

MINUTES

MONTANA SENATE 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Chairman Mike Halligan, on March 10, 1993, at 8:00 a.m.

ROLL CALL

Members Present:

Sen. Mike Halligan, Chair (D)
Sen. Dorothy Eck, Vice Chair (D)
Sen. Bob Brown (R)
Sen. Steve Doherty (D)
Sen. Delwyn Gage (R)
Sen. Lorents Grosfield (R)
Sen. John Harp (R)
Sen. Spook Stang (D)
Sen. Tom Towe (D)
Sen. Fred Van Valkenburg (D)
Sen. Bill Yellowtail (D)

Members Excused: None.

Members Absent: None.

Staff Present: Jeff Martin, Legislative Council
Bonnie Stark, Committee Secretary

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

Committee Business Summary:

Hearing: SB 410, SB 421
Executive Action: SB 240, SB 379

HEARING ON SB 421

Opening Statement by Sponsor:

Senator Gary Forrester, Senate District #49, sponsor of SB 421, said he has been asked by proponents of the bill to have this committee table the bill. He asked that Bill Fleiner explain the reason for this request.

Bill Fleiner, Board Member of Montana Sheriffs and Peace Officers Association (MSPOA), said that SB 410 and SB 421 were companion bills and when drafted, they were to be within the 1% figure that is included in SB 410. When the actuary was

completed, it appeared that SB 421 exceeded 1% which goes against the commitment MSPOA made to the gaming industry that MSPOA would not ask for more than 1%, and if 1% is not needed, they are willing to accept a fraction of 1% for the MSPOA retirement system. Mr. Fleiner presented Exhibit 1 and 2 to these minutes.

There was no formal hearing on SB 421 at the sponsor's request.

MOTION/VOTE:

Senator Stang moved to TABLE SB 421. The motion CARRIED UNANIMOUSLY on oral vote.

HEARING ON SB 410

Opening Statement by Sponsor:

Senator Dave Rye, Senate District #47, sponsor of SB 410, opened the hearing by saying for most law enforcement agencies, the normal length of service prior to eligibility for retirement and retirement benefits is 20 years. A major exception is that sheriffs and sheriffs' deputies are required to serve 24 years to become retirement-benefit eligible. SB 410 is an attempt to rectify that situation and put sheriffs and sheriff deputies in equality with other law enforcement officers. Senator Rye said he believes there will be opposition to this bill because the funding is being added to the video gambling machine tax. He feels their opposition is important; however, he feels it is not as important as what the proponents will say because they are the people who lay their lives on the line for our benefit every day.

Proponents' Testimony:

Barry Michelotti, President of the MSPOA, spoke in favor of SB 410, saying representatives of MSPOA met in February, 1992, with representatives of the gaming industry and tavern industry on MSPOA's intention to pursue a third funding source to the Joint Interim Subcommittee on Retirement. The gaming and tavern representatives were informed that the MSPOA would not ask for more than a 1% increase in the video gaming tax, and if 1% was not needed, the MSPOA would request only the fraction thereof that was needed to fund the retirement. It is not the intent of the MSPOA, nor has it been, to seek or provide any supplemental increase in gaming revenues for the state, county or city governments. It is merely the request that 1% or fraction thereof address the needs of sheriffs' deputies across the state. It is a request of the MSPOA that if this committee chooses to utilize any other portion of that 1%, it be directed to the Montana Law Enforcement Academy which benefits law enforcement officers across the state.

Bill Slaughter, Sheriff of Gallatin County and Legislative Chairman of MSPOA, said SB 410 will increase the formula to provide for a service retirement allowance of 2.5% of the member's final salary for each year of creditable service, up to a maximum of 70% of final salary. The member would be eligible to retire after 20 years of service, or upon reaching age 60, whichever is less. Most established law enforcement agencies around the state and country, are at 50% in 20 years now. Mr. Slaughter said sheriffs' deputies make consistently less than their counterparts in this state. After 20 years of coping with the stresses of this profession, a retiree is older than the average retiree of the same age, and statistics show that law enforcement officers don't live very long after retiring. Mr. Slaughter said the sheriffs and deputies want a better chance for their families.

James Cashell, Gallatin County Sheriff's Department, a member of the MSPOA, spoke in favor of SB 410. He also read a letter from Sheriff Steve K. Knecht, Judith Basin County Sheriff/Coroner, a copy of which is attached to these minutes as Exhibit No. 3.

Les Osborne, Musselshell County Sheriff's Department, appeared in support of SB 410, and presented three exhibits to these minutes, as follows: Exhibit No. 4 is a letter from G. Paul Smith, Sheriff of Musselshell County; Exhibit No. 5 is a letter from Rich Egebakken, Sheriff of Wheatland County; Exhibit No. 6 is a letter from Robert Busenbark, Sheriff of Petroleum County. Each of these letters are in support of SB 410.

Bob Henschel, a Deputy Sheriff from Billings, spoke in favor of SB 410 as representative of Sheriff Charles W. Maxwell and members of the Yellowstone County Deputies Association; he presented Exhibit No. 7 to these minutes.

Carolyn Robinson, Deputy from Gallatin County, urged the committee's support of SB 410.

Paula Gill, Detective and Coroner from the Lake County Sheriff's Office, spoke in support of SB 410 and presented Exhibit No. 8 to these minutes.

John Strandell, a member of the Cascade County Sheriff's Department, and a Board Member of the MSPOA, spoke in support of SB 410 and asked the committee's support.

The following persons appeared in support of SB 410 and asked the Committee's support of this bill:

Lee Edmisten, Sheriff/Coroner of Madison County Sheriff's Department.

Greg Hintz, Missoula County Sheriff's Department, and President of the County Deputies Association of Missoula County.

Rusty Jardee, Sheriff of Carter County, Ekalaka, Montana.

Mike O'Hara, Deputy Sheriff, Missoula County.

Ron Rowton, Deputy Sheriff, Fergus County.

Jack Barney, Deputy Sheriff, Fergus County.

Gene Couch, Sheriff, Fergus County.

Dan Ames, Undersheriff, Stillwater County.

Gary Fjelstad, Undersheriff, Rosebud County, also representing the Treasure County Sheriff.

Ken Anderson, Veteran member of Cascade County Sheriff's office.

Dan Smrdel, Deputy Sheriff, Cascade County.

Jim Panagapoulos, Deputy Sheriff, Cascade County.

Bill Brown, Deputy Sheriff, Cascade County, and President of the Cascade County Deputy Sheriff's Association.

Tony Harbaugh, Sheriff, Custer County, and member of Board of Directors of MSPOA.

Tim Solomon, Sheriff, Hill County, and member of MSPOA.

Orville Hendrickson, Deputy Sheriff, Yellowstone County.

Doug Chase, Sheriff, Missoula County (see Exhibit No. 1 to these minutes).

Jim DuPont, Sheriff, Flathead County.

Red Wilson, Undersheriff, Gallatin County.

William Barnes, Deputy Sheriff, Gallatin County, and Vice-President of the Deputy Sheriff's Association in that county.

Gary Welsand, Detective, Gallatin County Sheriff's Department.

Robert Christie, Detective, Gallatin County Sheriff's Department.

Jim Brawder, Deputy Sheriff, Flathead County Sheriff's Department, and President of the Flathead County Sheriff Employees Association.

Kurt A. Seward, Sheriff, Rosebud County.

Chuck Curry, Undersheriff, Flathead County Sheriff's Department.

Bob Johnson, Gallatin County Sheriff's Department.

Bob Campbell, Deputy, Gallatin County Sheriff's Department.

