Funding for Growth Policies

A Draft Options Paper for Public Comment

Land Use/Environmental Trends Subcommittee
of the Environmental Quality Council

June 2000

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For more information about the Land Use/Environmental Trends Subcommittee or the Environmental Quality Council, please visit our website:

http://leg.state.mt.us/services/lepo

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Chapter 1: Introduction

Who We Are and What We Do: The EQC and the Land Use/Environmental Trends Subcommittee

The Environmental Quality Council (EQC) is a 17-member, bipartisan interim committee of the Montana Legislature. The EQC appointed a Land Use/Environmental Trends Subcommittee to address several work plan topics during the 1999-2000 interim between legislative sessions.

Subcommittee Members

The members of the Land Use/Environmental Trends Subcommittee are:

Ms. Julia Page
Mr. Jerry Sorensen
Senator Barry "Spook" Stang

Subcommittee Goals

The work plan for the EQC's Land Use/Environmental Trends Subcommittee addresses three topics: 1999 EQC growth legislation, residential development in riparian areas, and environmental trends. This options paper was completed to address two work plan goals:

- Monitor implementation of Senate Bills 95, 96, and 97; provide assistance and identify issues that may need to be addressed.
- Evaluate funding needs for development and implementation of growth policies.

A copy of the Subcommittee's work plan is available on the EQC website or by contacting the EQC office (see inside cover for information on how to contact the office).

Steps in the Process

This is a draft options paper that was written at the request of the Land Use/Environmental Trends Subcommittee for the purpose of soliciting public comment. This draft paper has not been discussed by the full EQC. The process for developing this paper and potential recommendations are summarized on the following page.

What Has Been Done

√ May 1999. The EQC appointed the Land Use/Environmental Trends Subcommittee and allocated 0.20 full-time equivalent staff to work on land use issues.

√ September 1999. The work plan for the Subcommittee was approved by the EQC.

√ September 1999 through January 2000. Representatives of local governments made presentations at Subcommittee meetings about their experiences with growth policies.

√ January 2000. The Subcommittee sent letters to the following organizations inquiring about the need for additional funding for growth policies as well as an appropriate funding source: Montana Building Industry Association, Montana Association of Counties, Montana Association of Realtors, Montana League of Cities and Towns, and Montana Smart Growth Coalition.

√ April 2000. Subcommittee members participated in the Montana Growth Policy Forum. Representatives involved with various initiatives related to growth policy in Montana participated in this dialogue. Participants agreed on the need to fund growth policies.

√ May 2000. At its May 4 meeting, the Subcommittee requested comment from any interested parties on the need for supplemental funding for growth policies as well as potential funding sources. Representatives of the following organizations were invited to participate: Montana Building Industry Association, Montana Association of Counties, Montana League of Cities and Towns, Montana Association of Conservation Districts, Montana Association of Planners, and Montana Smart Growth Coalition. The Subcommittee agreed to distribute a draft options paper for comment.

Current Status

☛ June 2000. Circulate draft options paper for public comment.

☛ July 10, 2000. Deadline for written comments on draft options paper.

Next Steps

- ☞ July 27, 2000. Subcommittee meeting. Additional public discussion. Subcommittee decision on recommendations (if any) to the EQC.
- ☞ July 28, 2000. EQC meeting. Decision by the EQC on recommendations (if any).
- ☞ September 15, 2000. Final decision by the EQC on content of proposed legislation and final briefing paper (if any).

Chapter 2: Growth Policies--What Are They? Where Did They Come From? Who Is Doing Them?

Recommendations of the 1997-98 EQC

During the 1997-98 interim, the EQC appointed a subcommittee to study issues related to planning for growth. This was a significant effort that resulted in the EQC report *Planning for Growth in Montana* and four EQC bills (Senate Bills 95, 96, 97 and 407) that were introduced during the 1999 legislative session. Three of the four bills were approved by the Legislature and signed by the Governor.

Senate Bill 97

Senate Bill (SB) 97 (Stang) was the primary piece of growth legislation put forward by the EQC. SB 97 renovated an old tool for community development and land use planning--the comprehensive plan or master plan. The bill was approved by the Legislature and became law (Chapter 582, Laws of 1999) on October 1, 1999.

Local governments (counties, cities, and towns) have been authorized to adopt master plans for many years. Under the new law, comprehensive plans or master plans are now called "growth policies" and they must meet minimum requirements. Development of growth policies continues to be optional.

The new requirements for a growth policy are set forth in section 76-1-601, MCA. Some of the key elements that must be included in a growth policy are highlighted below:

- community goals and objectives;
- an inventory of existing characteristics and features of the jurisdictional area;
- projected trends for specific elements;
- a description of policies, regulations, and other measures to be implemented in order to achieve the goals and objectives of the growth policy;
- a strategy for development, maintenance, and replacement of public infrastructure;
- an implementation strategy;

- a list of conditions that will trigger a revision of the growth policy;

- a timetable for reviewing the growth policy at least once every 5 years and revising the growth policy, if necessary;

- an explanation of how the governing body will coordinate and cooperate with other jurisdictions (i.e., cities with surrounding counties and vice versa);

- an explanation of how the governing body will evaluate and make decisions regarding proposed subdivisions with respect to the "public interest" criteria established in section 76-3-608 (3)(a), MCA. The public interest criteria are agriculture, agricultural water user facilities, local services, the natural environment, wildlife and wildlife habitat, and public health and safety.

- a statement explaining how public hearings regarding proposed subdivisions will be conducted.

The new law provides some additional options for local governments. The law specifically authorizes the adoption of neighborhood plans as long as a growth policy has been adopted for the entire jurisdictional area and the neighborhood plan is consistent with the growth policy.

Furthermore, local governments may choose to cover some of the issues that are now dealt with during subdivision review in the growth policy instead. The growth policy may address the public interest criteria and identify specific geographic areas where review of these criteria will be waived. If the governing body adopts zoning regulations that address the public interest criteria for these designated areas, it may skip review of these criteria during the subdivision review process.

The EQC recommended this change in order to provide an incentive for local governments to deal with these issues "up front" in a community policy development process rather than one subdivision at a time. One person who commented during the EQC study stated the problem succinctly:

> Many communities find that their land use policies are written after the fact as a consequence of subdivision review, rather than in advance through a thoughtful process of community planning.

Funding for Growth Policies

1998 EQC Findings and Recommendations

In 1998, the EQC concluded that more funding options are needed to encourage local governments to invest in the development of growth policies so that communities can encourage growth to occur in a way that is more cost-effective with respect to provision of infrastructure and services. The EQC recommended that the Legislature provide additional state funds to local governments for planning and authorize additional funding authority for local governments. Specific recommendations are presented in **Appendix 1**.

