Montana Association of Counties
Serving Montana Counties Since 1909

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October 8, 2025

The Honorable Steve Daines
320 Hart Senate Office Building
United States Senate
Washington, DC 20510

The Honorable Tim Sheehy
Dirksen Senate Office Building SD-G55
United States Senate
Washington, DC 20510

The Honorable Ryan Zinke
512 Cannon House Office Building
United States House of Representatives
Washington, DC 20515

The Honorable Troy Downing
1529 Longworth House Office Building
United States House of Representatives
Washington, DC 20515

RE: Crow Revenue Act – H.R. 725, S. 239 – Request for Consideration – Impacts to Musselshell County and Potential Long-term Policy Impacts to Counties in Montana

Honorable Senator Daines, Senator Sheehy, Congressman Zinke, and Congressman Downing,

The Montana Association of Counties is charged with advocating on behalf of its members who are the elected officials in all 56 counties of Montana. As President of the Association, I am reaching out because we have come to a rare instance where unfortunately our perspectives differ regarding the "Crow Revenue Act." I want to be clear that your influence and representation of Montana is highly valued. The fact that we are generally aligned on most matters impacting counties makes this letter a bit of an anomaly, and it is my sincere hope that you will give our concerns strong consideration.

Our membership has, collectively and historically, been an advocate for fossil fuel development, and that has not changed. Our concern with the Act lies in balancing the need for fossil fuel development with the impacts those developments have on demand for public services and infrastructure. The rural nature of our state presents a good many challenges as well as opportunities, and we should consider the best balance to encourage those opportunities and use them as a means to overcome challenges. One of those challenges is maintaining roads, bridges, schools, and public services on a limited tax base.

Fossil fuel development creates wealth, jobs, and other opportunities and should be properly regulated and encouraged. When encouragement comes at the cost of local government at a higher, more impactful level, communities suffer. Counties are often urged to give property tax abatements to encourage these developments and do so more often than not. That local decision weighs the long-term benefits against the short-term sacrifice of tax revenue to provide services and mitigate impacts. Those decisions are made with the long-term picture in mind, and when that picture changes, difficulties arise.

In the instance of Musselshell County, they approved a "new or expanding business" property tax abatement in 2009 for the Signal Peak mine. They further encouraged the success of the mine in 2012 with a second abatement. Additionally, state legislation passed that reduced gross proceeds from 5% to

2.5% for coal extracted from new underground mines, a third incentive impacting coal counties as well as the state and schools.

Regarding the Crow Revenue Act, it is a great incentive at its core and would provide additional certainty that the mine stay in production. The elimination of mineral royalties from operations on federal land is another tax incentive benefiting the mine that shifts financial pressure onto the county, while the county must still provide services and infrastructure. Is there any room for discussion about how we balance these incentives in a manner that is not always at the burden of the local government?

On behalf of our membership, we respectfully request that consideration be given to the loss of tax revenue in Musselshell County when federal regulations and policy have a negative impact on resource development on public lands. While the proposed policy supports mine operations and broader economy, it disproportionately burdens the county through the loss of mineral royalties. Simply because it is easier to mine private ground when the resources are on public lands shouldn't cost counties.

We ask that you please engage with our staff and/or leadership in a meaningful discussion about how we balance incentivizing the development between all levels of government and industry, whatever that industry may be.

Respectfully,

Gordon Oelkers
MACo President
Roosevelt County Commissioner