

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
50TH LEGISLATURE

March 10, 1987

The meeting of the House Taxation Committee was called to order by Chairman Jack Ramirez on March 10, 1987, at 8:00 a.m. in Room 312B of the State Capitol.

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

CONSIDERATION OF HOUSE BILL NO. 733: Rep. Joe Quilici, House District #71, introduced HB 733. He said the measure exempts from taxation nonprofit facilities provided primarily for training in international sports. He pointed out the amendment on page 4. He said the reason for the measure is because people in Butte were constructing a high altitude sports center to train athletes. He pointed out the impact on the community.

PROPOSERS OF HOUSE BILL NO. 733: Rep. Pavlovich, House District #70, spoke in favor of the bill.

Rep. Fritz Daily, House District 69, spoke in favor of the bill.

Judy Martz, representing the U.S. High Altitude Sport Center, testified in support of HB 733.

Marvin White spoke in support of HB 733. He said the facility represented the market niche for Montana to take advantage of the high altitude, clean air, water and hospitality. He pointed out that the facility would be one of only three of its kind in the world and the only one on the North American continent. He said this would provide 155 jobs in Butte and 34 jobs across the state. He said there was the world cup meet and teams committed to train their athletes at the facility. He pointed out that Montana would be the focus on national and worldwide television more than once a year at least. (See Exhibit #1)

Jim Hodge, from Helena, spoke in support of HB 733. He said this would be an excellent investment for the state of Montana. He said the facility was being constructed now and would be in operation in two weeks.

Dean Conklin spoke in support of the bill. He pointed out the speed and figure skating rinks as well as the bicycling and roller skating rink. He said this opened Montana to

exposure to the world. He discussed the cost of one 30 second ad for the Calgary Olympic Games to be \$500,000 per ad and the cost of taxing the facility would amount to 12,000 a year. He said that recognition of the facility in Montana through the ad would equal more than 40 years of tax production. He urged the Committee to favorably consider tax exemption of a nonprofit facility. He said it was a benefit for the state.

Mary Crowe, from the U.S. High Altitude Sports Facility, spoke in support of the bill. She said it was a hardship for athletes to train in foreign countries. Skaters would prefer to come to a facility in the states rather than going to other countries for training.

Don Peoples, chief executive of Butte Silver-Bow, spoke as a proponent for HB 733. He pointed out that the facility would have a difficult time paying full property taxes on a \$6.5 million facility and requested support of the bill. He said this is good for the state.

OPPONENTS OF HOUSE BILL 733: There were no opponents.

QUESTIONS FROM THE COMMITTEE: Rep. Hoffman asked Rep. Quilici when the facility was built, who owned it. Rep. Quilici said an organization was created called the United States High Altitude Sports Center. Rep. Hoffman asked when athletes come to train how would they be charged for the use of the facilities. Rep. Quilici replied they would be charged a minimal fee for the use of the facility. He said the benefit would be having them in town.

Rep. Raney asked Martin White about the commercial buildings. Martin White described the seating and the concession.

Rep. Asay asked about the volume of use. Martin White replied that from October 1 through April 1, the speed skating track would be open. He said they estimate there would be about 200 athletes training plus coaches. He said the indoor arena would be open for hockey, figure skating, and short track speed skating and would have people year around.

Rep. Harp asked Don Peoples about the match from local government. Don Peoples replied that Butte Silver-Bow local government had committed \$250,000 for the construction of the facility and \$50,000 a year for the next six years for the operation. He pointed out that this would add to the communities recreational base. He said in return for the appropriated \$50,000 a year the city would have the opportunity to utilize the facility for its recreational programs.

He said this would be primarily for skating for the community including low and moderate income people. He said they would contract with the facility for use on an annual basis.

CLOSING ON HOUSE BILL 733: Rep. Quilici closed on HB 733. He said the benefits of the facility outweigh the costs of the fiscal note.

DISPOSITION ON HOUSE BILL 733: Rep. Harrington moved to DO PASS on HB 733. The motion CARRIED unanimously.

CONSIDERATION ON HOUSE BILLS 821 and 829: Rep. Joe Quilici, House District 71, introduced HB 829. He said the bill would be a 20 percent surtax on income tax, earmarking 5% for higher education. This bill includes a sunset. He said this would not balance the budget but would help, if passed, to bring the university system up to current level. He distributed handouts that explained what the surtax would do (See Exhibits).

Rep. Nancy Keenan, House District 66, introduced HB 821. She said the bill asks for a 5 percent surtax for the sole purpose of funding the university system. She pointed out that the average professors salary in this state were \$15,000 behind those of comparable institutions. She said equipment needed maintenance and was outdated. She said the bill provides for a sunset.

PROPOSERS ON HOUSE BILL 821 and 829: Lindsay Norman, President of Montana Tech and chairman of the Economic Transition Task Force, testified in support of the bills. He pointed out that the task force set goals for the economic recovery of the state. He discussed the funding of higher education and the fact that faculty and students were leaving the state.

Terry Murphy, representing the Montana Farmers Union, spoke in favor of both bills. He said that adequate funding was necessary for the university system particularly when they applied to agriculture. He pointed out the importance of the university to the natural resource based industry.

Don Peoples, chairman of the Montana Coalition for Higher Education, spoke in favor of both bills. He said the HB 821 was the specific legislation for higher education.

Roberta Hoe, representing Montanans Against Diminishing Education, spoke in support of HB 829. She said there was need for economic growth in the state. She distributed information that pointed out the tax relief to the state. (Exhibit #2)

Tom Cook, M.A.D.E., testified in support of HB 821. He discussed the needs of higher education.

Carrol Krause, Commissioner of Higher Education, supported the possibility of obtaining additional revenue for the university system. He discussed the reduction of the university system budget. He said that additional cuts would result in the elimination of programs.

Rita Sheehy, member of the board of directors of the Alumni Association, spoke in support of HB 821. She said the bill would immediately provide the funds needed.

Bill Merlin, president of Northern Montana College, spoke in support of the bills. He said the economic solutions in the bills are necessary. He pointed out that higher education in its capacity to engage in research, development and training of manpower were necessary for the state to invest in for the ultimate revival of the economy.

Robert Brown, vice chairman of the faculty council for Montana State University, testified in support of the bills. He said the faculty endorsed the restoration of revenues for the universities back to the level of HB500.

Terry Minnow, representing the Montana Federation of Teachers and Montana Federation of State Employees, testified in support of the bills. She said that revenue must be increased to support the universities. She pointed out that faculty salaries were low pay and inadequate and support staff had been cut below the level of efficiency.

Evan Barrett, representing the Montana Economic Development Association and the Butte Local Government Corporation, testified in support of the bills. He said the funding of the university system was the highest priority in regards to economic development.

Matt Thiel, representing Associated Students of University of Montana, spoke in support of HB 821. He pointed out that \$11 million was needed just to make up current operating level at the universities. He distributed a public opinion poll that was conducted in January (Exhibit #3).

Jamie Zink, representing Associated Students of Montana State University, spoke in support of the bill.

Bill Campbell, representing the Montana Education Association, testified in support of the bills. He suggested another percent be given to the votech centers.

E.J. Wood, representing the University Women, spoke in support of the bills. She said they support the concept of finding additional revenue.

OPPONENTS OF HOUSE BILLS 821 AND 829: Arlene Sherman, industrial relations administrator for Ideal Cement, spoke in opposition of the bills. She said the 98 voters employed at the plant have dependant families on the income earned. She pointed out the detrimental effect on Montana workers caused by the multiplication of Montana taxes.

Robert N. Holding, representing the Montana Association of Realtors and the Montana Motor Carriers Association, testified in opposition to the bill. He pointed out that HB 829 would affect doing business in the state. He said that businesses were having to cut back and businesses were leaving Montana. He said the bills were anti-business.

Julie Hacker, representing Missoula County Freeholders Association, spoke in opposition to the bills. She pointed out that the proponents were directly benefitted by the surcharge tax for education.

Bryan Enderle, representing the Missoula Chamber of Commerce, spoke in opposition to the bills. He said they oppose the surcharge but would support a sales tax.

Gary Surry, CPA representing Columbia Falls Aluminum Company, spoke in opposition to HB 829. He said they have already contributed significantly to higher education through property tax. He said the 700 employees have also contributed significantly through property taxes. He pointed out the company competes on a world wide market. He said other aluminum companies are subject to no state income tax which affects competitiveness.

Jack Fractur spoke in opposition to the bills. He said the bills were anti-business. He said the university system does not have to get bigger.

QUESTIONS FROM THE COMMITTEE: Rep. Asay questioned Dr. Krause to address the effects of the surtax on the new type of economy discussed by the university presidents. Carroll Krause discussed the transferability of credits. He said the consolidation and the administrative coordination process would strengthen the position of the university system. He said he could not judge which tax would be better than another but it was clear that the revenue was critical to the future of the university system.

President Norman pointed out that the level of high taxes do not deter the level of economic development, it is how those taxes are spent that impact economic development.

CLOSING ON HOUSE BILL 829: Rep. Quilici discussed comparisons of the amount of taxes a corporation would pay under this bill compared to an individual taxpayer. He said the 5% for higher education needed added funds. He said this tax would be removed later which was an advantage over other taxes.

CLOSING ON HOUSE BILL 821: Rep. Keenan submitted additional testimony by Susanne Rancovich, president of U of M Alumni Association, and Jim Murray from AFL/CIO. She said the problem was immediate.

CONSIDERATION OF HOUSE BILL 211: Rep. Spook Stang, House District 52, introduced HB 211. He said the bill would impose an education tax on income tax returns. He said the bill was needed to put money into the foundation program.

PROPOSERS OF HOUSE BILL 211: There were no proponents.

OPPOSERS OF HOUSE BILL 211: Julie Hacker, representing the Missoula County Freeholders Association, opposed the bill. She said this was a poor way to balance the budget.

QUESTIONS FROM THE COMMITTEE: Rep. Sands asked why this bill would be better than a surtax. Rep. Stang mentioned that the state of Idaho used this method for their permanent building fund.

CLOSING ON HOUSE BILL 211: Rep. Stang said this tax was a small amount and the money was needed.

Chairman Ramirez said he referred the last three bills to Rep. Patterson's subcommittee.

CONSIDERATION OF SENATE BILL 44: Sen. Bill Farrell, Senate District 31, presented the bill. He said this would make the classifications more equitable. He said since the railroad was reduced to 11%, then the large trucks should be reduced to 11%. He pointed out that Montana was 28% higher in property taxes than surrounding states. He said this made people in the state noncompetitive in the transportation market. He pointed out the loss of 1,200 trucking jobs.

PROPOSERS OF SENATE BILL 44: Ben Havdahl, representing the Montana Motor Carriers Association, supports SB 44. He said the bill would reclassify motor carrier tractors and trailers from class 10 and 16 percent to class 8 and 11 percent

placing a major commodity transportation mode on a more equal competitive basis. (See Exhibit)

Keith Olson, executive director of the Montana Logging Association, spoke in support of the bill. He said one third of the organization was involved in the transportation of logs. He pointed out the majority of those were owner operators of a single truck and dependant on that one truck to support their family. He said that SB 44 would decrease the operating expense.

Don Ingels, representing the Montana Chamber of Commerce, spoke in support of SB 44.

Roger Tippy, representing the Montana Beer and Wine Wholesalers Association, spoke in support of SB 44.

OPPONENTS TO SENATE BILL 44: Phil Campbell, representing the Montana Education Association, spoke in opposition to the bill. He pointed the loss of tax dollars that had a negative impact on school revenue.

Ron Preston, city of Missoula, spoke in opposition to the bill. He said the bill would substantially reduce local revenues with no alternative source.

TECHNICAL COMMENTS ON SENATE BILL 44: Randy Wilke, bureau chief of the property assessment division, offered technical amendments.

QUESTIONS FROM THE COMMITTEE: Rep. Ellison asked about farm trucks being different weights but used for the same purpose. Sen. Farrell said he had no objection to change the bill concerning transportation loads.

