

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

January 29, 1987

The eleventh meeting of the Senate Taxation Committee was called to order at 8:00 A.M. on January 29, 1987 by Chairman George McCallum in Room 413/415 of the Capitol Building.

ROLL CALL: All committee members were present.

CONSIDERATION OF SB 22: Senator Van Valkenburg, Senate District 30, presented this bill to the committee. He said this bill will increase the amount of credits available for investment in capital companies between the first of July of this year and June 30, 1989. It will also provide that the amount of credit that an individual investor may take would be increased from 25% to 50%, with a maximum individual credit of \$150,000 per taxpayer as opposed to \$25,000 per taxpayer. Finally, this bill would alter the capital company law to allow investments of up to 25% of available funds in business outside of Montana if such an investment is likely to produce investment in Montana. He said this bill very substantially increases the incentives that are available.

PROPOSERS: Dick Bourke, President, Development Corporation of Montana, gave testimony in support of this bill. A copy of his testimony is attached as Exhibit 1.

Jack Manning, attorney, gave testimony in support of this bill. He has represented a lot of venture capital companies and a number of underwriters in and out of Montana. He said he believes that it is generally accepted that venture capital, equity capital, is very important to economic development in Montana. Montana receives very little investment for venture capital from outside the state of Montana and we really have very few venture capital centers in Montana. Generally venture companies are interested only in larger projects. Montana, because of its population and distances, does not have that many opportunities. The 25% tax credit has assisted a number of capital companies in raising money but that really has not been sufficient in raising money publicly. He believes the tax credit increase from 25% to 50% is important and also that it is absolutely necessary to be able to go outside the state to get some venture capital back into the state.

Tom Thomas, President, Great Falls Capital Corporation, gave testimony in support of this bill. He said we are a qualified capital company under the present statutes and we have established on the basis that we would obtain through the sale of stocks, a minimum of \$2 million. If we do not reach that goal we will not proceed with our business. To date we have obtained \$1 million in investments. Without the enactment of this bill it will be very difficult to raise a minimum of \$1 million. This bill would not only insure that we could sell the minimum, but in all likelihood we would be able to sell \$1½ million. Our plan is to purchase existing successful companies located outside the state of Montana and relocate in Great Falls. We are prepared, as soon as we have the financing in place, to proceed with this plan.

Warren Robinson, Vice President of the Great Falls Capital Corporation, gave testimony in support of this bill. He said it would be very difficult to raise the additional funds needed to make the Great Falls Capital Corporation operational unless we have this additional incentive to attract investors to this corporation. The opportunities out of the state of Montana are significantly better in terms of raising money. He said the need is there and it would be in the best interest of the state of Montana to develop a strong economic base.

Sam Hubbard, Executive Director, Science and Technological Alliance, rose in support of this bill.

Bob Hanson, Administrator, Montana Economic Development Pool, said we administer the tax credits and certify and qualify the Montana capital companies. Our board has voted on the concept to support this particular bill.

OPPONENTS: None.

QUESTIONS FROM THE COMMITTEE: None.

Senator Van Valkenburg closed.

CONSIDERATION OF SB 150: Senator Boylan, Senate District 39, presented this bill to the committee. A copy of his presentation is attached as Exhibit 2.

PROPONENTS: Dennis Burr, representing the Montana Taxpayers Association, gave testimony in support of this bill. He said this is the most important bill this session concerning improvements in property tax administration. The people need to know this information and as a tool within the Department of Revenue, a sales ratio study is simply vital. In 1981 this bill passed through the House and Senate and then was vetoed by the Governor. Everything in this bill has been approved at one time by the Department of Revenue.

With the number of tax appeals now, he thinks it is important that the information contained at the Department's computer files be made available to taxpayers to project their assessments. He questioned the 12,000 appeals for FY 88 and FY 89 in the fiscal note. He thinks that number is too high.

Stan Kaleczyc, attorney representing Burlington Northern Railroad, gave testimony in support of this bill. In view of the inequities in assessments in the state, they advocate a ratio study to assess the market value as is contemplated by federal legislation.

OPPONENTS: None.

Dan Bucks, Deputy Director for the Department of Revenue, gave technical comments concerning this bill. He said most important we do believe that the bill does have a cost associated with it, especially in light of the across the board cuts being required by the Governor. This is an added cost that cannot be absorbed by the Department. In the bill there is a section concerning the confidentiality of the realty transfer certificate information. In the case of small communities where we supply the comparison property information, even if we don't provide the name and address of the owner, people will be able to know all of the details and identify the owner of the comparison property. He said we completed a sales assessment ratio study for the 4R Act Compliance and that sales assessment study relates to commercial property.

QUESTIONS FROM THE COMMITTEE: Senator Crippen asked Dan Bucks if he knew the average number of appeals over the last ten years pertaining to assessment.

Dan Bucks said he would have to go back to the Department to get that information.

Senator Eck said on the issue of confidentiality, is this considered confidential information nationwide.

Dan Bucks said he has never dealt with that particular question and he does not know if a survey has been done.

Senator Eck asked Dan Bucks if he knew the Governor's rationale in vetoing the bill in a prior session.

Dan Bucks said he would have to look at the veto message for that information.

Senator Eck asked if the information was in place to do what this bill wants.

Randy Wilke, Department of Revenue, said we have the commercial sales information on computer but we do not have all residential information on the computer file.

Dan Bucks said that is the reason for the data processing costs that are associated with putting the residence data into computerized format and processing that data into the counties format that is needed.

Senator Boylan closed.

Senator Severson made a motion to adopt the Statement of Intent furnished for the bill. The motion carried.
See attached Exhibit 3 for Statement of Intent.

CONSIDERATION OF SB 155: Senator Keating, Senate District 44, presented this bill to the committee. He furnished the committee with a chart entitled "Coal Severance Tax and Interest Distribution", which is attached as Exhibit 4. He said this bill deals with the statutory appropriation of the portion of the coal tax that is available each year for current spending. The chart shows the various accounts and the percentages of the appropriation of the funds. The red lines show the intent of this proposal which is to close those accounts and redirect all of the funds to the general fund for legislative appropriation. The only two funds that are not affected by this bill are the Constitutional Trust Fund and the Highway Construction Fund. He said it is prudent that the legislature review all the revenues that are available for spending, including earmarked funds, to make sure that the taxpayers' dollars are being put to the best use through statutory appropriation.

PROPOSERS: James D. Mockler, Executive Director, Montana Coal Council, gave testimony in support of this bill. He said we have no particular bone to pick with anyone who receives money from the coal tax but we are opposed to the earmarking. He thinks they should participate in the legislative process and be treated equally with everyone else needing money for funding.

Bob Stockton, Office of Public Instruction, gave testimony in support of this bill. He said the legislature already appropriates money. All this will mean as far as financing the schools, is that the legislature would have to increase the legislative appropriation from the General Fund.

OPPONENTS: Hershhal Robbins, representing Oil, Gas and Coal Counties Association, gave testimony in opposition to this bill. This bill would take away from counties something that they have been getting and he feels in most cases doing a good job with. He would suggest that the legislators check with their county officials and other people and see what they have to say about taking funds away from county government.

Dale Tash, representing Beaverhead Chamber of Commerce, gave testimony in opposition to this bill. In talking with outfitters in his area, he believes that in the last legislative session the coal tax money was taken out and given to the parks for maintenance. In Bannack State Park, 85% of its budget is from coal tax. His concern is that if this bill passes they will have to close their parks. The outfitters feel if this bill passes they will increase the hunting and fishing license fees to compensate.

David Nelson, representing the Montana Arts Council, gave testimony in opposition to this bill. His written testimony is attached as Exhibit 5.

