INTERESTS OF MONTANA'S LONG-TERM ECONOMIC FUTURE.

SENATE BILL 3 WOULD SUBMIT TO THE VOTERS A PROPOSAL TO AMEND THE STATE CONSTITUTION ELIMINATING THE REQUIREMENT TO DEPOSIT 50% OF ALL COAL TAX REVENUES INTO A PERMANENT TRUST FUND. WE SHOULD NOT LET THESE DIFFICULT ECONOMIC TIMES BLACKMAIL US INTO MORTGAGING OUR CHILDREN'S AND GRAND-CHILDREN'S FUTURE.

THERE IS CURRENTLY ABOUT \$300 MILLION IN THE COAL TAX TRUST FUND. SOME PROPOSERS SAY THAT THIS IS ENOUGH, BUT THE ARGUMENT IS FUNDAMENTALLY FLAWED. ALREADY, GOVERNOR SCHWINDEN HAS REQUESTED THAT WE DIVERT THREE-FOURTHS OF THIS YEAR'S TAX FUND REVENUES, APPROXIMATELY \$83 MILLION INTO THE STATE'S GENERAL FUND FOR THE NEXT BIENNIAL. HIS BUDGET DIRECTOR HAS STATED THAT THERE ARE "NO GUARANTEES" THAT THE FUND WILL NOT BE RAIDED DURING FUTURE SESSIONS. IF WE WERE TO USE OUR TRUST FUND AT THE RATE RECOMMENDED BY GOVERNOR SCHWINDEN, THE FUND WOULD BE DEPLETED IN JUST EIGHT SHORT YEARS.

THE DELEGATES TO OUR AUGUST CONVENTION OF THE MONTANA STATE AFL-CIO ADOPTED RESOLUTION 41 (ATTACHED) WHICH DIRECTED OUR FEDERATION TO REEVALUATE OUR POSITION CONCERNING MONTANA'S 30% COAL SEVERANCE TAX AND CONSIDER SUPPORTING "REASONABLE REDUCTIONS" OF THE TAX TO MAKE OUR COAL MORE COMPETITIVE. THIS RESOLUTION DEMONSTRATES THAT OUR ORGANIZATION ENCOURAGES PROPOSALS THAT WOULD RESULT IN JOB CREATION FOR MONTANA WORKERS.

BUT OUR ORGANIZATION ALSO STANDS FIRM IN OUR OPPOSITION TO ANY ATTACKS ON THE PERMANENT COAL TAX TRUST FUND. A MUCH WISER COURSE IS TO USE THE INTEREST EARNED UPON THIS ACCOUNT, AND THE BOND BACKING THIS TRUST WILL CONTINUE TO PROVIDE ECONOMIC BENEFITS TO OUR STATE. WE CONTINUE TO SUPPORT PUTTING HALF OF THIS (MONEY) INTO A PERMANENT COAL TAX TRUST FUND FOR OURS AND OUR CHILDREN'S FUTURES.

RESOLUTION 41

WHEREAS, the Montana State AFL-CIO has a long-standing position in favor of maintaining the Montana coal severance tax at 30 percent of mine-mouth price; and

WHEREAS, the coal severance tax was enacted to mitigate the impacts of coal mining in Montana, and has been effective in doing so; and

WHEREAS, social costs associated with large-scale coal mining such as building roads, schools, water and sewer systems, and other infra-structure needs have been largely alleviated through the Montana coal severance tax; and

WHEREAS, on-going mining in Montana demands that we maintain a coal production-related tax of a level sufficient to meet current social needs, and place some revenue in reserve for future generations as compensation for a lost non-renewable resource; and

WHEREAS, coal mining in Montana as well as all across the nation is at a decline because of reduced demand for coal; and

WHEREAS, competition for sale of Montana coal with other states in this power region is becoming stiffer as a result of reduced demand for coal power; and

WHEREAS, Montana coal faces a disadvantage in bidding competition because non-competitive rail transportation rates are related to the monopoly of rail transportation in Montana by the Burlington Northern Railroad; and

WHEREAS, neither President Reagan nor the Congress appears willing to force rail rates down to a responsible level; and

WHEREAS, the Montana legislature can do little to affect rail rates in Montana, but can improve the competitive position for sale of Montana coal by regulating the taxation level of the coal; and

WHEREAS, the livelihood of many union Brothers and Sisters is at risk due to cutbacks in production of Montana coal;

THEREFORE BE IT RESOLVED, that the Montana State Building and Construction Trades Council convention goes on record as encouraging the Montana State AFL-CIO to review its position on the retention of the 30 percent coal severance tax; and

BE IT FURTHER RESOLVED, that should this review establish that the competitive bidding position of Montana coal could be substantively improved through a reduction in the 30 percent level of Montana's coal severance tax, that the Montana State AFL-CIO review its position to support a reasonable reduction of the 30 percent rate; and

BE IT FURTHER RESOLVED, that support for such a reduction in the coal

severance tax be contingent upon support for and legislative adoption of a replacement source of revenue for state and local governments impacted by any reduction in the coal severance tax; and

BE IT FURTHER RESOLVED, that one such area of replacement tax to be supported by the Montana State AFL-CIO come from a revision of the Montana corporate income tax to establish a progressive corporate income tax based upon the ability to pay; and

BE IT FINALLY RESOLVED, that this resolution be submitted to the 30th Annual Convention of the Montana State AFL-CIO for its concurrence and adoption.

SUBMITTED BY THE MONTANA STATE BUILDING AND CONSTRUCTION TRADES COUNCIL
CONVENTION VOTED CONCURRENCE, AS AMENDED

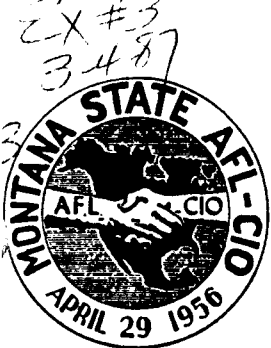
Other than the environmental, social and economic problems associated with the decline of copper mining, Montana has very little to show for the fabulous treasure of copper ore that once existed in this state.

When the people voted overwhelmingly to set aside 50% of the coal tax into a permanent trust fund in 1976, they were mindful of our historic past. They were determined not to let still another valuable resource--coal--slip away leaving Montana with nothing to show for what once was a valuable resource. They wanted to be able to look their children and grandchildren in the eye and tell them they did not completely squander Montana's heritage.

Now, on arguments of expediency and "let's use the money now", we are proposing to remove the constitutional requirement that places 1/2 of the coal tax in a permanent trust fund. Coupled with other measures which propose to break into the Trust Fund and use it to balance the budget, our coal treasure is seriously threatened. Within six years the Trust Fund may be gone forever and with Senate Bill 3 there may never be another dime placed into the Fund. We will have effectively squandered our heritage once again.

Why must we be like the small child who can't wait to spend his allowance. Must we live only for the present? Why can't we set aside something from our valuable treasure for our future generations? How can we face our children and grandchildren with the knowledge that we spent the treasure of our Treasure State before they were old enough to realize the benefits of their legacy.

Montanans for the Coal Trust oppose any effort to violate the integrity of the Permanent Trust Fund and the flow of 50% of the Coal Tax into the Fund. We urge a no vote on this bill.



#3
DATE 3-4-87
HB SB 3

Box 1176, Helena, Montana

JAMES W. MURRY
EXECUTIVE SECRETARY

ZIP CODE 59624
406/442-1708

TESTIMONY OF DON JUDGE ON SENATE BILL 3, BEFORE THE HOUSE
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MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, MY NAME IS DON JUDGE AND I AM HERE TODAY ON BEHALF OF THE MONTANA STATE AFL-CIO TO TESTIFY IN OPPOSITION TO SENATE BILL 3.

THE COAL SEVERANCE TAX TRUST FUND WAS ESTABLISHED FOR VERY SOUND REASONS, BASED ON HISTORICAL PRECEDENTS: TO MITIGATE THE BOOM AND BUST CYCLES THAT HAVE ACCOMPANIED MINING IN MONTANA. AFTER LOOKING AT SUCH DISTURBING LEGACIES STEMMING FROM THE BERKELY PIT, LIKE THE TAILING PILES IN ANACONDA AND THE NO LONGER EXISTING COPPER REFINERY IN GREAT FALLS; LAWMAKERS CONFIRMED THEIR VISION TO PLACE 50% OF REVENUES DERIVED FROM COAL PRODUCTION AND PLACE THEM INTO A TRUST WHICH PROVIDES FOR FUTURE GENERATIONS.

MR. CHAIRMAN, THERE IS NO DOUBT THAT MONTANA'S ECONOMY IS IN BAD SHAPE, BUT WE BELIEVE THAT THIS BILL IS SHORTSIGHTED AND NOT AT ALL IN THE BEST INTERESTS OF MONTANA'S LONG-TERM ECONOMIC FUTURE.

SENATE BILL 3 WOULD SUBMIT TO THE VOTERS A PROPOSAL TO AMEND THE STATE CONSTITUTION ELIMINATING THE REQUIREMENT TO DEPOSIT 50% OF ALL COAL TAX REVENUES INTO A PERMANENT TRUST FUND. WE SHOULD NOT LET THESE DIFFICULT ECONOMIC TIMES BLACKMAIL US INTO MORTGAGING OUR CHILDREN'S AND GRAND-CHILDREN'S FUTURE.

THERE IS CURRENTLY ABOUT \$300 MILLION IN THE COAL TAX TRUST FUND. SOME PROponents SAY THAT THIS IS ENOUGH, BUT THE ARGUMENT IS FUNDAMENTALLY FLAWED. ALREADY, GOVERNOR SCHWINDEN HAS REQUESTED THAT WE DIVERT THREE-FOURTHS OF THIS YEAR'S TAX FUND REVENUES, APPROXIMATELY \$83 MILLION INTO THE STATE'S GENERAL FUND FOR THE NEXT BIENNIUM. HIS BUDGET DIRECTOR HAS STATED THAT THERE ARE "NO GUARANTEES" THAT THE FUND WILL NOT BE RAIDED DURING FUTURE SESSIONS. IF WE WERE TO USE OUR TRUST FUND AT THE RATE RECOMMENDED BY GOVERNOR SCHWINDEN, THE FUND WOULD BE DEPLETED IN JUST EIGHT SHORT YEARS.

THE DELEGATES TO OUR AUGUST CONVENTION OF THE MONTANA STATE AFL-CIO ADOPTED RESOLUTION 41 (ATTACHED) WHICH DIRECTED OUR FEDERATION TO REEVALUATE OUR POSITION CONCERNING MONTANA'S 30% COAL SEVERANCE TAX AND CONSIDER SUPPORTING "REASONABLE REDUCTIONS" OF THE TAX TO MAKE OUR COAL MORE COMPETITIVE. THIS RESOLUTION DEMONSTRATES THAT OUR ORGANIZATION ENCOURAGES PROPOSALS THAT WOULD RESULT IN JOB CREATION FOR MONTANA WORKERS.

BUT OUR ORGANIZATION ALSO STANDS FIRM IN OUR OPPOSITION TO ANY ATTACKS ON THE PERMANENT COAL TAX TRUST FUND. A MUCH WISER COURSE IS TO USE THE INTEREST EARNED UPON THIS ACCOUNT, AND THE BOND BACKING THIS TRUST WILL CONTINUE TO PROVIDE ECONOMIC BENEFITS TO OUR STATE. WE CONTINUE TO SUPPORT PUTTING HALF OF THIS (MONEY) INTO A PERMANENT COAL TAX TRUST FUND FOR OURS AND OUR CHILDREN'S FUTURES.