CLOSING ON SENATE BILL 44: Sen. Farrell commented on the applicability date that there were some people that may not license their vehicle because of the quarter system. He said he had no objection to moving the date up to July 1.

CONSIDERATION OF SENATE BILL 22: Sen. Fred Van Valkenburg, Senate District 30, introduced SB 22. He said the bill was an extension and expansion of the definition of the Capital Company credit. He said it extends the application of credit through June 30, 1991. He said this increases credit from 25% to 50% of the amount of the investment. He pointed out a major change would allow investment of up to 25% of Capital Company's funds outside of the state of Montana if such investment is likely to produce a qualified investment in Montana. He said there are changes in the definition of capital base. He said this is a major giveaway of tax dollars in the state of Montana. This is a good reason to

use the tax dollars. He pointed out the shortage of venture capital.

PROPOSERS OF SENATE BILL 22: Dick Burke, president of the Development Corporation of Montana, spoke in support of SB 22. He discussed the concept of the bill. He distributed a handout regarding definitions in the bill (Exhibit #4). He pointed out a bill in 1983 called the Capital Company Act that authorized \$2 million in tax credits and set the tax credit at 25%. He said the reason behind the bill was drafted because step tax credit is insufficient to free up private sector money, and that the essential reason for the bill is to raise tax credits. He said the tax credits would not be used unless the private sector raises money. He said that flexibility was needed to do deals elsewhere where there is a likelihood to getting dollars back here. He distributed information about the company (Exhibit).

Warren Robinson testified in support of Senate Bill 22.

Jack Manning, an attorney from Great Falls, spoke in support of the bill. He said their firm represents entrepreneurs, underwriters and venture capitalists. He said that venture or seed capital is crucial for economic development. He said the 25% credit has been helpful to capital companies but is just too small.

Evan Barrett, representing the Montana Economic Development Association and Butte Silver-Bow, support the legislation as a significant improvement in the economic development of the infrastructure. He said the availability of capital is important for small businesses.

Don Peoples, representing Montana Energy and Research Development Institute, spoke in support of the legislation. He said there was a tremendous need for venture capital.

Bob Pancich, administrator of the Montana Economic Development Board, spoke in support of the bill. He said they certify and qualify the Montana Capital Companies Act.

Tom Thomas, president of the Great Falls Capital Corporation, spoke in support of the bill. He said they intend to purchase successful businesses and relocate them in Great Falls. He said that higher limits were necessary to make it possible to attain greater capital.

Don Ingels, Montana Chamber of Commerce, testified in support of Senate Bill 22.

OPPOSERS ON SENATE BILL 22: Ken Morrison pointed out a definition of funds.



QUESTIONS FROM THE COMMITTEE ON SENATE BILL 22: Rep. Ellison asked Sen. Van Valkenburg about the effects on local government and how it should be minimized. Sen. Van Valkenburg replied that he had no quick answer.

Rep. Asay asked whether he thought about the inverse impact on local government if this would increase an existing business or bringing in a new one. Sen. Van Valkenburg said there was a substantial impact. He said if an investment is made by a capital company where the credit is given and the subsequent benefit from that investment. He said the investment in the company may not be in the same locality that the credit might be taken.

CLOSING ON SENATE BILL 22: Sen. Van Valkenburg closed on SB 22.

ADJOURNMENT: There being no further business before the Committee, the meeting was adjourned at 12:00 noon.

  
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Representative Jack Ramirez,  
Chairman

## DAILY ROLL CALL

HOUSE TAXATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date March 10, 1987

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

# STANDING COMMITTEE REPORT

March 10

19 87

Mr. Speaker: We, the committee on TAXATION

report HOUSE BILL 157

☒ do pass  
☐ do not pass

☐ be concurred in  
☐ be not concurred in

☒ as amended  
☐ statement of intent attached

REP. JACK RAMIREZ

Chairman

TRANSFER TOUR BOATS FROM CLASS 16 TO CLASS 5 AND TAX AT 3%  
OF MARKET VALUE

Be Amended as Follows:

1. Title, line 7.

Following: "MCA;"

Insert: "PROVIDING A COORDINATION INSTRUCTION;"

2. Page 4, line 24.

Following: line 23

Insert: "NEW SECTION. Section 4. Coordination. If this act and  
House Bill 538 are both passed and approved, this act is void."

Renumber: subsequent section

  
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# STANDING COMMITTEE REPORT

March 10 19 87

Mr. Speaker: We, the committee on TAXATION

report HOUSE BILL 512

☒ do pass  
☐ do not pass

☐ be concurred in  
☐ be not concurred in

☒ as amended  
☐ statement of intent attached

REP. JACK RAMIREZ

Chairman

## IMPOSING A FEE ON LIEU OF TAX ON AIRCRAFT: EXEMPTING AIRCRAFT FROM PROPERTY TAX

Be Amended as follows:

1. Page 2, lines 21 and 22.

Following: "account" on line 21

Strike: "of the agency fund type"

Insert: " in the state special revenue fund"

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MARCH 10

19 87

Mr. Speaker: We, the committee on HOUSE TAXATIONreport HOUSE BILL NO. 678☒ do pass  
☐ do not pass☐ be concurred in  
☐ be not concurred in☒ as amended  
☐ statement of intent attached

## Be amended as follows:

Representative Jack Ramirez, Chairman

1. Title, line 5.

Following: "AN ACT"

Strike: "CHANGING THE PENALTY"

Insert: "INCREASING THE INTEREST RATE"

2. Title, lines 6 and 7.

Following: "PAYMENT" on line 6

Strike: "TO" through "TAX" on line 7

3. Page 1, line 21.

Following: "rate of"

Strike: "5/6 of"

4. Page 1, line 22.

Following: "and 24"

Strike: "the penalty provided in [section 3]"

Insert: "24"

5. Page 1, lines 23 and 24.

Following: "penalty" on line 23

Strike: "on each property"

Insert: "as a penalty"

6. Page 2, line 4.

Following line 3

Strike: "of 5/6"

7. Page 2, line 5.

Following: "and 24"

Strike: "the penalty provided in [section 3]"

Insert: "24"

8. Page 2, line 6.

Following: "penalty"

Strike: "on each property"

Insert: "as a penalty"

9. Page 2, line 10.

Following: line 9

Insert: "(2) The penalty for delinquency applies only to taxes  
that are more than 10 days delinquent."

Renummer: subsequent subsections

10. Page 3, line 2.

Strike: "(2)(d)"

Insert: "(3)(d)"

11. Page 3, line 25.

Following: "rate of"

Strike: "5/6 of"

12. Page 4, lines 1 and 2.

Following: "24" on line 1

Strike: "the penalty provided in [section 3]"

Insert: "24"

13. Page 4, line 3.

Following: "penalty"

Strike: "on each property"

Insert: "as a penalty"

14. Page 4, line 6.

Following: "rate of"

Strike: "5/6 of"

15. Page 4, lines 7 and 8.

Following: "24" on line 7

Strike: "the penalty provided in [section 3]"

Insert: "24"

16. Page 4, line 9.

Following: "penalty"

Strike: "on each property"

Insert: "as a penalty"

17. Page 4, line 10.

Following: line 9

Insert: "(4) The penalty for delinquency applies only to taxes  
that are more than 10 days delinquent."

18. Page 4.

Following: line 9

Strike: sections 3 and 4 in their entirety

ReNUMBER: subsequent section

# STANDING COMMITTEE REPORT

March 10

19 87

Mr. Speaker: We, the committee on HOUSE TAXATION

report HOUSE BILL 733

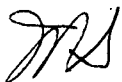
☒ do pass  
☐ do not pass

☐ be concurred in  
☐ be not concurred in

☐ as amended  
☐ statement of intent attached

REP. JACK RAMIREZ

Chairman



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# STANDING COMMITTEE REPORT

March 10

19 87

Mr. Speaker: We, the committee on TAXATION

report HOUSE BILL 794

☒ do pass  
☐ do not pass

☐ be concurred in  
☐ be not concurred in

☒ as amended  
☐ statement of intent attached

REP. JACK RAMIREZ

Chairman

## PROPERTY TAX EXEMPTION FOR LICENSED, NONPROFIT HOSPITAL & OUTPATIENT CENTERS

Be Amended As follows:

1. Title, line 3.

Following: "AN ACT"

Strike: "CLARIFYING THE"

Insert: "REPLACING THE PROPERTY TAX EXEMPTION FOR HOSPITALS BY ESTABLISHING A"

2. Title, lines 6 and 7.

Following: "NONPROFIT" on line 6

Strike: "HOSPITALS AND OUTPATIENT SURGICAL CENTERS"

Insert: "HEALTH CARE FACILITIES"

3. Title, line 3.

Following: "DATE AND"

Strike: "A RETROACTIVE"

Insert: "AN"

4. Page 2, line 11.

Following line 10

Strike: "licensed,"

5. Page 2, lines 11 and 12.

Following: "nonprofit"

Strike: "hospitals and licensed, nonprofit outpatient surgical centers"

Insert: "health care facilities, as defined in 50-5-101, licensed by the department of health and environmental sciences and organized under Title 35, chapter 2 or 3. A health care facility that is not licensed by the department of health and environmental sciences and organized under Title 35, chapter 2 or 3 is not exempt."

6. Page 5, line 10.

Following: "applies"

Strike: "retroactively, within the meaning of 1-2-109,"

7. Page 5, line 11.

Following: "December 31,"

Strike: "1986"

Insert: "1987"

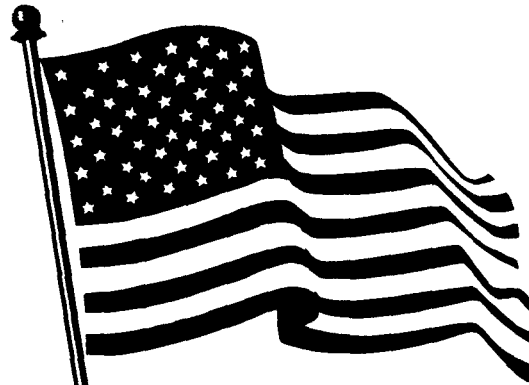
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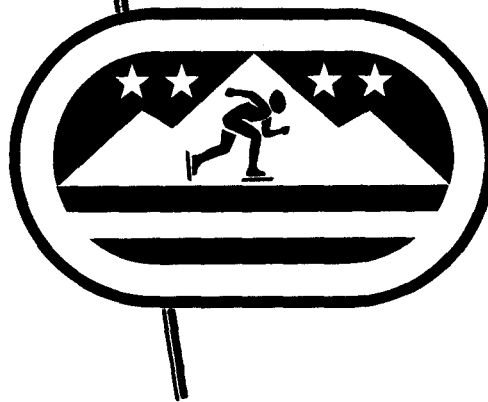
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# America's Golden Opportunity

