



December 17, 2021

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Darryl L. James,
Executive Director
DLJ Consulting, LLC
406-459-6574

Mr. Austin Knudsen
Office of the Attorney General
c/o Brent Mead
215 North Sanders
P.O. Box 201401
Helena, MT 59620-1401

Subject: Comments on Ballot Issue #9

As you may be aware, the Montana Infrastructure Coalition is comprised of members who are actively engaged in the design, finance, construction, ownership, operation and maintenance of the critical infrastructure necessary to provide safe and healthy communities to raise our families and grow our businesses. Identifying and promoting long-term, sustainable and predictable funding for critical infrastructure has been our primary focus since our inception.

The Coalition is engaging in the dialogue around this ballot issue due to the inextricable connection between property tax revenue and infrastructure funding. From our ongoing conversations around the state, we understand that Montanans are convinced their property taxes are too high. In response, the Coalition is developing legislative measures that would reduce the tax burden on Montana property owners without further restricting the ability of their own communities to fund the critical infrastructure they rely upon.

Our infrastructure demands are only increasing, and Ballot Issue # 9 constitutes either further limits on infrastructure funding or a significant cost shift onto other property owners. We do not believe those implications are clear to the voter in the current Statement of Purpose and Implication.

The Fiscal Note estimates a reduction of over \$150 million in local government revenues, which is predicted to worsen over time. The Fiscal Note further acknowledges that this lost revenue is likely to be recovered on the backs of non-residential property owners – explicitly Montana’s business owners. Pursuant to **13-27-312(9), MCA** the Coalition believes the following statement of material harm outlined in **13-27-204(2)(b), MCA** must be included on the final petition:

“WARNING: The Attorney General of Montana has determined the proposed ballot issue will likely cause significant material harm to one or more business interests in Montana.”

Short of this immense cost shift, local governments would be unable to reliably fund even their essential services like police and fire protection, and K-12 schools; and the ability to cover the capital costs for those services would also be threatened. Aside from the obvious limitation of funding for roads, bridges, water and sewer projects, local governments may not be able to secure bonds necessary for the purchase of equipment and construction of detention facilities, or the construction and upgrade of our community schools. The risk of

undermining the ability to service existing debt, and threat to future bond ratings must be disclosed to the Montana voter.

Mr. Mead, we respectfully request that you and the Attorney General inform the Secretary of State of the need to include the aforementioned warning on the petition, or to amend the language of the statement to fully inform the voter of the true implications of this measure.

Sincerely,

Montana Infrastructure Coalition

A handwritten signature in black ink, appearing to read 'Darryl L. James', written over a horizontal line.

Darryl L. James
Executive Director