

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - 1st SPECIAL SESSION

COMMITTEE ON NATURAL RESOURCES

Call to Order: By Chairman Raney, on July 7, 1989, at 11:15 a.m.

ROLL CALL

Members Present: All with the following exceptions:

Members Excused: Reps. Hannah, McDonough

Members Absent: None

Staff Present: Hugh Zackheim, Environmental Quality Council
Greg Petesch, Legislative Council
Terri Dore, Committee Secretary

Announcements/Discussion: Rep. Addy distributed copies of a memo he had received pertinent to SB 22 (Exhibit 1). Rep. O'Keefe distributed copies of three separate memos he had received pertinent to SB 22 (Exhibit 2, 3, 4).

EXECUTIVE ACTION

DISPOSITION OF SENATE BILL 22

Motion: Rep. Giacometto moved SB 22 Do Pass.

Discussion: Rep. Giacometto spoke in support of his motion stating that there has been many actions in both the Special Session and the Regular Session in support of property tax relief to help spur economic growth in Montana. All other options have been killed and this bill can be an overall restructuring of property taxes in the state. It is a fair and equitable way to get the restructuring done.

Rep. Addy opposed the motion for three reasons - it is unbalanced, irresponsible and unacceptable. It is unbalanced because beginning 1991 there is almost a \$13 million hole, in 1992 (when the severance tax rate drops to 15%) there will be an \$18 million hole. It is irresponsible because the constitutional validity of this mechanism is highly suspect. Renaming the severance tax to a privilege tax to avoid a section of the Constitution approved overwhelming by the people is the height of cynicism. It is unacceptable because property taxpayers of the past could have raided the trust so we could be paying for this. This state recognized in the 1970's that we are on a boom/bust

cycle and the trust evolved to help stop that cycle. This bill digs a sales tax hole and he won't vote to return this state to colonial status.

Rep. Harper asked the status of the information that was requested by committee members at the hearing, especially the individual breakdowns for each district. Chairman Raney stated that, with the committee's permission, he would allow questioning by committee members to members of the audience. Rep. Gilbert requested that objections be allowed to be raised for each person to be questioned. He did not object to questioning of the LFA, Legislative Council and some others but did object to opening the questioning to all members of the audience. Rep. Raney agreed to the request and stated that if any member of the committee objected to a person being questioned then the person would not be questioned.

Rep. Harper asked Dave Darby if the information requested at the hearing was now available. Mr. Darby stated that he understood there to be six pieces of information and he was prepared to provide two of them, Steve Bender of the Department of Revenue will provide three of them and Karen Barclay, Director of the Department of Natural Resources, will provide the last one.

Mr. Darby began with the request from Rep. Kadas to discuss the funding of the proposal in the out years. He had prepared a sheet which shows the funding of personal property tax relief at 6% through the 1992-93 biennium. Mr. Darby stated that the assumptions at the bottom of the exhibit are fairly straightforward. Because the effective date is not until January 1, 1990 there is a phase-in situation in fiscal year 1990. Interest loss is shown in 1990 and 1991 because programs are funded with that interest and those programs would have to be made whole. The program would be in balance through FY 92-93. The continuing revenue stream beyond FY 93 would not fund the replacement revenues identified. If the business climate in the state improves, then there would be many variables in balancing and putting together state budgets in the future. There is no hole based on continuing revenue in this bill for a four year period, as indicated in this exhibit.

Mr. Darby stated that the second piece of information (Exhibit 6) requested at the hearing was a fiscal note on the bill at 6% as the bill is currently before the committee. It is not customary practice but because of the tight time frames, the Budget Office staff prepared this fiscal note. Mr. Darby had not had a chance to discuss this document with the staff, therefore, it is not signed by him nor has it been sent to Sen. Gage.

- Rep. Raney asked Mr. Darby why it would not take more income tax revenue as the coal tax revenues are decreasing to replace it. Mr. Darby stated that what is shown is a four year balance. The General Fund amounts vary from year to year and in effect, if using the continuing revenue stream it cannot be applied to this bill except for \$1.467 million in the first biennium. What happens is that the General Fund reserve in the state rises by that continuing revenue stream. The larger requirement from the General Fund in the second biennium drops the General Fund balance down to a stable situation. In the last year, FY 93, the coal severance tax would be decreasing especially when it is considered that the tax in the estimated FY '90 column is only 3/4 of the revenue for that year as applied to this bill and does not include the \$5.6 million that the Governor had proposed from the revenue stream that would go into additional school funding for next year.
- Rep. Kadas asked Mr. Darby to explain why the \$5.6 million was originally scheduled but it no longer appears. Mr. Darby stated that the \$5.6 million had never been shown on the personal property tax bill spreadsheets. Footnote #5 indicates the \$5.6 million is available over and above the coal tax stream. It would be additional revenue going to the General Fund and would be available for the school year. Rep. Kadas asked about the FY 92-93 General Fund obligation (\$13 million and \$14 million in those two years) and why the revised revenue estimates do not show those increases. He wanted to know if the money would be taken from the General Fund without any way to replace it. Mr. Darby explained that, for a four year period, they would not be using an additional revenue stream for the first two years of the four year balance sheet. That plus the continuing stream would be used for the second two years. The continuing income tax portion of that stream (refer to Legislative Fiscal Analyst's table) shows a fairly stable projected increase in income tax (about \$6.7 million per year). To project that in a straight line, it would be \$6.7 per year for 4 years adding up to \$26.8 million to fund the General Fund replacement revenue in this bill. If it is projected into a fifth year at \$6.7 million for that year, then in five years it could be construed that the \$6.7 million will not pay \$14.1 million needed in FY 94 for replacement revenue.
- Rep. Kadas stated that it appeared that it is being done over four years rather than on an annual basis. It also appears that that increased revenue will not be used for anything else as it is in other bills, particularly the equalization bills. Mr. Darby agreed that he is showing a four year balance because the question was whether or not this bill would balance in out years. He stated that Rep. Kadas is

correct in assuming that the continuing revenue stream will not balance in the out years if more than one of these bills depending on that stream is passed.

- Rep. Harper stated that it appeared to him that Mr. Darby was indicating that the money was already earmarked for this purpose. In actuality, General Fund money is being discussed that could otherwise be used to fund institutions, medical payments, schools and other government functions. It would be money that would not be available for those functions because it would be taken for this purpose. Mr. Darby stated that it is additional General Fund money that would be available for whatever appropriations the Legislature saw fit.
- Rep. Owens discussed what this bill would do for the people of Montana. Eighty percent of the people affected would be small business people - the service stations, the farmers and the garages. Trucking companies are leaving Montana because it is cheaper to operate in other states. A vehicle must be found to give the small businessman some help. The small businessman cannot be helped without helping the large corporations too. An amendment can be added on the House floor limiting the size of deduction available through the bill but it should get to the House floor to be debated.
- Rep. Raney stated that Rep. Owens point is well taken and most would agree that personal property tax relief is needed. But this bill has two parts. The personal property tax relief portion would likely receive unanimous approval. The second half of the bill is the funding for that relief and that is where the arguments begin.
- Rep. Owens requested that the bill be sent to the House floor for debate.
- Rep. Roth pointed out that utility companies do not get a break under this bill and will remain at 12% so there is no need to be concerned about the possible benefits to them. He has been opposed to breaking and capping the Coal Tax Trust in the past but it is critical that a change be made and that personal property tax relief be given. It is irresponsible to take no action. Rep. Roth stated that Rep. Addy seemed to have no problem with voting for an equalization bill that had a \$150 million black hole and with the State relying on a boom and bust cycle but he did have problems with this bill citing the same reasons. Rep. Roth argued that that is precisely why this bill should be passed so that our economy is not so dependent on businesses that fluctuate. The economy should be diversified and add new business and not be so dependent on so few business. The irresponsible action would be to vote against this bill and throw away the future of this state. Many citizens have told him that they

are awaiting the results of this Special Session to determine whether or not they will stay in business in Montana.

Rep. Raney asked that the other information requested at the hearing on July 6 be presented before there is more discussion on the passage of the bill. The representatives of the state departments have spent a great deal of time in getting the information and it should be presented.

Karen Barclay addressed the requirement of a 3/4 vote on this bill. It is her opinion and that of their bond counsel that the 3/4 vote is not required because the debt was incurred on HB 778 of the regular session and therefore, only a simple majority is needed on this bill which would appropriate the moneys to cover that debt.

Rep. O'Keefe stated that he thought it was a 2/3 vote required. Ms. Barclay agreed. Rep. O'Keefe made reference to a written memo from that bond counsel stating that a 2/3 vote is necessary. Unless Dorsey & Whitney has a new interpretation of section 4, page 30 of the bill dealing with the bonds issued for the water development program, he was still very concerned that there is no water development program without a 2/3 vote. He asked Ms. Barclay why the Department's and the bond counsel's interpretation changed overnight. Ms. Barclay stated that no interpretation was given at the last meeting but only some recommendations given after a quick review. They have worked closely with them because it is critical that they receive their bond counsel's opinion. A facsimile was received during the meeting concerning this issue and HB 778 stating their opinion. Copies were made (Exhibit 7) and Mr. Bender from the Department of Revenue began his presentation while committee members read it.

Steve Bender, Deputy Director, Department of Revenue, stated that he would address three subjects - the amount of property tax relief provided by property class (Exhibit 8), the impact on individual districts (Exhibit 9), and the constitutionality of the privilege tax. Mr. Bender felt that the privilege tax is constitutional and can be levied on federal coal because it is levied on the operator for the privilege of mining coal in the state. It is not levied on the federal government. If this tax is unconstitutional then all other taxes imposed on the federal government would be unconstitutional also.

Rep. Harper asked Mr. Bender if the reason that it is the same effect as a severance tax is because there is no difference between this and the former severance tax except the name change. Mr. Bender stated that the tax is administered and levied the same as the current severance tax.

Rep. O'Keefe remarked to Ms. Barclay that in the memo from the bond counsel, he could not find where it stated that a 2/3 vote is not needed. He found two places where it stated that it is arguable that a 2/3 vote is not required. He then asked Ms. Barclay if they were, therefore, concluding that a 2/3 vote is not required. Ms. Barclay responded affirmatively because they believe the debt had already been incurred in HB 778 and it received the required number of votes to incur that debt. The concern when they first approached their bond counsel was that SB 22, as originally proposed made no reference to those bonds. They took a very conservative approach and suggested amendments which have been added, that covers those existing bonds. The bill now pledges the monies in SB 22 to cover that debt and it only requires a simply majority.

Rep. O'Keefe asked Mr. Petesch if he, as legislative counsel, would comment. Mr. Petesch stated that he thought the memorandum pointed out that this is an issue that has never been addressed by the Supreme Court. He was unaware of any case where the State of Montana had issued bonds in this manner without a test case for its' validity. That will take time and it points out clearly that the water projects would be jeopardized because those bonds are not going to be sold until that issue is resolved. The bill pledged the coal severance tax money for payment of those bonds. This bill, as it exists, would obviate the flow of that money to back those bonds. This memo points out that an argument could be made but it is doubtful that buyers could be found for those bonds until the issue is resolved.

Rep. O'Keefe asked if he could question Caralee Cheney who works directly with the bonds. Ms. Barclay stated that Ms. Cheney was not present but she would try to answer his question. Rep. O'Keefe requested Ms. Cheney be present at the committee meeting to talk with her about her direct dealings with bond buyers and the banks that deal with those bonds. Rep. Giacometto stated that the director of that department is present and any decisions are ultimately the director's. He felt the questions should be directed to her. Rep. O'Keefe complied and asked Ms. Barclay to describe the difference in the reserve ratio between the bonds under the coal severance tax and the coal privilege tax and what banks backed the 1981-1987 issues of these bonds and what the interest rates are in the security of those bonds. Ms. Barclay stated she was unable to answer specifically but the issue had been addressed. Both the department and the bond counsel felt that as long as the flow of the dollars is the same in both holding accounts, there would not be any impact on the rating of those bonds and therefore, no problem in selling those bonds.

