

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN BOB GILBERT**, on March 31, 1993, at
8:15 a.m.

ROLL CALL

Members Present:

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

Members Excused: None

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: SB 396
SB 429
SB 427
Executive Action: None

HEARING ON SENATE BILL 396

Opening Statement by Sponsor:

SEN. GARY FORRESTER, SD 49, Billings, said the bill addresses problems created by the passage of I-105. He said the proponents would explain the bill further.

Proponents' Testimony:

Mike Mathew, Yellowstone County Commissioner, Billings, presented testimony in support of the bill. EXHIBITS 1 and 2

Gordon Morris, Executive Director, Montana Association of Counties (MACO), agreed with the previous testimony. He said MACO has never had a record of opposing I-105 and the bill is not intended to be an I-105 breaker. It simply changes the assumptions by which taxpayer liability is calculated in order to recapture the total amount of revenue that was generated in 1986 when I-105 passed.

Opponents' Testimony: There were no opponents.

Questions From Committee Members and Responses:

REP. ELLIOTT asked Mr. Morris to explain the rationale for allowing the increase in mills at the 95% level.

MR. MORRIS said that according to current law, if a taxing jurisdiction falls under 95% of the 1986 value, they are allowed to levy back the revenue in terms of dollars. If the value exceeds 95% the limit is determined in mills. Therefore, when the determination is made in dollars, more mills can be levied to get back to the 1986 dollar amount. This bill allows the taxing jurisdiction to calculate to 100% in terms of dollars generated rather than mills.

REP. KELLER asked how many counties are affected.

Mr. Morris said he estimated nine counties would fall into the 95% - 100% range.

Closing by Sponsor:

SEN. FORRESTER said Chouteau, Deer Lodge, Custer, Golden Valley, Judith Basin, Lake, Lewis and Clark, Powell, and Treasure Counties are all in this 5% situation. Yellowstone County will be facing problems this year. He said this is a good bill that will help local taxing jurisdictions and asked the Committee to support it.

HEARING ON SENATE BILL 429Opening Statement by Sponsor

SEN. DEL GAGE, SD 5, Cut Bank, said the bill was introduced at the request of the Senate Taxation Committee. He said he had sponsored two bills regarding the use of Resource Indemnity Trust Tax (RITT) assessments and the funding of the Oil and Gas Commission. Those bills had problems and the Committee decided to request this bill in their place. SB 429 provides that for those grants that are given from the RITT earnings, the Department of Natural Resources (DNRC) must give priority to grants requests from the Oil and Gas Commission up to \$600,000. This would give the Commission the ability to do some long range planning for industry related cleanup and maintenance problems. The funds would only be used where there is no identifiable party to address the problem. Two amendments were added in the Senate Taxation Committee. The first amendment would reduce the \$600,000 by the amount of funds not expended in the previous biennium, and the second would mandate that the funds cannot be used for the operation of the Oil and Gas Commission.

Proponents' Testimony:

Tom Richland, Oil and Gas Commission, said the bill would provide ongoing funding for reclamation projects involving orphan wells. He said it would allow the process to work more efficiently and assure a continuing source of funds for the projects.

Jim Jensen, Executive Director, Montana Environmental Information Center, said there are problems in the oil patches that are not being addressed. Oil people have paid their share into the RITT fund. There is no boom in the oil and gas industry now and money is needed to address the long range problems and lengthy planning processes to protect the environment. He felt this was an appropriate use for the funds.

Janelle Fallon, Montana Petroleum Association, said the orphan well problem was overlooked during the boom times. It has come to light now and needs to be addressed. This is a good time to clean up old problems and the RITT funds should be designated and used in this process.

Doug Abelin, Stripper Producers, and the Northern Montana Oil and Gas Producers, said the bill will stimulate a little activity on a fairly constant basis. Cleaning up and planning for continuation of orphan well maintenance is an economic advantage for an industry that is barely hanging on.

Opponents' Testimony: There were no opponents.

Questions From Committee Members and Responses:

REP. FELAND asked if the intent of the Senate amendment was to maintain a \$600,000 balance at the beginning of each biennium.

SEN. GAGE said the biennium would begin with a balance of \$600,000. If there were funds remaining from the previous biennium, they would be carried over and the \$600,000 reduced by the amount of the carryover, thereby maintaining a cap of \$600,000.