Janet Ellis, representing the Audubon Legislative Fund, gave testimony in opposition to this bill. A copy of her statement is attached as Exhibit 6.

Jeanne Klobnak, representing the Montana Wildlife Federation, gave testimony in opposition to this bill. Her written statement is attached as Exhibit 7.

Carolyn Ennis, representing the Cultural and Aesthetic Advisory Committee, gave testimony in opposition to this bill. She said we make our recommendations to the Long Range Planning Board and the Board reviews those suggestions before the bill reaches the floor for consideration. Of the funds expended, our community has come up with cash and in-kind funds of nearly \$5 million compared to \$1.2 million by the state.

Debi Brammer, representing the Montana Association of Conservation Districts, gave testimony in opposition to this bill. A copy of her written testimony is attached as Exhibit 8.

Larry Weinberg, Montana University System, gave testimony in opposition to this bill. He said the legislature is very capable of going to the statutes that provide for

earmarking and changing those statutes if the legislature feels that is necessary to divert the flow of money. The present structure sends a message out that Montana is committed to the future and not just the present.

David Bishop, Montana Association of Planners, gave testimony in opposition to this bill. He said if this bill is passed it will cost County Planning Departments approximately \$400,000 per year. Depending upon the size of the county, this can represent anywhere from 25% to 90% of the funds to operate the planning office. Federal funding for local planning has all but been eliminated.

Brenda Schye, representing the Montana Cultural Advocacy, gave testimony in opposition to this bill. A copy of her written testimony is attached as Exhibit 9.

Bob Anderson, Executive Director, Montana School Board Association, gave testimony in opposition to this bill. They feel this bill would be detrimental to elementary and high school district funding.

Caralee Cheney, Department of Natural Resources, gave testimony in opposition to this bill. There are earmarked coal tax funds going to the renewable resource program and water development program. The state does have a legal obligation to back the bonds that have been sold and the state would have to replace these funds with funds of approximate or equivalent value from another source.

Deborah Schlesinger, Montana Library Association, gave testimony in opposition to this bill. The coal severance tax money that the libraries receive represents the only state commitments to libraries.

QUESTIONS FROM THE COMMITTEE: Senator Hager said he is confused about the money going into the parks. He asked Senator Keating to explain.

Senator Keating said he was unaware that there were funds appropriated to Park Acquisition Cultural Projects Trust until after 1991.

Mike Walsh from the Budget Office, said the interest income from that fund was not noted on the fiscal note. Each year \$1.7 million would revert back to the General Fund.

Senate Taxation
January 29, 1987
Page Seven

Senator Keating closed.

ADJOURNMENT: The hearing adjourned at 10:05 A.M.


SENATOR GEORGE McCALLUM, Chairman

ah

ROLL CALLTAXATION

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 1-29-87

NAME	PRESENT	ABSENT	EXCUSED
SENATOR CRIPPEN	✓		
SENATOR NEUMAN			✓
SENATOR SEVERSON	✓		
SENATOR LYBECK	✓		
SENATOR HAGER	✓		
SENATOR MAZUREK	✓		
SENATOR ECK	✓		
SENATOR BROWN	✓		
SENATOR HIRSCH	✓		
SENATOR BISHOP	✓		
SENATOR HALLIGAN, VICE CHAIRMAN	✓		
SENATOR McCALLUM, CHAIRMAN	✓		

Each day attach to minutes.

DATE 1-29-87

COMMITTEE ON Senate Taxation

VISITORS' REGISTER

SB 22, 150, 155

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppos
Virginia Watson	Myself	SB 155		X
Frederic Selig	Mont. Cultural Alliance	SB 155		X
Debra Brammer	MT. ASSN. of Conservation Districts	SB 155		X
DICK BOURKE	DAV. CORP. OF MT.	SB 22	X	
Lara Tucker	Mont. Teachers Assn.	SB 155		X
Rita Schmitt	MT. Lib. Sci. Code Council	SB 155		
Jack Manning	myself	SB 22	X	
Tom McCann	MT. Bell			
DEBRAH SCHLESINGER	MT. LIBRARY ASSOC	-3155		X
Bob Anderson	MT. BIA	SB 155		X
Dave Nelson	Montana Anti Council	155		
Tom Thomas	Great Falls Capital Corp	SB 22	X	
Janet Ellis	MT. Audubon	155		X
ESTHER STENBERG	MWF	155		X
Jeanne Kolnak	"	"		X
Ken Brown	NPRC			X
Warren L. Robinson	Great Falls Capital Corp	SB 22	X	
Dan M. J. J. J.	MT. ASSOC. OF PLANNERS	155		X
Dennis Burr	MONTAX	150	✓	
Bob J. J. J.	OPI	155	✓	
Larry Weinberg	MT. UNIV. SYSTEM	155		X
EARL W. JOHNSON	First Bank Helena	SB 22	X	
Harold Rabin	oil Gas & Coal	SB 155		X
John Allen	Great Falls Gas Co		X	
Sam Hubbard	Sci & Tech Alliance	SB 22	X	
St. K. K. K. K.	Built to Nurture Inc	SB 150	X	
Jim M. K. K.	MT. Coal Council	SB 155	X	

NAME: Christina Wallon DATE: 1-29-87

ADDRESS: 18 S. Montana Ave., Helena

PHONE: 443-1539

REPRESENTING WHOM? myself - for support of State parks

APPEARING ON WHICH PROPOSAL: S.B. 155

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

DATE 1-29-87

COMMITTEE ON Senate Taxation

VISITORS' REGISTER SB22, 150, 155

[illegible]

(Please leave prepared statement with a



DEVELOPMENT CORPORATION OF MONTANA

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Great Falls, Montana

Frank W. Shaw
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Semitool, Inc.
Kalispell, Montana

Frank V. Woy
Montana Power Company
Butte, Montana

TESTIMONY IN SUPPORT OF SENATE BILL 22

OBJECTIVE

To increase the supply of private sector venture capital in Montana through providing a financial incentive, in the form of a tax credit, to investors in Montana venture capital companies.

DEFINITIONS

Montana Capital Company - A Montana-based venture capital company created pursuant to Title 90, Chapter 8. This act is administered by the Montana Economic Development Board (MEDB). Capital Companies are certified and qualified by the MEDB, prior to their investors obtaining state income tax credits.

Venture Capital - Generally, financing involving the purchase of convertible debt, warrants, or equity in a company which is not eligible for financing by traditional credit-oriented financial institutions.

BACKGROUND

The Montana Capital Company Act was passed in 1983 as part of the Build Montana program. It provides a 25% state income tax credit to investors in Capital Companies, which provide venture capital to businesses in Montana.

Of the \$2 million in tax credits authorized in 1983, only about 250,000 has been taken. Clearly, the 25% tax credit has been too low to stimulate much private venture capital.

SENATE TAXATION

EXHIBIT NO. 1

DATE 1-29-87

BILL NO. SB 22

Recognizing this problem, and the need to increase its capital base, the DCM, Montana's first and largest capital company, developed a series of amendments to the act.

After careful review of the situation, the Schwinder administration endorsed the raising of the tax credit to 50%, and most other DCM proposed changes to the law. There is a ceiling of \$3 million in total available tax credits for the biennium.

REASONS FOR THE BILL

1. Successful entrepreneurs are necessary for economic development.
2. Successful entrepreneurs often require venture capital.
3. Montana lacks adequate pools of venture capital. For example, the DCM's current capital base limits their maximum investment to \$100,000. If they had \$3 million in capital, they could provide up to \$300,000 per deal.
4. Montana may risk losing start up businesses, and existing companies, if we don't have sufficient private pools of venture capital.
5. The tax credit approach is the most cost-effective use of public resources to stimulate venture capital. During the last 1½ years, only \$1,240 of tax credits were taken for each job retained or created by the DCM's investment activities.

