

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Chairman Harrington, on January 31, 1989, at
9:00 a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Dave Bohyer, Legislative Council

Announcements/Discussion: State Superintendent of Schools, Nancy Keenan spoke to the committee regarding the fiscal impact on schools of the tax bills thus far. (Exhibits 1 and 2).

Chairman Harrington asked the committee if there were any questions for Superintendent Keenan. Rep. Cohen asked about adjustments as to the running tally of cost impact when certain bills included are not passed. Superintendent Keenan stated she would adjust the figures accordingly.

Rep. O'Keefe asked if bills in all of the committees that may have an impact have been included. Superintendent Keenan stated they had not done so since they felt this committee had the most impact on tax policy.

Rep. Gilbert asked if the figures on the attachments were up to date. Superintendent replied they were as of January 27.

HEARING ON HOUSE BILL 456

Presentation and Opening Statement by Sponsor:

Richard Simpkins, House District 39, stated this bill could be merged with HB 12. Rep. Simpkins stated the bill establishes a two tiered tax collection structure similar to that applied to homes. This tax structure applies to mobile homes and will allow owners to pay their property taxes on May 31 and November 30, the same dates as owners of other homes. The bill provides for a two day tax notification to the owner by mail, and additional information which must be included with the tax notice. Rep. Simpkins stated there would be interest and penalties charged for delinquency and stated the committee might want to change the time limit to 90 days instead of 30 days in order to provide more time before the actual seizure of the property for delinquent

taxes. Rep. Simpkins submitted a copy of the bill indicating his proposed changes. (Exhibit 3). He stated the tax paid sticker had also been eliminated in this bill.

Testifying Proponents and Who They Represent:

Cort Harrington, Montana County Treasurer's Association
Bonnie Tippy, Montana Manufactured Housing & Recreational
Vehicles Association
Dick Mitchelotti, Cascade County Treasurer

Proponent Testimony:

Cort Harrington stated the bill basically does two things which are the date change making this uniform for all counties and requiring that lien holders be notified of property tax delinquency so they would have an opportunity to either redeem the property or to assist the owner to pay their taxes before the property is seized by the county. He stated he would support the proposed amendments to the bill as well.

Bonnie Tippy stated she supported the bill and basically wanted the lien holders to have 90 days notice of tax delinquency.

Dick Mitchelotti stated that in Cascade County there are many businesses whose taxes are in excess of \$15,000.00 and this amount is due within thirty days of notification. Mr. Mitchelotti stated this was unfair since everyone else has two payments in which to pay their taxes. He urged support of the bill.

Testifying Opponents and Who They Represent:

None.

Opponent Testimony:

None

Questions From Committee Members: Rep. Driscoll asked Rep. Simpkins about page 3, line 20 where it states there shall be not less than 30 days, and 90 days has been suggested. Rep. Driscoll asked if Rep. Simpkins would have any problem changing this date to 180 days. Rep. Simpkins stated he could not answer this but referred the question to Dick Mitchelotti who stated that since this concerns mobile homes, if the notification time is 180 days, this would give ample time for people to leave the state, go out of business, or change locations making it difficult for the county to locate them.

Rep. Hoffman asked Mr. Mitchelotti about real property that is extremely mobile but has high taxation value such as well

drilling rigs, logging machinery and mining machinery. These items can be moved out of the county so quickly that the only security is the property itself and with the longer time available after tax notifications, what is the solution for this type of property. Mr. Mitchelotti stated the county treasurer would have the option to seize these properties if they were not paid on the first half of the tax period. Rep. Hoffman then stated that this property could be moved so rapidly, it would be a matter of days instead of months. He asked if there was any allowance for this in the bill so that the county could act against this type of property before the taxes are due. Mr. Mitchelotti stated there was no such provision.

Rep. Patterson asked Mr. Mitchelotti if the counties could handle the payments for all property on the same due date. Mr. Mitchelotti responded they had no problem handling this last year since the mobile home due date and the other personal property due date came at the same time.

Rep. Cohen asked Rep. Simpkins why the deletion of the tax paid stickers. Rep. Simpkins replied that upon request, mobile home owners must show proof of tax payment. Also, prior to moving the property, owners must have a movement declaration. The sticker is not proof of payment of taxes, the owners receipt is the proof. Rep. Cohen then asked if a mobile home is being moved without a sticker and they are stopped at a weigh station, can they be unable to move their mobile home. Rep. Simpkins deferred the question to Dick Mitchelotti who replied that in order to move the home, the owner must go to the county treasurer or assessor's office and get the moving declaration. All taxes must be paid on the home at this time and the owner is given a tax paid receipt to carry on their person as proof of tax payment.

Rep. Stang asked Mr. Michelotti if someone moves from one county to the other, is the new county notified. Mr. Michelotti replied that they are notified and the record then goes to the county assessor. Rep. Stang asked if this was a new law. Mr. Michelotti replied it was passed in the 1987 session.

Closing by Sponsor: Rep. Simpkins directed a question to the Treasurer's Association asking if the lien notice time frame was changed to a 30 day notice but a 90 day seizure, would they have any objection. Mr. Mitchelotti replied that he had no problem with this suggestion. Rep. Simpkins stated the bill will remove the tax paid sticker now required and change the tax payment dates which will result in a more equitable tax system for mobile home owners and save many costs now incurred.

DISPOSITION OF HOUSE BILL 456

Motion: None

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: Chairman Harrington stated he will place the bill in a subcommittee at a later date.

HEARING ON HOUSE BILL 208

Presentation and Opening Statement by Sponsor:

Rep. Jerry Driscoll, District 92, presented the committee with a number of proposed amendments to HB 208. (Exhibit 4). Rep. Driscoll stated HB 92 is an amendment to the Hard Rock Mining Act to provide for the impact to local communities during the exploration stage of hard rock mining where a mining exploration is projected to exceed six months and employ 75 or more people.

Testifying Proponents and Who They Represent:

Paul Hawks, Northern Plains Resource Council & The Cottonwood Resource Council
Dude Tyler, Rancher, Sweet Grass County
Jean Clark, Cottonwood Resource Council, Big Timber
Helen Clark, Rancher, Main Boulder River Area

Proponent Testimony:

Paul Hawks spoke in support of HB 208. (Exhibit 5).
Dude Tyler spoke in support of HB 208. (Exhibit 6).
Jean Clark spoke in support of HB 208. (Exhibit 7).
Helen Clark spoke in support of HB 208. (Exhibit 8).

Testifying Opponents and Who They Represent:

John Fitzpatrick, Pegasus Corporation
Ward Shanahan, Registered Lobbyist for Chevron Corporation
Bruce Gilbert, Stillwater PGM Resources
Rep. Orval Ellison, House District 81
Elaine Allestad, Sweetgrass County Commissioner
John Drivdahl, Mayor, Big Timber
Ron Riter, Sweetgrass Chamber of Commerce
Ralph Holman, Sweetgrass County
Jack Salmond, Western Environmental Trade Association
Norm Starr, Commissioner, Sweetgrass County
Gary Langley, Executive Director, Montana Mining Association
Craig Snodgrass, Big Timber, Owner of Small Business
Ken Dawson, Frye's Inc., Big Timber
Steve Johnson, Oie Motor Company, Inc., Big Timber
Gary Shelstead, Lazy J. Motel, Big Timber

Opponent Testimony:

John Fitzpatrick stated that HB 208 is based upon a misunderstanding of mine exploration and is discriminatory. If HB 208 is enacted, local employment will be reduced and the costs and time involved in conducted local exploration will be increased. Over a period of many years, extensive studies are required to determine whether or not a mine will be developed. Mining is not the "boom and bust" stereotype of the past. Mineral exploration is a very uncertain venture and companies have different success rates. Large scale mineral exploration is not common. There are two large scale projects in Montana. They are the Stillwater Project and the New Butte Mining Company in Butte. Mineral exploration does not result in a large scale population impact on local communities. There are few large scale projects and the average exploration crew consists of six people. Due to the short-term nature of exploration, many companies choose to hire contractors and bring people with them but they still hire many local people. The only sector of the economy in Montana that is currently doing well is minerals and this industry is now being subjected to discriminatory rules. No other industry is asked to negotiate pretax payments regarding their expansion. Mr. Fitzpatrick urged a DO NOT PASS on the bill stating it was unfair to the mining industry and would result in economic hardships for the state.

Ward Shanahan spoke in opposition to the bill. (Exhibit 9).

Bruce Gilbert spoke in opposition to the bill. (Exhibit 10).

Rep. Ellison stated he was the sponsor of the original Hard Rock Mining Act. He stated the proposed amendments change the bill from permissive to obligatory. Rep. Ellison stated the Hard Rock Mining Act was working extremely well with good cooperation from both sides. HB 208 would force each mining company to negotiate individually with local governments. He stated this bill would cause many complications and create far too many problems.

Elaine Allstead spoke in opposition to the bill. (Exhibit 11).

John Drivdahl stated he had been involved in mining and production blasting in the state for a number of years. He stated most mining companies have very frugal budgets and he believes HB 208 is anti-business. Mr. Drivdahl stated that the impact funding is accounted for in the previous Hard Rock Mining Act. He stated the legislation does not differentiate between surface mining and underground mining, only hard rock and that he felt the bill is unnecessary.

Ron Riter spoke in opposition to the bill stating he feels this is unnecessary and discriminatory legislation. He submitted lists of people from his area who are opposed to the bill. (Exhibit 12).

Ralph Holman spoke in opposition to the bill. (Exhibit 13).

Jack Salmond spoke in opposition to the bill. (Exhibit 14).

Norm Starr stated he was elected by a vote of 1200 to 200 in Sweetgrass County as their commissioner. He stated this indicated that the people of that area trust his judgment. He said this legislation represented a minority group trying to set the agenda and urged the committee to vote against the bill.

Gary Langley stated the impact expenses are covered in HB 718 passed in 1981. He stated this has been working very well and is based on trust between local government and mineral developers. Mr. Langley stated HB 208 was based on mistrust and this is not good public policy. He said this bill attempts to place mining exploration under the Hard Rock Impact Act and to force mines to prepay tax before there is any determination of any mine development. He urged a do not pass on the bill.

Craig Snodgrass stated he is a small business owner in Big Timber. He said he is in a struggling situation with taxes and workmen's compensation and other expenses. He stated he has been in business in Big Timber for 25 years but if anyone had told him he would have to prepay his taxes to come to the area, he would not have come.

Gary Shelstead who could not attend the meeting, sent in a letter in opposition to HB 208. (Exhibit 15).

Questions From Committee Members: Rep. Raney asked Mr. Hawks if he was anti-business or anti-development. Mr. Hawks replied he was not. Rep. Raney then stated it had been inferred that Mr. Hawks only intent was to delay mining in Stillwater. Mr. Hawks stated this was not true and was a statement by irresponsible people. Rep. Raney then asked what other people in Sweetgrass County thought about this bill other than the business people. Mr. Hawks replied most people think all mining is covered by the Hard Rock Mining Act and are not really informed as to exactly what the bill covers.

Rep. Gilbert asked Mr. Shanahan how his company, Chevron, would handle impact situations brought to their attention by the city council or others in local communities if there was no law in this area. Mr. Shanahan replied that in 1982, his company entered into a planning contract with Sweetgrass County. This was terminated because their exploration was

terminated at that time but he stated this is their practice now and in the future.