RESOLUTION 41

WHEREAS, the Montana State AFL-CIO has a long-standing position in favor of maintaining the Montana coal severance tax at 30 percent of mine-mouth price; and

WHEREAS, the coal severance tax was enacted to mitigate the impacts of coal mining in Montana, and has been effective in doing so; and

WHEREAS, social costs associated with large-scale coal mining such as building roads, schools, water and sewer systems, and other infra-structure needs have been largely alleviated through the Montana coal severance tax; and

WHEREAS, on-going mining in Montana demands that we maintain a coal production-related tax of a level sufficient to meet current social needs, and place some revenue in reserve for future generations as compensation for a lost non-renewable resource; and

WHEREAS, coal mining in Montana as well as all across the nation is at a decline because of reduced demand for coal; and

WHEREAS, competition for sale of Montana coal with other states in this power region is becoming stiffer as a result of reduced demand for coal power; and

WHEREAS, Montana coal faces a disadvantage in bidding competition because non-competitive rail transportation rates are related to the monopoly of rail transportation in Montana by the Burlington Northern Railroad; and

WHEREAS, neither President Reagan nor the Congress appears willing to force rail rates down to a responsible level; and

WHEREAS, the Montana legislature can do little to affect rail rates in Montana, but can improve the competitive position for sale of Montana coal by regulating the taxation level of the coal; and

WHEREAS, the livelihood of many union Brothers and Sisters is at risk due to cutbacks in production of Montana coal;

THEREFORE BE IT RESOLVED, that the Montana State Building and Construction Trades Council convention goes on record as encouraging the Montana State AFL-CIO to review its position on the retention of the 30 percent coal severance tax; and

BE IT FURTHER RESOLVED, that should this review establish that the competitive bidding position of Montana coal could be substantively improved through a reduction in the 30 percent level of Montana's coal severance tax, that the Montana State AFL-CIO review its position to support a reasonable reduction of the 30 percent rate; and

BE IT FURTHER RESOLVED, that support for such a reduction in the coal

severance tax be contingent upon support for and legislative adoption of a replacement source of revenue for state and local governments impacted by any reduction in the coal severance tax; and

BE IT FURTHER RESOLVED, that one such area of replacement tax to be supported by the Montana State AFL-CIO come from a revision of the Montana corporate income tax to establish a progressive corporate income tax based upon the ability to pay; and

BE IT FINALLY RESOLVED, that this resolution be submitted to the 30th Annual Convention of the Montana State AFL-CIO for its concurrence and adoption.

SUBMITTED BY THE MONTANA STATE BUILDING AND CONSTRUCTION TRADES COUNCIL
CONVENTION VOTED CONCURRENCE, AS AMENDED

5
DATE 3-4-87
HB 56.55

SENATE BILL 55

TESTIMONY BY

DONALD R. PEOPLES

MARCH 4, 1987

BUTTE-SILVER BOW IS A PROPONENT OF SENATE BILL 55. WE FEEL THAT LOCAL GOVERNMENTS SHOULD BE GIVEN THE OPTION OF ENACTING A 3% RESORT TAX. I WANT TO EMPHASIZE THAT THIS CAN ONLY BE DONE WITH VOTER APPROVAL. IT IS NOT A TAX THAT THE LOCAL BOARD OF COMMISSIONERS CAN ENACT AT WILL - THE LOCAL VOTERS MUST APPROVE IT.

BUTTE-SILVER BOW FEELS THAT GIVEN THIS OPTION AND CONTINGENT UPON VOTER APPROVAL IT COULD USE THE FUNDS GENERATED NOT ONLY AS A SOURCE OF PROPERTY TAX RELIEF, BUT ALSO TO ACCOMPLISH PROJECTS THAT WOULD HAVE A LONG TERM BENEFICIAL EFFECT ON THE TOURISM INDUSTRY. LOCAL GOVERNMENTS NEED TO BE GIVEN THE OPTION OF ALTERNATIVE REVENUE SOURCES THAT WILL ALLOW THEM, WITH VOTER APPROVAL, TO MAKE DECISIONS ON THE LOCAL LEVEL.

THEREFORE, I URGE YOUR SUPPORT OF SENATE BILL 55.



EXHIBIT #6
DATE 3-4-87
HB 88.55

Box 1176, Helena, Montana

JAMES W. MURRY
EXECUTIVE SECRETARY

ZIP CODE 59624
406/442-1708

TESTIMONY OF DON JUDGE ON SB 55 BEFORE THE HOUSE TAXATION
COMMITTEE, MARCH 4, 1987

GOOD MORNING, MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, FOR THE RECORD MY NAME IS DON JUDGE AND I AM APPEARING BEFORE YOU TODAY ON BEHALF OF THE MONTANA STATE AFL-CIO TO TESTIFY IN OPPOSITION TO SENATE BILL 55. MEMBERS OF THE COMMITTEE, OUR LABOR FEDERATION'S OPPOSITION TO A SALES TAX, IN ANY FORM, IS WELL KNOWN. NO MATTER HOW YOU DRESS IT UP, A SALES TAX IS REGRESSIVE. IT PLACES AN INORDINATE BURDEN ON THOSE INDIVIDUALS AT THE BOTTOM RUNGS OF THE ECONOMIC SPECTRUM. HOWEVER, WE ARE DISAPPOINTED WITH THE CONTENT AND INTENT OF SB 55 FOR REASONS OTHER THAN THE PROPOSED METHOD OF TAXATION.

THE FIRST DISADVANTAGE OF SB 55 IS THAT IT WILL NEEDLESSLY PENALIZE ALL MONTANANS WHO SPEND THEIR HARD-EARNED RECREATIONAL DOLLARS IN OUR STATE'S "RESORT COMMUNITIES." THIS BILL HAS BEEN TOUTED AS A SO-CALLED "TOURIST TAX" INTENDED TO SOAK OUT-OF-STATE'S WHEN THEY VISIT THESE RESORT AREAS. UNFORTUNATELY, IT IS FALLACIOUS TO CONTEND THAT EVEN A MAJORITY OF VISITORS TO A GIVEN RESORT COMMUNITY WOULD BE FROM OUT-OF-STATE. IN FACT, A JUST RELEASED STUDY BY THE MONTANA ALLIANCE FOR PROGRESSIVE POLICY (MAPP) HAS SHOWN THAT IF A GENERAL STATEWIDE SALES TAX WERE IMPOSED, TOURISTS WOULD SHOULDER A MERE SEVEN PERCENT OF THE SALES TAX BURDEN. IT IS ALSO INCONSISTENT FOR MONTANA TO PROMOTE IN-STATE TOURISM ON THE ONE HAND AND THEN DISCOURAGE OUR CITIZENS FROM VACATIONING AT HOME BY IMPOSING COSTLY SALES TAXES.

(over)

A SECOND DISADVANTAGE TO SB 55 IS THAT IT IS BUT ANOTHER EXAMPLE OF THE "CREEPING" SALES TAX MEASURES THAT ARE INUNDATING THIS LEGISLATIVE SESSION. THE DEFINITION OF A "RESORT AREA" IS SO BROAD AND THE MEANS OF ENACTING A RESORT COMMUNITY TAX SO EASILY ACCOMPLISHED, THAT WE COULD EASILY SEE HUNDREDS OF MONTANA COMMUNITIES BECOMING SALES TAX ENCLAVES. IT IS THE MONTANA STATE AFL-CIO'S BELIEF THAT IF SUCH A SCENARIO OCCURED, A GENERAL STATEWIDE SALES TAX WILL INVARIABLY FOLLOW.

MEMBERS OF THE COMMITTEE, THE MESSAGE THAT THE VOTERS SENT YOU WITH I-105'S PASSAGE AND THE NEAR VICTORY OF CI-27 IS THAT MONTANANS ARE FIRMLY OPPOSED TO ANY NEW TAXES. BUT IT IS POSSIBLE FOR THE LEGISLATURE TO REMEDY OUR CURRENT SHORTFALLS WITHOUT RESORTING TO ANY REGRESSIVE SALES TAX MEASURE! ACCORDING TO THE AFORE-MENTIONED MAPP STUDY, OUR STATE'S TAX CODE IS SO RIDDLED WITH LOOPHOLES AND SPECIAL TAX PROVISIONS THAT THE STATE LOST AN ESTIMATED \$281,845,000 DOLLARS IN TAX REVENUES IN FISCAL YEAR 1985 ALONE!

IT IS THE PROPER COURSE OF ACTION FOR YOU, THE ELECTED REPRESENTATIVES OF THE PEOPLE, TO EXAMINE CLOSING THESE LOOPHOLES BEFORE CONSIDERING IMPOSING ANY ADDITIONAL SALES TAX MEASURE.

WE URGE YOU TO GIVE SENATE BILL 55 A "DO NOT PASS" RECOMMENDATION.

MISSOULA COUNTY

BOARD OF COUNTY COMMISSIONERS

• Missoula County Courthouse • Missoula, Montana 59802
(406) 721-5700

DATE 3-4-87
HB SB 55

BCC-87-114
March 3, 1987

Jack Ramirez, Chairman
House Taxation Committee
Montana House of Representatives
Helena, MT 59620

Dear Representative Ramirez:

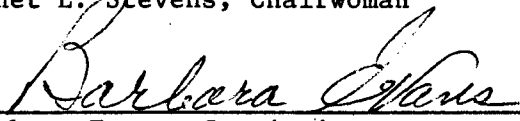
We are writing in support of SB-55, which would revise the definition of "resort community" and allow unincorporated areas to received that designation. This bill could be of considerable benefit to those parts of Missoula County, such as Seeley Lake, which are resort communities, and which rely on tourists and summer residents for their principal source of economic activity. Currently, property taxes are insufficient to fund the services in communities like Seeley Lake, and although the rural parts of Missoula County are, in effect, subsidized by taxpayers in the urban areas, the level of services are simply not sufficient. This is particularly true in such areas as law enforcement and roads, which have very large seasonal demands, but a property tax base that is incapable of meeting those demands. Under the SB-55 concept, if the people of Seeley Lake wanted a higher level of service, they would be able to get it by petitioning the County Commissioners to designate them as a resort community, thereby allowing them to put a limited sales tax on those goods and services that are aimed particularly at the tourists and summer resident trade. In this way, those people who place a demand on such services as law enforcement would be the ones to pay for it, not the taxpayers of the County as a whole. We believe that this bill is an excellent method of achieving a flexible method of funding local government services without requiring major changes in local government funding or taxation.


Sincerely,

BOARD OF COUNTY COMMISSIONERS

NOT AVAILABLE FOR SIGNATURE

Janet L. Stevens, Chairwoman


Barbara Evans, Commissioner


Ann Mary Dussault, Commissioner

BCC/HS/lm

cc: Committee Members
Missoula House Members

34
3
EX
Judy
Tilman

EXHIBIT # 7
DATE 3-4-87
HB 649

ACCOMMODATIONS TAX

HOUSE BILL 649

TESTIMONY BY

DONALD R. PEOPLES

MARCH 5, 1987

LADIES AND GENTLEMEN:

MY NAME IS JUDIE TILMAN AND I AM HERE TODAY FOR DON PEOPLES, BUTTE-SILVER BOW'S CHIEF EXECUTIVE. MR. PEOPLES HAD TO BE OUT OF THE STATE ON BUSINESS, BUT ASKED ME TO PRESENT HIS TESTIMONY ON THE ACCOMMODATIONS TAX.

BUTTE-SILVER BOW IS A STRONG SUPPORTER OF IMPOSING A 5% STATEWIDE TAX ON THE USERS OF HOTEL, MOTEL AND CAMPGROUND ACCOMMODATIONS. HOWEVER, WE FEEL JUST AS STRONGLY THAT LOCAL GOVERNMENT MUST RECEIVE A SUBSTANTIAL SHARE OF THE PROCEEDS OF SUCH A TAX.

IT IS THE LOCAL GOVERNMENT THAT MUST DEAL WITH THE IMPACTS CAUSED BY AN INFLUX OF PEOPLE INTO THE COMMUNITY. WHETHER IT'S DUE TO A SPORTS TOURNAMENT, CONVENTION OR SUMMER TOURIST SEASON, WE WELCOME ALL OUTSIDERS TO THE COMMUNITY AND APPRECIATE THE DOLLARS THEY BRING IN. HOWEVER, WE ALSO RECOGNIZE THAT THE CITY MUST PROVIDE ADDITIONAL SERVICES IN ORDER TO PROTECT THEM AND MAKE THEIR STAY IN OUR COMMUNITY MEMORABLE FOR ALL THE RIGHT REASONS.

PROVIDING THE SERVICES AND AMENITIES THAT INSURE TOURISTS WILL ENJOY THEIR VISIT AND WANT TO RETURN COSTS MONEY. AT PRESENT, THE ONLY SOURCE OF REVENUE FOR THE CITY IS THE PROPERTY TAX. IT WOULD SEEM MORE LEGITIMATE TO SPREAD THE COSTS OUT AND HAVE

#7
3-4-87
HB649

THE PEOPLE WHO BENEFIT FROM THE ADDITIONAL SERVICES PAY A PORTION OF THE COSTS INSTEAD OF PLACING THE ENTIRE BURDEN ON THE PROPERTY TAX PAYER.

