

## **MONTANA MESSAGE APRIL ISSUE**

### **PETRO POLLY...”thought for the day”**

*“Obstacles are the things you see when you take your eye off the goal”....*

Montana is currently enjoying an “off-session” year which allows us to focus on other issues and events including, for those who are interested; the second bi-annual Energy Conference to be held in Billings, MT, April 2-3. The first conference held in 2012 was a huge success and is hosted by the Montana Petroleum Association, the Montana Contractors Association and the Montana Coal Council. Here is the link for conference registration and agenda; <http://www.montanaenergy.net/>. In 2012 the MPMCSA Board of Directors attended one day of the conference while also holding its Board meeting in Billings.

### **BUSINESS EQUIPMENT REPORTING**

Every year at this time individuals and businesses that own equipment are required to report that equipment to the Department of Revenue. The Department then attaches a value to the equipment for tax purposes. This year legislation goes into effect that exempts the first \$100,000 of equipment value from taxation. Anyone with less than \$100,000 worth of equipment received a notice from the Department that they no longer needed to report. If a person or entity owns more than the exemption limit they must report. The Department will aggregate the value of equipment owned by any person or entity that is located in more than one taxing jurisdiction into one unit. This means that if a business has equipment in two counties, for example, and the total value of that equipment exceeds \$100,000 that entity receives one exemption. If a person or entity has partial ownership of more than one business entity and each entity owns equipment, in most cases, each of those entities will receive an exemption if certain conditions are met. **It would be wise for owners of who have interest in multiple entities owning business equipment to check and see if they are receiving all the exemptions permitted by law.** This should be evident when you receive your assessment notice in May or June. **You must appeal any decisions on valuation within 30 days of receiving that notice.** Owners are responsible for again reporting if they believe they have crossed the exemption limit in subsequent years.

### **WHAT OPPORTUNITY LOOKS LIKE: BIG MOUNTAIN MEETS THE BAKKEN**

For many Montanans the Bakken boom has provided a plethora of opportunities. For the Gearhart family of Whitefish, the growth in the oil patch has meant growth in their family-owned business, Big Mountain Glass (BMG).

The company, owned by Chris and Kathy Gearheart, has been in Montana for 41 years and has provided commercial glazing on projects such as the Metra in Billings, the new UM Native American Studies Center in Missoula, the Marcus Daly Memorial Hospital in Hamilton, and the Whitefish Emergency Service Center, to name a few. BMG has twelve full time employees, including son and MSU graduate Scott Gearhart. Scott’s the Commercial Project Manager for the company. With a degree in Construction and Engineering Technology from Bozeman, Scott explained that working for the family business was always part of the plan, saying that it only took a few years of working outside of Montana to realize it was where he wanted to return to work and raise his family. Before the downturn in the local economy, says Scott, Big Mountain had twenty one full time employees. With the recent resurgence of job opportunities in North Dakota and Eastern Montana, however, he said, “The Bakken has definitely been a huge help and a huge source of revenue to us.”

The first Bakken project for Big Mountain Glass started three years ago. The Gearharts' business has done everything from small glass installation projects for schools, strip malls, and NAPA stores in Watford City and around Williston, to a couple large scale projects in Dickinson and Bismarck.

"We were actually sought out to bid the penitentiary expansion job in Bismarck," said Scott. Big Mountain not only bid the job, they won it. "This is a major project of over a million dollars in glass," said Scott. Some of the other large scale projects they've worked on include housing complexes for Halliburton. Big Mountain is also waiting to hear back on a medical clinic job they bid recently in Dickinson.

Scott explains that compared to Montana, there is such a shortage of contractors bidding jobs in North Dakota that there's almost no competition. New contractors are moving into North Dakota with no subcontractor base. The growth is outpacing the workforce, creating job opportunities for contractors, truckers, builders, skilled laborers, small businesses, and many others far beyond North Dakota.

Estimating revenue from the Bakken alone, Scott says oil patch projects account for 15% of his family's business. Luckily for Scott, he only has to leave the Flathead about once every four months to check on jobs in North Dakota to make sure things are running smoothly. For Scott's younger brother Tyler, however, the story is quite different.

Tyler Gearhart, like his brother, graduated from MSU in Bozeman where he lives today. He received his degree in Marketing and Entrepreneurship and now works as a MWD Field Technician for The Directional Drilling Company. He was recommended for the position by his uncle, who Tyler says has worked in the oil fields for the better part of two decades. Tyler's main responsibilities include assembling tools for down hole monitoring, setting up surface gear, and taking surveys. "It was always a goal of mine to stay in Montana after college," said Tyler, who describes the worse part of his job as the long periods away from home. He says the best thing about his job is the people.

"Don't make assumptions about what goes on in the oilfields," said Tyler, "Come out and experience things before you jump to conclusions."

*(Article revised from the MPA News).*