

MINUTES

MONTANA SENATE
51st LEGISLATURE - SPECIAL SESSION

COMMITTEE ON TAXATION

Call to Order: By Senator Bob Brown, on June 27, 1989, at
8:00 a.m.

ROLL CALL

Members Present: Senator Brown, Senator Hager, Senator
Norman, Senator Eck, Senator Bishop, 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 SENATE BILL 23

Presentation and Opening Statement by Sponsor:

Senator Rapp-Svrcek, District 26, sponsor, said the bill is
the same as was introduced in the regular session. It
has no fiscal impact and phases in property taxes on
new mobile homes as well as taxes on improvements on
existing mobile homes.

List of Testifying Proponents and What Group they Represent:

Tom Hopgood, Montana Association of Realtors
Bonnie Tippy, Montana Manufactured Housing and RV
Association

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Tom Hopgood, Montana Association of Realtors, said this bill is a step in the right direction in the search for lower property taxes.

Bonnie Tippy, Montana Manufactured Housing and RV Association, urged the committee to give favorable consideration to the bill.

Questions From Committee Members: None

Closing by Sponsor:

Senator Rapp-Svrcek said the bill does not cost local governments or other entities any money. It is just a token gesture, but an important one. He urged the committee to pass the bill.

HEARING ON SENATE BILL 21

Presentation and Opening Statement by Sponsor:

Senator Halligan, District 29, sponsor, said the bill provides for an incentive to prevent the exodus of obstetricians from Montana. The bill is the same as Senator Crippen's bill dealing with accelerated reporting of income and has the provision for capital outlay, but also establishes a refundable credit against premiums paid by obstetricians. The bill is phased in from 25% to 50%. There is a requirement in the bill which states before the credit could apply there has to be certain medicaid eligible population or a threshold number of babies delivered. Essentially, the bill would require a doctor to have his full practice in the obstetrics field

List of Testifying Proponents and What Group they Represent:

Mike Holland, Montana Association of CPAs

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Mike Holland, Montana Association of CPAs, said they support the estimated tax bill with the provision that

the penalty and interest provisions be amended to allow for either penalty or interest, but not both. Federal law has a penalty provision that is computed like interest.

Questions From Committee Members: None

Closing by Sponsor:

Senator Halligan closed by saying the subject of rural obstetrical care is very serious in Montana. He said this may be an extreme remedy, but it does have to be looked at and addressed.

HEARING ON SENATE BILL 24

Presentation and Opening Statement by Sponsor:

Senator Tveit, District 11, said the bill adds 21 to the live card games. He submitted proposed amendments to the committee (Exhibit #1). He said the proceeds from the bill will go towards reducing personal property taxes in Class 8 from 11% to 9.75%. The result of adding the amendments will be to raise \$5.37 million. He said property taxes are too high in Montana, approximately three times higher than in surrounding states. He noted North Dakota has no property tax at all. He said we need to capture some of the traffic through the state caused by Canadians going to North Dakota to play 21. There is a maximum of three tables in the bill, maximum of seven players, maximum bet of \$5 per player in each hand, and cards to be dealt by the dealer from a shoe.

List of Testifying Proponents and What Group they Represent:

Jerry Wiedebush, Security State Bank of Plentywood, and
a Board member of the Department of Natural
Resources

Senator Nathe, District 10

Jack Snyder, President, Forsyth Tavern Owners

Charles Devaney, City Councilman, Plentywood

Jeff Anderson, Coin Vendor, Plentywood

Don Larson, Helena

Gordon Neilson, Plentywood Theatre Owner

Dale Tlustosch, Montana National Bank

Mike Hallisy, Jack and Jill Grocery, Plentywood

Representative Mary Lou Peterson, District 1

Steve Wilkin, Steer Inn, Three Forks

Frank French, Plentywood Chamber of Commerce and
Agriculture

Craig Buckalew, Plentywood Chamber of Commerce
Gordon Morris, Montana Association of Counties
Representative Linda Nelson, District 19

List of Testifying Opponents and What Group They Represent:

Mignon Waterman, Montana Association of Churches

Testimony by Those Wishing to Remain Neutral:

Bob Robinson, Administrator, Gambling Control Division,
Department of Justice

Testimony:

Jerry Wiedebush, Security State Bank, Plentywood, presented his testimony in support of the bill (Exhibit #2).

Senator Nathe, District 10, said he supports the bill a means of increasing tourism. He said the poker games in Montana have no draw for tourists, but Blackjack does and we can draw a lot of Canadian traffic to the state if we enact the bill. He said the bill also create a lot of jobs which we need in the state.

Jack Snyder, President, Forsyth Tavern Owners, owner of a restaurant and lounge, said the Mayor, merchants, and ranchers in the Forsyth area asked him to express support for the bill.

Charles Devaney, Plentywood City Councilman, presented his testimony in support of the bill (Exhibit #3).

Jeff Anderson, Coin Vender in Plentywood, said the machines are making good money for Montana. He said we need to capture some of the Canadian trade which is now going to North Dakota.

Don Larsen, Helena, small businessman and retired motel, restaurant and lounge owner, said the small businessman is the backbone of most all Montana communities. He said the bill will create new jobs and stimulate the economy of our cities and towns. He urged the committee to support the bill.