REP. HIBBARD asked for further explanation of the type of clean-up problems that are anticipated.

Ms. Fallon said there are instances of wells that were drilled back in the 1940's. There was no Oil and Gas Commission as well as no bonding or plugging and abandoning requirements. It was legal to just walk away at that time. Some wells that were plugged many years ago have begun leaking salt water into surrounding fields. It is difficult for the Oil and Gas Commission to fund the clean-up for these sites because one of the top priorities for grant money is for "impact on the human environment" and many of these wells are forty miles from the nearest human. It becomes difficult to fund the project even though it is an environmental mess. Often it is difficult to determine how much the clean-up will cost until the crew can get in, drill, and determine the extent of the problem.

REP. FOSTER asked about the effect of the priority listing on water projects as contained in HB 608. He was concerned that the priority listing in that bill would be changed if SB 429 were to pass.

SEN. GAGE replied that the priority listing in HB 608 would be changed to the extent of the first \$600,000. Some of the projects would then be moved down.

Mr. Jensen noted that none of the water projects listed for this biennium would be affected.

Closing by Sponsor:

SEN. GAGE said one of the reasons funding for some of the projects has been difficult to obtain is because there is a misunderstanding about who originally caused the problem. Owners have died or businesses are no longer operating in many cases. RITT payments have been made on a regular basis, but accessing the resultant grant money for actual clean-up projects has been a real problem. This bill attempts to make those funds more readily available for the purposes for which they were originally collected.

HEARING ON SENATE BILL 427Opening Statement by Sponsor:

SEN. MIKE HALLIGAN, SD 29, Missoula, said the bill was introduced because local community governments were unclear as to whether the mill levy limit applied to specific mill levies within the mill levy cap. The SID revolving fund is levied on all city property, not just specific SIDs. In 1987 the revolving fund mills decreased and the excess mills were transferred to the general fund. Now the revolving fund has increased and there is no agreement by the Department of Commerce and both former Attorney General Racicot and Attorney General Mazurek as to whether the SID revolving fund mills can be increased to the 1986 level before the excess funds were transferred to the general fund. **SEN. HALLIGAN** said the new language in the bill states that "a taxing jurisdiction that included SID revolving fund levies in the limitation on the amount of taxes levied prior to the effective date of the bill may continue to include the amount of the levies within the dollar amount due in each taxing unit for the 1986 tax year even if the necessity for the revolving fund has diminished and the levy authority has been transferred to some other account included under the cap." There is no attempt to go above the I-105 cap.

Proponents' Testimony:

Alec Hansen, Executive Director, Montana League of Cities and Towns, said the bill in no way tries to subvert I-105. It is a simple direct bill which clarifies the intent and effect of I-105. Cities, towns, and counties must know exactly what they are dealing with when they apply I-105 to their budgets. The Department of Commerce ruled that local taxing jurisdictions were in compliance with I-105 as long as taxes did not increase when transferring mills within various budget categories. The problem occurred because some levies were exempt and if transfers involved any of those levies, the local government was in technical violation of I-105. The bill says that I-105 was not violated if revolving fund money was used and the cap was not violated.

Miral Gamradt, City of Bozeman, said the bill allows local governments to levy the same number of mills today as they did in 1986. The bill clarifies that they do not have to reduce their mills below the 1986 levels.

Chuck Stearns, City of Missoula, submitted his written testimony in support of the bill. **EXHIBIT 3**

Gene Vuckovich, City Manager, Anaconda/Deer Lodge, concurred with the previous testimony and urged the committee to support the bill.

Opponents' Testimony:

Tom Hopgood, Montana Association of Realtors, said this bill is another "I-105 buster". He said the Attorneys General were probably correct in saying the law is unclear. He said an SID is the same as a loan from the bank. Payments are made in an orderly fashion on the loan until it is paid off, then the payments cease. The same methodology applies to SIDs. There is a separate method of creating an SID revolving fund. When the SID is paid off, the assessment for the revolving fund should also terminate. This bill continues the assessment of the SID revolving fund after the SID is paid. He noted the bill includes exemptions to I-105 on page 6. He called the Committee's attention to lines 18 and 19 which specifically exempt SID revolving funds. He pointed out local governments can levy for SID revolving funds above the mandates of I-105 whenever there is a need.