Bill Fleiner, Board member of the MSPOA, said that on February 5, 1992, the MSPOA made a presentation before the Joint Interim Subcommittee of the 52nd Montana Legislature on Public Employee Retirement Systems. At that meeting, references were read from an established weekly newsletter that predicted by the year 2000, one of the highest paying professions will be law enforcement, not because of attracting brighter or more educated men and women, but because nobody is going to want to be a law enforcement officer. A choice may have to be made from the very best of the worst candidates to protect life and property. Sheriffs and deputies have the broadest scope of enforcing authority and their primary mission is investigatory and not revenue-generated sources in their community. They serve as sheriff, deputy sheriff, coroner, fire warden, disaster and emergency services personnel, corrections and detention officers, civil process servers, and humane officers, in the broad task of public safety. There is a price for this service, Mr. Fleiner said, and that is why SB 410 is presented. The average age of retirees from the sheriff's system is 61, and the average years of longevity after retirement is 5-8 years. Mr. Fleiner said there are physiological, psychological, and sociological changes that occur after retirement in later years that a retiree may not be able to adapt to. The younger retiree has more energy and strength to make transitions and re-educate himself/herself into another work force than an older retiree. Mr. Fleiner reviewed some of the issues in SB 410 and how they will affect retirees. During a hearing on HB 65, a bill to establish a legislative interim committee to review retirement bills, it was noted that it would not be possible to treat all retirement systems the same. The impact of I-105 needs to be addressed as it relates to how sheriffs and deputies salaries are calculated, including longevity and cost of living. Over a 20-year career, if the return on a PERS investment is not there, there is a loss to the contributing peace officer. Mr. Fleiner said the MSPOA is not here as a proponent or opponent of the gaming industry; they are here to protect the best interests of the communities and not to let the criminal element or criminal activity that can be associated with gaming go unchecked. Mr. Fleiner said they don't set the moral standards of communities; however, they are held accountable for them. If there is another funding source to meet this need, MSPOA is willing to work with the Committee and the industry to pursue that source. Mr. Fleiner said the MSPOA serves the state with commitment, loyalty, a firm code of ethics supported by a simple motto, "to protect and serve".

Opponents' Testimony:

Mark Staples, representing the Montana Tavern Association, spoke in opposition to SB 410. He said the gaming machines in taverns and bars across the state are already paying property taxes, and providing jobs which create more taxes. They pay nearly \$20 million in direct taxes to local governments, and in some instances, this accounts for up to 20% of the budget in those areas. Mr. Staples said tax increases are going to complicate the negotiations with the Tribes regarding gaming on reservations. He is not sure a rational basis can be found for taking the gaming tax and putting it for such a narrow and select purpose. He asked the Committee to not create this kind of precedent with these taxes.

Larry Akey, representing the Montana Coin Machine Operators Association, spoke in opposition to SB 410. Mr. Akey said they do not quibble with their friends in law enforcement for seeking reduced retirement age, but they do quibble with the funding source. The gaming industry in the state has grown extremely competitive over the last several years, and businesses, today, operate on very thin margins. They cannot pass this tax on to the consumer, since the state sets the price they can charge for their goods and services and entertainment. Mr. Akey said it is not fair that the Legislature is asking 1600 small businesses around the state to pay for the Sheriff's Retirement System.

Dennis Casey, Executive Director of the Gaming Industry Association (GIA), said the GIA does not oppose the portion of SB 410 that would reduce the number of years of service needed for retirement, or other benefits in the retirement system requested in this bill. However, they are opposed to SB 410 because of the funding source. Members of the GIA firmly believe that a 15% tax on the gross income of the gaming industry is high enough and does not need to be increased.

Gloria Hermanson, representing Don't Gamble With The Future, said they are adamantly opposed to any expansion of gambling in the state, and the more dependent the state becomes on revenues generated through gambling, the more vulnerable the state is to additional forms and types of gaming to be allowed. She asks the Legislature to find an appropriate way to assist the Sheriff's Retirement System without setting an unhealthy funding precedence for the future by relying on the gaming industry to fill the funding gaps.

Harley Warner, representing the Montana Association of Churches (MAC), said they are not opposed to the retirement changes proposed by the MSPOA, but they oppose the funding source. The MAC feels local government, as well as the state, has become addicted to revenues from the gaming industry, and if this bill passes, the MSPOA will be dependent upon gambling for funding of their retirement system.

Linda King, Assistant Administrator of the Public Employees Retirement Division (PERD), spoke on behalf of the Public Employees Retirement Board which is charged by statute to administer the retirement system. The Board is opposed to the benefit enhancement included in SB 410 which would change the formula from 2.0834% of final salary per year of service to 2.5% of salary per year of service. This bill would take benefit accruals from half-pay at 24 years to half-pay at 20 years. Four other safety retirement systems under PERD are the Highway Patrol, Game Wardens, Firefighters, and Police, all of which have a benefit accrual rate of between 2% and 2.5% per year of service. Game Wardens, who have Social Security, have 2% per year of service. The Sheriff's Retirement, currently at 2.0834%, plus Social Security, is already beyond the Game Wardens retirement benefit accrual rate, and this increase would take them beyond the other three systems, all of whom do not have Social Security. The Legislature had previously set the higher accrual rate for those three systems because they do not earn Social Security credit for their years of service, and members of those three systems are able to retire and, in some instances, go to a different job to earn some Social Security credits. However, they would not be at the same level of Social Security benefits had they been contributing throughout their career. Ms. King said the current rate of 2.0834%, plus Social Security, keeps the Sheriffs in basic equity with the other public service retirement systems. She said if an over-all change in the level of benefits accrual is going to be started, perhaps a better mechanism would be to send the bill to the permanent committee on retirement which the Legislature is looking at establishing. This committee would provide an on-going review of both the funding and the benefit levels of the state's retirement systems.

Bill Graybill from Clyde Park, representing G & S Music and Vending, said he opposes SB 410 for the reason that many retired law enforcement officers he knows have more than one retirement income. He is not against an increase in their benefits, because they have tough, dangerous jobs, but he cannot afford to absorb any more percentages from his business. Mr. Graybill claims his business pays more than 50% of his business income in taxes now, prior to any money going for his other business expenses. He said the 16.05% they are now being taxed keeps their business at the point where they can't put away 1/2% for their own retirement. He said small businesses, like his, will be forced to go out of business if any more taxes are placed on them.

Frank Hutton, Jr., appearing as a representative of the Tavern Association in Harlowton, said they cannot afford the taxes anymore, and they ask that SB 410 not be approved.

Informational Testimony:

Attorney General Joe Mazurek said the most basic mission and the highest priority at the Department of Justice is to work closely with local law enforcement agencies across the state, who

provide public safety, probably the most important function government provides. In Montana, the Department of Justice trains all of the law enforcement officers at the Montana Law Enforcement Academy. These officers receive excellent training, frequently work for a short time in Montana, and then move to surrounding states where better benefits are provided. Mr. Mazurek said the real issue law enforcement officers face, and sheriffs in particular, in trying to maintain the quality and continuity of their staff, is the issue of recruitment and retention of good law enforcement officers. That issue is exacerbated even more because this step has been taken for municipal police officers, but county sheriffs' officers and their deputies are left behind. SB 410 seeks to bring parity to that issue and have an equalized playing field for recruitment and retention of sheriffs' officers.

The Attorney General said the difficult aspect of this bill is the funding source. He feels it is important that a funding source be found for SB 410.

Questions From Committee Members and Responses:

Senator Grosfield asked Linda King how close the sheriffs retirement accrual at 2.0834% is to the highway patrol, firefighters, and police accrual percentage. Ms. King said in combination with Social Security benefits, they are very close, and it depends on how much Social Security these other three system retirees can accrue when they pursue a second career. It usually amounts to the minimum Social Security benefits. Sheriffs receive a full career of Social Security as well their 2.0834% in the Sheriffs system.

Senator Grosfield asked Ms. King how the change from 50% to 70%, in Section 4 of SB 410, relates to the other system retirements. Ms. King responded the highway patrol has no maximum; the others are at 60%.

Senator Grosfield said the 50 year minimum age requirement is being stricken from SB 410, and asked Ms. King if this is similar to the language in the other systems. Ms. King said that is out in the highway patrol police; firefighters and game wardens still have the 50-year age requirement to be eligible for retirement.

Senator Gage asked Senator Rye if the tax on beer was considered as an alternative to an increase in the gaming tax for funding SB 410. Senator Rye said he did not know if an increase on the beer tax was considered, but he tends to think it was not. If this Committee wants to consider an additional tax on beer as a more broad-based tax, he would have no objection.

