

MINUTES

MONTANA SENATE  
55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By CHAIRMAN TOM BECK, on February 4, 1997, at  
3:10 p.m., in Room 405.

ROLL CALL

**Members Present:**

Sen. Thomas A. "Tom" Beck, Chairman (R)  
Sen. Mike Sprague, Vice Chairman (R)  
Sen. Dorothy Eck (D)  
Sen. Sharon Estrada (R)  
Sen. Wm. E. "Bill" Glaser (R)  
Sen. Don Hargrove (R)  
Sen. John "J.D." Lynch (D)  
Sen. Walter L. McNutt (R)  
Sen. Fred R. Van Valkenburg (D)

**Members Excused:** None

**Members Absent:** None

**Staff Present:** Martha Colhoun, Legislative Services Division  
Jodi Jones, Committee Secretary

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: SB 207, SB 214  
Posted: January 29, 1997

Executive Action: SB 138 Do pass as amended  
SB 159 Do pass  
SB 207 Do pass  
SB 49 Do pass

HEARING ON SB 207

Sponsor: SENATOR REINY JABS, SD 3, Hardin

Proponents:

Aaron Turns Plenty, Pryor Schools  
Daniel Sybrant, Pryor Schools  
Don Waldron, MT Rural Education Assoc.  
Lance Melton, MT School Board Assoc.  
Lynda Brannon, Indian Impact Schools

Carlson Goes Ahead, Pryor Schools  
Roland Plain Feather, Pryor Schools  
Joyce DeCrane, Pryor Schools

Opponents:

David Dennis, DA Davidson and Co.

Opening Statement by Sponsor:

SENATOR REINY JABS, SD 3, Hardin presented SB 207. This is a bill that would help the small schools especially those who are under the federal impact district. These districts have a small tax base and taxable value. It is hard for these districts to vote on a bond issue and pay one back. This bill would allow the school districts to borrow money from the board of investments to add small improvements such as building on a classroom. He explained the bill and what they are adding by reading lines 5-9 on page 2. He also said the loans will be extended to 10 years for repayment.

Proponents' Testimony:

Aaron Turns Plenty, Pryor Schools, spoke in favor of SB 207. This bill was requested from the Pryor school district to help enable funding for building and expansion of their schools. He said funding and resources are somewhat limited due to low taxable valuations in their district. PL-815 funds which were used when the schools were first constructed have been eliminated at the federal level. Their district has utilized state board of investment inter-cap loans on several occasions. However, the law does not allow for new construction of any type. The Pryor school district asked for favorable consideration of SB 207. They realize the bill does not guarantee funding, but will allow school districts to apply for funds if the community approves a resolution for the district to submit an application.

Daniel Sybrant, Pryor Schools, spoke in favor of SB 207. This will give school districts more options for construction. Mill levies in their district have been between \$150 Million in 1991 to \$111 Million this year. Therefore, one mill in their district is about \$696.00. A local bond issue for construction would be very difficult with these limited amount of funds. He said it would be beneficial to the state in a variety of ways. The proposal does not cost the state or the local tax-payers any additional money due to the fact that the pay-back of the loan is budgeted within the existing general fund. It would help districts that do not have the ability to raise revenue for building projects through a bonding process due to a low tax base in the community. And it would help districts that do not have the ability to levy sufficient mills for a project involving building reserve funds. The existing board of investments loan process only allows for remodeling within the existing walls of the facility and does not allow for new construction of any kind.

The bill limits the amount of construction up to 20 percent of the square footage of the existing buildings and does not allow construction of free standing facilities. It requires a vote of the electors to authorize the local board of trustees to apply for the loan. There is no guarantee the loan will be granted and it does not apply to federal impact districts alone but to large and small districts. Dollar amounts of the loans are limited by the board of investments lending authority. The bill changes the loan payback period from 5 to 10 years. This allows districts to have a reasonable payback on payments for the project. There is a great need to improve school facilities in the state due to growing enrollment as well as deterioration of buildings. This gives local communities an opportunity to reject or support an expansion of their schools. He discussed the fiscal note, and that small districts are looking for flexibility.

{Tape: 1; Side: A; Approx. Time Count: 3:23 p.m.; Comments: .}

**Don Waldron, MT Rural Education Assoc.,** spoke in favor of SB 207. He handed out testimony (**EXHIBIT 1**). He also said the **School Administrators** are in favor of this bill.

**Lance Melton, MT School Boards Assoc.,** spoke in favor of SB 207. It places the control in the hands of local elected trustees and the voters will have a say in these projects.