I WANT TO STRESS, HOWEVER, THAT THIS IS NOT THE MAIN REASON WE SUPPORT LOCAL GOVERNMENT RECEIVING A SUBSTANTIAL PORTION OF ANY ACCOMMODATIONS TAX. RATHER, WE FEEL IT IS IN THE BEST INTEREST OF EVERYONE CONCERNED. IN BUTTE-SILVER BOW, WE WOULD LIKE TO SEE THE FUNDS PUT TO INNOVATIVE USES THAT WILL ASSIST IN THE LONG TERM DEVELOPMENT OF THE TOURIST INDUSTRY. OUR GOAL IS THE CREATION OF PERMANENT PROJECTS THAT WILL MAKE BUTTE A DESTINATION POINT.

THE HIGH ALTITUDE SPORTS CENTER IN BUTTE IS ONE EXAMPLE OF A PROJECT THAT COULD BENEFIT FROM THE TAX REVENUES THAT THE LOCAL GOVERNMENT WOULD RECEIVE. THIS CENTER CAN BECOME THE PREMIERE FACILITY OF ITS KIND, NOT ONLY IN THE UNITED STATES, BUT IN THE WORLD. THE CENTER WILL FOCUS WORLDWIDE ATTENTION ON BUTTE AND THE STATE OF MONTANA. A WORLD CUP SPEED SKATING MEET IS SCHEDULED FOR DECEMBER, 1987 AND SPEED SKATERS FROM SEVERAL COUNTRIES HAVE ALREADY COMMITTED NOT ONLY TO THIS MEET, BUT ALSO TO TRAIN HERE BEFORE THE 1988 OLYMPICS. THE AMOUNT OF ADVERTISING FOR THE AREA THAT THIS CENTER WILL GENERATE WOULD BE IMPOSSIBLE TO BUY. WHAT BETTER WAY TO PROMOTE TOURISM THAN TO ASSIST WITH THE DEVELOPMENT AND OPERATION OF THE U.S. HIGH ALTITUDE SPORTS CENTER?

THE BUTTE-ANACONDA HISTORICAL PARK AND RAILROAD SYSTEM

#7
34-87
HB649

IS ANOTHER PROJECT THAT HAS THE POTENTIAL TO BECOME A VERY SIGNIFICANT TOURIST ATTRACTION. THE PARK SYSTEM WILL PRESERVE THE AREA'S MOST IMPORTANT HISTORIC INDUSTRIAL SITES AND INTERPRET OR EXPLAIN THE AREA'S MINING AND SMELTING HERITAGE. WHEN COMPLETE, IT WILL LINK THE WORLD MINING MUSEUM TO SEVERAL OF THE SITES VIA A TOURIST TRAIN. BUTTE-SILVER BOW WOULD LIKE TO SEE SOME OF THE PROCEEDS FROM THE ACCOMMODATIONS TAX HELP MAKE PROJECTS SUCH AS THIS A REALITY.

ONE OTHER FACILITY THAT DESERVES MENTION HERE IS THE BUTTE-SILVER BOW CIVIC CENTER. UP UNTIL 1979 THE CIVIC CENTER WAS ANYTHING BUT AN ASSET TO THE COMMUNITY. LACK OF MAINTENANCE HAD CAUSED IT TO FALL INTO DISREPAIR. IN 1979, BUTTE-SILVER BOW, WITH FEDERAL ASSISTANCE, UNDERTOOK A \$1 MILLION RENOVATION PROJECT. NOW INSTEAD OF STANDING IDLE, THE CIVIC CENTER IS UTILIZED BY THE PUBLIC APPROXIMATELY 90% OF THE TIME. IT ATTRACTS DISTRICT AND STATE SPORTS TOURNAMENTS AND SPECIAL EVENTS THAT BRING THOUSANDS OF PEOPLE INTO THE COMMUNITY EVERY YEAR. HOWEVER, ITS VERY EXPENSIVE TO MAINTAIN. IN 1985-86, 3.75 MILLS WERE LEVIED FOR MAINTENANCE. FUNDS FROM THE ACCOMMODATIONS TAX WOULD PROVIDE A SOURCE OF REVENUE ENABLING BUTTE-SILVER BOW TO MAKE CONTINUED IMPROVEMENTS THAT WOULD INSURE THAT THE CIVIC CENTER REMAINS A FIRST CLASS FACILITY CAPABLE OF ATTRACTING MAJOR EVENTS THAT WILL IN TURN ATTRACT PEOPLE TO OUR COMMUNITY.

INSTEAD OF USING ALL THE FUNDS GENERATED BY THE ACCOMMODATIONS TAX FOR PROMOTION, WE FEEL IT IS NECESSARY TO ASSIST CITIES WITH THE PROVISION OF ESSENTIAL SERVICES AND AMENITIES THAT

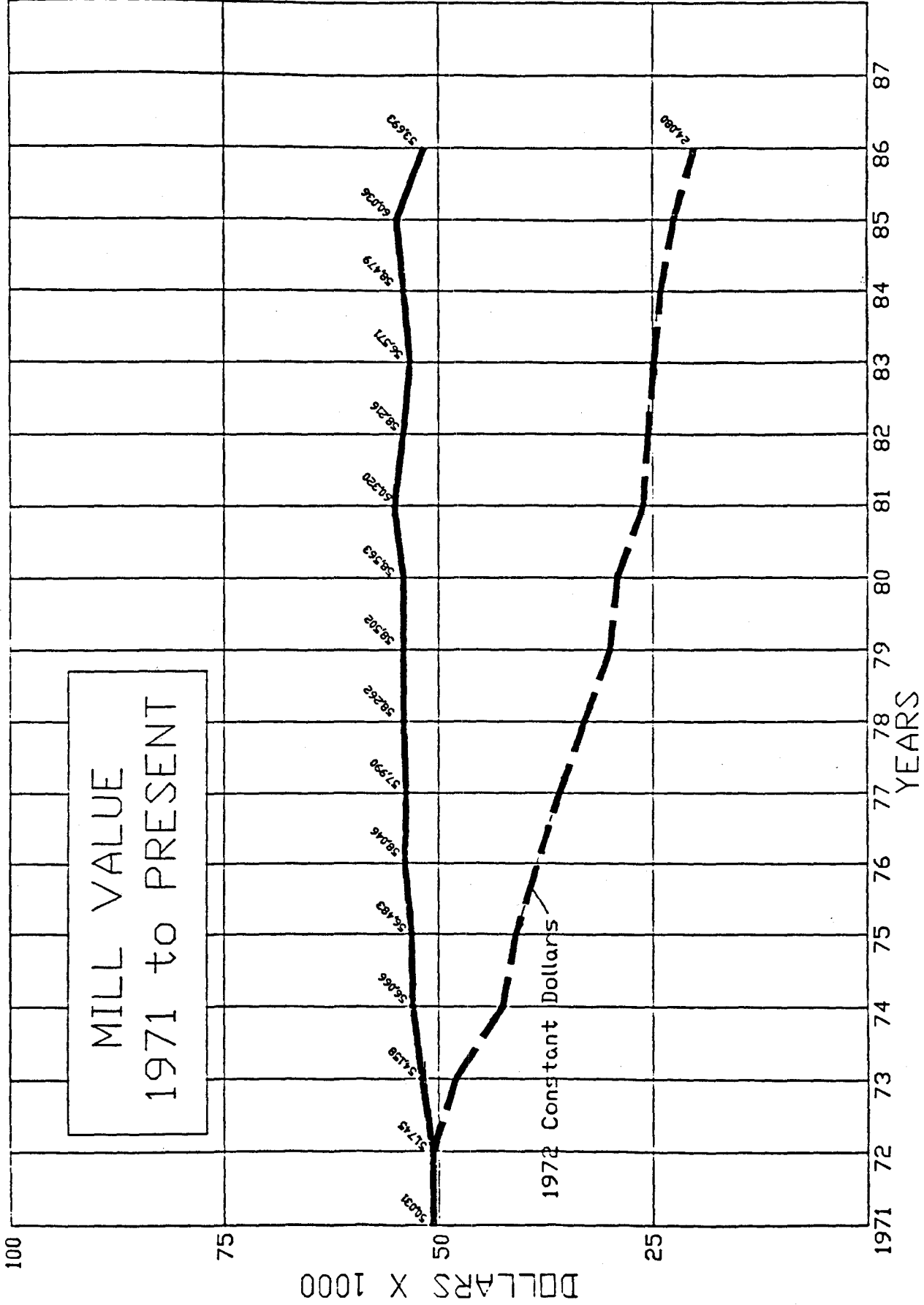
#7
34-87
HB649

MAKE A COMMUNITY ATTRACTIVE TO VISIT AND MORE IMPORTANTLY, TO ASSIST WITH THE PERMANENT TOURIST ATTRACTION DEVELOPMENTS THAT WILL MAKE OUR CITIES AND STATE A DESTINATION PLACE. ONE WHERE PEOPLE WILL STOP, STAY, PLAY AND MOST IMPORTANTLY SPEND MONEY AND WHEN THEY RETURN HOME TELL THEIR FRIENDS WHAT A FABULOUS PLACE MONTANA IS. I URGE YOU TO CONSIDER THE NEED NOT ONLY TO PROMOTE OUR STATE AND ITS ATTRACTIONS, BUT ALSO THE NEED TO MAINTAIN AND DEVELOP THE CITIES AND THE FACILITIES THAT WILL ATTRACT THE TOURIST.

#8
 3-4-87
 649-707

CITY OF GREAT FALLS

MILL VALUE
 1971 to PRESENT



DATE 3-4-87
 PS 649 707



CITY OF BILLINGS
ADMINISTRATOR'S OFFICE
P.O. BOX 1178
BILLINGS, MT 59103
PHONE (406) 657-8433

FILE #9
DATE 3.4.87
HB 649 707

HOUSE BILL 649/HOUSE BILL 707

Mr. Chairman, Committee Members, my name is Alan Tandy, City Administrator for the City of Billings. The City of Billings wishes to go on record in support of HOUSE 649, but also in support of many of the concepts contained in HOUSE BILL 707.

The City of Billings supports the idea of taking advantage of our basic tourism industry through promotion. In fact, a hotel/motel tax, which was in effect in the City of Billings until it was eliminated by Supreme Court action, was dedicated, in part, to the Chamber of Commerce for the creation and ongoing funding of a tourism and promotion bureau, which we believe has been extremely successful in Billings.

Tourism promotion at the State level is needed. The primary benefits of HOUSE BILL 649 and 707 are, however, that they recognize that tourism promotion should not be the exclusive province of the State and that service delivery costs associated with demands created by visitors on local government, also need to be provided for. Certain other hotel/motel bills previously heard before this committee fail to recognize those needs.

Tourists do, in fact, create a substantial dollar drain on City government relative to streets, police, fire protection, and other basic services. It is, therefore, equitable to pay back a portion of the tourist-generated dollars through a hotel/motel fee to the local governments involved to recover some of the costs of that service provision. It is, in fact, logical

to have the out of State visitors pay some of those costs rather than the Montana property tax payer.

Should the State significantly increase its advertising campaign to promote State tourism without offsetting some of the impact of that increased tourism to local governments, it will only increase the burden on our local property taxpayer.

Effective tourism promotion requires balance, through advertising and literature, both at the State and local levels. Passage of either HOUSE BILL 649 or 707 would allow communities, such as the City of Billings, to supplement State advertising and tourist promotion activities through local organizations who can better amplify our community's unique attractions to conventions and tourist promotion..

HOUSE BILL 649, through rebating the largest portion of revenue to the local government, which was the source of its origin, will also provide for equity across the State in terms of where expenditures take place and where costs are incurred. In the absence of such a rebate to the point of collection, the City of Billings and Eastern Montana carry a significant concern that we will be exporters of dollars to the Western portion of the State without getting back equal advertising efforts to promote tourism in our areas.

In short, the City of Billings urges first your support of HOUSE BILL 649 as being the best and most responsive hotel/motel tax to be proposed in this Session. We would also like to go on record, should HOUSE BILL 649 not be passed, as stating that HOUSE BILL 707 is the second most favorable overall hotel/motel tax bill to be sponsored before you this Session. Thank you.