Rep. O'Keefe asked Ms. Barclay if the flow of the dollars (the reserve ratio) under the privilege tax is reduced from 4 to 1 to 2 to 1 as indicated in a telephone conversation to him

with Patrick Born, the chief financial counselor. That reserve ratio will affect the impact of the interest rates received for water development programs. Ms. Barclay replied that in follow-up discussions with the bond counsel indicated that the bond counsel does not believe that there would be an impact in terms of the interest rate or the rating on those bonds. However, interest rates are very difficult to estimate since they would not be sold for about six months.

- Rep. O'Keefe stated that the point he was attempting to make is that from discussions and information that he had received, the financial counsel to the State feels that there is a serious threat to the bond rating and to the interest rates available for the agricultural community to do water development projects. Ms. Cheney had that information and if the committee needed that information, Rep. O'Keefe wanted to be sure that it was available.
- Rep. Gilbert asked Rep. O'Keefe if Ms. Cheney's testimony would influence his vote on this issue. Rep. O'Keefe replied that it would not influence his vote but he thought it could influence the vote of those that would be affected if those water projects were jeopardized. It could impact votes on the House floor and he thought the information was important.
- Rep. Gilbert stated that the bill should be passed out of committee to the House floor since there are many in the full House that will be impacted and would like the opportunity to vote on the issue.
- Rep. Cohen stated that the purpose of committee hearings is to try to bring out relevant facts on issues and try to bring out the kind of details that are before this committee. It would not be possible to get the kind of detail and data on the House floor that is available in committee. Rep. Cohen also stated that this same bill had been amended into another bill and that the issue will probably be discussed on the House floor. The information needs to be presented not just for the committee but the general public as well, who have a right to know.
- Rep. Cohen asked Mr. Bender to refer to the end of the spreadsheet where it cannot be predicted what will happen with a property tax reduction. Rep. Cohen asked Mr. Bender if the weighted average of all similar property was used to make predictions that it is very likely that the railroads and airlines' taxes will be decreased by slightly over \$1 million. Mr. Bender stated that during the regular session, comparisons were made to existing law where "settlement" taxes were used to back into a market value. The market value or the assessed value of a company was essentially "plugged" so the department could do that. It can be done for future years but the question would be how much a

company is willing to pay in future year and how much the State is willing to let them pay before it goes to federal district court. There are simply too many unknowns to solve that equation.

Rep. Cohen asked Mr. Bender about the loss of nearly \$9 million in Class 8 taxes to the various jurisdictions and asked what sort of manufacturing machinery was included in class 8. Mr. Bender stated that in Rep. Cohen's district it would be primarily lumber mills. Mr. Bender said that the \$9 million could be broken down further with a significant amount of work and that would not be evenly distributed around the state. Rep. Cohen asked Mr. Bender if nearly 50% of that amount would be in Missoula and Flathead counties. Mr. Bender stated that if Rep. Cohen had computed that figure from the Department's book then that is a correct figure. Rep. Cohen remarked that the lumber mills have never complained to him about high property taxes but they have complained about the availability of timber. Mr. Bender disagreed saying that he staffed former Governor Schwinden's Council on Economic Development and Stoltz Lumber was represented on the council and they constantly brought up the high property taxes. Mr. Bender stated that this bill does not consider any other equalization bills.

At Rep. Giacometto's request Ms. Barclay addressed Rep. O'Keefe's concern regarding the total dollar amount. Ms. Barclay stated that even though the dollar amount is going down, in the existing system of the coal severance tax, because the rate is decreasing the ratio will also decrease. The problem is not with the privilege tax. The problem exists today if, in fact, there is a problem with the ratio.

Rep. Giacometto stated that many people are discussing the possibility that the coal tax money could be funding schools. This is an existing source of revenue that could be used to give a tax break. This bill will help everyone in the state as well as soften the blow on those faced with a substantial increase from the proposed equalization bill (70% are projected to receive decreases while the remaining 30% are facing a substantial increase). Everyone wants jobs and the ability to provide a good standard of living for their children as well as quality education for them. The coal tax is not a new source of revenue and no one's taxes will be raised with this bill. A similar bill passed from the Taxation Committee and the bill has now disappeared. It is irresponsible to have placed this bill in the Natural Resources Committee and games are being played with Montana's schools, property taxes and Montanans.

Rep. Moore stated that her district has some timber companies and they have not complained to her about the high cost of property taxes.

Rep. Owens called the question.

Rep. Harper objected stating that he needs more time to digest the information that has been presented regarding this bill. Rep. Owens moved that the question be called and a vote be taken and moved the question be called. Roll call vote was taken and the motion FAILED by a vote of 7-9.

Rep. Harper stated that the motion is indicative of what has been going on with this bill and the entire Special Session. With this bill local governments are receiving the short end and this bill is out of balance by \$13 million per year. He questioned what would happen when the Legislature fails to replace that money to the local jurisdictions. Local governments will again suffer. This bill is being railroaded and muscled through committee. The reason that the people are justified in their fear of government is exemplified by this bill. By changing one word in the Constitution that the people adopted is subverting. By changing that one word it eliminates the 3/4 vote requirement and apparently, the 2/3 bonding requirement also. The Constitution states that no bill can be so changed or altered through the legislative process as to change its' original purpose. The Republican majority (meaning the Senate and the Governor) have subverted the Constitution in three different ways with this bill. The reason that the people of Montana are so mistrustful is because they realize that even their Constitution will not protect them from government.

Rep. Giacometto stated that the control is in the House majority's hands. The initial call for the Special Session included tax reform and is not being addressed. This is a taxation bill and should not be in this committee. This bill deserves a vote and should go to the House floor.

Rep. Addy discussed the merits of the coal tax stating that it is being called many different names but this bill amounts to raiding the coal tax trust.

Rep. Moore stated that games are being played but the biggest game is government itself. There is no option but to place a 3% tax on everything.

Rep. Kadas remarked that though property tax relief was included in the call for a Special Session, the first duty of the session is to education and future generations regardless of the call. The coal tax trust fund was set up in the Constitution for a reason. Coal is a nonrenewable resource and something of value should be retained with the removal of that resource. It is the present generation's responsibility to leave something for future generations and that idea is just as good today as it was when the Coal Tax Trust was created. This type of argument does damage to the spirit of Montana.

Rep. Moore made a motion to move the previous question.

Rep. Cohen cited Article 13 of the Montana Constitution regarding the Code of Ethics and to the Joint Rules of the 51st Legislature. Rep. Cohen reminded the committee that legislators should consider disclosing or eliminating conflicts of interest or abstaining from voting on such conflicts. He felt that some members may have a substantial conflict of interest.

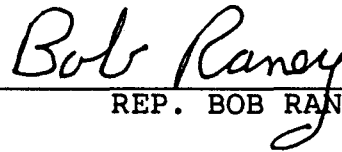
Rep. Kadas made a substitute motion to TABLE SB 22.

Amendments, Discussion, and Votes: None

Recommendation and Vote: Roll call vote was taken. The motion CARRIED 9-7.

ADJOURNMENT

Adjournment At: 12:30 p.m.



REP. BOB RANEY, Chairman

BR/td

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DAILY CALL VOTE

HOUSE NATURAL RESOURCES COMMITTEE

DATE 7/7/89

NAME	PRESENT	ABSENT	EXCUSED
REP. ADDY	X		
REP. BROOKE			
REP. CLARK	X		
REP. GIACOMETTO	X		
REP. GILBERT	X		
REP. HANNAH			X
REP. HARPER	X		
REP. KADAS	X		
REP. McDONOUGH			X
REP. MOORE	X		
REP. O'KEEFE	X		
REP. OWENS	X		
REP. ROTH	X		
REP. SMITH	X		
VICE-CHAIRMAN COHEN	X		
CHAIRMAN RANEY	X		



The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

July 7, 1989

Honorable John Vincent
Speaker
House of Representatives
State Capitol
Helena, Montana 59620

Dear Mr. Speaker:

This is to inform you that the House Natural Resources
Committee TABLED Senate Bill 22 on this date.

Sincerely,

Bob Raney

REP. BOB RANEY
Chairman

TO: Rep. Kelly Addy
Seat #45

FROM: Curt Nichols
Deputy Fiscal Analyst

SUBJECT: Senate Bill 22

- EXHIBIT # 1
7/7/89 SB 22

Senate Bill 22 in its third reading form: 1) converts all but 1 percent of the coal severance tax to a privilege tax; 2) allocates the coal privilege tax in the same manner as the coal severance tax except that the 50 percent that previously went to the constitutional trust now goes to the general fund; and 3) consolidates property from current classes 8, 9, 10, 16 and a portion of class 7 into class 8. This new class 8 is taxed at 6 percent of market value compared to the current 11 percent for class 8 and 16, 13 percent for class 9, and 16 percent for class 10. The fiscal impacts of the bill are summarized in Tables 1 and 2.

Table 1 illustrates the reallocation of coal taxes from the constitutional trust to the general fund will be \$25.4 million in fiscal 1990 and \$22.3 million in fiscal 1991.

Table 1
SB 22 Coal Severance and Privilege Taxes
1990 and 1991

Allocation	Fiscal 1990			Fiscal 1991		
	Current	SB22	Change	Current	SB22	Change
Constitutional Trust	50.000%	2.000%	\$(25.392)	50.000%	2.500%	\$(22.263)
General Fund	15.390	63.390	25.392	15.390	62.890	22.263
Education Trust	7.600	7.600	0.000	7.600	7.600	0.000
Coal Board	6.650	6.650	0.000	6.650	6.650	0.000
School Equalization	3.800	3.800	0.000	3.800	3.800	0.000
Parks Trust	1.900	1.900	0.000	1.900	1.900	0.000
Renewable Resources	0.475	0.475	0.000	0.475	0.475	0.000
Water Development	0.475	0.475	0.000	0.475	0.475	0.000
County Land Planning	0.380	0.380	0.000	0.380	0.380	0.000
Library Commission	0.380	0.380	0.000	0.380	0.380	0.000
Conservation Districts	0.190	0.190	0.000	0.190	0.190	0.000
Highway Construction	12.000	12.000	0.000	12.000	12.000	0.000
Growth-Through-Ag.	0.760	0.760	0.000	0.760	0.760	0.000
Total	100.000%	100.000%	\$ 0.000	100.000%	100.000%	\$ 0.000

HJR 13 Coal Tax Estimates (Millions) - Fiscal 1990 \$52.900
Fiscal 1991 \$46.870

Table 2 details the \$120 million reduction in taxable valuation that result from Senate Bill 22. At an average mill levy of 260 mills, the lost revenue to all taxing jurisdictions in fiscal 1991 would be \$31.2 million. A loss of \$9.3 million to all taxing jurisdiction would occur in fiscal 1990 as the bill effects unsecured personal property in fiscal 1990.

Table 2
SB 22 Property Tax Changes
(Millions)

Affected Class	- - Current - -		- - - - - SB 22 - - - - -		Reduction
	Rate	Value	Rate	Value	
7 Tools	8%	\$ 4.376	6%	\$ 3.282	\$ 1.094
8 Machinery and Equipment	11	188.115	6	102.608	85.507
9 Furniture and Fixtures	13	45.413	6	20.960	24.453
10 Broadcasting and Other	16	13.468	6	5.051	8.417
16 Other	11	1.247	6	680	567
Total		<u>\$252.619</u>		<u>\$132.581</u>	<u>\$120.038</u>

Loss in Tax Collections @ 260 mills
120,038,000 X 260 mills = \$31.21 million

Table 3 illustrates that while the bill has a positive impact on the general fund in the 1991 biennium, its ongoing impact would be negative if the added revenue from diversion of coal taxes from the constitutional trust were to be used to replace lost revenues due to the property tax reductions. The positive impact results primarily because the additional revenue from the privilege tax is collected for both fiscal 1990 and 1991 while the property tax relief is effective in fiscal 1991 and only a portion of fiscal 1990. In addition, the reduction of deposits to the constitutional trust fund will reduce interest earnings which currently go to the general fund. This loss would be approximately \$1.3 million in fiscal 1990 and \$3.8 million in fiscal 1991.