Rep. Elliott asked Mr. Shanahan about extensive core drilling by his company and if this is considered part of the exploration. Mr. Shanahan stated that it was. Rep. Elliott then asked if this becomes part of the mine, will it be a part of the impact statement. Mr. Shanahan replied that it will be part of the estimate of the taxable value. He stated there are two parts to this operation. One part is the Mine Reclamation Act which is the operating permit for the mine and the impact is an adjunct to that and they operate interchangeably. The company gathers all information regarding the operating needs and the requirements of the state before filing for the permit to operate. Rep. Elliott then replied he felt this was an extraordinary form of exploration and that it needed a special consideration. Mr. Shanahan replied that the nature of the Stillwater complex is such that it has widely disseminated minerals. Extensive drilling must be done to determine the location of these minerals and whether or not there is enough to justify a mine. Rep. Elliott then asked what amount of money is involved in this drilling and exploration. Mr. Gilbert answered by request of Mr. Shanahan. He stated that during exploration, the taxable value to the county is continually being increased. He said this is a simple negotiation matter between local and the mines. Rep. Elliott asked how much money Chevron intended to spend on the drilling of the mine. Mr. Gilbert replied he could only give an estimate which would be 10 to 20 million dollars depending on what was encountered during the exploration period.

Rep. O'Keefe mentioned Mr. Gilbert's statement that the bill opens the door to public criticism and complaint. He asked Mr. Gilbert if he had found this to be true. Mr. Gilbert responded that this is happening at present. He and the other commissioners in the area sponsor a meeting regularly that is open to the public. He stated they keep the lines of communication open. Rep. O'Keefe asked Mr. Tyler if the \$90,000.00 in 1982 mentioned by Mr. Shanahan was expanded by the planning commission to try to deal with some of the problems of impact. Mr. Tyler answered he did not know. He referred the question to Mr. Starr who replied it was expanded.

Rep. Raney asked Ms. Allestad if the mining people brought in a family who had a mentally disabled child, who would pay for the impact of this on the local schools. Ms. Allestad replied they had an agreement with the mine that they would negotiate for such problems. Rep. Raney then asked if the mine would not pay, then what would happen. Ms. Allestad replied they had a hearing board to solve these types of disputes.

Rep. Gilbert asked Ms. Allestad what would be the situation if a rancher hired a ranch hand who had a mentally disabled child. Ms. Allestad replied this would be handled by the school board but there would not be an assessment on the rancher involved. Rep. Gilbert replied then this only applied to the mines and no one else. Ms. Allestad replied that was the case.

Closing by Sponsor: Rep. Driscoll stated that everything that has happened in Stillwater County could have happened whether this law was in effect or not. By their own testimony, the mines will spend ten to 20 million dollars to put in the exploratory tunnel. He stated they would not spend this amount of money only on exploration. The tunnel, is, in fact, the actual mine. This bill is not intended to stop development but only to assist local government with the impact costs of the mines.

DISPOSITION OF HOUSE BILL 208

Motion: None

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: Will be considered in Executive Session at a later date. The committee adjourned at 11:00 a.m.

EXECUTIVE SESSION

The Taxation Committee resumed at 1:35 p.m. to take executive action.

DISPOSITION OF HOUSE BILL 12 HEARD ON JANUARY 26, 1989 ON WHICH DATE IT WAS A DO NOT PASS. THE BILL WAS RETURNED TO THE TAXATION COMMITTEE ON JANUARY 26, 1989.

MOTION: Rep. Driscoll made the motion to RECONSIDER PREVIOUS ACTION. The motion was carried unanimously by voice vote of the committee.

Chairman Harrington then stated he would place HB 12 into a subcommittee for additional work on the bill. He named Rep. Driscoll as chair of this committee with Rep. Schye and Rep. Hoffman as the other members and requested they work on the bill and make their recommendations to the committee as soon as possible.

DISPOSITION OF HOUSE BILL 35 HEARD ON JANUARY 11, 1989:

Chairman Harrington stated there were amendments for this bill and asked Dave Bohyer if these were ready to which Mr. Bohyer

replied they were. (Exhibit 16). Mr. Bohyer noted that on page 5, lines 14 and 15, the word "nonperishable" should have been removed and on lines 15 and 16, the words "held in possession of the original producer for less than seven months following harvest" should be removed. He stated these changes had been omitted and he would correct this.

MOTION: Rep. Driscoll made the motion to DO PASS on the amendments and to include the additional amendment mentioned by Mr. Bohyer. The motion was carried by unanimous voice vote.

MOTION: Rep. Driscoll made the motion to DO PASS AS AMENDED on House Bill 35.

DISCUSSION: Rep. O'Keefe stated he would like to be sure the committee is aware of the fiscal impact of the bill which is still \$150,000.00 as a point of information.

Rep. Cohen stated he had asked for a breakdown by classes of property on the bill and wanted to know what these were as the bill now stands. Dave Bohyer replied there were four classes and the exempt class have been effected. Rep. Cohen wanted to know what the four classes were and Mr. Bohyer replied class 6, 8, 9, and 10.

Rep. Good asked if the committee could have a revised fiscal note. Mr. Bohyer replied that the committee or the speaker could request a revised fiscal note on an amended. Chairman Harrington stated a revised fiscal note could be requested. Rep. Cohen requested Chairman Harrington to also ask for a breakdown of the affected classes of property in the bill. Chairman Harrington concurred.

Rep. Giacometto made the motion to PASS ACTION on the bill for the present until a new revised fiscal note can be obtained. The motion was carried unanimously by voice vote.

DISPOSITION OF HOUSE BILL 111 HEARD ON JANUARY 18, 1989:

DISCUSSION: Rep. Giacometto stated Rep. Campbell has a bill coming that changes the way the department will be funded and HB 111 will not be needed. He stated he felt it would be unfair to pass HB 111 until Rep. Campbell's bill is heard.

Chairman Harrington concurred that Rep. Campbell should be given the opportunity to present his bill before HB 111 is considered further.

Rep. Gilbert stated he was talking to the Governor's office about the diversion of funds on this bill and this needs to be settled before any action is taken.

The committee agreed to PASS ON ANY FURTHER ACTION on HB 111 for the present.

DISPOSITION OF HOUSE BILL 163 HEARD ON JANUARY 25, 1989:

Chairman Harrington stated there were amendments to the bill and he appointed a subcommittee consisting of Rep. Cohen as Chairman, with Rep. Rehberg and Rep. O'Keefe to do the needed work on the bill.

DISPOSITION OF HOUSE BILL 263 HEARD ON JANUARY 25, 1989:

Chairman Harrington stated this bill would also need work and appointed a subcommittee consisting of Rep. Koehnke, Chairman, Rep. Elliott and Rep. Hoffman for this purpose.

DISPOSITION OF HOUSE BILL 268 HEARD ON JANUARY 27, 1989:

DISCUSSION: Rep. Gilbert stated that the MACO amendments should be considered because otherwise there may be constitutional problems with the bill.

Rep. Rehberg stated he thought the bill should go to a subcommittee to do needed work and amendments.

Chairman Harrington stated he would appoint a subcommittee to study the bill, make necessary amendments and further action would be taken at a later date.

DISPOSITION OF HOUSE BILL 280 HEARD ON JANUARY 26, 1989:

Chairman Harrington stated he would appoint a subcommittee for this bill. He appointed Rep. Raney as Chairman with Rep. Stang and Rep. Good.

Rep. Driscoll requested that the subcommittee consider striking line 23 on page 5 of the bill during their deliberations.

Rep. Gilbert stated the committee should note the school impact indicated on the fiscal note for this bill.

DISPOSITION OF HOUSE BILL 215 HEARD ON JANUARY 25, 1989:

MOTION: DO PASS by Rep. Good.

DISCUSSION: Rep. Hoffman stated he was against the motion stating he was from a rural county and the poor people in these areas are not the doctors and dentists.

Rep. Hanson responded that this was just one option suggested to assist with the problem of the lack of medical care in rural communities.

Rep. Hoffman stated he sympathized with the problem but that he did not feel income tax credits had anything to do with the reluctance of doctors and dentists to come to rural areas.

Rep. Giacometto stated this is not a cure all but it is an

Rep. Giacometto stated this is not a cure all but it is an attempt to help solve this situation. Poor people in these communities are poorer when they have to drive 150 to 200 miles to see a doctor.

Rep. Rehberg stated he felt this was a local option for the counties.

Rep. Gilbert agreed with Rep. Hanson and Rep. Giacometto stating many people in rural counties must travel 180 to 200 miles to find a doctor. These are vast distances and dangerous for bad weather and emergency conditions.

Rep. Ream made the motion TO TABLE HB 215 stating it is bad tax policy and there would be negative reaction to this on the part of the public.

The motion TO TABLE was carried by a roll call vote of 12 to 6.

DISPOSITION OF HOUSE JOINT RESOLUTION 8 HEARD ON JANUARY 27, 1989:

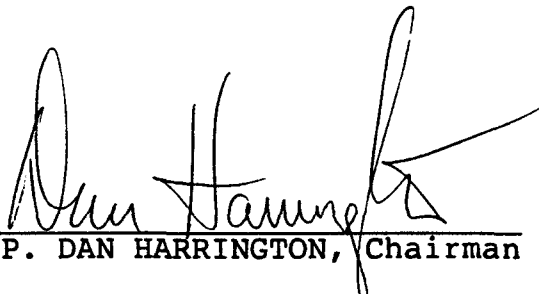
MOTION: DO PASS by Rep. Giacometto.

DISCUSSION: Rep. Raney opposed the motion stating he did not like the gasoline taxes.

Motion to DO PASS HJR 8 was carried by a voice vote of 13 to 5. Reps. Cohen, Raney, Koehnke, Elliott and Schye voted against the motion.

ADJOURNMENT

Adjournment At: 2:10 p.m.



REP. DAN HARRINGTON, Chairman

DH/lj

2615.min

DAILY ROLL CALL

TAXATION

COMMITTEE

51st LEGISLATIVE SESSION -- 1989

Date January 31, 1989

NAME	PRESENT	ABSENT	EXCUSED
Harrington, Dan, Chairman			
Ream, Bob, Vice Chairman	✓		
Cohen, Ben	✓		
Driscoll, Jerry	✓		
Elliott, Jim	✓		
Koehnke, Francis	✓		
O'Keefe, Mark	✓		
Raney, Bob	✓		
Schye, Ted	✓		
Stang, Barry	✓		
Ellison, Orval	✓		
Giacometto, Leo	✓		
Gilbert, Bob	✓		
Good, Susan	✓		
Hanson, Marian	✓		
Hoffman, Robert	✓		
Patterson, John	✓		
Rehberg, Dennis	✓		

STANDING COMMITTEE REPORT

January 31, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that House
Joint Resolution 8 (first reading copy -- white) do pass.

