

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN BOB GILBERT**, on February 19, 1993, at 9:00 a.m.

ROLL CALL

Members Present:

Rep. Bob Gilbert, Chairman (R)
Rep. Mike Foster, Vice Chairman (R)
Rep. Dan Harrington, Minority Vice Chairman (D)
Rep. Shiell Anderson (R)
Rep. John Bohlinger (R)
Rep. Ed Dolezal (D)
Rep. Jerry Driscoll (D)
Rep. Jim Elliott (D)
Rep. Gary Feland (R)
Rep. Marian Hanson (R)
Rep. Hal Harper (D)
Rep. Chase Hibbard (R)
Rep. Vern Keller (R)
Rep. Ed McCaffree (D)
Rep. Bea McCarthy (D)
Rep. Scott Orr (R)
Rep. Bob Raney (D)
Rep. Bob Ream (D)
Rep. Rolph Tunby (R)

Members Excused: Rep. Nelson

Members Absent: None

Staff Present: Lee Heiman, Legislative Council
Jill Rohyans, Committee Secretary

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

Committee Business Summary:

Hearing: HB 362
Executive Action: None

HEARING ON HOUSE BILL 362

Opening Statement by Sponsor:

REP. FRANCIS BARDANOUVE, HD 16, Harlem, said Montana has the finest park system in the nation. Our parks are crown jewels and worth millions of dollars, but Montana seems not to have the means or the will to maintain them. He stated the Department of Fish, Wildlife and Parks (FWP) has, in desperation, begun to collect fees at state parks, but the cost of collection is high and there is not much profit. It is impossible to support the parks system on the small amount of money the fees generate. A task force composed of citizens and legislators recommended in 1991 that at least \$6 million a year should be set aside for proper maintenance of the park system. He said HB 362 would generate approximately \$3 million a year by imposing a tax on the sale of soft drinks. Combined with appropriated funds, **REP. BARDANOUVE** felt that a conservative maintenance program could be established. FWP provides administrative services to the parks system, but has no financial connection or responsibility. Montana is one of only three states which do not support their parks systems with general fund appropriations. Missouri and Florida directly earmark portions of their sales tax revenues to park support. North Dakota spends \$2 for every \$1 Montana spends on its parks system.

Proponents' Testimony:

George Ochenski, State Parks Foundation Action Fund, said various bills have been introduced to support maintenance of parks this session. It appears most of them will not pass, but this bill makes sense, and is a good measure for raising badly needed revenue to support the parks system.

Arnold Olson, Department of Fish, Wildlife, and Parks (DFWP), presented testimony in support of the bill. **EXHIBIT 1**

Wayne Hirst, Montana State Parks Foundation, said Montana's state parks are some of our most valuable resources. He stated he understands the fiscal problems facing the legislature this session, but expressed concern about the continued deterioration of the parks. The \$3 million the bill would raise is sorely needed and he urged the Committee to support the bill.

Mike Finnegan, Anaconda, said there are two parks in his area and both are jewels. This is a fair tax and a good alternative to the general fund which has no money for parks maintenance.

Don Johnson, Helena, said the "pop tax" is no more a sales tax than the cigarette tax, gas tax, bed tax, property taxes or income taxes. The issue is not whether we can afford to maintain our parks; rather, it is whether we can afford not to. He said he travels a great deal and is always proud to come back to the beauty of Montana. He indicated the state has always maintained and invested in its infrastructure, but now that money is short,

things are being neglected. We cannot afford to ignore the deterioration of the parks any longer. He urged the Committee to pass the bill.

Carla Wambach, Teacher, Smith School, Helena, presented testimony in support of the bill. **EXHIBIT 2**

Larry Holmquist, Director, Eagle Mount, Bozeman, said his organization provides winter recreational activities for children with disabilities in the Great Falls, Bozeman, Red Lodge, and Billings areas. They use the outdoors and state parks a great deal and handicapped accessibility is very important. He urged support for the bill on behalf of all the handicapped patrons of the parks system.

Gary Moore, Lewistown, said he conducts Montana history and outdoor tours. Tourism is a year round industry in Montana and the watchable wildlife program is growing every year. He said soft drinks are an appropriate vehicle for funding parks maintenance. The parks must be maintained as usage will continue to increase due to movies such as "A River Runs Through It" and other state promotions. Our parks represent the state to tourists and visitors and must be maintained.

Gene Johnson, Upper Missouri Sierra Club, presented testimony in support of the bill. **EXHIBIT 3**

Willie Day, Glendive, said he sponsored a bill to pave the roads in Makoshika State Park in Glendive when he served as a Representative. He said he travels a lot and finds parks maintained better in other states. He urged the Committee to support the bill.

Alan Brown, Missoula, said he has lived in Montana for 50 years and used state parks all his life. He has watched with growing alarm the last 8 to 10 years as facilities have been abused and gone downhill. Money is needed just to maintain parks and still more is needed for improvements. Soft drinks and parks are a logical combination. He expressed concern that the parks be maintained as a legacy for Montana's children.

Doug Wicks, Recreational Trails, Great Falls, presented written testimony in support of the bill. **EXHIBIT 4**

Marcella Sherfy, Montana Historical Society, presented testimony in support of the bill on behalf of the **Montana Preservation Alliance.** **EXHIBIT 5**

Janet Ellis, Montana Audubon Society, said attempts to fund maintenance and improvements in the state's parks have not been successful. Now the need is critical and the longer it is delayed, the more it will cost. She urged the Committee to pass the bill.

Jack LaBonde, Director, Lincoln County Parks and Recreation, Lincoln County Commissioners, said they rely heavily on FWP expertise as they develop recreational opportunities in Lincoln County. If the state is to maintain its image as the "last best place" it is imperative that the Parks Division be healthy and well-funded. This bill has the potential of providing many benefits to the Parks Division, the tourist industry, and the people of the state.

Elizabeth Roth, Canyon Ferry Preservation Association, urged support for the bill, saying it would enhance the economy of the state.

Kurt Slonka, Kalispell, presented testimony on behalf of Bob Norwood, Director, Flathead County Parks and Recreation. EXHIBIT 6

Mike Baker, Director, Parks and Recreation, Kalispell, and President of the Montana Recreation and Parks Association, presented testimony in support of the bill. EXHIBIT 7

Wanda and Bob Worley, Big Arm, expressed support for the bill.