He said this bill is a devious and innovative way to subvert I-105. I-105 says no more property taxes above the level of taxes in 1986. He said this is the legislative intent in pure and simple terms and the intent of the taxpayers who voted in I-105. He said that since 1986, if an SID was placed on certain property and a revolving fund was increased, it was exempt from I-105. By enacting this bill, the legislature would be saying that increases passed since 1986 are legitimate and can stay on the tax rolls permanently. He urged the Committee to protect the taxpayers of the state and to pay heed to the legislative intent of I-105.

Questions From Committee Members and Responses:

REP. McCAFFREE asked if an SID falls under the restrictions of I-105.

Mr. Stearns replied the creation of SIDs was exempted because the mechanism to create SIDs is controlled by the people of the proposed district who, in most cases, petition for them. The city or county can create an SID, but the people have a protest mechanism. A 50% protest will kill an SID. SIDs are not a city-wide or county-wide levy. They are a special assessment on a particular piece of property.

REP. McCAFFREE asked if the revolving fund is generated by the levy from an SID.

Mr. Stearns said the revenues for the revolving funds can come from various sources. Usually, there is an up-front contribution of 5% of the cost of the project within the district. General fund money can be transferred into a revolving fund if the revolving fund falls short. A city-wide or county-wide property tax levy can be levied to provide revenue for the revolving fund. The revolving fund in turn loans the money to SIDs that have delinquencies. If the delinquent property is sold at a tax deed

sale or money is received from similar source, it is repaid to the general fund. The city or county has but one revolving fund for all the SIDS within its jurisdiction. He said Missoula has approximately 70 SIDS, but only one revolving fund.

He said in 90% of the cases the SIDS will pay off all the bonds that were sold to create the district. If there are significant delinquencies the revolving fund comes into play.

Closing by Sponsor:

SEN. HALLIGAN said the Senate Taxation Committee listened to Mr. Hopgood's testimony and found his reasons interesting but not compelling for the following reasons. The SID exemption for a specific district does not apply as it is exempt from I-105. The specific SID has nothing to do with the revolving fund in the bill. The revolving fund levy applies to everyone and is intended to address all the delinquencies in the taxing jurisdiction which may contain 5 to 75 different SIDS. The revolving fund portion of the levy could be a small part of a larger county levy. If two Attorneys General could not determine the intent of the law, the law needed to be clarified and that is the intent of SB 429. There is no attempt to go above the I-105 cap.

ADJOURNMENT

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


BOB GILBERT, CHAIRMAN


JILL ROHYANS, Secretary

BG/jdr

HOUSE OF REPRESENTATIVES

TAXATION

COMMITTEE

ROLL CALL

DATE

3/31/93

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

County of Yellowstone

COMMISSIONERS



(406) 256-2701

Box 35000
Billings, MT 59107

March 30, 1993

Representative Bob Gilbert, Chair
& Committee Members
House Taxation Committee

Dear Representative Gilbert and Committee Members:

On March 25, the Senate voted on SB 396. They gave a unanimous 46 - 0 vote in favor of that bill.

Please look past the short title of this bill and consider the strong Senate endorsement when this comes to House taxation. This bill does not raise taxes and, in fact, individual taxes for county purposes will go down next year if this bill passes.

The most critical year for Yellowstone County is the 93-94 fiscal year. Even if there is a tax reform package that includes a repealer of I-105, it will not be in place soon enough to cover this fiscal year.


If you have questions, please contact Ken Heikes or any of the taxation committee members that gave the unanimous do pass vote.

Yours very truly,

BOARD OF COUNTY COMMISSIONERS


James A. Ziegler Sr., Chairman


Mike Mathew, Member


Bill Kennedy, Member

/SW

SENATE BILL 396

EXHIBIT 2
DATE 3/31/93
SB 396

INITIATIVE NO. 105
FISCAL NOTE

THIS MEASURE WOULD REDUCE STATEWIDE PROPERTY TAX COLLECTIONS BY APPROXIMATELY \$30 MILLION DURING THE 1988-89 BIENNIUM FOR PROPERTY IN PROTECTED CLASSES. ALTERNATELY, UNPROTECTED PROPERTY MAY PAY INCREASED TAXES AND/OR GOVERNMENT SERVICES MAY BE REDUCED.

