

Exhibit No. 2Date 4-5-11Bill No. 113 140

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MEDA represents over 230 members who are actively involved in local economic activity, community development, job retention and job creation for Montana.

March 31, 2011

TO: Chairman Dave Lewis and Senate Finance and Claims Committee

RE: Opposition to HB140; Transfer funds from the economic development special revenue account

MEDA strongly opposes HB 140, which transfers funding from the Big Sky Economic Development Trust Fund to the General Fund. We believe this legislation will hurt our efforts. MEDA understands Legislators must balance the state budget but does not believe it is wise to cut programs that create jobs and generate money for the state.

The Economic Impact Analysis conducted by the Census and Economic Information Center indicated that from July 1, 2005 to December 31, 2010 over \$4.8 million was awarded to Montana businesses. **This resulted in the leveraging of an additional \$617.4 million in project spending from private and local sources.**

Specifically, MEDA opposes HB 140 for the following important reasons:

1. Big Sky Economic Development Trust Funds are key to economic development planning efforts in Montana, and one of the only places available to secure such funding.
2. Leveraged funds from local sources, including the private sector, match Big Sky Economic Development Trust Funds grants. From 2005 – 2010 over \$600 million was generated. This match funding will be lost.
3. Job loss and de-investment into Montana's economy will harm the state's bottom line.
4. This fund transfer to the general fund sets a dangerous precedent for balancing our state's budget.
5. Projects already in progress will be placed on hold or never materialize as a result of this legislation.

We urge your opposition to HB 140.

Thank you for considering these comments.

Signed,

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