

## **Summary of the Major Issues and Current Status August 2008**

### **Limit on future alcoholic beverage licenses**

Being unincorporated has made obtaining a full liquor license easy and economical for hospitality businesses. Existing licenses will stay in place if Big Sky becomes municipality. We have found that most Rocky Mountain ski towns are incorporated, operate under a variety of state and local alcohol restrictions, and continue to grow. To answer growth concerns raised by our business community, we have put together an interested group to pursue possible action with the state of Montana.

### **Big Sky's existing special districts**

Services provided through special districts such as water & sewer, and fire protection could and most likely, would, continue with no change within a town of Big Sky through the execution of inter-local agreements between the district and a local government.

### **County-provided services and taxes**

Major services provided by Gallatin County are law enforcement and planning services for the Big Sky Gallatin Canyon Zoning District. A town of Big Sky will need to contract with Gallatin County for police services or establish its own department, a costly proposition. The county currently charges about \$100,000 annually for each deputy. It is likely that Big Sky will need to cover the cost of at least one deputy, but outcome is unknown until a contract is negotiated. The Gallatin County Planning Department is uncertain as to what happens if Big Sky becomes a town; we'll continue to work with them on answers.

24 mills of current taxes would no longer be collected by Gallatin County for road maintenance and library services. Since the County provides neither service to Big Sky now, these represent net gains for a town of Big Sky, which could collect the tax and return actual services. The estimated value of this revenue is \$109,000 for roads and \$36,000 for library services.

### **The Big Sky Resort Area District (BSRAD)**

This remains a critical outstanding issue. By law it cannot be part of a municipality. The voters within a municipality of Big Sky must form their own "resort community." Revenue collected within goes to the city government. State law is unclear as to what happens to the remaining resort tax district outside the town boundaries. We believe, as does the BSRAD, that it may remain intact. We both also believe that a town government and the BSRAD could work together to fund community infrastructure that is of mutual benefit to both.

In May, 2008 the BSRAD asked the Gallatin County Attorney to request a formal opinion from the Montana State Attorney General on these issues. The request remains with the County Attorney.

## **Should the residents of Big Sky consider forming a local government?**

This is a political question and up to each voter. Our research leads indicates there are serious reasons to consider it. Some are practical; some are subjective and depend on one's view of government. Most residents have their own particular concern. Whether it's speeding traffic, building standards, the lack of a hockey rink, abandoned cars, dogs, derelict property, the desire for a public swim center, or just pothole-filling, the key to solving these concerns is a local government in Big Sky.

In addition, there are gaps in the current special district overlay that cannot be filled without a local government. There is no facility for public borrowing for capital improvements. Road maintenance is the responsibility of subdivision homeowners associations.

What local government does is up to its citizens. It is responsible to its local citizens. It can enact and enforce ordinances such as control of nuisance issues or establishment of building standards. It can take responsibility for land use planning and zoning. It could take the lead on affordable housing and determine the possibilities. It can obtain the necessary liability insurance that private entities do not have access to in order to provide recreation opportunities like a hockey rink. It can use bonding authority to raise the capital funds needed for major infrastructure projects.

The annual cost of maintaining a small municipal government is estimated at \$500,000. This provides an office, a town clerk, and arranges for the administrative, legislative, and judicial services that local government provides. It does not replace any services currently in place, nor does it create any. Planning and law enforcement services may add additional cost. However, if residents form a resort community the entire base cost can be funded with resort tax revenue. And, if the BSRAD is permitted to fund projects of mutual benefit, funding remains available for infrastructure that supports and maintains the greater community of Big Sky for the benefit of both residents, property owners, and visitors.

We continue to feel strongly that the way citizens determine whether to form a local government is to hold a vote.