MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Senator Bob Brown, Chairman, on Wednesday, March 1, 1989, at 8:00 a.m.

ROLL CALL

Members Present: Senator Brown, Senator Hager, Senator Norman, Senator Eck, Senator Halligan, Senator Walker, Senator Harp, Senator Gage, Senator Severson, Senator Mazurek, Senator Crippen

Members Excused: None

Members Absent: None

Staff Present: Jill Rohyans, Committee Secretary
Jeff Martin, Legislative Council

Announcements/Discussion: None

HEARING ON HOUSE BILL 35

Presentation and Opening Statement by Sponsor:

Representative Harrington, District 68, sponsor, said the bill was requested by the County Assessors Association in order to change the classification of ore haulers and ton and 3/4 ton trucks.

List of Testifying Proponents and What Group they Represent:

Marvin Barber, Montana County Assessors Association
Ron DeYong, Montana Farmers Union

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Marvin Barber, Montana County Assessors, said in 1987 the taxable value of two ton and over trucks was reduced from 16% to 11%. However, one and one and a half ton trucks were still taxed at 13%. This bill simply brings the one and one and a half ton trucks to the 11% level. Perishable products and agricultural grain in storage was exempt in 1987 but one section of statute left then in so that is being taken out in this bill. An ore hauler and its use is defined in this bill. Also, the situs of assessed property as of the assessment date is established in the bill.

Ron DeYong, Montana Farmer's Union, expressed support for the bill.

Questions From Committee Members: None

Closing by Sponsor:

Representative Harrington said he felt the bill is important in terms of fairness and parity and urged the committee to pass the bill.

HEARING ON HOUSE BILL 212

Presentation and Opening Statement by Sponsor:

Representative Guthrie, District 11, sponsor, said the bill increases the county bridge levy from 4 to 8 mills. It also strikes language in the statute regarding lineal footage requirements since many of the bridges are being replaced with culverts and the language is no longer necessary.

List of Testifying Proponents and What Group they Represent:

Brad DeZort, Chairman, Teton County Commissioners
Gordon Morris, Montana Association of Counties

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Brad DeZort, Chairman, Teton County Commissioners, said there are a total of 275 bridges in Teton County. There are five irrigation districts which necessitate that number of bridges twenty feet in length or longer. The five mill level in Teton County only generates about $80,000 which does not allow any replacement work and only provides for some basic maintenance. It costs a minimum of $120,000 to replace bridges. He noted in a recent poll of taxpayers in Teton County roads and bridges came in number 3 behind law enforcement and fire protection out of a list of 24 services. He felt the increase was imperative in order to maintain the agriculture infrastructure in the county.

Gordon Morris, Montana Association of Counties, presented the committee with a resolution adopted by the Association regarding bridge mill levies (Exhibit #1). He also gave the committee material regarding transportation philosophy (Exhibit #2) and county bridge fund budgets (Exhibit #3). There are 2142 bridges in the state. A task force several years ago identified 919 of the bridges were structurally deficient and since that time the situation has only worsened. Mr. Morris pointed out that under the provisions of I105 language in the statutes, this would not be an automatic mill levy increase, rather it would be implemented by a reduction of millage in other areas of the county budget.

Questions From Committee Members:

Senator Halligan asked if highway reconstruction money can be used for bridge reconstruction.

Mr. Morris replied the state should be using some federal money for off system bridge work, but he was unsure just how much is available.

Closing by Sponsor:

Representative Guthrie closed by pointing out the last amendment to the bridge tax was passed in 1979. He commented there has been quite a lot of water under the bridge since that time.

HEARING ON SENATE BILL 451

Presentation and Opening Statement by Sponsor:

Senator Gage, District 5, sponsor, said the bill has been introduced at the request of the Governor. In order to attract economic development and new business to the state it is necessary to have a solid tax and economic base which currently does not exist in Montana. This bill brings personal property tax rates to a standard 4% level over 4 years. The largest part of the bill deals with the effect on county classification, bonded indebtedness and debt limitations of counties and school districts with regard to the reduction of rates to 4%. He noted the fiscal note is very large but this is a matter of pay now or pay later.