Opponents' Testimony:

John Delano, Montana Soft Drink Association, said there are several other bills which would fund parks maintenance this session. He said he supports parks maintenance but feels there are better and fairer methods of raising the revenue than through a "pop tax". Informal polls taken by distributors have not produced a single person or retail business that supports another selective sales tax such as this.

John Olson, President, Montana Soft Drink Bottlers, Sidney, said economic conditions in eastern Montana have led to a very soft market for soft drink sales. Those who would say the soft drink business is non-essential do not realize how many people are employed by soft drink businesses in the state and how essential soft drinks are to the many retailers who sell the products and rely on profits from those sales. Soft drink distributors carry their share of the tax burden through real property taxes, personal property taxes, corporate income taxes, annual corporate fees, local business licenses, state mercantile licenses, a variety of postal fees, and a variety of vehicle license fees, gasoline and diesel fees, and various federal telephone and utility taxes. Social security, state and federal unemployment, workers' compensation, and various excise taxes on supplies are also part of the operational tax burden of bottlers and distributors in the state. Montana needs to develop a favorable business climate, not only to attract new business, but to maintain existing ones. This is a selective and discriminatory sales tax which singles out one product and one industry and does nothing to enhance the business climate. Montana bottlers and distributors recognize the need for maintenance and support of

the parks system in Montana. They have supported schools, the arts, civic projects, and charitable activities across the state. Any new taxes enacted by the Legislature should be applied equitably across the board and not single out a specific industry or business.

Jim Woehler, General Manager, Great Falls Coca-Cola Bottling, speaking on behalf of 15 bottlers across Montana, said his industry supports 600 Montana families with a payroll of over \$12 million. He said this industry is happy to support the state by paying taxes and contributing to the economy in many ways. He said the burden should be borne equitably by all those who enjoy the benefits of living in and enjoying the opportunities and beauty of Montana. He offered three grocery carts full of beverages purchased from grocery stores in Helena which would not be taxed, pointing out the unfairness of taxing just one product. The majority of producers of soft drink products are located out-of-state and are not subject to the proposed tax. The soft drink tax is highly regressive, unfair to low and middle income families, and is a hidden tax.

Lowell Bartels, representing the youth of Montana, said we have put fees on adults and they should be kept there. He urged the Committee not to tax children.

Don Harrington, Harrington Bottling Company, Butte, asked the Committee how they would tax semi-trailers full of soft drink products coming in from out-of-state. These represent at least 25% of the soft drink products sold in the state. Pop is an alternative to alcohol for children. This tax will send a mixed message to them as we tax alcohol in order to discourage its use. Taxes have a way of growing every year and a few cents now will become a few more cents more next session. He said Montana soft drink bottlers and distributors are good citizens who pay their fair share already. They support the maintenance and enhancement of the state's parks, but believe there are better ways to do it than with a pop tax.

Brian Kilbern, Helena High School, said students use the proceeds from pop sales to buy items for the school that the budget cannot afford. He felt the tax was unfair and targeted only a small group of consumers.

Barb Oljar, owner of Jolly-O's, Helena, said this bill does not tax other potables and is an unfair burden on small business owners.

Dennis McCall, owner, Big Al's Sandwich Shop, Helena, said soft drinks are the biggest seller in his shop. Other food products are not taxed which makes this a selective and unfair tax.

Roger Tippy, Beer and Wine Wholesalers, said 15% of the volume of his members' sales are non-alcoholic beverages not handled by pop distributors. He said earmarking another tax is not a good idea. He urged the Committee to kill the bill.

David Owen, Montana Chamber of Commerce, said there is a wide range of pop prices and not everyone is making a profit on the products they carry. Even though it is a small tax, the small business owner can face an unfair advantage depending on the business volume. He said this is an inappropriate mechanism for a good cause.

Dennis Burr, Montana Taxpayers Association, said continual earmarking and imposition of selective excise taxes does not equal tax reform. He said many soft drink products come in from out-of-state. If the state is going to tax the product, it should be applied at the retail level and collected there.

Bill Stevens, Montana Food Distributors Association, agreed with the previous testimony and urged the Committee to kill the bill.

Charles Brooks, Montana Retail Association, said this is a good cause but the tax is not broad-based enough to fund our state treasures. Montana needs comprehensive overall tax reform with a sales tax as a component. He said if the bill should pass, it must have a provision for taxing out-of-state products.

Dan Irving, Montana Association of Theater Owners, said 50% of the sales from theater concessions are from soft drinks. He said this bill works an unfair hardship on children and older adults on fixed incomes.

Michelle LeFurge, Montana Market Development Company, Billings, said the bill has a direct impact on small town businesses and people who can least afford to pay.

Bob Henkel, United We Stand America, said he represents 7,500 members in Montana who support comprehensive tax reform and are firmly against a selective sales tax.

Informational Testimony:

Charlotte Maharg, Department of Revenue (DOR), submitted proposed technical amendments that bring the bill into conformity with other business tax statutes. **EXHIBIT 8**

Questions From Committee Members and Responses:

REP. RANEY asked about taxing out-of-state competitors and how such taxes could be collected.

Ms. Maharg said a bottler is defined as a person who manufactures or imports soft drinks. DOR attorneys believe that definition is sufficient to cover all distributors and businesses who bring

soft drink products into the state. She said the imports are tracked through audits, invoices, and bottler preregistration. The tax is included in the billing to the distributor and the bottlers remit it to the state.

Closing by Sponsor:

REP. BARDANOUVE said if the RITT bill passes, it may be several years before the money is available. He said the bill would apply to both in-state and out-of-state distributors. He had specifically asked for that provision and the DOR attorneys have assured him that soft drinks will be taxed wherever they originate.

He said there is a great cross section of parks in this state. Some, like Spring Meadow Park, are used almost exclusively by local residents, while others are most always patronized by tourists. He said everyone goes to the park and it is important to maintain and protect them for our children and grandchildren.

He said a five-cent tax on a six pack of pop is not exorbitant and will not hurt anyone. He pointed out SB 235, the Crippen sales tax bill, would impose a 4% sales tax on every six pack. He said there is an urgent need for maintenance money for the parks system and this bill is a good way to raise that revenue.

ADJOURNMENT

Adjournment: The meeting adjourned at 11:45 a.m.