Table 3
Summary of SB 22 Fiscal Impacts to General Fund*
(Millions)

	<u>Fiscal 1990</u>	<u>Fiscal 1991</u>	<u>1991 Biennium</u>
Coal Taxation Changes	\$25.4	\$ 22.3	\$ 47.7
Constitutional Trust Interest Loss	(1.3)	(3.8)	(5.1)
Property Tax Reductions*	<u>(9.3)</u>	<u>(31.2)</u>	<u>(40.5)</u>
Gain (Loss)	<u>\$14.8</u>	<u>\$(12.7)</u>	<u>\$ 2.1</u>

*Assuming property tax reductions are made up with general fund.

This analysis does not include House Bill 50. We will continue our work on House Bill 50 and inform you of the coordination between the two bills and any fiscal problems which are not resolved in this coordination.

The coal privilege tax rate falls to 14 percent in fiscal 1992 further widening the gap between the lost revenue resulting from property tax reductions and the general fund gained through reallocation of revenues from the permanent trust fund to the general fund.

EXHIBIT # 2
7/7/89 SB 22

MEMO

VIA FACSIMILE

To: Karen Barclay, Director
Department of Natural Resources & Conservation

Dave Ashley, Director
Department of Administration

Caralee Cheney, Chief
Water Development Bureau

From: Dorsey & Whitney
Mae Nan Ellingson *MNE*

Date: June 28, 1989

Re: Amendments to S.B. 22

*A 73 vote is needed on
SB 22 in order to authorize
the state debt required
for bonds*

We have attached hereto a copy of some proposed amendments to S.B. 22. The purpose of these amendments is to try to avoid a challenge to S.B. 22 on the grounds that it impairs the state's contractual obligations with the holders of the state's outstanding coal severance tax bonds.

We do not feel we have had adequate time to fully consider all of the implications of the legislation, particularly its constitutional implications. Consequently, in proposing these amendments we have done our best, under the circumstances, to address the impairment of contract issue and to enable the DNRC to issue the bonds authorized by H.B. 778. We cannot and do not represent, however, that if S.B. 22 is adopted even with these amendments it will be constitutional or that it will work as intended.

X We are somewhat concerned about what additional issues or problems might arise in trying to issue the coal sales tax bonds under the outstanding general resolution under which the coal severance tax bonds have been issued. There is obviously not enough time to fully focus on that. We hope that what we have proposed will work.

Please call if there are any questions or concerns about this memo or the amendments. They are quite straightforward I think. Please let Mr. Bender or anyone from the Governor's office or budget office know that they are welcome to call us directly if that is more convenient for people.

MNE:jh
Enc.

Proposed Amendments to S.B. 22

AMEND pg. 8, line 10, by inserting a new subsection to Section 7[5] as follows:

"(a) to the coal sales tax bond fund created by [section 10] hereof, 50% of the total sales tax collections. The state treasurer shall from time to time transfer to the general fund all money in the coal sales tax bond fund in excess of the amount necessary to meet all principal and interest payments on bonds payable from the coal sales tax bond fund and to satisfy the requirements of the general resolution pursuant to which such bonds were issued."

and renumbering the consecutive subsections.

AMEND pg. 10, line 10, by inserting a new section as follows:

"Section 10. Creation of Coal Sales Tax Bond Fund. Pledge of Sales Tax. Authorization of Coal Sales Tax Bonds.

(1) There is hereby created a coal sales tax bond fund into which shall be deposited the amount set forth in [section 7[5](a)] hereof.

(2) The money deposited in the coal sales tax bond fund is pledged to and secures the payment of principal of and interest on all state of Montana coal severance tax bonds issued pursuant to Title 17, Part 5, Chapter 7 and coal sales tax bonds authorized by [this section].

(3) The board of examiners, upon approval of the legislature as provided in Title 17, Chapter 5, Part 7 may issue and sell coal sales tax bonds for the purposes and subject to all of the terms and conditions for the issuance of coal severance tax bonds as set forth in Title 17, Chapter 5, Part 7.

④ All bonds issued pursuant to Title 17, Chapter 5, Part 7, after the effective date of this Act, including those bonds authorized to be issued by H.B. 778, enacted by the 51st Legislature, shall be called "state of Montana coal sales tax bonds" and the money in the coal sales tax bond fund shall be pledged to pay the principal of and interest thereon.

(5) For purposes of Title 17, Chapter 5, Part 7, deposits into the coal sales tax bond fund shall be treated as deposits into the coal severance tax bond fund."

and renumbering consecutive sections.

AMEND pg. 10, line 10, by inserting after the previous section a new section as follows:

*See 17.
NOT IN
BILL*

"Section 11. Appropriation.

*state
debt
create
778*

(1) The legislature, through the enactment of this section by a vote of two-thirds of the members of each house, pledges, dedicates and appropriates from the coal sales tax all money necessary for the payment of principal and interest not otherwise provided for on the coal severance tax bonds and coal sales tax bonds authorized to be issued pursuant to Title 17, Chapter 5, Part 7 and this [Act]."

*2/
3*

and renumbering the consecutive sections.

AMEND pg. 10, line 10, by inserting after the previous section a new section as follows:

"Section 12. Continued tax deposit.

The legislature shall provide for the continued assessment, levy, collection, and deposit into the coal sales tax bond fund of the sales tax which, together with other revenues, assets, and money as may be deposited to one or more special bond funds pledged for the benefit of the coal severance tax bonds or the coal sales tax bonds, will be sufficient to produce an amount that is at least necessary to pay, when

due, the annual debt service charges on all
outstanding bonds payable from the coal sales tax
bond fund."

and renumbering the consecutive sections.

- EXHIBIT # 3
7/7/89 SB 22

DORSEY & WHITNEY**MEMORANDUM**

TO: Caralee Cheney
Department of Natural Resources
and Conservation

FROM: Mae Nan Ellingson
Dorsey & Whitney

DATE: June 20, 1989

RE: House Bills 10, 11, 12 and 18

You have asked us to look at the above-referenced pieces of legislation and to offer our comments as to whether they affect any pledges the state has made with respect to its outstanding coal severance tax bonds (the Bonds).

House Bill 10

This bill should have no impact on the Bonds. It simply is a reallocation of the non-trust fund allocation of the coal severance tax.

House Bill 11

As you know, the holders of existing Bonds have a first claim on 50% of the annual coal tax revenues received by the state and required by the Constitution to be deposited into the trust fund.

The Constitution can be amended to provide for a lesser deposit to the trust fund, but not with respect to outstanding bonds without violating the impairment of contract clause of the United States States Constitution. In its present form, this bill, if ultimately approved by the electorate, would violate the state's pledge. Fifty percent (50%) of the coal tax receipts needs to continue to flow to the trust fund and be available to pay debt service on outstanding bonds.

DORSEY & WHITNEY

Ms. Caralee Cheney
June 20, 1989
Page 2

The bill can be made to work by inserting in the legislation a statement to the effect that this change is subject to the prior obligations of the State pledging the coal severance tax. There are several alternative ways to draft this language and if anyone wishes us to do so, please let me know. Either to accompany this bill or to implement the amendment if approved, there should then be an amendment to the Coal Severance Tax Bond Act which would mirror this change and provide that bonds issued after a certain date, i.e., January 1, 1990, can only be secured by a pledge of 5% of the coal severance tax revenues. ✓

Another way of accomplishing the goal of the legislation would be to amend Article IX, Section 5 to provide as follows:

"After December 31, 1989, at least fifty percent (50%) of the severance tax shall be dedicated to the trust fund. Any moneys remaining in the trust fund after payment of principal of and interest on any obligations of the state payable from the trust and incurred prior to January 1, 1990 shall be apportioned equally between the permanent trust fund and the school aid equalization program of the State."

If no changes were made in the Coal Severance Tax Bond Act, this alternative would allow additional bonds to be secured by the 50% pledge, which the Governor may object to. The Coal Severance Tax Bond Act could also be amended, however, to restrict the amount of coal severance taxes to be pledged or the amount of bonds to be issued.

House Bill 12

This bill should have no impact on the Bonds. Like H.B. 10, it is a reallocation of the non-trust fund portion of the coal severance tax.

DORSEY & WHITNEY

Ms. Caralee Cheney
June 20, 1989
Page 3

House Bill 18

I need more time to study this bill and speak with the drafter. It is very confusing to me. I hope it is not being heard at the same time as HB 11. I will call you as soon as I can in the morning.

MNE:mb

Born

800-328-8200

800-328-8100

Bond Attorney Billy Johnston 612-340-2865

EXHIBIT # 4
7/7/89 SB 22

MEMORANDUM

TO: Dave Ashley, Interim Director
Montana Department of Administration

Karen Barkley, Director
Montana Department of Natural Resources
& Conservation

FROM: Patrick P. Born - *Ernest Dodge - Minn*

DATE: June 23, 1989

RE: Bondholder Concerns Regarding Proposed Coal Tax
Legislation

This memorandum provides background information and a preliminary analysis of three legislative proposals relating to the coal severance tax.

Legislative Proposals

We are aware of the following legislative proposals:

1. Reduce the amount of the coal severance tax which is deposited into the coal severance tax trust fund from 50% to 25% (House Bill 11).
2. Appropriate for school equalization purposes amounts which are now deposited into the coal severance tax permanent trust fund account after satisfying the financial requirements of the coal severance tax trust fund bond account (House Bill 18).
3. Replace the coal severance tax with a new tax in order to make more funding available for school equalization aids.

Memorandum
June 23, 1989
Page Two

There may be other proposals which are forthcoming and we are available to review and comment on these proposals as well.

Preliminary Conclusions

The second of the above listed legislative proposals appears to present no problems with respect to the outstanding coal severance tax bonds. The first and third proposals, however, appear to present more serious concerns. While we believe that a more thorough legal analysis is required these two proposals appear to place the State in a situation where the contracts that it has made with bondholders may be impaired. If a legal analysis confirms this problem the State should seek other methods by which to accomplish the purposes intended so as to avoid bondholder lawsuits or a suspension of the credit ratings of the coal severance tax bonds.

Bondholder and Credit Rating Concerns

The State has authorized and issued approximately \$50,000,000 in coal severance tax bonds. The bonds are secured and paid from a pledge of the coal severance tax revenues which are deposited into the trust fund. Neither the trust fund nor the other portion of the coal severance tax is pledged to the coal severance tax bonds services. Annual debt service requirements is approximately \$7,000,000 per year. The final series of bonds matures in 2018.

There are three primary parties which have a financial interest in the coal severance tax bonds:

1. Individuals and institutions which own coal severance tax bonds (the bondholders).

Memorandum
June 23, 1989
Page Three

2. Banks which have guaranteed payment of certain series of coal severance tax bonds. Two series of coal severance tax bonds are guaranteed by letters of credit issued by the Long-Term Credit Bank of Japan and the Sumitomo Bank. These series carry letters of credit due to the variable rate nature of these two bond issues.
3. The credit rating services, Moody's Investors Services and Standard & Poor's Corporation, have assigned credit ratings to the outstanding coal severance tax bonds.

If the State takes action to impair it's ability to honor its contractual obligations with the coal severance tax bonds, the bondholders and banks may file a lawsuit claiming the State has impaired its contract with bondholders and the credit rating services may suspend, withdraw or downgrade the credit ratings. If any of these actions are taken, there would be severe consequences for the State on both a long and short-term basis.