Signed: 
Dan Harrington, Chairman

OPI SCHOOL IMPACT REPORT

HB N/A
Total Education Impact
FY90 _____ FY91 _____

General Fund Schools
FY90 _____ FY91 _____

Local Schools
FY90 _____ FY91 _____

Heard	Bill #	Title	General Fund Schools FY90	General Fund Schools FY91	Local Schools FY90	Local Schools FY91	Total Education Impact FY90	Total Education Impact FY91
1/12	HB4 ¹	Lowers tax for some coal (Mill act on 1/18) (Transmitted to Senate)	(6,000)	(14,000)			(6,000)	(14,000)
1/10	HB10	Oil tax cuts education trust fund (Tabled 1/11)		no fiscal note			no fiscal note	
1/4	HB15	Exempt motorboats 5 HP or less (Tabled 1/12)	(9,000)	(9,000)	(14,000)	(14,000)	(23,000)	(23,000)
1/4	HB30	Changing tax on "old vehicles" (Being held)		no fiscal information			no fiscal information	
1/11	HB35	Change personal property assessment tax on livestock, "coal & oil hauling trucks," etc. (Still in Committee)	(31,000)	(31,000)	(62,000)	(62,000)	(93,000)	(93,000)
1/13	HB90	Except trucks, etc. from property tax (Amended for recreational & comm.) (Passed out of Committee 1/17) (Referred to S Agriculture)	(16,000)	(16,000)	(28,000)	(28,000)	(44,000)	(44,000)
1/17	HB95	Exempt lottery prizes from state income tax (Adverse Committee Report)	(27,000)	(108,000)			(27,000)	(108,000)
1/24	HB181	Method to appropriate coal tax proceeds to public school trust fund (In Committee)		no fiscal note			no fiscal note	
		TOTAL	(89,000)	(178,000)	(104,000)	(104,000)	(193,000)	(282,000)

*an additional .1016 mills necessary to offset this loss or .08% income tax surcharge
*an additional .1484 mills necessary to offset this loss or .12% income tax surcharge

¹(87,096) in 92; (44,916) in 93

* at 1.9m/mill
at 2.3m/1% general income tax charge

OPI SCHOOL IMPACT REPORT

DATE: 1/11/89
HB: N/A

Heard	Bill #	Title	General Fund Schools FY90	General Fund Schools FY91	Local Schools FY90	Local Schools FY91	Total Education Impact FY90	Total Education Impact FY91
1/12	SB1	Private coal royalty to be saved as federal and state (In Committee)	(61,000) ¹	(61,000)			(61,000)	(61,000)
1/5	SB17	Property tax less on old cars (Passed Senate; in House 1/11)	(33,000)	(33,000)	(59,000)	(59,000)	(92,000)	(92,000)
1/19	SB97	Exempting certain class 14 property and additions or expansions to class 14 & 4 (In Committee)	(224,000)	(454,000)	(470,000)	(950,000)	(694,000)	(1,404,000)
1/24	SB118	Revise property tax protest laws (In Committee)		no fiscal information			no fiscal information	no fiscal information
1/25	SB137	Election to forego carryback of NOL's of corporations (Committee Report--do pass)		no fiscal information			no fiscal information	no fiscal information
1/25	SB184	Eliminate tax on livestock and agricultural products (In Committee)	(1,030,000) ²	(992,000) ²	(1,689,000)	(1,627,000)	(2,719,000)	(2,619,000)
		TOTAL	(1,348,000)	(1,540,000)	(2,218,000)	(2,636,000)	(3,566,000)	(4,176,000)

*an additional 1.8768 mills necessary to offset this loss or 1.55% income tax surcharge *an additional 2.1979 mills necessary to offset this loss or 1.82% income tax surcharge

¹(Approximately 3.8% of coal tax royalties go to foundation program)
²(Due to retroactive date, local school district revenues will be reduced by \$552,000 in FY89)

* at 1.9m/mill
at 2.3m/1% general income tax charge

Heard	Bill #	Title	General Fund Schools FY90	FY91	Local Schools FY90	FY91	Total Education Impact FY90	FY91
1/12	SB1	Private coal royalty to be saved as federal and state (In Committee)	(61,000)	(61,000)			(61,000)	(61,000)
1/5	SB17	Property tax less on old cars (Passed Senate; in House 1/11)	(33,000)	(33,000)	(59,000)	(59,000)	(92,000)	(92,000)
1/19	SB97	Exempting certain class 14 property and additions or expansions to class 14 & 4 (In Committee)	(224,000)	(454,000)	(470,000)	(950,000)	(694,000)	(1,404,000)
1/24	SB118	Revise property tax protest laws (In Committee)			no fiscal information			no fiscal information
1/25	SB137	Election to forego carryback of NOL's of corporations (Committee Report--do pass)			no fiscal information			no fiscal information
1/25	SB184	Eliminate tax on livestock and agricultural products (In Committee)	(1,030,000) ²	(992,000) ²	(1,689,000)	(1,627,000)	(2,719,000)	(2,619,000)
		TOTAL	(1,348,000)	(1,540,000)	(2,218,000)	(2,636,000)	(3,566,000)	(4,176,000)

*an additional 1.8768 mills
2.1979 mills
necessary to offset this loss or 1.55% income tax surcharge
*an additional 1.8768 mills
2.1979 mills
necessary to offset this loss or 1.82% income tax surcharge

1 (Approximately 3.8% of coal tax royalties go to foundation program)
2 (Due to retroactive date, local school district revenues will be reduced by \$552,000 in FY89)

* at 1.9m/mill
at 2.3m/1% general income tax charge



DATE 1/11/97

HB N/A
Other Education Impact
 FY90 _____ FY91 _____

General Fund Schools
 FY90 _____ FY91 _____

Local Schools
 FY90 _____ FY91 _____

7,689,000 7,689,000

7,689,000 7,689,000

no fiscal information

no fiscal information

7,689,000 7,689,000

no fiscal information

no fiscal information

15,378,000 15,378,000

15,378,000 15,378,000

-0- -0-

TOTAL

TOTAL

1/11 SB2

Clears up 105 interpretation
 (In Committee)

1/9 SB50

Refund property tax if proprietor
 moves out of state
 (Tabled 1/11)

1/10 SB65

Similar to SB2
 (In Committee)

1/16 SB90

Repeals an unconstitutional bill
 (Passed out of Committee 1/16)
 (Transmitted to House 1/20)



OPI SCHOOL IMPACT REPORT

	<u>General Fund Schools</u> FY90	<u>Local Schools</u> FY91	<u>Total Education Impact</u> FY91
	5,533,000	11,804,000	17,337,000
	5,533,000	11,804,000	17,337,000
		24,612,000	36,149,000
		24,612,000	36,149,000

Title

Revise property tax freeze-inflation, mandated costs, voted charge (In Committee)

Bill #

HB125

Heard

1/20

TOTAL:

EXHIBIT 2

DATE 1/31/89

HB N/A

Look SB 98 →

Movement Declarations 3

LC 1185/01

EXHIBIT

DATE 11/31/89

HB 456

Rep. R. Dempster

91st Legislature

LC 1185/01

HOUSE BILL NO. 456

Angela Meyer

INTRODUCED BY

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT ONE-HALF OF PERSONAL PROPERTY AND MOBILE HOME TAXES ARE DUE ON MAY 31 AND ONE-HALF ARE DUE ON NOVEMBER 30 OF THE YEAR OF ASSESSMENT; PROVIDING A PENALTY FOR NONPAYMENT OF TAXES; AMENDING SECTIONS 15-16-113 AND 15-24-202, MCA; AND PROVIDING AN APPLICABILITY DATE."

15-24-204

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

Section 1. Section 15-16-113, MCA, is amended to read: "15-16-113. Personal property -- duty of treasurer -- penalty for delinquency. (1) The county treasurer shall collect taxes on all personal property and in the case provided in 15-16-111 shall immediately upon receipt of the report prescribed by 15-16-111 notify the person or persons against whom the tax is assessed and any person who has a properly perfected security interest of record with the department of justice that the amount of the tax is due and payable at the county treasurer's office. Within 10 days after the receipt of the personal property assessment from the department of revenue or its agent or receipt of the report prescribed by 15-16-111, the county treasurer shall send written notice to the last-known address of each

1 taxpayer, postage prepaid, showing the amount of taxes due.
2 The written notice must include:
3 (a) the market value of the property;
4 (b) the taxable value of the property;
5 (c) the total mill levy applied to the taxable value;
6 (d) the amount of the total tax due that is levied as
7 city tax, county tax, state tax, school district tax, or
8 other tax; and
9 (e) a statement of when the taxes are due and that if
10 they become delinquent, the property must be seized and sold
11 to satisfy the tax obligation.

12 (2) The county treasurer shall at the time of
13 receiving the report and in any event within 30 days from
14 the receipt of such report, levy upon and take into his
15 possession the personal property against which a tax is
16 assessed or any other personal property in the hands of the
17 delinquent taxpayer and proceed to sell the same in the same
18 manner as property is sold on execution by the sheriff. All
19 taxes levied and assessed for personal property are payable
20 as follows:
21 (a) One-half of the amount of the tax is payable on or
22 before 5 p.m. on May 31 of the year in which the property is
23 assessed or within 30 days after the tax notice is
24 postmarked, whichever is later, and one-half on or before 5
25 p.m. on November 30 of the year in which the property is

Keep Best



1 assessed.

2 (b) Unless one-half of the taxes is paid on or before
3 5 p.m. on May 31 or within 30 days after the tax notice is
4 postmarked, whichever is later, the amount payable becomes
5 delinquent and draws interest at the rate of 5/6 of 1% per
6 month from and after delinquency until paid and 2% must be
7 added to the delinquent taxes as a penalty.

8 (c) All taxes due and not paid on or before 5 p.m. on
9 November 30 become delinquent and draw interest at the rate
10 of 5/6 of 1% per month from and after delinquency until
11 paid, and 2% must be added to the delinquent taxes as a
12 penalty.

13 (d) If the date on which taxes are due falls on a
14 holiday or Saturday, taxes may be paid without penalty or
15 interest on or before 5 p.m. of the next business day in
16 accordance with 1-1-307.

17 (3) If the taxes become delinquent, the county
18 treasurer shall notify by first-class mail any person who
19 has a properly perfected security interest of record in the
20 property subject to taxes. Not less than 30 days following
21 the giving of notice to persons with a properly perfected
22 security interest, the county treasurer shall levy upon and
23 take into his possession the personal property against which
24 the tax is assessed or any other personal property in the
25 hands of the delinquent taxpayer and proceed to sell the

1 property as provided in subsection (4).

2 (3)(4) The county treasurer shall, for the purpose of
3 making the levy and sale, direct the sheriff to make the
4 levy and sale. The sheriff, undersheriff, or any deputy
5 sheriff of the county is ex officio a deputy county
6 treasurer for such these purposes, and either may act and
7 receive payment of such the taxes. The sheriff may receive
8 the same fees as he is entitled to in making a seizure and
9 sale as provided in 15-17-911.

10 (4)(5) The county treasurer and his sureties are
11 liable on his official bond for all taxes on personal
12 property remaining uncollected by reason of the willful
13 failure and neglect of the treasurer to levy upon and sell
14 such personal property for the taxes levied thereon.

15 (5)(6) Failure by the sheriff, undersheriff, or deputy
16 sheriff acting as a deputy county treasurer to make the levy
17 and sale results in a levy against the official bond of the
18 sheriff, undersheriff, or deputy sheriff for payment of the
19 delinquent tax."

20 **Section 2.** Section 15-24-202, MCA, is amended to read:

21 **"15-24-202.** Payment of tax -- interest and penalty --
22 ~~display of tax paid sticker.~~ (1) (a) The owner of a mobile
23 home or housetrailer which is not taxed as an improvement,
24 as improvements are defined in 15-1-101, shall pay the
25 ~~personal property tax~~ in two payments, except as provided in

Mobile home

Mobile home

90
Shelley

EXHIBIT

DATE 1/31/89

HB 456

Rep. Richard Simpson

LC 1185/01

LC 1185/01

562

1 15-24-206.

2 (b) The first payment is due one-half of the tax is
3 payable on or before 5 p.m. on May 31 of the year in which
4 the property is assessed or within 30 days from after the
5 date of the tax notice of taxes due is postmarked, whichever
6 is later.

7 (c) The second half payment is due no later than
8 September 30 payable on or before 5 p.m. on November 30 of
9 the year in which the property is assessed.

10 (d) If not paid on or before the date due, the tax is
11 considered delinquent and subject to the penalty and
12 interest provisions in 15-16-102 applicable to other
13 delinquent property taxes. The penalty must be assessed and
14 interest begins to accrue on the first day of delinquency.
15 (2) Taxes assessed against a mobile home after the
16 second payment date must be prorated to reflect the
17 remaining portion of the tax year. The prorated taxes must
18 be added to the following year's tax roll and, except as
19 provided in 15-24-206, are due with and must be collected
20 with the first payment due in that year.

21 (3) The department of revenue shall issue tax-paid
22 stickers to the county treasurers. The treasurers shall
23 issue the stickers to the owners of mobile homes and
24 house trailers if the taxes and any interest and penalty owed
25 are paid in full. An owner shall then display the sticker,

1 which must be visible from the exterior of the mobile home,
2 or house trailer. No The mobile home movement declaration of
3 destination provided for in 15-24-206 may not be issued
4 unless the taxes have been paid in full to the county
5 treasurer.