Gordon Nielsen, theatre owner, Plentywood, presented his testimony in support of the bill (Exhibit #4).

Dale Tlustosch, Montana National Bank, Plentywood, expressed his support for the bill (Exhibit #5).

Mike Hallesy, Jack and Jill Supermarket, Plentywood, presented his testimony in support of the bill (Exhibit 5X).

Representative Mary Lou Peterson, District 1, spoke in support of the bill, and distributed copies of letters in support from Eureka businessmen (Exhibit #6).

Steve Wilkin, Steer Inn, Three Forks, expressed support for the bill.

Frank French, Plentywood, Vice President, Plentywood Chamber of Commerce and Agriculture, expressed support for the bill (Exhibit #7)

Craig Buckalew, Plentywood, presented his testimony in support of the bill (Exhibit # 8).

Gordon Morris, Montana Association of Counties, said his is unsolicited testimony. He said he endorses the bill with the proposed amendments. He suggested looking at Section 7-1-2111 and amend the bill so that current classification rates set on January 1, 1991, would reflect the loss of taxable value that is represented by the reduction from 11% to 9.75%. He said it minor, but a technical consideration that needs to be in the bill.

Representative Linda Nelson, District 19, said the people in her area want blackjack. She said this is a vehicle which we can use to capitalize on the fact there is no sales tax in Montana and catch the Canadian tourist trade. She felt it is most imperative that the bill passes.

Opponents:

Mignon Waterman, Montana Association of Churches, presented her testimony in opposition to the bill (Exhibit #9).

Neutral Testimony:

Bob Robinson, Administrator, Gambling Control Division, Department of Justice, said the bill needs to have an effective date of January 1, if passed. He said the date of October 1 from SB 431 is the start up date for the Department to begin handling the gambling which is currently going on. He said it would be almost impossible to implement this by that date.

Questions From Committee Members:

Senator Mazurek noted in North Dakota all the proceeds from 21 go to charity. He asked if that could be implemented in Montana also. He also asked Senator Tveit if he would object to an amendment which taxed 21 the same as live keno and poker.

Senator Tveit said he would oppose the money going to charity which becomes very complicated. He indicated he felt this is a little larger than that. He also said he opposed taxing 21 the same as keno and poker as this is a different area.

Senator Gage said there a number of technical problems with the bill, such as the money going back to the counties and municipalities, but the tax break is statewide. That creates problems for areas that do not have 21. Senator Gage asked if there would be any objection to a one year delay so that the percentages can be determined.

Senator Tveit replied the bill will not go into effect until the rules are written, so that could be taken care of easily.

Closing by Sponsor:

Senator Tveit closed by saying there is a real world outside Helena which needs help. When you look at 3000 plus jobs, and the revenue which will be raised, the bill becomes a very important economic development tool. It enhances tourism and provides tax relief. He said it is time to do something positive and this bill is a vehicle for positive impact on the state.

ADJOURNMENT

Adjournment At: 10:00 a.m.



SENATOR BOB BROWN, Chairman

BB:jdr
MIN627.jdr

ROLL CALLTAXATION

COMMITTEE

5054 LEGISLATIVE SESSION -- 1989

Date 6/27/89

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.

Brain Zines

6-27-89

2021-11 Ave, Helena

443-4000

Montana Medical Assoc

53-2

SUPPORT?

X

AMEND?

OPPOSE?

COMMENTS :

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

SPONSOR'S AMENDMENT TO SENATE BILL 24

1. Title, line 7.
Strike: "10.35"
Insert: "9.75"
2. Page 2, line 23.
Following: "twenty-one"
Strike: "must"
Insert: "may not"
3. Page 3, line 1.
Strike: "\$2,000"
Insert: "\$3,500"
4. Page 3, line 2.
Strike: "\$2,500"
Insert: "\$5,000"
5. Page 5, line 7.
Strike: "10.35%"
Insert: "9.75%"

SENATE TAXATION

EXHIBIT NO. 2 P.

DATE: 6-27-89 6/27/89

BILL NO. 5024

PHONE: 765-2265

APPEARING ON WHICH PROPOSAL: 5624

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

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

3 million in '70's
less than 1 million now

Jerry Wieve

SENATE TAXATION

EXHIBIT NO.

DATE

BILL NO.

54 3 p.2

6/27/89

SD 24

Mr. Chairman & committee members, I am ILW, Pres of SSO & on the Board of the ~~State~~ Nat. Recreates & Conser.

I am in support Senate Bill 24 because we need industry.

This Blackjack would employ people & generate revenue for the state.

> ~~In the '70's the two banks In the two one night club~~

In the 70's, Blackjack was played even though it was illegal. One night club at that time employed 50 people, now they employ 5. The motels were full and I believe there was less problems then, then there is now. The two Banks handled over 3 million dollars ^{per year} in Canadian currency then, & now they handle less than a million. the rate of exchange is about the same.

> South Dakota authorized casinos in Deadwood.

Maryland just opened a Sports Palace.

Iowa recently began producing live TV game shows with the lottery players as contestants.

Ohio voted for casinos in one of their towns.