List of Testifying Proponents and what Group They Represent:

Ken Nordtvedt, Director, Department of Revenue
Dennis Burr, Montana Taxpayers Association
Dan Snyder, Montana Broadcasters Association
Don Peoples, Chief Executive, Butte-Silverbow
Kay Foster, Billings Chamber of Commerce
Alex Hanson, Montana League of Cities and Towns
Loren Frank, Montana Farm Bureau

List of Testifying Opponents and What Group They Represent:

Jack Copps, Office of Public Instruction
Eric Feaver, Montana Education Association
Pat Melby, Underfunded School Districts
Terri Minnow, Montana Federation of Teachers and Montana Federation of State Employees
Ron DeYong, Montana Farmers Union
Ann Prunuske, Montana Alliance for Progressive Policy
Don Judge, AFL-CIO

Testimony:

Ken Nordtvedt, Director, Department of Revenue, said the bill takes present personal property tax classification rates which range from 4% to 16% and phases them to a common rate of 4% over four years. The loss to the tax base when the common rate is down to 4% would amount to $40 million a year. The fiscal impact this biennium would be $20 million.

Some items are eliminated from personal property taxes such as independent telephone personal property, shop tools, hand tools and equipment, locally assessed utility equipment, saddles and tack, portable drilling rigs and seismic equipment, and CB's and mobile telephones.

Replacement revenues are provided on a dollar for dollar basis to cities and counties although Director Nordtvedt would prefer to replace it on a block grant basis. Local schools would have revenue replaced by increases in the foundation schedule and decreasing the voted levies.

Director Nordtvedt commented that Montana does not begin to compete with other states in personal property tax rate, ours being among the highest. He said the time is right to begin to change that situation and urged the committee to pass the bill.

Dennis Burr, Montana Taxpayers Association, said the bill is a good attempt to restore balance to the property tax system. In 1975 the classification rate on real estate and improvements was 12%. Most of the personal property was classified at that time at 11%, 13%, or 16% of market value. In 1976, the state adopted the reappraisal process, raised the values on real estate and improvements by 47% and the legislature dropped the classification to 8.55% due to the windfall created by the reappraisal. That was based on 1972 market values.

The personal property values remained at the 11%, 13%, and 16% classification of current market values every year. In 1986 the same thing happened again and real estate and improvements rate dropped to 3.86% and personal property remained at the same three levels. As a result, Montana has the highest property tax rates in the nation and highest mill levies. The low classification on real estate and improvements ends up with an effective tax rate of about 1.3% which is very close to the national average. The tax rate on personal property gives a combined average of about 4.5%. Wyoming has a rate of less than 1% and North Dakota, South Dakota, and Minnesota exempt personal property altogether. Our personal property tax base is declining in this state as a lot of the personal property is leaving the state and going to those states where the tax rate is much lower. Over time, this bill will bring personal property rates down close to the rate of real estate and improvements and will bring Montana in line with the national average.

Mr. Burr said his only criticism of the bill is that it takes too long to get the job done. He felt there should be consideration given to a different method of replacing revenue to local governments and schools. With those reservations he wholeheartedly supported the bill.

Dan Snyder, Montana Broadcasters Association, said broadcasters in Montana need property tax relief. The 16% tax rate makes it very difficult to compete in the marketplace. Many stations have seen a drastic decline in revenue and large declines in operating income. He said it now costs approximately $3 million, without land or building, to equip a television station and about $400,000 to equip a radio station in Montana. In the Helena area in two stations the profit has gone from $184,000 in 1984 to less than $10,000 in 1988. Mr. Snyder said they paid more taxes last year than they made in profit. He asked the committee to give serious consideration to the bill.