SB 407

SB 407 (Cocchiarella) would have allocated $1 million each fiscal year from the lodging facility use tax (bed tax) for a grant program to pay for development and implementation of local growth policies. The text of the bill is provided in **Appendix 2.** SB 407 was tabled in the first committee.

Montana Communities Develop Growth Policies

Growth policies are being developed in several Montana counties: Beaverhead, Big Horn, Gallatin, Jefferson, Lake, Lewis and Clark, and Sweet Grass. Broadwater, Powder River, and Ravalli Counties are planning to develop growth policies. Sanders County prepared and "adopted" a growth policy but later learned that the County Commission had never passed a resolution creating the planning board, so the growth policy has not been legally adopted. The county is considering what to do next.

The city of Great Falls has adopted a growth policy. Other cities and towns that are working on growth policies or plan to begin soon include Bozeman, Dillon, Hamilton, Kalispell, Manhattan, and Polson.

In addition to the communities listed above, 10 jurisdictions have applied for grants from the Community Development Block Grant (CDBG) Program Planning Grant Program to develop or update growth policies (see Chapter 4 for more information about this program).

Growth polices are not just for growing communities. Some communities that are shrinking or growing slowly have adopted or plan to develop "growth policies" under the new law. Examples include the city of Great Falls, Beaverhead County, and Powder River County. The term "growth policy" may not seem appropriate in these areas;

some communities choose to refer to the document as a comprehensive plan.

A review of a sampling of the goals and principles contained in growth policies that have been adopted or are under consideration in various Montana communities may help to illustrate why communities choose to develop growth policies:

- encourage a healthy, diversified, and sustainable economy by supporting existing businesses, making prudent infrastructure investments, and attracting new businesses that are compatible with and complementary to the community;
- control and eradicate noxious weeds;
- protect property rights and values;
- encourage development in areas without environmental constraints;
- encourage the continuation of viable farming and ranching opportunities;
- improve maintenance of county roads;
- protect air quality;
- increase emphasis on tourism development; and
- ensure adequate fire and law enforcement protection.

Chapter 3: Costs of Development and Implementation of Growth Policies

Growth Policies

Table 1 (following page) shows actual and estimated costs for development of growth policies. Costs vary considerably and depend on: whether or not the local government has an ongoing planning program; how long it has been since the plan was last updated; the rate of change in land use in the jurisdiction; the scope of the plan update; and other factors. The cost estimates range from $8,500 for Powder River County to $200,000 for the city of Bozeman. The city of Bozeman has an extensive public involvement program.

Implementation Activities

Growth policies are required to include an implementation strategy. Examples of discrete implementation activities identified in the Great Falls City-County Comprehensive Plan include: rewriting regulations, developing a Missouri River Master Plan, preparing a downtown revitalization plan, and conducting an impact fee feasibility study.

The costs of implementation activities will vary widely. Planning for infrastructure development is an important element of community planning. Cost estimates for capital improvements plans funded through the CDBG Program Planning Grant Program ranged from $6,500 to $35,000.

Updating or developing subdivision or zoning regulations is another example of an implementation activity. For example, the city of Helena has a $50,000 contract with a consultant to prepare unified development regulations. These include subdivision regulations, zoning regulations, and relevant portions of the city code. The contract also includes costs related to a website for the regulations.

Table 1. Costs for Development of Local Growth Policies

Jurisdiction	Date/Status	Estimated Cost	Source of Funding
Beaverhead County	11/99; Beginning process with information gathering. Working closely with city of Dillon.	Unknown	$10,000 Community Development Block Grant (CDBG) Technical Assistance Grant.
Big Horn County	11/99; Consultant hired for phase 1. Data gathering in process. Northern Cheyenne, Crow Tribes, and Hardin interested in participating. Expect to finish information gathering required by SB 97 by January.	est. $80,000	$10,000 CDBG Technical Assistance Grant.
Gallatin County	3/00; Plan update in process. Next round of public meetings in summer. Public hearings planned for fall 2000. Expect to complete in 2000.	est. $100,000 to $125,000	General fund, Planning mill levy. National Spatial Data Infrastructure grant. U.S. Forest Service grant. County land planning funds.
Lake County	1/00; One-third complete.	$18,000 spent so far	$7,500 CDBG grant.
Lewis and Clark County	12/99; Completion expected April 2000.	$195,000 + $30,000 staff time	All-purpose mill levy. Planning mill levy.
Sanders County	3/00; Growth policy "adopted" by County Commissioners 1/00. However, never passed resolution creating planning board so growth policy not legally adopted. Considering next steps.	$30,000	$15,000 CDBG grant. $15,000 general gund.

Jurisdiction	Date/Status	Estimated Cost	Source of Funding
Sweet Grass County	5/00; In process. Draft prepared for public comment. Scheduled for completion in July.	$50,000	Planning mill levy. Mine impact payments.
Powder River County	5/00; Waiting for guide from Department of Commerce.	$8,500	Coal Board grant.
Bozeman	5/00; In progress. Anticipated completion fall 2000.	Up to $200,000	General fund. Planning mill levy.
Dillon	10/99; Just beginning planning process.	$20,000	$10,000 CDBG Technical Assistance Grant.
Great Falls	3/00; Plan adopted November 1999.	$170,000	$150,00 from federal sources: FHWA, FTA, CDBG. Other sources.
Polson	10/99; Preplan.	$20,000	Internal/city.

Source: Local planning staff; planning board members.

Chapter 4: Overview of Currently Available Funding Sources

Federal

Community Development Block Grant Program Planning Grants

The Community Development Block Grant (CDBG) Program is a federally funded competitive grant program. The Planning Grant Program is one program for which Montana's CDBG funds are allocated. The amount of money available depends upon the federal appropriation for Montana as well as Montana's allocation of CDBG funds among the various state-administered CDBG Programs. Currently, three cities (Great Falls, Billings, and Missoula) get entitlement money that consists of an automatic payment to each community. Communities with a population of less than 50,000 are eligible to apply for grants.

For the year 2000, the Montana CDBG Program administered by the Department of Commerce has allocated $250,000 for planning grants of up to $15,000. Local governments must match the grants on a 50-50 basis; however, provision of in-kind services "counts" toward the match. The program was revised this year to increase the maximum grant award from $10,000 to $15,000. The amount of funds allocated was increased from $203,025 in 1999 and from $100,000 the previous year.

The grants may be used for a variety of planning activities in addition to preparing or updating a comprehensive plan or growth policy. These activities include: the initial planning necessary to get a project underway, neighborhood redevelopment plans, housing studies, capital improvement plans, or similar planning processes needed to help a community address critical needs.

