MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By CHAIRMAN BOB GILBERT, on March 9, 1993, at 8:00 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. Vern Keller (R)

Rep. Ed McCaffree (D)

Rep. Bea McCarthy (D)

Rep. Tom Nelson (R)

Rep. Scott Orr (R)

Rep. Bob Raney (D)

Rep. Bob Ream (D)

Rep. Rolph Tunby (R)

Members Excused: Rep. Hibbard

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 634, HB 658

HEARING ON HB 639

Opening Statement by Sponsor:

REP. JERRY DRISCOLL, HD 92, Billings, said HB 639 provides for the Legislature to levy .65 of 1 mill for the support of the Certified Communities Program for economic development.

DUE TO TECHNICAL EQUIPMENT DIFFICULTIES, PORTIONS OF TESTIMONY FROM THE FIRST SIX PROPONENTS IS ABBREVIATED.

Proponents' Testimony:

Dixie Swenson, Gallatin Development Corporation, Bozeman, submitted letters of support from business owners and economic development officials from across the state. She spoke in support of the bill EXHIBIT 1.

Gary Mott, High Plains Development Authority, Great Falls, submitted written testimony from Janet Seagrave, Executive Director, High Plains Development Authority, Great Falls EXHIBIT 2.

David Hemion, Executive Vice President, Helena Chamber of Commerce, said accountability is built in through the certified cites program. Revenue will revert to the state if programs are terminated because they are ineffective.

David Owen, Montana Chamber of Commerce, said there are many winners when local development succeeds. Economic development programs have received a significant amount of funding from the private sector. There does need to be a mechanism for public sector funding because the public sector benefits the most from successful economic development projects.

Ron Klophoke, Missoula Economic Development Corporation, said the certified cities program supports economic development in smaller communities, such as Forsyth, as well as the larger cities in the state. This is a statewide effort and impacts all communities in the state who are in need of economic development support.

Don Engles, Executive Director, Miles City Chamber of Commerce, expressed support for the bill based on previous testimony.

Butch Ott, Billings Chamber of Commerce, Billings Economic Development Corporation, and the Montana Ambassadors, asked the Committee to give the bill favorable consideration.

Kara Ricketts, Park County Development Corporation, said her corporation is also supported by private donations. She noted small communities have a very limited pool of private resources and are in need of state assistance to maintain their economic development programs. She submitted a chart detailing the different components that communities must coordinate when developing programs EXHIBIT 3. She said she cannot think of a better return on the investment than the results of productive economic development programs. The bill is very important to small communities and she urged the Committee to favorably consider it.

Tony Preite, Bear Paw Development Corporation of Northern Montana, Havre, presented his written testimony in support of the bill EXHIBITS 4 and 4a.

Evan Barrett, Butte Economic Development Corporation and the Butte/Silverbow Consolidated Government, reviewed the "Claiborne Study" on the Montana economy for the Committee EXHIBIT 5. He said economic development is a community system, but it should have a financial partnership with the state. Programs that benefit local communities' economies likewise benefit the state. He said the bill would increase property taxes on a \$50,000 home by \$1.23 and 19.5 cents per 100 acres on agricultural land.

Opponents' Testimony:

Steve Mandeville, Montana Association of Realtors, said there is no greater supporter of economic development than his organization, but this is not the vehicle. This bill is just another "end run" on I-105. The bed tax is a much better vehicle and should be used for economic development programs as well as tourism promotion.

Questions From Committee Members and Responses:

REP. BOHLINGER asked Mr. Ott to explain the Billings economic development community funding to the Committee.

Mr. Ott said the Billings economic development corporation budget has dropped from \$200,000 to \$45,000 over the past seven years. All the money has been from the private sector. He pointed out that during tough economic times, more projects are competing for fewer dollars from the private business community. They receive 300 business inquiries a month and last year received 5200 inquiries from out-of-state people who are interesting in locating and starting a business in the Billings area. The efforts of the Department of Commerce, Montana Ambassadors, and the tourism advertising program have contributed greatly to the interest in Montana as a relocation possibility. The program has been quite successful with strong retention and expansion programs. Growth has come with the smaller companies as they provide a more diversified business base for the community.

- REP. DOLEZAL asked how much revenue the bill would generate.
- REP. DRISCOLL said he anticipates \$1 million.
- REP. TUNBY asked if the certified communities had been funded before.
- Jerry Tavegia, Local Development Officer, Small Business
 Development Center, Department of Commerce, said the program is
 in place although there have been no certifications in the past
 12 months. This bill would provide a dedicated source of funding
 for local community programs. He presented the Committee with an
 outline of the Montana Certified Communities Program and a
 listing of Montana certified communities EXHIBIT 7 and 7a.
- REP. ELLIOTT asked how much concern has been expressed about the Montana tax structure by those business people inquiring about relocating in Montana.
- Mr. Ott said it is apparent they are doing comparison shopping between Wyoming, North and South Dakota, Montana, and other northwestern states. He said most of the people are asking about the tax climate.
- REP. ELLIOTT said McMorrow, a company based in New York with 18 employees, has been inquiring about relocating in Bozeman. He asked Ms. Swenson if they had discussed the tax situation.
- Ms. Swenson replied the taxes in Montana are so significantly lower than those in New York that they are no barrier to relocation at all.
- REP. ELLIOTT asked if that same scenario held for inquiries from other states.
- Ms. Swenson said it did.

Closing by Sponsor:

REP. DRISCOLL pointed out the exemptions on page 8 of the bill, most of which affect the housing industry, and said he wondered how the real estate industry would survive if they were repealed. Most companies relocate based primarily on where they can make the most profit. Taxes in the eastern United States are significantly higher. REP. DRISCOLL said HB 639 is not an "end run" on I-105, rather it is a "direct hit". It is an absolute necessity for job development. The companies and employees will broaden the tax base and enhance the economic climate of the state.

HEARING ON HOUSE BILL 658

Opening Statement by Sponsor:

REP. DORE SCHWINDEN, HD 20, Wolf Point, said HB 658 revises the wheat and barley assessment procedure to require collection from a grain storage facility operator, elevator operator, or warehouse operator at the time of initial delivery or storage if the assessment is not collected from the grower at the time of sale. The assessment of one cent a bushel would go to the Montana Wheat and Barley Marketing Committee to develop markets for the products. The assessment would be nonrefundable.

Proponents' Testimony:

Leo Giacometto, Director, Department of Agriculture, expressed support for the bill. He said it is important that Canadian or out-of-state marketers who are selling or storing grain in Montana pay for that privilege and at the same time support the Montana grain industry. It is a fair bill and he urged the Committee to pass it.

Randy Johnson, Executive Vice President, Montana Graingrowers, presented information detailing the extent of Canadian grain imports to the United States EXHIBIT 8. He said the bill will not stop the grain imports, but it will require Canadians and others from out-of-state to help pay for using the Montana system of moving grain. He said Montana farmers and producers voluntarily pay the fee. He noted this is important legislation that other states are watching with interest.

Pam Langley, Montana Grain Elevators Association, spoke in favor of the assessment to fund the Montana Wheat and Barley Committee. She pointed out there is a concern about the constitutionality of the refundability and asked the Committee to research that area EXHIBIT 9.

Opponents' Testimony: None

Questions From Committee Members and Responses:

REP. HARPER said it appears the bill levies the same tax on everyone. He asked where the constitutionality issue comes in.

Mr. Johnson said the difference is that Montana producers can ask for a refund if they are not in agreement with the assessment. He said it is non-refundable for the Canadians because they would not feel a need to enhance the Montana grain industry.

REP. ELLIOTT asked if the constitutionality issue would be resolved if the refundability portion was stricken from the bill.