March 1987

3-4
HB 707
1994
Wee
Hansen

An Update on Montana's Travel and Tourism Industry

Richard T. Dailey

EXHIBIT #10
DATE 3.4.87
HB 707 694

Montana's non-resident travel industry is alive and reasonably healthy. Among the state's basic industries — those which sell goods or services to nonresidents or otherwise bring money in from out-of-state — only nonresident travel and heavy construction have increased their employment and payrolls recent years.

Since 1979, most of Montana's basic industries have suffered permanent losses of jobs and income as plants and mines have closed and an interstate railroad ceased operation. Heavy construction was an exception because of the Colstrip project, but as that project nears completion construction too will likely experience a decline.

That portion of the travel industry which serves nonresident visitors also is defined as a basic industry. It brings money in from outside the state. Between 1979 and 1983, labor income generated by the expenditures of nonresident travelers is estimated to have increased 10 percent, from \$96 million to \$106 million, after adjustment for inflation. This was a notable achievement during a period of recession and increasingly unfavorable money exchange rates for Canadian visitors.

Figure 1 illustrates changes in labor income earned by workers in Montana's



basic industries between 1979 and 1983. Labor income includes wages and salaries and certain fringe benefits plus proprietors' income — in other words, all the income earned through participation in the labor force. Labor income is used as a measure of changes in economic activity when data equivalent to Gross National Product are not available, and as a measure of an industry's contribution to the economy. The figures are expressed in constant 1983 dollars.

In 1983, labor income from the nonresident travel industry accounted for 6 percent of total labor income from basic industries in Montana. Four years earlier, in 1979, it had contributed 5 percent of the total.

The increased income from nonresident travel resulted from a growth in number of visitors. Their numbers increased from less than 2.0 million in 1979 to more than 2.2 million in 1983 (figure 2). Total expenditures by nonresident travelers also are estimated to have grown from \$382 million in 1979 to \$423 million in 1983 after taking inflation into account (figure 3). It was not a steady growth; small setbacks occurred in 1980 and 1982. But certainly the industry has been much less cyclical than most other basic industries in the state.

People travel for a variety of reasons. The most recent travel survey in Montana — the Old West Commission Survey completed in 1980 — reported that 30 percent of nonresident travel in the state in 1979 was travel for pleasure. Travel for pleasure is the usual definition for tourism. It should be noted that it is a rather narrow definition, by virtue of excluding the 23 percent of nonresident visitors in 1979 who said they were visiting friends and relatives.

Applying the 30 percent figure to expenditures and labor income suggests that nonresident tourists spent \$127 million in Montana in 1983, and those expenditures generated \$32 million in labor income. If one chose to include travelers visiting friends and relatives as tourists, those numbers would be \$224 million and \$56 million respectively.

We emphasize expenditures of nonresident travelers because, as noted

"There were approximately 20,200 travel-related jobs in Montana in 1983, compared to 17,600 in 1979."

above, they bring money into the state; the portion of the travel industry serving them is part of our economic base.

But Montanans also travel in Montana. The Billings resident vacationing in Flathead County has not added to the state's economic base, but he has contributed to the county economy. And if he chose Flathead over a trip to Puget Sound, he has kept money in state that otherwise would have left. We estimate that Montanans traveling in Montana spent a total of \$391 million in 1983, of which \$98 million was for pleasure (tourist) travel. Those figures compare to \$366 million and \$92 million in 1979. Labor income generated by these expenditures is estimated at \$98 million in 1983 and \$92 million in 1979 (table 1). These figures are very rough estimates.

There were approximately 20,200 travel-related jobs in Montana in 1983, compared to 17,600 in 1979. About a third of the 1983 total was in the hotel-motel sector.

Average earnings per worker are considerably lower than in many other Montana industries because of lower wage rates and the large number of part-time and seasonal jobs.

Nevertheless, the industry fills an important function by providing a large number of jobs for unskilled workers as well as those who desire part-time or seasonal work. It also offers entrepreneurial opportunities for people wanting to start their own businesses.

A few of the larger counties — Yellowstone, Gallatin, Flathead, and Cascade — account for almost half total travel-related employment (table 2).

Yellowstone and Cascade counties, partly because of their size, are not so dependent upon travel as are Flathead and Gallatin counties. Those two counties are located adjacent to our two national parks, and together with Glacier, Park, and Beaverhead counties (also adjacent to the parks) are the most heavily dependent upon travel (table 3).

About 23 percent of Glacier County's total employment is concentrated in travel-related businesses. In each of the other four counties, the proportion is approximately 10 percent or more. □

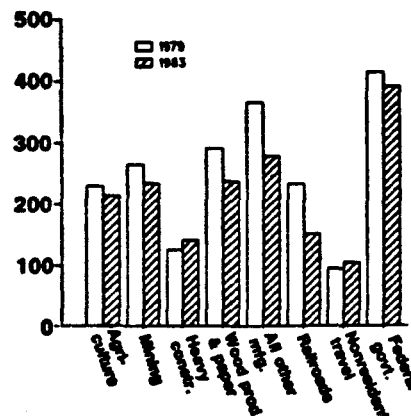
About this article. . .

The Bureau of Business and Economic Research recently conducted a study of Montana's travel and tourism industry. Sponsored by the Montana Promotion Division of the Montana Department of Commerce, Helena, the project was begun in summer 1984 and completed in November. This article presents some of the report's highlights.

This study is based on data from secondary sources. We attempted to use the best information available, but data on travel and tourism in Montana are out of date and incomplete. Accordingly, some of the figures may not be entirely accurate, but we believe that the trends revealed are reliable. We tried to be conservative in making the estimates, preferring to err by understatement rather than overstatement.

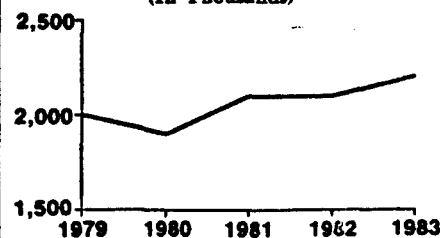
Figure 1
Changes in Labor Income
Basic Industries, Montana
1979-1983

(In Millions of Constant 1983 Dollars)



Sources: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, unpublished data (Washington, DC, 1984), and University of Montana, Bureau of Business and Economic Research.

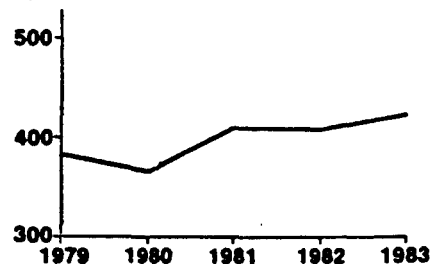
Figure 2
Number of Nonresident Visitors
Montana
1979 and 1983
(In Thousands)



Source: University of Montana, Bureau of Business and Economic Research.

Figure 3
Expenditures by Nonresident
Visitors, Montana
1979-1983

(In Millions of Constant 1983 Dollars)



Source: University of Montana, Bureau of Business and Economic Research.

"A few of the larger counties—Yellowstone, Gallatin, Flathead, and Cascade—account for almost half the total travel-related employment."

Table 2
Concentration of Travel-Related Employment in Montana Counties, 1983

<u>County</u>	<u>Percent of State Travel Employment in County</u>
Yellowstone	15.4
Gallatin	11.2
Flathead	10.8
Cascade	9.2
Silver Bow	6.8
Missoula	6.6
Glacier	6.5
Lewis and Clark	5.0
Park	3.3
Dawson	2.9

Source: University of Montana, Bureau of Business and Economic Research.

Table 3
Montana Counties Most Heavily Dependent on Travel-Related Employment, 1983

<u>County</u>	<u>Percent of County Employment Which is Travel-Related</u>
Glacier	23.0
Park	12.0
Flathead	10.1
Gallatin	10.0
Beaverhead	9.9
Madison	9.3
Silver Bow	9.2
Dawson	8.4
Roosevelt	5.8
Richland	5.2

Source: University of Montana, Bureau of Business and Economic Research.

Richard T. Dailey is professor of management, School of Business Administration, University of Montana. He worked with the Bureau of Business and Economic Research in completing the research and analysis for this travel study.

Table 1
The Montana Travel Industry 1979 and 1983

	<u>1979</u>	<u>1983</u>	<u>Percent Change</u>
	(Millions of Constant 1983 Dollars)		
Total travel expenditures	748	814	9
Nonresident	382	423	11
Tourist	114	127	11
Resident	366	391	7
Tourist	92	98	7
Total labor income generated	188	204	9
Travel by nonresidents	96	106	10
Tourist	29	32	10
Travel by residents	92	98	7
Tourist	23	24	7

(Number of Jobs)

Number of travel-related jobs	17,600	20,200	15
Nonresident	9,000	10,500	17
Resident	8,600	9,700	13

Source: University of Montana, Bureau of Business and Economic Research.

Note: Percentage changes calculated from unrounded numbers.

3-4
HB 707
1984
Alec

EXHIBIT #10a
DATE 3.4.87
HB 707+649

Hansen

TOURISM PROMOTION FOR WESTERN STATES

<u>STATE</u>	<u>TOURIST DOLLARS</u>	<u>POPULATION</u>	<u>PER CAPITA</u>	<u>PER CAPITA</u>	
				<u>HB84 FY88</u>	<u>FY89</u>
OREGON	1,355,056	2,633,000	0.51		
WASHINGTON	2,772,000	4,132,000	0.67		
ARIZONA	2,722,300	2,718,000	1.00		
N. DAKOTA	670,000	653,000	1.03		
COLORADO	4,500,000	2,890,000	1.56		
NEW MEXICO	2,116,922	1,303,000	1.62		
IDAHO	1,670,550	944,000	1.77		
MONTANA	1,525,000	787,000	1.94	5.63	6.28
UTAH	3,993,800	1,461,000	2.73		
S. DAKOTA	2,100,000	691,000	3.04		
NEVADA	2,943,298	800,000	3.68		
WYOMING	2,597,696	470,000	5.53		

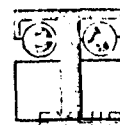
UNDER THE PROVISIONS OF HB 84 THE TOURISM INDUSTRY WOULD RECEIVE \$4,427,677 IN FY 88 AND \$4,942,426 IN FY 89. THIS REPRESENTS AN INCREASE OF 190%. THE STATE WOULD BE SPENDING \$5.63 PER MONTANA RESIDENT IN 1988 AND \$6.28 IN 1989.

THE PEOPLE OF MONTANA ARE DEMANDING TAX RELIEF. WHAT BETTER WAY TO RELIEVE THE PROPERTY TAX BURDEN THAN ESTABLISHING AN ACCOMMODATIONS TAX WHERE THE MAJORITY OF REVENUES GENERATED REVERT BACK TO LOCAL GOVERNMENTS, THUS PROVIDING TAX RELIEF FOR LOCAL RESIDENTS THAT ARE PAYING FOR TOURISM SERVICES.

HOUSE BILL 649 ACCOMPLISHES NOT ONLY PROPERTY TAX RELIEF FOR LOCAL GOVERNMENTS BUT ALSO PROVIDES FOR MONTANA TOURISM PROMOTION. HOUSE BILL 649 DIRECTS REVENUE TO PROMOTE MONTANA AND TO THOSE AREAS WHICH SUPPORT THE HIGH COST OF TOURISM.