Mr. Fleiner said beer tax was not considered. What was considered was the accommodation tax, raising the registration fee on vehicles, and fine forfeitures.

Senator Grosfield asked AG Mazurek about the potential problem in negotiations with the Tribes if this increased gaming tax is approved. Mr. Mazurek said this is a legitimate concern, and is part of the problem. As they enter into compacts with Tribes for gaming, the Tribes generally set the level of taxation on reservations; State taxes will not be applied on Indian-operated establishments on the reservations. What SB 410 would establish would be a greater disparity between Indian-owned, and non-Indian-owned, establishments. In areas like the Flathead, those establishments are competing side by side.

Senator Grosfield asked if the pay-backs on gaming machines can be adjusted somewhat to cover an increase in taxes, and if most of the gaming machines are set at a minimum pay-back. The Attorney General said he did not know the answers to these questions. Mark Staples said most machines are set at a maximum pay-out now, somewhere over 90%. In order to have enough of a pay-back incentive, the owners put them to a high average pay-back. Over all, people cash out around 60%.

Dennis Casey said the pay-out on a machine is set at 85% to 95%, with most of them at 95%. On the average, if a player plays \$10, he will win credits which will triple the number of plays he gets from his original \$10. On the average, he will cash out about \$6.50.

Senator Gage said when he checked, he discovered most gaming machines are set at 92%, and some of the newer ones being tested are going as high as 97%.

Senator Van Valkenburg said he was directly involved in a bill last session that provided for a 20-year retirement for municipal police officers. One of the strong selling points was that the police officers were going to pick up about 1/3 of the additional cost with increased contributions on their members. There is nothing contained in SB 410 to provide for increased contributions by the sheriff members. Mr. Fleiner said there is no similar language in SB 410 because the deputies' salaries are directly tied to the sheriffs' salaries. It is proportionate on a percentage basis that ranges between 70% to 95% of the sheriff's salary. If the sheriff doesn't get a raise, the deputy doesn't get a raise. Ten years passed before there was any increase to that base; during the time, the law only allowed a cost of living raise up to 70% of the average cost of living. When I-105 went into affect, many law enforcement officers were laid off, and County Commissioners had to freeze the salaries of elected officials, including longevity and cost of living. These are significant factors in the long-term calculation of a sheriff's or deputy's retirement. The elected officials salary increase passed in the last legislative session has been spread across the state in a myriad of areas with the greater share going to about five law enforcement agencies. The MSPOA is not in a position to sustain any large increases to their retirement level because that comes directly out of the officer's pocket.

The cities were able to cushion themselves against the impact of I-105 and have had some margin for raises and cost-of-living increases through negotiations, contracts, or City Commission directives. The counties have not been able to do that; deputies do not negotiate for their salaries.

Senator Van Valkenburg asked why SB 410 provides that a maximum benefit would be increased from 50% of final salary to 70% of final salary. Mr. Fleiner responded that an officer is encouraged to take advantage of a 20-year retirement for his personal benefit. However, there are opportunities for senior officers who begin to advance and set their career goals who will be staying past the 20 years. The average age of their retirement will stay at the high level and there will probably never be any future employment opportunities for that person.

Senator Halligan asked Ms. King about the status of the study in the House she referred to in her testimony. Ms. King said the Interim Study Committee that met regarding retirement presented a bill to the Legislature, HB 65. That Committee's recommendation was the establishment of a permanent committee on retirement that would meet year-round and to which all retirement legislation would have to go for study and fiscal impact statements before it would be introduced in the regular session. That bill is now in the House Appropriations Committee, and expectations are that it will receive a favorable recommendation.

Closing by Sponsor:

Senator Rye said he thinks this bill is an investment in Montana's future and the future of all the citizens of this state. If there is no adequate recruitment and retention of high-quality people within sheriffs departments, the safety of all of the state is placed in jeopardy. This is a high-stress job for public employees who are forced every day to put their lives on the line on behalf of all of us. A 20-year retirement for MSPOA is right and fair, and no one disputes the worthiness of SB 410; the argument is strictly whether or not it is worth an unhappy choice of tapping the gaming industry for its funding source. Senator Rye believes it is, and he asks this Committee to concur.

EXECUTIVE ACTION ON SB 379

DISCUSSION:

Jeff Martin, Legislative Council Staff, distributed Exhibits No. 9 and No. 10 to these minutes. Amendment 1 on Exhibit No. 9 is prepared at the request of the State Tax Appeal Board. Amendments 2 and 3 deal with the conflict with SB 114 which has already been passed and approved. Amendments 4 and 5 are technical changes to SB 379.

MOTION/VOTE:

Senator Doherty moved to adopt amendments 1 through 5, dated March 9, 1993, shown on Exhibit No. 9. The motion CARRIED UNANIMOUSLY on oral vote. (sb037901.ajm)

DISCUSSION:

Mr. Martin said the amendments on Exhibit No. 10 were prepared by Dave Woodgerd, Department of Revenue (DOR), to address some concerns of Senator Towe that the language in the bill would not allow for a taxpayer to proceed with an appeal unless he had actually paid his taxes under protest. This amendment states that in order to receive a refund, a taxpayer has to pay his taxes under protest when they are due.

MOTION/VOTE:

Senator Doherty moved to adopt the amendment, dated March 2, 1993, shown on Exhibit No. 10. The motion CARRIED UNANIMOUSLY on oral vote.

MOTION/VOTE:

Senator Doherty moved SB 379 DO PASS AS AMENDED. The motion CARRIED UNANIMOUSLY on oral vote. (541221SC.Sma)

EXECUTIVE ACTION ON SB 240

DISCUSSION:

Senator Eck presented Exhibit No. 11 to these minutes, which are amendments based on other amendments submitted by the DOR and are mostly technical changes. Mr. Martin said these amendments will assure that the awarding of the restaurant beer and wine license is similar to the procedure used for the other kinds of licenses. The amendments also refer to the suitability of an applicant for a beer and wine license.

MOTION/VOTE:

Senator Eck moved adoption of amendments 1 through 9, dated March 3, 1993, shown on Exhibit No. 11. The motion CARRIED UNANIMOUSLY on oral vote. (sb024001.ajm)

DISCUSSION:

Senator Eck explained amendments 1 through 5, dated March 3, 1993, shown on Exhibit No. 12, and said there would be possibly nine cities (those over 10,000 in population) that would take advantage of this kind of a license. It was suggested during the hearing that there should not be a quota on beer and wine licenses, and people should just apply and receive a beer and

wine license if they meet qualifications of the DOR. She thinks establishing another quota system may be unnecessary. These amendments will take out the sections with SB 240 that determine what the population is, etc., for quotas in various-sized communities.

MOTION:

Senator Eck moved adoption of amendments 1 through 5, dated March 3, 1993, shown on Exhibit No. 12.

DISCUSSION:

Senator Halligan asked if he were wanting to obtain a beer license in Missoula, would he simply write to the DOR and make application. Senator Eck said that is correct, and the DOR would go through their ordinary procedure of checking to see if he is a credible person.

VOTE:

The motion FAILED 5-4 on Roll Call Vote (#1).

MOTION:

Senator Eck moved SB 240 DO PASS AS AMENDED.

DISCUSSION:

Senator Eck presented Exhibit No. 13 to these minutes, which is a letter from Keith Clevenger, President of the Staggering Ox, Inc. She agreed with the context of the letter which expresses concern that the ability to open a restaurant in a major city has been constrained by the fact that a prospective owner cannot afford to open a restaurant if they have to pay between \$35,000 and up to \$100,000 for a beer and wine license. It has become an expectation of most restaurants that there will be beer and wine available to the dining public.

Senator Gage said he has concerns about what type of problems the Legislature is creating for people who may have a current beer and wine license, and further, a possible challenge by someone who may receive a new license, assuming SB 240 passes, and find that license is not resalable while the other beer and wine licenses are resalable. Senator Eck said it is very clear to the person who buys the new license that he is not going to be able to have any gambling in the establishment, and he can sell the license along with the establishment but cannot gain any profit from it. He can only sell it for whatever he paid for it plus the rate of inflation in the interim period of time he owned the license. She thinks a bigger problem is that the State now sells a license for \$800 to \$900 and it is immediately worth \$30,000 on up to approximately \$80,000. Senator Eck thinks there is a perceived and real unfairness in the present quota system.