6 (4) The tax-paid sticker and receipt are not required
7 for mobile homes which are classified as improvements to
8 land, but payment of the assessed property taxes and display
9 of a mobile home movement declaration of destination are
10 required before moving the mobile home.

11 (5) On the movement of a mobile home or house trailer
12 in violation of this part, the county treasurer for the
13 county where the mobile home or house trailer first comes to
14 rest shall issue a written notice to the owner, showing the
15 amount of delinquent taxes, special assessments, penalties,
16 and interest due. In addition to the penalties provided in
17 15-16-102, 20% or \$50, whichever is greater, must be added
18 to the delinquent taxes as penalty for violation of this
19 part. On receipt of the delinquent taxes, special
20 assessments, penalties, and interest, the county treasurer
21 shall forward all delinquent taxes, special assessments,
22 penalties, and interest collected under 15-16-102 to the
23 county treasurer for the county of origin. The county of
24 destination shall retain the penalty."

25 NEW SECTION. Section 4 Applicability date. [This

Add Section 2 (c) to (d) from HB 12

LC 1185/01

- 1 act] applies to tax years beginning on or after January 1,
- 2 1990.

-End-

Exhibit 3
B 456
1/31/89

51st Legislature

LC 0055/01

LC 0055/01

1 HOUSE BILL NO. 12
2 INTRODUCED BY PAVLOVICH

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT PRESCRIBING PROCEDURES
5 FOR COLLECTING TAXES ON MOBILE HOMES; AMENDING SECTIONS
6 15-24-202 AND 15-24-204, MCA; AND PROVIDING AN APPLICABILITY
7 DATE."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 **Section 1.** Taxes due on mobile home -- report --
11 notice -- determination of amount due. (1) Upon discovery of
12 a mobile home upon which the mobile home taxes are not a
13 lien upon real property sufficient to secure the payment of
14 such taxes, the department of revenue or its agent shall,
15 within 5 days after the date of such discovery, make a
16 report to the county treasurer of the county in which the
17 mobile home is located. The report must give a description
18 of the mobile home sufficient to allow the treasurer to
19 identify the mobile home, the assessed valuation of the
20 mobile home, the location of the mobile home, the amount of
21 taxes due on the mobile home, and the name and address of
22 the owner, claimant, or other person in possession of the
23 mobile home.

24 (2) If the mobile home is located in a city or town
25 that has provided by ordinance for the collection of its

1 taxes for general, municipal, and administrative purposes by
2 the city treasurer or town clerk, the department shall at
3 the same time furnish to the city treasurer or town clerk a
4 duplicate of the notice to the county treasurer.

5 (3) For the purpose of determining the taxes due on a
6 mobile home, the department or its agent must use the levy
7 made during the previous year.

8 **Section 2.** Department report of mobile homes in
9 assessment book. The department of revenue or its agent must
10 note on the assessment book, opposite the name of each
11 person owning, claiming, or possessing a mobile home
12 reported to the treasurer under [section 1], the fact that
13 the report was made to the county treasurer and the date the
14 report was made.

15 **Section 3.** Mobile home taxes -- collection by
16 treasurer -- liability -- penalty. (1) The county treasurer
17 shall collect taxes on all mobile homes in the county. Upon
18 receipt of the report prescribed by [section 1], the
19 treasurer shall notify the person or persons against whom
20 the tax is assessed and any person who has a properly
21 perfected security interest of record with the department of
22 justice that the amount of the tax is due and payable at the
23 county treasurer's office.

24 (2) Within 30 days of receipt of the report, the
25 county treasurer shall levy upon and take possession of any

HB 12

*definitely an amendment for stickers - have
most deal with the pay must submit. new.*



1 mobile home against which taxes are assessed or any other
2 personal property owned by the delinquent taxpayer and
3 proceed to sell the mobile home or property in the same
4 manner as property is sold on execution by the sheriff.

5 (3) The county treasurer shall direct the sheriff to
6 make the levy and sale. The sheriff or an undersheriff or
7 deputy sheriff of the county is ex officio a deputy county
8 treasurer for purposes of the levy and sale and may receive
9 payment of the taxes. The sheriff is entitled to receive the
10 same fee as that authorized by 15-17-911 for making a
11 seizure and sale.

12 (4) The county treasurer and his sureties are liable
13 on his official bond for all mobile home taxes that remain
14 uncollected by reason of the willful failure and neglect of
15 the treasurer to levy upon and sell the mobile homes for the
16 taxes levied on the mobile homes.

17 (5) Failure by the sheriff, undersheriff, or deputy
18 sheriff acting as a deputy county treasurer to make the levy
19 and sale results in a levy against the official bond of the
20 sheriff, undersheriff, or deputy sheriff for payment of the
21 delinquent mobile home taxes.

22 **Section 4. Rate of taxation.** (1) All rates of tax levy
23 set by the board of county commissioners on the second
24 Monday in August of each year apply to mobile homes during
25 the ensuing tax year.

1 (2) Upon collection of any mobile home taxes, the
2 county treasurer shall immediately distribute the money
3 collected to the proper funds in his charge.

4 **Section 5. Treasurer's record of mobile home taxes**
5 **paid.** (1) On or before December 1 of each year, the county
6 treasurer shall note on the assessment book, opposite the
7 name of each person from whom mobile home taxes have been
8 collected by him in pursuance of the report of the county
9 assessor, the amount of taxes received and the date of
10 receipt.

11 (2) If the mobile home taxes have not been collected,
12 the treasurer shall note in the assessment book the reason
13 collection was not made.

14 **Section 6. Treasurer's duty to collect certain taxes.**

15 (1) The county treasurer shall demand payment of poor taxes,
16 authorized by 53-2-321, and road taxes, authorized by
17 7-14-2206 or 7-14-2501 through 7-14-2504, of every mobile
18 home owner liable for the mobile home taxes and whose name
19 does not appear on the assessment lists. Upon neglect or
20 refusal of a mobile home owner to pay the taxes, the
21 treasurer shall collect the taxes by seizure and sale of any
22 property owned by the person.

23 (2) The taxes referred to in subsection (1) must be
24 added upon the assessment lists to other property taxes of
25 persons paying taxes upon real property and mobile homes and

EXHIBIT 3
DATE 1/31/89
HB 456
Rep. R. D. ...

1 must be paid to the county treasurer at the time of payment
2 of other taxes.

3 (3) The procedure for the sale of seized property by
4 the county treasurer for the taxes referred to in subsection
5 (1) is regulated by 15-16-113 and 15-17-911.

6 **Section 7.** Section 15-24-202, MCA, is amended to read:
7 "15-24-202. Payment of mobile home tax -- interest and
8 penalty ---display-of-tax-paid-sticker. (1) (a) The owner of
9 a mobile home or house trailer which is not taxed as an
10 improvement, as improvements are defined in 15-1-101, shall
11 pay the personal-property mobile home tax in two payments,
12 except as provided in 15-24-206.

13 (b) The first payment is due within 30 days from the
14 date of the notice of taxes due.

15 (c) The second payment is due no later than September
16 30 of the year in which the property is assessed.

17 (d) If not paid on or before the date due, the tax is
18 considered delinquent and subject to the penalty and
19 interest provisions in 15-16-102 applicable to other
20 delinquent property taxes. The penalty must be assessed and
21 interest begins to accrue on the first day of delinquency.

22 (2) Taxes assessed against a mobile home after the
23 second payment date must be prorated to reflect the
24 remaining portion of the tax year. The prorated taxes must
25 be added to the following year's tax roll and, except as

1 provided in 15-24-206, are due with and must be collected
2 with the first payment due in that year.

3 (3) The department of revenue shall issue tax-paid
4 stickers to the county treasurers. The treasurers shall
5 issue the stickers to the owners of mobile homes and
6 house trailers if the taxes and any interest and penalty owed
7 are paid in full. An owner shall then display the sticker
8 which must be visible from the exterior of the mobile home
9 or house trailer. No mobile home movement declaration of
10 destination provided for in 15-24-206 may be issued unless
11 the taxes have been paid in full to the county treasurer.

12 (4) The tax-paid sticker and receipt are not required
13 for mobile homes which are classified as improvements to
14 land but payment of the assessed property taxes and display
15 of a mobile home movement declaration of destination are
16 required before moving the mobile home.

17 (5) (4) On the movement of a mobile home or
18 house trailer in violation of this part, the county treasurer
19 for the county where the mobile home or house trailer first
20 comes to rest shall issue a written notice to the owner,
21 showing the amount of delinquent taxes, special assessments,
22 penalties, and interest due. In addition to the penalties
23 provided in 15-16-102, 20% or \$50, whichever is greater,
24 must be added to the delinquent taxes as penalty for
25 violation of this part. On receipt of the delinquent taxes,

1 special assessments, penalties, and interest, the county
 2 treasurer shall forward all delinquent taxes, special
 3 assessments, penalties, and interest collected under
 4 15-16-102 to the county treasurer for the county of origin.
 5 The county of destination shall retain the penalty assessed
 6 under this subsection."

7 **Section 8.** Section 15-24-204, MCA, is amended to read:
 8 "15-24-204. Failure to display or produce declaration
 9 sticker or receipt -- penalty. (1) Whoever makes a false or
 10 fraudulent declaration of destination or, when required,
 11 fails to execute a declaration of destination or fails to
 12 display or produce a declaration of destination or tax-paid
 13 receipt, if a tax-paid receipt is required, is guilty of a
 14 misdemeanor and upon conviction is punishable by
 15 imprisonment in a county jail for not more than 6 months or
 16 by a fine of not more than \$500, or both.

17 (2) Whoever fails to display a property tax-paid
 18 sticker or to produce a property tax-paid receipt from 15
 19 days after the due date for personal property mobile home
 20 taxes of one year to the due date for personal property
 21 mobile home taxes of the next year, when the display of a
 22 tax-paid receipt is required, commits a misdemeanor
 23 punishable by a fine of not less than \$10 or more than \$50
 24 or confinement in the county jail for not more than 30 days
 25 or both such fine and imprisonment."

1 **Section 9.** Delinquent mobile home tax as a judgment or
 2 lien. Notwithstanding other provisions of this title, a tax
 3 levied pursuant to the provisions of this chapter is a
 4 judgment against the person, and every lien created by this
 5 chapter is an execution duly levied against a mobile home in
 6 the possession of the person assessed from and after the
 7 date the assessment is made. The county treasurer may issue
 8 a writ of execution for delinquent mobile home taxes and
 9 deliver the writ to the sheriff. The sheriff shall proceed
 10 upon the writ in the same manner prescribed by law with
 11 respect to executions issued against property upon judgments
 12 of a court of record. The sheriff is entitled to receive the
 13 same fee as that authorized by 15-17-911 for making a
 14 seizure and sale. The judgment is not satisfied nor the lien
 15 removed until the taxes are paid or the property is sold for
 16 the payment of the taxes.

17 **Section 10.** Delinquent mobile home tax as lien on
 18 realty. Every tax due upon a mobile home is a prior lien
 19 upon the real property of the owner of the mobile home as of
 20 January 1 in each year.

21 **Section 11.** Lien on real property. Every tax due upon
 22 real property is a lien against the property assessed, and
 23 every tax due upon a mobile home that is an improvement, as
 24 defined in 15-1-101, upon real estate assessed to other than
 25 the owner of the real estate is a lien upon the land, which

PPH 2/13/87

EXHIBIT
 DATE 1/31/87
 HB 456
 Pop. Pi. Dr. [Signature]

1 lien attaches as of January 1 in each year.

2 **Section 12.** County lien on money of taxpayer. The
3 county has a general lien, dependent on possession, upon any
4 money in its possession belonging to a taxpayer for any
5 amounts due the county for delinquent mobile home taxes that
6 are not a lien on real estate of the taxpayer. Notice shall
7 be given the lienholder, if known.