While there are a number of potential bondholder and rating agencies concerns, most fall into one of the following categories:

- X 1. The amount of revenues available and pledged for payment of principal and interest on coal severance tax bonds is less than anticipated (minor problem) or less than sufficient to make debt service payments (major problem).
2. Actions by the legislature, voters, the courts, or other State officials which prevent the State from being able to honor the State's contractual obligations with bondholders.

Memorandum
June 23, 1989
Page Four

The two most important bondholder covenants (contractual obligations) are:

1. Under MCA Section 17-5-709, "the legislature shall provide for the continued assessment, levy, collection, and deposit into the coal severance tax bond fund of the coal severance tax which, together with other revenues, assets, and money as may be deposited to one or more special bond funds pledged for the benefit of coal severance bonds, will be sufficient to produce an amount that is at least the amount necessary to pay, when due, the annual debt service charges on all outstanding coal severance tax bonds."
2. Under State law, the State shall deposit 50% of the coal severance tax revenues in the coal severance tax trust fund bond account and such funds are pledged and available to make debt service payments. Under the general resolution which authorizes the issuance of coal severance tax bonds there is a procedure by which amounts in the trust fund bond account may be declared excess and thus deposited in the trust fund permanent account. The funds in the permanent account are not pledged or available as security for the coal severance tax bonds.

Recommendations

We recommend that a careful legal analysis be performed of each of the bills involving the coal severance tax and the trust fund so that the Legislature and the Governor may be well informed concerning possible adverse reactions from bondholders and the credit rating services. We are prepared to continue reviewing other legislative proposals and would be available to meet with those who may wish to consider other methods by which to accomplish the purposes they intend.

PPB:cjs

MT41.89A/31

Office of Budget & Program Planning
Personal Property Tax Reform
Figures In Millions

	Estimated FY 1990	Estimated FY 1991	Estimated FY 90-91	Estimated FY 1992	Estimated FY 1993	Estimated FY 92-93
Funding For 6%, Senate Bill 22						
Balance Carryforward	\$0.000	\$8.949	\$0.000	\$0.000	\$0.000	\$0.000
Coal Severance Tax	18.610	21.689	40.299	16.370	15.600	31.970
General Fund	0.000	1.465	1.465	13.330	14.100	27.430
Income Tax Impact	0.000	1.469	1.469	1.469	1.469	2.938
Lost Interest Earnings	(0.310)	(2.403)	(2.713)	---	---	0.000
Total Revenues	\$18.300	\$31.169	\$40.520	\$31.169	\$31.169	\$62.338
Personal Property Reform @ 6%	\$9.351	\$31.169	\$40.520	\$31.169	\$31.169	\$62.338
Balance Carryforward	\$8.949	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

Footnotes :

1. Assumes 1% tax effective July 1, 1989 (3 quarters of receipts).
2. Water bond subsidy of \$.605m per year accounted for.
3. Personal property taxable valuation base effected is \$118.340m.
4. 30% of total impact is reflected in FY90 due to effective date.
5. \$5.6m for public schools 2% schedule increase not included.
Available over and above FY90 amount shown.
6. Interest earnings of \$4.439m in FY92 and \$6.057m in FY93 will
be foregone.

DRAFT COPY

STATE OF MONTANA - FISCAL NOTE
Form BD-15

Discussion Purposes Only

In compliance with a written request, there is hereby submitted a Fiscal Note for SB22, on third reading.

DESCRIPTION OF PROPOSED LEGISLATION:

An act reducing to a single rate the property tax rate on personal property; combining personal property classes; revising county classifications and debt and levy limitations of local governments, including school districts; imposing a tax on the receipts from the sale of coal and allocating the money to state equalization aid; reducing the severance tax on coal to 1 percent; and providing an effective date and applicability dates.

ASSUMPTIONS:

1. The taxable value of the state will be \$1,903,008,000 in FY90 and \$1,882,194,000 in FY91.(HJR13)
2. Reclassification of property will reduce the taxable value of personal property in the state by \$118,340,000.
4. Due to the applicability date, the reduced rate for reclassified, unsecured personal property (30 percent of all reclassified personal property) will impact FY90 revenues.
5. Coal severance tax receipts are estimated to be \$52,902,000 in FY90 and \$46,871,000 in FY91, with 3.8% each year available for state equalization aid. Debt service payments for water development bonds amount to \$605,000 annually. (HJR13)
6. There is no impact on Department of Revenue expenditures.

FISCAL IMPACT:

Revenue Impact:

	FY90			FY91		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
University Levy	\$11,418,000	\$11,205,000	(\$213,000)	\$ 11,293,000	10,583,000	(710,000)
Foundation Program	85,635,000	84,037,000	(1,598,000)	84,699,000	79,374,000	(5,325,000)
Total	\$97,053,000	\$95,242,000	(\$1,811,000)	\$95,992,000	\$89,957,000	(\$6,035,000)
Individual						
Income Tax	\$256,617,000	\$256,617,000	0	\$274,732,000	\$275,511,000	\$ 779,000
Corporation						
License Tax	51,044,000	51,044,000	0	51,574,000	52,264,000	690,000
Coal Severance Tax	52,902,000	14,878,688	(38,023,313)	46,871,000	2,338,411	(44,532,589)
Coal Sales Tax	0	38,023,313	38,023,313	0	44,532,589	44,532,589
Coal Trust						
Interest	42,988,235	42,678,235	(310,000)	45,465,882	43,062,882	(2,403,000)
	\$403,551,235	\$403,241,236	\$ (310,000)	\$418,642,882	\$417,708,882	(\$ 934,000)

DATE

DATE

W. DAVID DARBY, BUDGET DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING

DELWYN GAGE, PRIMARY SPONSOR
Fiscal Note for SB22, as introduced

FUND INFORMATION:COAL SEVERANCE TAX

	FY90	
	Current Law	Difference
Coal Tax Trust Fund	\$25,846,000	\$7,439,344 (\$18,406,656)
Highway Reconstr.	6,348,240	1,785,443 (4,562,798)
Local Impact	3,517,983	989,433 (2,528,550)
Education Trust	4,020,552	1,130,780 (2,889,772)
Foundation Program	2,010,276	565,390 (1,444,886)
County Land Planning	201,028	56,539 (144,489)
Renewable Resource	251,285	70,674 (180,611)
Cultural/Aesthetic	1,005,138	282,695 (722,443)
State Library Com.	201,028	56,539 (144,489)
Conservation Dist.	100,514	28,270 (72,244)
Water Development	251,285	70,674 (180,611)
Agriculture Act	402,055	113,078 (288,977)
General Fund	8,141,618	2,289,830 (5,851,788)
TOTAL	\$52,902,000	\$14,878,688 (\$38,023,313)

*Debt Service payments for water development bonds of \$605,000 annually.

COAL PRIVILEGE TAX

	FY90	
	Current Law	Difference
Coal Tax Trust Fund	\$0	\$0
Highway Reconstr.	0	4,562,798
Local Impact	0	2,528,550
Education Trust	0	2,889,772
Foundation Program	0	1,444,886
County Land Planning	0	144,489
Renewable Resource	0	180,611
Cultural/Aesthetic	0	722,443
State Library Com.	0	144,489
Conservation Dist.	0	72,244
Water Development	0	180,611
Agriculture Act	0	288,977
General Fund	0	24,863,444
TOTAL	\$0	\$38,023,313

	FY91	
	Current Law	Difference
Coal Tax Trust Fund	\$22,830,500	\$1,169,205 (\$21,661,295)
Highway Reconstr.	5,624,520	280,609 (5,343,911)
Local Impact	3,116,922	155,504 (2,961,417)
Education Trust	3,562,196	177,719 (3,384,477)
Foundation Program	1,781,098	88,860 (1,692,238)
County Land Planning	178,110	8,886 (169,224)
Renewable Resource	222,637	11,107 (211,530)
Cultural/Aesthetic	890,549	44,430 (846,119)
State Library Com.	178,110	8,886 (169,224)
Conservation Dist.	89,055	4,443 (84,612)
Water Development	222,637	11,107 (211,530)
Agriculture Act	356,220	17,772 (338,448)
General Fund	7,213,447	359,882 (6,853,565)
TOTAL	\$46,871,000	\$2,338,411 (\$44,532,589)

	FY91	
	Current Law	Difference
Coal Tax Trust Fund	\$0	\$0
Highway Reconstr.	0	5,343,911
Local Impact	0	2,961,417
Education Trust	0	3,384,477
Foundation Program	0	1,692,238
County Land Planning	0	169,224
Renewable Resource	0	211,530
Cultural/Aesthetic	0	846,119
State Library Com.	0	169,224
Conservation Dist.	0	84,612
Water Development	0	211,530
Agriculture Act	0	338,448
General Fund	0	29,119,860
TOTAL	\$0	\$44,532,589

FY90

	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Individual Income Tax</u>			
General Fund	\$149,350,575	\$149,350,575	\$ 0
Foundation Program	81,603,923	81,603,923	0
Debt Service	25,661,611	25,661,611	0
Total	\$256,616,109	\$256,616,109	\$ 0
<u>Corporation License Tax</u>			
General Fund	\$ 29,932,020	\$ 29,932,020	\$ 0
Foundation Program	11,692,195	11,692,195	0
Debt Service	15,144,566	5,144,566	0
Local Government	4,270,867	4,270,867	0
Total	\$ 51,039,648	\$ 51,039,648	\$ 0

Coal Trust Interest

General Fund	\$ 36,540,000	\$ 36,276,500	(\$ 263,500)
Coal Trust Fund	6,448,235	6,401,735	(46,500)
TOTAL	\$ 42,988,235	\$ 42,678,235	(\$ 310,000)

LOCAL GOVERNMENT IMPACT:

The personal property tax provisions in the proposal reduce revenues to local schools by \$4,376,000 in FY90 and \$14,585,000 in FY91 and subsequent years. County revenues decrease \$2,444,000 in FY90 and \$8,148,000 in FY91 and subsequent years. Cities and towns lose \$720,000 in FY90 and \$2,401,000 in FY91 and subsequent years.

FY91

	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Individual Income Tax</u>			
General Fund	\$159,893,927	\$160,347,305	\$ 453,378
Foundation Program	87,364,723	87,612,445	247,722
Debt Service	27,473,183	27,551,083	77,900
Total	\$274,731,833	\$275,510,833	\$ 779,000
<u>Corporation License Tax</u>			
General Fund	\$ 30,165,261	\$ 30,606,861	\$ 441,600
Foundation Program	11,783,305	11,955,805	172,500
Debt Service	5,184,654	5,260,554	75,900
Local Government	4,335,133	4,335,133	0
Total	\$ 51,468,353	\$ 52,158,353	\$ 690,000
<u>Coal Trust Interest</u>			
General Fund	\$ 38,646,000	\$ 36,603,450	(\$2,042,550)
Coal Trust Fund	6,819,882	6,459,432	(360,450)
TOTAL	\$ 45,465,882	\$ 43,062,882	(\$2,403,000)

DORSEY & WHITNEY

Barclay
EXHIBIT # 7
7/7/89 SB 22

M E M O R A N D U M

VIA FACSIMILE

TO: Karen Barclay, Director
Department of Natural Resources & Conservation

Dave Ashley, Director
Department of Administration

Caralee Cheney, Chief
Water Development Bureau

FROM: Dorsey & Whitney
Mae Nan Ellingson *Mae Nan Ellingson*

DATE: July 7, 1989

RE: S.B. 22

In connection with our memorandum to you dated June 28, 1989 and the proposed amendments to Senate Bill 22, you have asked for clarification as to why we concluded that the sections of the bill pledging and appropriating the coal privilege tax to the payment of the outstanding and authorized coal severance tax bonds required approval by a 2/3 vote of each house of the legislature.