The grants are competitive. Ranking criteria include:

1. relationship to community's long-range planning process (100 points);
2. threat to public health or public safety (80 points);
3. financial need (60 points);
4. benefit to those of low and moderate income (40 points);
5. first-time recipient (20 points).

Cities, towns, and counties are eligible applicants.

In April 2000, the Department of Commerce received 25 applications for planning grants. The applications requested a total of $287,438. The amount of $250,000 was available. Ten of the 25 applicants applied for the grant to pay for community growth policies. Three additional applicants applied for grants to develop capital improvements plans.

Transportation Planning

The metropolitan planning organizations in the urban areas of Billings, Missoula, and Great Falls are eligible to receive federal funds for transportation planning. For example, this was one of the funding sources used by Great Falls to develop its city-county comprehensive plan.

Under the Transportation and Community and System Preservation Pilot Program, the Federal Highway Administration provides funding for planning grants, implementation grants, and research to investigate and address the relationship between transportation and community and system preservation. States, local governments, and metropolitan planning organizations are eligible. The grant applicants compete at a nationwide level. The city of Laurel, Montana, received a grant to develop a transportation and community sustainability plan. Thirty-five million dollars a year have been appropriated for this program; of this amount, $25 million are earmarked for specific projects. (Burkhardt 2000)

Other Grant Programs

Some Montana communities have received grants and/or technical assistance from the U.S. Forest Service. For example, Gallatin County received a grant from the Forest Service to pay for some of the cost of updating the county's growth policy. Gallatin County also received a grant from the National Spatial Data Infrastructure Community Demonstration Project that will pay for a portion of Gallatin County's plan update activities. The grant is going to pay for: upgrading the county's maps, making the map and growth scenarios available on public computers, and sharing data among federal, state, and local government agencies.

State

County Land Planning Funds

State law (15-35-108 (3), MCA--**Appendix 3**) requires that 8.36% of the coal severance tax be allocated to a state special revenue fund to pay for five types of programs (see Chapter 5 for additional information on the use of the revenue from the coal severance tax). County land planning is one of these programs. During the current biennium, $198,693 was appropriated each fiscal year for county land planning.

The county land planning funds are appropriated to the Department of Commerce. Section 90-1-108, MCA (**Appendix 4**), establishes requirements for distribution and use of the funds. Each county receives an equal amount of the funds available, up to $3,000 a county. If funds in excess of $3,000 a county are appropriated, the excess funds are distributed to counties, using a formula based on land area and population. The amount distributed to each county ranges from approximately $3,000 to almost $6,000 a year. **Appendix 5** shows the amount of money distributed to each county as well as how the money has been used.

Counties must use the funds for land planning purposes. The Community Technical Assistance Program of the Montana Department of Commerce publishes *A Guide to the County Land Planning Fund Program*, which describes eligible uses of the funds. Eligible uses identified in this guide include: comprehensive planning, economic development planning, capital improvements planning, subdivision review, and zoning enforcement. Other eligible uses identified in the guide include: studies to determine how to mitigate the impacts on the community of coal and hard-rock mining and exploration for oil and gas; studies to preserve agricultural lands; planning rural addressing systems; data collection for planning; and writing and applying for grants to do land planning.

Other Grants

Communities that have been affected by coal mining or hard-rock mining may receive financial assistance for planning.

Local Property Tax

Local governments may fund planning activities from the general fund.

Initiative Measure No. 105, approved by the Montana voters in 1986, froze property taxes at 1986 levels. The law has since been amended several times, most recently in 1999. Under current law (15-10-420, MCA), the local government may impose a mill levy sufficient to generate the amount of property taxes actually assessed in the previous year. Therefore, the revenue is capped, but the number of mills assessed are not limited. Newly taxable property does not count in this limit.

Local governments that have not allocated adequate planning funds to pay for development or implementation of a growth policy in the past have the following options:

- reduce the general fund budget for another program and allocate that money for development or implementation of a growth policy;

- ask voters to approve an increase in taxes to pay for the growth policy.

Jurisdictions that have newly taxable property could also use the additional revenue generated from the newly taxable property to pay for a growth policy.

Local governments that have established a planning board are also authorized to assess a special levy for planning board purposes. The maximum planning levy varies according to the class of the county or municipality and is specified in the law (76-1-405 through 76-1-407, MCA--see **Appendix 6**). The planning levy is subject to the overall limits on property taxes established in section 15-10-420, MCA. This levy was authorized long before the property tax freeze and subsequent amendments. Because local governments may use the general fund for planning purposes, the limits on mills established for the planning board levy may have little or no effect in light of recent changes to the laws governing property taxes.

The amount of money raised with this mill levy alone may not be adequate to pay for development and implementation of a local growth policy in addition to other planning board expenses. Gallatin County's mill levy revenue in fiscal year 1997 was $45,398. In comparison, the estimated cost for developing Gallatin County's growth policy is $100,000 to $125,000.

Private

Grants may be available from private foundations or companies. Usually, the grants are awarded on a competitive basis and are targeted toward specific, special projects.

Local governments or others may seek donations from landowners or businesses. Madison County solicited donations from landowners and conservation organizations to help pay for the county's geographic information system (GIS) mapping effort. A fundraising organization raised the bulk of the $500,000 spent on the Cooperative Planning Coalition's effort to develop a comprehensive plan for Flathead County. The county contributed $50,000 to this effort.

Chapter 5: Potential New Sources of Funding for Growth Policies

Introduction

This chapter provides background information about some of the options to pay for local growth policies that are identified in Chapter 6.

Coal Severance Tax

Overview

Table 2 shows how coal severance tax receipts are allocated under Montana law.

Table 2. Allocation of Coal Severance Tax Collections

Percent	Program/Activity
50	Trust fund
12	Long-range building program
8.36	Appropriated by Legislature for: Local impacts County land planning Provision of basic library services Conservation districts Montana Growth Through Agriculture Act
1.27	Parks acquisition or management trust
0.95	Renewable resource loan debt service fund
0.63	Capitol art, cultural and aesthetic projects trust fund
Remainder (26.79%)	General fund

Source: 15-35-108, MCA

The Montana Constitution (Article IX, section 5) requires that 50% of the coal severance tax revenue be dedicated to a permanent trust. The interest income from the trust may be appropriated, but the principal may be appropriated only upon a vote of three-fourths of the members of each house of the Montana Legislature.

The Legislature could appropriate additional money for growth policies without an extraordinary vote from the 50% of the coal severance tax revenue that is not dedicated to the permanent trust (the unshaded rows in Table 2). Appropriating additional money from this source would affect either the general fund or one or more of the activities and programs listed.