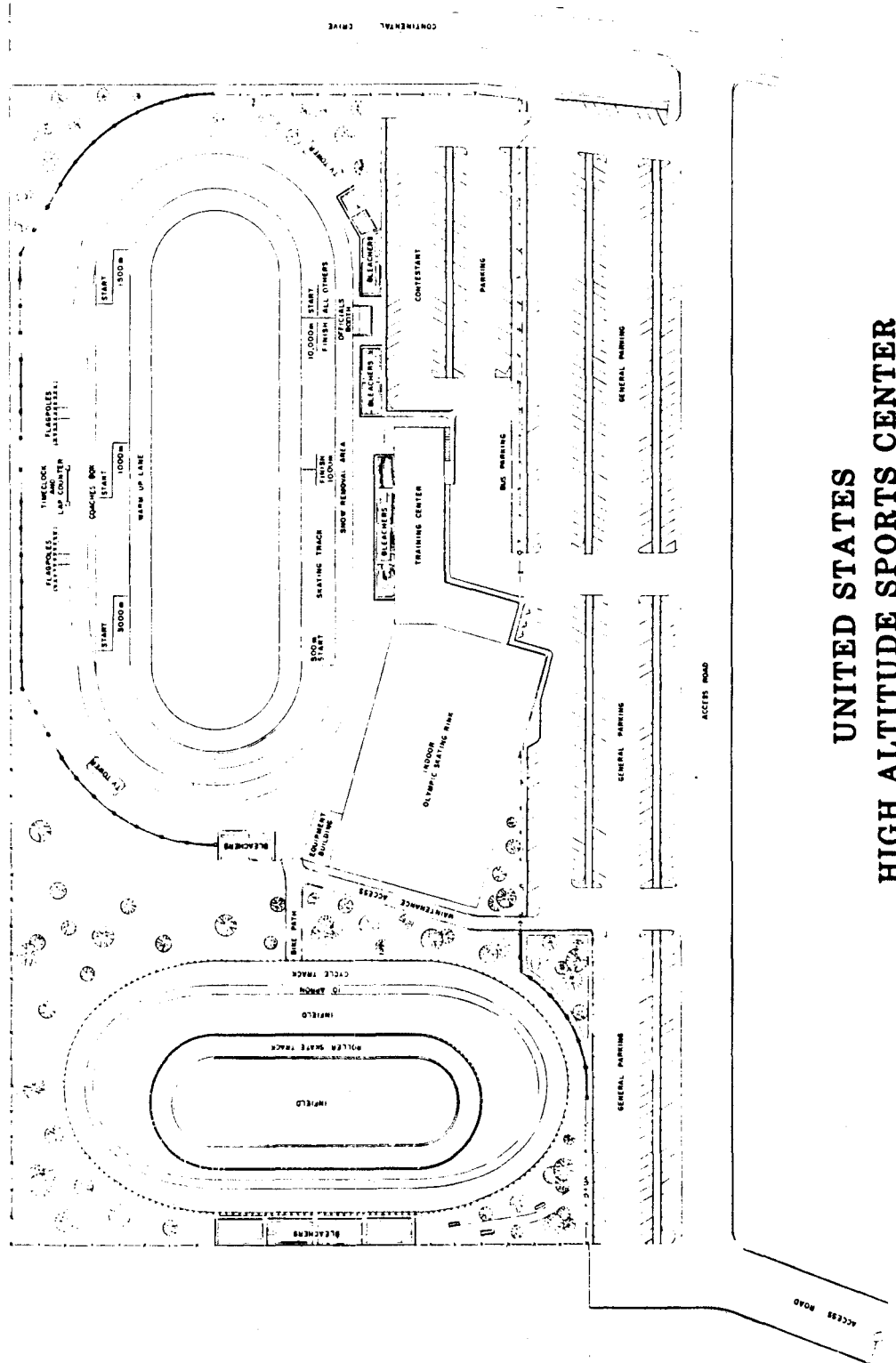
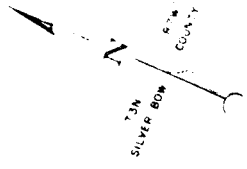


**UNITED STATES  
HIGH ALTITUDE  
SPORTS CENTER**



**BUTTE, AMERICA**

ACT #1  
 DATE 3-10-87  
 NO. 783



UNITED STATES  
 HIGH ALTITUDE SPORTS CENTER  
 BUTTE, MONTANA

Mont. Standard

February 26 - 1987

Mont. Standard 2-24-87

## Russians, Butte ice pact

By John McNay  
Standard Staff Writer

The Russians are coming.

U.S. High Altitude Sports Center Director Judy Martz said that over the weekend at the world speed skating meet at Heerenveen, the Netherlands, agents of the Soviet skating team approached U.S. Coach Mike Crowe of Butte to invite the Americans to skate in the U.S.S.R. on March 21-22.

Also on hand to hear the invitation was Gene Sandvig, a board member of the International Speed Skating Association who was a referee at the world meet.

Martz said the invitation was made by the Soviet trainer on one condition — that the Soviets be invited to skate in Butte in November during the planned World Cup meet.

"Of course, they're invited," Martz said.

Two weeks ago, Martz, a 1964 Olympic skater, attended a women's world meet in Milwaukee to see how they ran the meet and to talk with the coaches and skaters about what is being done in Butte.

She didn't have to tell them too much. The 400-meter speed skating oval at an altitude 5,300 feet is the only one in the world outside of the Soviet Union.

"The whole skating world knows what we're doing in Butte," Martz said. "That isn't an overstatement.

They think our ice is going to be fast."

While at the Milwaukee meet, Martz said she talked with the Soviets and 11 other teams about coming to Butte in November. They all want to come, she said, but need to get the approval of their respective Olympic committees.

The teams Martz talked with were from Korea, Japan, the Netherlands, E. Germany, Norway, Sweden, Canada, Austria, New Zealand, and France.

The last time the American team was invited to skate in the Soviet Union, Martz said, was in 1979.

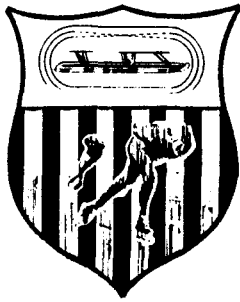
On the fast track at Medeo, Eric Heiden broke some of the Soviet records, Martz said, although those new times have never shown on the books.

The Russians never invited the Americans back until now, she said.

Plans still call for a practice meet on March 19, Martz said, although a lot of the timing depends on the weather.

Interest is high for the March meet, she said, and she hopes to get some of the young members of the Olympic team to try out the ice.

The construction price tag for the 17.6-acre center is about \$6.5 million. Organizers put the total cost at about \$10 million, including a \$3 million trust fund for future maintenance.



# United States International Speedskating Association

Member United States Olympic Committee — International Skating Union

December 17, 1986

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Executive Director

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## Presidents emeritus

PHILIP O. KRUMM  
Colorado Springs, CO

GEORGE HOWIE  
Oconomowoc, WI

Martin White  
United States High  
Altitude Sports Center  
P.O. Box 3208  
Butte, Montana

Dear Martin:

This letter gives you or your representative the right to represent the United States National Speedskating Team in any endeavor in regards to sponsorship of the entire team.

Thank you for your interest and cooperation.

Kindest regards,

John M. Byrne

President

JMB/mjl



# **United States International Speedskating Association**

**Member United States Olympic Committee — International Skating Union**

**15, 1986**

**Mr. Haley Beaudry  
United States High  
Altitude Speed Skating  
Foundation, Inc.**

**DR. LINDA J. BABL  
Secretary**

~~United States International Speedskating Association~~  
~~Palmdale, CA 93550~~  
~~(312) 537-6500 (Bus.)~~  
~~1-800-451-1234~~

**Dear Mr. Beaudry,**

**Your materials arrived just in time for me to pack them in my luggage and tote them off to the ISU congress in Austria.**

**Just a short note to let you know how your proposal for World Cup Speed Skating competitions to be held at the new United States High Altitude Sports Center went. Gerhardt Zimmerman and the other delegates I spoke to at the meeting in Velden, Austria were very favorably impressed with your presentation folder and the nature of your proposal.**

**Of course some direct questions concerning the completion of the facility were asked. From talking to several ISU delegates I can say that as soon as your facility is complete, the World Cup committee is very willing to discuss the establishment of competitions at the Butte site provided the financial backing for the events and the prizes is certified. Furthermore--in the event that the facility is completed some time this coming season the World Cup Committee may be able to arrange for several World Class Sprint competitors who will be in St. Foy, Canada for the World Sprint Championships and in Lake Placid, New York, USA for a World Cup will be willing to travel to the High Altitude Sports Center for an informal opening event.**

**After speaking to several delegates, and providing that the facility will be ready; preliminary talks are now underway to hold a World Cup Competition in conjunction with Calgary sometime during the fall season of 1987. Currently this is being proposed sometime during late November or early December and would take the place of northern European World Cups for the 1987-1988 season only. You may be aware that**

unfortunately the rink in Calgary is not yet complete--some officials are getting very skeptical as to the preparation and experience the skaters will be able to get prior to Olympic competition on a very new rink. Other team delegates have indicated to me that they may want to stay in Butte for the duration of the Olympic Games--and just shuttle teams in and out of Calgary provided that there is air transportation from Butte to Calgary..?? (This would include not only the US team but the Norweigan, East German and Dutch teams.) Some trainers are not real crazy about the big town or the proposed competition schedule which may have some skaters idle--without scheduled competitions--for a period of two weeks. Talk even centered around the "legality" of holding a World Cup in the middle of the Olympic Schedule or some other Country-Match type competition. (As you can see, the Canadians are currently experiencing a little heat from the ISU.)

I'm very confident that the talks went well and that the United States High Altitude Sports Center is being thought of in a very positive light. Now what about the construction schedule?

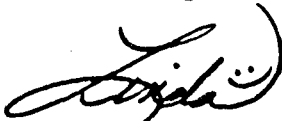
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I am so glad to be able to report these results to you. I believe you have a great start to what could be a great North American series of competitions.

Please let me know if you have any other thoughts. I would encourage you to keep in touch with Gerhardt Zimmerman as he is very open minded, knowledgable and the World Cup chairman. I have spoken at length with Gerhardt, know him very well and would be glad to help with your pursuit of the World Cup or any other events. Be sure to let me know if I can be of further assistance.

Pre-congratulations and great encouragement to you as you pursue the completion of the High Altitude Sports Center in Butte, Montana.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda", with a small smiley face drawn at the end of the signature.

Dr. Linda J. Babl, secretary  
USISA

BUSINESS  
COUNCIL  
FOR  
THE  
UNITED  
NATIONS



SAMUEL L. BRCKINFIELD, PRESIDENT

60 EAST 42ND STREET, NEW YORK, N.Y. 10016 • (212) 661-1111

March 4, 1986

Mr. E.A. Hammerle  
INTERNATIONAL EVENT MANAGEMENT  
110 East 59th Street  
New York, New York 10022

RE: U.S. High Altitude Sports Center

Dear Ed:

The members of the Business Council for the United Nations are very excited about the prospect of a new High Altitude Sports Center being built in Butte, Montana. We are sure this facility will provide the opportunity for international Olympic teams to train in the U.S. under optimum conditions.

We will be delighted to arrange for a delegation of ambassadors representing different nations to participate in the ground-breaking ceremonies in the Spring of 1986. We look forward to supporting this venture and wish the United States High Altitude Sports Center the best success.

Sincerely yours,

SLB/tap





AMBASSADOR OF  
THE UNITED STATES OF AMERICA

TOKYO

12/12/85

Dear Jim -

Thank you for your letter of the 3<sup>rd</sup>. The project you describe sounds most interesting & worthwhile. I am asking my staff to look into the matters you suggested & to write you directly as to the results achieved.

With my best personal wishes -  
as always - for a good Christmas &  
a Happy & Peaceful New Year, I am,

Sincerely

Mike Mansfield



# UNITED STATES OLYMPIC COMMITTEE

OLYMPIC HOUSE

1750 EAST BOULDER STREET, COLORADO SPRINGS, COLORADO 80909-5760

Tel: (303) 632-5551 Telex: 45-2424 Cable: "AMOLYMPIC CSP"

GEORGE D. MILLER

Secretary General

UNITED STATES OLYMPIC FESTIVAL, Houston, Texas, July 25-August 3, 1986

X PAN AMERICAN GAMES, Indianapolis, Indiana, August 7-23, 1987

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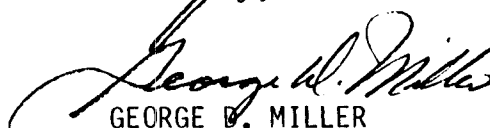
Mr. Martin White  
President  
United States High Altitude  
Speed Skating Foundation, Inc.  
P. O. Box 3208  
Butte, Montana 59702-3208

Dear Mr. White:

The United States Olympic Committee takes pleasure in recognizing the outstanding efforts of the United States High Altitude Speed Skating Foundation, in support of speed skating in the United States. The dedicated service of many members of the foundation to develop a speed skating facility for use by aspiring speed skaters is a tremendous contribution to the overall growth and development of the sport in the United States.