Gambling fever is sweeping the U.S. and Canada and last year Americans legally or illegally wagered more than \$40 billion dollars. We have a whole new

generation of people who feel that gambling does not reflect poorly on their character. ~~Most of the betting has been on slot machines~~ (We have slot machines now, but they don't employ as many people, ~~slot machines~~ Blackjack would employ more)

We have about 300,000 people 100 miles north of us that are going to N. Dak. to play \$5. Blackjack.

> I feel that Senate Bill 24 is a industry that would employ people and keep tourist in our state a few days longer, to buy other goods & services.

Exhibit 2A

SB 24

DATE: 6/27/89

ADDRESS: 845 Main

PHONE: 356-7630

REPRESENTING WHOM? Rosebud Co Tavern & Casa. Foreign merchants

APPEARING ON WHICH PROPOSAL: S. B 24

DO YOU: SUPPORT? ✓ AMEND? OPPOSE?

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

WITNESS STATEMENT

SENATE TAXATION

EXHIBIT NO.

3 p.1

DATE

6/27/80

DATE BILL NO.

27-89 SB 24

NAME: Charles R. DeunneyADDRESS: Bx 393 Plentywood 59257PHONE: 765-1403REPRESENTING WHOM? City of PlentywoodAPPEARING ON WHICH PROPOSAL: SB 24DO YOU: SUPPORT? yes

AMEND? _____

OPPOSE? _____

COMMENTS: In N.E. Montana we feel SB 24will have a positive effect on our economyIt will create new money not additional tax.It will keep our troubled, tax paying businesses afloat.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

MR Chairman & Committee members
I am Charles Devaney
As a member of the City Council of the
City of Plentywood, I Am Testifying
~~I am~~ in favor of SB. 24
Plentywood is in an economic slump.
The State of Montana is an Economic
Disaster

Plentywood had 4 motels and a hotel
2 have closed and a third will shortly
We have empty store windows on main street
Commercial Buildings lost or damaged by fire
have not been rebuilt.

In N. E. Montana we feel legalized
Blackjack will have a very positive effect on
our economy. ~~NOT A DISASTER BUT~~
SB 24 will create new Revenue for both
City and State. This is new money and not an
additional tax on over taxed people

But more importantly, in our area, it will
help keep our tax paying businesses afloat

Please PASS SB 24

WITNESS STATEMENT

SENATE TAXATION

EXHIBIT NO. 4 P.1DATE 6/27/89DATE: 6/27/89BILL NO. SB 24NAME: Gordie NibbawADDRESS: Box 157PHONE: Phedun 406-765-2634REPRESENTING WHOM? Carthman & Sunset TheaterAPPEARING ON WHICH PROPOSAL: SB 24

DO YOU:

SUPPORT? ☒AMEND? ☐OPPOSE? ☐COMMENTS: SB 24 would add new
new young people in the state of WA

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

SENATE TAXATION

EXHIBIT NO.

4 p. 2

6/27/89

MR. CHAMBERLAIN & SONS
MEMBER OF THE COMMITTEE

My name is Gordon
Nilsen. Owner - Operator
of the Orpheum +
Sunset theaters. You are
probably wondering why I
am here for Senate Bill
24.

In our business the
average age group that
attend the movies is
from 15-25.

In. Plentwood home,
Senior School set out
we have host. At least
10 families. Every time
we loose a family &
loose business.

I think S.B. 24 would
keep some of these people
in school, & in the SF of
Ark. If these young people
stay in the state, the st.
will get some tax dollars.
If they leave they get nothing.

I think S.B. 24 would create
jobs. & would be away
of keeping the young in the
SF of Ark.

Paul Hunt

WITNESS STATEMENT

SENATE TAXATION

EXHIBIT NO. 5

DATE

DATE 6-27-89

BILL NO.

SB 24NAME: Dale ThustuschADDRESS: 110 Raul Plentywood MTPHONE: 765-2786REPRESENTING WHOM? Montana National BankAPPEARING ON WHICH PROPOSAL: S. B. 24DO YOU: SUPPORT? X AMEND? OPPOSE? COMMENTS: This bill is needed to
create new tax revenue and provide
thousands of new jobs

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

SENATE TAXATION

EXHIBIT NO. 3X p. 1

DATE: 6-27-89
BILL NO. 51334

PHONE: 765-1033

APPEARING ON WHICH PROPOSAL: SB24 - Live "21"

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

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

Mr. Chaum - member of the Committee

5X p.
DATE 6/27/89
BILL NO. SB 24

Support
Proponent of
SB-24

Grocery Business

"Ideal Business" to be in because everyone has to eat. However it is ~~but~~ getting to be slim pickings in our business as families leave our area. We are a volume business - we make ^{just} a little money on a lot of customers. The Key is traffic.

As people leave ^{MT}, the traffic drops, yet operating costs continue to rise.

We need twenty-one to generate this new traffic for Montana.

We have our ^{major wholesale} Supplier is located in Minot, ND. Our ^{one} meetings are usually held at the internet Inn. They have 5 tables at this hotel, ~~and whenever we've been there, there are usually~~ our meetings are generally held midweek, and of the 5 there are a least 3 in action.

Our family also

We also operate a comparable sized store in W.C. N.D. Especially during the summer months Watford City does well holding tourists on the venture toward Roosevelt Park and Medora, and the Black Hills of S.D. These tourists primarily use Highway 85 known as the "Crow Ave" Highway as their route. - Excellent traffic for Williston - Watford City - Belfield Hotels, gas stations and restaurants. Eventually our business in W.C. sees the impact of the new money from the tourist traffic.