Mr. Johnson said very few Montana producers are asking for the refund. They usually ask for the refund when they are assessed twice, e.g., when the producer takes out a loan and again when he sells the grain. He said the Montana producers are not opposed to the refundability or to the assessment itself.

REP. ELLIOTT asked Ms. Langley the same question.

Ms. Langley said if the refundability portion were stricken, it would appear to take care of the constitutionality issue.

REP. SCHWINDEN said he is not sure there is a constitutional issue. He has had other lawyers and the Legislative Council review the bill and they have said the refundability provision is constitutional. He said he has amendments prepared to address the severability and applicability provisions.

Closing by Sponsor:

REP. SCHWINDEN said he would ask for further review of the constitutionality issue. Other states want to use this bill as a model and it should be the best possible prototype. He submitted proposed amendments to the bill EXHIBITS 10 AND 11.

<u>ADJOURNMENT</u>

Adjournment: The meeting was adjourned at 10: 00 a.m.

BOB GILBERT, CHAIRMAN

JIIJ ROHVANS, Secretary

BG/jdr

HOUSE OF REPRESENTATIVES

·	TAXATION	TAXATION		
ROLL CALL		DATE	3/9/93	

NAME	PRESENT	ABSENT	EXCUSED
REP. GILBERT, CHAIRMAN	V		
REP. FOSTER	√		
REP. HARRINGTON	V		
REP. ANDERSON	V		
REP. BOHLINGER	V		
REP. DOLEZAL	V		
REP. DRISCOLL	V		
REP. ELLIOTT	1/		
REP. FELAND	V		
REP. HANSON	V		
REP. HARPER	2	·.	
REP. HIBBARD			V
REP. KELLER	V		
REP. McCAFFREE	V		
REP. McCARTHY	r		
REP. NELSON	V		
REP. ORR		·	
PEP RANEY			
REP. REAM	V V		
REP. TUNBY			
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4R- 4-93 THU 15:3,5

DATE 3/9/43 HB 639

ANACONDA LOCAL DEVELOPMENT CORPORATION P.O. BOA ANACONDA, MONTANA 5971 -TELEPHONE (406) 563

March 4,1993

Representative Bea McCarthy
Capital Hill Station
Helena MT 59620

Dear Representative McCarthy;

Thank you for taking time out to visit with me regarding HB639. I would appreciate your support of this bill.

This bill will provide local funds (via a state wide levy) to match other localy raised funds to help carry out the local portion of a state initiated program to develop local economics, developed by local individuals.

This bill effects 96% of the population of the state. It helps us to build bridges between communities rather than set up unhealthy scrapping between the various regions in the state.

This bill finally would provide the "carrot" that was promised seven years ago when certified cities was established and to prompt communities to plan effectived realistic economic development.

Respectfully,

إعmes H. Davison

Executive Director/Manager

J.D.

Park County Economic Development Corporation

P.O. Box 606 - Livingston, MT 59047

EXHIBIT #/
DATE 3-9-93
1 HB-639

Phone (406) 222-6120

February 26, 1993

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Real Estate

CARL WALTON Blue Cross-Blue Shield

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Mary Ackermann Yates

BRAD BERENDTS Glenn's Shopping Center

ALEX SQUILLACE investment Management Group

EXECUTIVE DIRECTOR KARA RICKETTS

Representative Bob Raney Montana State House of Representatives Capitol Complex Helena, MT 59624

Dear Representative Raney:

The Park County Economic Development Corporation urges your support for HB 639- Certified Communities Funding. The certified communities system is an effective way for local economic development organizations to work closely with the state of Montana to further economic development goals such as business retention, business recruitment, and business start-up. Livingston is a "certified community", and as such, enjoys a cooperative working relationship with the state Department of Commerce that we would like to further strengthen. HB 639 is that strenthening mechanism.

HB 639 calls for a statewide property tax to provide grants to certified communities to further their work in economic development. During a time of severe revenue shortfall in Montana, at first glance, it may seem difficult to justify such a tax, but after careful consideration, you will see that it is a fair and productive method of expanding the tax base, creating new jobs, and lessening the revenue shortfall in the long run. By requiring a local match to access the dollars generated through the tax, the bill gives communities an incentive to rally grassroots involvement and support for economic development. This grassroots support is absolutely critical for effective expansion of the tax base and job creation.

Under the proposal, Park County would be eligible to receive \$21,843.00. As you know, Park County residents identified in a county-wide survey last year that economic development was a top priority for the future of the county. 44% of respondents indicated that existing economic development efforts are not adequate, and 74% of respondents wanted more employment opportunities.

As you are aware, the PCEDC has been in existence since 1986, formed to diversify the economy after the closure of the BN shops. \$1.50 per person per year would go a long way to achieving that diversification.

The PCEDC has seen a significant increase in interest in businesses seeking to start-up or relocate to

Page Two February 26, 1993

Park County. To keep pace with that interest, it is essential that the PCEDC maintains a professionally staffed office and strong presence in the county. Last year, the PCEDC was receiving two inquiries per month of businesses seeking to relocate; this year we are receiving 15 inquiries per month of businesses seeking to relocate. These inquiries request very specific information on site availability, business licensing, and financial options. I meet with an average of six clients a month who are seeking technical, financial, and managerial assistance to keep their existing businesses in Park County operating. In addition, through the PCEDC's small business development revolving loan fund, the PCEDC has provided financial assistance to four new businesses starting up in Park County in the past eight weeks.

We encourage your support for HB639. Please call me at 222-6120 if you have any questions or desire additional information.

Sincerely yours,

Kara'Ricketts

Executive Director



EXHIBIT_#1 DATE_3-9-93 XL_#8-639

March 8, 1993

Senator Dorothy Eck State Capital Helena, MT

Dear Senator Eck:

At a time when resources are scarce, it is hard to justify new taxes. However, it is time Montana make an investment which will generate new revenue for our future.

I am referring to House Bill 639 - Certified Communities Funding. The provisions of this Bill allow communities to tap into matching funds to meet the economic development needs and goals of that community. As you know, Gallatin County has prospered economically as more companies expand and move to the area providing jobs for Montanans and an ever-growing tax base. This growth would not have occurred without the guidance, direction and support of the local economic development organization, Gallatin Development Corporation.

GDC and other organizations like it around the state cannot do it alone. They must have some financial backing to augment the dues and other monies raised locally.

Proposed House Bill 639 ensures accountability and utilizes existing staff positions to coordinate activities. It's a Bill whose time has come. Please represent your constituents by voting for HB 639.

Sincerely.

Lawrence A. Johnson, PhD

President and CEO

FRANK PRODUCTS

PRECISION FABRICATORS OF PLASTICS

TELEPHONE: (516)921-6666 FAX: (516)921-6721 P.O. BOX 112 149 EILEEN WAY SYOSSET, N.Y. 11791

March 4th, 1993
Dixie Swenson
Executive Director
Gallatin Development Corporation
321 East Main Street
Suite 413
Bozeman, Montana 59715

Dear Dixie,

I want to once again thank you and your staff for all the assistance you have provided in our efforts to relocate to Montana.

Your office has been extremely helpful not only in gathering the information we required when selecting a location but also with the process afterwards. Being from New York, we were not familiar with the financial options available in Montana. Your knowledge of the various SBA loans and local development block grants proved very helpful. We would not have progressed in our efforts as quickly as we have with out your input.

I strongly support the effort you and your counterparts make looking for and cultivating desirable industry. Businesses that fall into this group are the very ones that need the type of assistance your office provides. We, as a small business do not have the resources, both in time and money, to devote the required effort to make an informed choice for a new location. Also, the introductions and contacts you facilitated would have taken months to make and because of the differences in business style, east coast as opposed to Montanian, would not have been as productive as they have been. One last observation is the value of your knowledge of cutting through red tape. We are not as versed in the bureaucratic process as you are. I do not believe we could have familiarized ourselves expeditiously enough to have had the success we have enjoyed getting financing without your help.