HB 649
33

U. S.
Travel
Data
Center



1699
L Street N.W.
Washington, D. C.
20036

(202) 293-1240

EXHIBIT 106
DATE 5-4-87
HB 649

TABLE A: 1986-87 STATE TRAVEL BUDGETS BY RANK

Rank	State	Amount
1	Illinois	15,500,000
2	New York	14,836,100
3	Pennsylvania	11,864,000
4	Michigan	11,800,000
5	Tennessee	10,824,000
6	Florida	10,814,389
7	Massachusetts	9,406,448
8	Hawaii	8,464,391
9	New Jersey	8,141,000
10	California	7,836,600
11	Alaska	7,374,800
12	Georgia	6,076,603
13	Virginia	6,054,000
14	North Carolina	5,877,500
15	South Carolina	5,445,333
16	Ohio	5,273,957
17	Minnesota	5,150,350
18	Nevada	4,724,746
19	Texas	4,717,296
20	Missouri	4,224,606
21	Louisiana	4,195,460
22	Kentucky	4,006,600
23	Wyoming	3,897,721
24	Utah	3,848,800
25	Oklahoma	3,786,861
26	Colorado	3,536,000
27	Maryland	3,455,236
28	Arizona	3,421,000
29	Alabama	3,025,740
30	Washington	3,017,785
31	Arkansas	2,931,282
32	Wisconsin	2,443,400
33	West Virginia	2,425,660
34	South Dakota	2,200,000
35	Indiana	2,100,000
36	New Mexico	2,082,900
37	New Hampshire	1,894,287
38	Idaho	1,788,324
39	Vermont	1,610,700
40	Mississippi	1,584,000
41	Connecticut	1,500,000
42	Iowa	1,489,981
43	Delaware	1,348,500
44	Rhode Island	1,313,000
45	Nebraska	1,308,679
46	Oregon	1,250,000
47	Kansas	1,236,949
48	Maine	1,209,245
49	Montana	1,186,000
50	North Dakota	670,000
	TOTAL	234,170,229



FINANCE OFFICE

201 W. SPRUCE • MISSOULA, MT 59802-4297 • (406) 721-4700

FINANCE AND DEBT MANAGEMENT
BUDGET AND ANALYSIS
ACCOUNTING
CITY CLERK
UTILITY BILLING
RISK MANAGEMENT

March 2, 1987

#11

3-4-87

649

Representative William "Red" Menahan
Montana House of Representatives
Montana State Capitol
Helena, Montana 59620

Representative Jack Ramirez
House Taxation Committee Chairman
Montana House of Representatives
Montana State Capitol
Helena, Montana 59620

RE: SUPPORT FOR HOUSE BILL 649, AN ACT IMPOSING A STATEWIDE
5% TAX ON USERS OF HOTEL, MOTEL OR TOURIST CAMPGROUND
ACCOMMODATIONS AND DISTRIBUTING A MAJORITY OF THOSE REVENUES
TO THE COUNTIES AND CITIES.

The Honorable Representatives Menahan and Ramirez:

The purpose of this letter is to provide support for 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.

This bill is very important to cities and towns of Montana in that it provides a new source of revenue to offset the impact of tourism. Hotel, motel revenue also provides an equitable base upon which taxes can be applied. One argument against the tax had been that tourism does not "naturally" distribute itself across all areas of the state because small towns may not have the numbers of motels to generate revenue adequately to meet their needs. However, equitable distribution can be addressed in the bill. Additionally some motel and hotel owners may oppose this tax saying the tax would raise the costs of a room to a point where business will decline. I do not believe there is any real evidence or danger that tourists would actually avoid Montana. Other states have imposed such a tax with no apparent negative impact. If a small portion of the tax was used to further tourism, any possible negative impact should be negated, perhaps even increases may be realized.

The revenues should be distributed in a large part directly to the origin, a smaller share could go through distribution channels and 15% could go to support the advancement of tourism in Montana.

In summary, I would like to echo the other documentation which has been provided through the League of Cities and Towns affirming that tourism creates impact with real fiscal consequences. Missoula welcomes the visitor but desperately needs a funding tool capable of providing revenues to meet the impact on local services. Unfortunately, property taxes cannot be expected to fund this ever-increasing need.

Please strongly consider imposing a state wide tax on the users of hotel, motel and tourist campground accomodations. Thank you very much.

Sincerely,



Ronald E. Preston
City of Missoula
Finance Officer

REP:mbr

cc: Missoula County Representatives Ralph Eudaily, Harry Fritz, R. Budd Gould, Stella Jean Hansen, Mike Kadas, Earl C. Lory, Janet Moore, Bob Ream and Carolyn Squires; Alec Hansen, Executive Director Montana League of Cities & Towns; Bob Lovegrove, Mayor; City Council Members; Marvin "Red" Hamilton, Police Chief; Chuck Gibson, Acting Fire Chief; Jim Nugent, City Attorney; Chuck Stearns, Fiscal Analyst; Legislative File

EX
3-4
Fireman
Nels
HB 649

EXHIBIT
DATE 3-4-87
HB 649

March 3, 1987

Chairman Ramirez and Members of the Committee:

The issue of whether the legislature should authorize Hotel-Motel local option taxes is critical to Montana's cities. The continued delivery of essential city services is jeopardized by anticipated revenue source reductions related to legislative response to Initiative 105.

House Bill 649 provides for allocation of 85% of Hotel-Motel tax collections to the municipality's general fund. I would like to take this opportunity to point out some facts that illustrate Local Governments' need for consideration of a significant share of the revenue should a Hotel-Motel tax option be adopted by the legislature.

Between Feb. 1, of 1985 and Dec. 15, of 1986 the Missoula City Fire Department responded to 87 calls to hotels and motels in the city. There were 5 structure fires, 51 calls for medical aid, 9 alarm system malfunctions, 13 false alarms, 2 smoke scares, 2 electrical hazards, and 5 "others".

Property loss has been kept to a minimum as Missoula's Fire Dept. is quick and efficient. Our records indicate no significant property loss for hotels or motels in this time period.

Page 2

Visitors from out of town may know little about the location of local hospitals, but they can be assured that if they experience a medical emergency in Missoula, highly trained Fire Fighter/ Emergency Medical Technicians will be on the scene within 3-5 minutes of any emergency medical call.

Very few if any residences have sophisticated fire alarm systems that are required for many hotels and motels. A lightning storm or pranksters can keep fire fighters busy, possibly at the risk and expense of those truly in need.

Tourism brings in dollars that help our economy. The tourist or visitor, whether they realize it or not, receive a great deal of services and security. That service and security comes at a price that Local Governments must bear.

Thank you for your time and consideration.

Earl Hall
Fire Fighter 1st Class
Missoula City Fire Department
200 W. Pine
Missoula, Montana 59802

EX
3-4-87

WITNESS STATEMENT

EXHIBIT _____
DATE 3-4-87
HB 649-707

NAME Kim Smith HB 649
BILL NO. 707
ADDRESS 5820 N Mont Ave, HELENA, MT DATE 3/4/87
WHOM DO YOU REPRESENT? MONTANA Campground Owners Ass
SUPPORT _____ OPPOSE ☒ _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: As A representative of the tourism industry we do not support A special tax that would be used for the general fund. As an industry we wish to fairly support the State of MONTANA in its efforts to support and promote tourism.

BALCRON OIL COMPANY

BILLINGS, MONTANA 59104

W. W. BALLARD

W. R. CRONBLE

EXHIBIT #13
DATE 3-4-87
HB 776

March 2, 1987

House Taxation Committee
Capitol Station
Helena, MT 59620

Geologically speaking, Montana is a tremendous area in which to explore for oil and gas. In the 70 year history of the industry in this state, we have produced 1.2 billion barrels of oil and about 2.2 trillion cubic feet of gas, and this production came from exploration efforts in about 2% of our potentially productive area. Our lack of development is principally due to our taxation policies on oil and gas.

Senate Bill 390, passed in 1985, was the most positive piece of legislation passed during my working life as a Montana independent (which dates back to 1963). This bill made our oil and gas tax structure closer to that in our neighboring states of North Dakota and Wyoming, although we are still higher than either. Both these states, as well as the rest of the producing states in the west, are considering tax incentives during 1987 which are aimed at increasing exploration activity in their area. Unless we do likewise, the Montana independent will again be faced with attempting to bring exploration money into the State under very adverse circumstances.

Montana Oil and Gas Commission statistics show that we have lost 280,346 barrels of oil per month during 1986 as compared to 1985. This loss is due to normal decline and very low drilling activity (Historically, we have drilled enough new wells each year to offset decline.) In addition, this year has seen the abandonment of 379 stripper wells for economic reasons. This will be a significant loss to the State in future tax revenue.

HB 776 provides a powerful incentive to create new drilling ventures in the State of Montana, and prevents premature abandonment of stripper wells which provide about 11% of Montana's daily production. (Stripper reserves in Montana are estimated to be 32 million barrels.) New wells

EXHIBIT

DATE March 4, 1987
176

To House Taxation Committee
March 2, 1987
Page 2

will provide tax revenue for most of their productive life under HB 776 and new drilling also provides new jobs. Saving stripper oil and gas wells will save existing jobs and existing net proceeds revenue. All Montanans will benefit by passage of this bill.

W. W. Ballard

W. W. Ballard

OIL AND GAS PRODUCTION
ECONOMIC ANALYSIS

WELL : KEVIN-SUNBURST
WELL : STRIPPER WELLS
COUNTY : TOOLE
STATE : MONTANA

OPERATOR : BALCRON OIL CO.
PROD. ZONE : MADISON
NOTES :

REPORT DATE
24-Feb-87

				% PER YEAR	END YEAR		% PER YEAR
WI BPD : 100.000000Z	OIL PRICE :	15.00 (\$ per BBL)	ESC. 1 :	0.00Z	20	ESC. 2 :	0.00Z
NRI BPD : 100.000000Z	GAS PRICE :	1.50 (\$ per MCF)	ESC. 1 :	0.00Z	20	ESC. 2 :	0.00Z
WI APD : 100.000000Z	OIL PROD. IP :	1.68 (BPD)	DECL. 1 :	1.00Z	20	DECL. 2 :	0.00Z
NRI APD : 100.000000Z	GAS PROD. IP :	0 (MCFPD)	DECL. 1 :	0.00Z	0	DECL. 2 :	0.00Z
REV. TAX : 5.000Z	OP.COST :	7,000.00 (\$ PER YEAR)	ESC. 1 :	0.00Z	20	ESC. 2 :	0.00Z
ADV. TAX : 15.700Z							
WPT TAX : 0.000Z	WELL COST :	0.00 (\$)					
WPT BASE	LEASE COST :	0.00 (\$)					
PRICE : 0	G & G COST :	0.00 (\$)					
	OTHER COST :	(\$)					
DISC. RATE	INITIAL						
FOR NPV : 10.00Z	INVESTMENT :	0.00 (\$)					

PRODUCTION SCENARIO

YEAR	GROSS ANNUAL PROD.		GROSS CUMM. PROD.		NRI	NET ANNUAL PROD.		NET CUMM. PROD.		PRICE	
	OIL(BBLS)	GAS(MCF)	OIL(BBLS)	GAS(MCF)		OIL(BBLS)	GAS(MCF)	OIL(BBLS)	GAS(MCF)	OIL(\$)	GAS(\$)
0											
1	610	0	610	0	100.00Z	610	0	610	0	15.00	1.50
2	604	0	1,214	0	100.00Z	604	0	1,214	0	15.00	1.50
3	598	0	1,812	0	100.00Z	598	0	1,812	0	15.00	1.50
4	592	0	2,404	0	100.00Z	592	0	2,404	0	15.00	1.50
5	586	0	2,990	0	100.00Z	586	0	2,990	0	15.00	1.50
6	580	0	3,570	0	100.00Z	580	0	3,570	0	15.00	1.50
7	574	0	4,145	0	100.00Z	574	0	4,145	0	15.00	1.50
8	569	0	4,714	0	100.00Z	569	0	4,714	0	15.00	1.50
9	563	0	5,277	0	100.00Z	563	0	5,277	0	15.00	1.50
10	557	0	5,834	0	100.00Z	557	0	5,834	0	15.00	1.50
11	552	0	6,386	0	100.00Z	552	0	6,386	0	15.00	1.50
12	546	0	6,932	0	100.00Z	546	0	6,932	0	15.00	1.50
13	541	0	7,473	0	100.00Z	541	0	7,473	0	15.00	1.50
14	535	0	8,008	0	100.00Z	535	0	8,008	0	15.00	1.50
15	530	0	8,538	0	100.00Z	530	0	8,538	0	15.00	1.50
16	525	0	9,063	0	100.00Z	525	0	9,063	0	15.00	1.50
17	519	0	9,582	0	100.00Z	519	0	9,582	0	15.00	1.50
18	514	0	10,097	0	100.00Z	514	0	10,097	0	15.00	1.50
19	509	0	10,606	0	100.00Z	509	0	10,606	0	15.00	1.50
20	504	0	11,110	0	100.00Z	504	0	11,110	0	15.00	1.50
TOTALS	11,110	0				11,110	0			AVE. PRICE	\$15.00 \$1.50