Don Peoples, Chief Executive, Butte-Silverbow, expressed support for the bill with some reservations. The concern with the bill deals with the dollar for dollar replacement and the assurance of that replacement being made. He emphasized personal property taxes are a problem citing the case of a $50 million facility wanting to locate in the state but facing $2 million in taxes. The same facility would pay $1-$1.2 million in neighboring states. Montana just cannot compete. He again stressed the importance of the dollar for dollar replacement to cities and towns especially when there is not an identified source for the replacement money.

Kay Foster, Billings Chamber of Commerce, said the bill will bring the property tax base in line with surrounding states. She said Billings is also interested in the proposed $50 million facility and reiterated the testimony by Mr. Peoples that Montana just cannot compete in the area of taxation.

Alex Hanson, Montana League of Cities and Towns, said Montana needs to be more competitive in tax areas to attract new business and keep existing businesses in the state.
He felt the provision for dollar for dollar replacement is awkward and needs to be reworked. He expressed concern for the source of replacement money.

Loren Frank, Montana Farm Bureau, expressed support for the bill.

OPPONENTS:

Jack Copps, Department of Public Instruction, said the bill is incomplete and flawed. He said the dollar for dollar replacement needs to be defined as to source of money and implementation. Losses for school districts are substantial and the replacement money is not identified. He said the bill represents a $4 million loss to schools, $7.5 million loss to the foundation program, and a $999,000 loss to the university system. He urged the committee not to compound the problem and cut taxes at the expense of schools.

Eric Feaver, Montana Education Association, supported the testimony given by Mr. Copps. He said there is clearly something wrong with the system of taxation in this state. He said, however, if this plan is to be implemented, there has to be replacement revenue clearly identified and it must flow consistently and fairly. He said there is no relationship between ANB and property taxes.

Pat Melby, representing the underfunded school districts, said there will be a loss in excess of $8 million in 1990 to schools in the mandatory, permissive and voted levies as a result of this bill. The fiscal note says there will be an appropriation of $1.5 million to replace that loss. That is a net loss of $6.5 million to schools in 1990. In 1993, at full implementation, there would be a $24 million loss and there is a cap of $16.5 million for replacement revenues. The revenue does not go back to the school districts that have lost it, it goes to all the schools, whether they have lost revenues from this bill or not. He opposed the bill as schools will have to go to the taxpayer to raise money through higher voted levies.

Terri Minnow, Montana Federation of Teachers and Montana Federation of State Employees, also expressed concern for replacement money in opposing the bill.

Ron DeYong, Montana Farmers Union, stated his organization would choose the present property tax system with its inequities and problems hands down over a sales tax.

Chuck Stearns, Finance Officer, Missoula, said the Missoula City Council opposes the bill. He felt there is not a dollar for dollar replacement, quoting page 64, line 8, which says there is only an 80% replacement the first year and it is not until the sixth year the break even point is reached. Mr. Stearns submitted a chart detailing the effect of the bill on the city of Missoula (Exhibit #4). He expressed concern that the bill would shift the burden of property tax from 39% to 43% of the residential property taxpayers.

Ann Prunuske, Montana Alliance for Progressive Policy, agreed with the concerns expressed regarding the replacement and funding of the bill and urged the committee to defeat it.

Don Judge, Montana AFL-CIO, echoed the concerns re the loss of revenue and where replacement revenue would be found. He said the Governor is jumping soundly on the bandwagon for a sales tax in this bill. The citizens of Montana will have to bear the burden of paying for this bill while out-of-state based companies will get the benefits of the tax breaks.

Questions From Committee Members:

Senator Eck asked what the effect of the bill would be on railroads and airlines.

Director Nordtvedt replied there would be no reduction on utilities. He did not know the specific impact on railroads and airlines. He said he understood they do not have much personal property as they are centrally assessed.

Senator Crippen said he felt there would be a substantial reduction in railroad taxes over the four year period. He also said he was mystified as to where the revenue is coming from to fund the bill.