8 **Section 13.** Collection by suit of mobile home taxes
9 when taxpayer moves to another county. If a person moves
10 from one county to another after being assessed taxes on a
11 mobile home, the treasurer of the county in which those
12 taxes were assessed may sue for and collect the mobile home
13 taxes in the name of the county where the assessment was
14 made.

15 **Section 14.** Evidence at trial. At a trial to collect
16 mobile home taxes, a certified copy of the assessment signed
17 by the county clerk and recorder of the county where the
18 assessment was made and an affidavit of the county treasurer
19 that the tax has not been paid and describing it as on the
20 assessment book or delinquent list constitute prima facie
21 evidence that the taxes, plus interest, penalties, and
22 costs, are due. The county is entitled to judgment unless
23 the defendant proves that the tax was paid.

24 **Section 15.** Reduction of property tax for property
25 destroyed by natural disaster. (1) The department of revenue

1 shall adjust the taxable value on a trailer or mobile home
2 as described in 15-6-142, accounting for its destruction,
3 upon a showing by a taxpayer that the trailer or mobile home
4 has been destroyed by a natural disaster to such an extent
5 that it has been rendered unsuitable for its previous use.
6 (2) The county treasurer shall adjust the tax due and
7 payable for the current year on the trailer or mobile home
8 as provided in subsection (3) of this section.

9 (3) To determine the amount of tax due for a destroyed
10 trailer or mobile home, the county treasurer shall:

11 (a) multiply the amount of tax levied and assessed on
12 the original taxable value of the property for the year by
13 the ratio that the number of days in the year that the
14 property existed before destruction bears to 365; and
15 (b) multiply the amount of tax levied and assessed on
16 the adjusted taxable value of the property for the remainder
17 of the year by the ratio that the number of days remaining
18 in the year after the destruction of the property bears to
19 365.

20 (4) This section does not apply to delinquent taxes
21 owed on the destroyed trailer or mobile home for a year
22 prior to the year in which the trailer or mobile home was
23 destroyed.

24 (5) For the purposes of this section, "natural
25 disaster" includes but is not limited to fire, flood,

1 earthquake, or wind.

2 **Section 16.** Refund of tax paid. (1) If a mobile home
3 is destroyed after the property taxes have been paid for the
4 current year, the taxpayer is entitled to a refund of the
5 amount of tax paid in excess of the adjusted amount
6 determined pursuant to [section 15].

7 (2) A refund shall be made as provided for in
8 15-16-601.

9 **Section 17.** Mobile home taxes ten years delinquent and
10 uncollectible -- list. Each county treasurer shall prepare
11 in triplicate and submit to the board of county
12 commissioners of his county, on or before the first business
13 day of January in each year, a list of mobile home taxes
14 that are not a lien on real estate and that have been
15 delinquent for 10 years or more and are declared
16 uncollectible as provided in 15-16-704. The list must
17 contain the following:

- 18 (1) name and address of the delinquent taxpayer;
- 19 (2) amount of the delinquent taxes; and
- 20 (3) date the taxes became delinquent.

21 **Section 18.** Cancellation of mobile home taxes and
22 obligations -- filing of lists. (1) Within 30 days of
23 receipt of the list prepared pursuant to [section 17], the
24 board of county commissioners shall examine the list and
25 make any necessary corrections. The board of county

1 commissioners shall then issue an order canceling all mobile
2 home taxes contained in the corrected list and shall include
3 the order and a description of the list in its minutes.

4 (2) When the order is made, a copy of the corrected
5 list must be filed:

- 6 (a) as a part of the records of the board;
- 7 (b) with the county clerk and recorder as a public
8 record; and
- 9 (c) with the county treasurer as a permanent record.

10 **Section 19.** Adjustment of accounts after cancellation.
11 Upon notification of the order for cancellation pursuant to
12 [section 18], the county clerk and recorder and county
13 treasurer shall adjust their taxes-receivable accounts to
14 conform to the order of cancellation of mobile home taxes.

15 **Section 20.** Extension of authority. Any existing
16 authority to make rules on the subject of the provisions of
17 [this act] is extended to the provisions of [this act].

18 **Section 21.** Codification instruction. [Sections 1
19 through 6 and 9 through 19] are intended to be codified as
20 an integral part of Title 15, chapter 24, part 2, and the
21 provisions of Title 15, chapter 24, part 2, apply to
22 [sections 1 through 6 and 9 through 19].

23 **Section 22.** Applicability. The provisions of [this
24 act] apply to taxable years beginning after December 31,
25 1989.

EXHIBIT 12
 DATE 1/31/89
 HB 456
Rep. R. D. Campbell

EXHIBIT 4
DATE 1/31/89
HB 208
Rep. J. Driscoll

AMENDMENTS TO HOUSE BILL 208
Rep. Driscoll

- page 1,
line 6 delete "may prepay property taxes to"
insert "shall assist"
- line 10 insert "82-4-332,"
- page 3,
line 4 delete "Tax prepayment"
insert "Developer assistance"
- line 6 delete "may prepay property taxes to"
insert "shall"
- line 10 delete "If the developer elects to prepay property
taxes,"
- line 11 delete "the"
insert "The"
- line 16 insert after "local government units to" --- "plan for,
assess, and"
- page 4,
line 6 delete "If the developer elects to prepay property
taxes"
- line 7 delete "as specified in this section, the"
insert "The"
- line 9 insert, after "a written agreement,"-- "as specified in
this section"
- after line 9 insert "(a) the type of assistance provided to the
local government units, if any"
- line 10 delete (a) insert (b)
- line 12 delete (b) insert (c)
- line 13 delete (c) insert (d)
- line 14 insert after "property taxes." -- ", if any."
- line 17 insert after "to the county" --- ", and shall publish
notice of the submission of this agreement at least
once in a newspaper of general circulation in the
county."

EXHIBIT 4
DATE 1/31/89
HB 208
Rep. J. Driscoll

page 11

line 21 insert "Section 5. Section 82-4-331, MCA is amended to read:

82-4-331. Exploration license required -- employee included.

(1) No person shall engage in exploration in the state without first obtaining an exploration license from the board to do so, such license to be issued for a period of 1 year from date of issue and to be renewable from year to year on application therefor filed at any time within the 30 days next preceding the expiration of the current license and payment of like fee as required for a new license, provided that the applicant for renewal is not then held by the board to be in violation of any provision of this law. Such license shall be subject to suspension and revocation as provided by this part.

(a) Prior to renewal of an exploration license, a developer planning to engage in large-scale mineral exploration shall submit to the Board written verification of an agreement to mitigate impacts resulting from large-scale mineral development, as provided under [Section 2 (4)].

line 21 after "Section" delete "5" , insert "6"

EXHIBIT 3
DATE 11/3/189
HB 208
Rep. J. Orsiedl

NORTHERN PLAINS RESOURCE COUNCIL

Field Office
Box 858
Helena, MT 59624
(406) 443-4965

Main Office
419 Stapleton Building
Billings, MT 59101
(406) 248-1154

Field Office
Box 886
Glendive, MT 59330
(406) 365-2525

HB 208

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, BY NAME IS PAUL HAWKS. I RANCH AT MELVILLE IN SWEET GRASS COUNTY. MY TESTIMONY TODAY IS PRESENTED ON BEHALF OF THE NORTHERN PLAINS RESOURCE COUNCIL AND THE COTTONWOOD RESOURCE COUNCIL. I AM CHAIRMAN OF THE COTTONWOOD RESOURCE COUNCIL. WE ARE A LOCAL SWEET GRASS COUNTY ORGANIZATION FORMED TO MONITOR THE PROPOSED MINING DEVELOPMENT AND PROMOTE RESPONSIBLE DEVELOPMENT.

HB 208 IS AN ATTEMPT TO ADDRESS A POTENTIAL PROBLEM FACING SWEET GRASS COUNTY TAXPAYERS. THE HARDROCK IMPACT ACT WAS PASSED TO ASSIST LOCAL GOVERNMENT IN MEETING THE COSTS OF RAPID COMMUNITY GROWTH BROUGHT ON BY LARGE-SCALE MINE DEVELOPMENTS. EXPLORATION WAS NOT INCLUDED BECAUSE IT TYPICALLY EMPLOYS FEWER PEOPLE WHOSE DEMANDS ON LOCAL SERVICES CAN BE ABSORBED. HOWEVER, SWEET GRASS COUNTY IS FACING A "LARGE SCALE" EXPLORATION PROJECT. THE PARTNERS IN THE MINE PROJECT, CHEVRON AND JOHNS MANVILLE, ARE PROPOSING A 2 1/2 TO 3 YEAR EXPLORATION FOR PLATINUM AND PALLADIUM ON THE EAST BOULDER RIVER. TO GIVE YOU SOME IDEA OF THE SIZE OF THIS PROJECT, A TUNNEL BORING MACHINE WILL BE USED TO DRILL A 13 FOOT WIDE TUNNEL 3 1/2 MILES DEEP INTO THE MOUNTAIN REMOVING 289,000 TONS OF ROCK. THE PROJECT WOULD EMPLOY 150 PEOPLE BY THE LATTER PART OF THE SECOND YEAR. WHILE MANY EXPLORATION WORKERS WILL NOT BRING FAMILIES, AN ESTIMATED 200 PEOPLE WILL LOCATE IN BIG TIMBER, A TOWN OF 1700. AND THIS IS

EXHIBIT 5
DATE 1/31/89
HB 208
Rep. J. K. ...

HB 208 - 2

THE QUESTION NOW BECOMES, "CAN THE LOCAL GOVERNMENT PROVIDE THE SERVICES NEEDED FOR 200 MORE PEOPLE?" SWEET GRASS COUNTY PRESENTLY PROVIDES ADEQUATE SERVICES GIVEN ITS TIGHT REVENUES. THE MINE, IF DEVELOPED, MAY EVENTUALLY PROVIDE ADEQUATE TAX REVENUES TO THE COUNTY. HEREIN LIES THE RUB. THE POTENTIAL MINING REVENUES MAY NOT BE THERE WHEN THE COSTS OF IMPACTS ARE.

MONTANA'S HARD ROCK IMPACT ACT SAYS THAT ONCE DEVELOPMENT OF A LARGE-SCALE MINING OPERATION BEGINS, THE DEVELOPER HAS A RESPONSIBILITY TO ASSIST THE LOCAL COMMUNITY IN MEETING THE SUBSEQUENT INCREASED DEMAND FOR SERVICES. IN OUR SITUATION, EXPLORATION WILL RESULT IN A 3 1/2 MILE LONG TUNNEL TO THE ORE ZONE. THIS "LARGE-SCALE" EXPLORATION IS A NECESSARY PART OF THE MINES DEVELOPMENT, AND SHOULD BE INCLUDED UNDER THE HARD ROCK IMPACT ACT. WHEN MONEY IS NOT AVAILABLE IN A LOCAL COMMUNITY TO COVER AN IMPACT, IT MAKES LITTLE DIFFERENCE WHETHER THE IMPACT OCCURS DURING EXPLORATION OR DEVELOPMENT. THE NEED FOR ASSISTANCE IS STILL THERE.

THERE WILL BE THOSE WHO SAY THAT HB 208 IS ANTI-MINING. ALL THIS BILL ASKS IS THAT IF THERE IS AN IMPACT CAUSED BY THE COMPANY'S EXPLORATION FOR WHICH THE LOCAL GOVERNMENT CANNOT MEET THE DEMAND, THE COMPANY HAS A RESPONSIBILITY TO REACH AN AGREEMENT WITH THE LOCAL GOVERNMENT TO COVER THE COSTS THROUGH TAX PREPAYMENT OR SOME OTHER METHOD. THIS IS GOOD RESPONSIBLE BUSINESS.