	NET		CASH		FLOW			
YEAR	NRI INCOME	WI	WI COST	SEVER TAX	AD VAL TAX	WPT TAX	ANNUAL PROFIT	CUMM. PROFIT
=====	=====	=====	=====	=====	=====	=====	=====	=====
	(\$)		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
0			0.00				0.00	0.00
1	9,151.93	100.00%	(7,000.00)	(457.60)	(1,436.85)	0.00	257.48	257.48
2	9,060.41	100.00%	(7,000.00)	(453.02)	(1,422.48)	0.00	184.91	442.39
3	8,969.81	100.00%	(7,000.00)	(448.49)	(1,408.26)	0.00	113.06	555.45
4	8,880.11	100.00%	(7,000.00)	(444.01)	(1,394.18)	0.00	41.93	597.38
5	8,791.31	100.00%	(7,000.00)	(439.57)	(1,380.24)	0.00	0.00	597.38
6	8,703.40	100.00%	(7,000.00)	(435.17)	(1,366.43)	0.00	0.00	597.38
7	8,616.36	100.00%	(7,000.00)	(430.82)	(1,352.77)	0.00	0.00	597.38
8	8,530.20	100.00%	(7,000.00)	(426.51)	(1,339.24)	0.00	0.00	597.38
9	8,444.90	100.00%	(7,000.00)	(422.24)	(1,325.85)	0.00	0.00	597.38
10	8,360.45	100.00%	(7,000.00)	(418.02)	(1,312.59)	0.00	0.00	597.38
11	8,276.84	100.00%	(7,000.00)	(413.84)	(1,299.46)	0.00	0.00	597.38
12	8,194.08	100.00%	(7,000.00)	(409.70)	(1,286.47)	0.00	0.00	597.38
13	8,112.13	100.00%	(7,000.00)	(405.61)	(1,273.61)	0.00	0.00	597.38
14	8,031.01	100.00%	(7,000.00)	(401.55)	(1,260.87)	0.00	0.00	597.38
15	7,950.70	100.00%	(7,000.00)	(397.54)	(1,248.26)	0.00	0.00	597.38
16	7,871.20	100.00%	(7,000.00)	(393.56)	(1,235.78)	0.00	0.00	597.38
17	7,792.48	100.00%	(7,000.00)	(389.62)	(1,223.42)	0.00	0.00	597.38
18	7,714.56	100.00%	(7,000.00)	(385.73)	(1,211.19)	0.00	0.00	597.38
19	7,637.41	100.00%	(7,000.00)	(381.87)	(1,199.07)	0.00	0.00	597.38
20	7,561.04	100.00%	(7,000.00)	(378.05)	(1,187.08)	0.00	0.00	597.38
TOTALS	\$166,650.35		(\$140,000.00)	(\$8,332.52)	(\$26,164.10)	\$0.00	\$597.38	

*	*
ECONOMIC SUMMARY	
*	*
INIT. INVEST. =	\$0.00
CUM. PROFIT =	\$597.38
NPV PROFIT =	
ROI =	
DISC. ROI =	
FINDING COST =	
PAY OUT =	
PROJECT LIFE =	4 years
RATE OF RETURN =	
*	*

3.4-87 #13
 776

FIELD : KEVIN-SUNBURST
 WELL : STRIPPER WELLS
 COUNTY : TOOLE
 STATE : MONTANA

OPERATOR : BALCROW OIL CO.
 PROD. ZONE : MADISON
 NOTES :

REPORT DATE
 24-Feb-87

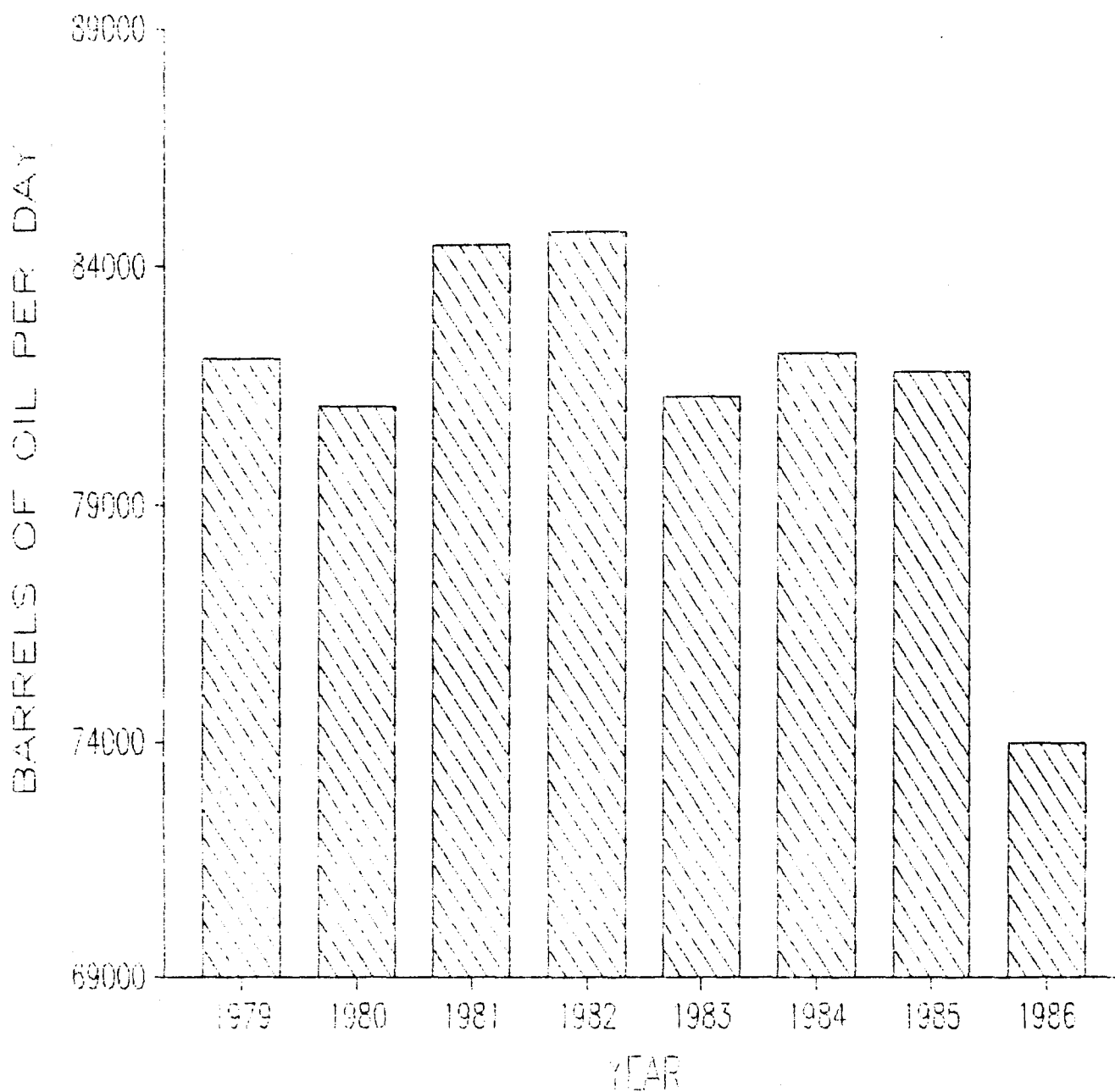
SENSITIVITY ANALYSIS

VARIABLE	#1	#2	#3	#4	#5	#6	#7	#8
SEVERANCE TAX	0.05	0.03	0					
INIT.INVEST.	\$0.00	\$0.00	\$0.00					
CUM.PROFIT	\$597.38	\$1,546.92	\$3,769.99					
NPV_PROFIT								
ROI								
DISC.ROI								
FINDING COST								
PAY_OUT								
PROJ.LIFE	4	7	10					
GROSS OIL PROD.	11,110	11,110	11,110					
GROSS GAS PROD.	0	0	0					
NET OIL PROD.	11,110	11,110	11,110					
NET GAS PROD.	0	0	0					
AVERAGE PRICE OIL	\$15.00	\$15.00	\$15.00					
AVERAGE PRICE GAS	\$1.50	\$1.50	\$1.50					

#13
3-4-89
174

STATE OF MONTANA

AVERAGE DAILY PRODUCTION BY YEAR



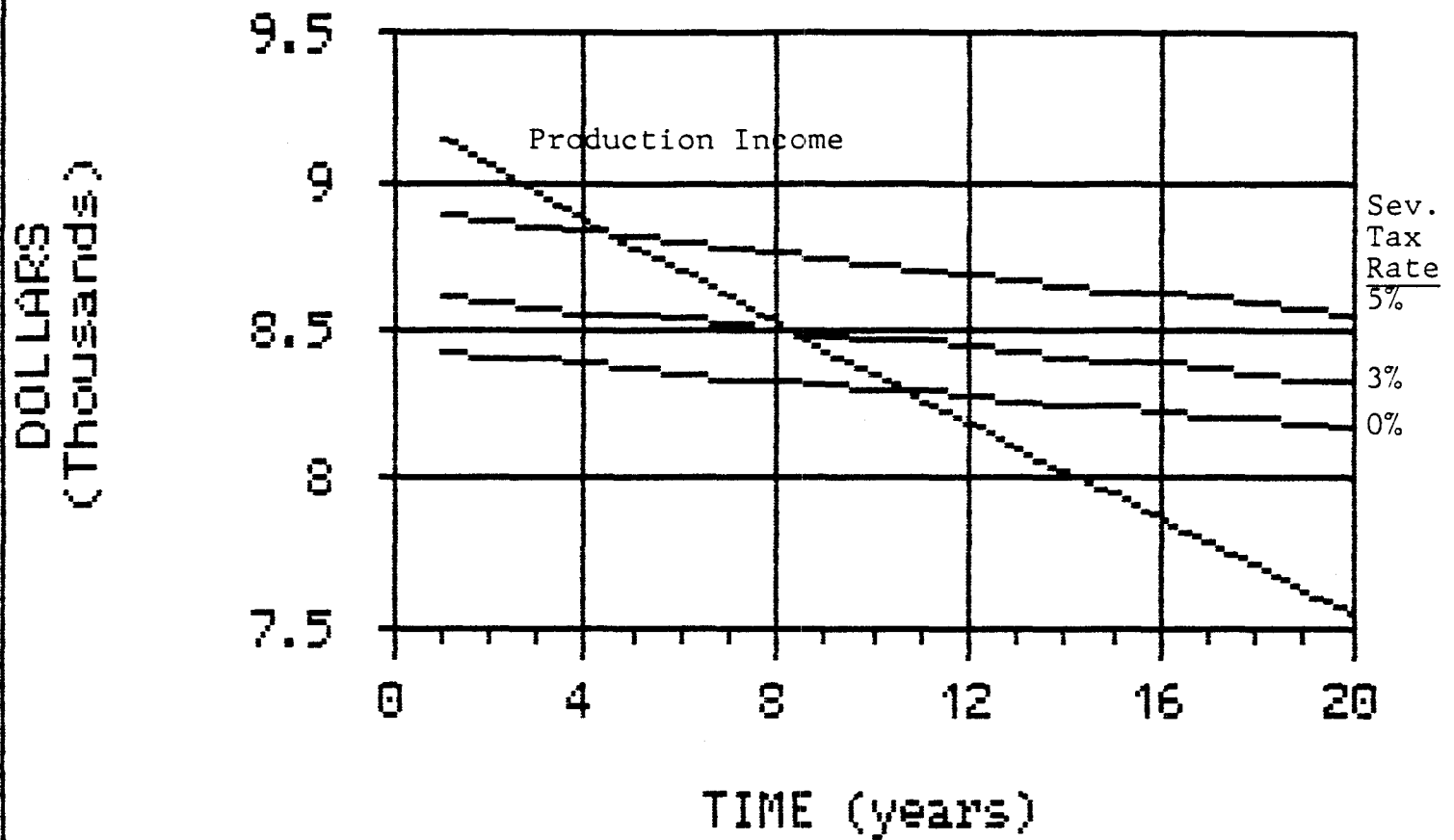
REVENUE VS. OPERATING COST

#13

DATE March 4, 1989

SEVERANCE TAX ANALYSIS

HB 176



REVENUE VS. TIME WHATDATA



SECRET #14
DATE 3-4-87
HB 776

CENEX • Post Office Box 21479 • 1601 Lewis Ave. • Billings, Montana 59104 • (406) 245-4747

HOUSE TAX COMMITTEE
Capitol Building, Helena, Montana
March 4, 1987
HB-776

My name is Harold Ude. I represent CENEX. CENEX is an integrated independent oil company with exploration and production headquarters in the Billings area for more than 40 years. CENEX has been drilling and producing oil and gas in Montana since 1946. At present, CENEX ranks as the 15th largest oil producer in the state and the 53rd largest oil producer in the nation.