In drafting the proposed amendments, we recommended proceeding in the most conservative manner possible to resolve any doubts that the act of reducing the coal severance tax and replacing it with the coal privilege tax did not violate the State's contractual obligation with the bondholders and did not violate the State constitutional requirement that debt be authorized by a 2/3 vote of each house of the legislature.

DORSEY & WHITNEY

EXHIBIT # 7
7/7/89 SB 22

Ms. Karen Barclay
Mr. Dave Ashley
Ms. Caralee Cheney

July 7, 1989
Page 2

This specific issue, i.e., what is required by the constitution to substitute one stream of revenue for another stream of revenue pledged to the repayment of a duly authorized debt, has not been addressed by the Montana supreme court.

We believe it is arguable that a 2/3 vote is not required to substitute the source of payment for a debt that has been duly authorized and approved by the requisite majority, as is the case with the State's outstanding and authorized coal severance tax bonds and those authorized to be issued by H.B. 778.

Sections 17 and 18 of S.B. 22 do not attempt to create a new debt, but rather pledge the coal privilege tax to the payment of the coal severance tax bonds and authorize the previously approved coal severance tax bonds to be issued as coal privilege tax bonds, and thus it is arguable that these sections do not require approval by a 2/3 vote of each house of the legislature.

It should be noted that the concern raised in our earlier memorandum regarding the ability to issue bonds authorized by H.B. 778 dealt more with the fact that S.B. 22 as originally proposed made no reference to those bonds, and without the amendments we suggested, which have now been incorporated into S.B. 22 at Section 17 and 18, those bonds could not be issued.

MNE:mb

EXHIBIT 18
- 7/7/89 SB 22

IMPACT OF PROPERTY TAX RELIEF UNDER SB 22
BY PROPERTY TYPE AND CURRENT CLASS

Change From 1988

Property Type	Proposed Tax Rate	Taxes Levied by State (51 Mills)	Taxes			Total Taxes Levied
			Levied by County	Levied by Schools	Levied by Cities and Towns	
Rural Co-op Companies Per Prop	3.00%	0	0	0	0	0
Locally Assessed Co-op Per Prop	3.00%	0	0	0	0	0
New Industry - Other Property	3.00%	0	0	0	0	0
R & D Personal Property	3.00%	0	0	0	0	0
Locally Assessed Co-op Vehicles	3.00%	0	0	0	0	0
All Gasohol Related Property	3.00%	0	0	0	0	0
Subtotal -- Class 5		0	0	0	0	0
Cattle	4.00%	0	0	0	0	0
Sheep	4.00%	0	0	0	0	0
Rental Equipment	4.00%	0	0	0	0	0
Swine	4.00%	0	0	0	0	0
Other Livestock	4.00%	0	0	0	0	0
Horses	4.00%	0	0	0	0	0
Subtotal -- Class 6		0	0	0	0	0
Independent Tele. Co. Per Prop	6.00%	(2,133)	(3,054)	(5,009)	(105)	(10,302)
Repair Tools	Exempt					
Subtotal -- Class 7		(2,133)	(3,054)	(5,009)	(105)	(10,302)
A9 Implements	6.00%	(1,280,906)	(1,703,774)	(2,763,794)	(4,856)	(5,753,330)
Tack Equipment	Exempt					
Oil Field Equipment	6.00%	(458,946)	(361,539)	(601,712)	(4,793)	(1,426,991)
Ski Lifts	6.00%	(9,064)	(14,864)	(25,773)	0	(49,701)
Watercraft, ATV Back Taxes	6.00%	(21,833)	(36,066)	(71,981)	(7,744)	(137,623)
Machin. other than Farm, Min., Manuf.	6.00%	(579,537)	(648,788)	(1,184,181)	(85,461)	(2,497,967)
Trucks over 1 1/2 Tons	6.00%	(176,516)	(249,542)	(436,669)	(57,847)	(920,573)
Rental Equipment	6.00%	(36,807)	(58,161)	(102,039)	(54,376)	(251,383)
Trailers	6.00%	(105,010)	(150,480)	(265,929)	(33,009)	(554,428)
Manufacturing Machinery	6.00%	(1,691,091)	(2,434,677)	(4,465,776)	(304,847)	(8,896,392)
Supplies and Materials	6.00%	(156,656)	(192,670)	(371,993)	(41,657)	(762,976)
Mining Machinery	6.00%	(30,768)	(42,576)	(84,123)	(1,025)	(158,492)
Subtotal -- Class 8		(4,554,211)	(5,903,196)	(10,391,221)	(595,782)	(21,444,411)
Trucks 1 to 1 1/2 Tons	6.00%	(103,722)	(147,363)	(265,048)	(48,653)	(564,785)
CB's and Mobile Phones	6.00%	(5,068)	(7,038)	(12,257)	(1,933)	(26,295)
Buses	6.00%	(4,722)	(6,260)	(11,129)	(1,369)	(23,480)
Furniture and Fixtures	6.00%	(1,133,622)	(1,815,303)	(3,430,455)	(1,739,625)	(8,119,005)
Subtotal -- Class 9		(1,247,134)	(1,975,964)	(3,718,889)	(1,791,580)	(8,733,566)

IMPACT OF PROPERTY TAX RELIEF UNDER SB 22
BY PROPERTY TYPE AND CURRENT CLASS

Change From 1988

Property Type	Proposed Tax Rate	Taxes Levied by State (51 Mills)	Taxes Levied by County	Taxes Levied by Schools	Taxes Levied by Cities and Towns	Total Taxes Levied
Coal and Ore Haulers	6.00%	(102,791)	(87,691)	(155,289)	(75)	(345,846)
All Other Property	6.00%	(5,359)	(7,878)	(10,830)	(4,417)	(28,484)
Off Road Vehicles	6.00%	0	0	0	0	0
Cable TV Systems	6.00%	(54,502)	(86,560)	(159,472)	(69,234)	(369,768)
Theatre and Sound Equipment	6.00%	(3,569)	(6,170)	(11,722)	(4,725)	(26,186)
Radio and TV Broadcasting Equip.	6.00%	(36,963)	(59,298)	(115,908)	(33,079)	(245,248)
Subtotal -- Class 10		(203,184)	(247,597)	(453,221)	(111,529)	(1,015,532)
Telecomm. Co. Per Prop	12.00%	0	0	0	0	0
Gas and Elec. Per Prop	12.00%	0	0	0	0	0
Electric Companies Per Prop	12.00%	0	0	0	0	0
Pipe Lines Per Prop	12.00%	0	0	0	0	0
Natural Gas Companies Per Prop	12.00%	0	0	0	0	0
Subtotal -- Class 11		0	0	0	0	0
Mobile Homes	3.86%	0	0	0	0	0
Mobile Homes - Retired and Disabled	2.23%	0	0	0	0	0
Subtotal -- Class 12		0	0	0	0	0
Railroads	Settlement *					
Airlines (includes Flight Prop)	Settlement *					
STATE TOTAL FOR PERSONAL PROPERTY		(6,006,662)	(8,129,811)	(14,568,340)	(2,498,996)	(31,203,810)

* These taxpayers do not pay taxes based on the existing tax rate formula because it violates the 4-R Act due to the inclusion of net and gross proceeds. Therefore, since their taxes are subject to negotiation, the impact is unknown. This also applies to increases in the mandatory mandatory school levy.

finder

EXHIBIT # 9
- 7/7/89 SB 22

Estimated Impact of Reduced Personal Property Tax Rates on School Districts

The analysis is based on 1988 foundation schedules, 1988 district mills, 1988 taxable values. The analysis does not include any proposed changes to the foundation program.

Excess: Secondary: 6.01%
Elementary: 4.64%

COUNTY	DISTRICT	1988 Schedule Amount	Total Dist. Mills minus Mandatory Mills	Reduction in TV	Loss in Revenue	Estimated Increase Schedule	Difference
BEAVERHEAD	BEAVERHEAD CO HS	853,483	54.38	(1,159,783)	(63,069)	51,288	(11,781)
BEAVERHEAD	DILLON ELEM	1,556,012	96.12	(94,951)	(92,424)	72,123	(20,302)
BEAVERHEAD	GRANT ELEM	50,094	47.53	(54,699)	(2,600)	2,322	(278)
BEAVERHEAD	JACKSON ELEM	45,345	42.2	(57,190)	(12,413)	2,102	(312)
BEAVERHEAD	LIMA ELEM	175,368	101.78	(177,253)	(7,860)	4,128	269
BEAVERHEAD	LIMA H S	175,740	34.78	(177,253)	(2,686)	10,561	7,875
BEAVERHEAD	POLARIS ELEM	20,158	29.28	(11,028)	(2,111)	2,102	611
BEAVERHEAD	REICHEL ELEM	45,345	70.14	(30,119)	(2,113)	2,102	111
BEAVERHEAD	WISDOM ELEM	35,370	50.76	(31,268)	(2,602)	2,566	(36)
BIG HORN	BIG BEND ELEM	20,158	14.34	(23,870)	(428)	934	506
BIG HORN	COMMUNITY ELEM	46,928	31.13	(54,912)	(1,709)	2,175	466
BIG HORN	HARDIN ELEM	1,758,046	33.98	(1,526,179)	(51,860)	81,487	29,627
BIG HORN	HARDIN H S	908,090	46.19	(1,610,960)	(74,410)	54,570	(19,840)
BIG HORN	LODGE GROSS ELEM	382,744	75.99	(111,074)	(8,441)	28,129	19,689
BIG HORN	LODGE GROSS H S	606,879	14.79	(4,868,537)	(72,007)	22,976	(49,031)
BIG HORN	PLEYER COUPS H S	232,326	51.51	(46,611)	(2,401)	13,861	11,560
BIG HORN	PRYOR ELEM	157,323	31.77	(46,611)	(1,481)	7,301	5,821
BIG HORN	SOUTHWEST CREEK ELEM	21,001	6.05	(4,731,614)	(28,626)	7,973	(27,653)
BIG HORN	WYOLA ELEM	198,254	45.28	(25,949)	(1,175)	7,335	6,160
BLAINE	BEAR PAW ELEM	63,002	16.75	(64,259)	(1,180)	2,920	1,844
BLAINE	CHINOOK ELEM	533,992	54.41	(260,614)	(14,180)	24,751	10,571
BLAINE	CHINOOK H S	455,300	33.55	(626,688)	(21,025)	27,360	6,335
BLAINE	CLEVELAND ELEM	42,001	20.52	(211,451)	(4,339)	1,947	(2,392)
BLAINE	COW ISLAND TR ELEM	20,158	18.33	(114,060)	(258)	934	677
BLAINE	HARLEN ELEM	662,185	54.99	(175,677)	(9,660)	30,683	21,022
BLAINE	HARLEN H S	372,442	26.62	(408,193)	(10,866)	22,381	11,515
BLAINE	HAYS-LODGE POLE ELEM	310,977	14.33	(3,675)	(41)	14,414	14,361
BLAINE	HAYS-LODGE POLE H S	239,009	11.2	(3,675)	(141)	14,363	14,222
BLAINE	N HARLEN COLONY ELEM	20,158	57.02	(7,622)	(557)	934	378
BLAINE	TURNER ELEM	171,412	103.68	(216,921)	(22,490)	7,945	(14,545)
BLAINE	TURNER H S	151,015	88.07	(205,928)	(18,136)	9,075	(9,061)
BLAINE	ZURICH ELEM	122,451	21.86	(260,365)	(5,682)	5,676	(16)
BROADWATER	BROADWATER CO HS	548,517	38.05	(908,966)	(34,586)	32,862	(1,624)
BROADWATER	TUSTON ELEM	21,843	31.26	(78,216)	(12,445)	1,012	(1,433)
BROADWATER	TOWNSEND ELEM	787,078	48.26	(749,568)	(36,193)	38,482	288
CARBON	BELFRY ELEM	229,067	29.77	(131,556)	(12,916)	10,617	6,892
CARBON	BELFRY H S	194,925	21.45	(131,556)	(2,822)	11,714	6,701
CARBON	BOYD ELEM	44,290	36	(22,029)	(793)	2,053	1,260
CARBON	BRIDGER ELEM	308,957	71.54	(128,699)	(9,207)	14,320	5,113
CARBON	BRIDGER H S	268,008	56.45	(128,699)	(7,365)	16,105	8,840
CARBON	ENGOR ELEM	46,400	60.92	(72,883)	(4,440)	2,151	(2,289)
CARBON	FRONIER ELEM	247,496	30.53	(64,613)	(1,973)	11,472	9,499
CARBON	FRONIER H S	241,133	81.01	(121,361)	(9,831)	14,490	4,659
CARBON	JACKSON ELEM	44,818	40.9	(11,990)	(490)	2,077	1,587
CARBON	JULIET ELEM	437,965	123.61	(81,560)	(10,082)	20,300	10,218
CARBON	JULIET H S	277,253	71.07	(130,914)	(9,304)	16,661	7,357
CARBON	LUTHER ELEM	45,345	44.48	(60,897)	(2,709)	2,102	(607)
CARBON	RED LODGE ELEM	682,540	67.67	(157,630)	(10,667)	27,928	17,261
CARBON	RED LODGE H S	374,440	49.39	(244,249)	(12,063)	22,501	10,438
CARBON	ROBERTS ELEM	185,094	34.63	(43,054)	(1,699)	6,573	6,881
CARBON	ROBERTS H S	206,635	32.46	(43,054)	(1,592)	12,419	10,826
CARTER	ALZON ELEM	21,843	0	(34,425)	(10,250)	1,012	1,012
CARTER	CARTER CO H S	256,241	29.72	(344,891)	(11,578)	15,398	5,148
CARTER	EKALAKA ELEM	199,356	74.42	(155,573)	(133)	9,240	(2,377)
CARTER	HAMMOND-BOX ELDER EL	42,001	12.38	(34,939)	(433)	1,947	1,514
CARTER	JOHNSTON ELEM	20,158	9.99	(52,157)	(521)	934	413
CARTER	PINE HILL-PLAINW EL	42,001	56.28	(40,101)	(2,257)	1,947	(310)
CARTER	RIDGE ELEM	20,158	32.63	(11,105)	(362)	934	572
CASCADE	BELT ELEM	406,784	68.61	(181,327)	(12,441)	18,653	6,414
CASCADE	BELT H S	301,607	81.34	(150,807)	(12,257)	18,124	5,858
CASCADE	CASCADE ELEM	354,310	67.11	(116,929)	(7,847)	16,423	8,576
CASCADE	CASCADE H S	399,617	70.55	(178,904)	(12,622)	24,014	11,392
CASCADE	CENTERVILLE EL	408,247	95.11	(76,728)	(7,298)	18,923	11,625
CASCADE	CENTERVILLE H S	282,566	98.91	(76,728)	(7,369)	16,990	9,391
CASCADE	DEEP CREEK ELEM	33,885	46.04	(26,645)	(1,227)	1,571	344
CASCADE	GREAT FALLS ELEM	13,278,076	120.65	(3,260,538)	(293,384)	615,451	222,067
CASCADE	GREAT FALLS H S	7,198,716	78.74	(3,291,058)	(259,138)	432,582	173,454
CASCADE	SIWAS H S	430,313	90.81	(182,533)	(116,576)	23,859	9,283
CASCADE	ULM ELEM	212,875	124.51	(35,331)	(4,399)	9,867	5,468
CASCADE	VAUGHN ELEM	326,638	109.95	(108,143)	(11,891)	15,140	3,219
CASCADE	VAUGHN H S	31,943	59.88	(108,143)	(12,458)	1,403	(1,055)