Phil and I are looking forward to completing this process and moving to Montana where we hope to become participating members of the Gallatin Development Corporation. We feel that you and the Gallatin Development Corporation have played a key role not only in making it happen but also making it an enjoyable experience.

Sincerely

John McMorrow Vice President



DATE 3-9-93 A HB-639

March 8, 1993

House Taxation Committee Attn: Bob Gilbert, Chairman Montana State Representatives Helena, MT

Re: HB639 - Certified Communities Bill

Dear Mr. Chairman and Committee Members:

The State of Montana must start to invest funds to grow our economy if we are going to be able to reduce the cost of our government per capita in the future. HB639 is a smart first step.

The private sector coupled with help from local government has carried the economic development efforts of Montana for years. This bill will support these efforts in 47 Montana communities (covering 96% of Montana's population) that are now currently certified by the Department of Commerce. The minimum of \$3,000.00 and a maximum of \$75,000.00 grants coupled with the requirement of a one to one funding match assures the State of a well diversed pool of funds concentrated on economic development activities.

It is time the state becames involved.

Sincerely,

J. S. Heck

JSH/bh

March 5, 1993

House Taxation Committee Montana State Legislature Helena, MT

Dear Chairman Gilbert and committee members:

I'm writing today concerning HB639 - Certified Communities Bill, coming up for review by your committee.

When originally constituted in the early 1980's, the certified communities program envisioned state participation in funding lead organizations. To date, 47 Montana communities are presently certified accounting for 96% of Montana's population. Passage of HB-639 would build on an effective existing program without the need for additional staff, program development or bureaucracy. It would also provide a mechanism for regional cooperation which is essential to effective economic development and be particularly beneficial to Montana's smaller communities. Only strong local economic development organizations can undertake effective business retention and recruitment efforts which in turn benefit the state.

Montana's private sector along with local governments have been carrying the load. It is time for our state to become an active participant. One million dollars per year is a small investment in our future.

Thank you for your kind consideration in regard to this very important matter now before you.

Sincerely,

Robyntz. Erlenbush

Broker/Owner



ERA® LANDMARK OF BOZEMAN 1805 West Dickerson #1 Bozeman, MT 59715 Robyn Erlenbush, Broker Owner 406-586-1321 FAX: 406-586-4946





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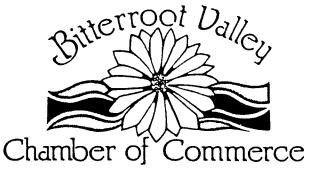


EXHIBIT # 1

DATE 3-9-93

LHB-639

105 E. Main Street • Hamilton, Montana 59840-2567 • (406) 363-2400

March 4, 1993

Senator Swift
Senator Klampe
Representative Benedict
Representative Stanford
Representative Mason
Capitol Station
Helena, MT 59620

Dear Gentlemen:

The Bitterroot Valley Chamber of Commerce has accomplished many economic development tasks and projects under the Certified Communities program of the Department of Commerce. Our biggest hurdle has been and will continue to be funding economic development. HB 639 Certified Communities funding bill will give us the opportunity to move forward especially now that we've completed the Bitterroot Futures Study and have identified specific economic development needs for Ravalli County.

We urge you to support HB 639 for the betterment of our rural economies.

Sincerely,

Pam Jackson

Executive Director

VCC: Dixie Swenson, GALLatins Dev. Corp.

FLATHEAD ECONOMIC DEVELOPMENT CORPORATION

777 GRANDVIEW DRIVE - KALISPELL, MONTANA 59901 - (406) 756-8548 FAX: (406) 756-3815

March 3, 1993

Dixie Swenson, Executive Director Gallatin Development Corporation 321 East Main, Suite 413 Bozeman, MT 59715

Dear Dixie:

I'm sorry I can't make it to Helena to testify on HB 639, but please include the Flathead Economic Development Corporation on the list of groups endorsing the bill.

Local economic development groups are just about the only people working fulltime to retain existing jobs and generate new jobs in communities across Montana. Their track record has been superb, particularly given the low level of financing available to them.

The benefits from their efforts flow to:

- Local governments -- which gain more diversified communities and more stable tax flows;
- 2. State government -- which gains a more diversified state and more stable (even increased) tax flows;
- 3. Local businesses -- which gain customers, a greater availability of offered goods and services, close-at-hand technical assistance, enhanced financing options, and customized training programs; and
- 4. Local citizens -- who gain job opportunities, greater security, and more confidence in the future.

To date, one of the four beneficiaries -- state government -- has failed to pay its share of the cost of these community-based economic development services -- services which state government depends upon to deliver a variety of <u>its</u> programs and services.

This bill is not so much a request for "new" funding as it is a request for overdue funding for services already rendered.

Carol Daly

Executive Director

EXHIBIT #1

DATE 3-9-93

HB-639

P.O. Box 1139 Miles City, Montana 58301 458 232-1616

March 3, 1993

Representative Ellen Bergman House of Representatives Capitol Station Helena, MT 59620

Dony Ropyesentative Daryman:

I am requesting your support of House Bill 639 to reinstitute the Certified Cities Program in the State of Montana. This legislative bill is in the Taxation Committee and soon will be voted upon in committee.

Unfortunately the former Certified Cites Program was climinated a few years ago during one of our many budget cutting escapades. It served a vital purpose to promote economic development in our State. Locally, a group or civic and business leaders worked hard to have Miles City designated as a tellfiel City, but it was all for neight because the program was abandoned by the State of Montana.

If this bill becomes law and the Certified Cities program is reinstituted, a local designated group will receive funding based on .65 mill levy to promote aconomic development in Miles City. Many civic and business leaders have been meeting in Miles City over the past year to formalize our aconomic development efforts and determine funding sources. Passage of H.B. 639 would certainly help our cause.

Please contact me to discuss this important piece of legislation.

Thank you for your support.

Sincerely,

Robert A. Myatuan

President

Janene R. Brown F.O. Box 476 Libby, Montana Home 293-8160 Work 293-8721

March 2. 1993

Representative Mary Low Peterson Montana State House Helena. Montana

Dear Mary Lou.

I have just completed a review of House Bill 639-Centified Communities Funding and STRUNGLY upoe you to support its passage. Lincoln County needs to -fund- a full time. experienced Economic Development Director.

I feel we can deperate a small sum from donation as we have in the past to operate a part time office and activities coordinator. However, if we had a larger base of funds to build on we can denerate the 1:1 matching funds, especially when it was stated that we can utilize other public funds.

How are we doing to replace the 172 jobs in Trov and the 98 jobs in Libby as a result of the ASARCO closure? Tourism cannot do it all, we need to nuture the expansion of existing light industry jobs and attract more, but it takes money to make money. We need to invest in an economic development professionsal to sell our area.

I also reviewed Senate Bill 399 which is a good compliment to HB 639 as it is providing for administrative decision making. The problem still remains the city and town populations are a very small portion of the tax base and county populations are just the opposite with different commissioner districts having different feelings on funding. I'm not sure how it could be accomplished, but it would be a good addition if the people of a single county commissioner district could vote for their own funding and not be held hostage in a countywide election by other districts.

Janen A Brown



GLACIER ACTION & INVOLVEMENT NOW

P. O. Box 1329 Cut Bank, MT 59427 (406) 873- 2337

February 25, 1993

EEB 2 。 沙河

House Representative Harriet Hayne House District #10 Capitol Station Helena, Montana DATE 3-9-93 1 48-639

RE: HOUSE BILL 639

Representative Hayne:

House Bill 639 has been introduced by Representative Jerry Driscoll to provide state matching funds to eligible local economic development organizations. Upon passage and approval, this act would become effective and distribution of grant funds to Certified Community lead organizations would start in December 1993.