Estimates of coal severance tax revenue derived from Revenue Oversight Committee (the predecessor to the Revenue and Taxation Interim Committee) estimates for the current biennium were:

Fiscal Year (FY) 2000	$33,266,000
FY 2001	$31,547,000

Shared Account (8.36%)

The law requires that 8.36% of the coal severance tax be allocated to a state special revenue fund to pay for five programs (see **Table 3**). Any unreserved fund balance at the end of the fiscal year must be deposited in the general fund.

The amount of the shared account that will be appropriated to each program is determined by the Legislature each biennium through the appropriations process. The Governor will submit the Executive Budget to the Legislature by November 15, 2000. The Governor can make changes to the budget until December 15, 2000.

The Revenue and Taxation Interim Committee will prepare an estimate of revenue projected to be available for appropriation by December 1, 2000. This Committee's estimate will be introduced as a joint resolution. The 2001 Legislature will use the official estimates in the joint resolution to determine the amount of money available for appropriation.

The Executive Budget will be introduced as a bill. The Legislature will amend this bill and will ultimately determine the amount of money appropriated for the general fund and each of the five programs funded with 8.36% of the coal severance tax.

Table 3 shows the amount appropriated for each program during the 2001 biennium.

Table 3. 8.36% of Coal Severance Taxes
Appropriations: 2001 Biennium

Category	Appropriations FY 2000 (dollars)	Appropriations FY 2001 (dollars)
Growth Through Agriculture	404,676	408,011
Local impacts--Coal Board	1,190,242	889,885
Local Coal Impact Review Council	10,000[1]	
County land planning	198,693	198,693
Conservation districts	657,481	656,484
Library services	266,302	266,302
Total	2,727,394	2,419,375
Estimated balance to general fund	53,606	217,625

Source: LFD 1999

Table 3 includes an *estimate* of the amount of money from this account that will go to the general fund---$53,606 for fiscal year 2000 and $217,625 for fiscal year 2001. This estimate is based on the Revenue Oversight Committee estimates.

Estimates of 8.36% of coal severance tax revenue for the current biennium were:

FY 2000 $2,781,000
FY 2001 $2,637,000

The Legislature could appropriate additional money for growth policies from this account. Appropriating additional money from this source would affect either the general fund and/or one or more of the activities and programs listed.

Table 4 shows the actual transfers that have been made to the general fund from the combined coal tax account since this account was created.

[1]Biennial appropriation

Table 4. Transfers From the Combined Coal Tax Account to the General Fund

Fiscal Year	General Fund Deposits
1999	$2,272,628
1998	$1,250,806
1997	$2,871,381
1996	$0

Source: LFD

Lodging Facility Use Tax (Bed Tax)

The Legislative Audit Division recently completed a performance audit of the lodging facility use tax (LAD 1999). This report is the source of the information presented here. The 1987 Legislature imposed a 4% lodging facility use tax (bed tax) on the price of overnight lodging. Bed tax collections have increased each year since the tax was created in 1987. Collections were $5 million in fiscal year 1989 compared to approximately $10 million in fiscal year 1998.

Bed tax revenue is statutorily appropriated. **Table 5** shows how bed tax funds are distributed and used.

Table 5. Distribution and Use of Bed Tax Funds

Recipient	Percent/ Amount	Uses
Montana Historical Society	1.0	Install and maintain roadside historical signs and historic sites
University System	2.5	Establish and maintain Montana travel research program
Dept. of Fish, Wildlife, & Parks	6.5	Maintain state park facilities
Dept. of Commerce	67.5	Promote tourism and film production

Regional nonprofit tourism corporations and city convention and visitors' bureaus	22.5	Promote and develop tourism.
Montana Heritage Preservation and Development Account	$400,000/ yr[2]	Operate and maintain Virginia City and Nevada City

Source: 15-65-121, MCA; LAD 1999

The Legislative Audit Division report concluded that the statutory appropriation of bed taxes does not meet three of the nine guidelines outlined in law for these appropriations. The report recommended that the 2001 Legislature consider if bed tax funds should continue to be statutorily appropriated.

State law requires the Legislative Finance Committee to review each statutory appropriation and eliminate statutory appropriations that no longer fulfill a legislative need. The SB 378 Subcommittee on Statutory Appropriations and Dedicated Revenue was to discuss the lodging facility use tax in June 2000.

In 1998, the Bed Tax Futures Task Force recommended elimination of the tax if the funds are no longer "earmarked" (Bed Tax Futures Task Force 1998).

Assuming that the current framework of statutory allocations and appropriations continues, lodging facility use tax funds could be appropriated for growth policies by statutorily allocating a certain dollar amount for growth policies or by statutorily appropriating a percentage of the revenue collected.

Local Option Sales Tax

The Legislature could authorize a local option sales tax. Under current law, resort areas and resort communities are authorized to establish a sales tax. The Legislature could amend the law to authorize all municipalities and counties to adopt a sales tax. Senate Bill 370 (Stang), introduced in the 1999 Montana Legislature, is an example of such legislation. The bill would have authorized local governments to assess a tax of up to 3% of the retail value on retail sales of luxury goods and services upon voter approval. The revenue could be used for any purposes stated in the petition or resolution submitted to the voters for approval.

[2]Until June 30, 2001.

Chapter 6:
Draft Recommendation and Options

Introduction

The draft recommendation of the Land Use/Environmental Trends Subcommittee is presented below. Options for how to accomplish the recommendation are described in the sections that follow. The options have been labeled and marked with a box to make it easier to identify specific options for comment and discussion. All options require action by the Legislature.

Recommendation

More funding options are needed to encourage local governments to invest in the development of growth policies. The Legislature should appropriate additional state funding for grants to cities, towns, and counties and/or authorize additional funding authority for local governments.

Options: State Funding

☐ A1. Appropriate **$2 million each biennium** for grants to cities, towns, and counties.

Options for funding are listed below. One or more of the options listed could be used to raise $2 million. Background information about some of the funding sources is provided in Chapter 5.

☐ B1. **County land planning funds.** Statutorily allocate county land planning funds to a grant program for cities, towns, and counties. Amend section 15-35-108, MCA, to change "county land planning" to "grants to local governments for the development and implementation of growth policies pursuant to [section]". Counties would no longer automatically receive county land planning funds. Approximately $400,000 was appropriated for county land planning last biennium. This option alone could not provide $2 million.

☐ B2. **Increase appropriation from combined coal tax account (8.36%).** Appropriate additional funds for growth policies from the 8.36% of the coal severance tax revenue that is allocated for five programs. This option would reduce the amount of money available for the general fund and/or one or more of the other programs funded from this account (see Table 3). This option could provide $2 million only if appropriations for the other programs were substantially reduced from the amount appropriated for the current biennium.

❑ B3. **Increase coal severance tax revenue allocated to combined coal tax account.** Amend section 15-35-108 (3), MCA, to change 8.36% to a larger number. This option would result in reductions in revenue to the general fund unless the amount allocated for other uses (see Table 3) was reduced. This option alone could raise $2 million.