Supermarketing is a very competitive business - we use every possible tool to stay competitive. Tourism is also very competitive. - We have a lot to offer, but we don't have the tools to get the job done. Blackjack "21" is a powerful tool in this area.

I attended college in N.D. and was in college when "21" was brought into being in N.D. In 1986, of the 6 areas of gaming, the Attorney General recognizes "21" held over 25% of all the ~~money~~ ^{money} generated, ~~money~~

~~I believe we have more attractions in MT and 21 will generate ~~less~~ money for the state on table licenses. and ~~not~~ We will also benefit thru~~

~~Also in 1986, N.D. had 570~~

I thank you for taking time to listen to me today and I am hopeful you will give ~~you~~ this bill consideration
 Come with a d^r recommendation

June 26, 1989

Senate Taxation Committee
Montana Legislature
Helena, Montana

Dear Committee Members,

Please allow me to solicit your support for Senate Bill 24, introduced by Larry Tviet, R-Fairview, to allow the legal playing of "21" or blackjack in the State of Montana.

In view of the bill's proposed reduction of Class Eight, or personal property, taxes, a small yet important step in the long-term goal of reducing such taxes to equitable levels of neighboring states for the purpose of business retention and attraction in Montana, and the boost in tourism-generated dollars which could result, particularly in interstate and international border towns, such as Eureka, I urge you to recommend the bill to the Senate floor, support its passage in both houses and call upon Gov. Stan Stephens to sign it into law.

In regard to increasing gambling opportunities in Montana, the playing of "live" poker, including blackjack, in my opinion has far more entertainment value than video machines or the lottery, items which lawmakers have already deemed appropriate.

Please help approve this doubly beneficial bill.

Sincerely,



Mark A. Svoboda
Editor
The Tobacco Valley News
Eureka, Montana

Tobacco Valley Board of Commerce

P.O. Box 186

Eureka, Montana 59917

SENATE TAXATION
EXHIBIT NO. 6 p. 2
DATE 6/27/89
FILE NO. 5874

June 26, 1989

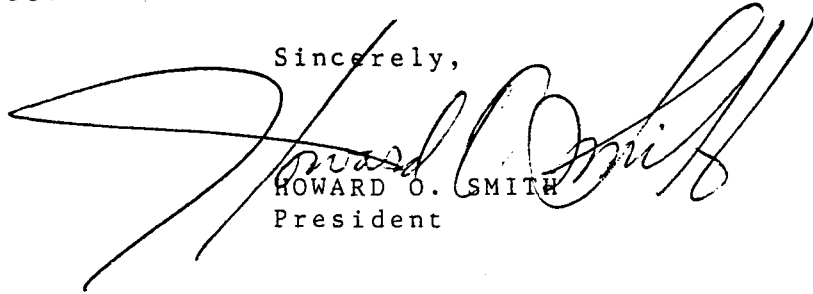
Montana State Legislature
Helena,
MT.

Gentlemen:

The Tobacco Valley Board of Commerce of Eureka, Montana, urges the Legislature to approve legalizing the gambling game of 21, commonly known as Black Jack.

The loss of employment in the logging industry state wide plus the need for additional State revenue dictates that you find another source of funds rather than the usual income tax or real estate tax increase.

Sincerely,


HOWARD O. SMITH
President

HOS/vs

STATE TAXATION

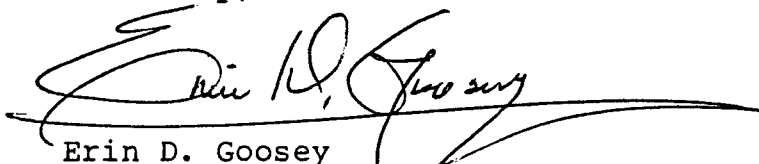
EXHIBIT NO. 6 p.3DATE 6/27/89BILL NO. 5524

June 26, 1989

TO WHOM IT MAY CONCERN:

Because of Montana's need for property tax/income tax relief I am in full support of legalizing the game of "21" in our state. We are reminded on a daily basis of the tremendous impact of tourism on our state and the Eureka area in particular. A steady flow of Canadian traffic passes through the border station the north of us and the introduction of "21" would be yet another encouragement for our Canadian neighbors to visit our state and help enhance are economic condition.

Sincerely,



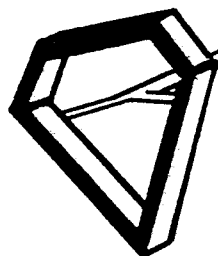
Erin D. Goosey
President First National
Bank of Eureka

EDG/lm



CUT DIAMOND LAND Co.