Director Nordtvedt replied, "if you look at the balanced budget presentation we made in January, there is a $20 million item in there. So, in the present budget, we have budgeted for not only the replacement revenue that we will actually send to local cities and towns, and the actual money we'll pump in the higher foundation schedules to replace local school impact - that $20 million includes covering the state's responsibility to the university levy and to the state component of school finances. That $20 million is the whole total fiscal impact of the reductions this biennium and it is completely covered - both the local replacement and essentially replacing within our own budget the state's ability to cover it's responsibilities. But let me get to the local issue. First of all, cities and towns. I distinctly remember myself getting up here and saying we're pledged to a dollar per dollar replacement to local cities and counties in the replacement revenues. And we worked out a formula to do that and I don't understand the impression that we're not pledged to do that for cities and counties. Now there may be some confusion because when you collect personal property taxes some of them are collected in November and May like real property, some personal property taxes are collected at a funny time of the year, say April or so. So where they fall in the fiscal years doesn't always line up so we're trying to make the cash flow of state reimbursement match when the cash flow would be if they remained on the rolls of personal property. In any case, if there is disagreement between people as to whether we do have dollar for dollar replacements for cities and counties, we'll certainly talk and work with them and try to convince them that it is dollar per dollar and if there's some technical flaws in the language make sure that it is."

"Now we get to schools. I am absolutely astounded that a lawyer representing the plaintiffs in the recent Supreme Court case which says that we have to have a more equalized school funding system is now calling for dollar for dollar replacement of local school impacts of this bill. As Dennis Burr said, there are some school districts that are rich in personal property and there are some that are total personal property. It is one of the reasons we had the lawsuit. That the property tax base is not evenly distributed in the state and to the extent that schools rely on voted levies some are rich and some are poor. So here is the state, now, going to reimburse the schools of Montana for personal property tax reductions and we're going to carry out - the recommendation of the administration is to do it according to the way the court told us to do it. To equalize (noise on tape) increasing the schedules of the foundation program. Now if you want to go back to a dollar for dollar replacement of the local impacts for schools and reward the rich districts with more replacement revenue and the poor districts with less, then you take it as your responsibility to fly in the face of the court order. But the administration believes we must replace this revenue according to greater equalization of the foundation program. We'll add up the total impacts on local schools in this base year and those total dollars will pour back to the schools in higher schedules and equalized taxes."

Senator Crippen asked if it is true that the administration is going in feet first up to its neck in the sales tax.

Director Nordtvedt replied, "I sense an ambush here knowing that you signed on certain bills. The administration has not taken a position yet on any of the revenue issues. We feel if we start talking about different revenue sources before the school equalization bill is on the Governor's desk it would cloud the issue. But anyway, we are pledged to a 100% replacement of lost revenues from personal property. Dollar per dollar for cities and counties, and we believe because of the court order, we have to do it with the schools through the foundation program which is the one recognized mechanism that has been accepted as an equalized way to fund our schools. If you want to do it a different way you take the responsibility."

Senator Harp said it appears $49 million will be needed to fund education. He asked where the administration proposes to get that revenue.

Director Nordtvedt said, "the administration will look at the economy as we approach the next - first of all, we presented a revenue source to balance this biennium's budget and that includes this biennium's installment of this bill. But for the future biennium, as we pointed out in January, we have a carryover of the past, that is, of the spending level gap between our ongoing revenue level, and as we approach the next legislative session and present the proposed budget to that session if the economy hasn't changed enough to close that gap we will propose new revenue sources necessary have a balanced budget."

Senator Severson said instead of going to a 4% level, we should just go to a 1 and 1/2% cap based on proposition 13 in California.

Director Nordtvedt the only problem with a proposition 13 type cap is that you will bind some cities and counties much more stringently than others. He felt it would be difficult for the state to impose a cap like that on each and every local government.