BOB GILBERT, Chairman


JILL ROHYANS, Secretary

BG/jdr

HOUSE OF REPRESENTATIVES

TAXATION

COMMITTEE

ROLL CALL

DATE 2/19/93

NAME	PRESENT	ABSENT	EXCUSED
REP. GILBERT, CHAIRMAN	✓		
REP. FOSTER	✓		
REP. HARRINGTON	✓		
REP. ANDERSON	✓		
REP. BOHLINGER	✓		
REP. DOLEZAL	✓		
REP. DRISCOLL	✓		
REP. ELLIOTT	✓		
REP. FELAND	✓		
REP. HANSON	✓		
REP. HARPER	✓		
REP. HIBBARD	✓		
REP. KELLER	✓		
REP. McCAFFREE	✓		
REP. MCCARTHY	✓		
REP. NELSON	.	#	✓
REP. ORR	✓		
REP. RANEY	✓		
REP. REAM	.		
REP. TUNBY	✓		

EXHIBIT 1
DATE 2/19/93
HB 362

HB 362
February 19, 1993

**Testimony presented by Arnold Olsen, Dept. of Fish, Wildlife &
Parks before the House Fish and Game Committee**

Our 42 Montana State Parks offer all our citizens and guests a sense of our own history and identity. Our parks provide places of learning and inspiration; they provide opportunities for personal renewal and revitalization in some of the most beautiful surroundings available anywhere in the nation.

Outdoor recreation helps us accomplish personal goals of fitness, longer life, family togetherness, friendship, personal reflection and appreciation of nature, beauty, and our culture.

To study the past, to seek to preserve it, is to understand how the past has irrevocably shaped the present. To learn from the past by preserving it, is to move purposefully, focus upon and deepen the quality of our lives in the present.

In many ways, the care which we give our State Parks and historic sites is a reflection of the maturity of our society. Perhaps our biggest problem is that we take these treasures for granted, assuming they will always be there, not recognizing that the maintenance and preservation of these sites depends on each of us.

Sadly, we have not been good stewards of these unparalleled cultural, historic and recreational resources.

We are facing a deterioration of our park resource base, and of the recreation and historical infrastructure.

Deferred maintenance and lack of care of our parks and irreplaceable historic and cultural resources is robbing future Montana generations of the heritage which is their birth right.

Many historic sites and resources have been lost to us through neglect. To a large degree, the preservation of our heritage has been the result of fortuitous circumstances of the enduring quality of the workmanship of another era.

Besides the physical deterioration of our park system and our failure to keep pace with human health and safety and American Disabilities Act requirements, we are missing the opportunity to invest in our economic well being by developing some parks as visitor attractions. University of Montana studies have shown that for every dollar invested in State Parks, \$10 are returned to Montana's economy. Even in a deteriorated condition, Montana State Parks contribute more than \$50 million dollars to the state's economy. There is no doubt a park system worthy of this great state would contribute millions more.

Increased visitation to State Parks in the face of declining revenues has contributed to our problem. Since 1988, nonresident tourism to State Parks has increased 10 percent while resident

visitation has increased an amazing 42 percent, even with the addition of a user pay system in 1989.

The financial need of Montana State Parks has been clearly articulated by the State Parks Futures Committee, which reported to the last legislature. The committee, composed of several legislators and concerned citizens, reported an annual need of \$4-6 million to begin to restore the health of the system over the next few years. The 1991 session provided only a small part of what the Futures Committee indicated was needed to keep the park system from continuing to slip backwards.

HB 362 would provide a good part of the revenue needed to meet our stewardship obligations to our State Parks and historic sites.

A recent random telephone survey of Montana citizens conducted by Eastern Montana College indicated that of all possible means to fund State Parks, they supported a soda pop tax more than any other. Results showed over 85% of those surveyed favored this method of funding. When results were separated for those who do not currently use State Parks, the results were even higher, about 89% in favor.

The survey indicates Montanans recognize that the responsibility for preserving our history and quality of life should be borne by all, not just a select few.

The tax provided in HB 362 amounts to less than one penny per 12 ounce can of soda pop. Consider that if a person drank one can of pop per day, every day of the year, the total contribution would be less than \$3. As a comparison, the price of two slices of pizza at the mall in Helena is \$3.50, one movie theater ticket for an adult is \$5, a Big Mac is \$2, one copy of Sports Illustrated magazine is \$2.95, and one box of corn flakes is \$2.59.

Surely the preservation and maintenance of our park system is worth at least as much as two slices of pizza.

The final point to consider is the variability of prices for soda pop on any given day in a town like Helena.

Price variability in the free market system is great.

For example, in a survey this week, we found the price of a 16 oz. fountain drink varied from 63 cents at the Wal-Mart deli to 89 cents at Rax and Wendy's. This is a 26 cents price differential for a similar product. The fraction of a penny added to their beverage would go virtually unnoticed in the pizza shop, but it would pay enormous dividends to our state parks.

Even when comparing the same product, the price of a six-pack of Pepsi varied from \$1.77 at Drug Fair or 29 cents per can, to \$2.69 at Safeway or 45 cents per can. This is a difference of 92 cents

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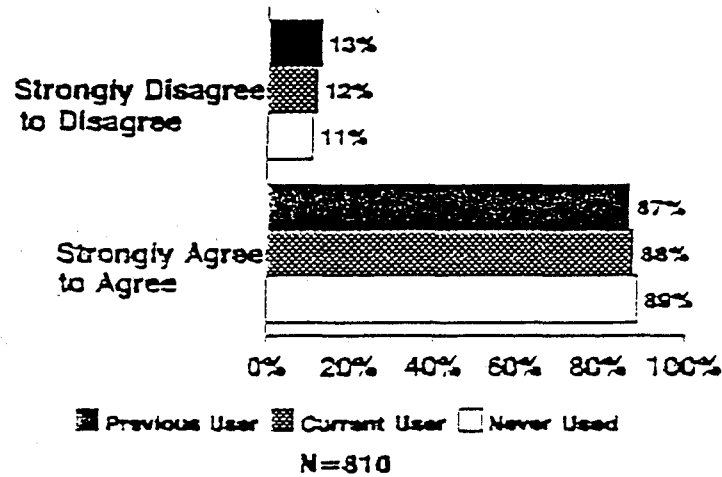
per six pack, or 16 cents per can for the same product, Pepsi-Cola.

My testimony is neither an endorsement of any product, nor is it a criticism of any outlet. It is simply intended to reinforce the low impact to the consumer for a very worthy cause, especially considering current price variability.