Please accept my personal best wishes for success in this endeavor to bring this outstanding speed skating facility to reality.

Sincerely,



GEORGE D. MILLER

GDM/bmc



# United States International Speedskating Association

Member United States Olympic Committee — International Skating Union

September 16, 1985

Mr. Martin A. White  
President  
United States High Altitude  
Speed Skating Foundation, Inc.  
P.O. Box 3208  
Butte, MT 59702-3208

Dear Martin:

The United States International Speed Skating Association and the Amateur Skating Union jointly endorse the proposed United States High Altitude Speed Skating Center as a project that will enhance the future of speed skating in America. We wish you success in your endeavor and pledge our support during the effort to bring the project to reality.

Sincerely,

*John M. Byrne*  
*3-er*

*John G. Selley*  
*ASU President*

Quilley  
HB 829  
3/10/87

Effect of 20 Percent Surtax on Tax Liability  
By Decile Group

The data below is divided into ten groups with an equal number of households in each group. The groups are ordered by income, that is, the first group represents those households with the lowest income and so on.

CY 1987

=====

Decile Group	Number of Filers	Average Income	Increase Due to Federal Reform	20 Percent Surtax	Total Estimated CY 1987 Liability
1	28887	\$ 1,900	\$1.59	\$2.21	\$13.24
2	28956	\$ 4,100	\$0.28	\$7.12	\$42.71
3	28845	\$ 6,900	\$1.90	\$16.63	\$99.77
4	28846	\$10,000	\$5.52	\$30.99	\$185.92
5	28896	\$13,600	\$8.15	\$53.03	\$318.20
6	28843	\$18,100	\$55.26	\$89.95	\$539.72
7	28926	\$23,300	\$64.66	\$129.61	\$777.66
8	28882	\$29,500	\$88.16	\$182.02	\$1,092.13
9	28880	\$37,300	\$150.94	\$257.68	\$1,546.06
10	28877	\$69,300	\$460.20	\$580.90	\$3,485.40

CY 1988

=====

Decile Group	NO. OF FILERS	Average Income	Increase Due to Federal Refo	20 Percent Surtax	Total Estimated CY 1988 Liability
1	28887	\$ 1,900	\$2.58	\$2.40	\$14.42
2	28956	\$ 4,100	\$0.45	\$7.15	\$42.91
3	28845	\$ 6,900	\$3.02	\$16.85	\$101.11
4	28846	\$10,000	\$8.93	\$31.67	\$190.01
5	28896	\$13,600	\$25.77	\$56.56	\$339.35
6	28843	\$18,100	\$46.41	\$88.18	\$529.11
7	28926	\$23,300	\$79.32	\$132.54	\$795.25
8	28882	\$29,500	\$124.70	\$189.33	\$1,135.98
9	28880	\$37,300	\$199.13	\$267.31	\$1,603.89
10	28877	\$69,300	\$807.70	\$650.40	\$3,902.39



JUDY RIPPINGALE  
LEGISLATIVE FISCAL ANALYST

STATE OF MONTANA  
*Office of the Legislative Fiscal Analyst*

STATE CAPITOL  
HELENA, MONTANA 59620  
406/444-2986

3-10-87  
829

March 5, 1987

Representative Joe Quilici  
Seat #30  
House of Representatives

Dear Representative Quilici:

Using the revenue forecasts of the Joint Revenue Estimating Subcommittee of the House and Senate Taxation Committees, the 20 percent income tax surtax proposed in House Bill 829 would raise an estimated \$45.6 million of additional revenue in fiscal 1988 and \$57.0 million in fiscal 1989. Table 1 shows income tax revenue before and after the surtax and the distribution of the surtax between the general fund and the university system.

Table 1  
Fiscal Impact of House Bill 829 Using the Revenue  
Estimating Subcommittee's Forecasts

Revenue Impact	Fiscal 1988			Fiscal 1989		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Ind Income Tax	\$203,244,000	\$242,433,000	\$39,189,000	\$233,529,000	\$278,775,000	\$45,246,000
Corp Lic Tax	53,709,000	60,154,000	6,445,000	63,580,000	75,296,000	11,716,000
Total			\$45,634,000 =====			\$56,962,000 =====
Fund Information						
General Fund	\$161,633,000	\$198,170,000	\$36,507,000	\$186,887,000	\$223,084,000	\$45,570,000
Univ System	-0-	9,127,000	9,127,000	-0-	9,049,000	11,392,000
Total			\$45,634,000 =====			\$56,962,000 =====

If I can provide additional information, please contact me again.

Sincerely,

Judith Curtis Waldron  
Senior Fiscal Analyst

JCW1A:kj:rq3-4.



JUDY RIPPINGALE  
LEGISLATIVE FISCAL ANALYST

STATE OF MONTANA  
*Office of the Legislative Fiscal Analyst*

STATE CAPITOL  
HELENA, MONTANA 59620  
406/444-2986

H B 829  
DATE 3/10/87  
HB 829

March 3, 1987

Representative Joe Quilici  
Seat #30  
House of Representatives

Dear Representative Quilici:

In her February 20, 1987 memorandum on House Bill 829, Ellen Feaver raised several questions on the application of that bill. Section 11 of the bill requires the director of the Department of Administration to certify when the ending general fund balance is equal to or greater than 5 percent of general fund appropriations for that year. That certification triggers termination of the surtax.

Ms. Feaver's first question concerns errors in calculation of the fund balance and whether refunds would be required when recalculation shows the fund balance was greater than 5 percent of general fund appropriations. Section 15-30-149, MCA specifies conditions under which taxpayers are due credits or refunds. If a taxpayer calculates his liability on the assumption a surtax applies and subsequent recalculation shows the size of the general fund balance does not warrant imposition of a surtax, "the amount of the income tax collected is in excess of the amount due," in accordance with Section 15-30-149(1), MCA and the taxpayer is due a credit or refund. Thus, it appears that credits or refunds would be necessary when recalculation of the general fund balance shows a surtax was not warranted.

Ms. Feaver's second question is whether the "total fund balance" or the "unreserved fund balance" should be used in calculating the percentage of fund balance to appropriations. The Legislative Fiscal Analyst, the Governor's Executive Budget, and the legislature through House Joint Resolution 41 all use the unreserved general fund balance when calculating the ending balance. The unreserved balance is the total balance minus the value of inventories and encumbrances. Encumbrances are the value of goods and services purchased by agencies which they have not received and for which they have not made payment. Because it shows the balance available for appropriation by the legislature, the unreserved general fund balance is generally preferred in budgeting. If you share this preference, the word "unreserved" should be inserted on line 23, page 7 of House Bill 829.

Finally, Ms. Feaver questions whether the certification of a large enough ending fund balance for fiscal 1987 would trigger elimination of the surtax for calendar year 1987 or 1988. Since the bill applies to taxable years beginning after December 31, 1986, the first year to which the bill

would apply is calendar year 1987. The first time the ending general fund balance could be certified is after the close of fiscal year 1987. Consequently, the certification of a large enough ending general fund balance after June 30, 1987 would result in no surtax on calendar 1987 liabilities. The department would need to make its certification early enough that the lack of a surtax could be reflected in the 1987 tax forms or the state would have to grant credits and refunds for overpayments.

If I can provide additional information, please contact me again.

Sincerely,

Judith Curtis Waldron  
Senior Fiscal Analyst



STATE OF MONTANA

*Office of the Legislative Fiscal Analyst*

STATE CAPITOL  
HELENA, MONTANA 59620  
406/444-2986

3-1087  
829

JUDY RIPPINGALE  
LEGISLATIVE FISCAL ANALYST

January 13, 1987

Representative Joe Quilici  
Seat #30  
House of Representatives  
State Capitol  
Helena, MT 59620

Dear Representative Quilici:

Consistent with LFA revenue projections, a 1 percent surcharge on both personal and corporate income taxes would yield \$5.86 million in additional revenue during the 1989 biennium. This calculation assumes the surcharge becomes effective with calendar year 1987 liabilities and continues through the biennium with withholding schedules adjusted to reflect liabilities. Table 1 shows the amounts of state revenue which would be raised by alternative levels of the surcharge.

Table 1  
Increase in State Revenue From Alternative  
Surcharges on Individual and Corporate Income Taxes  
1989 Biennium  
(Millions)

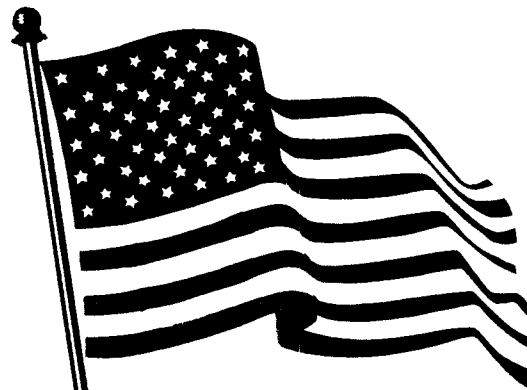
<u>Level of Surcharge</u>	<u>State Revenue</u>
1%	\$ 5.86
5%	29.30
10%	58.61
15%	87.91
20%	117.21
25%	146.52

Under current law, seventy-five percent of the revenue shown in Table 1 would be deposited in the general fund, while the remaining 25 percent is school foundation program revenue.

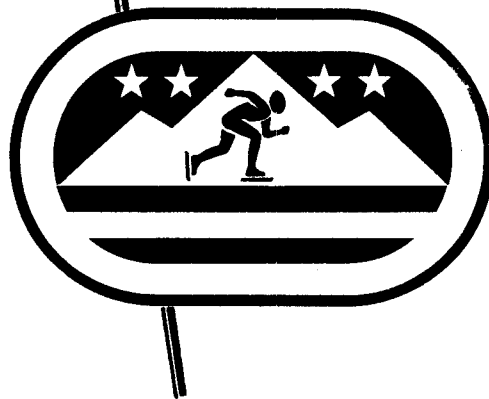
Table 2 shows the amounts of individual income tax selected taxpayers would pay under current law for calendar year 1988 liabilities, the amount assessed with a 25 percent surcharge, and the tax increase. The comparison is based on taxable income which is total income minus deductions and exemptions.



# America's Golden Opportunity



**UNITED STATES  
HIGH ALTITUDE  
SPORTS CENTER**



**BUTTE, AMERICA**

Mont. Standard

February 26 - 1987

Mont. Standard 2-24-87

3-10-87  
829

## Russians, Butte ice pact

By John McNay  
Standard Staff Writer

The Russians are coming.

U.S. High Altitude Sports Center Director Judy Martz said that over the weekend at the world speed skating meet at Heerenveen, the Netherlands, agents of the Soviet skating team approached U.S. Coach Mike Crowe of Butte to invite the Americans to skate in the U.S.S.R. on March 21-22.

Also on hand to hear the invitation was Gene Sandvig, a board member of the International Speed Skating Association who was a referee at the world meet.

Martz said the invitation was made by the Soviet trainer on one condition -- that the Soviets be invited to skate in Butte in November during the planned World Cup meet.

"Of course, they're invited," Martz said.

Two weeks ago, Martz, a 1964 Olympic skater, attended a women's world meet in Milwaukee to see how they ran the meet and to talk with the coaches and skaters about what is being done in Butte.

She didn't have to tell them too much. The 400-meter speed skating oval at an altitude 5,300 feet is the only one in the world outside of the Soviet Union.

"The whole skating world knows what we're doing in Butte," Martz said. "That isn't an overstatement.

They think our ice is going to be fast."

While at the Milwaukee meet, Martz said she talked with the Soviets and 11 other teams about coming to Butte in November. They all want to come, she said, but need to get the approval of their respective Olympic committees.

The teams Martz talked with were from Korea, Japan, the Netherlands, E. Germany, Norway, Sweden, Canada, Austria, New Zealand, and France.

The last time the American team was invited to skate in the Soviet Union, Martz said, was in 1979.