THE AMENDMENTS

1. P.1, lines 20-21
More clearly define "Capital base". Existing definition is not consistent with intent of 90-8-301(1).

SENATE TAXATION

EXHIBIT NO. 1

DATE 1-29-87

BILL NO. SB-22

2. P.3-4, lines 25, lines 1-10
This language allows for up to 25% of the capital companies investments to be made outside of Montana, "if such investment is likely to produce an investment in Montana." Basically, this change is sought so that our capital companies have the ability to build co-investing relationships with out of state investors, thus bringing outside risk capital and expertise into Montana. This flexibility must be provided for our capital companies to attract larger pools of capital, and participate fully in the regional and national venture capital community.
3. P.5, line 5
This limits the total tax credits available to investors in a single capital company to \$1.5 million.
4. P.5, lines 13-17
This limits the total tax credits available to all investors in all capital companies to \$3 million over the biennium.
5. P.6, lines 10-11
This raises the tax credit from 25% to 50%, and raises the maximum credit allowed per investor from \$25,000 to \$150,000. This is higher than the \$50,000 proposed by the Schwinden administration. We urge the higher limit because the objective of this bill is to raise private venture capital, and the higher the limits per investor, the more capital we will be able to raise.
6. P.7, lines 3-4
This extends the Capital Company Act to July 1, 1989.

SUPPORT

Governors Economic Transition Task Force
Montana Economic Development Board
Science and Technology Alliance

SENATE TAXATION

EXHIBIT NO. 1

DATE 1-29-87

BILL NO. SB-22

SENATE BILL 150

SENATE TAXATION

EXHIBIT NO. 2

DATE 1-29-87

BILL NO. SB-150

THE REALTY TRANSFER ACT WAS PASSED BY THE LEGISLATURE IN 1975. THIS ACT REQUIRES THAT THE BUYER OR SELLER OF REAL ESTATE FILL OUT A FORM WHICH TELLS THE DEPARTMENT OF REVENUE THE SALE PRICE OF THE PROPERTY. THE PURPOSE OF THE ACT IS IN 15-7-302. IT SAYS "THE PURPOSE OF THIS PART IS TO OBTAIN SALES PRICE DATA NECESSARY TO THE DETERMINATION OF STATEWIDE LEVELS AND UNIFORMITY OF REAL ESTATE ASSESSMENTS BY THE MOST EFFICIENT, ECONOMICAL AND RELIABLE METHOD."

THE DEPARTMENT OF REVENUE HAS BEEN COLLECTING THIS INFORMATION FOR YEARS AND HAS USED IT IN SETTING THE VALUE OF PROPERTY. THE DEPARTMENT HAS NOT PUBLISHED ANY REPORTS SINCE 1980 TELLING THE PUBLIC WHAT THE LEVEL OF ASSESSMENT IS.

THE FIRST PART OF SENATE BILL 150 REQUIRES THE DEPARTMENT TO PUBLISH A SALES-ASSESSMENT RATIO STUDY EVERY YEAR. THIS IS THE ONLY WAY THE LEGISLATURE AND THE PUBLIC CAN TELL IF ASSESSMENTS ARE FAIR AND UNIFORM ACROSS THE STATE.

A SALES-ASSESSMENT RATIO STUDY COMPARES THE SALE PRICE OF PROPERTY TO THE ASSESSED VALUE USED BY THE DEPARTMENT OF REVENUE. IF THE SALES-ASSESSMENT RATIO IS 80%, IT MEANS ASSESSMENTS ARE 80% OF SALES PRICE. THE STUDY WILL SHOW IF ASSESSMENT LEVELS ARE UNIFORM IN EACH COUNTY OF THE STATE.

THE SECOND PART OF SENATE BILL 150 REQUIRES THE DEPARTMENT OF REVENUE TO PROVIDE COMPARABLE SALES INFORMATION TO A TAXPAYER WHO APPEALS HIS ASSESSMENT. THE MONTANA SUPREME COURT LISTED THE INFORMATION THAT A TAXPAYER MUST PRESENT TO A TAX APPEAL BOARD IN THE COUNTRYSIDE VILLAGE CASE IN 1980. THE COURT SAID A TAXPAYER MUST SHOW THE ASSESSED AND SALES VALUE OF SEVERAL PROPERTIES COMPARABLE TO HIS

AND HE MUST SHOW THAT THE ASSESSMENT LEVEL OF HIS PROPERTY IS HIGHER THAN THE OTHERS, THUS CAUSING DISCRIMINATION.

THE DEPARTMENT OF REVENUE IS THE CUSTODIAN OF ALL SALES INFORMATION IN THE STATE. SINCE THIS INFORMATION IS PROVIDED BY THE TAXPAYER, IT IS ONLY FAIR THAT THE DEPARTMENT BE REQUIRED TO SHARE THIS INFORMATION WITH THE PUBLIC FOR THEIR USE IN DETERMINING WHETHER THEY ARE BEING ASSESSED FAIRLY BY THE DEPARTMENT OF REVENUE.

1/27/86

SENATE TAXATION
EXHIBIT NO. 2
DATE 1-29-87
BILL NO. SB-150

STATEMENT OF INTENT

Senate Bill No. 150

A statement of intent is required for this act because it grants the department of revenue authority to adopt rules for administering 15-7-308. The legislature finds that the publication of information from the Realty Transfer Act will enable property owners to determine if the assessments arrived at for their property are comparable to similar parcels that have sold on the market. The legislature intends that the right of individual privacy be protected in all instances in which the information is prepared. The department shall develop a method of identifying comparable property and may adopt guidelines for determining general areas in which similar property is located. The information obtained from this act should alleviate the problem of protested taxes and reduce the workload of tax appeal boards.