For the reasons presented in our testimony, we support HB 362 and urge its passage.

Soda Pop Surcharge

By User Type



Source:

Montana State Parks, A Draft Report on the Telephone Survey of Montana Residents: Phase II, Analysis of the State Parks Funding Issue by User Type
 Prepared by: Dana E. Dolsen, FWP Sociologist

HB 362
Survey Helena Montana
2/17/93

#1
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Fountain Drinks	
(16 ounces)	
	Regular Price
Sinclair Mini Mart	\$0.50
Wal Mart Deli	\$0.63
Rax	\$0.89
McDonalds	\$0.80
Wendys	\$0.89
Burger King	\$0.84
Little Caesars	\$0.75

Pepsi Products	
(6-pack Cans)	
	Sale Price
Mini Mart	\$2.99
Albertsons	\$2.19
Buttreys	\$2.19
Drug Fair	\$1.77
Safeway	\$2.69
Thriftway	\$1.99

House Bill 362
February 19, 1993

I am Carla Wambach.

I teach at Smith School
in Helena, School District I.

I am the State of Montana's 1993
National Presidential Awardee for
excellence in science teaching.

A major resource in my environmental
science teaching is Project Wild.

This is an outdoor education-conservation
program sponsored by the State Dept.
of Fish, Wildlife and Parks.

I am actively involved in
integrating Parks facilities into my
teaching curriculum. For example,
I have worked 2 years as a volunteer
with Fish, Wildlife & Parks in developing
the exhibits and meeting the people
at the Canyon Ferry Visitors Center
in relationship to the migratory
Bald Eagles.

This facility has been visited by
school groups from throughout
the state. Thousands of children
have been reached, and those
children return to this site with
their families.

over →

Carla Wambach
page 2

I support House Bill 362 because:
you and I are aware that
funding is inadequate for the
maintainance of our State Parks.

These State Parks are a
treasure in this Treasure State.

And these State Parks are the
heritage of the children I teach!

Therefore,
I support the passage of
this bill.

DISPARITY IN STATE FUNDED CAMPGROUNDS

by

Gene Johnson

In the recent past the state of Montana was divided into six regions related to travel and tourism. Based on geography, economics and various appeal to tourists and outdoor recreation. The Northern tier consists of; Glacier Country (northwest corner), Charles Russell Country (north central), and Missouri River Country (northeast corner). The south is composed of Gold West Country (southwest corner), Yellowstone Country (south central) and Custer Country (southeast corner). These areas are touted for their variety and uniqueness for the whole scope of outdoor recreation and tourism.

The most populous is the Charles Russell division and it is probably the largest in area as well. Yet this division has the dubious honor of having the fewest state funded campsites. A campsite being defined as one car/trailer or hard side camper or tenting site in an improved campground operated by the Montana Fish Wildlife and Parks or any private company or person. The smallest region in both area and population has more than twice the sites. Conversely the Russell Country division has a very large number of private campgrounds and corresponding sites.

There are 1186* private sites in the Russell division versus only 18 state operated public sites. (None of the latter are located near a city or town). One state operated campground for the entire district. Mathematically this is a ratio of 65 private sites to 1 public state site. Comparison to the other five divisions indicates that this is a marked skew in proportion.

Glacier Country, which has the largest number of private sites of the six, has at least 5600 private and 354 public state sites. A ratio of 13 to 1.

Gold West Country has a ratio of 3.3 to 1; 2181 private to 665 public state sites.

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Yellowstone has 3.1 to 1 with 2150 private to 699 public state sites.

Missouri River has a ratio of 3.5 to 1. 311 private to 40 public state sites.

Custer has 6.4 to 1; with 1348 private sites to 206 public state sites.

Russell Country has a ratio of five times fewer public sites than Glacier and nearly six times less than the average for the other five. Yellowstone, the division with the most equitable ratio, is 21 times less than that of the Russell division. Clearly there is a large disparity here; the numbers are skewed in only one division and that is the Russell.

Great Falls is the largest city in this division and a brief examination of local camping in this area reveals that there are 445* private camping sites within a twenty mile radius and zero public sites within a thirty five mile radius. All of these private sites are located within the Great Falls metropolitan area, or in three small towns nearby; Vaughn, Cascade and Armington. Extending the radius to forty miles will bring in only 49 public sites total. Of these 39 are USFS and 10 (Craig) are MFWP. However, Craig is NOT in the Russell Division. As a comparison Helena has a total of 72 public sites operated by the USFS or the MFWP with a ten mile radius of the city. Private sites number 412 within the same radius. Extending the radius to thirty raises the private sites to 567* and the public to about 455.

The Great Falls area does not lack for availability of public lands well suited for siting campgrounds. In addition the length of the camping season in the Great Falls area is much longer than any of the other five regions due to the milder weather and the lack of snow for a larger portion of the year.

The increase in the number of private camping sites in the Great Falls area has been dramatic. In the past two years there has been at least a two fold increase. Largely to service

the large numbers of Canadian tourists and efforts to entice the "Snowbirds", on their annual migration to and from the south, to pause along their route. The increased competition among the private site owners has somehow been transferred to the public sites. Public camping and private camping are related only by their name. There is a vast difference in the two basic philosophies. Yet the private sector attempts to wield undue influence upon those agencies that are responsible for siting, building and managing public sites. They appear to have a distinct dread of public camping anywhere in their self defined territory. The situation in nearly every other area of the state indicates that their fears are baseless. The competition between the two is comparing apples and oranges. In fact the availability of public sites, which tend to always be located in very scenic and somewhat remote areas, entices campers to visit the region. Once there they are more likely to use private sites at least once for the amenities not offered at the more primitive public sites; ie, laundry, hot showers, shopping and touring historic urban sites.

Great Falls has within a forty mile radius as much public land suitable for siting public camping as does Helena within ten miles. However, the vast difference in the two regions in access alone is very dramatic. Only one campground in the Great Falls area can be reached by paved roads. The other two require the use of high clearance vehicles in good weather and in bad, the average family auto would not be capable of the trip without the risk of damage. The single campground that can be reached on paved roads has only six sites.

In contrast, Helena has paved roads to more than ten campgrounds in a ten mile radius totaling well over two hundred sites. Paved roads have also been built to some of the largest private campgrounds within this same region.