On the fast track at Medeo, Eric Heiden broke some of the Soviet records, Martz said, although those new times have never shown on the books.

The Russians never invited the Americans back until now, she said.

Plans still call for a practice meet on March 19, Martz said, although a lot of the timing depends on the weather.

Interest is high for the March meet, she said, and she hopes to get some of the young members of the Olympic team to try out the ice.

The construction price tag for the 17.6-acre center is about \$6.5 million. Organizers put the total cost at about \$10 million, including a \$3 million trust fund for future maintenance.



# United States International Speedskating Association

Member United States Olympic Committee — International Skating Union

3-10-87  
129

December 17, 1986

WILLIAM H. CUSHMAN  
Executive Director

2565 N. Hamline, Suite B  
St. Paul, MN 55113

(612) 636-3290 (Bus.)  
(612) 770-8290

## Officers

JOHN M. BYRNE  
President

240 Oneida St.  
Syracuse, NY 13202

(315) 475-2111 (Bus.)  
(315) 475-5786

DR. MICHAEL P. WOODS  
Vice President Outdoor

1935 Fox Hollow  
Brookfield, WI 53005

(414) 784-9545

WILLIAM L. MARKLAND  
Vice President Indoor

803 William St.  
Champaign, IL 61820

(217) 356-2988

DR. LINDA J. BABL  
Secretary

545 So. Hale Street  
Palatine, IL 60067

(312) 537-6500 (Bus.)  
(312) 358-7326

RICHARD SOMALSKI  
Treasurer

1630 Boutell Road  
Essexville, MI 48732

(517) 893-4553 (Bus.)  
(517) 893-7802

## Presidents emeritus

PHILIP O. KRUMM  
Colorado Springs, CO

GEORGE HOWIE  
Oconomowoc, WI

Martin White  
United States High  
Altitude Sports Center  
P.O. Box 3208  
Butte, Montana

Dear Martin:

This letter gives you or your representative  
the right to represent the United States National  
Speedskating Team in any endeavor in regards to  
sponsorship of the entire team.

Thank you for your interest and cooperation.

Kindest regards,

John M. Byrne

President

JMB/mjl



**United States International Speedskating Association**

Member United States Olympic Committee — International Skating Union

15, 1986

**Mr. Haley Beaudry  
United States High  
Altitude Speed Skating  
Foundation, Inc.**

3-10-87  
825  
DR. LINDA J. BABL  
Secretary

~~Phone: (312) 537-6500~~  
(312) 537-6500 (Bus.)  
~~Fax: (312) 537-6500~~

Dear Mr. Beaudry,

Your materials arrived just in time for me to pack them in my luggage and tote them off to the ISU congress in Austria.

Just a short note to let you know how your proposal for World Cup Speed Skating competitions to be held at the new United States High Altitude Sports Center went. Gerhardt Zimmerman and the other delegates I spoke to at the meeting in Velden, Austria were very favorably impressed with your presentation folder and the nature of your proposal.

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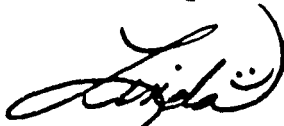
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Pre-congratulations and great encouragement to you as you pursue the completion of the High Altitude Sports Center in Butte, Montana.

Sincerely,

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Dr. Linda J. Babl, secretary  
USISA

BUSINESS  
COUNCIL  
FOR  
THE  
UNITED  
NATIONS



3-10-87  
829

NAMIEL L. BRONFELD, PRESIDENT

60 EAST 42ND STREET, NEW YORK, NY 10017 • (212) 661-1771

March 4, 1986

Mr. E.A. Hammerle  
INTERNATIONAL EVENT MANAGEMENT  
110 East 59th Street  
New York, New York 10022

RE: U.S. High Altitude Sports Center

Dear Ed:

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Sincerely yours,

SLB/tap



AMBASSADOR OF  
THE UNITED STATES OF AMERICA

TOKYO

12/12/85

Dear Jim -

Thank you for your letter of the 3<sup>rd</sup>. The project you describe sounds most interesting & worthwhile. I am asking my staff to look into the matters you suggested & to write you directly as to the results achieved.

With my best personal wishes -  
as always - for a good Christmas &  
a Happy & Peaceful New Year, I am,

Sincerely

Mike Mansfield





# UNITED STATES OLYMPIC COMMITTEE

OLYMPIC HOUSE

1750 EAST BOULDER STREET, COLORADO SPRINGS, COLORADO 80909-5760  
Tel. (303) 632-5551 Telex 45-2424 Cable "AMOLYMPIC CSP"

GEORGE D. MILLER  
Secretary General

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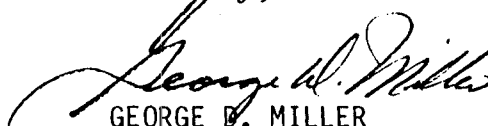
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President  
United States High Altitude  
Speed Skating Foundation, Inc.  
P. O. Box 3208  
Butte, Montana 59702-3208

Dear Mr. White:

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Please accept my personal best wishes for success in this endeavor to bring this outstanding speed skating facility to reality.

Sincerely,

  
GEORGE D. MILLER

GDM/bmc

WITNESS STATEMENT

NAME MATT THIEL HOUSE BILL NO. 821  
 ADDRESS 676 N. DAVIS RD S Helena DATE \_\_\_\_\_  
 WHOM DO YOU REPRESENT? ASSOCIATED students of the Univ. of Montana  
 SUPPORT X OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: ASUM RISES IN STRONG SUPPORT OF HB 821  
 AFTER A DECADE OF DECLINING SUPPORT FOR THE  
 STATE'S UNIVERSITY SYSTEM, THE UofM NEEDS TO  
 MAKE AN ADDITIONAL 3 MILLION IN CUTS JUST TO  
 MEET THE GOVERNOR'S BUDGET. THE UNIVERSITY SYSTEM  
 AS A WHOLE NEEDS 11 MILLION JUST TO STAY AT ITS  
 CURRENT LEVEL.

THE '87 APPROPRIATIONS PROCESS IS STUCK IN A  
 "ZERO SUM" GAME, AND THE LEGISLATURE WILL NEED TO RAISE  
 NEW REVENUE IF IT WANTS TO MAINTAIN THE ALREADY REDUCED  
 LEVEL AND HB 821 IS THE MOST REALISTIC WAY TO DO THIS.

IT IS THE STRONG BELIEF OF ASUM THAT MONTANANS DO  
 SUPPORT HIGHER EDUCATION, AND SUPPORT MAINTAINING ADEQUATE  
 FUNDING LEVELS TO ENSURE ITS STABILITY.

THERE ARE PLENTY OF INDICATORS OF THIS PUBLIC  
 SUPPORT (SEE THE POLL PACKAGE) IF WE CHOOSE TO  
 RECOGNIZE THEM. (BACKGROUND - ASUM)

THIS COMMITTEE MUST TAKE A LEADERSHIP ROLE IN MAKING  
 DECISIONS THAT WILL BREAK THE POLITICAL DEADLOCK  
 THAT ~~IS~~ PREVENTING ANY SOLUTIONS TO THE STATE'S REVENUE  
 PROBLEMS. - HB 821 IS ~~THE~~ A BIPARTISAN APPROACH TO  
 MEETING THE PUBLIC'S DEMAND FOR A STRONG UNIVERSITY SYSTEM.  
 SUPPORTERS OF HIGHER EDUCATION AND ECONOMIC DEVELOPMENT  
 THIS SESSION WILL HAVE TO TAKE A TOUGH STAND AND  
 NOT ALLOW THE UNIVERSITY TO SLIP FURTHER BEHIND IN TODAY'S

the University System, making higher education an integral part of the state's long-term social and economic stability.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew Thiel", with a long horizontal flourish extending to the right.

Matthew Thiel  
ASUM Lobbyist

ASUM PUBLIC OPINION POLL-----

This January 1987 opinion poll is based on systematic telephone interviews with 367 registered voters in Montana. The Bureau of Business and Economic Research at the University of Montana supplied the random, geographically correct sample.

How would you rate the quality of education at Montana's state colleges and Universities? Do you feel the quality is:

Excellent : ██████████ 19%  
Good : ████████████████████████████████ 58%  
Fair : ██████████ 15%  
Poor : █████ 5%  
No Answer : █ 3%

Do you agree or disagree that the Montana University System plays a role in developing and improving Montana's economy?

Strongly Agree	: ██████████	42%
Agree	: ██████████	45%
Disagree	: █████	10%
Strongly	: █	1%
No Answer	: █	2%

Do you feel the Montana University system receives \_\_\_\_\_ amount of money?

Too much : 15%  
Right : 31%  
Not enough : 48%  
No Answer : 6%

Do you agree or disagree that it is important for Montanans to be able to attend college in their home state?

**Strongly Agree** : ██ 71%  
**Agree** : ████████████████████ 26%  
**Disagree** : ■ 3%  
**Strongly Disagree:** 0%  
**No Answer** : 0%

Are you familiar with Governor Schwindem's proposed budget for funding the Montana University system?

Yes : ██████████ 51%  
No : ██████████ 46%  
No Answer : ■ 2%

Of those responding YES to familiarity with the Governor's proposed budget:

What is your opinion of the proposed budget? Do you:

173 Responding

Strongly Approve	:  9%
Approve	:  28%
Disapprove	:  30%
Str. Disapprove	:  33%

Would you support an increase in state income taxes if a portion were earmarked for funding the University system?

Yes	:  46%
No	:  38%
Undecided	:  16%

Would you support a state sales tax if a portion were earmarked for funding the University system?

Yes	:  49%
No	:  43%
Undecided	:  8%

### HIGHLIGHTS OF PUBLIC SUPPORT FOR HIGHER EDUCATION

1978- HIGHER EDUCATION 6 MILL LEVY PASSED BY A TWO TO ONE MARGIN

Vote tally: 181,920 to 88,641

1986- GALLUP POLL/NEA

59% favored more funds for public education and training even if it meant higher taxes

1987- NATION WIDE POLL COMMISSIONED BY AFSE

69% wanted more government support for higher education

1987- UNIVERSITY OF MONTANA BUREAU OF BUSINESS AND ECONOMIC RESEARCH

61% of Montanans said that University System funding should remain at current levels

14% favored giving more money to higher education

# 12/16/77 Poll: Montanans oppose college & is

**By RICHARD ECKE**  
Tribune Staff Writer  
Copyright 1977 Great Falls Tribune  
Mont. State University system, which the state university system of Montana, is a December 1977 poll.  
But these poll also agreed with legislators that Western Montana College at Dillon is the prime target for closure, if one of the state's small colleges must be eliminated.  
The Montana Poll questioned 48 adult Montanans between Dec. 9 and 22. The quarterly poll is co-sponsored by the Great Falls Tribune and the University of Montana's Bureau of Business and Economic Research.  
According to the poll, most Montanans opposed closing colleges outright or cutting spending. Some 51 percent of Montanans said university tuition should remain about the same, while only 14 percent favored cutting it. The poll also said some 14 percent favored raising state income taxes to pay for higher education.

one or more units were closed, according to the Montana Poll. Residents are concerned about the quality of higher education here, but are almost equally concerned about easy access to the colleges and universities, the poll showed.  
Forty-six percent favored fewer, higher-quality units, while 49 percent preferred that the six schools stay open.  
Most likely to favor closing some units were persons with higher incomes and those calling themselves Republicans, while rural people were the most anxious for easy access to colleges and universities. Persons in highly populated counties preferred to shut down some units, although pollsters noted the highest counties have a college university nearby.  
A majority of those polled favored converting some or all of the state's colleges to community colleges. Regular Montanans agreed with legislators upon the colleges that should be closed first, even if they opposed closure overall.

Legislators and persons responding to the Montana Poll agreed that Western Montana College at Dillon should be closed first. Thirty-eight percent of the legislators surveyed some Westerners as a school that should be closed, while 39 percent of persons in the Montana Poll said Westerners should be closed, if one school had to be eliminated.  
Nearly 18 percent of legislators surveyed said Montana Tech at Butte and Northern Montana College at Havre should be closed. The Montanans Poll also agreed that these schools should be closed.