Montana is attempting to be recognized as a natural resources state. To do so, an effort must be made to alert industry that it is wise to make investments here. It is common knowledge that the rate for drilling new holes to locate and produce oil and gas has dropped to historic lows. The national number is currently down 35% from a record low 1986.

House Bill 776 provides the oil and gas industry an incentive to make significant investments in Montana by regarding success with a 24 month tax reduction. In an extremely high risk business the odds are against success; and the investment to participate is large. Prior to drilling a test hole in the ground, every operator must invest time and money to develop a prospect worthy of drilling. Geologic studies occur long before

drilling; geophysical money is spent; leases are acquired; and the expense of manpower is constant. These "up front" investments are what makes an oil industry in Montana. By providing the proposed tax incentive for 24 months of the producing phase, the state is encouraging operators to participate in the prospecting process.

As an operator in the Rocky Mountain region, CENEX must weigh the investment and return in each drilling venture in each state. Wyoming has taken steps this year to provide drilling incentives through tax relief. As a Montana based company, CENEX has plans for additional work in our state. Those projects can be increased with the passage of HB-776.

During 1986 CENEX shut in some 15 producing oil wells in Montana because the cost of producing exceeded the income from oil sold. The highest operating expenses occur on the smallest producers -- the stripper well. By waiving the severance tax on stripper production, the state will help lengthen the property life and maintain a major segment of the oil industry.

CENEX supports passage of House Bill 776.

Thank you.



EXHIBIT #15
DATE 3-4-87
HB 776

March 4, 1987

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

My name is Kay Foster. I appear on behalf of the Billings Chamber of Commerce to urge support of HB776.

All businesses in Billings and Yellowstone County have seen the effects of the loss of oil and gas production in Montana. Of particular concern is the increasing abandonment of stripper wells which produce less than 10 barrels a day. The operating costs of these wells do not drop just because oil prices drop...they simply become unprofitable. We feel that the severance tax holiday proposed is a positive step this Legislature can take to encourage increased production and place Montana in a competitive position with neighboring states.

It should also be noted that the Governor's Transition Task Force created last summer to develop an economic development strategy for the state has recommended this tax holiday on oil and gas recovery as one of four specific tax incentives which the Legislature should adopt. As a member of that task force and of the Billings business community I urge your passage of this bill.

3-4-87
776

NAME: Ward A. Shanahan

BILL NO. HB 776

ADDRESS: 301 First National Bank Building, Helena, MT

WHOM DO YOU REPRESENT: Chevron Company

SUPPORT

Good morning. My name is Ward Shanahan, representing Chevron. Thank you for the opportunity to present Chevron's views.

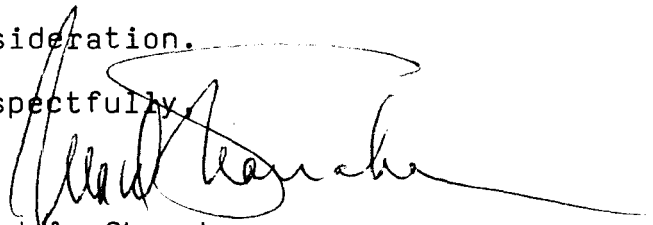
Chevron strongly supports HB 776 and SB 383 - legislation providing for tax holidays for new oil and gas production and tax exemptions for stripper-oil production.

The authors are to be commended for recognizing that economic incentives for oil and gas production are desperately needed during this time of severe depression in the industry. Exploration and development budgets are coming under intense scrutiny and we must allocate our limited financial resources to prospects where the return on investment is the greatest. Reductions in taxes will improve the economics of oil and gas projects in Montana and help ensure that the state remains competitive in attracting investment capital for this industry.

I might also add that our oil and gas industry is very active at the Federal level in seeking incentive legislation that will bolster the nation's productive capacity and help reduce our increasing dependence on foreign oil. By passage of this legislation in Montana, you can help us send a message to Washington that incentives are necessary and that key oil and gas producing states are doing their part by enacting sound energy policies.

Thank you for your consideration.

Respectfully,



Ward A. Shanahan
Chevron Company
301 First National Bank Building
P.O. Box 1715
Helena, MT 59624
Tele: (406)442-8560

4257W

March 4, 1987

STEPHEN R. GRANZOW

House of Representatives Taxation Committee

Mister Chairman and Members of the Committee

I am an independent landman, living in Helena. My work in the State of Montana depends on oil and gas exploration.

Work in oil and gas exploration in the State of Montana has been declining rapidly. My work is down to almost nothing in the State of Montana for oil and gas exploration. The drop of the world wide price of crude oil has had an effect, but is not the only factor in Montana causing the decline.

Oil and gas companies are multi state. The price decline is making companies look closely at every cost in each State before they start exploration and drilling. The cost of drilling is relatively the same through out the Rocky Mountain Area. The costs of the extras(state policies) determine where the next exploration, drilling and possible production will be located. The attractiveness of Montana for oil and gas exploration and drilling is already low due to State Policies. Montana's national position as having the highest average oil and gas severance tax is one of those elements.

The number of drill rigs in neighboring States and Canada compared to the number in Montana shows the effect. Some of these States are already working to lower their tax rates even further. Montana must show the oil and gas industry that we are acting aggressively.

House Bill No. 776 provides an incentive to the Oil and Gas Industry.


The first 24 month waiver from the severance tax on production from new wells will give a good incentive to the Industry.

Montana has to act or get left further behind in exploration, drilling and production.

The waiver only affects new production. The waiver will not cut existing tax revenues. Existing production will continue to pay severance(except strippers) and net proceeds taxes, in addition to the conservation tax, resource indemnity trust tax and corporate license tax.

I urge you to pass **House Bill No. 776**. Creating one element that will bring exploration, drilling and Jobs to the State of Montana

Thank you


Stephen R. Granzow

EX
Gar
Ellison
ESSEX ENERGY CORPORATION
Petroleum Land Services

TERRENCE O. WISNER

824 WEST PARK ST, BUTTE, MONTANA 59701
(406) 782-2007

EXHIBIT _____

DATE 3-4-87

HB 776 WENDY L. KNOX

March 2, 1987

3-4
MB 776

The Honorable Jack Ramirez
Montana State House of Representatives
Capitol Station
Helena, MT 59620

RE: Support for House Bill 776

Dear Representative Ramirez:

I am an independent petroleum landman who has lived and worked in Montana for the past seven years. I am writing you in support of House Bill 776.

Oil and gas leasing activity is a good indicator future drilling activity, and I know from personal experience that leasing activity has come to a virtual standstill statewide. Continued low levels of exploratory and developmental drilling in Montana will have severe long-term economic consequences for our state.

With the recent trend toward a recovery in oil prices, there will hopefully be some economic justification for more drilling in the not-to-distant future. The decision-makers representing the exploration companies that have survived the recent collapse in prices will be extremely conscious of relative tax burdens when deciding where to spend their limited exploration dollars. A difference of just a few per cent could easily decide the fate of the project.

The tax moratorium contemplated under the above bill lasts only two years (the crucial 'payout' period when evaluating drilling economics); the productive life of a well is often measured in decades. Any new well drilled over the next few years will be a boost to the long-term economic health of our state; House Bill 776 is a promising step towards this goal.

Best regards,

Wendy L. Knox
Wendy L. Knox

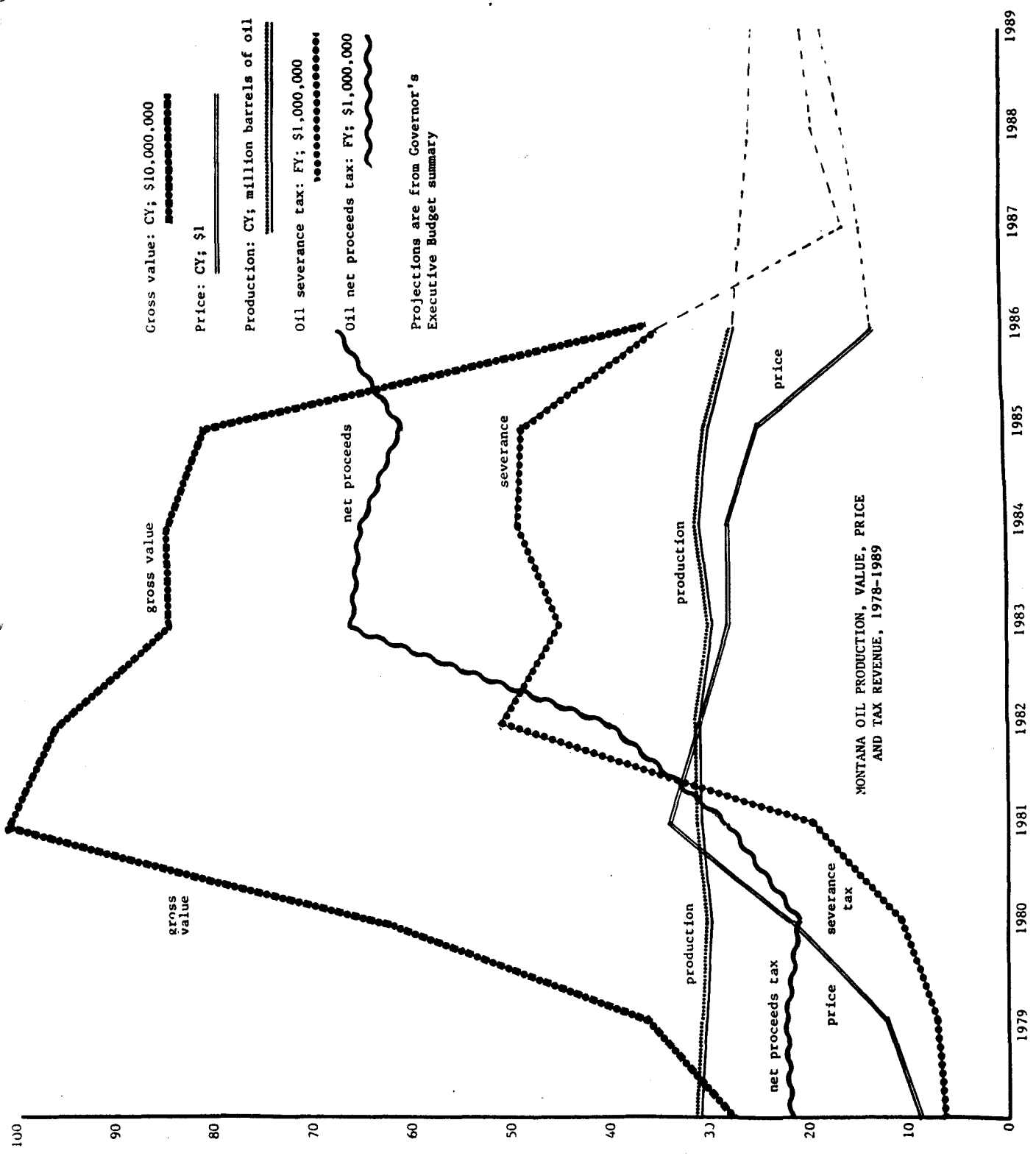
cc: Tom Asay
Orval Ellison
Bob Gilbert
Marian Hanson
John Harp
Dan Harrington
Robert Hoffman
Nancy Keenan

Francis Koehnke
John Patterson
Bob Raney
Bob Ream
Jack Sands
Ted Schye
Mel Williams

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below

EXHIBIT _____
DATE 3-4-87
HB 776

Gross value: CY; \$10,000,000
Price: CY; \$1
Production: CY; million barrels of oil
Oil severance tax: FY; \$1,000,000
Oil net proceeds tax: FY; \$1,000,000
Projections are from Governor's
Executive Budget summary