CHOUTEAU	103,377	12,539	17,539	16,696
CHOUTEAU	671,755	34,253	17,539	16,696
CHOUTEAU	715,755	30,035	10,671	(11,353)
CHOUTEAU	167,680	3,984	9,314	(3,050)
CHOUTEAU	444,412	36,704	26,601	(10,103)
CHOUTEAU	910,752	54,543	21,443	(31,102)
CHOUTEAU	383,753	32,030	3,695	(22,355)
CHOUTEAU	195,936	28,404	13,073	(13,330)
CHOUTEAU	195,936	28,404	9,294	(13,086)
CHOUTEAU	208,739	16,964	9,515	(17,449)
CHOUTEAU	175,610	14,629	1,091	(3,539)
CHOUTEAU	134,210	13,852	934	(2,917)
CHOUTEAU	113,946	(172)	934	763
CHOUTEAU	29,428	(806)	1,947	1,141
CHOUTEAU	826,211	(81,210)	87,309	6,099
CHOUTEAU	11,617	1,052	514	514
CHOUTEAU	122,840	(378)	1,869	891
CHOUTEAU	170,814	15,483	4,496	(987)
CHOUTEAU	196,020	(14,748)	3,258	510
CHOUTEAU	586,276	(95,635)	98,811	(825)
CHOUTEAU	125,655	(801)	934	133
CHOUTEAU	110,161	(365)	934	569
CHOUTEAU	30,050	(1,024)	1,052	(40)
CHOUTEAU	127,800	934	934	(90)
CHOUTEAU	117,586	1,922	934	413
CHOUTEAU	113,544	(801)	934	133
CHOUTEAU	242,322	(16,973)	6,497	(10,478)
CHOUTEAU	127,786	(18,061)	7,679	(10,382)
CHOUTEAU	131,373	(156,808)	6,089	(17,098)
CHOUTEAU	135,737	(13,910)	8,157	(15,754)
CHOUTEAU	399,820	(396,193)	18,532	(21,880)
CHOUTEAU	283,002	(396,193)	17,006	(27,541)
CHOUTEAU	147,456	(44,548)	2,200	(2,403)
CHOUTEAU	147,456	(44,548)	68,944	8,522
CHOUTEAU	147,456	(44,548)	2,518	(3,522)
CHOUTEAU	147,456	(44,548)	90,384	36,122
CHOUTEAU	147,456	(44,548)	2,175	(1,179)
CHOUTEAU	147,456	(44,548)	8,589	(11,114)
CHOUTEAU	147,456	(44,548)	11,895	(18,646)
CHOUTEAU	147,456	(44,548)	934	(1,150)
CHOUTEAU	147,456	(44,548)	83,696	33,510
CHOUTEAU	147,456	(44,548)	69,576	44,487
CHOUTEAU	147,456	(44,548)	31,467	27
CHOUTEAU	147,456	(44,548)	28,477	(3,166)
CHOUTEAU	147,456	(44,548)	934	(2,581)
CHOUTEAU	147,456	(44,548)	8,398	193
CHOUTEAU	147,456	(44,548)	8,850	3,199
CHOUTEAU	147,456	(44,548)	934	266
CHOUTEAU	147,456	(44,548)	1,052	(1,614)
CHOUTEAU	147,456	(44,548)	934	759
CHOUTEAU	147,456	(44,548)	1,610	896
CHOUTEAU	147,456	(44,548)	11,557	(6,410)
CHOUTEAU	147,456	(44,548)	11,152	(5,649)
CHOUTEAU	147,456	(44,548)	60,432	(28,064)
CHOUTEAU	147,456	(44,548)	8,065	183
CHOUTEAU	147,456	(44,548)	8,157	(1,781)
CHOUTEAU	147,456	(44,548)	934	(1,705)
CHOUTEAU	147,456	(44,548)	75,703	22,249
CHOUTEAU	147,456	(44,548)	9,153	(2,377)
CHOUTEAU	147,456	(44,548)	10,152	(2,187)
CHOUTEAU	147,456	(44,548)	4,613	1,226
CHOUTEAU	147,456	(44,548)	6,901	(3,737)
CHOUTEAU	147,456	(44,548)	9,444	(815)
CHOUTEAU	147,456	(44,548)	9,444	723
CHOUTEAU	147,456	(44,548)	9,444	(4,321)
CHOUTEAU	147,456	(44,548)	9,444	15,501
CHOUTEAU	147,456	(44,548)	6,902	6,038
CHOUTEAU	147,456	(44,548)	39,695	29,608
CHOUTEAU	147,456	(44,548)	36,783	29,554
CHOUTEAU	147,456	(44,548)	4,238	3,713
CHOUTEAU	147,456	(44,548)	16,801	15,816
CHOUTEAU	147,456	(44,548)	110,052	(36,354)
CHOUTEAU	147,456	(44,548)	82,997	8,637
CHOUTEAU	147,456	(44,548)	4,410	2,734
CHOUTEAU	147,456	(44,548)	11,308	10,454
CHOUTEAU	147,456	(44,548)	58,495	(15,548)
CHOUTEAU	147,456	(44,548)	10,067	6,930
CHOUTEAU	147,456	(44,548)	29,591	45,956
CHOUTEAU	147,456	(44,548)	15,919	11,094
CHOUTEAU	147,456	(44,548)	172,082	(2,886)
CHOUTEAU	147,456	(44,548)	6,793	5,441
CHOUTEAU	147,456	(44,548)	10,165	7,396
CHOUTEAU	147,456	(44,548)	2,566	2,863
CHOUTEAU	147,456	(44,548)	7,953	(6,160)
CHOUTEAU	147,456	(44,548)	1,610	1,412
CHOUTEAU	147,456	(44,548)	24,954	17,421
CHOUTEAU	147,456	(44,548)	11,827	12,259
CHOUTEAU	147,456	(44,548)	4,752	13,167