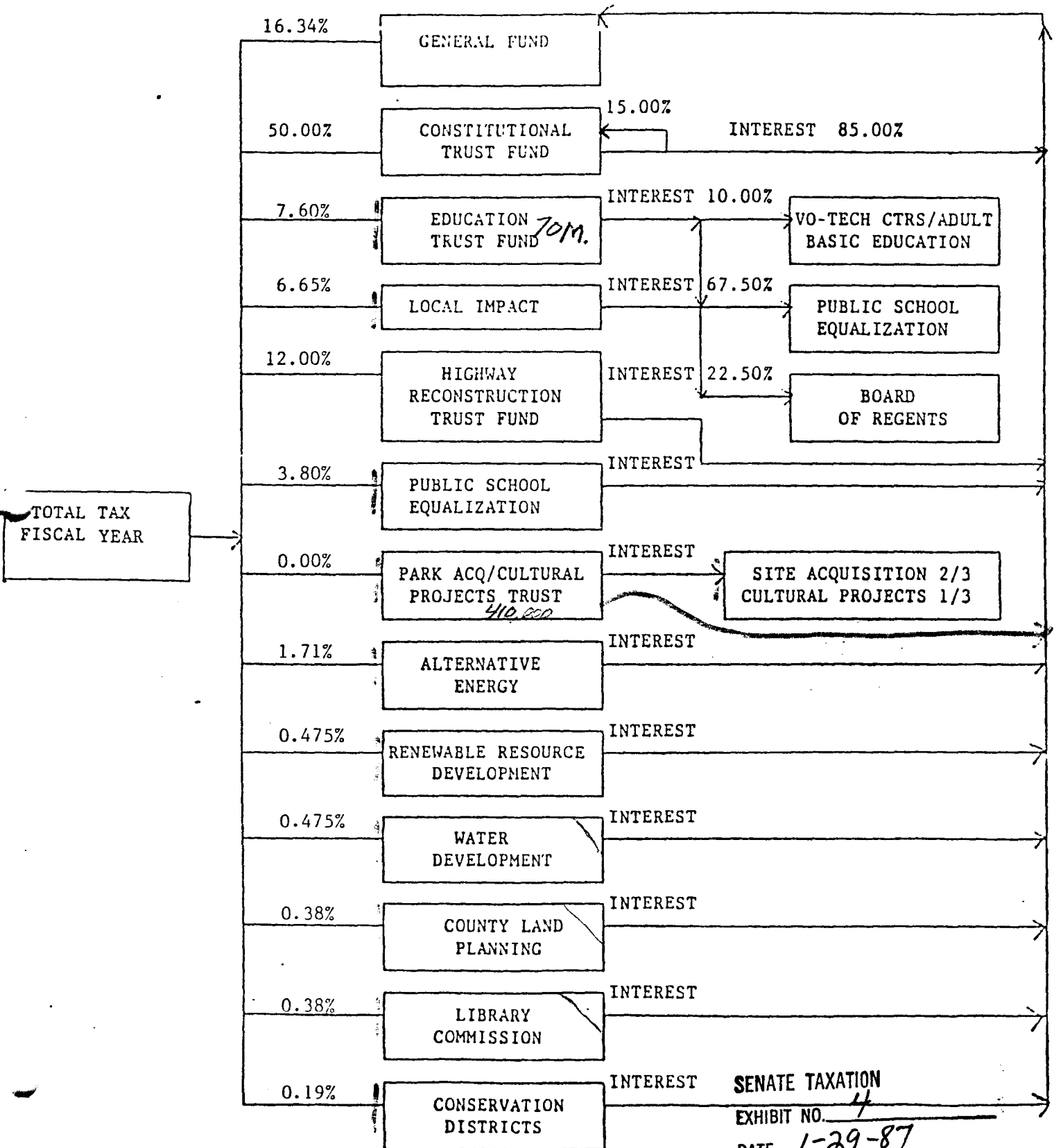
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SENATE TAXATION

EXHIBIT NO. 3DATE 1-29-87BILL NO. SB-150

COAL SEVERANCE TAX AND INTEREST DISTRIBUTION

Fiscal Years 1988 and 1989



SENATE TAXATION

EXHIBIT NO. 4

DATE 1-29-87

BILL NO. SB-155

Chairman McCallum and Members of the Committee:

For the record, my name is David Nelson and I am Executive Director of the Montana Arts Council, the agency with legislative responsibility for administering grants from the Cultural Trust. I speak in opposition to HB #155. Beginning early in this session, in the hearing room of the Long Range Planning Committee, we were visited by an astounding array of constituents from your communities who are the backbone of the cultural life of this state. There was an outstanding array of individuals who demonstrated a positive, "can do optimism" who are accomplishing remarkable things in their communities. We heard of the birth of the Alberta Bair Theatre for the Performing Arts in Billings, the saving of the Moss Mansion, the exciting permanent collection of the Yellowstone Art Center, the Great Falls based Montana Chorale and their summer residencies in Whitefish, the staggering growth of the Museum of the Rockies, the hard working and innovative group from the Beall Park Art Center, the dynamic programs of the Custer County Arts Center, and the impressive educational outreach programs of the Hockaday Center for the Performing Arts. The group of volunteers who are saving the seat of our pioneer culture--the St. Mary's Mission in Stevensville, and the heroic effort to save the Daley Mansion in Hamilton. The exciting activities

SENATE TAXATION

EXHIBIT NO. 5

DATE 1-29-87

BILL NO. SB-155

in Missoula took up almost two days of hearings alone-- the Mendelssohn Club who are bringing hundreds of European voices for a Festival in July of 1987-- the Young Audiences group who bring music and dance to thousands of school children; the Endowment building programs of the Missoula Museum for the Arts and the Missoula Symphony; the Montana Repertory Theatre producing a play by a Montana Native American author; and the Missoula Children's Theatre--a national phenomenon producing childrens' theatre in 16 states with an annual budget exceeding \$500,000, playing in 50 communities in Montana, with particular focus on the smaller communities such as Chester, Fort Benton, and Plains. They were all brought together with the belief that with a small amount of money from the Cultural Trust they would weather these tough economic times, move into the state's Centennial era, making major contributions to our economic well being. They believed that the Cultural Trust was a dependable source of assistance particularly during economic downturn. The term "trust" is not taken lightly by these individuals. They are not aware that a simple majority vote can raid this trust while the other trust requires a significant 3/4 majority vote. They will simply not believe it if they are told they will be able to get their support from the general fund. History has told them better. In one biennium there has been more money available from

SENATE TAXATION

EXHIBIT NO. 5

DATE 1-29-87

BILL NO. SB-155

the Cultural Trust to meet the commitment of Article IV,
Section 4, of the Montana Constitution which obligates
the Legislature to preserve and stimulate our cultural
resources. ~~From~~ in 20 years of funding the Montana Arts
Council from the general fund, let me say that again--in
20 YEARS THE GENERAL FUND PROVIDED \$1.2M which is less
than last biennium's interest from the cultural trust--.
I can think of no more bizarre event than to eliminate
this trust ^{income} on the eve of our state's Centennial.

These funds are appropriated by the
legislature with a hearing in each

SENATE TAXATION

EXHIBIT NO.

5

DATE

1-29-87

BILL NO.

SB-155

Testimony on SB 155
January 29, 1987

Mr. Chairman and Members of the Committee,

My name is Janet Ellis and I'm here today representing the Montana Audubon Legislative Fund. The Audubon Fund represents 2500 members of the National Audubon Society located in nine chapters throughout the state.

The Audubon Fund opposes SB 155. We are particularly concerned about how this bill treats Montana's parks - and I will restrict our testimony to this one aspect of the bill.

SB 155 effectively destroys our state park system. It will close Lewis & Clark Caverns, Bannock, and all of the other parks in the state. It does this by taking all of the coal trust money allocated for operating and maintaining our parks and puts that money into the general fund.

The fiscal note for SB 155 says that the park's program is untouched - but the fiscal note is wrong. I checked with the Budget Office yesterday, and they agree with me. Let me explain. On the fiscal note, it reads:

"Revenue under current law = 0
Revenue under proposed law = 0"

Those figures are wrong because the bill, on page 2, lines 15 to 17, takes all of the interest from the Parks and Cultural Coal Tax Trust. Trust interest earnings for the Parks' share of this account is estimated to be 1.15 ± million/year for the coming biennium. This money is being budgeted solely for ongoing operations. No money will be available for acquisition of new sites or park improvements.

A decade ago, coal trust money was set aside for park acquisitions. At that time maintenance and operation of state parks was funded out of the general fund. In recent years as general fund money has been harder to find, the coal tax began funding more and more of the operations of parks. The 1986 Special Legislative Session took all general fund money from parks and capped its coal tax. The passage of SB 155 will take all of the coal tax interest used for the operation of all Montana's state parks. This list includes monuments and recreation areas such as Spring Meadow Lake in Helena and Lake Elmo in Billings.

It could be argued that state parks could go back and ask for general fund money to operate. I suggest to you that that prospect is probably close to impossible. Coal Tax money was intended for future generations. A state park system is a natural and perfect use of these funds - something present and future generations can enjoy. We urge that you vote for a "do not pass" on SB 155.