- ☐ FOR limiting certain property taxes to 1986 levels unless the Legislature reduces property taxes prior to July 1, 1987, and establish alternative revenue sources.
- ☐ AGAINST limiting certain property taxes to 1986 levels unless the Legislature reduces property taxes prior to July 1, 1987, and establishes alternative revenue sources.

In the General Election of November 4, 1986, the people of Montana voted that no further property tax increases be imposed on property classes three, four, six, nine, twelve and fourteen. Montana Statute 15-10-402 states, with a few exceptions, the **amount** of taxes levied on property may not exceed the amount levied for the taxable year 1986. When the Legislature enacted Section 15-10-401 through Section 15-10-412, the intent was to keep the mill levies capped to the amount that were imposed or in place at the time of election.

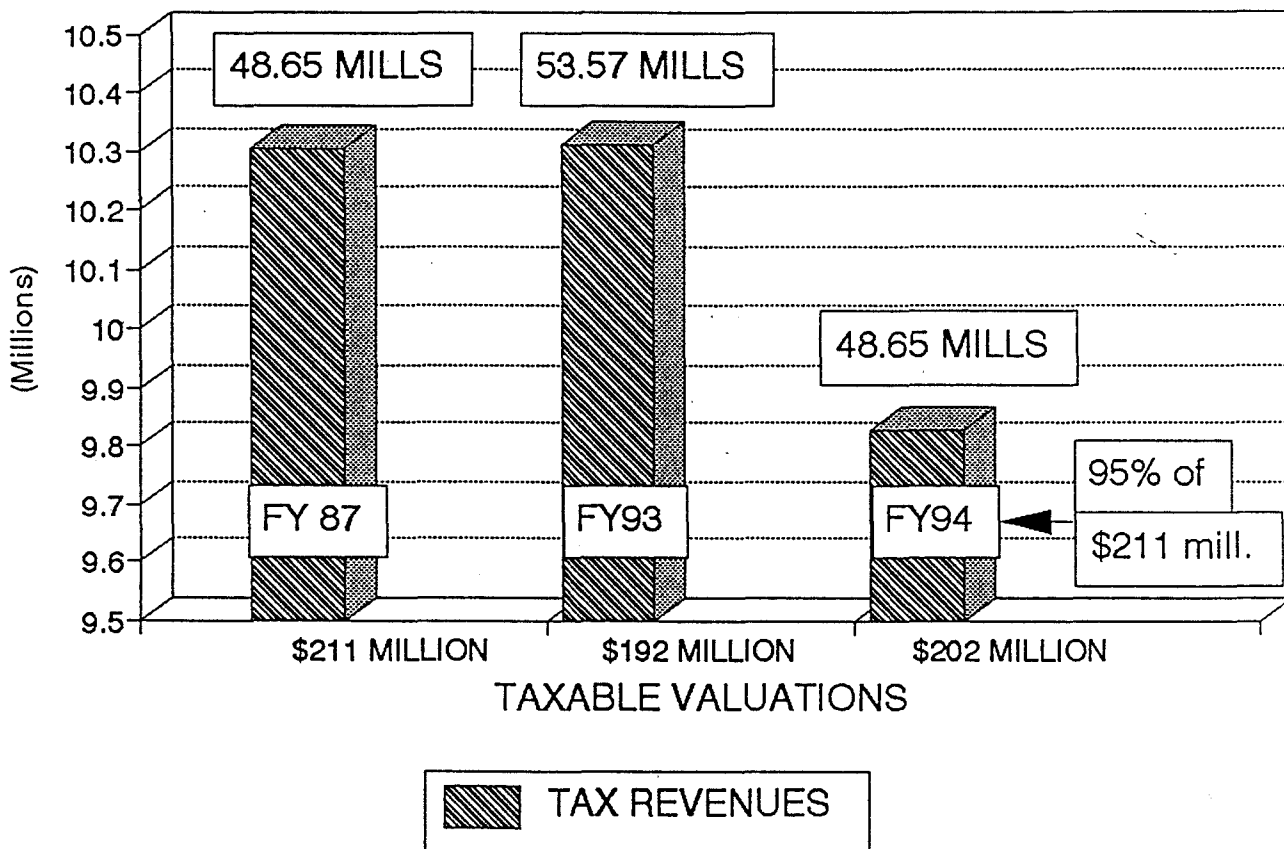
However, when structuring this law, the Legislators were concerned that if the taxable valuations dropped, cities and counties would lose revenue if they were forced to have the maximum mill levy in place. Consequently, in Section 15-10-412, the Legislature allowed cities and counties to raise their mill levies, if their taxable valuation decreased by 5% from the 1986 tax year. In no case, however, may the mills exceed the total amount of revenue that was being generated in the 1986 tax year.