GAIN, Inc. is the Certified Community lead organization for Glacier County and has been recertified until the end of 1993, even though the Montana Certified Communities Program was not renewed during the 1991 Legislative Session.

I would request you support HB 639.

I have found this program to be beneficial to Glacier County and GAIN as it provides a state wide resource network with other economic development organizations, available grant programs, technical assistance, and it provides a mechanism by where in state and out of state relocation leads are passed on to those certified communities.

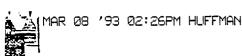
If you would like to discuss this bill in further detail please don't hesitate to contact to me at 873-2337.

Thank you for your time and consideration.

Sincerely yours,

Jerome Gauthier, Director

cc: State Senator Del Gage



Philipsburg, Montana 59858

March 5. 1993

Bea McCarthy Capitol Station Helena. Montana 59624

Dear Ms. McCarthy:

We. in Philipsburg, fully support HB639 to continue the certified cities funding. This tool is very important to our economic development.

Your truly.

Joann T. Price, Chairperson

March 8, 1993

EXHIBIT # 1 DATE 3-9-93 HR-639

Representative Duane Grimes Capital Station Helena, MT 59620

Dear Duane:

It has come to our attention that the legislature will be considering a .65 state wide mill levy. The collected monies would then be used to continue the certified communities program.

The monies and matching funds could also be used by the communities to implement various projects. We respectfully ask for your support of HB639.

Thank you.

Respectfully,

Whitehall Certified Communities Committee

Discover The Pleasure Of Doing Business.

High Plains Development
Authority, Inc.

March 9, 1993

The Honorable Bob Gilbert
Montana House of Representative
Chairman, House Standing Committee on Taxation
State of Montana, Capitol Building
Helena, Montana 59620

RE: HEARING: HB 639 - CERTIFIED COMMUNITIES FUNDING HOUSE TAXATION COMMITTEE, TUESDAY, MARCH 9, 1993

Mr. Chairman, Members of the Committee:

The High Plains Development Authority, Inc., seeks your support and advancement of HB639 - Certified Communities Funding. This legislation will bestow necessary financial aide so needed in Montana to enable her certified communities to continue to struggle to retain and expand our states population, job opportunities and tax base. The retention and attraction of new businesses is the very essence of the Montana Certified Communities Program, yet the lack of adequate financial sustenance creates lack of stability and effective promotion.

This bill would yield state matching funds to eligible local economic development organizations, and fund the administration of the Montana Certified Communities Program. It would provide a dependable program for our state to monetarily support the consequential endeavors being executed by recognized -- "Certified Communities" -- local development organizations throughout Montana. As the Montana Department of Commerce has pointed out, this cooperative is not a new idea. Almost a decade ago this type of long-term partnership was identified by a comprehensive independent study, "The Montana Economic Development Project", as an essential arrangement to stabilize and advance Montana's economy.

New businesses bring jobs to a community and contribute to the local tax base. New businesses provide markets for existing companies. According to a special report on local communities that succeed in reaching their economic development goals published by the International City Management Association, "States and local governments across the United States offer approximately \$30 billion in incentives and \$35 billion in economic development program dollars every year in their efforts to attract new business to their communities". Montana needs to become a more serious partner in economic development with the local communities!

P.O. Box 2568

Great Falls, Montana 59403-2568

The Honorable Bob Gilbert and Committee March 9, 1993 Page 2

Without this indispensable legislation, programs such as the High Plains Development Authority, Inc., will be forced to forsake vital community programs, sever services and will imminently be forced to cease operating. Please, I appeal for your backing of this legislation and that you pass HB639 - Certified Communities Funding.

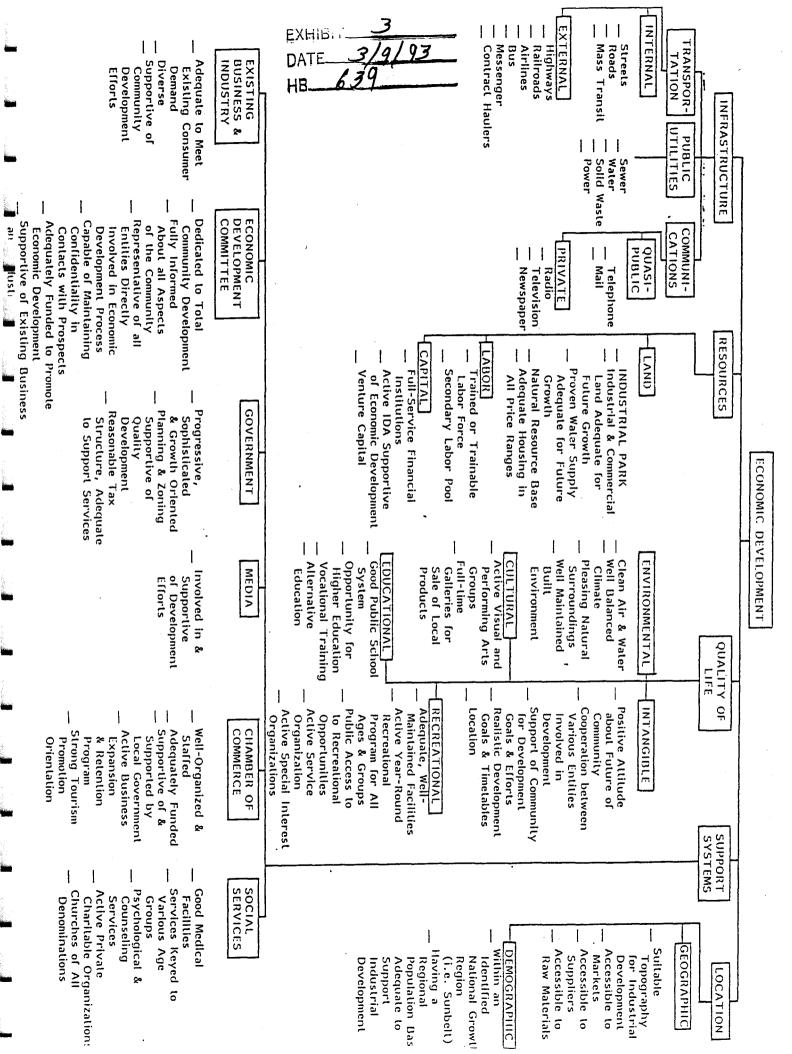
Cordially,

Janet L. Seagrave, CED

Executive Director

vn/JLS

cc: Great Falls Legislative Delegation



BEAR PAW ECC! IOMIC DEVELOPMENT DISTRICT Hill Liberty Blaine Havre Fort Belknap Rocky Boy's

Bear Paw Development Corporation

Northern Mon

P.O. BOX 1549 · HAVRE, MONTANA 59501

TELEPHONE: 406/265-9226 FAX: 406/265-5602

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DEPUTY DIRECTOR:

EXECUTIVE DIRECTOR: Tony Preite

HOUSING/COMMUNITY DEVELOPMENT COORDINATOR: Annmarie Robinson

SMALL BUSINESS, DEVELOPMENT CENTER COORDINATOR: Mellsa Jo Drugge

> MEMBERS OF THE MONTANA LEGISLATURE TO:

FROM: BEAR PAW DEVELOPMENT DISTRICT

SUBJECT: H.B.639 CERTIFIED COMMUNITIES

DEAR LEGISLATORS:

WE ARE WRITING TO INFORM YOU OF OUR STRONG SUPPORT FOR HB639. THE PASSAGE OF THIS LEGISLATION WOULD PROVIDE MATCHING FUNDS TO ELIGIBLE LOCAL DEVELOPMENT ORGANIZATIONS. IT WOULD ALSO FUND THE STATE ADMINISTRATION OF THE MONTANA CERTIFIED COMMUNITIES PROGRAM. TO PASS THIS PROPOSED LEGISLATION IS TO ENACT AN ADDITIONAL TAX ON **TAXPAYERS** OF MONTANA. THIS, HOWEVER, WILL BE THE BEST INVESTMENT OF TAXPAYER DOLLARS THAT COULD POSSIBLY BE IMPOSED. RESOURCES WOULD PROVIDE THE NECESSARY TO THE LOCAL ECONOMIC DEVELOPERS, WHICH WOULD ENABLE THEM TO CARRY OUT THEIR PROGRAMS TO THE CREATION OF THESE NEW JOBS WOULD LEAD TO MORE CREATE NEW JOBS. INVOLVED IN CARRYING THE ENORMOUS TAX BURDEN RESIDENTS. IT WOULD REMOVE PEOPLE FROM THE UNEMPLOYMENT LINES AND THE THE WELFARE ROLES. WE FULLY UNDERSTAND DEFICIT BUDGET SITUATION IN MONTANA! YOU, HOWEVER, MUST ACCEPT THE FACT THAT YOU CANNOT BALANCE THE BUDGET THROUGH CUTS ALONE. THE BUDGET CAN ONLY

BE BROUGHT BACK INTO BALANCE BY GROWTH - ECONOMIC GROWTH THROUGH JOB DEVELOPMENT. YOU MUST ALSO ACCEPT THE FACTS THAT JOBS ARE NOT CREATED IN WASHINGTON OR HELENA - JOBS ARE CREATED AT THE LOCAL LEVEL THROUGH LOCAL DEVELOPMENT EFFORTS. IT IS TIME FOR THE STATE OF MONTANA TO PARTICIPATE AND TO PAY THEIR FAIR SHARE OF THE COSTS OF LOCAL ECONOMIC GROWTH AND JOB CREATION. AS AN EXAMPLE, LOCAL GOVERNMENTS, THE CITY OF HAVRE AND HILL COUNTY, PROVIDE \$40,000.00 PER YEAR TOWARD LOCAL ECONOMIC DEVELOPMENT. THE MULTITUDE OF JOBS THAT ARE CREATED DUE TO THESE LOCAL EFFORTS RESULTS IN SIGNIFICANT PERSONAL INCOME TAX AND OTHER TAXES THAT ARE LEVIED AND COLLECTED BY THE STATE OF MONTANA. EVEN MORE SIGNIFICANT IS THE ENORMOUS OVERALL SAVINGS THAT OCCUR WHEN A PERSON, A HEAD OF HOUSEHOLD IS PROVIDED A JOB AND REMOVED FROM THE WELFARE ROLES. AS AN EXAMPLE, A FAMILY OF FOUR ON WELFARE RECEIVES AN ANNUAL AFDC PAYMENT OF \$5,640.00 AND A FOOD STAMP ALLOWANCE OF \$4,440.00, FOR A TOTAL OF \$10,080.00 PER YEAR. KEEPING IN MIND THAT AN AFDC SUPPORTED FAMILY IS ALSO AUTOMATICALLY ELIGIBLE FOR HEALTH CARE THROUGH THE MEDICAID PROGRAM, THIS THEN REPRESENTS ANOTHER SIGNIFICANT OUTLAY OF FUNDS. WE MUST THEN ACCEPT THE FACT THAT CONSERVATIVELY SPEAKING, A WELFARE FAMILY OF FOUR REPRESENTS A FINANCIAL BURDEN OF \$12,000-\$15,000 PER YEAR. THE PASSAGE OF THIS PROPOSED LEGISLATION WOULD MAKE AVAILABLE TO A COMMUNITY THE SIZE OF HAVRE APPROXIMATELY \$15,000 PER YEAR. SO, THEREFORE, ACCURATE CONCLUSION CAN BE ACCEPTED THAT IF JUST ONE JOB IS PROVIDED, THAT REMOVES ONE FAMILY FROM THE WELFARE ROLES, THE PROGRAM WILL HAVE PAID FOR ITSELF. YOU MUST REALIZE, THAT IN ANY GIVEN YEAR, WE CREATE AT THE LOCAL A

SIGNIFICANT NUMBER OF NEW JOBS WHICH GREATLY BENEFITS ALL OF STATE GOVERNMENT. HOWEVER, IT IS BECOMING INCREASINGLY COSTLY TO CONTINUE THESE EFFORTS. EVEN THOUGH LOCAL GOVERNMENT AND LOCAL PRIVATE ENTERPRISE HAS SHOULDERED THE BURDEN IN THE PAST AND WILL CONTINUE TO PARTICIPATE, THEY CANNOT INCREASE THEIR LEVEL OF PARTICIPATION. IT IS TIME FOR THE STATE OF MONTANA TO JOIN THIS PARTNERSHIP. THIS IS AN EXCELLENT INVESTMENT OF STATE RESOURCES. AS DISCUSSED EARLIER, THE RETURN TO THE STATE WILL BE SEVERAL TIMES THE INVESTMENT. THIS EXPENDITURE MUST BE VIEWED AS AN INVESTMENT, JUST AS THE MERCHANT INVESTS IN INVENTORY, JUST AS THE FARMER INVESTS IN SUMMER FALLOW AND SEEDING, JUST AS PARENTS INVEST IN THEIR CHILDREN'S EDUCATION, SO ALSO MUST THE STATE OF MONTANA INVEST IN LOCAL ECONOMIC DEVELOPMENT EFFORTS. THIS PROPOSED LEGISLATION CALLS FOR A MINIMUM OF A DOLLAR FOR DOLLAR MATCH, PLEASE BE ADVISED, HOWEVER, THAT THE LOCAL CONTRIBUTION WILL BE SEVERAL TIMES MORE THAN THE STATE'S CONTRIBUTION. AS AN EXAMPLE, OUR THREE COUNTY SUB-STATE ECONOMIC DEVELOPMENT DISTRICT COVERING HILL, BLAINE AND LIBERTY COUNTIES, INCLUDING THE COMMUNITIES OF HAVRE, CHINOOK, CHESTER, HARLEM, RUDYARD, HINGHAM, JOPLIN, KREMLIN, INVERNESS, BOX ELDER, GILDFORD AND THE INDIAN RESERVATIONS OF FORT BELKNAP AND ROCKY BOYS, WOULD RECEIVE A COMBINED TOTAL OF \$40,000.00, WHICH MAKES UP LESS THAN 20% OF THE DISTRICT'S OVERALL BUDGET. THIS IS CLEAR EVIDENCE OF LOCAL INVOLVEMENT AND COMMITMENT TO THE PROPOSITION OF ECONOMIC GROWTH AND JOB DEVELOPMENT. WE WANT TO STRESS THE FACT, AND IT IS A FACT, THAT THE STATE BUDGET CANNOT BE BALANCED THROUGH CUTS ALONE. WE MUST HAVE GROWTH

THROUGH NEW JOB CREATION, AND IN ORDER TO ATTAIN THIS GOAL, IT WILL TAKE INVESTMENT AND AS WE HAVE CLEARLY SHOWN THE LOCAL INVESTMENT IS SUBSTANTIAL. IT IS IMPERATIVE FOR THESE LOCAL DEVELOPMENT EFFORTS TO CONTINUE AND IT IS TIME FOR THE STATE OF MONTANA TO JOIN THIS BENEFICIAL PROVEN PARTNERSHIP. THIS TESTIMONY IS NOT INTENDED TO CRITICIZE OR EVEN MINIMIZE THE EFFORTS OF STATE AGENCIES, SUCH AS THE MONTANA DEPARTMENT OF COMMERCE. WITH PERHAPS A RARE EXCEPTION, WE HAVE FOUND DEPARTMENT OF COMMERCE EMPLOYEES TO BE RESPONSIVE, DEDICATED, KNOWLEDGEABLE, UNDERSTANDING AND HIGHLY PROFESSIONAL. AGAIN, WE WANT TO STRONGLY STRESS THAT WE BELIEVE THAT THE STATE BUDGET CANNOT BE BALANCED THROUGH CUTS ALONE! WE MUST STRIVE TO CREATE GROWTH THROUGH NEW JOB DEVELOPMENT. IF YOU BELIEVE THE ABOVE, THEN WE ARE CONFIDENT THAT YOUR WILL PASS THIS LEGISLATION.