Senator Van Valkenburg distributed Exhibit No. 14 to these minutes, which is a document prepared by the Montana Tavern Association through Mark Staples, addressing the issue of fine dining places in existence now where people can go and not be subjected to the gambling machines.

SUBSTITUTE MOTION:

Senator Stang moved that SB 240 BE TABLED.

DISCUSSION:


Senator Eck resisted the motion to table the bill.

VOTE:

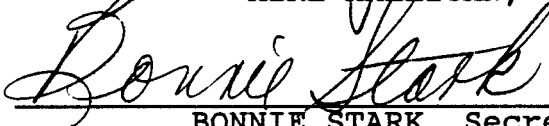
The motion CARRIED 7-3 on Roll Call Vote (#2).

ADJOURNMENT

Adjournment: The meeting adjourned at 9:57 a.m.



MIKE HALLIGAN, Chair



BONNIE STARK, Secretary

MH/bjs

ROLL CALL

SENATE COMMITTEE TAXATION

DATE 3-10-93

[illegible]

ROLL CALL VOTE #1

SENATE COMMITTEE TAXATION

TAXATION

BILL NO. 240

DATE 2-10-93

3-10-93

TIME 8:00

8:00

A.M. P.M.

P.M.

NAME

YES

NO

[illegible]

Bonnie Stark

SECRETARY

Mike Halligan

CHAIR

MOTION: Adopt Amendments 1-5, Exhibit #12,

Motion Failed 5-4

ROLL CALL VOTE #2

SENATE COMMITTEE

TAXATION

BILL NO. 240

DATE 3-10-93 TIME 8:00 A.M. P.M.

NAME _____

YES

NO

[illegible]

Donnie Stark
SECRETARY

Mike Halligan
CHAIR

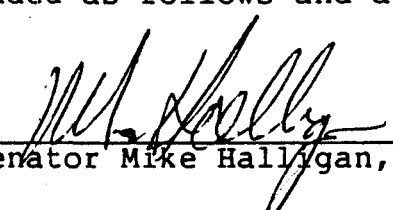
MOTION: Table. Motion Carried 7-3.

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 10, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration Senate Bill No. 379 (first reading copy -- blue), respectfully report that Senate Bill No. 379 be amended as follows and as so amended do pass.

Signed: 

Senator Mike Halligan, Chair

That such amendments read:

1. Page 1, line 14.

Following: "imposed"

Insert: "under this title"

2. Page 2, lines 10 through 12.

Strike: "as" on line 10 through "board" on line 12

Insert: "in order to receive a refund. If the tax or fee is not paid under protest when due, the appeal may continue but a tax or fee may not be refunded as a result of the appeal"

3. Page 7, line 21.

Following: "date"

Insert: "the notice of"

Following: "tax"

Insert: "due"

4. Page 7, lines 21 and 22.

Strike: "bill" on line 21 through "mailed" on line 22

Insert: "was sent"

5. Page 15, line 2.

Strike: "license"

6. Page 17, line 5.

Following: line 4

Insert: "county tax appeal"

-END-

SENATE TAXATION

EXHIBIT NO. 1

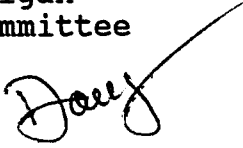
DATE 3-10-93

BILL NO. SB 410

MISSOULA COUNTY SHERIFF'S DEPARTMENT

MEMORANDUM

TO: Chairman Mike Halligan
Senate Taxation Committee

FROM: Sheriff Doug Chase 

DATE: March 8, 1993

SUBJ: Memorandum on Senate Bill 410 (Retirement Bill)

I wish to add my endorsement to Senate Bill 410. For a number of reasons I believe people serving in law enforcement should be able to exit through retirement after 20 years of service. Law enforcement in many ways is one very unique career. You're first and foremost of service to the public, a position you can readily identify with. That in itself is stressful at times. From there you can become a listener, a mediator, a pacifist, or in seconds a defender. You can literally go 20 years without having to pull your weapon, yet in less than seconds be required to decide if you must take a life in defense of others or yourself. You spend hundreds of hours of quiet time riding in the car, then it breaks loose and you're hurtling at great speeds to assist a fellow officer or community member whose life is in jeopardy. If you work the swing shift, chances of finishing a meal are about one in ten. You learn to shovel it down or just grab some junk food to tide you over. Chances are you gain weight, don't sleep, stew over what you witness, or deal with unbelievably outlandish situations; most of them tragic to one degree or another.

All this adds up, as we have found in the 80's and 90's. One of the most significant factors for us to deal with is stress. We've learned through training some pretty frightening statistics.

1. We've consistently over the last three decades been first, second or third in national divorce rate.
2. For each law enforcement officer killed in the line of duty, three will die or suffer disabling physical or emotional illnesses each year.

3. Twice as many officers will take their own lives as those killed in the line of duty each year.
4. Our profession has one of the highest rates of heart attacks.
5. Alcoholism is ranked as a serious occupational problem in many departments.
6. Law enforcement officers generally suffer more medical ailments than the general population. There's too much time with little to do, then seconds later too little time to make decisions he or she will live with forever.
7. While law enforcement is not the most dangerous job physically, emotionally it may well be the most dangerous.

With the above in mind, I have been involved in the following in my nearly 30 years of law enforcement:

1. Personally was shot in 1965.
2. Assisted in investigation or funeral arrangements for three Missoula law enforcement officers who lost their lives in the line of duty; two through gunfire and one by a DUI.
3. On February 27, 1990 one of our deputies had to fire on an armed felon who had just killed one person and critically wounded another. The result was the loss of life for an assailant.
4. This past 20 months assisted in response and support back-up to two Montana Highway Patrol officers under fire. Both patrol officers had to resort to the worst fear an officer has, that being to take the life of their assailant.

It's a rewarding job. As I reflect back on it I would have wanted to do nothing else career-wise. This and many other incidents do add up. I have seen the toll it takes on officers' lives, as well as their families. It's a constant struggle to remember all the good. You fight cynicism. You fight being jaded. 20 years for most people is enough.

There is much more I could add, but I believe I'm aware of your constraints.

DWC/ms

cc: Undersheriff Weatherman
Assoc. President Hintz

Some veterans say the violence in our streets reminds them of Vietnam. And, as in any war, there are casualties.

The number of police killed in 1989: 146. Assaulted in the same year: 62,172. That's just the physical toll — the bruises, the wounds, the grieving widows.

LAW ENFORCEMENT'S HIDDEN ASSAILANT

There's another price police officers pay — a price that doesn't rate headlines on the evening news, yet one that still rips lives asunder. Psychiatrists have coined a lengthy shopping list of names for the many symptoms. But out on the street, it's just plain old stress — a crime-igniting factor that can be just as deadly as the bullets raining out of the killing fields.

Job stress among police officers means divorce — an annual rate nearly twice that of the general population. It also spells trouble with the booze — surveys show that nearly one in four officers may be alcoholic.

Stress also means disruption of normal sleeping and eating patterns, poor nutrition, paranoia, anger, fear, and is a last resort — suicide.

Psychologists say that among police officers, the tendency to keep emotions bottled up until the lid blows can be catastrophic. "Cops have to learn that their emotions are natural, and quit resorting to 'image armor,' that tough-at-all-costs persona they've developed in their own defense," noted one leading behavioral scientist who specializes in working with police.

For most police officers, though, it's easier to treat the symptoms with traditional behavior, like gathering at a favorite watering hole for some after-work steam venting. A round with the boys may provide short-term gratification, yet it does little to renew or strengthen shaky family bonds, stave off impending alcoholism or real chronic depression.

Part of that depression has its roots in our shaky criminal justice system — a system that leaves officers out on a limb even while it asks them to lay down their lives.

According to *U.S. News & World Report* magazine, an average of 43 suspects out of every 100 felony arrests are not prosecuted or dismissed. Of the remaining 57, 34 benefit from plea bargains. This leaves three who actually go to trial, with one acquitted and two found guilty. And, of the 56 convicted by plea or by the court, 22 typically get probation, 24 are sentenced to a year or

less in prison, and 13 are sentenced to prison for more than a year.

