

Sweet Grass COUNTY

Office of the County Commissioners

EXHIBIT 14
DATE Feb 7, 2011
HB 316

Susie Mosness
Rick Reed
Bill Wallace

February 6, 2011

Dear Chairman McNutt, and members of the Joint Appropriations Subcommittee on Long Range Planning,

The Sweet Grass County Commission would like to go on the record strongly opposing HB 316.

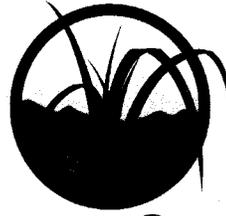
Budgeting is an unpredictable science this bill along with HB 317 and others makes our budget process a shot in the dark.

Sweet Grass County presently receives 25% of the Metal Mines License Tax; the rest goes to the state with 57% of the total going into the general fund. The 10% off of our portion that this bill would take will raise havoc with the schools both elementary and high school, as well as programs such as the 4H Afterschool Program, Tri County Network (domestic violence) and the planning office.

The Pioneer Medical Center which outside of the Stillwater Mine's East Boulder Operation is the largest employer in the county will be hit hard with cuts to the bed tax, which also impacts federal matches. At the moment our best estimate is at the very least \$ 150,000 loss over the next two years, the PMC like other rural medical facilities runs on a thin margin from year to year, our voters realizing that we needed quality healthcare have supported it with additional levies for stabilization. This bill again would undermine that.

TSEP is another area this bill seeks to cut, TSEP helps fund large infrastructure projects (such as bridges) that are beyond the scope of local government funding, without these dollars that do include county money as well as in kind matches, public safety could be compromised in the future. Do not let HB 316 or any others be the end of this great program that enhances our state.

Sweet Grass County understands and appreciates the difficult task this body has, please look at the impacts this will have on local government, and the possible unintended consequences of the increase of certain programs at the expense of others. Seeing the constant erosion of local control is hard for our voters to understand, we are the most efficient provider of local government services, do not erode this basic tenant any more than it already is for the people of this great state.



Sweet Grass
COUNTY

Office of the County Commissioners

*Susie Mosness
Rick Reed
Bill Wallace*

Sweet Grass County urges you to vote against HB 316.

Sincerely

Sweet Grass County Commissioners

Susan Mosness, chair



SWEET GRASS COUNTY
CONSERVATION DISTRICT

February 4, 2011

Joint Appropriations Subcommittee on Long-Range Planning
The 62'nd Montana Legislature

Chairman McNutt & Members of the Committee:

I am writing on behalf of the Sweet Grass County Conservation District to urge your continued support for services provided to conservation districts across Montana.

HB316 would effectively gut what little assistance CD's receive as it is now to do the job mandated to them in monitoring the 310 Act (Montana Natural Streambed and Land Preservation Act).

It would also drastically affect programs such as the Renewable Resources Grant & Loan (RRGL) program that has benefited so many agricultural communities across Montana including Sweet Grass County.

The small amount of funds made available for Conservation Districts for projects such as the RRGL program is essential to the operations of districts across the state. It puts money to work in each of those communities awarded grant funding, hiring local workers in those communities.

Our district has administered two different RRGL project grants in the past five years amounting to no more than \$150,000.00, but resulted in providing funding for two major irrigation diversion rehabilitation projects.

These projects improved irrigation efficiency to dozens of landowners, irrigating thousands of acres of agricultural lands. They also improved wildlife & fisheries habitat while removing the need for costly maintenance and in-stream disturbance.

We urge your vote against HB316 as the right step in continuing to provide real conservation resource benefits to private landowners and agricultural taxpayers in Sweet Grass County and all across the State of Montana.