6 P. 4
6/27/89
SB 34



the LAND
BRAND

211 DEWEY AVENUE
P.O. BOX 826
EUREKA, MONTANA 59917
HOWARD O. SMITH • BROKER/OWNER
(406) 296-2842

June 26, 1989

ACREAGE

Montana State Legislature
Helena,
MT

Gentlemen:

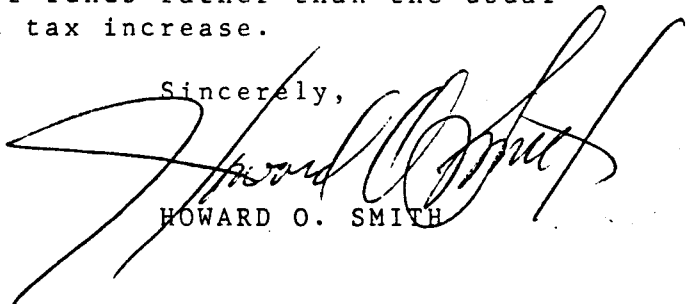
This office urges the Legislature to approve legalizing the gambling game of 21, commonly known as Black Jack.

FARMS

The loss of employment in the logging industry state wide plus the need for additional State revenue dictates that you find another source of funds rather than the usual income tax or real estate tax increase.

RANCHES

Sincerely,



HOWARD O. SMITH

COMMERCIAL

HOS/vs

RESIDENTIAL

RECREATIONAL

BOARD OF COUNTY COMMISSIONERS

LINCOLN COUNTY
STATE OF MONTANA

DISTRICT NO. 1, LIBBY
JIM R. MOREY

DISTRICT NO. 2, TROY
LAWRENCE A. (LARRY) DOLEZAL

DISTRICT NO. 3, EUREKA
NOEL E. WILLIAMS

CLERK OF THE BOARD AND COUNTY RECORDER, JANET B. F. SIEGEL
512 CALIFORNIA AVENUE
LIBBY, MONTANA 59923

June 26, 1989

SENATE TAXATION COMMITTEE
EXHIBIT NO. 6 P.5
DATE 6/27/89
BILL NO. SB 24

Senate Taxation Committee
Montana State Capitol
Helena, MT 59601

RE: Senate Bill # _____

Dear Committee Members:

I would like to go on record as supporting the legalization of the card game called "twenty-one". This bill would have two primary benefits in Lincoln County:

First, if the revenue generated were used to help reduce the exorbitant personal property tax now assessed on the machinery and equipment of our businesses, it most certainly would improve the health of our economy by freeing up business capital for expansion and development, as well as encouraging new business start-ups.

Secondly, but no less important, this bill could have a significant impact on our economy as an attractor of "outside" dollars. A major influence on our community is local Canadian trade. It has already been proven that the more recreational opportunities we provide for our neighbors across the border, the healthier our economy becomes, and the kind of activity being considered here is one for which they seem to show a great propensity.

I'm sure that the additional "spin-off" benefits, such as more jobs for more Montanans, make this a bill worthy of your most serious consideration.

Sincerely.

Noel E. Williams

Noel E. Williams
Lincoln County Commissioner, District #3

WITNESS STATEMENT

NAME: Frank French DATE: 6/27/89

ADDRESS: 621 W. Laurel, Plantywood Mt 59254

PHONE: 406-765-2063

REPRESENTING WHOM? Montana National Bank, Plantywood Chamber of Commerce and Agriculture

APPEARING ON WHICH PROPOSAL: Senate Bill 24

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

COMMENTS: see Exhibit #7

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

My Name is Frank French UP. Platywood I am here to testify in favor of
Montana shares a longer international border with Canada than any other state. The Canadians are our closest tourist resource with the negative factor of our monetary exchange, we must look to some factor to make our state attractive to the Canadians. Our North Dakota neighbors to the east have had the intelligence... (all North Dakota jokes aside) to have done just that...AND the Canadians flock to North Dakota cities on weekends in droves...opting North Dakota for Montana because North Dakota has made black jack a legal gaming passtime.

SENATE TAXATION
EXHIBIT NO. 7 P. 1
DATE 6/27/89
FILE NO. 5830

Montana has no sales tax, and it appears our legislators are generally opposed to this method of raising revenue. North Dakota has a sales tax and that was raised even higher to 2% in their recent 1989 session. Yet, in spite of the Canadian funds exchange, and the sales tax, North Dakota continues to enjoy a plentiful influx of Canadians to spend their weekends. It is because black jack is legal there.

~~Montana has the lottery in place. We have to accept the fact that it has not been an overwhelming success as it stands at present. North Dakota has rejected the lottery on at least 2 occasions. The lottery is not a strong drawing card for tourists. We do not advocate we replace the lottery with black jack, but rather, add black jack to the potpourri of gaming choices that are currently in place.~~

Montana is losing thousands of dollars from Canadian visitors, to North Dakota. Our taxpaying Montana citizens have reached saturation levels...our businesses in our cities and towns are suffering, struggling or going under. Our state simply has to take a step toward injecting new life into our economy. You have looked at all the possible sources of revenue for funding programs and they are all painful. And, we are draining our own lifeblood (our citizens) plumb dry. We simply have to change our economic climate in Montana. ~~We are currently discouraging new businesses from coming to Montana. We have made the oil industry look elsewhere because of our taxation procedures.~~

~~We need to take a fresh look at our old ways and make some innovative changes to make Montana attractive to investors....and to tourists. By legalizing black jack, you will surely not solve all the woes of our state, but it will be a step towards making out-of-state visitors more excited to come to Montana. It will not only aid the state coffers...it will not only aid the bars and nightclubs, but it will bring new funds into the motel and hotel owners and bring shoppers to our flagging businesses. We cannot depend on our beautiful scenery to bring these tourists into our state. They look as they drive through. Black Jack may entice them into staying a day or two longer....and come oftener!~~

The size of our state is immense and our population is dropping sharply. The tax burden on our remaining residents is growing. We simply must do something to alleviate this problem.