For officers on the street, such statistics result in frustration that spills over into outright anger. Add trauma to this frustration, particularly psychic-shattering trauma following an accident or shooting, and one

promise that when they do their jobs well, it will amount to something.

Until then, stress will continue to riddle the ranks — and the health — of men and women on law enforcement's front lines. Fortunately, symptom awareness and early intervention can make a difference.

Post-traumatic stress disorder (PTSD) is similar to emotional disorders exhibited by Vietnam vets: sleeping difficulties, outbursts of temper, nightmares and social withdrawal.

A recent study of some 300 Texas police officers found that 12 percent exhibited symptoms of PTSD, with nearly 20 percent of patrol officers reporting chronic, rather than periodic, episodes.

Symptoms were more frequent among officers exposed to dead or battered children. These officers ranked crimes against children as the most stressful, outranking officers killed in the line of duty or the death of a fellow officer. Other sources of stress included insufficient manpower, excessive paperwork and citizen negativity shown toward police. Some 70 percent of the officers were also forced to work second jobs.

According to Leonard W. Kram, M.D., a Los Angeles psychiatrist who has worked with a number of police officers, stress can produce symptoms that ultimately may be disabling.

Warning signals include poor job performance and changes in eating, exercise, drinking or smoking habits. Physical warnings police officers should heed include irritability, shortened tempers, moodiness and an increase in risk-taking behavior.

Kram says law enforcement personnel, by the very nature of their work, are extremely vulnerable to stress-related disorders, particularly those induced by a traumatic event. He points out that early recognition and intervention is the key to a favorable outcome.

Treatment may be as simple as prescription antidepressant medication for sleep disturbances, nightmares and depression.

Or there may be a need for psychiatric counseling following a traumatic or violent event. As Kram points out, police officers who experience such events are often deprived of their normal sense of security and safety — the mind's normal support system. Frequently this leads to an emotional reaction that may impair normal habits and functions.

Unfortunately, too many officers succumb to stress disorders, either through failure to recognize symptoms or due to some mistaken notion that they can overcome the affliction through personal toughness or destructive self-medication with alcohol. As a result, good officers are lost and lives destroyed — a needless waste when professional treatment is readily available and full recovery the normal result.

A recent study of some 300 Texas police officers found that 12 percent exhibited symptoms of post-traumatic stress disorder with nearly 20 percent of patrol officers reporting chronic, rather than periodic, episodes."

Job-related stress and the resulting toll it has taken on America's crime-fighting force has been serious enough to cause management to look at stress as a significant problem and begin to implement programs to help alleviate the problem. Some departments now offer psychological screening, counseling and post-trauma programs. But some is not enough: Too many of the nation's 15,000 police departments have little or no stress management, nor any long-range plans to institute such programs. This is due primarily to continuing budget constraints.

Some departments have responded to the pressure by adding additional officers. As a result, arrest numbers are up — as are incidents of violent crime, juvenile crime, and pre-releases due to prison and jail overcrowding. The revolving-door justice system appears to be spinning out of control, and police face old adversaries again and again. Said one disgruntled officer, "The greatest lift the nation would give its police is the

SENATE TAXATION

EXHIBIT NO. 3DATE 3-10-93BILL NO. SB 410

9 March 1993

TO: SENATOR DAVID RYE

FROM: JUDITH BASIN COUNTY SHERIFF/CORONER, STEVE K. KNECHT

RE: SB410

Because of my scheduling, I am unable to attend the Senate Hearing, for the above legislation to voice my support. I have strong feelings about this piece and would like to give you some reasons for those feelings.

I have been involved in law enforcement since February of 1976. I worked up the ladder starting at Special Deputy to City Police Officer to Deputy Sheriff to Undersheriff and presently as Sheriff/Coroner. Through the last 16 years as a small department law enforcement officer, I have seen or been involved with almost everything from major drug investigations to homicides to major catastrophic disasters as investigator to incident commander.

From the small department viewpoint, I feel that a 20 year retirement is crucial and deserving. For instance, my department has 4 full time officers and no office personnel. These positions consist of Sheriff/Coroner, Undersheriff/Deputy Coroner, Chief Deputy/Deputy Coroner and Deputy Sheriff. Besides the regular law enforcement duties, the officers are also responsible for dispatching and secretarial duties. After 5 P.M., we dispatch from our homes for 12 hour shifts. To put this into perspective, an average month requires that we are responsible for about 400 hours and receive a salary based on less than half that. Since we are a small county, we are not eligible for overtime either. Of every workweek (6 on, 2 off), we have to work 72 hours straight. All of us have families and even though we all contend that families come first, in reality, the don't. Because of this, we frequently are unable to attend school functions and so forth.

In order for the office to be productive, team work is essential. Stress is a daily problem and through teamwork, we fight it. In the thirteen years I have been with Judith Basin County, 7 officers have left to change professions because they couldn't handle it. Please keep in mind though, all of my officers are in this profession because they want to be and because they feel they can make a difference even though they sacrifice the personal life as well as their mental health. Another example is: I attended Basic 29 of the Montana Law Enforcement Academy in March of 1978. Of the 37 officers that graduated, only 12 of us are still in law enforcement. There are few occupations with the day to day stress level that is present in law enforcement.

In closing, I've attempted to paint a picture of the dedication, sacrifices and commitments law enforcement officers give to the people of this state. I've attempted to point out the self-destruction that everyday stress causes to not only the officers but to their families as

well. I feel that a 20 year retirement would be at least a reward for the time served and would be a light at the end of a sometimes very long and dark tunnel and would allow a little added incentive to stick out the time. A 20 year retirement would also be consistent with Highway Patrol and Game Warden retirements.

Please support the passage of SB410.

Sheriff/Coroner Steve K. Knecht
Undersheriff John M. Shilling
Deputy Sheriff Mike Howell
Deputy Sheriff Raymond Clark



MUSSELHELL COUNTY SHERIFF'S OFFICE

G. PAUL SMITH — SHERIFF

820 MAIN STREET

ROUNDUP, MONTANA 59072

PH 406-323-1402 or 406-323-1231



JERRY CAMPBELL, Undersheriff
LES OSBORNE, Chief Deputy Sheriff

SHIRLEY MARKING
Head Dispatcher

March 3, 1993

Senator Halligan
Montana Senator
Helena, Montana 59620

SENATE TAXATION

EXHIBIT NO. 4

DATE 3-10-93

BILL NO. SB 410

Reference: S.B. 410

Dear Senator Halligan,

As Sheriff of Musselshell County, Roundup, Montana I would respectfully ask for your support of Senate Bill 410 (Sheriff's Retirement Legislation). I make this request not only for myself and my department, but in behalf off all Montana Sheriff's personell.

As you may well know Law Enforcement is a very stressfull and demanding occupation when dealing with todays criminal elements. The proposed changes in Senate Bill 410 concerning the 20 year retirement is a nuch needed change.

Sincerely,

G. Paul Smith
Sheriff



Wheatland County
Sheriff's Department

Richard Egebakken, Sheriff

Phone (406) 632-5614

P. O. Box 757

Harlowton, Montana 59036

SENATE TAXATION

EXHIBIT NO. 5

DATE 3-10-93

BILL NO. SB 410

Senator Dave Rye
Montana Senate
Helena, Mt. 59620

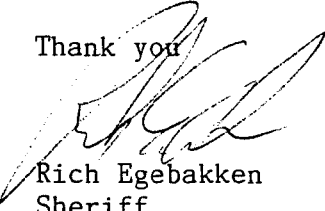
Re: S.B. 410

Dear Senator Rye:

As Sheriff of Wheatland County I would appreciate your support of S.B. 410 on behalf of myself and my department.

I could give many valid reasons why Sheriff's personnel should be able to retire after 20 years service but I won't take a lot of your time. With 21 years as Sheriff of Wheatland County I ask that you believe me on this.