MONTANA OIL PRODUCTION, VALUE, PRICE
AND TAX REVENUE, 1978-1989

MONTANA PETROLEUM FACT SHEET

PRODUCTION

<u>CY</u>	<u>Bbls.</u>	<u>Gross Value</u>	<u>MCF</u>	<u>Gross Value</u>	<u>Total Wells Drilled</u>
1978	30,934,923	\$ 277,737,502	44,615,198	37,342,921	778
1979	30,285,631	362,239,259	50,691,868	60,931,625	822
1980	29,927,468	626,154,711	48,928,608	70,261,481	902
1981	30,517,947	1,052,333,907	44,800,000	85,120,000	1289
1982	30,937,514	963,428,800	50,932,000	107,109,990	816
1983	29,320,418	842,681,933	41,203,000	99,010,809	511
1984	30,668,305	845,919,776	48,499,939	120,949,800	819
1985	29,770,000	808,553,200	44,330,000	98,772,380	592
1986	27,045,000	371,436,030	44,016,000	86,799,552	348

	<u>OIL WELLHEAD PRICE: \$/BBL</u>	<u>PRODUCING OIL WELLS</u>	<u>NATURAL GAS PRICE: \$/MCF</u>	<u>PRODUCING GAS WELLS</u>	<u>EXTRACTION EMPLOYMENT</u>	<u>SEISMIC CREW MONTHS</u>
1973	3.843	3536	.162	1118	1523	62
1974	6.814	3028	.257	1184	1861	155
1975	7.845	3150	.394	1232	1810	40
1976	8.411	3310	.441	1950	2084	85
1977	8.582	3354	.735	1490	2357	57
1978	9.253	3275	.837	1377	2789	155
1979	12.279	3573	1.202	1881	3383	135
1980	22.250	3628	1.436	2150	4636	202
1981	34.317	3968	1.900	2142	6852	388
1982	31.311	4311	2.103	2069	5482	224
1983	28.804	4675	2.403	2043	3760	156
1984	28.066	4201	2.512	2088	4293	125
1985	25.214	4196	2.329	2033	3357	43
1986	13.734	4036 (est.)	1.972	2006 (est.)	na	na

TAXES

Montana imposes four taxes on oil and natural gas:

A. Severance tax is 5% of the gross value of oil and 2.65% of natural gas.

The revenue is allocated as follows:

1) One-third of the oil severance tax to Local Government Block Grant account for distribution to all Montana cities and counties.

2) A portion of the collections is returned to cities and counties in the oil-producing areas to help them in dealing with impacts. The portion returned varies according to the new production in each county:

<u>FY</u>	<u>OIL</u>	<u>NATURAL GAS</u>
1981	\$ 992,488	na
1982	1,644,112	183,789
1983	4,353,485	206,759
1984	1,422,335	509,260
1985	3,087,474	104,910
1986	475,922	106,915

3) The remainder to the state general fund.

The tax rate for incremental oil produced through tertiary recovery after July 1, 1985, is 2.5%.

B. Net Proceeds Tax is calculated on gross value of oil, minus all allowable deductions and multiplied by the local mill levy. The 1985 Legislature set 7% maximum on oil and 12% maximum on gas produced after July 1, 1985, from leases which have not produced during the preceding five years. Therefore, the maximum tax rate on "new" production from a previously non-producing lease will be 12.7% on oil and 15.35% on gas.

C. Resource Indemnity Trust Tax is .5% of gross value of all minerals produced. These taxes are placed in a trust fund to "indemnify the state against damage to the environment from the extraction of non-renewable natural resources."

FY	SEVERANCE TAX		NET PROCEEDS TAX		RESOURCE INDEMNITY TRUST TAX	
	OIL	NATURAL GAS	OIL	NATURAL GAS	OIL	NATURAL GAS
1980	\$10,544,555	\$1,264,025	\$21,011,951	na	\$1,828,947	\$355,054
1981	19,578,172	2,116,291	28,663,376	na	3,328,426	419,647
1982	51,073,425	2,659,811	40,868,506	na	5,308,525	491,832
1983	45,228,535	2,649,726	66,160,884	na	4,783,438	522,396
1984	49,029,017	2,797,996	65,610,580	\$11,976,791	4,279,714	589,348
1985	48,789,984	2,945,778	60,819,000	14,220,000	4,204,763	627,504
1986	34,728,749	2,890,666	67,220,584	14,771,771	3,913,955	583,961

D. Conservation Tax: The Board of Oil and Gas Conservation levies a tax to support its own operations. The tax is .2% of gross value. It yielded \$753,000 in FY 1985 and \$631,000 in FY 1986.

On the average, local governments spend 60% of these funds for education, 8% for city operations, 23% for county operations, and 6% for fire and other special districts. About 3% is returned to the state to support the university system.

Information compiled January, 1987, from:

Montana Department of Revenue annual reports
Governor's Budget Office reports
Montana Oil and Gas annual reviews
"The Petroleum Industry In Your State," Independent Petroleum
Association of America

Compiled by: Montana Petroleum Association
Helena, Montana
442-7582

MONTANA DRILLING RIG COUNT BY WEEK

WEEK OF		<u>1987</u>	<u>1986</u>	<u>1985</u>
February	20	5	19	17
	13	5	18	20
	6	6	19	18
January	30	7	21	33
	23	3	23	26
	16	5	28	30
	9	8	27	33
	2	12	25	31
December	19		10	22
	12		9	21
	5		15	25
November	26		12	23
	21		12	23
	14		12	21
	7		9	19
October	31		9	16
	24		10	17
	17		9	19
	10		5	14
	3		5	18
September	26		5	27
	19		3	20
	12		2	19
	5		NA	NA
August	29		6	20
	22		5	18
	15		4	24
	8		5	27
	1		3	28
July	25		2	28
	18		2	31
	11		0	32
	3		NA	NA
June	27		5	27
	19		6	21
	12		7	22
	5		7	20
May	29		6	20
	22		5	20
	15		7	25
	8		8	23
	1		7	22
April	24		7	19
	17		10	19
	10		11	19
	3		12	22
March	26		13	23
	20		11	25
	13		12	25
	6		14	23
February	27		18	19

from: Montana Oil Journal

compiled by Montana Petroleum Association

Sports/1D

Townsend man joins Dodgers

Inside today

AROUND HELENA

CITY DIARY

Tonight in Helena

City seeks new land

Active projects per person every day current city diary

rocker!

ances rock 'n' roll
er and three kids

INDEPENDENT

Single copy 35¢

WEDNESDAY
AFTERNOON

February 18, 1987
Helena, Montana
Vol. 43 No. 89

'Long gas lines will return'

WASHINGTON (AP) — Americans will face long lines for gasoline in two to five years unless new domestic oil fields are developed, Interior Secretary Donald P. Hodel predicted today.

Hodel, appearing on the NBC-TV "Today" show, said an energy crisis similar to the one that gripped the country in 1973-74, after OPEC imposed an oil embargo is "almost a certainty" if depressed domestic production does not pick up.

The crisis will strike "within two to five years, and the reason for that is the dramatic reduction in American production of oil."

"We've lost over 800,000 barrels a day of production in the United States," Hodel said. "Our imports are approaching a million barrels a day more than they were just a year ago."

About 39 percent of the oil used in the United States is imported. Hodel said this is a larger percentage than was the case in 1973.

What's causing the problem, he said, is cheap foreign oil.

Although he acknowledged that low prices have aided motorists and helped fuel the economic recovery, he said the country ought to enjoy cheap gasoline while it lasts because it won't be around for very long.

"The more we count on" low prices, "the more likely it is that we'll be in gas lines sooner rather than later."

VISITORS' REGISTER

HOUSE TAXATION COMMITTEEEXHIBIT
DATE 3-4-87
HB 649BILL NO. HB 649DATE MAR 4, 1987SPONSOR MENAHAN

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
JUDITH T. IMAN	Butte-Silver Bow	✓	
JOE WEGGENMAN	HLN Chamber of Commerce		✓
LARRY McRAE	MT. INNKEEPERS ASSN		✓
Alan Tandy	City of Billings	✓	
Kim Smith	Campground Owner of MC		✓
Arden Morris	MACo		
Stuart Daggett	mt. Chamber of Commerce		✓
Erdi Hiken	City of Great Falls	✓	
HI JOHNSON	City of Great Falls	✓	
Jim Wysocki	City of Bozeman	✓	
Tim BERGSTROM	MT ST. FIREMEN'S ASSOC	✓	
Pat Melby	MT Ski Areas Assoc.		✓
Roger Young	GF Chamber of Commerce		✓
Bryan M. Enderle	Missoula Chamber of Commerce		✓
Scott Jourdonnais	Red Lion Inns/MSI/a		✓
Brooks Morin	City of Helena	✓	
EARL HALL	City of Missoula	✓	
Alec Hansen	MLCT	✓	
Mawin Barber	mt. assassins assoc	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

HB
707

VISITORS' REGISTER

EXHIBIT _____
DATE 3-4-87
HB 707HOUSE TAXATION COMMITTEEBILL NO. HB 707DATE MAR 4, 1987SPONSOR D. BROWN

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
JUDITH T. [unclear]	Butte-Silver Bow	✓	
JOE WEGGENMAN	HLN Chamber of Commerce		✓
LARRY MCRAE	MT. INNKEEPERS ASSN		✓
Alan [unclear]	City of Billings	✓	
Kim Smith	Campground Owners & Mnt		✓
Arden Murin	MNCO		
Stuart Daggelt	Mt. Chamber of Commerce		✓
Herb Hiken	City of Great Falls	✓	
Al Johnson	City of Great Falls	✓	
Jim Wysocki	City of Bozeman	✓	
Pat Melby	Mt SKi Areas Assoc.		✓
Scott Jourd'onnais	Red Lion Inns/Rest		✓
Roger Young	Great Falls Chamber of Commerce		✓
Bryan M. Enderle	Missoula Chamber of Commerce		✓
Brooke Marie	City of Helena	✓	
Nese Hansen	MLCCT	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

714

HOUSE TAXATION

3-4-87

DATE

162

774

HB 774

MAR 4, 1987

ADDY

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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

HB
776

VISITORS' REGISTER

HOUSE TAXATION

COMMITTEE DATE 3-4-87

HB 776

BILL NO. HB 776

DATE MAR 4, 1987

SPONSOR NATHE

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Stephen R. Granow	Mechanical Mach	✓	
Carol Ballard	Balcan	X	
Doug Abelen	Montgomery & Gas	✓	
Ward Shaver	Churron Long	✓	
Dor Hoffman	DOR	TECHNICAL	
Pete Madison	Entech	✓	
Kay Foster	Billings Chamber	✓	
Roger Young	Gt Falls Chamber of Commerce	✓	
William D. Sage	Senators	/	
Norton Payne	Entech	✓	
David B. Richardson	Entech	✓	
Stuart Duggan	Nat. Chamber of Commerce	✓	
Arnold Mc	CENEX	X	
Jack Padon Jr	Norfolk	X	
Les Englewood	Cau-Am Drilling Fluids	X	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

EXHIBIT

DATE 3-4-87HOUSE TAXATIONCOMMITTEE HA 3BILL NO. SB3DATE MAR 4, 1987SPONSOR KEATING

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Jim Mockler	MT. Coal Council	✓	
GEORGE OCHENSKI	MT. ENV. INF. CNTR		✓
Russ Brown	NPRC		✓
HARRIET Mallory	MONTANANS FOR COAL TRUST		✓
Gladys M. Morton	Board of Public Ed		✓
Phil Campbell	Mont. Ed. Assoc.		X
Joann-Marie Sengney	MT Sierra Club		X
Don Judge	MT STATE AFL-CIO		X
EARL Peivy	M. S. C. A.		X

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

SB55

VISITORS' REGISTER

3.4.17

JA 55

HOUSE TAXATION

COMMITTEE

BILL NO. SB55DATE MAR 4, 1987SPONSOR STORY

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
CARLO Cieri	Park Co	✓	
Barbara T. ...	Butte-Silverman	✓	
Gara Stermitz	Gardiner, MT	✓	
Gordon Morris	MA Co.	✓	
Jim Wlysocki	City of Bozeman	✓	
Kay Foster	Billings Chamber	✓	
Don Judge	MT STATE AFL-CIO		X
Alce ...	MLCT	✓	
Martin Barber	MT assassins assoc	✓	
EARL REILLY	M. S. C. A		X
Ken ...	Self	X	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.