Isn't it time to give our state some new shot in the arm? We are 50th out of 50 states in personal property tax rates, and still in financial trouble. It is time to look to something that might turn this situation around. Legalize black jack and see if we can't begin to apply some much needed medication to our ailing economy. We can't and don't even try to legislate morality in other areas. If people want to gamble, they will do so. Anyone who does not care to gamble is free to walk away.

Desperate times take desperate measures, and these are desperate times.

X This legislature has taken a lot of flack for doing nothing. We propose you do something...take the bull by the horns and go for it. If you are going to take flack anyway, why not take it for doing something. We are asking you to do something....TRY IT, at least. We ask you to LEGISLATE IT....REGULATE IT...AND (hopefully) CELEBRATE IT! It may not be the entire answer to all our financial woes, but we feel it will be a positive step towards helping our ailing economy.

If someone you loved was stricken with a fatal disease, would you not try every option available to affect a cure? Montana is the someone we all love and we must try to find a way out. Don't close your minds to this option!

~~As if things weren't bad enough, last Friday's Billings Gazette carried this little article which some of you may have seen. We feel with a bit of ingenuity, we could turn this black prediction around.~~

State's economy expected to lag

Montana's non-farm economy will continue to drag through 1980, with growth well below last year's rate, the Federal Reserve Bank of Minneapolis says.

The regional Federal Reserve Bank said non-farm employment, which grew by 2.2 percent last year, is expected to grow by less than 1 percent both this year and next.

Non-farm earned income, which increased 2.3 percent last year, is expected to increase by only about 1 percent through next year, the Fed said.

WITNESS STATEMENT

SENATE TAXATION

EXHIBIT NO.

8 p.1

NAME:

C. Craig Buckalew

DATE:

6/27/89

BILL NO.

SB 24

ADDRESS:

112 S. MAIN Plentywood MT.

PHONE:

765-1444

REPRESENTING WHOM?

LOCAL BUSINESS & CHAMBER OF COMMERCE

APPEARING ON WHICH PROPOSAL:

SB 24

DO YOU:

SUPPORT?

X

AMEND?

OPPOSE?

COMMENTS:

I believe SB 24 if passed would provide a marketing tool that MONTANA could use to stimulate a lagging economy. This would provide revenue to many areas of govt. ie more workers result in a larger tax base for worker comp. and many others. Rather than add a tax to a tax or raise existing taxes please consider the wide range of benefits SB 24 would offer our state of MONTANA.

Attachment

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

Mr. Chairman & Committee members

NAME: Craig Buckalew - Partner of local Hardware Store
- Director of the Chamber of Commerce

I support Senate Bill 24

Every business must live within a budget. As you legislators are here struggling to balance your budget you must consider 2 choices.

a) Cut the cost of Govt

b) Increase the Revenue.

The ramifications of choice A will decrease employment and further erode the business economy of the state.

Choice B will require a marketing strategy that is new to the state.

For example: Plentwood has the potential of taping 12-21 tables these would employ 24 people which alone would support further service and business. These payroll dollars as they circulate through our community mean approx 2 1/2 million dollars. This should mean approx.

220000.00 in Personal Income Tax. I feel that this kind of business generated across the state would make your job as legislators easier when it comes to balancing the budget. I ask you as legislators to help support SB 24 thereby

WITNESS STATEMENT

SENATE TAXATION

EXHIBIT NO. 9NAME: Mignon WatermanDATE: 6/27/89
BILL NO. SB 24ADDRESS: Box 745PHONE: 442-8648REPRESENTING WHOM? Mt. Assoc. of ChurchesAPPEARING ON WHICH PROPOSAL: SB 24DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X

COMMENTS: We oppose expansion of gambling
in Mt. July 1 effective date does not
allow for adopting rules. The Gambling Council
recommended a minimum of 6 months to adopt
rules to regulate any new form of gambling.
Tax reform is needed in Montana, but
not in a piece meal fashion during this
special session.

With the major revisions in gambling regulations
that occurred during the regular session, this
is not the time to add a new game.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

Mr Chairman Bob Brown + Committee Members

Pres of NUB + owner of travel agency
I am here to support Senate Bill 24

I recently took my son to Minot ND to get on an airplane. I asked my travel agent to get me a room for Friday night to my surprise she told me that she had to call 10 motels before she was able to get me a room. Minot has in excess of 1200 motel rooms, after hearing this I asked her to call Williston and Grandforks N.D. again she was unable to find any vacancies.

The story in all 3 towns was the same, a Canadian holiday. The rooms were filled with Canadians who would have been in Montana if 21 were legal. 2 weeks later when I was back in Minot to get my son, there were rooms available but I counted hundreds of Canadian cars at the motels.

in Proulx In checking with our local motels they all had rooms available.

In talking to several of the Canadians the story was the same. They came to the Minot to relax and play. These are the people who would come to MT if 21 were legal. If 21 were legal in Montana it would generate millions of dollars in direct tax revenue and

6-27-89

towns
desperately
need these
jobs

would add thousands of jobs
to the state economy. We in the small
The majority of the tax revenue
generated by 21 would be paid by
the tourists coming to our state.