Thank you


Rich Egebakken
Sheriff

ROBERT E. COFFEY
County Manager
Treasurer
Assessor
Phone 429-5551

LOIS POULTON
Justice of the Peace
Phone 429-5511

COUNTY OF PETROLEUM

P. O. Box 226
WINNETT, MONTANA 59087

BRENDAN J. MURPHY, CHAIRMAN
PATRICIA WEINGART, COMMISSIONER
WILLIAM G. SOLF, COMMISSIONER

BONNY L. ALLEN
Clerk and Recorder
Clerk of Court
Phone 429-5311

ROBERT BUSENBARK
Sheriff
Appraiser
D.E.S. Coordinator
Coroner
Phone 429-5551

March 3, 1993

Senator Dave Rye
Montana Senate
Helena, Mt 59620

SENATE TAXATION

EXHIBIT NO. 6

DATE 3-10-93

BILL NO. SB 410

Senator Rye,


This letter is in support of SB 410. Myself and the Petroleum County Sheriff's Department support this bill in its entirety.

As you know County Law Enforcement has always lagged behind other agencies in their retirement system. This Bill will rectify that situation and provide to us a recruiting incentive for those persons that have to education and training to better law enforcement. This will be done as you know at no cost to the state of county government.

The Sheriff's Retirement System has always been a matter of pride with me and these needed changes will only enhance that and the betterment of the system to serve its members.

Thank you for your time and consideration.

Sincerely,


Robert Busenbark
Sheriff

County of Yellowstone



OFFICE OF THE SHERIFF

P.O. BOX 35017
BILLINGS, MONTANA 59107-5017
(406) 256-2929

March 3, 1993

The Honorable Senator Dave Rye
511 Harrison
Helena, MT 59601

SENATE TAXATION

EXHIBIT NO. 7

DATE 3-10-93

BILL NO. SB 410

Dear Senator Rye:

I would like to take this opportunity to thank you for sponsoring Senate Bill 410, the bill dealing with the Sheriffs Retirement System.

Charles W. Maxwell

The following officers of the Yellowstone County Sheriffs Department and members of the Yellowstone County Deputies Association support this legislation and urge its passage.

Robert Henschel

Charles Maxwell

Arnold L. Anderson

Robert L. Smith

Don W. Troy

James P. Ellis

David W. Evans

Richard P. Brennan

Richard P. Brennan

Richard P. Brennan

Richard P. Brennan

Richard P. Brennan

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Richard P. Brennan

Richard P. Brennan

Don Engen

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Don Engen



Telephone (406) 883-4321

FAX: (406) 883-3622

Office of Sheriff

Lake County

JOE GELDRICH, SHERIFF
ROD WAMSLEY, UNDERSHERIFF
BILL PRAY, CHIEF DEPUTY

106 Fourth Avenue East
Polson, Montana 59860-2186

SENATE TAXATION

EXHIBIT NO. 8

DATE 3-10-93

BILL NO. SB 410

March 3, 1993

SENATE TAXATION COMMITTEE

Dear Senators:

The officers of the Lake County Sheriff's Office ask that you support the Senate Bill 410.

Joe Geldrich
Joe Geldrich

Bill Pray
Bill Pray

Mike Mathern
Mike Mathern

Lucky Larson
Lucky Larson

Don Sanders
Don Sanders

Dave Alexander
Dave Alexander

Roderick G. Wamsley
Roderick G. Wamsley

Ed Todd
Ed Todd

John Knudson
John Knudson

Grant Holle
Grant Holle

Paula Gill
Paula Gill

Karey Reynolds
Karey Reynolds

Amendments to Senate Bill No. 379
First Reading Copy

For the Committee on Taxation

Prepared by Jeff Martin
March 9, 1993

SENATE TAXATION

EXHIBIT NO. 9

DATE 3-10-93

BILL NO. SB 379

1. Page 1, line 14.
Following: "imposed"
Insert: "under this title"

2. Page 7, line 21.
Following: "date"
Insert: "the notice of"
Following: "tax"
Insert: "due"

3. Page 7, lines 21 and 22.
Strike: "bill" on line 21 through "mailed" on line 22
Insert: "was sent"

4. Page 15, line 2.
Strike: "license"

5. Page 17, line 5.
Following: line 4
Insert: "county tax appeal"

Senate Bill 379
Amendments to Introduced Copy

March 2, 1993

Prepared by Dave Woodgerd

SENATE TAXATION

EXHIBIT NO. 10

DATE 3-10-93

BILL NO. SB

The purpose of this amendment is to clarify that

Page 2, line 10

Following: "due"

Strike: the remainder of line 10 through line 12

Insert: "in order to receive a refund. The appeal may continue but no taxes may be refunded as a result of the appeal if the taxes were not paid under protest when due."

Amendments to Senate Bill No. 240
First Reading Copy

Requested by Senator Eck
For the Committee on Taxation

Prepared by Jeff Martin
March 3, 1993

SENATE TAXATION

EXHIBIT NO. 11

DATE 3-10-93

BILL NO. SB 240

1. Page 1, line 16.

Strike: "otherwise"

Following: "qualified"

Insert: "pursuant to 16-4-401(2)" -

2. Page 2, line 6.

Following: "(d)"

Insert: "an applicant who is"

3. Page 2, line 7.

Strike: "agrees to sell"

Insert: "transfers, pursuant to 16-4-404,"

4. Page 2, line 8.

Strike: "is in effect"

Insert: "is issued pursuant to this chapter"

5. Page 2, line 24.

Following: "issue"

Insert: ", pursuant to 16-4-401(2),"

6. Page 3, line 19.

Strike: "Except as otherwise provided by law, a"

Insert: "A"

7. Page 3, line 21.

Strike: "code"

Insert: "chapter"

8. Page 3, line 24.

Following: "department"

Insert: ", pursuant to 16-4-401(2),"

9. Page 13, lines 19 and 20.

Strike: "part 1,"

Amendments to Senate Bill No. 240
First Reading Copy

Requested by Senator Eck
For the Committee on Taxation

Prepared by Jeff Martin
March 3, 1993

SENATE TAXATION

EXHIBIT NO. 12

DATE 3-10-93

BILL NO. SB 240

1. Title, line 7.

Strike: "PROVIDING A SEPARATE QUOTA SYSTEM;"

2. Page 3, line 19.

Strike: "limit"

Insert: "issuance"

3. Page 3, line 25.

Strike: ", except that:"

Insert: "."

4. Page 4, line 1 through page 6, line 8.

Strike: subsections (1) through (3) in their entirety

5. Page 6, line 10.

Strike: "the quotas of"

STAGGERING OX INC.
400 EUCLID - LUNDY COURT
HELENA, MT. 59601
(406) 443 - 1732

SENATE TAXATION

EXHIBIT NO. 13

DATE 3-10-93

BILL NO. SB 240

17
SENATOR DOROTHY ECK
SPONSOR SB 0240

Dear Dorothy,

I'm sorry I missed your phone call last week. I talked to Jim Martinez, he told me he talked to you and asked me to write you a letter that you could pass on to the other members of the committee.

In the 10 years we have been in business we have built, equipped, inventoried & opened 4 restaurants on a \$60,000 +/- budget. In those same 10 years we have seen Beer & Wine licenses sell for as little as \$14,000 and as much as \$60,000. In Missoula just last year (1992) a Beer & Wine licence was offered for sale for \$75,000. While they didn't get that much that was their opening offer to sell.

I contacted our banker and asked a hypothetical question: If you were to loan us \$45,000 to buy a Beer & Wine licence with enough extra to build facilities to deal with same, how long would the term of the loan be and what would be our monthly payment be? It turns out that the bank would only offer a 5 year term and monthly payments would be over \$900. That's more than we pay for rent!