❑ B4. **Appropriate lodging facility use tax revenue.** Assuming that the current framework of statutory allocations and appropriations continues, appropriate lodging facility use tax funds for growth policies by amending section 15-65-121, MCA, to statutorily appropriate a certain dollar amount or a percentage of the revenue collected for grants to local governments for growth policies. If a specified number of dollars was appropriated "off the top", the remaining funds would be appropriated as in the current statute. This would mean that each program that receives a statutory appropriation on a percentage basis would receive less money. Alternatively, the Legislature could decide to reduce the percentage allocated for one or more programs in order to designate a certain percentage for local growth policies. This option alone could not raise the entire $2 million unless appropriations for one or more programs were reduced from current levels or the lodging facility use tax was increased to raise more revenue.

❑ B5. **General fund.** Appropriate money from the general fund for a grant program established to pay for local growth policies. (The general fund is the primary account that funds a majority of the general operations of the state government.) This option alone could raise the entire $2 million. General fund revenue for the 2003 biennium is projected to be approximately $2.3 billion.

Options: Local Funding

☐C1. **Local option sales tax.** Authorize local governments to adopt a local option sales tax.

☐C2. **Local option bed tax.** Authorize local governments to adopt a local option lodging facility use tax in addition to the statewide tax. The Legislature could authorize local governments to use the revenue raised for development and/or implementation of growth policies. Additional uses for the revenue could also be authorized.

☐C3. **Increased planning mill levy with exemption from property tax limits.** Amend sections 76-1-405 through 76-1-407, MCA, to exempt the planning mill levy from the limits on property tax revenue established in section 15-10-420, MCA. Increase the maximum mill levy for planning.

Options: Grant Program

Specific elements of a grant program that the Subcommittee is seeking comment on are highlighted below. In addition, the EQC's 1999 legislation, SB 407, would have established a grant program in Title 90, chapter 1, part 1. The text of SB 407 is presented in Appendix 2. If the EQC recommends establishment of a new grant program, a new bill will be drafted. However, readers may want to review the text of SB 407 to identify any additional aspects of the grant program that they wish to comment on.

Allocation to Rural Counties

The Subcommittee heard concerns that less populated counties do not have the resources to compete for grant funds with cities and counties that have more resources.

☐ D1. The Subcommittee recommends that a percentage or specified amount of the total funds be set aside for grants to rural counties.

How much money should be allocated?

How should the counties be identified? By class[3]? By population?

Maximum Grant Award

❒ D2. The Subcommittee recommends authorization of grants of up to $50,000 or 50% of the eligible costs, whichever is less.

Eligible Applicants

❒ D3. SB 407 defined "eligible local governments" to apply for grants to include: cities, towns, counties, and planning boards.

Eligible Activities

❒ D4. SB 407 authorized use of the grants to pay for development of a growth policy or implementation of specific activities described in a growth policy that meets the requirements of state law.

Should the grants be authorized for development *and* implementation of growth policies?

Should eligible implementation activities be specified? If so, which activities should be authorized?

Time for Completion of Project

❒ D5. SB 407 required the local government to refund the grant if the activity funded was not completed within 1 year. The Montana Department of Commerce was authorized to grant a 1-year extension.

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[3]Section 7-1-2111, MCA, classifies counties by taxable valuation.

References

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Appendix 1

Recommendations of the 1997-98 EQC--Funding for Growth Policies

Recommendations from the EQC Report *Planning for Growth in Montana* (EQC 1999) that relate to funding for growth policies are reprinted below.

State funding

- The EQC recommends that the Legislature appropriate $1 million each fiscal year for grants to local governments to be used for the development or implementation of growth policies (master plans) that meet the minimum requirements described above (see "Growth Policies"). This appropriation would be sufficient to pay for at least 80 grants to local governments during the next biennium.

- Cities, counties, towns and their planning boards would be eligible to receive grants for 50 percent of the cost of developing or implementing a growth policy, up to a maximum of $25,000 for each local government.

- The EQC is proposing legislation (LC 479) that would appropriate bed tax revenues to pay for the grant program described in the previous bullets. The majority of bed tax revenues are currently statutorily appropriated for use by the Montana Department of Commerce for tourism and film industry promotion activities. The proposed legislation would require the department to use $1 million of its appropriation for grants to local governments for development and implementation of growth policies.

- The EQC also supports use of the general fund to pay for the grant program.

Local funding

The EQC recommends that the Legislature authorize additional funding authority for local governments that can be used to develop growth policies. Options include: a local option sales tax, a local option bed tax, or an increase in the special mill levy for planning. If the Legislature authorizes any of the options listed, the EQC recommends that local governments be authorized to use the revenues to pay for development and implementation of growth policies.

The EQC encourages local governments to use local funding mechanisms to pay for planning. The EQC agreed to propose an amendment to any bill that would authorize a local option sales tax. The amendment would encourage local governments that establish a sales tax to use some of the revenues for adequate planning for growth within their jurisdiction.

SENATE BILL NO. 407

INTRODUCED BY V. COCCHIARELLA

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOCATING A PORTION OF THE PROCEEDS FROM THE LODGING FACILITY USE TAX TO THE DEPARTMENT OF COMMERCE FOR GRANTS TO LOCAL GOVERNMENTS TO DEVELOP AND IMPLEMENT GROWTH POLICIES; ESTABLISHING REQUIREMENTS FOR THE USE OF GRANT FUNDS; AMENDING SECTION 15-65-121, MCA; AND PROVIDING AN EFFECTIVE DATE."

WHEREAS, portions of Montana have experienced significant population growth since 1990 and more than 60% of Montana's population growth has been a result of the in-migration of residents from other states; and

WHEREAS, local government officials have expressed serious concerns about their ability to provide sufficient resources to plan for current and anticipated future growth; and

WHEREAS, the Montana lodging facility use tax, implemented in 1987, generates an estimated $9 million to $10 million annually, the majority of which is used by the Department of Commerce and others in the successful promotion of the state; and

WHEREAS, one of the functions of the Department of Commerce is to assist local governments in the preparation and implementation of local growth policies (master plans); and

WHEREAS, adequately funded and implemented local planning for future growth in Montana can maintain and enhance the value of the state's natural and human resources.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-65-121, MCA, is amended to read:

"**15-65-121. (Temporary) Distribution of tax proceeds -- general fund loan authority.** (1) The proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 15-1-501, be deposited in an account in the state special revenue fund to the credit of the department of revenue. The department may spend from that account in accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 15-1-501 and as provided in subsections (1)(a) through (1)(e) of this section, the department shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The amount deducted must be deposited in the general fund. The amount of $400,000 each year must be deposited in the Montana heritage preservation and development account provided for in 22-3-1004. On July 1, 1997, the amount of $45,000 is transferred to the department of commerce for purposes of a grant to the Fort Peck interpretive center. ~~The~~ Except for the funds allocated under subsection (1)(d)(ii), the balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation or deposited in the Montana heritage preservation and development account or the general fund is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account in the state special revenue fund to the credit of the department of commerce for grants to local governments for the development and implementation of growth policies and for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials, to the Montana historical society, to the university system, and to the department of fish, wildlife, and parks, as follows:

(a) 1% to the Montana historical society to be used for the installation or maintenance of roadside historical signs and historic sites;

(b) 2.5% to the university system for the establishment and maintenance of a Montana travel research program;

(c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks that have both resident and nonresident use;

(d) (i) 67.5% to be used directly by the department of commerce;

(ii) $1 million each fiscal year of the amount allocated under subsection (1)(d)(i) to be used by the department of commerce for grants to eligible local governments for the development and implementation of growth policies as provided in [section 2]; and

(e) (i) except as provided in subsection (1)(e)(ii), 22.5% to be distributed by the department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds collected statewide; and

(ii) if 22.5% of the proceeds collected annually within the limits of a city or consolidated city-county exceeds $35,000, 50% of the amount available for distribution to the regional nonprofit tourism corporation in the region where the city or consolidated city-county is located, to be distributed to the nonprofit convention and visitors bureau in that city or consolidated city-county.

(2) If a city or consolidated city-county qualifies under this section for funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism corporation in the region in which the city or consolidated city-county is located.

(3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation may be used by the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials. (Terminates July 1, 2001--sec. 23(3), Ch. 469, L. 1997.)

15-65-121. (Effective July 1, 2001) Distribution of tax proceeds -- general fund loan authority. (1) The proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 15-1-501, be deposited in an account in the state special revenue fund to the credit of the department of revenue. The department may spend from that account in accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 15-1-501 and as provided in subsections (1)(a) through (1)(e) of this section, the department shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The amount deducted must be deposited in the general fund. ~~The~~ <u>Except for the funds allocated under subsection (1)(d)(ii), the</u> balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation or deposited in the general fund is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account in the state special revenue fund to the credit of the department of commerce for <u>grants to eligible local governments for development and implementation of growth policies and for</u> tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials, to the Montana historical society, to the university system, and to the department of fish, wildlife, and parks, as follows:

(a) 1% to the Montana historical society to be used for the installation or maintenance of roadside historical signs and historic sites;

(b) 2.5% to the university system for the establishment and maintenance of a Montana travel research program;

(c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks that have both resident and nonresident use;

(d) (i) 67.5% to be used directly by the department of commerce;

(ii) $1 million each fiscal year of the amount allocated under subsection (1)(d)(i) to be used by the department of commerce for grants to eligible local governments for the development and implementation of growth policies as provided in [section 2]; and

(e) (i) except as provided in subsection (1)(e)(ii), 22.5% to be distributed by the department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds collected statewide; and

(ii) if 22.5% of the proceeds collected annually within the limits of a city or consolidated city-county exceeds $35,000, 50% of the amount available for distribution to the regional nonprofit tourism corporation in the region where the city or consolidated city-county is located, to be distributed to the nonprofit convention and visitors bureau in that city or consolidated city-county.

(2) If a city or consolidated city-county qualifies under this section for funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism corporation in the region in which the city or consolidated city-county is located.

(3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation may be used by the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials."

NEW SECTION. **Section 2. Grants to local governments for development of growth policies.** (1) Subject to appropriation of the funds allocated under 15-65-121(1)(d)(ii), the department of commerce shall make grants from the account established in 15-65-121 to eligible local governments for the development and implementation of growth policies that meet the requirements of 76-1-601.

(2) The department shall award grants to eligible local governments as long as funds are available. A grant may not exceed 50% of the eligible costs or $25,000, whichever is less.

(3) For the purposes of this section, "eligible local governments" means cities, towns, counties, and planning boards established pursuant to 76-1-101 that agree to:

(a) develop a growth policy that meets all of the requirements of 76-1-601 or carry out specific implementation activities described in a growth policy that meets all of the requirements of 76-1-601;

(b) contribute 50% of the eligible costs using cash or in-kind contributions;

(c) complete the growth policy or implementation activity within 1 year of the award of the grant; and

(d) refund the grant award if all activities agreed to under subsection (3)(a) are not completed within 1 year, unless the department grants an extension as provided in subsection (6).

(4) Any costs directly attributable to the activities described in subsection (3)(a) are eligible costs. Local governments are encouraged to solicit private donations to pay for their share of eligible costs.

(5) The department may adopt rules, if necessary, to administer this section including rules governing applications for grants, procedures for awarding grants, and monitoring use of granted funds.

(6) The department may authorize up to 1 additional year for completion of a growth policy or implementation activity if the department finds that the grant recipient is making reasonable progress toward completion of the policy or activity.

NEW SECTION. **Section 3. Codification instruction.** [Section 2] is intended to be codified as an integral part of Title 90, chapter 1, part 1, and the provisions of Title 90, chapter 1, part 1, apply to [section 2].

NEW SECTION. **Section 4. Effective date.** [This act] is effective July 1, 1999.

NEW SECTION. **Section 5. Coordination instruction.** (1) [This act] is void unless Senate Bill No. 97 is passed and approved and it includes a section that amends 76-1-601.

(2) If Senate Bill No. 97 is passed and approved and it does not amend Title 76, chapter 1, so that the term "master plan" is replaced with the term "growth policy", then the term "growth policy" must be replaced with the term "master plan" or the term that means "master plan" wherever it appears in [this act].

- END -

Appendix 3

Disposal of Coal Severance Taxes

15-35-108. Disposal of severance taxes. Severance taxes collected under this chapter must, in accordance with the provisions of 15-1-501, be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) Twelve percent of coal severance tax collections is allocated to the long-range building program account established in 17-7-205.

(3) The amount of 8.36% must be credited to an account in the state special revenue fund to be allocated by the legislature for local impacts, county land planning, provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred from this account to another account other than the general fund. Any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.

(4) The amount of 1.27% must be allocated to a nonexpendable trust fund for the purpose of parks acquisition or management. Income from this trust fund must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

(5) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund.

(6) Beginning July 1, 1997, and ending June 30, 1999, the amount of 0.87% must be allocated to an account in the state special revenue fund for the purpose of protection of works of art in the state capitol and for other cultural and aesthetic projects. Beginning July 1, 1999, the amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects. Income from this trust fund must be appropriated for protection of works of art in the state capitol and for other cultural and aesthetic projects.