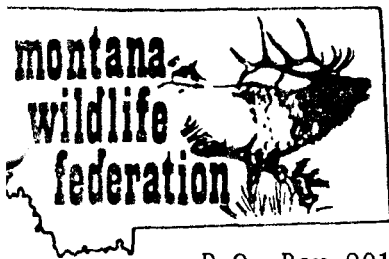
SENATE TAXATION

EXHIBIT NO. 6

DATE 1-29-87

The following list of state parks will be closed with the passage of SB 155:

- Wild Horse Island State Park - Flathead Lake
- Lone Pine State Park - southwest of Kalispell
- Lost Creek State Park - north of Anaconda
- Anaconda Stack State Monument - Anaconda
- Blackfoot River Recreational Waterway - west of Missoula
- Bannack State Park - west of Dillon
- Lewis and Clark Caverns State Park - west of Bozeman
- Missouri Headwaters State Park - east of Three Forks
- Mount Haggin State Recreation Area - south of Anaconda
- Giant Springs State Park - Great Falls
- Missouri River boat sites between Fort Benton and Fort Peck
- Smith River Recreational Waterway - south of Great Falls
- Missouri River Recreation Road - south of Cascade
- Chief Plenty Coups Memorial State Monument - south of Billings
- Pictograph Caves State Monument - south of Billings
- Lake Elmo State Recreation Area - Billings
- Makoshika State Park - Glendive
- Medicine Rocks State Park - north of Ekalaka
- Spring Meadow Lake State Recreation Area - Helena



Montana Wildlife Federation

AFFILIATE OF NATIONAL WILDLIFE FEDERATION

P.O. Box 9017
Helena, MT 59601
(406) 443-4549

Testimony on SB 155
Senate Taxation Committee

P.O. Box 3526
Bozeman, MT 59715
(406) 587-1713

January 29, 1987

Mr. Chairman, honorable members, my name is Jeanne Klobnak. I stand before you today on behalf of the Montana Wildlife Federation in opposition to SB 155.

The Montana Wildlife Federation is a conservation organization dedicated to promoting wildlife, wildlife habitat, and sportsmen's interests. Its 4,600 membership comprises members within 17 affiliated sportsmen's clubs state-wide, and individual associate members.

As Montana strives to diversify its economy, it is important that we recognise the impact of the tourism industry. Residents and non-residents take advantage of Montana's state parks, and in doing so provide an economic stimulus to local communities with parks in their area.

SB 155 would effectively necessitate the closure of all state parks.

In the past, state parks were funded from general fund dollars and a % of the coal tax. In 1985, after gradual cutbacks of park funding from the ~~general fund~~, parks were only appropriated coal tax dollars for maintenance and operation. During the special session, parks were excluded from receiving any general funds. The remaining % of the coal tax trust fund is all that is left to fund state parks.

Closure of state parks in Montana means a decrease in quality of living standards for Montana residents, and a decrease in tourism dollars for local communities near such parks. As we encourage economic diversity, we encourage tourism, and therefore must continue to support our fine state parks.

MWF would urge that this committee do not pass SB 155. Thank you.

SENATE TAXATION

EXHIBIT NO. 7

DATE 1-29-87

BILL NO. SB-155

SB 155

Mr. Chairman, members of the committee, for the record, my name is Debi Brammer. I am the Executive Vice President of the Montana Association of Conservation Districts.

Our association is in opposition to Senate Bill 155.

The State of Montana has 59 conservation districts covering all of the land area except for a portion of Prairie County. Since districts do cover the state, they have a vast amount of responsibility in dealing with soil and water conservation concerns.

At the present time, conservation districts receive 1/2 of 1 percent of the coal tax to be used for district projects. These funds were approved by the 1981 legislature. A total of 129 projects have been completed to date. These coal tax funds are essential for districts to address soil and water conservation needs within their areas.

We strongly urge you to vote against SB 155.

SENATE TAXATION

EXHIBIT NO. 8

DATE 1-29-87

BILL NO. SB-155

The Conservation District

The State of Montana contains 59 conservation districts (CDs) which were organized and have operated since 1937 under the State Conservation Districts Act (76-15-101 et seq., MCA). Each CD was established by a vote of the people and are legal subdivisions of state government, responsible under state law for conservation work within their boundaries.

Operated and controlled by the people in the district, the conservation district provides a tool for the local development and initiation of programs to promote natural resource conservation. The district cooperates with state and federal agencies, as well as with groups and individuals concerned with resource conservation and development.

Conservation districts are governed by boards of supervisors, five of whom are elected at the general election, and two additional supervisors who may be appointed by the mayor and city council of the city or town where all or portions of those cities and towns are within the boundaries of the district.

Purposes

The purposes of a conservation district include developing and carrying out long range work plans and programs that will result in the conservation and improvement of the state's natural resources, to provide assistance in the planning and applicaiton of conservation practices, and to encourage maximum participation of the general public and all local public and private agencies to fulfill these purposes. In doing this, districts make

SENATE TAXATION

EXHIBIT NO. 8

DATE 1-29-87

BILL NO. SB-155

available to individuals, technical assistance in planning and supervision in the installation of land use systems, vegetative practices, and necessary engineering structures, as well as a host of other practices. Along with this, districts carry out a variety of broad range community programs where widespread resource problems often require group action for their solution.

Montana's conservation districts are directly involved in many projects and programs that benefit the state and it's people. CDs represent about 14,500 cooperators totaling 43,500,000 acres of farm and ranch land. Approximately 8,000 cooperators are assisted yearly which takes in roughly 20 million acres. To date, 59 cities and towns have voted to be included within a CD. Conservation districts in urban and developing areas provide soil surveys, water inventories, assistance with waste disposal, urban planning and zoning assistance, and other services to builders, contractors, planning commissions, municipal officials, schools, hospitals, industries, and small landowners. Last year over 400 units of state and local government received assistance from conservation districts.

Funding

Montana is one of the few states where district supervisors have the authority, through county commisisoners, to levy taxes. This tax, by law, does not exceed 1.5 mills on all real property within the district. Special projects can be paid for by an assessment not to exceed 3 mills on all real property within the specified project area. A petition, signed by at least 1/2 of

the voters within the area, and an election are required to create a special project area.

In addition to the county funds, the 1981 Montana Legislature, through House Bill 223, appropriated 1/2 of 1 percent of the state's coal severance tax to be available to districts, for projects, on the basis of need. Only those districts which levy their full 1.5 mills are eligible to receive these funds.

Additional state funding is available to the conservation districts through the Renewable Resource Development Program and the Water Development Program.

Normally, the only federal funds available to conservation districts is for special projects. Funding for these projects is provided by various agencies including the Soil Conservation Service, the Environmental Protection Agency, and the Agricultural Stabilization and Conservation Service.

State and Federal Assistance

Rather than establishing independent technical staffs themselves, districts rely on personnel and facilities of several federal and state agencies for trained manpower. Chief among the cooperating agencies is the Soil Conservation Service (SCS) of the U.S. Department of Agriculture. The SCS is the only agency that receives federal funds earmarked by congress for direct technical assistance to conservation districts. Other federal assistance is provided by the Agricultural Stabilization and Conservation Service through cost-sharing programs and the Farmers Home Administration through conservation loan programs.

SENATE TAXATION

EXHIBIT NO. 8

DATE 1-29-87

At the state level, the districts keep close contact with the Conservation Districts Division of the Department of Natural Resources and Conservation (DNRC), primarily on operational and administrative matters. The districts are also often involved with a host of statewide and local organizations and committees that deal with a wide variety of natural resource concerns.

Districts retain local direction and control over their programs through written memorandums of understanding with cooperating agencies which spell out working relationships and how each partner will function. Because many agencies of government are concerned with natural resource protection and development, the conserral with a wide variety of natural resource conring their cooperation to carry out projects that the individual would find difficult or impossible to accomplish without such aid.