The statute does not give the cities and counties the authorization to adjust the mill levies when the taxable valuation climbs back to within the 95% limitation. Senate Bill 396 would give Montana cities and counties, who have experienced decreases of 5% or more, the discretion to adjust their mill levies as the taxable valuation increases into the 95% - 100% range of 1986 taxable valuation.

Senate Bill 396 does not give cities and counties the authority to increase total revenues over the amount that were being generated in 1986.

IMPACT OF MOVING INTO 5% TAXABLE VALUATION LIMITS ON YELLOWSTONE COUNTY

YELLOWSTONE COUNTY COUNTY-WIDE MILL LEVY



When Montana State Statute 15-10-412 was enacted in 1986, the taxable value in Yellowstone County was \$211,949,000 and the County-wide mill levy was 48.65 mills. When the taxable valuation decreased by 5%, Yellowstone County was allowed to levy additional mills to compensate for the decreased taxable valuation. If the taxable valuation increases to \$202,000,000 in FY 94, the County reverts to the 1986 mill levy which will reduce property tax revenues by over \$500,000 in next year's budget.



FINANCE/CITY CLERK OFFICE

435 RYMAN ST. • MISSOULA, MT 59802-4297 • (406) 523-4700

FAX (406) 728-6690

FINANCE AND DEBT MANAGEMENT
BUDGET AND ANALYSIS
ACCOUNTING
CITY CLERK
UTILITY BILLING
RISK MANAGEMENT
GRANT ADMINISTRATION

CHUCK STEARNS TESTIMONY ON SENATE BILL #427

March 31, 1993

DATE 3/31/93
SB 427

The City of Missoula supports Senate Bill #427, to maintain the flexibility that many local governments believe they have under I-105 to adjust the various and separate property tax levies as long as the total property tax levy that existed in 1986 is not exceeded. However, it appears that there have been different interpretations of this issue by local governments and there is a request for an Attorney General Opinion, so the necessity of legislative clarification arises.

As originally passed, the policy of I-105 was stated as is now codified in Section 15-10-401 (5) M.C.A. which states as follows:

The people of the state of Montana declare it is the policy of the state of Montana that no further property tax increases be imposed on property classes three, four, six, nine, twelve, and fourteen. (Emphasis supplied)

In June of 1987, after the 1987 Legislature had passed Senator Gage's Senate Bill 71 which clarified and implemented Initiative 105, I wrote a letter to the Montana Department of Commerce's Bureau of Local Government Services and asked for a clarification by their auditors on one issue. The question was whether we could lower our SID Revolving Fund levy and increase other levies as long as the total City of Missoula levy did not exceed the 1986 level at which it was frozen. The Bureau Chief of the Local Government Services Bureau affirmed our interpretation in a July 17, 1987 letter and we have operated on the basis of that interpretation since 1987. Copies of my 1987 letter and the Department of Commerce response are attached to this testimony.

Perhaps it is easiest to show you in a table the effect of our interpretation. Our 1986 I-105 base levy, the 1987 levy, and our 1992 levy are shown below.

<u>Category of levy</u>	<u>1986 levy</u>	<u>1987 levy</u>	<u>1992 levy</u>
General Fund - All purpose levy	85.35	91.04	94.99
General Fund - Health levy	7.30	7.42	7.30
General Fund - Aging levy	0.76	0.76	0.69
SID REVOLVING FUND LEVY	5.32	1.26	0.00
Comprehensive Insurance levy	4.49	3.64	3.22
Employee Health Insurance levy	12.16	11.19	11.45
Police and Fire Pension levies	7.58	7.35	6.87
P.E.R.S. and Unemployment levies	3.76	3.39	3.28
1978 Pool/Fire G.O. Bond levy	1.12	1.30	0.78
1985 Refund G.O. Bond levy	1.92	1.33	0.60
Sub-totals	129.76	128.68	129.18
<u>1989 G.O. Bond levy (after I-105)</u>	<u>n/a</u>	<u>n/a</u>	<u>2.73</u>
Total levies	129.76	128.68	131.91

Essentially, our SID Revolving Fund levy has decreased since 1986 and the difference has been used to increase the general fund levy. However, as you can see from the chart, our 1992 sub-total levy of 129.18 mills, prior to including a post I-105 bond issue approved by the voters, is still below the 129.76 total in 1986, so taxpayers are not harmed in any manner and we have complied with the property tax freeze.