Senator Severson said we have to do it schools and we did it to vehicles. He contended if you are going to do it, you might as well go the whole route.

Director Nordtvedt said you do not have to agree with the Court decision to respond to it and the response may not be the wisest course, but the response has to be made. If we do not address city and county funding, we may have to as a response to a lawsuit in that area.

Senator Crippen asked Mr. Judge if he had said he did not think personal property taxes are excessively high in Montana.

Mr. Judge said he did not say that. He said there is a perception that our tax system is out of balance and that personal property taxes are part of that problem. He felt that a combination of progressive tax reform could include the establishment of higher and more equitable statewide mill levy for foundation program funding than has been proposed at 20 mills. The property tax base has to be spread out and the income tax system should be reformed so that those who are not currently paying taxes begin to do so and those who are not paying their fair share, by virtue of income level, would begin to pay. The tax base could be spread out to cover items not currently being taxed. Mr. Judge felt there is a way to adjust all the systems to avoid a sales tax and yet capture the revenue needed to operate state and local governments and schools.

Senator Halligan asked Director Nordtvedt if the administration had looked at corporate income tax as far as some progressive rates might be applied.

Director Nordvedt replied the trouble with progressive rates is that corporations are owned by shares of stock. He said there is no connection between the size and the cold wealth per share. In most cases a progressive corporate income tax makes no conceptual sense at the upper end.

Senator Eck asked if it would be possible to get a print out of a dollar for dollar replacement of personal property tax for cities, counties, and school districts versus what it would be under this bill.

Steve Bender, Deputy Director, Department of Revenue, said they have most of that information and would provide it to the committee.

Senator Norman asked if the six mill university levy loss of revenue has been included in the budget.

Director Nordtvedt responded it is covered in the $20 million budget line item for replacement costs.

Senator Norman asked if it is a fair statement to say that personal property in the text of this bill is mostly commercial property and agricultural property.

Director Nordtvedt said if it were lumped into categories the biggest would be agricultural probably followed by corporate property. These two categories would probably constitute almost half of the personal property tax paid.

Closing by Sponsor:

Senator Gage closed by saying if we do not have a low tax base with some stability we have no climate for economic development. This certainly does not exist in Montana at present. It is going to be necessary for everyone to take a little leap of faith and commit to a new system of spreading the tax load in Montana. In return, we will spur new economic development which will broaden the tax base and make it easier for everyone.

ADJOURNMENT

Adjournment At: 10:00 a.m.

Bob Brown

SENATOR BOB BROWN, Chairman

BB/jdr

MIN301.jdr

ROLL CALL

TAXATION COMMITTEE

51st LEGISLATIVE SESSION -- 1989 Date 3/1/89

NAME	PRESENT	ABSENT	EXCUSED
SENATOR BROWN	X		
SENATOR BISHOP	X		
SENATOR CRIPPEN	X		
SENATOR ECK	X		
SENATOR GAGE	X		
SENATOR HAGER	X		
SENATOR HALLIGAN	X		
SENATOR HARP	X		
SENATOR MAZUREK	X		
SENATOR NORMAN	X		
SENATOR SEVERSON	X		
SENATOR WALKER	X		

Each day attach to minutes.

#1.

SENATE TAXATION

EXHIBIT NO. 1

DATE 3/1/89

BILL NO. HB 212

RESOLUTION 88- 7

BRIDGE MILL LEVY

WHEREAS, the present mill formula for county funding is inadequate to cover bridge replacement because of lost county revenues, increased labor and material costs, inflation, and new safety standards; and

WHEREAS, County Commissioners need flexibility in determining their own county's needs and ability to pay.

NOW THEREFORE BE IT RESOLVED that the Montana Association of Counties draft legislation to amend section 7-14-2502 to allow a maximum of 8 mills ~~with linear footage adjustments as provided by law~~.

