

Mayor - Terry Gilbertson  
City Clerk - Kelly Thiel  
City Treasurer - Frank French

## CITY OF PLENTYWOOD

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EXHIBIT 5  
DATE 3.4.05  
HB 758

COUNCILMEN  
Chad Thompson  
Don Jensen  
Randy Matzke  
John Kemp, Jr.

March 1, 2005

Mr. Karl Waitschies, Chairman  
Taxation Committee  
House of Representatives  
Montana State Capitol  
Helena, MT 59620

Re: House Bill 758; Re-Distribution of Oil and Gas Revenue Tax

Dear Chairman Waitschies,

The Plentywood City Council members and I strongly support the passage of House Bill 758. We would appreciate your consideration of how this Bill helps oil and gas producing areas, such as ours.

Those of us who live in regions of Montana having oil and gas development have always experienced a mixture of feelings towards our good fortune. While we are grateful for the economic benefits brought to our businesses and local landowners by the oil and gas industry, we are also aware of the costs that this prosperity brings to all our taxpayers.

Sheridan County is one of the leading oil producing counties in Montana and Plentywood is the county seat and largest city in Sheridan County. The history of the oil business in Sheridan County is clearly reflected in the history of Plentywood. While the most dramatic examples of this are found in the booms of the 1950's and 1970's, the last two decades or more have been characterized by steady, constant activity relating to both production and exploration.

Even those of us who live here may tend to take for granted how much of our population, activity, and business today is centered in the oil fields. Plentywood is the home of a business employing semi-trucks that haul water to and from oil sites. This concern has several trucks and drivers that use our streets for transportation. Plentywood is also headquarters for an oil service company that provides work-over rigs and other equipment for production operations. Several of our townspeople work for these

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businesses. On a daily basis, we see other oil business related vehicles driving on our streets, whether they are semi's hauling crude oil, oil field service trucks, or cars carrying people to check the mineral ownership records at the Courthouse for leasing prospects.

Anything that increases the population, traffic, or activity in an area, regardless of how welcome it is, places greater demand on local services—law enforcement, road maintenance, sewer and water, etc. This Bill addresses this issue by re-distributing oil and gas tax money to city and county governments whose resources are depleted by the same business that generates the revenue that is the basis for this tax.

Within the past year, we have seen signs of greater interest in drilling new oil wells in Sheridan County, just as other parts of Northeastern Montana have. More "landmen" in the Courthouse and more lease offers being made. We are excited about what this may mean for our local people and businesses, who suffer from the demographic deterioration that afflicts most towns in Eastern Montana. However, we want to make sure we have the means to accommodate our current needs and those new ones that are to come.

We are grateful for your time and that of the other members of the Committee in considering what this Bill will do to maintain the quality of local government services for our residents. We hope you and the other Committee members can give this measure your favorable attention and look forward to its passage by the House.

Thank you for your work on our behalf in this session.

Sincerely,



Terry Gilbertson  
Mayor