It is clear that the Russell Division, and the Great Falls area in particular, has suffered from an undue influence to

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prevent the siting of public camping. The lack of camping facilities at the Giant Springs Heritage Park is a prime example of this kind of adverse influence.

The ratio in any of the other five districts improves if all public managed sites are counted. Russell Country still remains drastically skewed. This is largely due to the lack of US Forest Service camps and BLM camps in the district. District boundaries were drawn up to exclude the USFS camps in spite of the fact that they were plainly geographically related to the Russell District along the Rocky Mountain Front.

Total private camping sites in the Russell Country are 1186*. Total public camping sites; 275#. Ratio; 4.3 to 1. Gold West Country (Helena-Butte) total private sites 2181. Total public sites 1856#. Ratio 1.2 to 1. This is a very large disparity, by a factor of over three and half, especially when the total area of the Russell Country is nearly twice that of Gold West.

*The number of private sites in the Great Falls region have been increasing so fast that these figures are most likely out of date already.

#Both districts have within their boundaries US Bureau of Reclamation campgrounds that do not list sites. Most of these are fishing access sites and have restricted services. Russell Country has 10 such areas, only 2 of which have drinking water. Gold West has 9, all of which have complete services.

Sources of information include Montana Promotion Division Dept. of Commerce, Montana Department of Fish Wildlife and Parks, United States Forest Service, Bureau of Land Management, National Park Service, Camping Guide to The United States, 1992 ed.

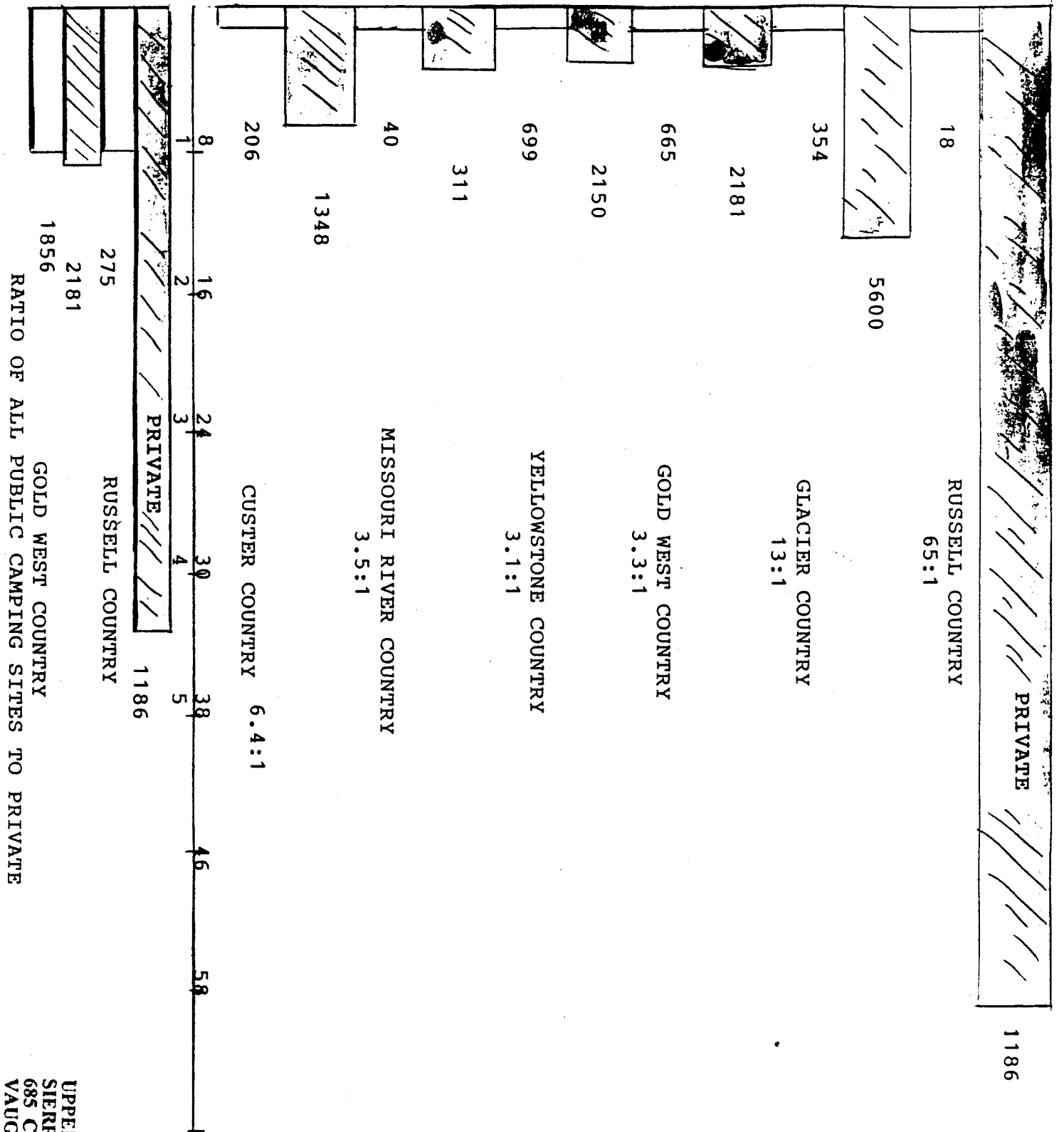
Study prepared by Gene Johnson; Chair, Upper Missouri Sierra Group; Chair, Committee on Camping, Montana State Chapter Sierra Club.

EXHIBIT #3

DATE 2-19-93

HB-362

RATIO STATE OWNED/OPERATED CAMPGROUNDS TO PRIVATE CAMPGROUNDS



February 19, 1993

EXHIBIT 4

DATE 2/19/93

HB 362

Doug Wicks
Recreational Trails, Inc. IN SUPPORT OF HOUSE BILL 362
P.O. Box 553
Great Falls, MT 59403

I drink at least one soda pop a day. I'm drinking one now. I've got to go to another meeting this afternoon and I'll probably have another one there. Then I'll probably get a 32 ounce-er to nurse on through the snow back to Great Falls tonight.

Now whether I pay 79 cents or 81 or 83 cents a time for this pleasure is not going to make a difference in my consumption patterns as an end consumer.