(7) All other revenue from severance taxes collected under the provisions of this chapter must be credited to the general fund of the state.

1999 Montana Code Annotated

Appendix 4

County Land Planning Assistance

90-1-108. County land planning assistance. (1) The department of commerce shall annually distribute the funds appropriated to it for county land planning. Each county must be allotted an equal percentage of the funds, up to $3,000. After this disbursement has been made, 40% of the balance of the funds must be apportioned among the counties according to the ratio of each county's land area to the total land area of the state and 60% of the balance of the funds must be apportioned among the counties according to each county's portion of the total population of the state. If a multijurisdictional planning board has been established in the county, it may receive and expend part or all of the funds allocated to that county.

(2) Counties, cities, or joint planning boards receiving funds under this section shall use the funds for land planning purposes, which include but are not limited to comprehensive planning, economic development planning, and capital improvements planning.

(3) At the end of each fiscal year, each local governing body and planning agency receiving funds under this section shall provide an accounting of how the money was spent, in a form acceptable to the department of commerce.

1999 Montana Code Annotated

Appendix 5

Distribution and Use of County Land Planning Funds

COUNTY LAND PLANNING FUNDS

STATUS OF FUNDS BY COUNTY FOR FISCAL YEARS 1998 AND 1999

COUNTY	FISCAL YEAR	RECEIVED	SPENT	BALANCE	ACTIVITIES
Beaverhead	1998	$ 3,602.84	$ 3,658.28	$ -	Comprehensive plan, groundwater study
	1999	$ 3,658.28	$ 3,656.52	$ 1.76	
Big Horn	1998	$ 3,622.70	$ 1,295.28	$ 9,759.04	Current planning, economic development
	1999	$ 3,679.96	$ 744.76	$ 12,700.16	Comprehensive plan
Blaine	1998	$ 3,466.18	$ 2,644.26	$ 10,861.74	Land planning
	1999	$ 3,509.05	$ 5,812.85	$ 8,601.15	Land planning
Broadwater	1998	$ 3,167.31	$ -	$ 9,119.89	
	1999	$ 3,182.70	$ -	$ 12,305.94	Projected comprehensive plan
Carbon	1998	$ 3,334.23	$ 1,885.39	$ 1,479.58	Current planning, subdivision review
	1999	$ 3,364.97	$ 4,850.99	$ -	Current planning
Carter	1998	$ 3,287.24	$ 750.00	$ 15,657.81	Land planning
	1999	$ 3,313.66	$ 202.15	$ 18,769.84	Mileage
Cascade	1998	$ 4,780.49	$ -	$ 4,944.24	???
	1999	$ 4,944.24	$ 4,886.58	$ 57.66	Current planning
Chouteau	1998	$ 3,415.34	$ 2,812.55	$ 3,897.00	Current planning, equipment purchase
	1999	$ 3,453.54	No report	No report	No report
Custer	1998	$ 3,528.77	$ 3,577.40	$ -	Current planning, rural addressing
	1999	$ 3,577.40	$ 3,573.27	$ 4.13	Current planning, economic development
Daniels	1998	$ 3,152.01	$ 2,827.72	$ 1,104.58	Rural addressing, zone changes, meetings
	1999	$ 3,165.99	$ 549.58	$ 2,614.31	Current planning

Dawson	1998	$ 3,360.14	$ 3,335.38	$ 24.76	Subdivision review
	1999	$ 3,393.26	$ 4,195.07	$ 2,525.09	Survey
Deer Lodge	1998	$ 3,253.99	$ 3,277.35	$ -	Current planning
	1999	$ 3,277.35	$ 3,272.04	$ 5.31	Current planning
Fallon	1998	$ 3,183.91	$ 4,745.25	$ 1.82	GIS software purchase
	1999	$ 3,200.83	$ 2,006.82	$ 1,195.88	Comprehensive plan, current planning
Fergus	1998	$ 3,582.07	$ 3,635.61	$ -	Economic development planning
	1999	$ 3,635.61	$ 3,629.00	$ 6.61	Economic development planning, rural addressing
Flathead	1998	$ 4,743.02	$ 4,903.32	$ -	Comprehensive plan, staff salaries
	1999	$ 4,903.32	$ 4,903.32	$ 31.72	Comprehensive plan
Gallatin	1998	$ 4,345.63	$ 2,207.35	$ 4,446.77	Comprehensive plan
	1999	$ 4,469.38	$ 5,771.09	$ 3,168.59	Parcel mapping for county data base, publication on zoning
Garfield	1998	$ 3,375.37	$ -	$ 15,740.08	Not used
	1999	$ 3,409.90	$ -	$ 19,115.18	Not used
Glacier	1998	$ 3,477.66	$ 3,565.02	$ 77.54	Contracted county planner, mileage
	1999	$ 3,521.59	$ 3,590.64	$ 6.09	Current planning
Golden Valley	1998	$ 3,109.78	$ 301.48	$ 27,335.85	Current planning
	1999	$ 3,119.87	$ 40.00	$ 30,417.01	Current planning
Granite	1998	$ 3,184.68	$ 3,185.00	$ 17.62	Current planning
	1999	$ 3,201.67	$ 3,219.00	$ 0.02	Current planning
Hill	1998	$ 3,566.78	$ 3,618.91	$ -	Comprehensive planning, economic development
	1999	$ 3,618.91	$ 3,612.56	$ 6.35	Comprehensive planning, economic development
Jefferson	1998	$ 3,307.20	$ 3,641.40	$ -	Current planning

	1999	$	3,335.45	$	3,336.00	$	11.07	Current planning
Judith Basin	1998	$	3,189.13	$	3,210.88	$	1,098.14	Current planning
	1999	$	3,206.53	$	4,304.00	$	-	Secretary wages, postage for board members
Lake	1998	$	3,590.02	$	3,644.28	$	-	Current planning, zoning enforcement
	1999	$	3,644.28	$	3,657.32	$	-	Comprehensive planning, current planning
Lewis & Clark	1998	$	4,290.99	$	4,409.72	$	-	Comprehensive planning, capital improvement planning
	1999	$	4,409.72	$	4,408.64	$	-	Comprehensive planning, capital improvement planning
Liberty	1998	$	3,154.06	$	5,600.00	$	12,620.71	Comprehensive planning
	1999	$	3,168.23	$	8,560.38	$	7,231.14	Economic Development planning
Lincoln	1998	$	3,642.05	$	3,701.00	$	-	Current planning
	1999	$	3,701.10	$	3,696.91	$	4.19	Current planning
Madison	1998	$	3,319.19	$	3,445.00	$	-	Current planning, economic development planning
	1999	$	3,267.00	$	3,264.76	$	2.24	Capital improvements planning
McCone	1998	$	3,332.51	$	3,267.00	$	65.51	Current planning, comprehensive planning
	1999	$	3,444.63	$	3,448.23	$	-	Current planning, comprehensive planning
Meagher	1998	$	3,220.67	$	2,936.73	$	1,000.00	Grant writing and grant match, comprehensive planning
	1999	$	3,240.97	No report		No report		No report
Mineral	1998	$	3,164.46	$	3,179.58	$	-	Current planning, economic development planning
	1999	$	3,179.58	$	3,180.91	$	-	Current planning
Missoula	1998	$	4,888.46	$	5,062.13	$	-	Urban comprehensive plan rewrite
	1999	$	5,062.13	$	5,079.61	$	-	Comprehensive plan, current planning
Musselshell	1998	$	3,231.96	$	2,991.15	$	852.37	Comprehensive planning, subdivision review
	1999	$	3,253.29	$	3,254.76	$	-	Comprehensive planning