We would not be asking our state residents to pay additional taxes
& more are tired of paying more taxes every year.

We need the gaming industry to
generate the jobs and taxes to help
everyone in the state. N. D. has
proved 21 to be a moneymaker for
their state. It is time that

we in Montana take advantage of
this ~~the~~ opportunity that is available ~~states~~ to us.
Proven

~~We must go forward and pass~~
~~this bill~~. I ask for your support
in passing this bill

Thank you

0-26-89 5:17PM ;

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015B24

6-27-89

CITY OF
Glasgow
GLASGOW, MONTANA 59230

June 26, 1989

Senate Taxation Committee
c/o Senator Larry J. Tveit

I would like to state my support for the Legislation of "Live 21" as a legal game in the State of Montana.

My concern with the bill as presented is that all the proceeds derived from this bill would go to the State of Montana, and the enforcement would fall upon the cities and counties. If the license and taxes upon the proceeds could be distributed on the same basis as the video poker machines, my support would be completely unqualified.

Sincerely,

William F. Zeller

Wilmer F. Zeller, Mayor
CITY OF GLASGOW, MONTANA

WFZ/rmt

Gateway To Fort Peck Recreation Area

HARRY'S MUSIC SERVICE

SB 24
6-27-89

235 Front Street

Phone 434-5652

SHELBY, MONTANA 59474

Box L

June 26, 1989

Senator Bob Brown
Senate taxation committee
Capital Station
Helena, Montana 59620

RE: Legalized 21

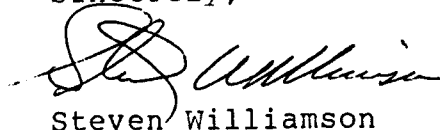
Dear Senator Brown,

As a long time resident and business man in Shelby, Montana; I strongly urge you to consider legalizing Limited Blackjack or 21 in the state of Montana. Not only will it create jobs in our state, but it could substantially help in decreasing property taxes.

Because of the school equalization ruling, many counties simply do not have the recourses necessary to educate their children without raising property taxes. Limited 21 or Blackjack could help provide the money for education.


With thousands of tourists and Canadians visiting Montana each year I feel Blackjack would greatly help Montana's sagging economy.

Sincerely,




Steven Williamson

The Amazing AM



5000 Watts • Fulltime

100,000 Watts Stereo



We Play the Music

TRI COUNTY RADIO CORPORATION

Bus. Office:
 830 Oilfield Ave., Shelby, Mt. 59474 (406) 434-5421
 Studios:
 400 South Main, Conrad, Montana 59425 (406) 278-7589
 5 West Main, Cut Bank, Montana 59427 (406) 873-2872

June 26, 1989

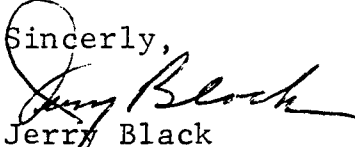
Senator Bob Brown
 Senate Taxation Committee
 Capital Station
 Helena, Mt 59620

Dear Senator:

We support and recommend the Legislative adopt the limited legalized gambling bill now being considered on "Blackjack-21".

We feel this bill would help generate more tourists to the state and create a new revenue source from many visitors who do not contribute a fair share of the tax burden. The bill would help hold the line on property taxes and help ease a serious financial condition.

Your consideration would be greatly appreciated.

Sincerely,

 Jerry Black
 President

SB 24
6-27-89

June 23, 1989

Kenneth M. Wolf
P.O. Box 836
Shelby, Montana 59474

Senator Bob Brown
Chairman
Senate Taxation Department
State Capital
Helena, MT. 59601

Dear Senator Brown,

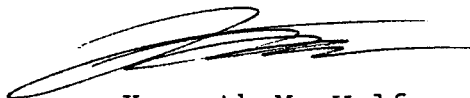
I am writing this letter in support of a bill to be introduced to legalize Limited 21 gambling in the State of Montana. With the present revenue problem of the state, I believe that this could raise three million dollars in license fee's the first year and if it even raised half of that, I feel it should be taken advantage of.

The Hi-Line area enjoys many tourists and Canadian travelers. This could also have a good effect for many of our small business's.

It appears this legislative is not going to have the courage to tackle Montana's main revenue problem and are going to stay with the Band-Aid approach.

Then this is one Band-Aid that will make a difference!

Sincerely,



Kenneth M. Wolf

kmw

Shelby Area Chamber of Commerce

P.O. Box 488 - Phone 434-7184
413 Main Street

Shelby, Montana 59474 - 0488

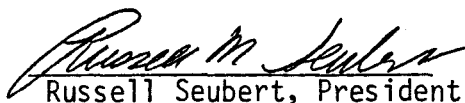
June 26, 1989

Senator Bob Brown
Senate Taxation Committee
Capital Station
Helena, Montana 59620

Dear Senator:

The Shelby Area Chamber of Commerce voted today to support limited legalized gambling, 21 and Black Jack in the State of Montana. We believe this would be extremely advantageous as a tourism tool. We feel that this would hold many of our northern neighbors visiting the State and make a 12 month tourism State out of a 7 months tourism State. Certainly the funds raised from the licensing of tables and dealers will end some of the fund raising problems that the State of Montana is currently going through. We would also be creating new jobs for the people of Montana through the dealers positions.