I have been working with a volunteer group and the City of Great Falls, Cascade County, MDT and MDFWP for the last 2 years developing our newest recreational facility: River's Edge Trail. In working with FWP on this project and in my work as a member of the volunteer Montana State Trails Advisory Board which FWP is making possible, I am aware of a great need to establish a secure funding source that will permit our parks to be maintained and improved on some modest scale towards their true potential.

We can certainly lure visitors to Montana once with a great ad campaign, which we have. Our State Parks should be the flagship of our tourist industry. Once those visitors are here, they will either be impressed with our State Parks and go home and tell their friends about it...or they will not be impressed and go home and tell their friends about it.

I support HB 362 as a very good step in the direction of funding a State Park system that will make us all proud and will make first time visitors into regular visitors.

I realize that while its no problem for me to pay a few cents or parts of a cent more for my own few cans of pop, it is going to be a big job for those who must collect it, and I hope that some provision can be made to compensate these businesses to some extent for this added burden.

With tourism being our fastest growing industry, getting our Sate Parks in good shape is a good investment that we can all enjoy at the same time. HB 362 is a good investment in our future.

Sincerely,

DOUG WICKS



EXHIBIT 5
DATE 2/19/93
HB 362

MONTANA PRESERVATION ALLIANCE

P. O. Box 1872, Bozeman, Montana 59771-1872 (406) 585-9551

Date: 18 February, 1993

To: House Taxation Committee

Re: House Bill 362

The **Montana Preservation Alliance** is a statewide, nonprofit organization committed to encouraging the preservation of Montana's significant historic and prehistoric sites and buildings.

Our members include interested individuals, historic building owners, community preservation boards, planners, preservation professionals, and affiliated organizations - such as the Montana Archaeological Society.

We encourage preservation by providing ideas, enthusiasm, education, camaraderie -- **and** -- by trying to find funding and governmental support for preservation.

We **strongly encourage** earmarked funding for the operation, development, maintenance, acquisition and preservation of **Montana's State Parks**. Millions of dollars are spent promoting Montana, but far too little to protect the resources people come to see. An investment in **cultural tourism** is an investment in **Montana's fastest growing industry**.

House Bill 362, the Soda Pop Tax for Parks, would be a relatively painless way to respond to a **critical need** in State Parks across **Montana**. If we don't start to **maintain** Parks now, we may not have anything left to maintain... or to enjoy.

There is **currently** a total priority capital need of \$20 million in State Parks. The Pop Tax can **begin** to fill that need. **Please** consider House Bill 362 carefully.

Thank you!

Ellen Sievert, Pres.

Ellen Sievert, Great Falls
President

Keith Swenson, Bozeman
Vice President

Mark Huffstetler, Bozeman
Secretary

Jim McDonald, Missoula
Treasurer

Kathy Macefield, Helena

Marcella Sherfy, Helena

Cynthia Manning, Missoula

Judy McNally, Billings

Jeff Sheldon, Lewistown

Kathy Doeden, Miles City

TESTIMONY OF BOB NORWOOD,

FLATHEAD COUNTY PARKS AND RECREATION

225 Cemetery Road - Kalispell, MT 59901
752-5300 862-5036 837-5841 892-5136

DIRECTOR

CONRAD ATHLETIC COMPLEX 756-5671

EXHIBIT 6

DATE 2/19/93

HB 326

TO THE STATE - HB 362

Not opposed to this Bill. I do see the need for alternative funding for Fish, Wildlife & Parks. They are currently underfunded for the amount of park sites they currently maintain. Although this alternative funding may be seen as necessary, the state is not the only one impacted by past budget cuts and decreases in tax revenues. Local entities such as County, City and Town parks and recreation departments have major decrease in funding available for maintenance and repair of our park sites. I would like to recommend that you consider two amendments to this Bill.

- 1) Establish Parks & Recreation Departments within Counties and municipalities receive a percentage of the revenue based on population.
- 2) To exempt government entities from this tax.

MIKE BAKER, KALISPELL PARKS & REC DIRECTOR
WILL SEND TESTIMONY IN FAVOR OF BILL.

SENT BY:

2-19-93 ; 9:13 ; CITY OF KALISPELL-

2/ 3

The City of Kalispell

Incorporated 1892

Telephone (406) 752-6600
P.O. Box 1997
Zip 59903-1997

EXHIBIT 7
DATE 2/19/93
HB 362

Douglas Rauhe
Mayor

Bruce Williams
City Manager

City Council
Members:

Gary W. Nystul
Ward I

Cliff Collins
Ward I

Barbara Moses
Ward II

Fred Buck
Ward II

Jim Atkinson
Ward III

Lauren Granmo
Ward III

Patricia B. Kennedy
Ward IV

M. Duane Larson
Ward IV

TO: Mr. Bob Gilbert and House Committee Members

FROM: Mike Baker

DATE: February 18, 1993

SUBJECT: Testimony on HB 362

Dear Bob,

I am the Director of Parks and Recreation for the City of Kalispell and the President elect of the Montana Recreation and Parks Association.

I would like to speak in favor of HB 362 an assessment of soft drinks to fund State Park operations, development, maintenance and acquisition.

The mission of State Parks has been identified as one assuring that the benefits and pleasures of outdoor recreation will be available to all people, to the disadvantaged, to the less capable, to the handicapped and those with cultural differences. Assuring the outdoor recreation shall be of a high quality and further, that they shall continue to maintain the present high quality of our natural environment which is the source of recreation opportunity. Full attainment of these goals is a constant effort and we shall continue to plan, not only for the citizen of today, but for the generations to follow.

All levels of government- Federal, State and local plus the private, non-profit and commercial sectors are significant providers of recreation areas and services.

In urban America, the mix of open and developed land, indoor and outdoor facilities, organized and unstructured activities within any recreation system has been influenced by a variety of personal, historic, environmental, economic, social, political and cultural patterns.

The existence and quality of statewide recreation depend upon and affect many other functions of urban and rural areas including housing, transportation, education, employment, health, social services, crime prevention, and environmental protection.

Many studies have shown that financial investment in the budget of parks and recreation departments not only produces important service, it also has a multiplier effect that returns a

greater than the original amount to the community in real dollars.

Recreation and park services are often a catalyst for tourism, an ever growing sector of our states economy. The parks facilities and programs offered by our field- is attractive to tourists and an essential ingredient of the tourism industry.

The present condition of our state parks facilities along with local government park and recreation areas require immediate attention. Numerous areas require capital funds for maintenance and development. Once these sites are renovated to meet present standards long term commitments of funding to operate and protect these facilities is essential.