Park	1998	$ 3,514.75	$ 3,513.93	$ 48.16	Comprehensive planning
	1999	$ 3,562.09	No report	No report	No report
Petroleum	1998	$ 3,138.18	$ 408.33	$ 3,813.15	Rural addressing, flood plain planning
	1999	$ 3,150.89	$ 3,841.20	$ 3,122.44	Current planning
Phillips	1998	$ 3,497.27	$ 3,543.00	$ -	Subdivision review, current planning
	1999	$ 3,543.00	$ 3,536.77	$ 6.23	Current planning
Pondera	1998	$ 3,248.00	$ 3,720.80	$ -	Current planning
	1999	$ 3,270.80	$ 3,272.81	$ -	Current planning
Powder River	1998	$ 3,293.66	$ 4,259.17	$ -	Economic development planning
	1999	$ 3,320.67	$ 1,963.47	$ 1,354.65	Comprehensive planning, economic development
Powell	1998	$ 3,313.32	$ 4,980.00	$ 620.09	Economic development planning
	1999	$ 3,342.14	$ 2,580.00	$ 1,385.28	Economic development planning
Prairie	1998	$ 3,160.17	$ 2,210.08	$ 7,291.07	Current planning
	1999	$ 3,174.90	$ 3,262.34	$ 7,290.32	Current planning
Ravalli	1998	$ 3,809.24	$ 3,883.66	$ -	Comprehensive planning
	1999	$ 3,883.66	$ 3,925.74	$ -	Comprehensive planning
Richland	1998	$ 3,361.78	$ 3,395.06	$ 2,876.52	Current planning
	1999	$ 3,395.06	$ 3,357.96	$ 2,908.20	Economic development planning
Roosevelt	1998	$ 3,400.45	$ -	$ 8,755.77	Not used
	1999	$ 3,437.28	$ 2,925.00	$ 9,263.18	Economic development planning
Rosebud	1998	$ 3,599.63	$ 498.48	$ 6,610.46	Current planning
	1999	$ 3,654.78	$ 679.02	$ 9,569.90	Current planning
Sanders	1998	$ 3,408.45	$ 1,680.27	$ 1,765.74	Comprehensive planning, salaries, computer purchase
	1999	$ 3,446.01	$ 5,213.12	$ -	Current planning

Sheridan	1998	$ 3,216.08	$ 3,235.95	$ -	Great Northern Dev. Corp. dues, rural addressing
	1999	$ 3,235.95	$ 3,233.15	$ 2.80	Economic development planning, current planning
Silver Bow	1998	$ 3,729.97	$ 4,092.00	$ 2,945.00	Base maps, long term planning
	1999	$ 3,797.10	$ 5,068.00	$ 1,660.00	Comprehensive planning
Stillwater	1998	$ 3,283.57	$ 3,309.65	$ -	Comprehensive planning, current planning
	1999	$ 3,309.65	$ 3,315.83	$ -	Comprehensive planning, capital improvement planning
Sweet Grass	1998	$ 3,209.15	$ 3,228.39	$ -	Subdivision review, zoning administration
	1999	$ 3,228.39	$ 3,228.24	$ -	Current planning
Teton	1998	$ 3,299.68	$ 3,550.25	$ -	Contracted county planner
	1999	$ 3,327.25	$ 3,325.29	$ 2.21	Current planning
Toole	1998	$ 3,248.47	$ 2,204.27	$ 4,840.99	Needs assessment study
	1999	$ 3,271.32	$ 3,267.25	$ 4,832.99	Comprehensive planning, capital improvement planning
Treasure	1998	$ 3,091.74	$ 1,789.50	$ 7,269.91	Comprehensive planning
	1999	$ 3,100.18	$ 3,644.02	$ 6,725.92	Comprehensive planning
Valley	1998	$ 3,546.33	$ 537.00	$ 4,843.00	Economic development planning
	1999	$ 3,596.57	$ 5,109.00	$ 8,325.00	Economic development planning
Wheatland	1998	$ 3,156.91	$ 2,004.85	$ 6,263.26	Subdivision review
	1999	$ 3,171.34	No report	No report	No report
Wibaux	1998	$ 3,091.46	$ 1,736.95	$ 12,041.38	Secretary's salary, workshops, walking tour guides
	1999	$ 3,099.87	$ 979.93	$ 14,919.36	Current planning
Yellowstone	1998	$ 5,618.90	$ 5,859.71	$ -	GIS system
	1999	$ 5,859.71	$ 5,857.50	$ 2.21	Comprehensive planning

Source: Montana Department of Commerce

Appendix 6

Local Planning Mill Levy

76-1-405. Maximum county mill levy -- authorization for levy. Subject to 15-10-420, the tax levy for planning board purposes is further limited as follows:

(1) A county of the first class, as defined in 7-1-2111, may levy a tax not to exceed 2 mills.

(2) A county of the second class may levy a tax not to exceed 3 mills.

(3) A county of the third class may levy a tax not to exceed 4 mills.

(4) A county of the fourth class may levy a tax not to exceed 5 mills.

(5) Counties of the fifth, sixth, and seventh classes may levy a tax not to exceed 6 mills.

76-1-406. Tax levy by municipalities authorized. Subject to 15-10-420, the governing body of any city or town represented on a planning board may levy a tax upon the property located within the city or town for planning board purposes, under procedures set forth in Title 7, chapter 6, part 42. The tax may not exceed the maximum levy authorized in 76-1-407.

76-1-407. Maximum city mill levy. Subject to 15-10-420, the tax levy for planning board purposes is further limited as follows:

(1) A city of the first class, as defined in 7-1-4111, may levy a tax not to exceed 2 mills.

(2) A city of the second class may levy a tax not to exceed 4 mills.

(3) A city of the third class may levy a tax not to exceed 6 mills.

(4) A town may levy a tax not to exceed 6 mills.

1999 Montana Code Annotated