Public officials who propose budget reductions in education at a time when the republic is handicapped by the burden of an undereducated populace are unwittingly abetting an act of national suicide," the Bell commission said.  
"Their priorities are wrong."  
The 56-page report, "To Secure the Blessings of Liberty," was prepared for the American Association of State Colleges and Universities, which is holding its annual meeting in Phoenix. Bell was addressing the group today on the recommendations.  
The 22-member panel included Arrian-

sen Gov. Bill Clinton and former Mississippi Gov. William Winter, as well as a half-dozen college presidents, the heads of both national teacher unions and the chancellor of New York City's schools.  
The association represents 372 four-year campuses that enroll 2.5 million students and award a third of all bachelor degrees.  
It urged states to keep college tuitions as low as possible, in part to help recruit more minority students and stop the growth of "an American underclass." It also urged the state colleges to take the lead in producing the 1 million new

teachers needed by public schools.  
The commission criticized states for curtailing spending on remedial programs. Remedial education will be needed "for the foreseeable future" in the state colleges, it said.  
"Tragically for the American people, the federal student financial aid program today is on the chopping block in Washington," the report said, claiming that the real value of federal aid has fallen 25 percent since President Reagan took office in 1981.  
Bell's slap at budget-cutters drew a sharp rejoinder from his successor, Sen-

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# Voters favor social programs

**BAL HARBOUR, Fla. (AP)** — A majority of voters believe the government should take a more active role in job training, education and other social programs, according to a poll released Monday by the nation's largest union of public employees.  
The poll, commissioned by the 1.1-million-member American Federation of State, County and Municipal Employees, showed that while 51 percent of those surveyed still approve of President Reagan's performance in office, 53 percent believe his defense increase should be cut back in order to maintain social programs.  
Of the 833 nationwide respondents polled by telephone between Jan. 6 and Jan. 12, 59 percent said the government should be doing "much more" and another 20 percent said "somewhat more" to clean up hazardous wastes and other environmental problems.  
Only 38 percent said more

should be done to maintain the nation's military defense buildup.  
On other various tasks formed by the government, 60 percent said more should be done on building bridges and highways, 78 percent favored doing more for the mentally ill and handicapped, 75 percent advocated more job training programs and 69 percent wanted more government support for higher education.  
However, 53 percent also said more needs to be done to reduce the size of government.  
When given a list of various interest groups and asked which ones the government pays too much attention to, 63 percent said major corporations, 73 percent reported the wealthy and 38 percent answered labor unions.

Asked who gets too little attention from the government, 66 percent said small businesses, 59 percent answered the middle class and 75 percent said poor people.

The Independent Record, Helena, Mont., Monday, November 10, 1986—7A

## More spending on higher education urged

WASHINGTON (AP) — A national examination headed by former Secretary of Education Terrell H. Bell says the United States is raking "national suicide" unless it sharply increases spending on its schools and colleges.  
The academic and civic leaders, in a report commissioned by a state college group, rebuked President Reagan and others who have sought to cut aid for college students.  
The report, released Sunday, called for a domestic Marshall Plan to nearly double the number of college-educated adults by the turn of the century.

senators needed by public schools.  
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Bell's slap at budget-cutters drew a sharp rejoinder from his successor, Sen-

The Independent Record, Helena, Mont., Friday, July 4, 1986—8A

## Poll: Public will pay more to boost teacher wages

**LOUISVILLE, Ky. (AP)** — A majority of the public is willing to pay higher taxes in exchange for better teacher salaries and improved teacher training, according to a Gallup poll released at Thursday's opening session of the National Education Association's annual convention.  
Educators demand of those surveyed that their state fund more money for public education.

Meanwhile, NEA President Mary Hatwood Futrell, in her keynote address to more than 7,000 teacher delegates, urged her union to give qualified support to the idea of a national board of professional standards proposed in a report last May by the Carnegie Task Force on Education and the Economy.  
"I believe a national board could offer much to our profession," she said. But she said states should retain the power to license teachers, and state boards should continue to operate.

Still, interviews with several teachers after Futrell's speech suggested that NEA members considered her position sufficiently bold, with several predicting sharp debate on the matter during the convention, which ends Sunday.  
Her position has drawn fire as too timid from her archival, American Federation of Teachers President Albert Shanker. He has insisted that state certification boards are part of the reason teachers lack the prestige of other professions, such as law and medicine.





AMERICAN ASSOCIATION of UNIVERSITY WOMEN

MONTANA DIVISION

EXHIBIT

DATE

3-10-87  
821

10 March 1987

OFFICERS

President

Mary Gibson

Kalispell

Vice President

Program

Claudette Morton

Helena

Vice President

Membership

Linda Kormann

Polson

Secretary

Jane Lopp

Kalispell

Treasurer

Mary Lou Jenkins

Missoula

(H) Taxation Committee

Rep. Jack Ramirez, chairman

Re: HB811 Impose education tax on filers of individual income tax returns

HB821 5% surtax on individual income tax liability for University System

HB829 Impose 25% surtax on individuals & corporations -- 20% of revenue to University System.

BRANCH PRESIDENTS

Billings

Iva Martin

Bozeman

Marcia Mysocki

Butte

Joanne Cortese

Cut Bank

Nancy Harvey

Billie Wallace

Dillon

Ingrid Joy Kaushagen

Glasgow

Idella Mott

Glendive

Virginia Egli

Great Falls

Shirley Johnson

Hamilton

Lillian McCauley

Helena

Kathleen Harrington

Kalispell

Jan Super

Lewistown

Diane Oldenburg

Miles City

Jean Viertel

Missoula

Janice Frizzell

Northern (Havre)

Jo Martin

Park County

Loraine Eyma

Polson

Polly Walker

Barbara Weld

Mr. Chairman and members of the Committee:

I am representing the Montana Division of the American Association of University Women - some 900 members vitally interested in the future of the Montana University System. We have no position on any one of the three bills you are considering this morning, but generally support the concept of finding additional revenue for our schools.

The following resolution was passed at the Division convention 03 May 1986:

"NOW, THEREFORE, BE IT RESOLVED.....

8-That the Montana Division support earmarking a percentage of any new or increased taxes passed by the State Legislature for support of public education and higher education in Montana."

Thank you,

*Betty Jean Wood*

Betty Jean Wood  
State Legislative chairman

TESTIMONY BEFORE THE JOINT SUBCOMMITTEE OF HIGHER EDUCATION  
JANUARY 28, 1987

DAN MARINKOVICH, PRESIDENT, UM ALUMNI ASSOCIATION

Members of the joint subcommittee on education and fellow Montanans:

My name is Dan Marinkovich. I am speaking on behalf of the University of Montana Alumni Association, which I currently serve as president. In 1985 I retired as superintendent of schools at Anaconda. I received my basic education in the elementary and secondary schools of Anaconda, and my bachelor's and master's degrees from the University of Montana.

I have spent the last 36 years in the field of education in the state of Montana, serving students from kindergarten through junior college both in eastern and western Montana. As such I feel that I understand the economic problems that the state is experiencing, not only in education, but in the agriculture, mining, and timber industries.

At this time I am quite concerned, as are all University of Montana alumni, as to what may happen to the quality of education throughout the entire University System. It bothers us when we pick up the newspapers and hear in the broadcast media about curtailments in funding for the University System. If the quality is allowed to decline, we believe it would be an injustice and a travesty to the students of the state of Montana.

Montana has always been proud of its students and their outstanding achievements, by any national measure. I am sure you are just as concerned as I am that we continue to provide quality education for our children and for the children of the constituents you represent.

In order to maintain this quality education in our University System, which I know you are just as concerned about as I am, I strongly urge you to provide the funding necessary to continue that level of quality. At the very least, this funding should be equal to that provided in the current biennium, prior to the retrenchment which began last summer due to the lack of revenue.

HB 321  
3-10-87  
821/

## MONTANA LEGISLATORS

Will you save \$13,000,000 and lose \$60,000,000?

Montana taxpayers deserve real relief, not a bandaid.

1. Bring in outside income.
2. Create new jobs for Montana workers.
3. Keep Montana money circulating here.
4. Build our economic tax base with sound investments.
5. Invest in the knowledge and skills of young Montanans.
6. Keep them here producing wealth for this state.

Investments in higher education pay off dollar-wise over 5-1.

Have you read the report on the economic effects of the cuts?\*

Let's not send Montana back to the ox-cart days. Support policies aimed at bringing back prosperity to all Montanans: ranchers, businesses, teachers, miners, lumbermen, taxpayers, everybody--including our young people. Courage is badly needed. Vote for tomorrow as well as today. Then explain to your constituents why.

"The difference between a politician and a statesman is:

A politician thinks of the next election.  
A statesman thinks of the next generation."

(James Freeman Clarke)

\*A Cost-Benefit Analysis of Reduced State Funding for Higher Education in Montana

Contact MFT at 442-2123 for Copies of this Study

Courtesy of M.A.D.E. IN MONTANA: Montanans Against Diminished Education



3-10-87  
821

Box 1176, Helena, Montana

JAMES W. MURRY  
EXECUTIVE SECRETARY

ZIP CODE 59624  
406/442-1708

March 10, 1987

The Honorable Nancy Keenan  
House Taxation Committee  
Montana House of Representatives  
Capitol Station  
Helena, Montana 59620

Dear Representative Keenan:

I am writing in regard to House Bill 821, your proposal to establish a 5% surtax on individual income tax liability for funding of the university system. It was our hope to appear before the House Taxation Committee on March 10 to testify on this matter. Unfortunately, conflicts in scheduling made it impossible to do so. I hope this letter will suffice to make clear our organization's position on this critical issue.

The Montana State AFL-CIO has been an unswerving proponent of a strong education system for Montana. For decades, our convention delegates have adopted resolutions calling for quality education with funding levels sufficient enough to assure attraction and retention of qualified teachers and instructors while providing facilities which provide our youth with a competitive standing in the educational system. Our position has applied universally to all levels of education, from pre-school to higher education.

Montana is now facing a dual crisis. We are concerned that quality education is suffering dramatically from loss of federal and state funding. We are also concerned about attempts to enact regressive means of taxation to solve the educational crisis by creating an equally regressive crisis in taxation. Your bill, House Bill 821, addresses both of these crises in a responsible manner.

The Montana State AFL-CIO believes that fairness to all Montanans must insure that essential public services, including education, be financed by fairness in taxation. Closing loopholes that allow wealthy individuals and profitable corporations to escape their tax responsibilities is the most progressive means to achieve both goals.

However, reality forces us to recognize that the proponents of maintaining these tax breaks for the rich may be successful in some of these battles, and that contingency revenue measures must be pursued. House Bill 821, we believe, is one such contingency method. A surtax paid on a progressive income tax structure is far more fair to Montanans than is enactment of a regressive sales tax. And obviously, the goal of providing quality higher education in Montana is a worthy goal.

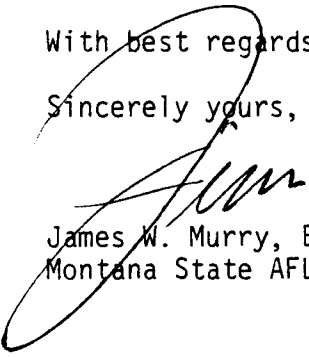
The Honorable Nancy Keenan  
Page Two  
March 10, 1987

The Montana State AFL-CIO will work towards enactment of legislation which would reform Montana's tax codes towards achieving fairness in taxes and quality in public services. In the meantime, we support your efforts to achieve quality education through one of the most progressive means of raising needed revenue.

Again, our apologies for not being in attendance at the hearing on House Bill 821.