FLATHEAD	WHITE PINE ELEN	73.73	1,769,367	1,331,966	(46,787)	68,311	312	3,324
FLATHEAD	WHITE PINE H S	57.11	(18,238)	(18,238)	(17,641)	5,759		21,885
GALLATIN	AMSTERDAM ELEN	124.21	1,136,754	(17,641)	(17,641)	7,305		7,305
GALLATIN	ANDERSON ELEN	200.503	84.86	(23,438)	(19,989)	79,934		20,212
GALLATIN	BEAVER ELEN	1,724.533	105.94	(563,728)	(59,721)	15,744		15,633
GALLATIN	BEAVER H S	861.059	99.81	(603,749)	(36,110)	202,686		3,212
GALLATIN	BOZEMAN ELEN	4,372.667	100.22	(1,976,563)	(199,475)	160,126		6,917
GALLATIN	BOZEMAN H S	2,644.641	65.21	(2,358,946)	(153,827)	1,206		368
GALLATIN	COTTONWOOD EL	25,056	33.84	(16,585)	(10,545)	5,426		732
GALLATIN	GALLATIN 6TH ELEN	237.743	78.03	(113,136)	(22,721)	973		3,183
GALLATIN	LA MOTT ELEN	117.059	32.27	(22,329)	(242)	25,321		(3,024)
GALLATIN	MILWAUKEE ELEN	21.001	53.98	(4,478)	(27,486)	24,442		10,503
GALLATIN	MANHATTAN ELEN	546.287	210.64	(110,097)	(22,138)	16,642		(2,120)
GALLATIN	MANHATTAN H S	407.067	78.44	(350,403)	(6,139)	2,395		92
GALLATIN	MONTELEONE EL	359.046	80.3	(76,449)	(4,516)	1,091		(61,236)
GALLATIN	ONION ELEN	51.676	40.33	(111,968)	(1,124)	20,072		(17,905)
GALLATIN	PASS CREEK ELEN	21,528	28.04	(140,021)	(1,124)	15,498		4,196
GALLATIN	SPRINGHILL EL	20,158	23.23	(28,818)	(1,124)	1,911		846
GALLATIN	THREE FORKS EL	433.043	70.37	(28,818)	(1,124)	598		934
GALLATIN	THREE FORKS H S	338.212	47.33	(1,153,440)	(1,124)	1,362		4,821
GALLATIN	W YELLOWSTONE ELEN	280.841	97.09	(1,167,564)	(1,124)	10,197		815
GALLATIN	W YELLOWSTONE H S	257.894	75.51	(1215,497)	(1,124)	934		905
GALLATIN	WILLOW CREEK HS	114.845	61.52	(43,976)	(2,702)	334		680
GARFIELD	BENTZEN ELEN	20,158	5.66	(19,102)	(2,702)	2,200		1,869
GARFIELD	BIG DRY CREEK ELEN	21,528	6.82	(35,791)	(2,702)	16,707		5,005
GARFIELD	BLACKFOOT ELEN	20,158	8.63	(39,032)	(2,702)	13,950		9,358
GARFIELD	CAT CREEK ELEN	20,158	0	(14,813)	(2,702)	934		(2,000)
GARFIELD	CHAMBER ELEN	47,456	8.78	(12,385)	(2,702)	1,862		(33,381)
GARFIELD	FLAT CREEK ELEN	20,158	11.04	(4,469)	(2,702)	11,895		(25,438)
GARFIELD	GARFIELD CO H S	278.019	25.96	(457,839)	(11,886)	15,081		(6,911)
GARFIELD	JORDAN ELEN	300.962	25.38	(146,710)	(3,753)	4,424		180
GARFIELD	KESTER ELEN	20,158	12.92	(119,204)	(119)	405		5,629
GARFIELD	PINE GROVE ELEN	20,158	0	(12,891)	(2)	24,406		(19,877)
GARFIELD	ROSS ELEN	20,158	4.76	(16,116)	(2)	(13,854)		22,193
GARFIELD	SAND SPRINGS EL	20,158	1.76	(31,018)	(2)	3,853		(127,954)
GARFIELD	SUTHERLAND-COLE ELEN	40,316	32.82	(31,960)	(2)	(171,457)		(42,429)
GARFIELD	VAN NORMAN ELEN	20,158	99.22	(41,193)	(2)	12,194		(28,181)
GLACIER	BREANTING ELEN	900.602	54.15	(496,325)	(1,122)	3,255		3,255
GLACIER	BREANTING H S	1,119.270	57.15	(1,009,741)	(1,122)	8,632		(172,979)
GLACIER	CUT BANK ELEN	623.906	41.8	(1,019,712)	(4,624)	23,895		(171,457)
GLACIER	CUT BANK H S	85.857	57.32	(84,832)	(4,624)	23,895		(42,429)
GLACIER	E. GLACIER PARK ELEN	49,566	54.09	(19,972)	(4,624)	23,895		(28,181)
GLACIER	SEVILLE ELEN	49,566	36.45	(83,022)	(4,624)	23,895		(28,181)
GOLDEN VALLEY	LAVINA ELEN	131.038	41.97	(83,022)	(4,624)	23,895		(28,181)
GOLDEN VALLEY	LAVINA H S	114.845	67.36	(106,304)	(4,624)	23,895		(28,181)
GOLDEN VALLEY	RYEGATE ELEN	146.473	48.42	(106,304)	(4,624)	23,895		(28,181)
GOLDEN VALLEY	RYEGATE H S	168.937	48.42	(106,304)	(4,624)	23,895		(28,181)
GRANITE	DREAMWOOD ELEN	215.600	121.39	(93,154)	(11,308)	16,995		(2,000)
GRANITE	DREAMWOOD H S	277.253	48.05	(151,991)	(7,303)	16,995		(2,000)
GRANITE	GRANITE H S	282.810	61.68	(126,455)	(16,287)	16,995		(2,000)
GRANITE	HILL ELEN	50.094	73.45	(58,837)	(4,322)	2,207		(2,000)
GRANITE	HILL DOWNS ELEN	362.276	74.23	(264,055)	(19,601)	6,074		(2,000)
HILL	BLUE SKY ELEN	212.778	90.36	(147,571)	(19,601)	6,074		(2,000)
HILL	BLUE SKY HIGH	197.936	78.05	(147,571)	(19,601)	6,074		(2,000)
HILL	BOX ELDER ELEN	227.324	44.48	(95,768)	(13,352)	11,895		(2,000)
HILL	BOX ELDER H S	250.967	30.36	(95,768)	(13,352)	11,895		(2,000)
HILL	COTTONWOOD ELEN	95.439	44.71	(253,517)	(11,308)	15,081		(2,000)
HILL	DAVEY ELEN	20,158	36.67	(20,561)	(11,308)	15,081		(2,000)
HILL	GILFORD COLONY ELEN	23,528	38.76	(17,685)	(11,308)	15,081		(2,000)
HILL	HAYNE ELEN	2,731.081	115.05	(1,051,365)	(120,960)	1,091		405
HILL	HAYNE H S	421.082	46.15	(1,324,094)	(161,107)	186,584		5,629
HILL	K-8 ELEN	222.841	60.66	(134,082)	(20,265)	85,512		24,406
HILL	K-8 HIGH SCHOOL	135.737	65.7	(134,082)	(20,265)	10,329		(19,877)
HILL	ROCKY BOY ELEN	482.768	110.75	(19,158)	(24,011)	8,137		(13,854)
HILL	ROCKY BOY HIGH	427.959	110.75	(19,158)	(24,011)	8,137		(13,854)
JEFFERSON	BOLLIER ELEN	83.988	26.67	(36,644)	(6,273)	19,836		22,193
JEFFERSON	CARDWELL ELEN	694.176	93	(11,800,593)	(31,486)	3,853		(27,954)
JEFFERSON	CLANCY ELEN	512.057	64.59	(2,205,962)	(205,154)	32,176		(172,979)
JEFFERSON	JEFFERSON H S	232.569	120.64	(3,130,946)	(202,228)	30,771		(171,457)
JEFFERSON	MONTANA CITY ELEN	558.676	120.64	(464,104)	(55,989)	13,561		(42,429)
JEFFERSON	MONTANA CITY H S	497.611	120.64	(114,023)	(13,701)	23,895		(28,181)
JEFFERSON	WHITEHALL ELEN	134.266	53.64	(1,328,567)	(58,284)	23,895		(28,181)
JUDITH BASIN	BEYSER ELEN	185.579	26.19	(70,066)	(3,853)	7,150		3,255
JUDITH BASIN	BEYSER H S	203.760	71.86	(95,437)	(12,960)	11,132		8,632
JUDITH BASIN	HOBSON ELEN	232.328	71.35	(161,853)	(12,960)	9,444		(3,481)
JUDITH BASIN	HOBSON H S	45.345	49.19	(25,431)	(1,231)	2,102		851
JUDITH BASIN	RYANSTOWN ELEN	225.633	65.72	(229,148)	(15,060)	10,458		(4,601)
JUDITH BASIN	STANFORD ELEN	212.621	57.02	(229,148)	(13,066)	12,752		(3,14)
LAKE	ARLEE ELEN	643.621	71.27	(34,153)	(12,503)	30,779		28,256
LAKE	ARLEE H S	388.181	34.26	(34,153)	(12,503)	23,327		22,193
LAKE	CHARLO ELEN	437.520	59.06	(80,430)	(4,750)	76,280		13,329
LAKE	POLSON ELEN	1,645.702	35.48	(440,624)	(15,633)	92,311		60,646
LAKE	POLSON H S	870.509	55.06	(475,436)	(26,178)	52,311		26,134
LAKE	ROMAN ELEN	1,652.314	38.8	(561,959)	(121,804)	76,586		54,782
LAKE	ROMAN H S	745.940	86.89	(561,959)	(48,829)	44,826		(4,003)
LAKE	ST IGNATIUS ELEN	644.659	72.14	(98,109)	(13,644)	29,881		26,237
LAKE	ST IGNATIUS H S	407.067	72.14	(98,109)	(13,644)	29,881		17,308
LAKE	ST IGNATIUS H S	15.745	15.745	(15,745)	(7,154)	84,142		17,308

PHILLIPS	159,340	49,22	130,320	16,414	9,315	3,101
PHILLIPS	202,760	23,62	(108,196)	(41,556)	9,399	6,843
PHILLIPS	154,703	47,25	(876,269)	(41,043)	9,237	(32,107)
PHILLIPS	20,158	10,47	(768,073)	(6,043)	9,934	(7,107)
PHILLIPS	830,764	51,1	(631,862)	(32,288)	38,507	6,219
PHILLIPS	512,037	53,36	(688,781)	(33,820)	30,771	(5,049)
PHILLIPS	178,081	23,06	(127,964)	(13,207)	8,254	5,047
PHILLIPS	185,579	27,42	(118,023)	(13,236)	11,152	7,916
PHILLIPS	20,158	15,62	(121,895)	(342)	934	592
PHILLIPS	20,158	15,64	(115,023)	(253)	934	681
PHILLIPS	137,150	23,62	(90,233)	(12,131)	6,357	4,226
PHILLIPS	114,845	21,52	(11,942)	(1,942)	6,901	4,960
PHILLIPS	169,201	69,5	(288,323)	(20,038)	7,843	(12,186)
PHILLIPS	114,845	46,08	(288,323)	(13,286)	6,901	(6,385)
PHILLIPS	879,241	74,49	(681,315)	(90,751)	40,734	(3,598)
PHILLIPS	541,736	52,34	(722,000)	(37,789)	32,555	(5,235)
PHILLIPS	51,676	39,03	(65,998)	(12,576)	2,395	(181)
PHILLIPS	277,457	15,71	(725)	(11)	12,860	12,849
PHILLIPS	46,400	33,9	(140,685)	(11,379)	2,151	771
PHILLIPS	336,511	32,46	(271,891)	(8,856)	15,598	6,772
PHILLIPS	272,666	20,02	(338,613)	(16,779)	15,449	9,666
PHILLIPS	26,898	9,04	(150,009)	(452)	1,247	75
PHILLIPS	33,259	31,38	(185,274)	(15,814)	2,469	(3,345)
PHILLIPS	1,055,921	163,53	(279,338)	(45,680)	48,943	3,263
PHILLIPS	22,284	48,33	(17,014)	(339)	2,420	2,081
PHILLIPS	44,290	91,52	(305,797)	(27,987)	1,052	(26,935)
PHILLIPS	43,42	11,32	(113,322)	(579)	2,053	1,474
PHILLIPS	48,511	44,54	(62,366)	(12,753)	2,249	1,527
PHILLIPS	52,204	50,26	(150,962)	(12,561)	2,420	(142)
PHILLIPS	653,551	60,67	(618,799)	(37,540)	39,274	1,734
PHILLIPS	46,400	24,16	(180,299)	(11,940)	2,151	211
PHILLIPS	354,018	37,57	(350,766)	(10,161)	16,409	6,248
PHILLIPS	332,821	43,83	(15,374)	(15,374)	20,000	4,628
PHILLIPS	1,062,285	64,98	(135,184)	(8,784)	49,238	40,454
PHILLIPS	606,096	37,32	(135,184)	(5,045)	36,422	31,377
PHILLIPS	618,258	58,17	(337,829)	(15,532)	28,657	9,005
PHILLIPS	488,426	44,53	(337,829)	(15,044)	29,351	14,307
PHILLIPS	745,409	107,33	(135,886)	(15,998)	34,350	28,552
PHILLIPS	395,840	69,38	(135,886)	(13,889)	23,787	19,899
PHILLIPS	1,460,679	43,65	(356,940)	(17,266)	67,704	50,377
PHILLIPS	963,801	36,23	(356,940)	(14,381)	57,918	43,537
PHILLIPS	294,325	84,38	(118,843)	(11,390)	13,642	12,052
PHILLIPS	1,244,854	62,63	(193,065)	(12,092)	57,700	45,608
PHILLIPS	794,291	49,54	(211,969)	(10,988)	47,731	37,233
PHILLIPS	331,408	60,46	(166,558)	(14,034)	15,361	11,337
PHILLIPS	273,666	36,2	(166,558)	(12,093)	16,445	14,036
PHILLIPS	24,371	10,37	(135,973)	(353)	1,130	735
PHILLIPS	467,103	24,81	(406,919)	(10,056)	21,651	11,555
PHILLIPS	432,040	17,12	(440,728)	(7,945)	25,963	18,417
PHILLIPS	186,009	52,8	(155,403)	(8,205)	8,622	416
PHILLIPS	151,015	63,36	(140,256)	(8,087)	9,075	188
PHILLIPS	127,809	20,55	(176,043)	(11,563)	5,924	4,361
PHILLIPS	242,438	62,37	(135,561)	(8,424)	11,237	8,813
PHILLIPS	225,173	48,14	(174,076)	(8,420)	13,531	5,111
PHILLIPS	1,929,355	38,66	(822,607)	(31,802)	89,427	57,625
PHILLIPS	1,000,502	20,27	(991,516)	(20,098)	60,123	40,025
PHILLIPS	165,508	41,99	(626,841)	(26,321)	7,676	(18,645)
PHILLIPS	185,579	26,58	(626,841)	(16,561)	11,152	(5,509)
PHILLIPS	198,381	11,45	(115,747)	(11,755)	9,195	7,440
PHILLIPS	161,924	84,35	(115,747)	(11,328)	9,730	8,402
PHILLIPS	396,582	59,44	(412,316)	(24,508)	18,382	(6,126)
PHILLIPS	249,104	58,14	(380,702)	(20,911)	14,989	(6,002)
PHILLIPS	192,505	84,98	(165,859)	(14,055)	8,923	(5,172)
PHILLIPS	175,740	73,67	(165,859)	(12,219)	10,561	(1,658)
PHILLIPS	284,547	52,86	(177,875)	(9,402)	13,189	3,787
PHILLIPS	1,055,474	30,22	(597,641)	(18,061)	48,922	30,861
PHILLIPS	504,872	34,64	(597,641)	(20,726)	30,339	9,613
PHILLIPS	1,095,821	43,56	(348,170)	(15,166)	50,792	35,626
PHILLIPS	702,936	27,47	(325,782)	(14,443)	42,242	27,798
PHILLIPS	26,898	37,6	(118,192)	(684)	1,247	563
PHILLIPS	1,613,966	19,08	(4,138,594)	(77,263)	74,810	(2,453)
PHILLIPS	928,609	8,94	(276,563)	(36,999)	55,803	18,804
PHILLIPS	786,042	62,33	(165,859)	(17,238)	36,434	19,196
PHILLIPS	519,165	29,13	(448,370)	(13,088)	31,138	18,110
PHILLIPS	24,371	9,73	(171,807)	(11,672)	1,130	(548)
PHILLIPS	465,893	4,05	(120,780)	(1,84)	21,595	21,510
PHILLIPS	20,158	7,49	(166,212)	(456)	934	438
PHILLIPS	192,505	54,54	(195,705)	(15,220)	8,923	3,703
PHILLIPS	179,088	34,38	(161,917)	(15,567)	10,762	5,195
PHILLIPS	34,727	23,96	(299,077)	(17,166)	1,610	(5,556)
PHILLIPS	234,606	28,47	(930,040)	(26,478)	14,098	(12,380)
PHILLIPS	343,649	22,44	(157,412)	(25,972)	15,988	(10,044)
PHILLIPS	128,966	64,13	(226,069)	(14,198)	3,978	(8,520)
PHILLIPS	114,845	50,01	(226,069)	(11,306)	6,901	(4,404)
PHILLIPS	620,179	41,06	(837,775)	(34,399)	28,746	(5,653)
PHILLIPS	392,028	46,62	(837,775)	(39,057)	23,558	(15,499)
PHILLIPS	188,545	77,82	(514,245)	(19,449)	8,729	(10,710)