I believe HB 363 is a positive step forward in the funding dilemma of our Montana Parks and Recreation programs.

Respectively submitted,



Michael Baker, C.L.P.

Amendments to House Bill No. 362
First Reading Copy

Requested by DOR
For the Committee on Taxation

Prepared by Lee Heiman
February 18, 1993

EXHIBIT 8
DATE 2/19/93
HB 362

1. Title, line 7.

Following: "DATES"

Insert: "AND AN APPLICABILITY DATE"

2. Page 1, line 11.

Page 1, line 21.

Page 1, line 25.

Page 7, line 2.

Page 7, line 4.

Page 7, line 6.

Strike: "9]"

Insert: "10]"

3. Page 2, line 9.

Following: "(3)"

Insert: "Nonalcoholic beverage" means a beverage not defined as
an alcoholic beverage under 16-1-106.

(4)"

4. Page 3, line 5.

Strike: "1(3)(a)"

Insert: "1(4)(a)"

5. Page 3, line 7.

Strike: "1(3)(b)"

Insert: "1(4)(b)"

6. Page 3, line 21.

Strike: "within 30 days"

Insert: "on or before the last day of the month"

7. Page 4, line 7.

Following: "records"

Insert: "-- statute of limitations -- refunds"

8. Page 4, line 19 through page 5, line 6.

Strike: subsections (4) and (5) in their entirety

Insert: "(4) Except as otherwise provided in this section, a
deficiency may not be assessed or collected with respect to
the year for which a return is filed unless the notice of
additional tax proposed to be assessed is mailed within 5
years from the date the return was filed. For the purposes
of this section, a return filed before the last day
prescribed for filing is considered as filed on the last
day. If the bottler, before the expiration of the period
prescribed for assessment of the tax, consents in writing to

an assessment after that time, the tax may be assessed at any time prior to the expiration of the period agreed upon.

(5) A refund or credit may not be allowed or paid with respect to the quarter for which a return is filed after 5 years from the last day prescribed for filing the return or after 1 year from the date of the overpayment, whichever period expires later, unless before the expiration of the period, the bottler files a claim or the department of revenue has determined the existence of the overpayment and has approved the refund or credit. If the bottler has agreed in writing under the provisions of subsection (4) to extend the time within which the department may propose an additional assessment, the period within which a claim for refund or credit may be filed or a credit or refund allowed if no claim is filed is automatically extended.

(6) If a return is required to be filed and the bottler fails to file the return, the tax may be assessed or an action to collect the tax may be brought at any time. If a return is required to be filed and the bottler files a fraudulent return, the 5-year period provided for in subsection (4) does not begin until discovery of the fraud by the department."

9. Page 5, line 16.

Following: "penalty"

Insert: "-- deficiency assessment -- review"

10. Page 5, line 18.

Page 5, line 23.

Strike: "2%"

Insert: "10%"

11. Page 6, line 4.

Strike: "determine"

Insert: "estimate"

12. Page 6, line 5.

Following: "bottler."

Insert: "When the department determines that the amount of tax due is greater than the amount disclosed by a return, it shall mail to the bottler a notice, pursuant to 15-1-211, of the additional tax proposed to be assessed. The bottler may seek review of the determination pursuant to 15-1-211."

13. Page 6, line 8.

Following: "paid."

Insert: "Interest accrues from the due date of the original return to the date of payment."

14. Page 6.

Following: line 13

Insert: "NEW SECTION. Section 8. Warrant for distraint. If all or part of the tax imposed by [sections 1 through 10] is not paid when due, the department may issue a warrant for distraint as provided in Title 15, chapter 1, part 7. The

resulting lien has precedence over any claim, lien, or demand thereafter filed and recorded."

Renumber: subsequent sections

15. Page 6, line 20.

Strike: "15-1-503."

Insert: "subsections (3) through (5)."

(3) If the department determines that the amount of tax, penalty, or interest due for any year is less than the amount paid, the amount of the overpayment must be credited against any tax, penalty, or interest then due from the bottler and the balance refunded to the bottler or its successor through reorganization, merger, or consolidation or to its shareholders upon dissolution.

(4) Except as provided in subsection (5), interest is allowed on overpayments at the same rate as is charged on deficiency assessments provided in [section 7(4)] due from the due date of the return or from the date of overpayment (whichever date is later) to the date the department approves refunding or crediting of the overpayment.

(5) (a) Interest does not accrue during any period for which the processing of a claim for refund is delayed more than 30 days by reason of failure of the bottler to furnish information requested by the department for the purpose of verifying the amount of the overpayment.

(b) Interest is not allowed:

(i) if the overpayment is refunded within 6 months from the date the return is due or from the date the return is filed, whichever is later; or

(ii) if the amount of interest is less than \$1.

(c) A payment not made incident to a bona fide and orderly discharge of an actual tax liability or one reasonably assumed to be imposed by this law is not considered an overpayment with respect to which interest is allowable."

Renumber: subsequent subsection

16. Page 6, line 21.

Following: "paid"

Insert: ", minus refunds,"

17. Page 7.

Following: line 6

Insert: "NEW SECTION. Section 11. Applicability. [This act] applies to soft drinks in the bottler's possession on or after July 1, 1993."

Renumber: subsequent section

18. Page 7, line 8.

Strike: "9"

Insert: "10"

19. Page 7, line 9.

Strike: "8"

Insert: "9"

2/19/93

DATE 2-19-93

Information

Scott,

Please support house bill #362.
I really feel that we will all benefit
from the small 1¢ charge on pop. It
is differently worth it to enhance and
take care of our beautiful State Parks!

Thanks for your support.

Donna Stringer

P.S. - I talked to Rita and she said all
was going well for you in Helena. I had
a nice visit with Diego too - he
really seems to be doing well.

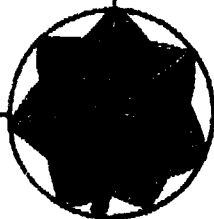
DATE 2-19-93
Information
February 18, 1993

To: Members of House Taxation Committee
From: Judy Harris
Re: House Bill 362

I am in support of House Bill 362, and I urge you to vote in favor of this important bill. As a person with a disability, and a user of the State Parks, I believe it is vital that we have the funding to maintain and improve our parks and make them accessible and usable to all Montanans and our visitors. To come into compliance with the Americans with Disabilities Act of 1991, we must have the financing necessary to make necessary modifications and improvements. Montana's State Parks are badly in need of this source of funding.