Services

To receive district assistance, a landowner, organization, or agency simply requests it. Those who apply usually have resource problems such as flooding, erosion, poor drainage, lack of water supply, sediment damage, under-developed educational programs or poor water quality. When the district supervisors approve an application for assistance they assign a professional conservationist to assist the cooperator. The districts direct technical, financial and educational assistance programs to critical areas and problems through the work plans they develop.

Besides these responsibilities, other conservation district projects and concerns include offstream storage, soil surveys, watershed projects, Resource Conservation and Development projects, water quality assessments and inventories, Rangeland Resource Program involvement, streambank protection (SB310), youth camps, range tours, agricultural land preservation, city-county planning, water reservations, coordinated ranch planning, mining impacts on renewable resources, soil surveys and information, wilderness studies and weed control.

Due to the high demand for their services, districts must establish priorities in approving assistance. These are based on the severity of the problem, the extent of conservation work required, evidence of public and individual interest, and efficiency of operations.

Conservation District -Working for You

As Montanans, rural and urban alike, have become increasingly aware of natural resource needs and problems, they have turned to conservation districts, a group with an appreciation for local people and their problems. The capabilities of districts for services have far exceeded even the most optimistic expectations. In each part of the state, demands for district services tend to crowd the capacity to fulfill them.

Montana's conservation districts are successful because they meet a fundamental need. They coordinate work on a complex problem involving many people, organizations, government agencies, and kinds of knowledge, and, they produce important, tangible benefits.

SENATE TAXATION

EXHIBIT NO. 8

DATE 1-29-87

BILL NO. SB-155

The wide range of district activities has only been touched upon here. There are many others. For example, districts often make available to their cooperators specialized equipment such as tree planters, no-till grass drills, and other machines not readily available. Districts conduct range and conservation tours and camps, sponsor speech contests, and advocate incorporating conservation education throughout Montana's schools as a means of encouraging our young people to become involved. Districts sponsor teacher education programs on resource management and they work with industry, youth groups and church organizations.

Districts provide community improvement and economic development benefits including a stabilized base for agriculture, improved water supplies and water quality, new recreational opportunities, greater freedom from flood damage, better opportunities for rural youth to remain on the land, and, perhaps most importantly, help to assure a continuing supply of high quality food.

"If we are to survive," the Department of Agriculture said in a recent report, "we must look to the land - its' soil, water, plant, and animal life - with renewed interest and develop a will to support a comprehensive program of environmental management."

Increased future demands upon our natural resources will require significant changes in the manner in which these resources are managed. The loss of prime farmland to urban and industrial uses must be reduced. The break-up of rangeland for conversion to less than marginal cropland has to cease. New

cropping and tillage techniques that reduce soil losses, production costs, and fuel consumption will have to be implemented. Competent decisions must be made to ensure the proper and wise management of our natural resources.

Montana's conservation districts will help in making these decisions. They are fundamental to the course of our state's destiny in the years ahead. With "Conservation, Development, and Self-Government" as their watch-words, the CDs are confident that our environmental heritage can be protected and enhanced.

For more information on conservation districts and what they can do for you, contact your local district.

SENATE TAXATION

EXHIBIT NO. 8

DATE 1-29-87

BILL NO. SB-155

JANUARY 1987

HB 223 PROGRAM ACTIVITY LISTED BY PROJECT

TYPE OF PROJECT	CDNAME	AMOUNT REQUESTED	AMOUNT GRANTED	PROJECT DESCRIPTION
<u>002 - Saline Seep</u>				
187	Big Sandy	2,500	2,500	For Triangle
170	Daniels/McCone/Richland/Valley	22,400	22,400	NE MT saline seep
295	Dawson County	7,500		Sewage Lagoon Saline Seep Stdy
217	*Glacier County	1,229	*	
215	*Judith Basin County	1,229	*	
208	Stillwater	4,545	4,545	EM 38 Purchase
223	Stillwater	17,927	17,927	Saline Seep Demo Proj
216	*Toole County	1,229	*	
151	Triangle	40,000	29,500	Triangle Saline Seep Prog
		<u>\$98,559</u>	<u>\$76,872</u>	
<u>003 - Weed Control, Weed Fairs, etc.</u>				
136	Bitterroot	2,800	1,000	Weed Fair
121	Carter County CD	16,000	10,000	Leafy Spurge Control
265	Fergus County	3,000	3,000	Weed Fair
106	Garfield County	30,000	0	Weed control/Chem & equip
146	Garfield County	8,000	0	Weed control/chem & equip
197	Jefferson Valley	8,165	8,165	Coord. weed control demo
143	Lewis & Clark County	2,290	1,500	Knapweed control - educ.
174	Lewis & Clark County	4,000	0	Knapweed control research
219	Lewis & Clark County	900	900	Knapweed awareness
226	Lewis & Clark County	3,500	3,500	War of Weeds project
247	Lewis & Clark County	7,520	0	Sheep vs knapweed
298	Lewis & Clark County	1,726		Spray Calibration Program
198	Liberty County	16,775	15,800	Swift dam/Birch cr weed cntl
142	Lincoln	2,290	1,500	Knapweed control - educ
237	Madison County	2,500	0	Sprayer for weed control
236	Meagher County	12,750	0	Co. weed inventory
256	Meagher County	400	0	Weed calendar
132	Petroleum	2,750	2,750	Weed control & fire equip
244	Petroleum	5,000	0	Herbicides
213	Roosevelt County	3,500	2,000	Weed fair 85
137	Ruby Valley	5,000	0	Alder Glch weed cntl/chem&sal
212	Ruby Valley	1,224	1,224	SW MT weed control proj
166	Stillwater	2,290	1,500	Weed fair
282	Sweet Grass County	1,127	0	Weed map development
225	Teton County	7,214	7,214	Up. Teton knapweed pilot prg
280	Teton County	2,000	0	Landowner weed control coop
185	Toole County	4,055	1,500	Weed fair
		<u>\$156,776</u>	<u>\$61,553</u>	
<u>004 - Streambank Stabilization and Management</u>				
224	Beaverhead CD	2,000	2,000	310 inspections
110	Bitterroot CD	147,445	0	Sweeny Cr. riprap
207	Carbon County	20,000	10,000	Willow Cr corridor mgt
207a	Carbon County	5,000	0	Willow Cr corridor mgt
169	Cascade/Teton/L&C	2,500	2,000	Sun River Inventory
140	Fergus County	25,606	0	Lwr Spring Cr stabilization
193	Flathead	3,250	2,000	Trumbull Cr. vegetation remvl

SENATE TAXATION

EXHIBIT NO.

DATE

BILL NO.