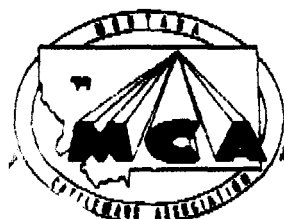
With best regards, I am

Sincerely yours,



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

cc: Members of the House Taxation Committee



# MONTANA CATTLEMEN'S ASSOCIATION INTL

WITH A LARGE "Steak" IN MONTANA'S FUTURE

P.O. Box 1234  
Helena, Montana 59624

TESTIMONY IN SUPPORT OF SB 44

House Taxation Committee

EXHIBIT  
DATE 3-10-87  
SB 44

Mr. Chairman, the present tax rate of 16% of market value for larger trucks could best be described as punitive. Trucks of more than  $1\frac{1}{2}$  tons rated capacity have only one purpose—to do a job of work. They are not recreational vehicles; nor are they intended for personal pleasure. These trucks are simply tools with which ranchers, farmers, contractors, and transportation firms attempt to make a living. The present tax rate is as high as to seem designed to discourage ownership of these working trucks.

All of Montana's cattle travel by truck to market, often to distant points out of state. A large portion of our grains are also moved by truck. Anything that reduces a trucker's fixed costs means more trucks available, thus more competition. With lower fixed costs, rates inevitably drop. Transportation expense must be subtracted from the prices of all of our commodities. Cheaper transportation means higher effective prices for almost any Montana-produced agricultural commodity.

In addition to the use ranchers and farmers make of professional firms for long-haul trucking, most find it necessary to own medium size units of more than  $1\frac{1}{2}$  ton capacity. These are used for local, off-road, and in-state hauling. While these trucks are frequently not driven a lot of miles per year, taxes add a great deal to the cost of ownership. The most efficient type of truck for today's farmer-rancher, for example, is a tandem-axle diesel. Fuel savings and the need for two axles to legally carry a worth-while load almost mandates that any new truck purchases be of this type. But, the taxes on this class of vehicle render ownership costs unreasonably high.

We commend Senator Farrell for this effort to bring heavy truck taxes more into line with other kinds of agricultural and industrial machinery. It is a move to ease the burden on two businesses crucial to Montana's economy--agriculture and transportation.

Thank you for this opportunity to comment.

Montana Cattlemen's Assn.  
Gene Van Oosten, President

3-10-87  
SB 44

## REASONS TO SUPPORT SB 44

1. In accordance with the property tax protection offered rails in the Federal Railroad Revitalization Act, the Legislature passed legislation reducing the property taxes of railroads to a rate not to exceed 12% and the effective rate of property taxes for rails according to the Department of Revenue is 11%.
2. The Federal Motor Carrier Act of 1980, affords motor carriers the same protection. SB 44 would reclassify motor carrier tractors and trailers from Class 10 at 16% to Class 8 at 11% placing the major commodity transportation modes on a more equal competitive basis.
3. Estimated tax relief for motor carriers under SB 44 is \$1.8 million, an equivalent of approximately 1 1/2 to 2 cents per gallon increase in the diesel fuel tax. HB 136, passed by the Legislature and signed into law by the Governor, would add an additional 3 cents per gallon increase, raising diesel fuel taxes from 17 cents to 20 cents. Costing the industry more than \$3 million per year. (Federal diesel fuel taxes are now 15 cents per gallon and federal gasoline tax is 9 cents per gallon.)
4. The trucking industry's support for SB 44 is based solely on the economic benefit that would accrue to the industry at a time when the trucking industry's economic situation is anything but positive.
5. Since 1983, state fuel taxes increased 55%, and again by 18% this year, federal fuel taxes 275%, federal heavy truck use tax 162%, and excise taxes on equipment and tires 32% and 45% respectively. Current economic studies by the Department of Commerce show major losses for the operation of trucks transporting agriculture and other commodities in Montana to market.
6. Maintaining a viable competitive truck transportation system in Montana for the benefit of the State's basic major industries and citizenry is vital and imperative to the economy of the State and for the maintenance of and creation of jobs which are desperately needed by Montana.

TRUCK TRACTORS AND TRAILERS OVER 18,000#

1. Property tax collections for 1986 - Class 10 @ 16%

A. IRP (prorate)	\$4,750,000
B. Counties	<u>1,220,000</u>
TOTAL	\$5,970,020

2. Reclassify from 16% to 11%

proposed in SB 44 is a	\$5,970,000
31.25% reduction in tax	<u>x 31.25%</u>

Amount of reduction \$1,865,631

3. HB 136 Revenue increased diesel fuel

A. 3 cents diesel tax	\$3,279,000
-----------------------	-------------

4. Equivalent diesel tax to SB 44

A. Reduction in property taxes under SB 44	\$1,865,631
B. Equivalent diesel fuel tax @ 1 1/2 cents	1,639,000

5. Total diesel tax is 6 cents per gallon higher than total gasoline tax NOW (32 cents diesel, 26 cents gasoline)

\*Footnote

23,514 trucks over 1 1/2 tons

A. Total taxable value	\$13,501,600
B. Total tax paid	3,097,400
C. Truck tractors,	
5,458 - 23%	<u>x 23%</u>
Amount paid by truck tractors	\$ 712,402
D. 5,458 trailers over 18,000#, taxable value \$2,213,484 and total amount tax paid	<u>\$ 507,800</u>
	\$ 1,220,020





# DEVELOPMENT CORPORATION OF MONTANA

350 North Last Chance Gulch • Post Office Box 916 • Helena, Montana 59624 • Telephone (406) 442-3850

DECEMBER 1986

## GENERAL INFORMATION

KB SB22  
DATE 3.10.87  
EX 4

### HISTORY

Profit corporation organized in 1970 under the provisions of the Montana Development Corporation Act.

### OWNERSHIP

Shareholders consist of 134 financial institutions and corporations with economic interests in Montana; the Montana Board of Investments and the Long-Term Credit Bank of Japan.

### ENABLING LEGISLATION

The corporation's actions are subject to the provisions of the Montana Development Corporation Act and Montana Capital Company Act.

### PAID IN CAPITAL

\$1,384,500

### OBJECTIVES

To facilitate the flow of risk capital to businesses operating in Montana with the potential for growth, through direct investments, and, in select cases, assisting in raising capital on a negotiated fee basis.

### GOVERNANCE

- 18 member Board of Directors - meets annually
- 7 member Executive Committee - meets every 4-6 weeks; responsible for policy setting on behalf of Board of Directors
- 6 member Investment Committee - meets every 4-6 weeks; responsible for investment decisions

### MANAGEMENT

Richard L. Bourke - President  
Sharon Gelvick - Executive Assistant  
Jacque Fultz - Secretary (part time)



# DEVELOPMENT CORPORATION OF MONTANA

350 North Last Chance Gulch • Post Office Box 916 • Helena, Montana 59624 • Telephone (406) 442-3850

DECEMBER 1986

## DIRECTORS AND OFFICERS 1986

### Officers

Phillip R. Sandquist, Chairman of the Board  
 \*Richard L. Bourke, President  
 George D. Ruff, Vice President  
 Frank W. Shaw, Secretary/Treasurer  
 Earl W. Johnson, Asst. Secretary/Treasurer

### Board of Directors

<u>Term</u> <u>Expires</u>		<u>Term</u> <u>Expires</u>	
1987	Lee Carothers Division Manager Pacific Power & Light P.O. Box 250 Kalispell, MT 59901 752-7461	1989	**George D. Ruff Montana Vice President Mountain Bell 560 North Park Helena, MT 59601 441-2338
1987	John N. Etchart Vice President Burlington-Northern 36 N. Last Chance Gulch Suite 200 Helena, MT 59601 442-1296	1989	Masahito Saigusa General Manager & Agent The Long Term Credit Bank of Japan, Ltd. Los Angeles Agency 444 S. Flower St., Suite 370 Los Angeles, CA 90071 213-629-5777
1988	Lynn D. Grobel President First National Bank P.O. Box 191 Glasgow, MT 59230 228-8231	1987	**Phillip R. Sandquist Chairman & President First Security Bank P.O. Box 910 Bozeman, MT 59715 587-0641
1987	W. A. "Bill" Groff President Farmers State Bank P.O. Box 190 Victor, MT 59875 642-3431	1987	Thomas W. Scott Chairman & President Security Banks of Montana P.O. Box 30918 Billings, MT 59116 255-5301
1988	Randolph Jacobs, Jr. President Montana Bank of Billings P.O. Box 958 Billings, MT 59103 248-2345	1988	**Wilbur Scott Member, Montana Board of Investments 3021 8th Avenue South Great Falls, MT 59405 453-1932
1988	**Earl W. Johnson Chairman First Bank Helena P.O. Box 1709 Helena, MT 59624 442-2540	1989	**Frank W. Shaw President Norwest Bank Great Falls P.O. Box 5011 Great Falls, MT 59403 727-3000
1988	**L. Bruce Madsen President D.A. Davidson & Co. Davidson Building Great Falls, MT 59403 727-4200	1987	Raymon F. Thompson President Semitool, Inc. P.O. Box 2169 Kalispell, MT 59901 752-2107
1989	**Alan D. Nicholson President Nicholson, Inc. P.O. Box 472 Helena, MT 59601 443-2160	1989	Frank V. Woy Executive Vice President of Finance Montana Power Company Butte, MT 59701 723-5421
1989	John L. Olson President Blue Rock Products Co. P.O. Box 166 Sidney, MT 59270 482-3403	1988	Shareholder Seat Vacant

\*\*Member of Executive Committee and Loan/Investment Committee  
 \*Member of Executive Committee



# DEVELOPMENT CORPORATION OF MONTANA

350 North Last Chance Gulch • Post Office Box 916 • Helena, Montana 59624 • Telephone (406) 442-3850

DECEMBER 1986

## OPERATIONS

- Due diligence regarding investment inquiries.
- Negotiation of investments; in and out.
- Monitoring portfolio companies.
- Providing financial advisory services.
- Managing the Montana Community Finance Corporation, an SBA 504 statewide Certified Development Corporation.

An inquiry resulting in an investment commitment will follow the procedure outline below:

1. Initial inquiry received by DCM Office.
2. If prepared, a Business Plan is submitted to DCM.
- 2a. If a Business Plan has not been prepared, DCM requests preliminary information.
3. After the requested information is furnished, DCM will respond within 3 weeks regarding its interest in the investment request.
4. If DCM is interested, it will prepare general, preliminary terms for the investment. However, the commitment to invest is still contingent on further due diligence.
5. If these terms are agreeable, a due diligence research effort will be conducted.
6. The results of this research, and staff recommendation, will be submitted to the DCM Investment Committee for their review.
7. After approval by the Investment Committee, the investment terms will be proposed to the firm seeking financing.
8. Upon completion of negotiation, a Letter of Intent, listing principal terms, will be signed by the respective parties.
9. An Investment Agreement is signed between the respective parties, setting the terms of the investment, and obligations and rights of the parties.
10. A final closing is held after the documentation is completed.



# DEVELOPMENT CORPORATION OF MONTANA

350 North Last Chance Gulch • Post Office Box 916 • Helena, Montana 59624 • Telephone (406) 442-3850

DECEMBER 1986

## INVESTMENTS

### 1. AMERICAN TELEPHONE ADVERTISING CORP., INC., Great Falls, MT

Business - ATA contracts with regional Bell Operating Companies to sell advertising space on their pay phones.

<u>Amount</u>	<u>Security</u>
\$94,494 (6% ownership)	Common Stock

Status - The company has contracted for sole marketing rights to 230,000 pay phones in 17 states. It has merged with a publicly traded company, and projects revenues of \$15 million in 1989.

### 2. EXPEDITIONS INTERNATIONAL, INC., Hamilton, MT

Business - Design and manufacture outdoor clothing, recreational products, and uniforms.

<u>Amount</u>	<u>Security</u>
\$62,400 (24% ownership)	Common Stock

Status - The company had revenues of \$560,614 in FY 1986, and was profitable. Year to date revenues are 34% ahead of last year, and profits are similarly ahead.

### 3. CHROMATOCHEM, INC., Missoula, MT

Business - Developed, manufacture and market proprietary products to aid in the processing and purification of biochemical products.

