

**EDUCATION & LOCAL GOV'T IC  
JUNE 18, 2012  
EXHIBIT 6**

**Testimony of Sterling Miller**, member *ad-hoc* Committee suggesting to the Education and Local Government Committee some approaches for reform of Subdivision for Lease or Rent provisions in Title 76 MCA and co-owner of Dunrovin Guest Ranch in Lolo Montana ([www.DunrovinRanchMontana.com](http://www.DunrovinRanchMontana.com)).

My name is Sterling Miller and my wife SuzAnne and I are the owners of Dunrovin Guest Ranch in Lolo Montana. My wife is a 4<sup>th</sup> generation Montanan and we met as undergraduates at the Univ. of Montana in the late 60s. We worked as natural resource managers and researchers in Alaska and elsewhere before returning to Missoula 14 years ago. We bought a beautiful piece of property in an unzoned area on the banks of the Bitterroot River and, in 2004, my wife began investigating the potential to turn her passion for horses and people into a business. This business became Dunrovin Guest Ranch which over the past 7 years has developed an exceptionally good reputation for providing outstanding horseback riding experiences to clients from around the world as well as locally. We employ 3-4 full time staff and several part time staff, buy all of our supplies locally, and our out-of-area clients spend lots of money in local businesses. We have more demand to host weddings than we can accommodate, provide pony and other kinds of camps for children, and contribute our venue and services generously to local non-profit organizations. In short, our small Montana-owned business is exactly the kind of business that any reasonable local government should encourage and embrace.

However, far from being supported by local government, we have been harassed unmercifully for the last 3 years using Missoula County's interpretation of the Subdivision for Lease or Rent (SLR) provisions in Title 76. Although we are far from being the only ones in Missoula County who have faced this problem with SLR, I believe I can safely say that the level of harassment we've faced because of Subdivision for Lease or Rent exceeds that encountered by any other property owner or business in Montana. We are the only property owners in the entire state to have had a legal complaint filed against us threatening us with fines of thousands of dollars per day unless we immediately close our business. Not only that, but Missoula County has filed a lien against our property (something called a *list pendance*). We have been forced to hire a lawyer to protect us from the numerous false claims in the County's complaint most of which we first learned about in the complaint. They are not only false, they were never before raised as concerns. Last Thursday my wife was awakened at 6 AM by the sheriff to be served with a summons.

The issue for the county is a building separate from our house that was legally built and connected to the septic in 1985, some 13 years before we bought the property and before Missoula County started requiring subdivision review for people with 1 or more separate buildings on their property. Before we invested our life savings in this guest ranch business we did an exceptional level of due diligence to be sure that we did not encounter any legal problems. This included contacting both county and local governments and hiring a private lawyer to research for any potential conflicts. Regardless, 3 years ago County officials "discovered" this second building on our property when we applied for a building permit to build a garage. The offending building contains 3 rental units that we rent to guest ranch clients on a daily basis and on which we pay state bed taxes. Missoula County now calls this an "unauthorized subdivision" under Title 76 and demands that we undergo subdivision review because of it. Hiring a consultant to prepare subdivision documents would cost us \$30-\$40,000 and the consultants tell us that the application would be rejected for numerous reasons including our inability to get the required easements from our neighbors on the private road that terminates at our property.

With the AG's opinion last January, what once was a problem with the law that was limited to only 2 counties with overzealous county officials and attorneys is now a statewide problem that requires the attention of the legislature during the 2013 session. I have no doubt but that the extreme actions taken against us by Missoula County officials stems from my advocacy for meaningful reform of SLR during the last legislature and from my continuing work with the *ad hoc* committee from which you just heard a report.

During our deliberations, different approaches were advanced by the committee members. Because of my personal experience and mandate from the citizens who elected me to serve on the committee, I was the strongest advocate for putting constraints on the authority of local government to use subdivision review to govern land uses in cases where no division and actual sale of parcels was occurring. Most of the other committee members, in contrast, wanted to react to the AG's opinion by giving local governments the flexibility to interpret and implement regulations based on local circumstances. The 5 draft bills just presented to you reflect this flexibility approach. All of the bills you just heard about are better than the *status quo* but, in my opinion, none put sufficient constraints on local government to prevent them from agenda-driven harassment like we've experienced.

Regardless of this concern, I do not now propose any different bill for your consideration although I am prepared to do so should I be requested to do so. I felt that the process administered by the staff of the Department of Commerce from whom you've just heard was a reasonable process that was open to hearing my concerns and gave them fair consideration and do not wish to undercut that process here.

The experience my wife and I have had with local government authorities over SLR over the past 3 years has had a profound impact on us financially, emotionally and politically. We now no longer trust that government will operate in the public interest and not in the counterproductive and vindictive ways we've experienced. I'm not a young man with still-forming political views so these new insights have been extremely distressing to me and my wife. Although we recognize that the origins of the actions we've experienced are, at some level, idiosyncratic to certain individuals in specific counties, the fact that no one in local government has stepped up to defend and protect us from these individuals is profoundly disturbing.

Reform of SLR provisions in Title 76 during the next legislature is essential for the economy of the state and the property rights of landowners. Thank you for the opportunity to testify.

Sterling Miller, Dunrovin Ranch, PO Box 822, Lolo, Mt 59847 [millers@nwf.org](mailto:millers@nwf.org), 406 273-7745