1-29-87

SB 155

TYPE OF PROJECT	CDNAME	AMOUNT REQUESTED	AMOUNT GRANTED	PROJECT DESCRIPTION
001 - <u>Conservation Tillage, No-till drills, drills, seeders, promotion programs, etc.</u>				
254	Beaverhead	29,800	0	Haybuster
254a	Beaverhead	15,000	15,000	Accel. NT Pgm (Haybuster 1000)
152	Broadwater	150	150	Cyclone seeder/seed
255	Carter County	17,500	17,000	Lilliston 9680
167	Cascade County	3,500	3,500	J.D. 8000
257	Cascade County	2,500	2,500	Brillion grass seeder
259	Custer County	17,369	17,000	Lilliston 9680
183	Daniels County	12,000	5,000	Haybuster 8000
191	Daniels County	7,000	7,000	Haybuster 8000
263	Daniels County	10,000	0	J.D. 251 Power Till Grass Sdr
263a	Daniels County	10,000	0	J.D. 251 Power Till Grass Sdr
263b	Daniels County	10,000	0	J.D. 251 Power Till Grass Sdr
229	Dawson County	11,352	11,352	Lilliston 9680
181	Deer Lodge Valley	13,100	12,000	Lilliston 9680
285	Eastern Sanders	13,450	13,450	Lilliston 9680
270	Garfield County	25,315	0	Haybuster 8000
270a	Garfield County	19,265	10,000	Haybuster 8000
290	Green Mountain	13,500		Lilliston 9670 & Trailer
251	Hill County	11,500	11,500	Haybuster 8000
240	Jefferson Valley	16,300	16,300	Lilliston 9680
286	Judith Basin	9,000	9,000	J.D. 8000 End Wheel Grass Sdr
220	Lewis & Clark County	18,750	14,750	Amozone
173	Liberty County	16,390	9,000	J.D. 9350
243	Little Beaver	18,300	18,300	Haybuster 8000
268	Little Beaver	8,911	0	J.D. Grass Drill
291	Little Beaver	8,911		J.D. Grass Drill 8000
175	Lower Musselshell	11,350	11,350	Haybuster 2408
138	McCone County	10,000	9,000	Haybuster 2408
203	McCone County	4,500	0	Tech for drill
250	McCone County	6,900	0	Cons. Till. Demo.
250a	McCone County	6,900	0	Cons. Till. Demo
250b	McCone County	6,900	0	Cons. Till. Demo
250c	McCone County	6,900	0	Cons. Till. Demo
272	McCone County	22,000	0	J.D. 8300 Grass Drills
271	Meagher County	15,500	0	Lilliston 9680
271a	Meagher County	15,500	15,500	Lilliston 9680
119	Prairie County	12,000	9,000	J.D. Power Till Seeder
275	Prairie County	18,500	0	Haybuster 107
288	Prairie County	1,050	1,000	Conservation Tillage Bulletin
276	Richland County	8,000	0	Grass Seeder
276a	Richland County	8,000	0	Morris M-10 Grass Seeder
276b	Richland County	8,000		J.D. 8300 Grass Drill
186	Rosebud	21,000	0	Drills
235	Rosebud	1,000	1,000	Cons Till Publ
163	Ruby Valley	10,900	10,900	Metal Masters Rangeland Drill
179	Ruby Valley	2,000	2,000	Trailer
238	Sheridan Co.	28,815	14,407	Versatile 2200
293	Sheridan Co.	18,000		J.D. 8000 Grass Drill
125	Wibaux	13,500	9,000	J.D. 8000
		\$596,078	\$275,959	

TYPE OF PROJECT	CDNAME	AMOUNT REQUESTED	AMOUNT GRANTED	PROJECT DESCRIPTION
194	Flathead	630	630	Earth berm
10	Flathead	3,500	3,500	Flathead R bank stabilization
188	Lewis & Clark County	5,540	0	Ten Mile Cr demo
195	Lewis & Clark County	4,377	4,377	Streambank stabilization demo
107	Lincoln	2,830	2,500	Kootenai R delta removal
111	Lincoln County	13,000	13,000	Riverside Park riprap
133	Lincoln	500	500	Willow sprouts
154	Lincoln	600	600	Willow sprouts
296	Lincoln	10,000	10,000	Riprap Installation Project
241	Lower Musselshell	800	800	Streambank inventory
162	Meagher/Cascade	1,000	1,000	Smith River inventory
222	Petroleum County	41,250	15,000	Woodford Streambank Protec
112	Rosebud	7,470	0	Hathaway Rch str corridor mg
139	Stillwater	12,000	12,000	Itch-Kep-Pe Park riprap
228	Sweet Grass County	1,500	1,500	Otter Cr streambank inventory
201	Upper Musselshell	3,000	1,500	Musselshell air photo invent
		<u>\$313,798</u>	<u>\$82,907</u>	
<u>005 - Erosion Control</u>				
284	Big Sandy	11,200	0	Windbreak Mgt Publication
199	Carter County	3,500	3,500	Tree planter
221	Deer Lodge Valley	18,371	16,000	Anaconda soil stabilization
231	Fergus County	2,375	2,375	Tree planter
218	Lewis & Clark County	7,500	7,500	Reseeding N. Hills burn
176	Petroleum County	3,000	3,500	Land use ordinance
49	Phillips County	2,986	2,986	Tree planter
248	Wibaux	2,875	2,875	Tree planter
		<u>\$51,807</u>	<u>\$38,736</u>	
<u>006 - Water Districts, Water Management, Water Reservations, Irrigation Projects, etc.</u>				
168	Bitterroot	25,000	0	Daly ditch repair
214	Blaine County	13,120	0	Groundwater well network impr
214a	Blaine County	12,814	12,814	Groundwater well network impr
116	Broadwater/Jefferson/L&C/Meagh	29,500	0	Irrigation water management
230	Carbon County	8,500	0	Bridger cablegation
267	Carbon County	5,000	0	Ag Irrigation Grndwtr Invest
267a	Carbon County	5,000	0	Ag Irrigation Grndwtr Invest
276b	Carbon County	5,000	0	Ag Irrigation Grndwtr Invest
276c	Carbon County	5,000	0	Ag Irrigation & Urban Develop.
182	Chouteau County	22,827	13,820	Fresh water for Geraldine
206	Granite	7,329	7,329	Water reservation
160	Jefferson/Ruby/Park/Meagher/	29,500	0	SW MT irrig water mgt proj
200	Lincoln County	75,000	0	Therriault Cr siphon
177	Lower Yellowstone CDs Develop.	5,000	5,000	LYCDDC
202	Meagher County	10,000	7,000	Irrigation demo project
264	Phillips/Valley/Blaine	15,868	15,868	Water Sply Stdy in Milk R Bas
115	Pondera County	15,000	0	Vandenacre ditch concrete lng
141	Pondera County	556	556	Demo equip to irrigation ofc
158	Powder River	9,000	9,000	Legal fees-water reservation
09	Powder River	7,500	7,500	Water quality effects on irrig
120	Roosevelt County	5,400	5,400	Rural water district

SENATE TAXATION

EXHIBIT NO.

DATE

1-29-87

SB-155

JANUARY 1987

HB 223 PROGRAM ACTIVITY LISTED BY PROJECT

TYPE OF PROJECT	CDNAME	AMOUNT REQUESTED	AMOUNT GRANTED	PROJECT DESCRIPTION
104	Rosebud	28,950	0	Irrigation water management
135	Sheridan County	35,000	35,000	NE MT groundwater study
102	Teton County	2,000	0	Teton coop Gambie Coulee
118	Teton County	24,874	0	Irrigation demo project
100	Teton/Cascade/Chouteau	150,000	50,000	Tri county water district
171	Treasure	\$50,000	0	Low interest water mgt loans
283	Treasure	2,500	2,500	Surge irrigation demo & study
190	Treasure	48,000	0	Irrigation water management
105	Treasure County	12,401	12,401	Increase irrig effeciency
		\$665,639	\$184,188	