SHERIDAN	188,747	36.61	(385,751)	121,426	11,342	11,127
SILVER BOW	6,030,037	168.68	(1,214,338)	(204,834)	279,158	78,663
SILVER BOW	3,414,009	64.53	(2,187,448)	(184,905)	205,158	20,253
SILVER BOW	44,818	65.35	(37,303)	(2,451)	2,077	(373)
SILVER BOW	48,511	44.16	(66,139)	(271)	2,249	1,977
SILVER BOW	231,555	85.28	(92,468)	(79,253)	10,733	(68,332)
STILLWATER	557,576	104.31	(214,403)	(22,344)	25,844	3,400
STILLWATER	394,226	64.66	(73,000)	(4,727)	18,273	13,546
STILLWATER	312,952	68.43	(65,635)	(4,505)	18,806	14,301
STILLWATER	166,172	40.31	(105,377)	(4,249)	6,901	14,673
STILLWATER	114,045	32.61	(132,633)	(4,977)	6,901	1,924
STILLWATER	114,845	87.56	(131,953)	(2,801)	6,901	4,100
SHEET BRASS	581,914	23.04	(180,118)	(11,708)	26,972	15,285
SHEET BRASS	33,042	40.51	(28,161)	(1,649)	286	286
SHEET BRASS	33,885	28.9	(30,680)	(1,243)	1,532	289
SHEET BRASS	47,983	21.66	(28,052)	(811)	1,571	760
SHEET BRASS	470,866	83.35	(89,137)	(1,931)	2,224	233
TEION	311,676	61.23	(367,634)	(30,559)	26,556	(2,363)
TEION	496,992	61.29	(47,488)	(1,543)	23,375	852
TEION	417,980	49.13	(371,298)	(22,737)	23,036	(3,149)
TEION	198,232	68.28	(575,338)	(28,266)	25,118	(16,351)
TEION	203,601	47.57	(374,163)	(25,540)	9,189	(5,552)
TEION	388,206	34.88	(143,246)	(17,799)	12,247	(5,552)
TEION	390,109	56.73	(285,588)	(4,936)	17,994	12,997
TEION	49,038	49.69	(285,588)	(16,201)	23,443	7,241
TEION	26,056	18.04	(45,466)	(2,259)	2,273	14
TEION	197,678	131.45	(159,493)	(2,876)	1,508	(1,559)
TEION	179,088	88.65	(134,454)	(17,674)	9,163	(6,311)
TEION	50,094	10.97	(142,425)	(12,626)	10,762	(1,864)
TEION	45,673	15.02	(183,939)	(2,761)	2,222	(3,832)
TEION	801,409	84.01	(428,555)	(36,015)	2,126	(6,355)
TEION	463,192	16.31	(1,120,378)	(51,537)	37,146	1,131
TEION	344,369	25.86	(1,085,252)	(16,738)	27,835	(23,703)
TEION	283,002	63.86	(1,210,092)	(31,233)	15,963	(775)
TEION	256,597	44.27	(228,861)	(14,478)	17,006	(14,287)
TEION	224,819	33.77	(228,861)	(10,128)	11,894	(2,584)
TEION	191,862	17.48	(111,603)	(3,789)	14,563	4,231
TEION	54,314	181.25	(446,493)	(7,865)	10,268	6,539
TEION	186,033	110.65	(500,898)	(1,625)	11,530	3,725
TEION	150,973	83.81	(500,898)	(55,424)	54,974	(451)
TEION	158,337	35.41	(134,130)	(4,891)	41,177	(803)
TEION	158,337	39.74	(148,071)	(5,884)	6,998	2,107
TEION	126,827	54.22	(334,890)	(18,158)	10,152	4,268
TEION	289,500	63.09	(347,843)	(32,092)	5,841	(12,316)
TEION	261,045	64.98	(1,128,659)	(24,033)	119,600	(16,346)
TEION	207,892	61.75	(1,128,659)	(73,213)	9,636	(63,577)
TEION	182,360	75.45	(1,128,659)	(69,574)	10,959	(58,615)
TEION	367,485	59.15	(1,128,659)	(9,505)	17,328	7,528
TEION	297,008	59.38	(1,128,659)	(13,340)	17,848	4,508
TEION	184,735	49.83	(1,128,659)	(5,682)	2,880	2,880
TEION	143,400	15.29	(71,428)	(3,559)	5,063	5,063
TEION	22,686	19.52	(1,128,659)	(1,622)	784	784
TEION	345,130	14.69	(82,477)	(1,602)	1,052	(657)
TEION	269,244	14.11	(750,614)	(11,177)	15,997	4,820
TEION	16,256,409	91.52	(12,211,023)	(1,117,553)	16,180	3,389
TEION	10,062,692	52.69	(15,342,853)	(807,467)	753,499	(364,694)
TEION	197,729	88.78	(142,002)	(3,729)	604,096	(203,371)
TEION	202,289	50.09	(171,955)	(6,570)	9,165	5,436
TEION	194,925	35.39	(171,955)	(6,055)	9,376	806
TEION	365,888	101.17	(90,041)	(9,106)	11,714	5,459
TEION	144,522	75.2	(86,358)	(6,539)	7,854	7,854
TEION	168,337	54.98	(86,358)	(4,781)	6,699	5,371
TEION	324,819	86.19	(89,012)	(7,672)	10,152	5,371
TEION	127,809	53.58	(656,741)	(35,188)	15,056	7,384
TEION	348,344	82.63	(256,054)	(21,158)	5,924	(29,264)
TEION	473,674	54.22	(256,054)	(13,883)	16,146	(5,012)
TEION	304,206	91.25	(153,556)	(4,923)	28,477	14,593
TEION	2,100,908	76.62	(1,667,794)	(126,101)	9,177	9,177
TEION	1,113,808	57.07	(1,667,794)	(95,156)	87,179	(28,722)
TEION	1,926,627	95.35	(3,136,794)	(301,000)	66,332	(28,224)
TEION	52,732	42.76	(136,924)	(2,577)	89,301	(211,699)
TEION	171,129	42.3	(53,368)	(1,579)	2,444	853
TEION	727,311	70.33	(78,329)	(2,577)	7,932	5,675
TEION	566,771	102.84	(13,096)	(13,564)	33,712	28,189
TEION	2,900,725	49.12	(3,000,567)	(147,388)	34,059	20,495
TEION	4,278,127	64.61	(2,122,644)	(137,144)	174,313	26,925
TEION	279,021,439	(236,397,510)			198,295	51,151

Total Secondary
Total Elementary
Total Statewide

ROLL CALL VOTE

NATURAL RESOURCES COMMITTEE

DATE 7/7/89 BILL NO. _____ VOTE NUMBER 1

NAME	AYE	NAY
REP. ADDY		X
REP. BROOKE		X
REP. CLARK	X	
REP. GIACOMETTO	X	
REP. GILBERT	X	
REP. HANNAH	X	
REP. HARPER		X
REP. KADAS		X
REP. McDONOUGH		X
REP. MOORE		X
REP. O'KEEFE		X
REP. OWENS	X	
REP. ROTH	X	
REP. SMITH	X	
VICE-CHAIRMAN COHEN		X
CHAIRMAN RANEY		X

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SECRETARY

CHAIRMAN

MOTION: To call the question

ROLL CALL VOTE

NATURAL RESOURCES COMMITTEE

DATE 7/7 BILL NO. _____ NUMBER Table

NAME	AYE	NAY
REP. ADDY	X	
REP. BROOKE	X	
REP. CLARK		X
REP. GIACOMETTO		X
REP. GILBERT		X
REP. HANNAH		X
REP. HARPER	X	
REP. KADAS	X	
REP. McDONOUGH	X	
REP. MOORE	X	
REP. O'KEEFE	X	
REP. OWENS		X
REP. ROTH		X
REP. SMITH		X
VICE-CHAIRMAN COHEN	X	
CHAIRMAN RANEY	X	

TALLY

9 - 7

SECRETARY _____

CHAIRMAN _____

MOTION: _____