With those kind of payments we need to turnover a tremendous amount of Beer & Wine just to make the payment, much less make a profit. (The reason we're in business so I understand) At current business volumes if we were to stay within the 25% / 75% alcohol to food split allowed by the proposed new law, we would be able to sell less than \$200 a day in alcohol. Considering product cost, labor, workers comp., unemployment, increased insurance, utilities, loan payments, yearly licence fee, and misc. expense, we would lose money if we had to buy a private Beer/Wine licence and were limited to those numbers. We would barely make a profit if new special class licenses were available and we could avoid the huge cost of a private licence. While its true that if we had a private licence we would not be bound by the 25/75% rule, it must be understood that we don't care to be alcohol pushers, (i.e. a bar) If an establishment has to service enormous debt, it has to sell as much alcohol as possible just to survive. Selling large amounts of alcohol is not what we wish, but under the present system we would literally have to push as much alcohol as possible down the throats of our valued customers, just to pay for them to have the right to drink a beverage of their choice while dining. We don't care to be a bar, have a bar, have bar tenders, have tacky posters promoting massive alcohol consumption, or any of the usual things one might find in a bar setting.

In this day and age of the "changing of social consciousness" toward "less alcohol, don't drink and drive and be responsible citizens", one would think that

our government should be one of the leading advocates of such thinking, and yet by keeping our archaic and outdated alcohol pushing system in place those people, comprising our law "making and changing" body are guilty of keeping revenue dampening and life endangering methods of running business and operating government at the same dark ages level. Ridding ourselves of the old system is the only way to create change in a time that so desperately needs change

Opponents of SB 240 would have you believe that by changing the law they will go out of business. A similar argument comes from businesses against large chains operating in our cities, such as ShopKo, K-Mart, Target, Walmart, Costco, etc. Change does not mean you have to go out of business. It might mean you have to change your method of doing business, but then change is generally for the better.

Another argument against this bill has been the possible diminishing in value of existing licenses. Well after listening to testimony the other day, I was surprised that the only business owners complaining seemed to be "All Beverage" licence holders. Where were the people that hold "Beer and Wine" licenses. The one's that will be most effected should this bill pass. It seem to me that none of those complaining were complaining when the State of Montana gave out a piece of property potentially worth over \$100,000 all for under \$1,000. Talk about a inequitable distribution of wealth. With the quota system in place this constitutes unfair and unequal treatment under the law and is highly discriminatory at the very least.

Hypothetical Case: The "Beer and Wine" licence I want to buy costs \$50,000. The business I'm buying it from paid \$900 for it. (\$800 plus a one time fee of \$100)

Using the above figures: If I were to walk up to you and hand you \$1.00 and said you can have this if you give me back \$55.56. Would you do it? Of course not, you're not stupid. You'd go broke long before I got tired of peeling off \$1.00 Bills. Sounds real good to me, but you wouldn't think so. So why should our state give back \$55.56 (or more, or less, depending on the value of the licence at the time of a private sale) for every \$1.00 it receives?

The system is wrong, it needs to be changed and this bill is a good start. It means more jobs, (from the food and beverage distributors on one end, to the restaurants themselves on the other end) less unemployment and more revenue from taxes (personal, business and alcohol) and licence fees, and most likely an increase in tourism.

By passing this bill, (SB240) you are introducing new life into a stagnant pond, please do it quickly before the pond dries up.

Sincerely,
Keith Clevenger
President
Staggering Ox Inc.

POINTS TO CONSIDER IN OPPOSITION TO SENATE BILL 240

SENATE TAXATION

EXHIBIT NO. 14

DATE 3-10-93

BILL NO. SB 240

RESTAURANT CHOICES PLENTIFUL NOW:

SURVEYS (SEE ATTACHED) SHOW THERE ARE ALREADY A LARGE NUMBER OF RESTAURANTS IN MONTANA WITH NO GAMING OR FROM WHICH GAMING IS SEPARATED. MANY OF THESE WOULD BE CONSIDERED "FINE" DINING BY ANY CUSTOMER. THEIR NUMBERS ARE PARTICULARLY NOTABLE IN AREAS MENTIONED BY PROPONENTS AS "LACKING" IN CHOICE. (BOZEMAN, BILLINGS, MISSOULA, THE FLATHEAD, THE BITTERROOT ... FOR INSTANCE.)

INVESTMENT SHOULD NOT BE DISREGARDED OR DEVALUED:

THE MAJORITY OF CURRENT RESTAURANT/LIQUOR LICENSEES PAID MARKET VALUE FOR THEIR LICENSES AND/OR WORKED THEM FOR MANY YEARS TO CREATE MARKET VALUE. TO ADD APPROXIMATELY 350 NEW LICENSES, ACQUIRED AT NOMINAL CHARGE, NOT ONLY DEVALUES CURRENT LICENSES IMMEDIATELY, BUT FORCES FINANCE PAYMENT - MAKING PRESENT LICENSEES TO COMPETE AGAINST NEW LICENSEES WITH NO ONGOING COSTS. OLD LICENSEES MAKE PAYMENTS WHILE NEW ONES DO NOT.

CURRENT NON-GAMBLING RESTAURANT/LIQUOR LICENSEES WILL EITHER SELL THEIR LICENSE TO ACQUIRE THESE NEW INEXPENSIVE ONES (AND THEREBY POTENTIALLY CREATE MANY MORE GAMBLING ESTABLISHMENTS) OR IF THEY ARE NOT ALLOWED TO SELL THOSE LICENSES TO BUY THE NEW ONES, THEY WILL TAKE THE PRIMARY HIT IN TERMS OF DEVALUATION OF THEIR PRESENT INVESTMENT.

S U M M A R Y

- THERE ARE ALREADY NUMEROUS FINE RESTAURANTS IN MONTANA WITHOUT GAMBLING ALTOGETHER OR WITHOUT IT ON THE RESTAURANT PREMISES.
- CURRENT LICENSE-HOLDERS WILL BE UNFAIRLY (AND PERHAPS UNCONSTITUTIONALLY) DEPRIVED OF JUST COMPENSATION FOR THE DEVALUATION OF THEIR LICENSES.
- THIS BILL COULD LEAD TO A PROLIFERATION OF GAMBLING ESTABLISHMENTS, WHICH AT LEAST ON ITS FACE IS EXACTLY WHAT IT'S INTENDED NOT TO DO.

A NON-INCLUSIVE SURVEY OF RESTAURANTS IN MONTANA
WITHOUT GAMBLING OR WITH IT SEPARATED FROM DINING
(AREAS PRESENTED ARE THOSE REFERRED TO AT COMMITTEE HEARING)

LEWIS & CLARK COUNTY

Restaurants with no gambling that have on-premise licenses:

STONEHOUSE
ON BROADWAY
QUEEN CITY CAFE
YAT SON'S
PIZZA HUT (2 locations)
MONTANA CLUB
MARYSVILLE HOUSE

WINDBAG
MR. STEAK
HOUSE OF WONG
BAYAMO BEACH CLUB
FRONTIER TOWN
FOUR B'S

EXHIBIT 14
DATE 3-10-93
SB-240

Restaurants with gambling separate from dining:

ROSE'S CANTINA
BERT & ERNIE'S
NITE OWL
GODFATHER'S
JORGENSEN'S
SMITH'S PLACE
SEVEN UP RANCH
YACHT BASIN
BLACK ANGUS
VICTOR'S

OVERLAND EXPRESS
RILEY'S
VILLAGE INN
YE OLDE PUB
COLONIAL INN
HOLTER LAKE LODGE
LAMBKINS OF LINCOLN
GREEN MEADOW COUNTRY CLUB
GILLEY'S
BULLSEYE

BOZEMAN AREA

Restaurants with no gambling that have on-premise licenses:

GALLATIN GATEWAY INN
SUN DOG CAFE
ROCKY MOUNTAIN PASTA COMPANY
O'BRIAN'S
LEWIS & CLARK RESTAURANT
CASA SANCHEZ
LONE MOUNTAIN GUEST RANCH
JIMMY B'S
PICKLE BARREL

THE GREAT CHINA WALL
SCOBY'S
BACCHUS PUB
OVERLAND EXPRESS
JOHN BOZEMAN'S BISTRO
CHICO HOT SPRINGS
320 GUEST RANCH
CROSSCUT RANCH

Restaurants with gambling in separate area from dining:

SPANISH PEAKS BREWERY
KORNER CLUB CAFE
LAND OF MAGIC
OASIS SUPPER CLUB
BLUE WILLOW
BUCK'S T-4

BANANA BAY
HUFFINES INN PLACE
CANTRELL'S
GRANTREE INN
BLACK ANGUS
BELGRADE LOUNGE & CAFE

BILLINGS AREA

Restaurants with no gambling that have on-premise licenses:

ATHENIAN	BRUNO'S
FUDDRUCKER'S	GEORGE HENRY'S
GOLDEN BELLE	GREAT WALL
JADE PALACE	JULIANO'S
LINDERONI'S PASTA DELI	MARCO POLO GARDENS
MIYAJIMA GARDENS	PIZZA HUTS (4 locations)
THE REX	SHOGUN
SHOW BIZ	SKYVIEW TERRACE
TAI PEI	THAI ORCHARD
TORRES CAFE	VINNIE'S
WALKER'S BAR & GRILL	YELLOWSTONE COUNTRY CLUB
BRIARWOOD COUNTRY CLUB	HIGHLANDS COUNTRY CLUB

Restaurants with gambling separate from dining:

BERT & ERNIE'S	C-J'S
CASEY'S GOLDEN PHEASANT	CATTLE COMPANY
CIRCLE INN	DEVERNIERO'S RISTORANTE
DOS MACHOS	ELKS CLUB
FIRESIDE	GRANARY
GUSICK'S	HITCHIN POST
JAKE'S	MOOSE CLUB
PALM BEACH	PAPA JOHN'S
PUG MAHON'S	RAMADA INN
RECEIPES	RED ROBIN
SHERATON HOTEL	THE STOCKMANS
WAR BONNET INN	WINDMILL CLUB
WONG VILLAGE	MAYFLOWER OF CHINA

RAVALLI COUNTY

Restaurants with no gambling that have on-premise licenses:

MARIE'S	SAM'S DELI
BJ'S	BANQUE CLUB
STAVES'S	SUNDANCE
BROAD AXE	TRIPPLE CREEK
WEST FORK MEADOWS	LOST TRAIL SKI RESORT
SLEEPING CHILD HOT SPRINGS	

Restaurants with gambling separate from dining:

MARTIN'S INN	JAYNE'S
FT. OWEN INN	FIRESIDE
CATINA LA COCINA	WANDA'S WAGON WHEEL
HOMESTEAD	ROCKY KNOB

MISSOULA AREA

Restaurants with no gambling that have on-premise licenses:

ALLEY CAT
MUSTARD SEED DOWNTOWN
ZIMORINO'S
NEW PACIFIC GRILL
THE SHACK
CHUCK WAGON
SANTORNO'S

THE LILY
THE GREENLEAF
GUY'S STEAK HOUSE
THE DEPOT
THE MANSION
EL MATADOR
MARIE'S

EXHIBIT 14
DATE 3-10-93
SB-240

Restaurants with gambling in separate area from dining:

THE OTHER PLACE
CASA PABLO'S
EDGEWATER
CURLEY'S
HEIDELHAUS
MONTANA MINING CO.
LIMELIGHT
GOLDEN PHEASANT
SHEEP RANCH INN
LA CANTINA

McKAY'S
HOLIDAY INN
LOLO HOT SPRINGS
QUINN'S HOT SPRINGS
TREANARY'S
DOUBLE ARROW LODGE
DOS LOBOS
PADDY'S CAFE
SIX PAC SUPPER CLUB

DATE 3-10-93

SENATE COMMITTEE ON

Taxation

BILLS BEING HEARD TODAY:

S.B. 410 Rep - S.B. 421 - Forrester

Name	Representing	Bill No.	Check One Support Oppose	
DAVE Smedley	Cascade County Sheriff's Dept	SB 410	✓	
ROBERT Henschel	Yellowstone Co Deputies Assoc	SB 410	✓	
Larry Michels	Montana Sheriff's & Peace Officers Assn	SB 410	✓	
Orval Hendrickson	Gallatin Co Sheriff's Assn	SB 410	✓	
Jim Panagopoulos	Cascade County Sheriff's Dept	SB 410	✓	
Ken Anderson	Mont. Sheriff's & PO Assn	SB 410	✓	
Bill Brown	Cascade County Deputies Assoc.	SB 410	✓	
Bob Johnson	Gallatin Co Sheriff's Dept	SB 410	✓	
Lee Eomisten	Madison County Sheriff	SB 410	✓	
RUSTY JARDEE	CARTER COUNTY Sheriff	SB 410	✓	
JAMES CASHELL	GALLATIN COUNTY SO	SB 410	✓	
ROBERT CHRISTIE	GALLATIN COUNTY SO	SB 410	✓	
T. Gregory HUNT	MISSOULA CO Deputies	SB 410	✓	
J. MICHAEL O'HARA	Missoula Co Sheriff	SB 410	✓	
Les C. Sharn	Missoula Co Sheriff's Dept	SB 410	✓	
Carolyn Robinson	Gallatin County Sheriff's Dept	SB 410	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE 3-10-93

SENATE COMMITTEE ON Taxation

BILLS BEING HEARD TODAY: SB 410 SB ~~SB 421~~

Name	Representing	Bill No.	Check One	
			Support	Oppose
Bill Braybill	B & S Lending	410+421		<input checked="" type="checkbox"/>
FRANCIS A HUTTON JR	PIEGELS BAR	410+421		<input checked="" type="checkbox"/>
Gary Fekstad	Rosebud County Undersheriff	SB 410	<input checked="" type="checkbox"/>	
Bill W. Hedges	Sheriff	SB 410	<input checked="" type="checkbox"/>	
Kurt A. Seward	Rosebud Co Sheriff	SB 410	<input checked="" type="checkbox"/>	
Charles P. Curry	Flathead Co. Sheriff	SB 410	<input checked="" type="checkbox"/>	
Jim Browder	FLATHEAD CO. SHERIFF	SB 410	<input checked="" type="checkbox"/>	
Kenny Weatherman	Missoula Sheriff	SB 410	<input checked="" type="checkbox"/>	
Mark Cress	Montana Insurance	SB 410:421		<input checked="" type="checkbox"/>
MARK CRESS	PERD.	SB 410		<input checked="" type="checkbox"/>
LINDA KING	PERD	SB 410		<input checked="" type="checkbox"/>
Jim Dupont	FLATHEAD SHERIFF	SB 410	<input checked="" type="checkbox"/>	
Wm. Barney's	Gallatin Co. S.D.	SB 410	<input checked="" type="checkbox"/>	
Gloria Helmarson	Dore Emblematic Future	SB 410		<input checked="" type="checkbox"/>
LARRY AKEY	COIN OPERATORS ASSO	SB 410 SB 421		<input checked="" type="checkbox"/>
Jack Greenway	Gallatin Co Sheriff	SB 410	<input checked="" type="checkbox"/>	

VISITOR REGISTER

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DATE 3-10-93

SENATE COMMITTEE ON TAXATION

BILLS BEING HEARD TODAY: SB 410

Name	Representing	Bill No.	Check One Support Oppose	
JACK BARNEY	FERGUS CO. SHERIFF	SB 410	✓	
Tim Solomon	Hill Co. Sheriff	SB 410	✓	
Ronald Rounton	Fergus Co. Sheriff	SB 410	✓	
GARY K. WELSAUD	GALLATIN CO. SHERIFF	SB 410	✓	
Earl D. Wilson	Gallatin Co. Sheriff	SB 410	✓	
JOHN STRANDELL	CASCADE Co Sheriff	SB 410	✓	
Bill Slaughter	Gallatin Co Sheriff	SB 410	✓	
TONY HARBAUGH	CUSTER CO. SHERIFF	SB 410	✓	
DAN AMES	STILLWATER County Sheriff	SB 410	✓	
Eugene Couch	Fergus Co Sheriff's Dept	SB 410	✓	
Robert Campbell	Gallatin Co Sheriff	SB 410	✓	
Lang Chase	Missoula Sheriff	SB 410	✓	
DEANIS CAGLEY	GIA			✓
Paula C Giee	Lake Co Sheriff	SB 410	✓	
Jack Hamling	Lewis & Clark	SB 410	✓	
Herby Waver	MT ASSN. OF CHURCHES	SB 410 SA 421		X

VISITOR REGISTER

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