THERE WILL BE THOSE WHO SAY THAT HB 208 IS ANTI-BUSINESS. THIS BILL IS PRO-COMMUNITY AND PRO-LOCAL TAXPAYER.

EXHIBIT 5
DATE 1/31/89
HB 208
Rep. J. Driscoll

HB 208 - 3

OUR COMMUNITY WILL SEE BENEFITS IF A MINE IS DEVELOPED, BUT ANY RISKS ASSOCIATED WITH EXPLORATION WOULD BE BORN BY THE DEVELOPER, NOT THE LOCAL TAXPAYER. TAXES PAID BY FARMERS AND RANCHERS IN OUR COUNTY CANNOT BE EXPECTED TO SUBSIDIZE NON-RENEWABLE RESOURCE DEVELOPMENT.

THERE WILL BE THOSE WHO SAY THAT HB 208 WILL DISCOURAGE EXPLORATION. NOT ALL MINERAL EXPLORATION IS COVERED UNDER THIS BILL. ONLY EXPLORATION THAT EMPLOYS 75 OR MORE FOR A CONSECUTIVE SIX-MONTH PERIOD IS COVERED BY HB 208, AND THEN ONLY IF SUCH EXPLORATION BURDENS LOCAL GOVERNMENT SERVICES.

THERE WILL BE THOSE WHO SAY THE HB 208 CAUSES MORE UNNECESSARY RED TAPE. HB 208 DOES NOT REQUIRE A LENGTHY STUDY OF IMPACTS OR AN IMPACT PLAN AS REQUIRED FOR MINE DEVELOPMENT. ALL IT REQUIRES IS THAT LOCAL GOVERNMENT AND MINE PERSONNEL SIT DOWN TOGETHER TO DETERMINE IMPACTS, IF ANY, AND REACH AN AGREEMENT AS TO HOW TO PAY FOR COSTS.

THIS IS RESPONSIBLE LEGISLATION. IT ADDRESSES A POTENTIAL PROBLEM IN A RESPONSIBLE WAY. CHEVRON HAS BEEN A RESPONSIBLE COMPANY. THEIR LOCAL SPOKESMAN IN BIG TIMBER HAS SAID THAT THE COMPANY WILL BE A "GOOD NEIGHBOR" AND WILL DO "WHAT IS RIGHT" FOR THE COMMUNITY. CHEVRON HAS SET THE EXAMPLE AT ITS STILLWATER MINE. WE EXPECT NO LESS IN SWEET GRASS COUNTY. HB 208 WILL SET THE SAME HIGH STANDARDS FOR ALL MINING VENTURES IN OUR STATE.

I URGE YOUR APPROVAL OF HB 208 WITH THE STRENGTHENING AMENDMENTS.

HOUSE BILL 208

EXHIBIT 6
DATE 11/31/89
HB 208
Rep. J. Driscoll

MY NAME IS DUDE TYLER. I AM A LIFETIME RESIDENT OF THE BIG TIMBER AREA. I RANCH ALONG THE MAIN BOULDER ROAD THAT LEADS TO THE PROPOSED STILLWATER PGM RESOURCES MINE IN SWEET GRASS COUNTY. I AM ALSO A MEMBER OF THE SWEET GRASS COUNTY PLANNING BOARD. I AM HERE TODAY TO SPEAK IN FAVOR OF HB 208, AND THE AMENDMENTS INTRODUCED BY REPRESENTATIVE DRISCOLL.

I FIRST BECAME CONCERNED ABOUT THE IMPACTS OF THE LARGE SCALE EXPLORATION WHEN READING THE FOREST SERVICE ENVIRONMENTAL ASSESSMENT FOR THE PGM PROJECT. DURING THE LAST THREE QUARTERS OF THE PROJECT, EMPLOYMENT IS PROJECTED TO BE WELL OVER 100 PEOPLE. MOST OF THESE PEOPLE WILL LIVE IN BIG TIMBER AND USE THE MAIN BOULDER ROAD TO GET TO THE MINE. THIS LARGE NUMBER OF PEOPLE COMMUTING DAILY WILL HAVE A GREAT IMPACT ON THE CONDITION OF THE ROAD. THE ROAD IS USED BY AREAS RANCHERS TO MOVE LIVESTOCK, MACHINERY, AND GET TO DIFFERENT HAYFIELDS. POTENTIAL IMPACTS ARE INCREASED MAINTENANCE AND POLICE PATROLS FOR THE ROAD. HB 208 WILL PROVIDE A PROCESS FOR THE COUNTY TO OBTAIN ASSISTANCE IN PAYING FOR THESE IMPACTS.

PRESENTLY THE COUNTY BUDGET IS STRETCHED TIGHT. THE COUNTY COULDN'T EVEN HIRE A FULL-TIME PLANNER. MONEY WAS POOLED FROM THREE DIFFERENT COUNTY ACCOUNTS TO PAY FOR A HALF-TIME PLANNER, WHO MUST USE HIS OWN COMPUTER FOR LACK OF COUNTY RESOURCES.

THESE ARE BUT TWO EXAMPLES OF POTENTIAL IMPACTS FOR THE COUNTY. SO FAR THE MINE HAS PLEDGED TO BE A "GOOD NEIGHBOR." CAN WE RELY SOLELY ON THE WORD OF THE COMPANY THAT THEY WILL PAY FOR ANY IMPACTS? THEIR DECISIONS ARE MADE OUT OF STATE, NOT

EXHIBIT
DATE 11/31/89
208
Rep. J. Duval

LOCALLY. IT SHOULD NOT BE UP TO LOCAL TAXPAYERS TO ASSUME THE RISK OF FUNDING THE INCREASED COSTS FROM THE EXPLORATION. HB 208 ENSURES THAT IF, AND WHEN IMPACTS ARE FELT, A WRITTEN AGREEMENT EXISTS THAT PROTECTS LOCAL TAXPAYERS FROM ANY INCREASED COSTS DUE TO SUCH LARGE-SCALE EXPLORATIONS.

CERTAINLY MINES BRING MANY ECONOMIC BENEFITS TO THE COUNTIES IN WHICH THEY LOCATE. HB 208 WILL ENSURE THAT THE RISKS OF LARGE SCALE EXPLORATION ARE NOT FINANCED BY LOCAL BUSINESSES AND RESIDENTS, BUT BY THE MINE.

EXHIBIT 7

DATE 1/31/89

HB 208

Rep. J. Driscoll

JEAN CLARK, COTTONWOOD RESOURCE COUNCIL, BIG TIMBER, MONTANA
House Bill 208

Mr. Chairman, members of the committee. My name is Jean Clark. I am a resident of Sweet Grass County. Our ranch and our business are located only a few miles from the proposed Stillwater PGM mine in our county. I am speaking on behalf of myself, and as a member of Cottonwood Resource Council.

I am here to ask you to support HB 208, and the amendments introduced by Rep. Driscoll. **HB208 is good legislation. HB208 is not anti-mining legislation.** We all want to see Montana prosper, but not at a huge cost to the taxpayer.

As a businesswoman here in Montana, I feel as though my business rights need to be protected. The projected life of our particular mine in Sweet Grass County is 20 years. The projected life of our dude ranch is indefinite. Our ranch will never employ the number of people this mine will. However, as a small business in this state, we sustain our local economies and employ many many people over the years. Small businesses must be cherished and protected, and not be expected to pick up the bill for impacts caused by large OUT-OF-STATE companies.

In Sweet Grass County, taxpayers may have to deal with other companies involved in this and other mining ventures. These companies may not have the reputation Chevron, a partner in this project, has elsewhere as a good neighbor. Will unwritten promises made by Chevron be kept by other mining interests?

We all know large companies go through internal and personnel changes frequently. When we deal with other mining companies, we feel unwritten promises are not enough. Personnel who may have made the promises may be long gone by the time the speculation comes to fact. With major mining decisions made in some far away board room, what assurances do we have these promises will actually be seen?

We are not asking for a large detailed report to be written. We are not asking for more red tape and paper shuffling. We are not asking companies to pay huge sums of money where its not needed and impacts are not seen. We are not asking for companies such as Chevron to hand over monies without negotiation. Negotiation is exactly what we want. This legislation promotes communication among affected parties.

Negotiation is what Stillwater PGM has already said they would do. I wonder why they would be against this legislation. They claim their reputation was built on negotiation with the affected communities to help pay for the impacts of exploration.

We are asking all large scale exploration companies to financially stabilize communities financially until a mining

EXHIBIT 1
DATE 1/31/89
HB 208
Rep. J. Driscoll

operating decision is made at which time the Hard Rock Impact Act takes over. They are simply paying for impacts caused by their own activities rather than have taxpayers pay. It's important to note this is for LARGE SCALE exploration, with possible large scale impacts.

With our local government agencies already operating at least at their capacity we cannot take on another burden by picking up impacts caused by mine exploration.

Does the state really want to help pick up the tab for the impacts being seen in Big Timber when it's already making difficult decisions concerning the budget?

Lets help Montana grow, but not at the expense of the already burdened taxpayers. **HB208 is not anti-mining legislation, it's PRO-COMMUNITY legislation.**

EXHIBIT 8
DATE 1/31/89
HB 208

Rep. J. Alvis

Mr. Chairman and Members of the Committee,

For the record, my name is Helen Clark and I am here in support of HB 208. I live on a ranch on the Main Boulder River, 22 miles south of Big Timber. Our family has had the ranch since 1925. We raise cattle and have had a dude ranch since before World War II. Many people come back year after year to enjoy what our literature calls, "quiet, unspoiled, primitive and beautiful country."

We are already seeing changes in the way of life so dear to us, especially on the East Boulder. Increased traffic, big trucks and machinery make it impossible for us to use the East Boulder as we always have, for rides, hikes, picnics and our livelihood. Our business is going to be adversely affected. Since we know sacrifices are required of us, and we are already giving up so much, is it fair that we should have to pay for the mine impacts with our taxes?

McLeod is a post office and a turnoff on the main road. It has a two-room school with two teachers and 17 students at present. We like the way the school is now; it does a good job for our children. The most we could we could handle is seven more students, and this would ~~HB 208~~ require another teacher and aides.

EXHIBIT 8
DATE 1/31/89
HB 208
Rep. J. Russell

Just one special education student would throw the whole school into chaos; we simply couldn't handle the situation. Will the local rural neighbors have to pay for the increased burden on the school ?

Any large company has a business risk and must pay their way. The county should not have to subsidize these costs. It's up to us to protect our own community. This bill is our insurance policy.

EXHIBIT 9
DATE 1/31/89
HB 208
Rep. J. Driscoll

TESTIMONY FOR HOUSE TAXATION
House Bill 208

This testimony is submitted on behalf of Chevron Resources and Stillwater PGM Resources by Ward A. Shanahan, registered lobbyist, Chevron Corporation.

Mr. Chairman and members of the Committee my purpose here today is to reintroduce myself as a representative of Chevron Corporation and reacquaint some of you with the "East Boulder Project" of Stillwater PGM Resources. This is a partnership between Chevron Resources Corporation and Manville Corporation as most of you know. It was placed on hold in 1982 but is now under reexamination. It will be affected by House Bill 208.

Most of you know that Chevron assisted the sponsor of the original Hardrock Impact Act (90-6-301 MCA), Representative Orval Ellison. We worked for the passage of that Act in 1981. Payment of impact money "up front" before the development of a mine or mineral project was an idea which Chevron has consistently sponsored throughout the west. However, HB 208 would start the process at a very early stage and this would very likely result in a delayed decision to proceed.

EXHIBIT 9
DATE 1/31/89
HB 208
Rep. J. Driscoll

The opponents of business development in Montana have repeatedly tried since the time of the Major Facility Siting Act to inject themselves into the planning process at a very early stage, in order to influence the decision of whether or not to proceed with development. It is arguable that this participation may be appropriate in case of coal or nuclear power plants where necessity is a proper issue. It is not a proper issue however, for mines or mineral developments which depend on a world market and are not regulated by a Public Service Commission like electric power plants.