Sincerely,

Mark Thompson, Chairman
Sweet Grass Conservation District

Sweet Grass County High School

**P.O. Box 886, 501 West 5th
Big Timber, MT 59011**

**Phone 406-932-5993
Fax 406-932-5982**

web site: sgchs.com

***Building Life Skills and Success, Encouraging Self and Others,
Enhancing Learning and Involvement, Promoting Responsibility***

February 3, 2011

To Chairman McNutt and the members of the Long Range Planning Subcommittee,

This correspondence intends to address deliberations concerning HB 316 which has a long title but basically revises the tax distribution of various items in the state budget. I want to address in particular the portions of the bill that refer to natural resource utilization or production. While I understand the purpose of the bill is to create additional revenue for the state general fund, the state does receive a portion of these taxes already so it may be that the structure in place does not need recalculating in the light of increasing or potential increases in production. At the very least, I wish to caution the committee on the impact these changes will have in the very communities and counties that natural resource production impacts.

As an example, because of the Stillwater Mine in our county Sweet Grass County High School does receive Metal Mines Tax which is referred to in HB 316. We understand the purpose of the funds we have received to be of assistance to our district in the event the mine ceases operation. We know that day will come and have been frugal in the use of those funds for special projects or an emergency situation which means the majority of those funds are still in our Metal Mines Fund. This is not some "rainy day" fund to us. We have calculated that if the mine were to close today, the loss in property value, hence tax revenues, would be significant. Our present Metal Mines Fund would support that loss of revenue for about two years. While that is helpful, we feel it isn't truly adequate to adjust our budgets (supplies, staff, equipment, etc.) to reflect that significant loss of revenue. Also keep in mind, we have accumulated those funds for almost ten years.

The possibility of the mine closing soon may seem remote, however a little over two years ago, the mine did cease operations due to financial issues for several months. Present conditions in the market place for that organization are similar to what they were preceding that closing. That past event coupled with the majority ownership resting in a foreign entity does not give us any sense of stability regarding our tax base.

So we ask that you consider the impact certain portions of HB 316 could have on counties or schools. Ours is just an example of Metal Mines Tax. There are definitely other portions of this bill that could impact other communities as well. What seems like a simple solution to creating more money for the state budget, may significantly shift tax burdens onto counties like ours in the future.

Sincerely,

Alvin Buerkle
Superintendent



February 4, 2011

Chairman Walter McNutt
Joint Appropriations Subcommittee on Long-Range Planning
Montana House of Representatives
PO Box 200400
Helena, MT 59620-0400

RE: Oppose Section 3, HB 316 (Revising the allocation of metalliferous mines license tax)

Chairman McNutt and Committee Members,

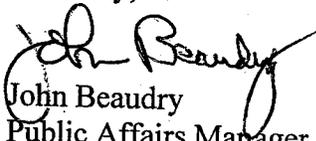
Stillwater Mining Company has been paying metalliferous mines license tax for over twenty years. The amount paid varies from year to year and has been over \$4 Million per year. The 25% allocation to the counties in which our mines are located funds the county hard-rock mine trust account, planning & economic development activities plus, elementary and high school needs. The trust accounts were established in the event of a 50% or greater reduction in workforce or mine closure.

The annual allocation of metal mines license tax revenues is part of the East Boulder Hard Rock Mining Impact Plan. Sweet Grass, Stillwater and Park Counties participate in this allocation annually. Stillwater Mining Company has worked in a collaborative manner with local governments to mitigate impacts of mining. The annual allocation of metalliferous mines license tax to counties is one of the mitigating measures.

Reducing the allocation of metalliferous mines license tax to counties adversely affects the counties hard-rock mine trust accounts, planning & economic development activities plus, elementary and high school funding in the communities where our mines are located.

Please oppose the reduction in allocation of metalliferous mines license tax to counties experiencing fiscal or economic impacts from large-scale mineral developments as proposed in Section 3 of HB 316.

Sincerely,


John Beaudry
Public Affairs Manager
Stillwater Mining Company

Cc: Park, Stillwater and Sweet Grass County Commissioners.

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Columbus, Montana 59019



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