IN CLOSING, WE WANT YOU TO KNOW THAT WE RECOGNIZE YOUR DIFFICULT TASK, WE ALSO COMMEND YOU FOR YOUR CONTRIBUTION AND SERVICE. WE KNOW THIS WILL BE DIFFICULT LEGISLATION TO PASS, HOWEVER, WE BELIEVE WE HAVE SHOWN OVERALL BENEFITS. THANK YOU FOR YOUR CONSIDERATIONS, PLEASE KNOW THAT WE WILL BE AVAILABLE AT YOUR CALL FOR FURTHER DISCUSSION.

HILL COUNTY

CITY OF HARLEM

BLAINE COUNTY

CITY OF CHINOOK

LIBERTY COUNTY

CITY OF HAVRE

TOWN OF CHESTER

EXHIBIT 4 a DATE 3/9/93

Liberty County
Chester

Hill County Havre Blaine County Chinook Harlem Ft. Belknap

Rocky Boy's Reservation

Ft. Belknap Reservation

1992 UPDATE

OVERALL ECONOMIC DEVELOPMENT PLAN

Bear Paw Economic Development District
PO Box 1549
Havre, MT 59501
(406) 265-9226
FAX: 265-5602

Prepared Under:

Planning Assistance Grant No. 05-05-11003-92
U.S. Department of Commerce,
Economic Development Administration

Steady State in Inansition

EXHIBIT # 5 DATE 3-9-93 11 #8-639 House Tayation Committee

The original is stored at the Historical Society at 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.

additional materials from EXHIBIT #5
House Taxation Committee, March 9, 1993

OWERSUS MATERIAL 1364.#1

THERE IS NO EXHIBIT 6 IN THIS SET OF MINUTES.



The Montana Certified Communities Program

Purpose

To establish and maintain an active network of local development organizations trained and prepared to respond to economic development opportunities or concerns.

History

In July, 1981, the Department of Community Affairs was dissolved, and the Montana Department of Commerce was created. One of the first positions filled in the "Economic and Community Development Division" was a "Local Development Officer." This liaison role was recognized as being critical to initial operations, evolution, and continuity of an effective economic development effort. This position preceded staff assignments in finance, marketing, international trade, the Small Business Development Center, or government procurement.

In the spring of 1982, the Montana Economic Development Project (also known as the McKinsey Report) began to identify and analyze Montana's economic concerns and opportunities. After an expenditure of \$100,000 and the involvement of hundreds of participants from state government, business, labor, the University System and a major management and economic consulting firm, the findings resulted in new directions and programs.

Under the general heading of local development organizations, the Report noted the following:

- "The state should provide matching funds operating grants to local development corporations to help establish them, and the state should increase training and technical assistance services to local development corporations."
- "An active program of working with local development corporations serves as the necessary link between the state programs and the local community, especially in the areas of recruitment and business planning assistance."
- The state has only a very limited capacity to help create and strengthen local development organizations. Both the Department of Commerce and the Private Industry Council, using federal funds, have provided some assistance to community based local development corporations. The Department of Commerce is developing a program to provide community leaders with training in economic development skills."

The resulting "program", which became operational about two and a half years after the final Montana Economic Development Project Report, was known as "Montana Certified Cities." The original effort was a hybrid of similar programs established in Texas, Missouri, Mississippi, and Alabama. Starting with an initial conference in July, 1985, 17 Montana communities began the certification process. All of the instructional phases of the process were conducted in Helena at major conferences using guest speakers in a lecture format. From 1985-1987, 26 communities were "Certified", with three different local development officers in the Commerce Department administering the program. The name was changed to "Certified Communities" to include counties, regions, and Reservations.

In 1988, major program changes were initiated by the current local development officer after an audit of the files and interviews with community contacts revealed deficiencies. Among the major problems noted were that many communities certified had not completed specific requirements, and only a limited number of community leaders had been exposed to the fundamentals of local economic development techniques. Corrections taken included the tightening of task performance, and the institution of on-site basic training to educate a wider audience of community leaders.

In 1989, the communities who had initially been certified in 1986 were "recertified" using criteria approved by a committee of local economic development officers. One community was decertified due to noncompliance. During 1990, the onerous requirement of preparing a slide show or video tape was replaced with publication of a community fact sheet. This change produced a more flexible local development tool that is considerably less time consuming and expensive. In 1991, the original manual for the program was largely discarded and replaced by the Small Business Administration's BUSINESS OPPORTUNITIES WORKBOOK AND CASEBOOK.

Program Facts

- To date 46 communities have completed certification.
- 98% of communities have opted to comply with all requirements to maintain their designation after three years.
- The smallest certified community has a population of under 700 residents (Bridger).
- Based on preliminary survey results, a majority of strategic plans and action plans are accomplished within the initial 3 year period.
- Eleven Montana communities have commenced, but not completed the "Certification" process.
- 32 other states are conducting similar programs according to the National Association of State Development Agencies (NASDA). In recent years Arizona, Arkansas, Idaho, Nebraska, Oklahoma, South Dakota, and West Virginia commenced certification type programs.

Certification Requirements

To be designated a Montana Certified Community, a community must complete the following requirements:

Submit an entry form, and an authorizing resolution from the local government. (Economic development corporations, chambers of commerce, or business associations are the preferred sponsoring organizations for certification.)

Assemble a working group to attend instructional sessions and accomplish the following certification standards:

- complete a community profile
- inventory all unoccupied commercial buildings and property
- identify all existing businesses
- develop, administer, and analyze a community business survey
- develop a business location response letter
- develop a one page community brochure (fact sheet)
- formulate a five year strategic plan addressing community needs, business retention, business expansion, new business development, and business recruitment goals/objectives
- formulate a one year action plan that is specific and identifies who will conduct priority activities, how they will be accomplished, and a deadline for completion
- establish an informational center where community data and business assistance reference materials are located
- prepare for business location prospects, including: designation of host team, determination of community tour route, assembly of informational packet and presentation agenda

Successfully complete a "certification visit" to demonstrate proficiency in handling a business location prospect.

Certified Community candidates are given multiple on-site instruction sessions totaling approximately 20 hours in the fundamentals of business retention, physical and market expansion for existing businesses, new business development and techniques for business recruitment. Upon completion of instructional sessions and required task assignments, a simulated prospect location visit is utilized to evaluate community preparedness. It generally requires 300-500 hours of collective community labor to complete the process. Most communities are able to achieve certification standards within a 12 month period. State certification is effective for three years.