<u>Amount</u>	<u>Security</u>
\$78,000	Subordinated Convertible Debenture

(convertible to 10% ownership)

Status - The company is seeking to raise additional capital, and has received a tentative offer of \$500,000 for a one-third ownership interest. Patent applications will be filed in January 1987.

### 4. MILLWOOD SYSTEMS, INC., Missoula, MT

Business - Manufactures commercial, office and school furniture.

<u>Amount</u>	<u>Security</u>
\$260,000	Loan with 80% participation by the MEDB

Status - The company is moving into its new facility this month. The company had revenues of \$3.5 million in FY 1986, and a net profit of \$62,016.

5. MOUNTAIN MEADOWS, INC., Lewistown, MT

Business - Developed, and manufactures a wheat straw based cat litter.

Amount  
\$100,000

Security  
Subordinated loan with warrants to purchase stock and revenue participation

Status - The company has 15% of the Montana market, and is beginning to enter the southern California and Utah markets.

6. WSM, INC., Billings, MT

Business - Designed and manufactured sensor and instrument systems for the measurement of weight and pressure.

Amount  
\$80,000

Security  
Secured loan with warrants to buy stock

Status - The company is in liquidation. We expect to incur a loss of \$50,000.

7. Fixed asset loans made in cooperation with the SBA 502 program:

a. Capital Courts and Health Club, Helena, MT  
\$50,000  
Current

b. Edwards, IGA, Stevensville, MT  
\$49,400  
Current



# DEVELOPMENT CORPORATION OF MONTANA

350 North Last Chance Gulch • Post Office Box 916 • Helena, Montana 59624 • Telephone (406) 442-3850

DECEMBER 1986

## INVESTMENT PHILOSOPHY

### Eligibility

1. Investments must enhance the general economic welfare of the state of Montana.
2. Priority will be given to investments in basic, or primary, economic sectors.
3. Projects involving the following use of funds are ineligible:
  - a. agriculture production operations.
  - b. residential real estate.
  - c. land speculation.
4. Minimum and maximum investment amounts are \$25,000 and \$100,000, respectively.

### Criteria

1. Expertise and experience of owners, directors and key management.
2. Product marketability and marketing plan.
3. Growth and profit potential of the business.
4. Financial condition of the business.
5. Return on investment, and liquidity.

### Structuring and Pricing

1. Return on investment objective of 20-35% per annum, depending on security obtained.
2. DCM will seek equity and/or income participation on all investments.
3. DCM will seek a below market current return on all investments.
4. DCM will seek liquidity on all equity investments.

5. DCM will seek either senior or subordinated security on all investments.

6. DCM is an active investor, and as such will seek a position on the Boards of Directors of investee companies, and will closely monitor the companys' performance.



# DEVELOPMENT CORPORATION OF MONTANA

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DECEMBER 1986

## ECONOMIC IMPACT OF OPERATIONS

### DEVELOPMENT CORPORATION OF MONTANA

<u>DCM Funds Invested</u>	\$571,620
<u>Total Funds Leveraged</u>	\$3,832,000
<u>Jobs Retained or Created</u>	152
<u>DCM Dollars Per Job</u>	\$3,760
<u>Montana Tax Credits Per Job</u>	\$1,290

### MONTANA COMMUNITY FINANCE CORPORATION (SBA 504)

<u>Loans Approved</u>	\$1,410,000
<u>Total Funds Leveraged</u>	\$4,715,000
<u>Jobs Retained or Created</u>	174



Senate Bill 22

EXHIBIT

#4

3-10-87

SB 22

PROPOSED AMENDMENTS

Page 7, line 25; Page 8, lines 7 and 14

1. Strike "certified"
2. Insert "qualified"

PROPOSED AMENDMENTS  
House Bill No. 794  
Introduced (White) Copy

1. Title, line 5.

Following: ""AN ACT"

Strike: "CLARIFYING THE"

Insert: "REPLACING THE PROPERTY TAX EXEMPTION FOR HOSPITALS  
BY ESTABLISHING A"

2. Title, lines 6 and 7.

Following: "NONPROFIT" on line 6

Strike: "HOSPITALS AND OUTPATIENT SURGICAL CENTERS"

Insert: "HEALTH CARE FACILITIES"

3. Page 2, line 11.

Following line 10

Strike: "licensed,"

4. Page 2, lines 11 and 12.

Following: "nonprofit"

Strike: "hospitals and licensed, nonprofit outpatient  
surgical centers"

Insert: "health care facilities, as defined in 50-5-101,  
licensed by the department of health and environmental  
sciences and organized under Title 35, chapter 2 or 3.  
A health care facility that is not licensed by the  
department of health and environmental sciences and  
organized under Title 35, chapter 2 or 3 is not  
exempt."

db\\amends\h794-1\dw3

WITNESS STATEMENT

NAME Eene Christensen BILL NO HB 821  
 ADDRESS 524 Dearborn Helena DATE \_\_\_\_\_  
 WHOM DO YOU REPRESENT? Office of Public Instruction  
 SUPPORT X OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

The Office of Public Instruction averses in support of HB 821. The University System must receive an adequate appropriation to continue programs in education research and support.

The proposed cuts in architecture and other vital programs need not materialize if HB 821 is passed.

I encourage the Committee to give a do pass to HB 821

Eene Christensen  
 3/10/87

WITNESS STATEMENT

NAME Roberta Hoe BILL NO. 821  
 ADDRESS 3475 St Mary's Lane Stevensville DATE 3-10-87  
 WHOM DO YOU REPRESENT? Montanans Against Diminishing Education  
 SUPPORT X OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

I represent Montanans Against Diminishing Education, a broad-based, bi-partisan, grass-roots organization. I have come to speak in support of HB 821. We feel we need to support any bill which earmarks monies for higher education. We understand the need to stimulate economic growth in the state of MT. I have brought a fact sheet with me giving some data on how higher education ~~stimulates~~ <sup>states</sup> does just that. It is our <sup>state's</sup> most stable source of income and one of the most important aspects of encouraging business to settle in Montana. The taxation committee has been looking for ways through various tax breaks, <sup>etc.</sup> to stimulate growth <sup>in MT</sup> and we believe this committee should look at HB 821 as just such a stimulus because of ~~the~~ higher education's 5 to 1 return on state tax dollars.

WITNESS STATEMENT

NAME RITA SHEEHY BILL NO. HB 821  
 ADDRESS 825 N Rodney DATE 3-10-87  
 WHOM DO YOU REPRESENT? Univ of M Alumni Assn.  
 SUPPORT X OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: The Board of Directors of the Alumni Association of the University of Montana voted unanimously on Feb 27 to support HB 821 proposing a 5% surcharge on individual income tax. The surcharge funds should place funding level on all six units at least at the level as of June 1, 1986. The remaining revenue should be allocated for specific University related economic development initiatives.

We like this bill because it is targeted & it is immediate <sup>and</sup> <sup>fair</sup> and should provide enough money for the six units to remain excellent.

WITNESS STATEMENT

NAME THOMAS COOK BILL NO. 821  
ADDRESS 415 E MAIN MISSOULA DATE 3-10-87  
WHOM DO YOU REPRESENT? MONTANIAN'S AGAINST DIM. EDUCATION  
SUPPORT X OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

AS A TEACHER ED. STUDENT, TAXPAYER,  
AND REALLY, A CUSTOMER AT THE U. OF M.  
I'M CONCERNED THAT THE GOODS WILL NO  
LONGER BE ON THE SHELF. A NATIONAL CERTI-  
FICATION TEAM HAS ADDRESSED THE TEACHER ED.  
PROBLEMS OF HIGH ENROLLMENT NUMBERS AND  
LOW FULL-TIME FACULTY POSITIONS THAT ADD UP  
TO LOW HIGH STUDENT/TEACHER RATIOS. THIS  
ALONE COULD THREATEN THE CERTIFICATION OF  
U OF M'S TEACHER ED PROGRAM AND MY  
PROFESSIONAL STANDING.  
I'M IN FAVOR OF A BILL THAT EARMARKS  
MONEY FOR HIGHER EDUCATION.

## COMMITTEE

HB 733

3-10-87

Quilici

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## HOUSE TAXATION

COMMITTEE

BILL NO.

HB 811

DATE \_\_\_\_\_

3-10-87

SPONSOR

STANG

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



HB 821

VISITORS' REGISTER

HOUSE TAXATION

COMMITTEE

BILL NO. HB 821

DATE 3-10-87

SPONSOR KEENAN

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Gene Christensen	OPI	X	
RITA SHEEHY	U of M Alumni Assoc	X	
MATT THIEL	Ass. Students of U of M	X	
Roberta Hoe	M.A.D.E. <sup>Montanans Against</sup> <sub>Diminishing Education</sub>	X	
Lebecca Mann	Assoc Students Union	X	
ROBERT BROWN	MONTANA STATE U.		
Kelly Holmes	MT College Coalition	X	
Larry Murphy	MT Farmers Union	X	
Ken Morrison	DOR		
Julie Hacker	Mea. Co. Insulides		X
Tom Cook	M.A.D.E.		
Bryan Enderle	Missoula Chamber of Com		✓
Wendy Barrett	WILSON DEN ASSN	✓	
Campbell	Comm of H. ED	✓	
Don Peoples	MT HIGHER EDUC. COAL	✓	
Kay Foster	Begs Chamber of Commerce		✓
Phil Campbell	MT ASSOC REACTORS	✓	
John K. Trenchard	Self Employed		✓
Ron Prosser	City of Missoula	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## VISITORS' REGISTER

HOUSE TAXATION

COMMITTEE

BILL NO. HB 829DATE 3-10-87SPONSOR QUILICI

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
GARY SAUREY	COLUMBIA FALLS ALUMINUM		X
MATT THIEL	ASS. STUDENTS of UM	<del>MENTER ONLY</del>	
Roberta Hoe	M.A.D.E. <sup>Montanans Against Diminishing Ed.</sup>	X	
Kelly Holmes	MT College Coalition	X	
Tim Murphy	MT Farmers Union	X	
ARLENE SHERMAN	IDEAL CEMENT Company		X
Ken Morrison	DOR		
Julie Hacker	Mont Co. Freelancers		X
Bryan Englele	Missoula Chamber of Com.		✓
Joan Barrett	Mont Econ Dev Assn	✓ (900 444 444)	
Carol Krause	Comm. of H. Ed	"	
Don Peoples	Mont Higher Educ. Coal.	✓ (910)	
Ray Foster	Bliss Chamber of Commerce		✓
BOB HELDING	MT. ASSOC OF REALTORS		✓
Bob Holding	MT. MOTOR CARRIERS ASSN		✓
Vala Thayer	Self Tax Payers		✓
Bob Preston	City of Missoula	✓	
Phil Campbell	Mont. Ed. Assoc	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

House TAXATION

BILL NO.

\$B 22

DATE \_\_\_\_\_

3-10-87

SPONSOR

VAN VALKENBURG

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

CS-33

## VISITORS' REGISTER

HOUSE TAXATION

COMMITTEE

BILL NO.

SB 44

DATE

3-10-87

SPONSOR

FARREL

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
<i>Reggie [unclear]</i> <i>Joe Keingarten</i>	<i>Bum &amp; Wine Wholesalers</i> <i>MT Saled [unclear]</i> <i>Contractors</i>	X X	
<i>Marvin Barber</i>	<i>mt. accession assoc</i>		X
<i>Gordon Morris</i>	<i>MACC</i>		X
<i>Ben Haidan</i> <i>SOB HELDING</i>	<i>MT. MOTOR OVERLIERE</i>	✓	
<i>Ted Rollins</i>	<i>P.S.R.C.O., Inc.</i>	✓	
<i>Ben Preston</i>	<i>City of Missouri</i>		✓
<i>Phil Campbell</i>	<i>Ment. Ed. Assoc</i>		✓
<i>Box Angels</i>	<i>Mt. Chamber of Commerce</i>	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.