SPONSORED BY: District 5

PRIORITY: HIGH

APPROVED: JUNE 15, 1988

SENATE TAXATION
EXHIBIT NO. 2
DATE 3/1/89
BILL NO. HB 313

IV. TRANSPORTATION/INFRASTRUCTURE

BASIC PHILOSOPHY

TRANSPORTATION

It shall be the policy of the Montana Association of Counties to:

1) Promote, offer suggestions and new ideas, investigate methods and research costs of providing improved and economical transportation for the public.

2) Coordinate transportation planning for all units of local government below the state level.

3) Consciously use and plan county roads as tools to encourage proper land use. The location of roads is a major factor in the pattern of controlled land development. Carefully planned road locations and reconstruction may promote proper land use.

4) Encourage improvements in signing, reconstruction and new construction based on a thorough study of available information. Efforts should be directed to develop a road and sign inventory using a uniform system.

5) Urge legislation or policy aimed at placing disposition of road funds at the county level.

6) Work with individual counties to develop road standards applicable to the county situation.

7) Pursue the development of planning, design, construction and specifications manuals for county government and seek state or federal funding for the project.

8) Obtain a permissive levy for county roads to allow county government to meet their transportation obligation to the citizens and to pursue other alternatives to funding roads.

9) Work with the Department of Highways on the maintenance responsibilities of unclassified roads.

10) Seek legislation to require state maintenance of all secondary roads that were completely paved by counties prior to 1977.

11) Seek legislation to broaden tax levy authority under MCA 7-14-2502 to allow a maximum bridge levy of 8 mills.

12) Seek legislation to secure state and federal assistance in the construction and maintenance of roads used for recreational purposes or for access to public lands while granting counties greater discretion in determining road status and funding priorities.

INFRASTRUCTURE FUND

Montana Counties support legislation that would create a State Infrastructure Fund designed to address the needs of Montana as they are were identified in the Governor's Infrastructure Task Force Report, as submitted to the 1985 Legislature, and by local communities.