MONTANA CERTIFIED COMMUNITIES

DATE 3/9/93 HB 639

86 ANACONDA/DEER LODGE

Anaconda Local Development Corporation P.O. Box 842
Anaconda, MT 59711
563-5538

FAX: 563-8259 (County Courthouse)

James H. Davison

90 **BELGRADE**

Belgrade Chamber of Commerce P.O. Box 1126 Belgrade, MT 59714 388-1616 Debra Youngberg

88 BIG TIMBER/SWEET GRASS COUNTY

Sweet Grass County Opportunities P.O. Box 430 Big Timber, MT 59011 932-6272 Ron Riter

86 BILLINGS

Billings Chamber of Commerce P.O. Box 31177 Billings, MT 59107-1177 245-4111 FAX: 245-7333 Elbert "Butch" Ott

86 BOZEMAN

Gallatin Development Corporation 321 East Main, Suite 413 Bozeman, MT 59715 587-3113 FAX: 587-9565

FAX: 587-9565 Dixie Swenson

88 BRIDGER

Bridger Development Corporation

P.O. Box 246

Bridger, MT 59014

662-3334

FAX: 662-3580 (Bank of Bridger)

Betty Little

86 BUTTE/SILVER BOW

Butte Local Development Corporation

P.O. Box 507

Butte, MT 59703

723-4349

FAX: 723-5345

Evan Barrett

88 CHOTEAU

Choteau Certified Communities Organization

Box 35

Choteau, MT 59422

466-5642

Kathy Tesch

86 COLUMBIA FALLS

Columbia Falls Chamber of Commerce

P.O. Box 312

Columbia Falls, MT 59912

892-2072

Carol Pike

88 COLUMBUS

Columbus/Stillwater County Planning Office

Box 881

Columbus, MT 59019

322-4439

FAX: 322-4698 (Stillwater County)

John Beaudry

92 CONRAD

Conrad Chamber of Commerce

406 1/2 South Main

Conrad, MT 59425

278-7791

FAX:

Carole DeBoo

87 CUT BANK

Glacier Action & Involvement Now P.O. Box 1329
Cut Bank, MT 59427
873-2337
Jerome Gauthier

87 DEER LODGE/POWELL COUNTY

Powell Progress P.O. Box 776 Deer Lodge, MT 59722 846-2094 FAX: 846-1373 (Lane Realty) Harry Helton

88 DILLON/BEAVERHEAD COUNTY

Beaverhead Development Corporation P.O. Box 1381 Dillon, MT 59725 683-2014 Ms. Pat Blade

92 EUREKA

Tobacco Valley Economic Development Council P.O. Box 395 Eureka, MT 59917 296-2233 FAX: Vicki McGuire

FLATHEAD COUNTY

Flathead Economic Development Corporation 777 Grandview Drive Kalispell, MT 59901 756-8548 FAX: 756-3815 Carol Daly

90 **FORSYTH**

Forsyth Area Chamber of Commerce & Agriculture Box 448 Forsyth, MT 59327 356-2233 June MacConnel

88 FORT BENTON

Fort Benton Economic Development Organization

P.O. Box 23

Fort Benton, MT 59442

622-3321

FAX: 622-3657 (c/o First State Bank)

George Fultz

86 FORT PECK RESERVATION

Fort Peck Tribal Executive Board

Poplar, MT 59255

768-5155, Ext. 321 or 322

FAX: 768-5478 Jackie Miller

86 GLASGOW/VALLEY COUNTY

Glasgow Area Chamber of Commerce & Agriculture

P.O. Box 832

Glasgow, MT 59230

228-2222

FAX: 228-8193 (Library)

Judy Humphrey

86 GLENDIVE

Glendive Area Chamber of Commerce

P.O. Box 930

Glendive, MT 59330

365-5601

FAX: 365-5602

John Trangome

86 GREAT FALLS

High Plains Development Authority, Inc.

P.O. Box 2568

Great Falls, MT 59403-2568

454-1934

FAX: 454-2995

Janet L. Seagrave

90 HAMILTON/RAVALLI COUNTY

Bitterroot Valley Chamber of Commerce

105 East Main Street

Hamilton, MT 59840

363-2400

Pam Jackson

EXHIBIT # 7a

DATE 3-9-93

L #B-639

86 HARDIN

Hardin Chamber of Commerce and Agriculture 200 North Center Avenue Hardin, MT 59034 665-1672 Charlene Steinmitz

88 HARLOWTON/WHEATLAND COUNTY

Wheatland County Economic Development Corporation P.O. Box 6936
Harlowton, MT 59036
632-4254
Tom Horan

86 HAVRE

Bear Paw Development corporation P.O. Box 1549 Havre, MT 59501 265-9226 FAX: 265-3777 (College) Tony Preite

86 HELENA

Helena Area Chamber of Commerce 201 East Lyndale Helena, MT 59601 442-4120 FAX: 449-5631 David Hemion

86 KALISPELL

Kalispell Area Chamber of Commerce 15 Depot Loop Kalispell, MT 59901 752-6166 Nick Haren

87 LAUREL

Laurel Economic Development Organization P.O. Box 395 Laurel, MT 59044 628-4412 FAX: 628-7151 Milt Wester

87 LEWISTOWN/FERGUS COUNTY

Lewistown Area Chamber of Commerce 408 N.E. Main P.O.Box 818 Lewistown, MT 59457 538-5436 Webb Scott Brown

88 LIBBY

Lincoln County Economic Development Council 603 Mineral Avenue Libby, MT 59923 293-8406 Margie Todd

88 LIVINGSTON

Park County Economic Development Corporation P.O. Box 606 Livingston, MT 59047 222-6120 X263 Kara Ricketts

87 MALTA/PHILLIPS COUNTY

PhillCo Economic Growth Council P.O. Box 1637 Malta, MT 59538 654-1776 Anne M. Booth

87 MILES CITY

Miles City Area Chamber of Commerce 901 Main Street Miles City, MT 59301 232-2890 FAX: Don Ingels

87 MISSOULA CITY/COUNTY

Missoula Economic Development Corporation 127 East Front Street Missoula, MT 59802 728-3337 FAX: 721-5034 Ron Klaphake

88 POLSON

Polson Community Development Agency P.O. Box 758 Polson, MT 59860 883-2199 Bill Coffee

86 RED LODGE

Red Lodge Area Chamber of Commerce P.O. Box 988 Red Lodge, MT 59068 446-1718 Joan Cline

88 RONAN

Central Lake County Community Development Corporation 312 Main Street SW Ronan, MT 59864 676-2751 Jay Wilson Preston

87 SHELBY

Toole County Growth Council P.O. Box 743 Shelby, MT 59474 434-5222 Larry J. Bonderud

88 SIDNEY/RICHLAND COUNTY

Richland Development 123 West Main Sidney, MT 59270 482-4679 FAX: 482-5306 (Eastern Plains RC&D) Jodie Leland Dolney

86 SUPERIOR/MINERAL COUNTY

Mineral County Small Business Development Center P.O. Box 427 Superior, MT 59872 822-4344 David Sanchez

EXHIBIT # 70...

DATE 3-9-93...

! L #B-639

92 THOMPSON FALLS/SANDERS COUNTY

Sanders County Economic Development Corporation P.O. Box 1326
Thompson Falls, MT 59873
827-4551
FAX:
Dan Whittenburg

88 THREE FORKS

Three Forks Economic Development Council P.O. Box 874
Three Forks, MT 59752
285-3295
Fax: 285-3216 (School District J-24 - c/o Dave Miller)
Patricia Wherley

87 TOWNSEND/BROADWATER COUNTY

Broadwater County Development Corporation Box 947 Townsend, MT 59644 266-3176 Bill Kearns