I will be available this morning and during the session to answer your questions with respect to House Bill 208 or any of the other measures which affect Chevron Corporation, Chevron Resources, or Stillwater PGM Resources. I would like to introduce you to Bruce Gilbert who is the environmental coordinator for Stillwater PGM Resources at Big Timber to comment further on HB 208. Mr. Gilbert and I will both be available to answer your questions.

Respectfully submitted



Ward A. Shanahan
301 First National Bank Building
Telephone: 442-8560
Helena, Montana

Testimony in Opposition of House Bill 208
Amending the Hardrock Impact Act to Include
Mineral Exploration

Mr. Chairman and Members of the Committee:

My name is Bruce Gilbert; I am the environmental permitting coordinator for Stillwater PGM Resources. Stillwater PGM Resources is a partnership composed of Chevron Resources Corporation and Manville Corporation which has been investigating a possible mine development known as the "East Boulder Project" in Sweetgrass County near Big Timber. The company has obtained an exploration license from the State of Montana and has filed and exploration plan with the Gallatin National Forest.

We have the following specific objections to HB 208:

1. The inclusion of exploration in the Hardrock Impact Act is to begin the process at a stage where the definition of the mining activities are very speculative. The reason the potential developer does exploration is to obtain the facts which will allow him at a later date to define the scope of his project. The inclusion of exploration under the Hardrock Impact Act, even though permissive, begins to subject the potential developer to "impact planning" when there is no reasonable foreseeability about development planning.
2. There is nothing currently in the law that prevents a developer from entering into a voluntary contract with the local government body which would include the prepayment of taxes as contemplated in the Bill. By mutual agreement the prepaid taxes could then be rolled over into an impact plan for production and result in the same tax credits which the Bill provides. The problem with having an express statutory statement such as HB 208 however, creates a "chilling" effect on the mineral explorer as follows:
 - (a) It provides an excuse for local "action groups" to begin insisting on public hearings and discussions long before the potential developer knows the facts about his project. The inability of the company

EXHIBIT 10
DATE 11/31/89
HB 208
Rep. J. Orvisall

to respond will be treated as unwillingness, and confrontation will result.

- (b) The Bill seems to be intended to create a "foot in the door" for later modification to make impact regulation of exploration mandatory. In fact, we expect such changes to be offered in this legislative session.
3. Chevron Resources and Manville Corporation have been good citizens in their past handling of impact issues. We began this conversation with the Montana Legislature in 1981 with specific regard to the East Boulder Project. We actively participated in the drafting and passage of the Montana Hardrock Impact Act. Since then we have also participated in funding impact planning through the local governments in Stillwater County and Sweetgrass County. We were the primary reason that "impact legislation" was sponsored by Representative Orval Ellison. We think the Committee should be aware that there has never been a contested hearing before the Impact Board between our company and any local government entity, either in Stillwater or Sweetgrass County. All issues between the local governments and our company have been resolved without substantial disagreement. Thus, we are surprised, that someone has felt the need for legislation like HB 208.
4. When you are dealing with a precious metals development such as ours in the East Boulder, the five-year time clock established by HB 208 is not realistic for prepayment of taxes, so as to allow a repayment through production. The East Boulder Project was postponed in 1982 and any prepayment of taxes made then would not benefit our current activities. Many factors enter into the final determination to go ahead with the development of a project beyond the exploration stage. Neither the potential developer nor the local government entities can reasonably foresee the costs, until a final decision has been made to proceed with a mine. In our case, the decision has been delayed more than six years.

5. Similarly, socio-economic baseline information developed for an exploration plan may not benefit production planning because of the vast changes which may be necessary after the facts are known about the actual development. To require the potential developer to construct a socio-economic baseline at an early stage, when the Hardrock Impact Act also requires this information in the development stage, is to create the burden of having to do this work more than once. Until the exploration phase is completed, there is no reasonable way to determine the eventual impact which might result from the development itself. Thus the potential developer is confronted with substantial time, effort and money which must be expended at a point in the process when there is no reasonable prospect for future activity.

We realize that the sponsors may well say that all the Bill does is make this investigation "permissive". But we remind you that the County Commissioners, the school districts and the developer can already enter into voluntary planning activities without this Bill. In fact, our company has done this already in the past. The problem with the Bill is that it opens the door unnecessarily to public criticism and complaints that may stall our project and increase our costs, before management has a fair chance to assess its decision whether or not to proceed with development. We don't think there is any reason to regulate us while we are merely "thinking about" opening a mine. When we have decided to go ahead with the mine, the present law provides all of the planning tools and funding which is necessary.

6. Why should the mining industry be required to prepay its taxes during the time it is exploring for minerals? Why doesn't the logic of this Bill apply to any industry which is planning to employ more than 75 people? Why is mining unique in this respect? We think the answer is probably found in the motives of the sponsors. We think the sponsors want to have a forum to challenge and burden a mineral development in order to delay or prevent it. This Bill will extend the Hardrock Impact Act to an unreasonable and unnecessary degree.

EXHIBIT 10
DATE 1/31/89
HB 208
Rep. J. Russell

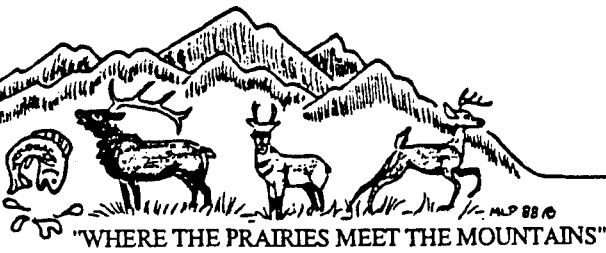
We respectfully request that you give HB 208 a "DO NOT PASS".

Bruce E. Gilbert
P. O. Box 1408
Big Timber, MT
932-4033

7126W

SWEET GRASS COUNTY

EST. 1895



BIG TIMBER, MONTANA 59011

EXHIBIT 11
DATE 1/31/89
HB 208

Rep. J. Herrick

January 30, 1989

To House Taxation Committee:

We would like to go on record as opposing H.B. 208 and the amendments to it.

Negotiations and communications with S.P.G.M. Mining Company and the governing bodies have been working well.

The Hard Rock Mining Impact Act is working well to provide communities a way of mitigating impacts as a result of mining.

We do not need to encumber the system or detour unreasonably industries that will help the economy of our community and our state.

SWEET GRASS COUNTY COMMISSIONERS

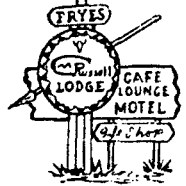
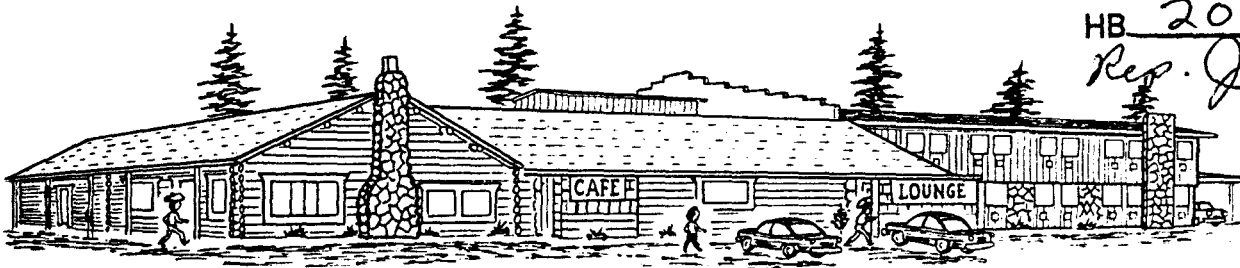
Margaret J. Lueders

Elaine A. Alstead

Norman Starr

EXHIBIT 12
DATE 11/21/89
HB 208

Rep. J. Russell



FRYE'S, INC.

P. O. BOX 670

BIG TIMBER, MONTANA 59011

- JAMES Devenny 932-5124
- Jim Esp 932-5607
- Dave & Sherry Bjorndal 932-4743
- Jeff Cowell 932-4788
- Hiloh Rifle Manufacturing 932-4454
- Bob Flick 932-5380
- Big Sky Plumbing 932-5212
- Ken Dawson 932-4528
- Bill Moen 932-4269
- John Esp 932-5662
- Larry Brewer 932-4217
- Brakke's Body Shop 932-5609
- Kenneth Osen 932-4280
- Wayde & Eleanor Cooperider 932-6594
- Martin Siebert 932-5763
- Buzz Finn (1st Security Bank) 932-5265
- George Ames Sweetgrass CO. Sec'y/Dept 932-5256
- CRAIG SNOODGRASS FRYE'S INC. C.M. RUSSELL LODGE 932-5242

I have personally talked to the individual on this list AND they ARE ALL opposed to HB 208. We recommend A do not pass on HB 208

Ken Dawson

S. L. JOHNSON
A. D. BERG

Oie Motor Company, Inc.

PHONE (406) 932-2999
DRAWER D
BIG TIMBER, MONTANA 59011

EXHIBIT 12
DATE 11/31/89

HB 208

GMC TRUCKS
OLDSMOBILE CARS
PONTIAC CARS
EXXON & ATLAS PRODUCTS
PROPANE GAS

EXXON

Atlas

Leedy Falling - 932-4554
 Steve Johnson - 932-4588
 Oie Motor - 932-5323
 Gemble - 932-5170
 Coast to Coast - 932-5318
 Frosty Fry - 932-5799
 Arlin Const. - 932-4562
 Arlin Excavating - 932-5178
 Big T IGA - 932-5446
 Big Timber Wholesale - 932-5136
 Cole Drug - 932-5316

Lozy J Motel - 932-553
 Lowry Insurance - 932-531
 Modern Auto Body - 932-540
 R+R Locks Plant - 932-53
 Tom Roe + Son - 932-517
 Rues TU - 932-5306
 Solberg - 932-530
 Todd Const - 932-4665
 Ullman's - 932-533
 Yellowstone - 932-439
 Stinson Ford - 932-573
 Bot Four Chev - 932-5465

~~Cole Drug~~ ~~932-5316~~
 Connors Concrete - 932-5783
 Dave's Sinclair - 932-5329
 Jerry's Oil & Gas - 932-5234
 Arnold + Ruth Johnson - 932-4729

I have talked to
 all the above who agree
 nothing should not be stop
 recommend a do not pass
 on HB 208
 Steve Johnson

S. L. JOHNSON
D. BERG

defeat 208

Oie Motor Company, Inc.

PHONE (406) 932-2999
DRAWER D
BIG TIMBER, MONTANA 59011

EXHIBIT 12
DATE 11/31/89



HP 208
GMC TRUCKS
OLDSMOBILE VARS
PONTIAC
EXXON & ATLAS PRODUCTS
PROPANE GAS



Atlas

Phone

Bernard H Rembold	Box 593	Big Timber MT	932 4731
Peggy Stenberg	Box 183		
Owen E Bokman	Box 1168	Big Timber	932-5678
Bernard Rembold	Box 593	Big Timber MT	932-4731
Blair S. Stenberg	Box 14	McLeod.	932 6152
Lawrence Alvestad	" 756	Big Timber	932-5822
John Becker	Box 1167	" "	932-5253
Ray Zindler	Box 935	" "	932-4654
Ed Arlian	Box 189	Big Timber	932-4206
Ben Rausland	Box 2126	Big Timber	932 4157
David F. Walden	Box 4423	Big Timber	932-4314
Chad Foster	Box 683	Big Timber	932-4422
Cullen Foster	" "	" "	" "
Jay Hoyer	Box 811	Big Timber	932-423
Tracy van der Hagen	Box 659	" "	932-4164
Judy van der Hagen	Box 659	" "	" "
Gregory K. Stenberg	Box 14	McLeod MT	932-6152
Al Sweeney	Box 27	Big Timber	
Gene Harper	Box 811	Big Timber	932-423,
Mavis Dennis	Box 703	Big Timber	932-5420

January 31, 1989

House Taxation Committee
Representative Dan Harrington, Chairman

EXHIBIT 13
DATE 1/31/89
HB 208

Re: H.B. 208

Rep. J. Alrescott

Mr. Chairman and Committee Members:

My name is Ralph Holman. I am a ninety per-cent retired contractor, outfitter and rancher. I have paid taxes in Sweet Grass County since 1960 and currently own ranch property and live there. I have no financial interest in any business in Big Timber. I speak in the interest of the future of Sweet Grass County.