FY 1989 COUNTY BRIDGE FUND BUDGETS

BUDGETED EXPENDITURES AND REVENUES FY 89

COUNTY	POPULATION	COUNTY MILL VALUE	TOTAL BUDGETED EXPENDITURES	TOTAL NON-TAX REVENUES	PROPERTY TAX REVENUE	FY 88-89 MILL LEVY	PER CAPITA LEVY	BUDGETED CASH RESERVE
BEAVERHEAD	8,400	$14,750	$195,527	$155,201	$73,750	5.000	$8.78	$33,424
BIG HORN	11,000	$105,393	$219,366	$10,600	$103,327	0.980	$9.39	$43,873
BLAINE	6,900	$30,584	$226,000	$20,103	$162,090	5.300	$23.49	$20,000
BROADWATER	3,700	$11,106	$0	$0	$0	0.000	$0.00	$2,622
CARBON	8,300	$25,378	$162,030	$16,700	$101,587	4.003	$12.24	$54,010
CARTER	1,700	$5,074	$85,000	$600	$20,296	4.000	$11.94	$34,717
CASCADE	78,100	$90,330	$395,787	$34,998	$361,320	4.000	$4.63	$69,101
CHOUTEAU	5,800	$25,976	$119,446	$1,000	$103,904	4.000	$17.91	$21,000
CUSTER	12,700	$14,941	$52,022	$4,935	$34,314	2.297	$2.70	$14,509
DANIELS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$0
DAWSON	10,500	$22,336	$144,738	$11,025	$111,982	5.000	$10.66	$35,063
DEER LODGE	10,000	$8,680	$0	$0	$0	0.000	$0.00	$0
FALLON	3,500	$70,173	$550,824	$12,495	$7,558	0.108	$2.16	$183,608
FERGUS	12,300	$20,096	$104,200	$20,717	$76,364	3.800	$6.21	$18,146
FLATHEAD	58,200	$84,875	$510,760	$41,200	$339,500	4.000	$5.83	$12,341
GALLATIN	48,700	$65,720	$298,034	$33,450	$182,528	2.777	$3.75	$92,000
GARFIELD	1,600	$6,569	$65,000	$9,250	$26,275	4.000	$16.42	$5,233
GLACIER	11,200	$33,228	$187,400	$18,000	$51,920	1.563	$4.64	$46,850
GOLDEN VALLEY	1,100	$4,858	$30,365	$950	$19,472	4.008	$17.70	$9,000
GRANITE	2,700	$6,947	$16,272	$390	$5,626	0.810	$2.08	$5,424
HILL	17,800	$37,935	$247,876	$8,305	$151,739	4.000	$8.52	$35,000
JEFFERSON	8,300	$20,421	$107,327	$2,356	$33,061	1.619	$3.98	$35,417
JUDITH BASIN	2,500	$8,324	$42,877	$9,158	$38,377	4.610	$15.35	$0
LAKE	21,000	$30,486	$180,000	$13,491	$121,944	4.000	$5.81	$9,720
LEWIS & CLARK	46,800	$65,524	$267,988	$27,800	$232,610	3.550	$4.97	$45,000
LIBERTY	2,300	$13,930	$169,327	$3,225	$55,766	4.003	$24.25	$12,500
LINCOLN	19,000	$31,505	$0	$0	$0	0.000	$0.00	$0
MADISON	5,700	$16,922	$95,145	$4,473	$39,428	2.330	$6.92	$21,350
McCONE	2,500	$8,544	$57,000	$2,900	$42,723	5.000	$17.09	$18,229
MEAGHER	2,100	$7,973	$38,147	$2,279	$31,918	4.003	$15.20	$6,000
MINERAL	3,500	$7,762	$2,350	$30	$0	0.000	$0.00	$783
MISSOULA	78,400	$113,133	$457,007	$32,333	$452,031	3.996	$5.77	$4,526

FY 1989 COUNTY BRIDGE FUND BUDGETS

BUDGETED EXPENDITURES AND REVENUES FY 89

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MUSSELSHELL	4,500	$14,122	$0	$0	$0	0.000	$0.00	$0
PARK	12,300	$20,163	$87,850	$7,790	$73,395	3.640	$5.97	$22,718
PETROLEUM	600	$3,032	$17,000	$0	$7,580	2.500	$12.63	$1,528
PHILLIPS	5,400	$32,839	$585,500	$25,590	$197,034	6.000	$36.49	$126,878
PONDERA	6,600	$17,984	$97,541	$4,100	$71,936	4.000	$10.90	$18,000
POWDER RIVER	2,300	$17,373	$0	$0	$0	0.000	$0.00	$0
POWELL	6,900	$11,107	$89,214	$25,872	$27,767	2.500	$4.02	$8,250
PRAIRIE	1,600	$4,327	$29,750	$810	$11,675	2.698	$7.30	$9,584
RAVALLI	25,200	$28,204	$171,086	$15,350	$135,938	4.820	$5.39	$39,861
RICHLAND	12,100	$66,400	$381,572	$13,469	$164,059	2.471	$13.56	$10,500
ROOSEVELT	11,200	$44,525	$403,990	$6,500	$133,574	3.000	$11.93	$134,660
ROSEBUD	12,300	$214,532	$154,345	$2,000	$97,428	0.454	$7.92	$46,304
SANDERS	8,800	$29,588	$173,000	$5,000	$158,003	5.340	$17.95	$34,949
SHERIDAN	5,300	$38,804	$250,000	$7,425	$0	0.000	$0.00	$31,750
SILVER BOW	33,700	$37,454	$180,178	$24,249	$137,157	3.662	$4.07	$30,000
STILLWATER	6,200	$17,962	$101,376	$8,304	$89,809	5.000	$14.49	$21,886
SWEET GRASS	3,100	$7,014	$36,663	$2,255	$22,094	3.150	$7.13	$7,333
TETON	6,100	$16,032	$120,000	$1,377	$96,192	6.000	$15.77	$19,655
TOOLE	5,200	$30,322	$127,416	$1,500	$50,031	1.650	$9.62	$41,882
TREASURE	1,000	$4,415	$58,048	$3,569	$26,481	5.998	$26.48	$19,349
VALLEY	8,600	$29,746	$200,000	$8,540	$171,932	5.780	$19.99	$65,662
WHEATLAND	2,200	$7,119	$46,500	$3,145	$28,199	3.961	$12.82	$11,625
WIBAUX	1,300	$16,701	$323,907	$1,856	$50,104	3.000	$38.54	$7,000
YELLOWSTONE	118,100	$198,881	$555,053	$39,250	$521,068	2.620	$4.41	$225,193
TOTAL	809,500	$1,924,788	$9,279,512	$722,740	$5,285,912	2.746	$6.53	$1,824,013
FY 88 TOTAL	818,800	$1,982,798	$9,751,764	$896,573	$5,438,381	2.743	$6.64	$2,005,954
% CHANGE	-1.1%	-3.0%	-5.1%	-24.1%	-2.9%	0.1%	-1.7%	-10.0%