If you consider the reverse interpretation, it would be that as we no longer needed to levy property tax mills for the SID Revolving Fund, then our total property tax levy would have to decrease. Yet that interpretation is inconsistent with the policy of I-105 as shown above in Section 15-10-401 (5) M.C.A.

because I-105 was a tax freeze and no one ever testified that property tax levels should have to be decreased. Therefore, we believe that any interpretation contrary to the one we have used is contrary to the intent of I-105.

The ambiguity arises because of clauses in SB71 which were codified in Section 15-10-402 (2) and Section 15-10-412 (8) MCA which said that the limitation on taxes did not apply to levies for special improvement districts or the revolving funds that support RSID's and SID's. However, the main reason for these clauses was to be sure that I-105 did not impair previously issued SID and RSID bond covenants or I-105 would not pass constitutional muster for impairment of contracts. It was never intended to be construed as requiring decreases in local levies.

The primary reasons that we feel our interpretation is correct is because:

1. There was never any intent that I-105 should compel a decrease in property tax levies.
2. Taxpayers are not harmed by our interpretation because the I-105 frozen levy is not exceeded.
3. We have relied upon our good faith raising of the issue in 1987 when, before we applied our interpretation, we asked the state auditors for their position on our interpretation and our position was validated.
4. Article XI, Section 4 (2) states "The powers of incorporated cities and towns shall be liberally construed."

It is also important to note that the Senate voted 50-0 and 49-0 on second and third readings to approve this bill, so we are comfortable that we are within the intent of I-105. We encourage your support of SB427 which maintains the integrity of I-105 while still allowing local governments the flexibility that many thought we had under Senate Bill 71 in 1987.



FINANCE OFFICE

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FINANCE AND DEBT MANAGEMENT
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RISK MANAGEMENT

June 23, 1987

RECEIVED

JUN 24 1987

COA-LOCAL GOVERNMENT SERVICES
HELENA

Mr. Don Dooley
Department of Commerce
Bureau of Local Government Services
805 N. Main Street
Helena, MT 59601

Dear Don:

After discussion with City Attorney Jim Nugent, he suggested that I write and ask for written confirmation of an understanding that I had regarding mill levy limitations under Initiative 105 and State Law in order to avoid any problems with future auditors. The understanding that I have is based on my reading of Senate Bill 71 and a phone call between you and me earlier in June.

Basically, it is my understanding that, if the City has levied mills for the SID Revolving Fund in the past, but feels that, based on cash balance and future need for revolving fund loans, the SID Revolving levy can be decreased for FY88, then we can increase the other levies as long as we do not violate Initiative 105 as revised by Senate Bill 71 and other state law. Our example, (see enclosed page), is that we want to decrease the SID Revolving Fund levy and use those mills in the All Purpose and related levies. It is my understanding that we can levy in that manner as long as:

- 1) The City's total levy remains below the 1986 levy of 129.76 mills pursuant to Initiative 105 as revised by Senate Bill 71 of the 1987 legislature;
- 2) The budgeted expenditures, in any levy fund where the levy exceeds the Statutory mill levy limitations, do not increase more than 5%, pursuant to Section 15-7-122 MCA;
- 3) The City's total levy does not exceed the maximum certified millage as established by the County Assessor without following the proper procedures pursuant to Section 15-10-202 MCA through 15-10-208;
- 4) If the City decides to resume a higher SID Revolving Fund levy in the future, that any increase in the SID levy up to last year's 5.32 mills would have to come from decreases in the All Purpose and related levies in the future so as to meet the intent of I-105 and SB 71. If the City found it necessary to increase the SID Revolving Fund levy above the 1986 level of 5.32 mills, it could exceed the 1986 total levy of 129.76 mills for additional SID Revolving Fund levy pursuant to Senate Bill 71.

