

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - SPECIAL SESSION**

COMMITTEE ON APPROPRIATIONS

Call to Order: By **REP. TOM ZOOK, CHAIRMAN**, on December 17, 1993,
at 9:30 A.M.

ROLL CALL

Members Present:

Rep. Tom Zook, Chairman (R)
Rep. Ed Grady, Vice Chairman (R)
Rep. Francis Bardanouve (D)
Rep. Ernest Bergsagel (R)
Rep. John Cobb (R)
Rep. Roger DeBruyker (R)
Rep. Marj Fisher (R)
Rep. John Johnson (D)
Rep. Royal Johnson (R)
Rep. Mike Kadas (D)
Rep. Betty Lou Kasten (R)
Rep. Red Menahan (D)
Rep. Linda Nelson (D)
Rep. Ray Peck (D)
Rep. Mary Lou Peterson (R)
Rep. Joe Quilici (D)
Rep. Bill Wiseman (R)

Members Excused: None

Members Absent: Rep. Dave Wanzenried

Staff Present: Clayton Schenck, Legislative Fiscal Analyst
Alberta Strachan, Committee Secretary

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

Committee Business Summary:

Hearing: SB 43

SEN. HARRY FRITZ, District 5, Cut Bank said the snowmobile group and safety program in the Department of Fish, Wildlife and Parks is funded by 1/2 of 1 percent of the gas tax. The program was augmented in 1979. When the Program was begun, the tax was 9 cents per gallon and is now 27 cents. This bill reduces the percentage of gas tax earmarked for the snowmobile program from 1/2 of 1 percent to 1/4 of 1 percent. That is calculated to bring in about \$331,000 per year. This program, which began with

the projection of \$200,000 for a snowmobile population of 30,000 should be sufficiently funded with \$331,000 for the 13,000 registered snowmobiles. He also stated that the Snowmobile Program should be appropriately downsized to fit the needs of Montana's stable snowmobile population. **EXHIBIT 1**

PROPONENTS:

Carl Schweitzer, Montana Contractor's Association said he did not support the present gasoline tax funds. There needs to be some changes in the distribution to snowmobilers.

Russ Ritter, Capital Holding Company; Washington Contractors Group; Washington Construction, stated that they operated in Montana and throughout the northwest. Last year, 285 jobs were available for highway construction which involved about \$5 million of payroll. They are concerned about the gas tax. The construction companies he represents were of the understanding that the amount of money would be used trigger the federal match.

George Ochenski, Montana Wilderness Association said that the association had recently interacted with the Department of Fish, Wildlife and Parks to review an environmental impact statement done by the department on the snowmobile program. Upon reviewing the program, all natural resources and recreational lifestyles issues aside, it was determined that the snowmobile population in Montana has remained fairly constant at about 13,000 machines. The administrative costs for this program are 26%.

OPPONENTS:

Ken Hoovestol, Montana Snowmobile Association, stated that snowmobile gas tax money is a legitimate refund of state gas tax paid on gasoline used off-road by snowmobilers. Snowmobile gas tax money is a refund not a diversion. The increase is not a windfall but simply the refund of additional tax paid on gasoline used off-road. Money received by this program is an investment that returns approximately 8-to-1 in tourism dollars. The legislature has determined that the amount of fuel consumed by snowmobiles equals 1/2 of 1% of the total gas tax paid. Since the legislature chose to exempt from registration those snowmobiles used on private land, 13,3000 registered snowmobiles cannot be used as the only figure for considering the basis for a refund. It must include those snowmobiles used on private land. There is no indication that the number of snowmobiles in Montana has decreased from the 30,000 in 1979. All indications suggest just the opposite ever without factoring the tourist. Montana's Snowmobile Program is aimed at providing and maintaining facilities for Montana's snowmobiling public. Promoting snowmobile safety and education are other goals of the program. **EXHIBIT 2**

Dennis Ogle, Montana Snowmobile Association, presented written

testimony from **John Semple** of the **Helena Snowdrifters Snowmobile Club. EXHIBIT 3** and **Alan Brown**, **Missoula Snowgoers Snowmobile Club. EXHIBIT 4**

REP. DON LARSON, District 65, Seeley Lake, said there was a profound impact on communities that benefit from snowmobiling in their area. Snowmobile grooming was then discussed. Much of the rescue work that is done in the ski areas is done by snowmobile.

Keith L. Colbo, Montana Tourism Coalition, stated that the reason for the opposition to the bill is the economic impact and the promotion of the industry in the off-seasons.

Patrick Graham, Director, Department of Fish, Wildlife and Parks, said if this bill is passed, local organizations would have half the funding that would otherwise be available as a result of higher fuel taxes. This would obviously result in a decrease in currently groomed trails on public land. He then discussed the 28 local organizations directly impacted, user demand and the amount of volunteer contributions and donators to supplement this program which saves state costs and FTE. The second attachment addresses the department's costs for this pass through grant program. **EXHIBIT 5**

Stuart Doggett, Montana Innkeepers Association, opposes this bill because of the reduction of snowmobile trails. Tourism and retail and food service sales will decrease.

REP. DOUG WAGNER, District 8, Hungry Horse, stated that 73% of public land is being designated to build Montana infrastructure. That is a noble cause. The snowmobilers in Montana have been using the areas in the Flathead that had been proposed for wilderness for 30 years. The snowmobilers have done no damage because they still fit into the pristine guidelines. Montana is a state that is virtually rich in natural resources but is being held hostage by the federal government is holding us hostage through this gas tax allocation. If the state can get back on track by harvesting timber, mining, drilling for oil and being environmentally responsible, this state would be rich. Montana would not need to ask the federal government for matching monies and would be self-sufficient. This is a good program.

Gary Addington supplied figures regarding snowmobilers in Montana and what they have done for the economy in the state.

QUESTIONS:

REP. GRADY questioned the remark made by **Mr. Ochenski** regarding his comment that this bill is a Montana Wilderness Association bill. He then stated that a number of organizations sponsor bills and the bills generally come from some organization such as the wilderness Association. He then said it seemed odd that the Montana Wilderness Association would support a bill that would mean more highways, more construction and more development. **REP.**

GRADY commented that he had not ever seen the association act as a proponent on a bill such as this; he wondered about the reasoning for supporting the bill that curtails snowmobile grooming and the snowmobile industry. He stated that the department and the snowmobilers are addressing environmental concerns and questioned **Mr. Ochenski** in this regard.

Mr. Ochenski stated that his testimony accurately described his work with the association. He said that he was not here to argue natural resource issues but the bill as a fiscally responsible move. He addressed the snowmobile activity in western Montana and the inactivity in eastern Montana where there are no snowmobile trails. He said he believed this was a revenue bill and a fiscally responsible program. **Mr. Ochenski** commented on the environmental issue by saying that legal reviews have been done and there are some very serious discrepancies, but the department had addressed these issues.

Mr. Graham said that the money appropriated goes into grants. This is not an increase in the program. The percentage of money coming in is not going up proportionately.

REP. BERGSAGEL asked about the grants and contracts.

Arnie Olson, Administrator, Park Division, DFWP, said 2/3 of the funds were transferred in advance.

REP. COBB asked about the capped money in unappropriated accounts.

Jane Hammand, Office of Budget and Planning, indicated that this was an option of the legislature.

REP. BARDANOUVE questioned the 10% surcharge and the discrimination against it.

SEN. FRITZ closed on the bill.

ADJOURNMENT

Adjournment: 11:00 A.M.



REP. TOM ZOOK, Chairman



ALBERTA STRACHAN, Secretary