SENATE TAXATION
EXHIBIT NO. 3
DATE 3/1/89
BILL NO. HB 313

#4

SENATE TAXATION
EXHIBIT NO. 4
DATE 3/1/89
BILL NO. SB 451

EFFECT OF PROPERTY TAX LEGISLATION ON THE CITY OF MISSOULA
SENATE BILL #451
PREPARED: 02/28/89

TAX YEAR	FISCAL YEAR	PROPERTY TAXES LOST	STATE REIMBURSEMENT	NET	RUNNING BALANCE
1989	FY90	$0.00	$0.00	$0.00	$0.00
1990	FY91	($154,432.92)	$123,545.60	($30,887.32)	($30,887.32)
1991	FY92	($280,374.10)	$200,762.80	($79,611.30)	($110,498.62)
1992	FY93	($406,315.01)	$355,195.72	($51,119.29)	($161,617.92)
1993	FY94	($532,256.42)	$509,628.64	($22,627.78)	($184,245.70)
1994	FY95	($532,256.42)	$617,731.68	$85,475.26	($98,770.44)
1995	FY96	($532,256.42)	$617,731.68	$85,475.26	($13,295.18)
1996	FY97	($532,256.42)	$617,731.68	$85,475.26	$72,180.08
1997	FY98	($532,256.42)	$617,731.68	$85,475.26	$157,655.34
1998	FY99	($532,256.42)	$617,731.68	$85,475.26	$243,130.60
1999	FY2000	($532,256.42)	$617,731.68	$85,475.26	$328,605.86

PRESENT VALUE OF ELEVEN YEARS OF CASH FLOWS $126,273.68

DATE 3/1/89

COMMITTEE ON Taxation

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppo
Marvin Barber	MT. Assessors	HB 35	X	
Ron DE Yong	Mt. Farmers Union	HB 35	X	
Dan Snyder	Montana Broadcasters	SB451	X	
Brad DeZort	Teton Co	HB 212	X	
Lorna Frank	Farm Bureau	SB451 HB35	X	
Shelly Laine	City of Helena	SB451	generally	
Chuck Stearns	City of Missoula	SB451		X
Ron DE Yong	Mt. Farmers Union	SB451		X
Elaine Mitchell	Cut Bank Chamber	SB451	X	
Gordon Morris	MACo	HB212	*	
Don Ingels	Mt Chamber of Commerce	451	X	
Dennis Burr	Montana Taxpayers	451	✓	
Don Judge	MT STATE AFL-CIO	451		X
Jim [illegible]	MAPP	451		X
Pat Melby	Underfunded School Coalition			X
Kay Foster	Billings Chamber	451	✓	

(Please leave prepared statement with Secretary)