

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON INCOME/SEVERANCE TAX

Call to Order: By BOB REAM, CHAIR, on March 12, 1991, at 8:00 A.M.

ROLL CALL

Members Present:

Rep. Dan Harrington, Chairman (D)
Rep. Bob Ream, Vice-Chairman (D)
Rep. Mike Foster (R)
Rep. Bob Gilbert (R)
Rep. Marian Hanson (R)
Rep. Jim Madison (D)
Rep. Bea McCarthy (D)
Rep. Tom Nelson (R)
Rep. Bob Raney (D)
Rep. Barry Stang (D)

Members Absent: Rep. Jim Elliott (D)

Staff Present: Lee Heiman, Legislative Council
Lois O'Connor, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Subcommittee Discussion on SB 128

Motion: REP. STANG RECOMMENDED THAT SB 128 BE CONCURRED IN.

Discussion:

REP. RANEY spoke in opposition to SB 128. He stated the tax load on Montana's people was not out of line. He saw no reason for a tax increase, that everyone has to pay, to provide for a resort infrastructure.

REP. GILBERT said he found no similarity between West Yellowstone and Big Sky. West Yellowstone is a small town where most residents live year around and use their streets. It is highly impacted in the summer by a transit population. In Big Sky, a highway runs from the state highway to the resort. The Highway Department is taking care of that road as opposed to the city. Most of the people who own homes are transit residents who pay for their water and sewer through the Homeowner's Association. REP. STANG said this bill does not apply to just Big Sky. There

are other areas, which through I-105 have had their services frozen, who could use SB 128. This could be a way for some of the smaller communities, who have lots of tourists come through, to build themselves up like West Yellowstone without raising property taxes on the people who live there. He is more concerned with how SB 128 will be implemented.

REP. FOSTER said SB 128 is aimed at tourists and tourists are going to come to Montana on an increasing rate. There are advantages for the state to be taxing these people.

REP. RANEY stated private enterprise created the Big Sky community. Over night, it turned into a national ski resort where few Montanans can afford to go and spend time. The money spent by tourists is spent on private enterprise. The private enterprise should be responsible for providing sewers and water not the taxpayers in general.

REP. GILBERT said the passage of SB 128 will create a new taxing entity. A law should be passed that would allow a community that straddles two county borders to incorporate. Then they will fall under the West Yellowstone plan. **REP. STANG** said his county has three or four different taxes that apply to its unincorporated area that are run by the County Commissioners. It already has a taxing entity and would not be setting up a new one. The tax is collected through the county and distributed back to the unincorporated area.

REP. MCCARTHY said that Section 5 states "governing body" at a resort community. It is her understanding from proponents of the bill that the "governing body" would be set up by the County Commissioners and approved by the voters.

REP. REAM asked **Mona Jamison** if changing the statutes, so that a town situated in two counties could be incorporated, had been considered. **Ms. Jamison** said the Legal Council said the town could not incorporate due to density requirements. **REP. REAM** asked if this would apply even if the statutes were changed to include two counties. **Ms. Jamison** said the question of incorporation focused on the Big Sky area and Gallatin County. The governing body would be the County Commissioners. **REP. MCCARTHY** said most of the population area is in Gallatin County. Madison County contains the unpopulated area.

Vote: Recommendation that SB 128 Be Concurred in carried 7 to 2 with **REPS. GILBERT** and **RANEY** voting no and **REP. ELLIOTT** absent.

ADJOURNMENT

Adjournment: 9:00 a.m.



BOB REAM, Chair



LOIS O'CONNOR, Secretary

BR/lo