86 WHITEFISH

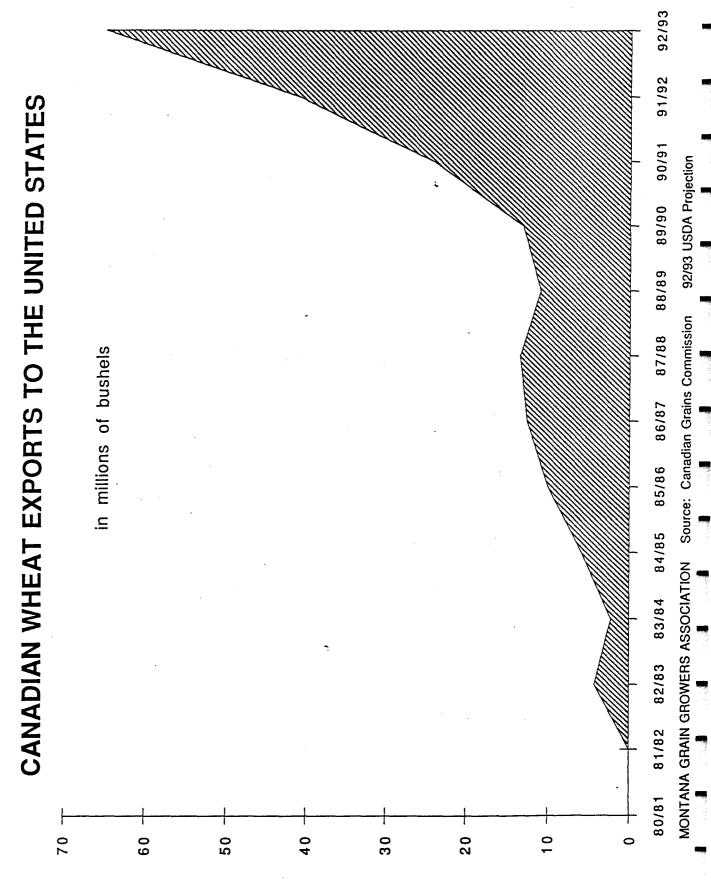
Whitefish Community Development Corporation P.O. Box 1955
Whitefish, MT 59937
862-3573
Don Nelson

92 WHITEHALL

Whitehall Business Association P.O. Box C Whitehall, MT 59759 287-5670 FAX: Paige Asten

88 WOLF POINT

Wolf Point Chamber of Commerce and Agriculture P.O. Box 237
Wolf Point, MT 59201
653-2012
Larry Severson, Ex. Director



To Gray Down PARTOR DORGAN 85-1052

Canadian Grain Exports to the U.S.

Statistical Summary (Updated Feb. 4, 1993) In million bushels (Source: Canadian Grain Commission)

Durum wheat from Canada, most recent months: Aug. thru Dec. 1992 -- 8.25 million bushels Aug. thru Dec. 1991 -- 5.7 million bushels. Durum wheat from Canada, recent years: (Canadian marketing years, ends July 31) 1991/2 15.3 1990/1 13.5 1989/90 8.0 1988/9 8.6 1987/8 7.4 1986/7 2.3 1985/6 0

The 15.3 million bu. from Canada in the year ending July 31 is 20% of our domestic market. Until the mid-1980s, our total domestic use of durum was in the range of 60-70 million bushels, but expanding pasta demand has brought that up to 70-80 million in the last three years. We are projected to export 50 million bu. of durum this year.

If you add the Canadian durum exported to the U.S. for the past five marketing years, the total is 52.8 million bushels. At a long-term average farm price of \$3.35/bu., this means that the Canadian Wheat Board got \$177 million in durum wheat sales in the U.S. These are domestic sales that our own farmers did not get.

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Spring Wheat (total non-durum wheat) from Canada: Most recent months:
Aug. thru Dec. 1992 -- 15.45 million bushels
Aug. thru Dec. 1991 -- 6.7 million bushels
```

Marketing year ending July 31: 1991-2 -- 21.4 1990-1 -- 10.6 1989-90 -- 5.15 1988-9 -- 2.4 1987-8 -- 6.1 1986-7 -- 10.3 1985-6 -- 10.0 1984-5 --5.8 1983-4 --2.2 1982-3 -- 4.2 1981-2 --0 1980-1 --0

Pam Langley

National Grain and Feed Association

Proponent of funding from Wheat & Barley Committee Concerned about Constitutionality of refundable us. March 5, 1993

Nonrefundability

TO: Montana Grain Elevator Association

FROM: David C. Barrett, Jr., NGFA Counsel for Public Affairs

RB:

Montana Grain Assessment Legislation

EXHIBIT_	9	
	3/4/9	3
HR	658	

BACKGROUND:

A bill has been introduced in the Montana legislature which would require grain elevator, warehouse and storage facility operators to collect non-refundable assessments on barley and wheat "delivered or stored in the state of Montana and sold through commercial channels." Montana growers may apply for refunds of any assessments made against them, but assessments made against non-Montana wheat or barley are not refundable. The main purpose of the bill is to make Canadian wheat and barley subject to assessments. However, it will also be applied against U.S. wheat and barley not grown in Montana.

ISSUE:

Whether the state of Montana can levy a nonrefundable assessment on non-Montana grain (when assessments levied on Montana producers are refundable)? Would such an assessment violate the Commerce Clause of the U.S. Constitution or treaties with foreign nations in the case of Canadian grain?

CONCLUSION:

The Montana legislation would violate the Commerce Clause of the U.S. Constitution and would not survive judicial challenge.

ANALYSIS:

The so-called Commerce Clause is set forth in Article I, Section 8[3] of the U.S. Constitution. It vests in Congress the power "[t]o regulate Commerce with foreign Nations and among the several States." Generally, if a tax is found to discriminate against out-of-state commerce, it is typically struck down without further inquiry." See e.g., Chemical Waste Management, Inc. v. Hunt, 112 S.Ct. 2009 (1992).

DATE 3/9/92 HB 658

Amendments to House Bill No. 658 White Reading Copy

Requested by Rep. Schwinden For the Committee on Taxation

Prepared by Doug Sternberg, Council Staff
March 5, 1993

1. Page 5, line 23. Following: line 22

Insert: "NEW SECTION. Section 3. {standard} Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications."

Renumber: subsequent section

Amendments to House Bill No. 658 White Reading Copy

Requested by Rep. Schwinden For the Committee on Taxation

Prepared by Doug Sternberg, Council Staff March 8, 1993

1. Page 5, line 22.
Following: "act]"
Insert: ", or to preclude entry into an agreement for collection of the wheat and barley assessment after [the effective date of this act] "



P. O. Box 2127 GREAT FALLS, MONTANA 59403 (406) 761-4434

formation

March 8, 1993

TO:

FROM:

C. Dennis Anderson, President C. Assistant Support SUBJECT: Support for HB 639 Certified Communities Funding

We urge your support of continued funding of the Certified Communities Funding Program. It is important that we assist the efforts of local communities in promoting economic development activities.

HOUSE OF REPRESENTATIVES VISITOR REGISTER

						HB 639
HOU	SE	TAXATIL	N	COMMITTEE	BILL NO.	HB 658
DATE	3/1	1/43	sponsor(s)	DRISCOLL.	SCH WIND	DEAL
	7					

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
GARRY MOTT	AUTHORITY	639	
D.O. BOX 2468 GREAT FAUS 59403	Battle Local Dev. Carp	120	
30x 507, Butte MT 59701	•	639	
Box 507, Bulle MT 59701 Dage Fick Helen	Department of AG	658	
Larry Tackende	City of Great Tells	639	
Rom Lepholee	Ms/a Som Da Corp	135	
Dixen Swenson	Grelatin der Corp.	639	
Kara Bicketts	Park Co. Development Cosp.	439"	
Fran OH	Billings Climber	684	
DAVID HEMION	Haeva CHAMBER	689	
David Dwen	MT Chamber of commune	1089	
Jin Smitham	MONTONA POWER		
John Bowman.	se1 f.	689	
Don lugels	Miles City Chamber of Chamere	639	
DNY Preite	HAUY R WITH SECRETARY, WITNESS STATE	639	

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

HOUSE OF REPRESENTATIVES VISITOR REGISTER

7	TAULA	in Tax	ation	COMMITTEE	BILL NO.	HB 639
DATE	3/9	193	SPONSOR(S)	Arus all.	Schus	1 .
PLI	EASE	PRINT	PLI	EASE PRINT		SE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Ranky Johnson	MbbA	658	
Ranky Johnson Pam Langley	MGEA	St St Single	

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