007 - Technical Assistance

108	Blaine County	24,532	12,266	Range tech assist
153	Blaine County	13,815	6,500	Range tech assist
159	Blaine County	7,315	2,000	Range tech assist
184	Blaine County	6,000	0	Gamma Attenuation probe
148	Carbon County	15,862	12,000	Engineer
180	Carbon County	4,500	4,500	Engineer
232	Carbon County	1,000	1,000	Engineer
246	Carbon County	9,200	3,500	Engineer
246a	Carbon County	5,000	0	Engineer
266	Carbon County	5,875	2,500	Engineering Tech.
266a	Carbon County	3,375	0	Engineering Tech
289	Deer Lodge Valley	2,000		Rodent Damage & Control Vi
123	Meagher County	2,000	0	Leveling instrument
277	Petroleum County	1,000	0	Surveying instrument
287	Roosevelt County	5,313	0	Soils Probe
258	Ruby Valley/Beaverhead	11,770	0	Cost share soil con
273	Ruby Valley/Beaverhead	16,033	0	Resource Conservation Program
273a	Ruby Valley/Beaverhead	16,033	10,000	Resource Conservation Program
101	Teton County	18,000	18,000	Muddy Cr Tech
155	Teton County	18,000	4,500	Muddy Cr Tech
172	Teton County	6,000	0	Muddy Cr admin funds
192	Teton County	7,464	4,964	Muddy Cr Tech & genrl tech
242	Teton County	12,215	3,500	Techn salary
165	Treasure	5,080	0	Tech assist-cons practices
124	Treasure County	5,800	5,800	Techn salary
274b	Valley County	14,182	14,182	Geodimeter electron survy inst
274a	Valley	18,070	0	Geodimeter electron survy inst
274	Valley	18,500	0	Geodimeter electron survy inst
		\$273,934	\$105,212	

008 - Administrative Funds

131	Bitterroot	16,275	0	Computer
205	Bitterroot	1,650	0	Computer printer & software
245	Bitterroot	8,129	0	Computer equip & pocket gopher
147	Broadwater County	3,000	1,500	General operations
161	Deer Lodge Valley/North Powell	3,500	0	Computer
145	Eastern Sanders	1,000	1,000	General operations
149	Garfield County	1,000	0	General operations
150	Green Mountain	5,480	0	Administrative for 310
134	Judith Basin	1,500	1,000	General operations

TYPE OF PROJECT	CDNAME	AMOUNT REQUESTED	AMOUNT GRANTED	PROJECT DESCRIPTION
114	Lewis & Clark County	5,500	5,500	Photocopier purchase
09	Liberty County	3,405	0	Ownership maps
122	Meagher County	1,200	0	Newsletter
233	Meagher County	2,000	2,000	Tech info bulletin
278	Phillips County	6,304	0	Computer equipment & software
278a	Phillips County	6,304	0	Computer equipment & software
278b	Phillips County	2,857		Computer equipment & software
281	Prairie County	2,000	1,743	Operating expenses
127	Ruby Valley/Jefferson Valley	3,500	0	Newsletter
128	Sweet Grass	7,700	7,700	Resource coordinator
157	Sweet Grass	11,300	0	Resource coordinator
169	Sweet Grass CD	7,000	2,000	General operations
103	Teton County	4,000	0	Administrative for 310
129	Toole County	5,500	0	General operations
130	Upper Musselshell	2,000	2,000	Field office maintenance
117	Valley County	3,500	1,500	General operations
		<u>\$115,604</u>	<u>\$25,943</u>	

009 - Education, Range Camps, etc.

178	Dawson County	3,500	3,500	Range camp
211	Deer Lodge Valley	3,500	3,550	Range camp 85
239	Jefferson Valley	22,500	0	Computer software for schools
239a	Jefferson Valley	22,500	0	Computer software for schools
239b	Jefferson Valley	22,500	0	Computer software for schools
144	Judith Basin	3,000	3,000	Range camp
52	Liberty County	1,700	0	Oral history of conservation
260	Stillwater	10,000	10,000	Grazing simulators
262	Upper Musselshell	3,500	3,500	Range Camp 86
297	Valley County	3,500		Range Campo 87
		<u>\$96,200</u>	<u>\$23,550</u>	

010- Soil Survey/inventory

279	Carter County	25,000	12,500	Soil survey
279a	Carter County	12,500	12,500	Soil survey
253	Deer Lodge Valley	12,500	12,500	Soil survey
253a	Deer Lodge Valley	12,500	12,500	Soil survey
189	Petroleum County	30,000	30,000	Soil survey
234	Petroleum County	30,000	10,000	Soil survey
234a	Petroleum County	12,500	12,500	Soil survey
164	Sheridan County	19,750	0	Potentials of MT soils
292	Teton County	25,000	12,500	Soil survey
		<u>\$179,750</u>	<u>\$115,000</u>	

011 - Water Quality Study

113	Green Mountain	2,778	0	Co. water quality survey
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012 - Pasture Reclamation & Management

196	Deer Lodge Valley	19,073	18,216	Reclm of hvy metl cntm pastr
126	Ruby Valley	1,128	1,128	Dick Todd field trial
		<u>\$20,201</u>	<u>\$19,344</u>	

013 - Forest Management

156	Madison	\$2,500	\$2,500	Private land forestry mgt
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SENATE TAXATION

EXHIBIT NO.

DATE

1-29-87

JANUARY 1987

HB 223 PROGRAM ACTIVITY LISTED BY PROJECT

TYPE OF PROJECT	CDNAME	AMOUNT REQUESTED	AMOUNT GRANTED	PROJECT DESCRIPTION
014 - <u>Game Management</u>				
204	Green Mountain	\$25,000	0	Electric fence
015 - <u>Farmlands Protection</u>				
227	Lewis & Clark County	\$15,000	0	Farmlands protection
227a	Lewis & Clark County	\$15,000	0	Farmlands protection
227b	Lewis & Clark County	\$15,000	\$15,000	Farmlands protection
		<u>\$45,000</u>	<u>\$15,000</u>	

TESTIMONY ON SB 155
SENATE TAXATION COMMITTEE
JAN. 29, 1987

presented by
THE MONTANA CULTURAL ADVOCACY

Mr. Chairman, members of the committee: I am Brenda Schye, and I represent the Montana Cultural Advocacy, which is a broad cross-section of citizens who are committed to the development of our state's cultural resources. As the Chamber of Commerce will call your attention to the importance of the business climate, we call your attention to the equally important "cultural climate", which is what determines whether we live above the level of robots.

The existing statutes regarding the disposition of coal severance tax revenues allocate 1/2 of 1% to libraries, and 2 1/2% to a nonexpendable trust, the interest of which is divided between parks acquisition and cultural and aesthetic projects. According to the fiscal note on SB 155, this would mean an impact of about \$600,000 for libraries. What the fiscal note does not show you, however, is that it would also mean the loss of more than \$1,000,000 that currently funds cultural projects across the state.

We have testified to this committee on this same issue in a previous session, and our stance is still the same, so my comments may sound familiar.

I believe it is when fiscal situations are relatively good that we are able to make the most judicious decisions about how to plan for the future. This is true for individuals, for families, and for elected officials. That is when we are most likely to decide, for instance, that we will opt for an automatic payroll deduction that goes into an account for our children's college fund, or for the home we hope to buy someday. We make such decisions because we know that if our entire paycheck is deposited into our checking account, we will be tempted to utilize all of it now. Under such circumstances, things that seem important for the present will usually take precedence over something that is equally if not more important for the future, or our long-range plans.

There is an analogy between money invested in savings and money invested in cultural programs. They are both investments in the future. They are always a temptation to neglect. Yet to do so would be shortsighted.

While the sponsor may have good intentions that all of these things would be funded from the general fund, I would be equally reassured by promises that Santa Claus will fund them. Putting all of this coal tax revenue into the general fund is comparable to an individual depositing their entire paycheck into their checking account. In your personal finances, I doubt that you do that. As a legislator, the same rationale should apply.

SENATE TAXATION

EXHIBIT NO. 9

DATE 1-29-87

BILL NO. SB-155

The earmarking of funds for cultural ^{purposes} ~~needs~~, such as libraries, historic, and artistic projects, is a responsible way of ensuring that we do not neglect those things which are important for the quality of life in this state, both present and future.

We urge that you give this bill a "do not pass" recommendation.

SENATE TAXATION

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