Sincerely,


Russell Seubert, President

OUR BASIC PRODUCT IS:

"Organized Effort to Promote, Stimulate, Increase and Improve Business and Build a Better Area"

SB 24

6-27-89



119 MAPLE AVENUE • BOX 610 • SHELBY, MONTANA 59474

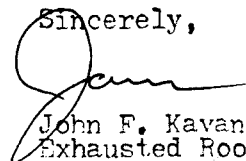
June 26, 1989

Sen. Bob Brown
Chairman Senate Taxation Committee
State Capitol
Helena, Montana

Dear Bob:

Back in our daring days when we were romping around the state as young Jaycees (too many years ago that I care to remember), we helped to contribute to the well-being of our organization as well as the State of Montana. Right now the well-being of the state looks to be in trouble and the Jaycees no longer exist as we remember, now consisting mostly of women, or co-ed. The latter we apparently can't do much about, but we can give the state a shot in the arm by doing everything possible to keep people here longer, especially the traveling public which needs more reasons to stay longer and enjoy ~~themselves~~ themselves. The limited gambling that is currently allowed has helped tremendously which should be proof that another step should be taken; therefore, I urge your support and urge you to use your influence to assure passage of the bill currently under consideration to ~~allow~~ allow the games of "21" and Blackjack to be legally played in Montana. Thank you for your consideration.

Sincerely,



John F. Kavanagh
Exhausted Rooster



SB 24
6-27-89

June 23, 1989

Senator Bob Brown, Chairman
Senate Taxation Committee
Capitol Building
Helena, Montana

Dear Senator Brown:

I own and operate theatres in the Highline towns of Conrad, Cut Bank, and Shelby. As I'm sure you are well aware, our economy has not been too healthy lately. So I read with great interest that a bill is being considered that would legalize the game of "21", or Black Jack. I am wholeheartedly behind such a bill.

I feel that if Black Jack were legal it would draw ~~many~~ more tourists to our state, especially those towns closest to our borders. In our case I think it would increase our visitors from Canada by at least ten fold. My theatres would get little direct benefit from these visitors, but the enhanced economy within our communities would indirectly bring my business up with it.

I strongly urge you to bring this bill out of committee with a "Do Pass" recommendation. Please, our state needs this shot in the arm.

Sincerely,

Larry Flesch
Owner, LarCon Theatres

LF:lf

D. W. Larson

For the record - Name - Former Tavern Operator
Inn Keeper & Restaurant Operator. I appear here today
in support of Senate Bill 24.

I am still a property owner and a businessman
in this community and as such I realize that
small business is the backbone of our State. We
must maintain a strong small business community.

For the many years that I was active in
the small business community I spent most of
my time and efforts keeping what I had and
trying to meet the payroll.

It would seem to me that if we are to keep
the state of Montana green we need rain, and
dollars we can do much about the rain but
we can about the dollars. If we are going to
advertise our state to the nation and to tourists
state then lets attempt to make it as enjoyable
for the tourist as possible. I believe Senate
Bill 24 will do just that.

Most often the chance for new employment
opportunity lies with small business. They provide
two out of three job seekers with their first
employment experience. They provide women and
minorities with their greatest opportunity for advancement.
They provide the diverse economic base for our
cities and counties. Senate Bill 24 will help
these small business people meet these goals.

COMMITTEE ON

Taxation

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Jan Hopgood	MT ASSOC REALTORS	SB23	✓	
Ernest Lippay	MT Man. Housing Ass	SB23		
Charles Harvey	Plentywood, mt.	SB24	X	
Mike Halley	Plentywood	SB24	X	
LORDON NIELSEN	Plentywood	SB24	X	
Mike Niedbalk	Plentywood	SB24	✓	
Jack D. Snyder	Forest	SB24	✓	
Frank Smith	Plentywood	SB24	✓	
Gary Schmedes	Whitfish			
Barbara Turner	Whitfish			
Dale Thustosch	Plentywood	SB24	✓	
C. Craig Buckalew	Plentywood	SB24	✓	
Brown Morris	MTAs	SB24	✓	
Steve Wilken	MTA	SB24	✓	
Brian Ellis	MT Medical Assoc	SB21	X	
Small K. Leake	MT Trans Assoc	SB21	X	
Ed Smith	Dept of Justice	SB24		
John Williams	Dept. of Commerce	SB24		
Bob Robinson	Dept. of Justice	SB24		
D. W. Larson	MTA - Self	SB24	✓	
STEVE BENDER	DOR			
Ken Williams	Entech			
Mignon Waterman	Mt. Assoc. of Churches	SB24		L
LARRY AKEY	GAMING INDUSTRY ASSOC	SB24	✓	
Stuart J. McQuade	Halpelt, Mt.	SB24	✓	
Sid Smith	DEKNA MT.	"	X	

(Please leave prepared statement with Secretary)

DATE

6-27-89 2 of 2

COMMITTEE ON

Taxation

VISITORS' REGISTER

NAME

REPRESENTING

BILL #

Check One
Support Opp

Rep Linda Nelson

H D 19

SB 24

X

(Please leave prepared statement with Secretary)