I have managed many large construction projects and operated my own company for well over twenty years. I have seen many economically progressive communities and some dying on the vine.

In Big Timber, the County seat of Sweet Grass County, I see an extremely important town where most, if not all, businesses are barely eeking out a living. Where taxes are high and where many important businesses have had to close doors and move out forcing residents to go to larger cities for parts and other services. Where residents had to dig down into their own savings to save a badly needed hospital from closing. Where hundreds of miles of road need improvement or rebuilding. (I have tried for 7 years to get a county road improved, where I have fought foot deep ruts, that the county can't afford to do.) Where our schools and many other forms of improvement are badly needed, and where there is little incentive for our youth to remain.

To raise already high taxes is not the answers. We need John Deer, we need a dry cleaners, a shoe repair shop and many other self-sustaining services. Our county does not benefit from my having to go to Billings for boot and saddle repair, dry cleaning and other services which have been lost. What we do need is the same as what the State of Montana desperately needs. We need additional sources of revenue. We need jobs. We can have a prudently regulated mining operation that will inject new life into a struggling community and our state. To see Big Timber fade into the sunset will certainly not be economically beneficial to the economy of Montana.

The vast majority of people who have invested their dollars in a Big Timber business desperately need this source of revenue, they strongly oppose this legislation as I do, and strongly believe that if added legislation is needed to control mining operations, they have the right to participate in the formulation of same.

The mining people have been delayed for years attempting to appease the unreasonable demands of some whose primary interest is to stop mining. A "DO NOT PASS" is highly recommended. Thank you.

Respectfully submitted

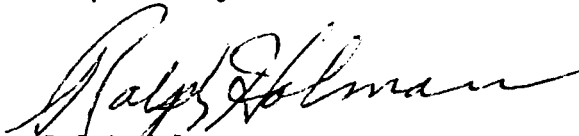

Ralph Holman

EXHIBIT 14

DATE 11/31/89

HB 208

Rep. J. Kriscoll

TESTIMONY BEFORE THE
HOUSE TAXATION COMMITTEE
JANUARY 31, 1989

HB 208

Mr. Chairman, Members of the Committee, my name is Jack Salmond and I am here today to represent the Western Environmental Trade Association or WETA in opposing HB 208.

As you are aware, WETA represents a broad spectrum of interests, including agriculture, labor, recreation, business and industry—including our state's resource industries. Our primary goal is to promote jobs and economic development opportunities for the state of Montana while fully recognizing, and encouraging, the reasonable protection of our physical environment.

HB 208, we believe, is exactly the kind of legislation Montana does not need as we seek to get this state moving forward into the 1990's and beyond. We are at a critical juncture where we have got to stop discouraging industries from doing business in our state by adding more costly regulation and red tape. If we do not, the opportunity for economic growth, and the opportunity for our children to remain in Montana and be a part of her future will be lost to us.

This bill purports to offer protection to communities by expanding the requirements of the Hardrock Mining Act to make it necessary for companies exploring for minerals to prepay property taxes to local governments for any potential impact their activities may produce. What this bill will do however, is drive away industry, drive away jobs for the residents of those communities, and more important, drive away the opportunity for our small towns and cities to support a thriving business community.

EXHIBIT 14
DATE 1/31/89
HB 208
Rep. J. K. Kinsol

Testimony, Page 2

As I mentioned earlier, WETA believes our environment should be protected in a reasonable manner. We also believe the existing laws with regard to hardrock mining provide that protection. Passage of HB 208 will serve only to stifle exploration and economic development.

As a result, WETA encourages this committee to vote no on HB 208.

Thank you again, Mr. Chairman and members of the Committee for the opportunity to offer my comments today.

Lazy J Motel

EXHIBIT 15

DATE 1/31/89

HB 208

Rep. J. J. Shelstead



932-5533

PHONE (406) [REDACTED]
Gary and Meridith Shelstead, owners

P.O. Box 1096

BIG TIMBER, MONTANA 59011

To Whom it May Concern

January 30, 1989

Subject: House Bill 208, Montana

Dear Sirs,

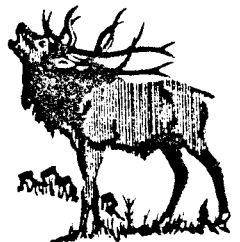
I am writing this letter out of deep concern and strong opposition to the House Bill 208...

Sweetgrass County Montana needs the economic base the proposed mining will bring. As a small business man in the area, we need all the help we can get. We own a small family-run motel, and also operate the local laundromat.. I am also a cattle buyer for feeders in Minnesota, and we have a sheep operation in Big Timber, as well. All of these operations, which I have been involved in here, in Big Timber, tell me we need some economic progress.

We have four children and a son-in-law who have graduated, or will be graduating from Montana State University. My son is attending the University of Montana. My daughter and son-in-law, both of whom graduated from MSU, had to go out of state for work. My second daughter, who will graduate this year is also looking out of state for a teaching position because of better pay. We have paid dearly for their education in this state. We need the mining..

Please ask the people on the street in Big Timber what they want. Let the people of Sweetgrass County vote to mine or not to mine. Remember, the majority of us must work and watch over our businesses and cannot leave them in order to be with you in Helena.

Please help us, turn down House Bill 208.



AIR CONDITIONED - COLORED TV - RADIOS - TUBS AND SHOWERS - PHONES
IN ROOM COFFEE AND TEA

Lazy J Motel

EXHIBIT 15
DATE 1/31/89
HB 208
Rep. G. D. Howell 5533
PHONE (406) 932-
Gary and Meridith Shelstead, owners
P.O. Box 1096
BIG TIMBER, MONTANA 59011

My ewes are lambing, or I would be at your meeting in person.

Respectfully submitted,

Gary Shelstead



Lazy J Motel

Washtub Laundromat

Shelstead Suffolk Sheep

AIR CONDITIONED — COLORED TV — RADIOS — TUBS AND SHOWERS — PHONES
IN ROOM COFFEE AND TEA

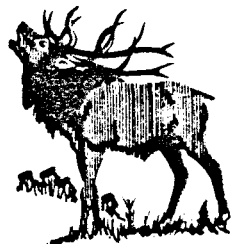


EXHIBIT 16
DATE 11/3/89
HB 35
Rep. H. Harrington

Amendments to House Bill No. 35
First Reading Copy

Requested by the House Bill 35 Subcommittee of House Taxation
For the Committee on Taxation

Prepared by Dave Bohyer
January 31, 1989

1. Title, line 4.
Strike: "GENERALLY"
2. Title, line 5.
Following: "CLARIFYING"
Insert: "CERTAIN"
3. Title, lines 9 and 10.
Following: "STORAGE;" on line 9
Strike: "CLARIFYING PROVISIONS RELATING TO PER CAPITA TAX ON
LIVESTOCK; CLARIFYING SWINE VALUATION PROCEDURES;"
4. Title, lines 12 through 14.
Following: "TON;" on line 12
Strike: the remainder of line 12 through line 14
5. Title, line 16.
Following: "15-24-902"
Strike: "THROUGH"
Insert: ", 15-24-903, AND"
6. Title, line 17.
Strike: line 17 in its entirety
7. Title, line 18.
Following: "SECTIONS"
Strike: "15-8-401 THROUGH 15-8-407,"
8. Title, line 19.
Strike: "15-24-926,"
9. Page 5, line 2.
Following: "exceed"
Strike: "16,000"
Insert: "18,000"
10. Page 5, line 4.
Following: "mining"
Strike: "/"
Insert: "or"
Following: "quarrying"
Strike: ", or earthmoving"

11. Page 5, line 20.

Following: "~~March~~"

Strike: "January"

Insert: "March"

12. Page 6, line 12.

Following: "~~and~~"

Insert: ", other than livestock,"

13. Page 7, lines 5 and 6.

Following: "~~grain,~~" on line 5

Strike: the remainder of line 5 through "ton" on line 6

14. Page 7, line 25.

Following: "on"

Strike: "January"

Insert: "March"

15. Page 8, line 3.

Following: "of"

Strike: "January"

Insert: "March"

16. Page 8, line 10.

Following: "on"

Strike: "January"

Insert: "March"

17. Page 8, line 20 through page 9, line 3.

Strike: section 10 in its entirety

Renumber: subsequent sections

18. Page 9, line 10.

Following: " state after"

Strike: "January"

Insert: "March"

19. Page 10, line 3 through page 16, line 17.

Strike: sections 12 through 17 in their entirety

Renumber: subsequent sections

20. Page 16, lines 18 and 19.

Following: "Sections" on line 18

Strike: "15-8-401 through 15-8-407,"

21. Page 16, line 19.

Strike: ", 15-24-926,"

22. Page 16, lines 21 through 24.

Strike: section 19 in its entirety

Renumber: subsequent sections

VISITORS' REGISTER

HOUSE TAXATION

COMMITTEE

BILL NO. HB 208

DATE January 31, 1989

SPONSOR Rep. J. Driscoll

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
<i>Tom Stora</i>	Commissioner Sweet Grass Co. City Councilman		X
CRAIG SNODGRASS	Box 44 BIG TIMBER		X
<i>Hal M. Holman</i>	Box 487 Big Timber, 938-6588		X
JOHN O. DRIVDAHL	Box 521 BIG TIMBER, MT.		X
Kenneth D. Conner	Box 801 Big Timber mt.		X
Gene D. Langhus	P.O. Box 1042 Big Timber MT		X
Ron Riter	S.C. Chamber of Commerce Box 1306 Big Timber MT		X
Elaine K. Auestad	Sweet Grass County Commissioner, District P.O. Box 1046		X
Bob Faw	Big Timber, MT.		X
MEL LAWSON	BOX 789 BIG TIMBER, MT.		X
Bob Dozier	Reed Point Mt. N.P.R.C.	X	X
<i>Gary A. Lunsford</i>	Montana Mining Assn. Helena		X
<i>Jack Holman</i>	Western Environmental Education		X
<i>Dade Tyler</i>	Big Timber, MT.	X	
<i>Helen Clark</i>	McLeod, MT	X	
<i>Jean Clark</i>	McLeod, MT.	X	
<i>Paul A. Hanks</i>	Melville, MT	X	
<i>Maxim Barber</i>	Big Timber		X
<i>Ted J. Doney</i>	Helena ASARCO		X
<i>John Fitzpatrick</i>	Pegasus Gold Helena		X

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

ROLL CALL VOTE

TAXATION

COMMITTEE

DATE 1/31/89 BILL NO. 215 NUMBER _____

NAME	AYE	NAY
Cohen, Ben	✓	
Driscoll, Jerry	✓	
Elliott, Jim	✓	
Ellison, Orval		✓
Giacometto, Leo		✓
Gilbert, Bob		✓
Good, Susan		✓
Hanson, Marian		✓
Hoffman, Robert	✓	
Koehnke, Francis	✓	
O'Keefe, Mark	✓	
Patterson, John		✓
Raney, Bob	✓	
Ream, Bob	✓	
Rehberg, Dennis	✓	
Schye, Ted	✓	
Stang, Barry "Spook"	✓	
Harrington, Dan, Chairman	✓	

TALLY

LaMara John
Secretary

12 6
Ream
Chairman

MOTION: Motion to Repeal by Rep.
Ream carried 12 to 6.