Please vote yes on House Bill 362.

EXHIBIT
DATE 2-19-93
Information



MAJOR ADVERTISING AGENCY

Ph: (406) 245-4186
Fax: (406) 245-4186

1055 Wiloma Drive

Billings, Montana 59105

February 2, 1993

The Honorable Mike Foster
Vice Chairman, Taxation Committee
Townsend, Montana

Dear Representative Foster:

At a time when delegations from surrounding states are successfully approaching our business people to relocate, we are presented with a discriminatory tax bill, such as H.B. 362.

I view this as a selective, discriminatory and unneeded burden on the soft drink community. In view of the current fiscal issues facing Montana businesses and citizens, I would urge your prompt rejection of this ill-conceived and untimely bill. If we are to survive as a viable entity, it is imperative that our efforts be expended in improving the business climate and not destroying successful businesses and destroying individual initiative.

I urge your no vote on H.B. 362.

Sincerely,

ADMIRAL BEVERAGE CORPORATION

John H. Van Norman
Vice President of
Corporate Development

JHVN:bb

cc: Newell B. Sargent, Forrest L. Clay, Kelly Clay, Paul Ostrander,
John Olson

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

Name Delegation COMMITTEE _____ BILL NO. HB 362
DATE 2/19/93 SPONSOR(S) Baranowski

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
David Owen	MT Chamber of Commerce		✓
Charles R. Brooks	MT. Potzle Association		✓
Ed Chiatti	Good Sams	✓	
ART STELSON	GOOD SAM'S	✓	
Bill Stevens	MT Food West Area		X
Kip Brown	today's teens	✓	
Bob Herbel	United We Stand America		X
Janet Ellis	MT Audubon Leg. Fund	✓	
Bob [unclear]	[unclear]	✓	
Wanda Worky	Conn. Citizens	✓	
Kurt Slonka 2548 Hwy 2 E. Kalispell	Myself	✓	
Bud Solmonsson 12 W. Howie ST. Helena	Self	✓	
Jack LaBonde	Lincoln County Parks & Rec	✓	
Dave Todd	self	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

House Taxation COMMITTEE BILL NO. H.R. 362
DATE 2/19/93 SPONSOR(S) Bardanovich

PLEASE PRINT

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PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
C. R. Koster	Pepsi-Cola - Missoula		✓
Joe Koster	Joe Koster		✓
Mike Koster	Pepsi-Cola - Shelby		✓
Bill Holzheimer	Pepsi-Cola Great Falls		✓
Tom Yerkes	Pepsi-Cola Great Falls		✓
Chen Maharg	DOR		
Barb Oyar	Joely O's		✓
Kennis McCall	Big A's		✓
Dan Erving	Montana Assn Theatre Owners		✓
James A. Wackler	Coca-Cola Bottling Co. of		✓
Wayne Hirst	Mt. St. Parks Foundation	✓	
Joe Johnson	Set	✓	
John Koster	Yule of Montana		✓
John Pellegrini	MT Soft Drink Assn		✓

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

House Taxation COMMITTEE BILL NO. HB 362
DATE 2/19/93 SPONSOR(S) Bardanove

PLEASE PRINT

PLEASE PRINT

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Mike Finnegan	Self	✓	
JEFF Beaul	PER		✓
Tom Brooke,	Harrington Btling Btth,		✓
JOHN VAN NORMAN	ADMIRAL BREV.		✓
Arnie Olsen	MDFuP	✓	
Marcella Shersy	Montana Historical Society	✓	
Carla Wambach	Fish, Wildlife & Parks	✓	
Priggo Jenkins	Keep Montana Clean & Beautiful		✓
Don Harrington	Harrington Settling Co		✓
John P. Olson	Blue Rich Products Co - Pepsi-Cola		✓
John DeLano	MT. SOF - Dairy Assn		+
Roger Tippet	Mt Beer & Wine Wholesalers Assn.		X
Mike Bowen	BOZEMAN Pepsi-Cola		X
Maris Hand	Pepsi Cola - Kalispell		X

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

House Taxation COMMITTEE BILL NO. HB 362
DATE 2/19/93 SPONSOR(S) Barbara Ann

PLEASE PRINT

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PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Brian Kilburn 501 Geddes	Coca-Cola		✓
GARY Hicks 1003 Mission Ave	Coca-Cola		✓
Don Kessler 3882 Dwyer ^{S. Hq.}	Coca-Cola		✓
Rose M. Forder	Citizen of MT.	✓	
Janette C Mion	Citizen of MT.	✓	
Christie A. Mion	Citizen of MT.	✓	
Mico E. Duffner	Citizen of MT.	✓	
Chas. J. Christian	Citizen of MT.	✓	
Jim Leiby	Coca-Cola		✓
Wayne Briggs	Coca-Cola		✓
Lee Hamilton	Coca-Cola		X
Terry Luchner	Coca-Cola		✓
Karlee Smith	self	✓	
DAN B. SMITH	Self	X	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

Daniel Tapation COMMITTEE BILL NO. HB 362
DATE 2/19/93 SPONSOR(S) Barbara Ann

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Dana Dolgen 965 Erickson Rd Helena MT	self	✓	
Paul Cockburn, Kalispell	Citizens for St Parks	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

Nature. Depletion COMMITTEE _____ BILL NO. HB 362
DATE 2/19/93 SPONSOR(S) Bardanville

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Bill Dimich	Pepsi-Cola Co. Billings Soft Drink Assoc		✓
Marilyn Olson	Pepsi-Cola Bottling Sidney		✓
Sim Meendenhall	River's Edge Trail/Great Springs	✓	
Steve Browning	MT Soft Drinks Assoc.		✓
Charity Watt	MT Citizen, ^{Park User +} major pop consumer	✓	
Dannab Winters	MT. MKT. Development		✓
Michelle LeFurge	MT Market Development Co.		✓
Eugene A. Johnson	Sierra Club	✓	
GARY MOORE	MT NATURE TOURS MT HISTORY TOURS	✓	
Willie Day	Citizen of MT.	✓	
Alan Brown 332 Big Bear Nissula	Citizen of MT.	✓	
DOUG WICKS	RIVER'S EDGE TRAIL GREAT FALLS,	✓	
		✓	
		✓	

**PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.**