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As you can see from the enclosure, based on my conversation with you, we do hope to proceed in this manner. Jim Nugent felt it prudent to confirm our telephone conversation and we would appreciate your response. Please call if there are any questions. Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Chuck Stearns".

Chuck Stearns
Fiscal Analyst

cc: Ron Preston, Finance Officer; Jim Nugent, City Attorney

2B) DOC-LEVY.BUD

EXHIBIT #3
 DATE 3-31-93
 SB-427

FUND NUMBER		FUND	FY88 MILL LEVY (MILL VALUE = \$44,750.00)	FY87 MILL LEVY (MILL VALUE = \$44,652.00)	PERCENTAGE CHANGE FY87 - FY88
A1010		GENERAL FUND - ALL PURPOSE LEVY	91.04	85.25	6.6
A1010		GENERAL FUND - HEALTH LEVY	7.42	7.30	1.64
A1010		GENERAL FUND - AGING LEVY	0.76	0.76	0.00
GENERAL FUND SUB-TOTALS			99.22	93.41	6.22
A2260		MISSOULA REDEVELOPMENT AGENCY			
A2300		S.I.D. REVOLVING FUND	1.26	1.32	-76.32
A2320		COMPREHENSIVE INSURANCE LEVY	3.64	4.49	-18.53
A2371		EMPLOYEE HEALTH INSURANCE LEVY	11.19	12.16	-7.98
A2372		POLICE AND FIRE PENSION LEVIES	7.25	7.58	-3.03
A2373		P.E.R.S. AND UNEMPLOYMENT LEVIES	3.39	3.76	-9.54
A3040		1978 POOL/FIRE S.D. BOND DEBT SERVICE	1.30	1.12	16.07
A3060		1925 OPEN SPACE REFUNDING BONDS	1.33	1.52	-30.73
A5310		SEWER OPERATING BUDGET FUND			
TOTALS FOR ALL FUNDS IN EXECUTIVE BUDGET			122.68	129.76	-0.53

DEPARTMENT OF COMMERCE
LOCAL GOVERNMENT ASSISTANCE DIVISION
LOCAL GOVERNMENT SERVICES BUREAU



TED SCHWINDEN, GOVERNOR

CAPITOL STATIO

STATE OF MONTANA

(406) 444-3010

HELENA, MONTANA 596

July 17, 1987

Chuck Stearns
Fiscal Analyst
Missoula Finance Office
201 W. Spruce
Missoula, MT 59802-4297

Dear Chuck:

I have read your June 23, 1987 letter and find no significant differences between the conclusions reached therein and our recent phone conversation.

As I related to you on the phone, a legal question exists as to whether Section 15-7-122 is operative in light of the budgetary restrictions contained in Senate Bill 71. However, if Jim Nugent agrees, I see no reason why the two sections should be incompatible, so long as an entity meets the tests of taxable valuation change contained in both pieces of legislation.

There will no doubt be later cases and/or Attorney General's Opinions as a result of Senate Bill 71, but your FY-78 budget scenario appears sound based on our knowledge to date.

Yours very truly,

Donald L. Dooley (jg)

Donald L. Dooley
Bureau Chief

DLJ/jg

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

SB 427
SB 429
SB 316

House Delegation

COMMITTEE

BILL NO.

DATE 3/31/93

SPONSOR(S) Halligan, Hage, Forester

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Alec Hense	MLC	427		✓
GENE VUCKOVICH	ANDERSON/DEER LODGE	427		✓
Miral Gamrant	City of Bozeman	427		✓
Doc Abelin	NORTHERN MONTANA OIL & GAS ASSOC.	429		✓
TOM RICHMOND	BOARD OF OIL & GAS	429		✓
Dee Rickman	Board of Oil & Gas	429		✓
Mike Matthew	Yellowstone Co.	396		✓
Tom Hopgood	MT. ASSOC. Realtors	427	✓	
Gloria Kermanson	MT Cultural Advisory	396		✓
Chuck Stearns	City of Missoula	427		✓
Janelle Tallan	MT Petroleum Assoc	429		✓
Jim Jensen	MEIC	429		✓

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

VISITOR'S REGISTER

Walligan, Page, Farveter ^{513 394}

PLEASE PRINT

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