**Lynda Brannon, Indian Impact Schools,** said what they are asking for in this bill can already be done by the language that is on page 1, line 18. If a school needs to expand and they simply want to add on a classroom, this bill now gives them the power to do that. It gives the districts more flexibility with the handling of smaller projects. She urged support of the bill.

**Carlson Goes Ahead, Pryor Schools,** urged support of SB 207

**Roland Plain Feather, Pryor Schools,** urged support of SB 207.

**Joyce DeCrane, Pryor Schools,** spoke in favor of SB 207.

**Opponents' Testimony:**

**David Dennis, DA Davidson and Co.,** said there is a number of issues that have been overlooked in this bill. He said this bill allows for school boards to finance small projects by going to the board of investments and not through a bond election which requires a 40 percent voter turnout. This bill will let schools finance larger projects without going through the bond election process. The bond election process is there so the public has a say in how their tax money is spent. He said big projects have to go through a bond election, but this bill would include construction that does not exceed 20 percent of the square footage of the existing classrooms. An assumption has been made that a 20 percent increase is not very much. However, he used the example of the Great Falls school district that recently had a

bond issue and approved a \$5 Million bond that didn't come anywhere close to expanding the existing facilities by 20 percent. If the existing facilities had been increased by 20 percent, the project could of easily been \$10 Million. He feels it does the tax-payers a dis-service. The tax-payers have the right to vote on large projects and the Great Falls project took three times to pass because of bond election requirements. It would of taken only one time under this bill. He doesn't think 20 percent relates to small projects, but could be a much larger project depending on the size of the facilities. He said this bill limits competition. If the Great Falls project would of passed the first time it went before the voters, the board of investments would of financed the project. At the current rate it would of cost the tax-payers five percent and this would be a dis-service to the tax-payer.

{Tape: 1; Side: A; Approx. Time Count: 3:34 p.m.; Comments: .}

Questions From Committee Members and Responses:

**SENATOR J.D. LYNCH** asked if **David Dennis** was the legal counsel for **D.A. Davidson**. He asked if **D.A. Davidson** wanted him to come and protect the tax-payer on their rights to vote and because there is not enough competition in selling bonds. **Mr. Dennis** stated this was true.

**SENATOR BILL GLASER** asked **Daniel Sybrant** if he had a choice between a levy that had a sufficient tax base where he could get money from the tax base or if the district could get the money from a bond off of **D.A. Davidson** or another financial institution at a lower interest rate, would the district take that choice rather than the mill levy. **Mr. Sybrant** said he would take the lower interest rate bond.

**SENATOR GLASER** asked if this bill was here because the district knows they will be paying a higher premium for this money and there are no other options. **Mr. Sybrant** said there are no options in this case. He said the board of investments can only loan up to \$1 Million. There is no additional expense to the tax-payer as the payback is within the school's general fund. Schools are limited to 80 percent of the general fund and if it is over that limit it must be voted on. All this does is give the board of trustees, who already have control of the school budget, the authority to apply for a loan and there are no guarantees the loan will be approved. The community still gets to have a vote on the issue.

**SENATOR SHARON ESTRADA** asked would the sponsor consider putting an amendment in the bill addressing a dollar amount of the opponents concern. **SENATOR JABS** said there is a limited amount already of \$500,000 and it has to be approved by the board of investments.

**SENATOR ESTRADA** said she understands the concerns of the small schools. She feels there needs to be an amendment concerning the populous of the districts. **SENATOR JABS** said it wouldn't matter as the board of investments can only lend so much money under the \$500,000 cap.

**Martha Colhoun** read sub-section 7 of the statute as it exists now, and it limits the amount of money that can be borrowed. It may not exceed the debt limitation already established.

**SENATOR HARGROVE** asked **David Dennis** about the scenario he drew about the school trustees of Great Falls who would have put a 4 to 5 percent increase on the tax-payer. He asked why would they have lost money? **Mr. Dennis** said it is not the school board who would lose money, it is the public that finances the bond.

**SENATOR HARGROVE** asked why would this happen? **Mr. Dennis** said if the Great Falls school district felt it was easier to apply to the board of investments for this money rather than trying to get the bond approved, then there would be an incentive to do this.

**SENATOR HARGROVE** asked the sponsor if he knew the feelings of the Board of Investments over this proposal. **SENATOR JABS** said yes, they helped draft the bill.

**SENATOR VAN VALKENBURG** said in the case of the Great Falls school district, they were trying to impose an additional property tax levy on the property tax-payers of their school district in order to pay for a bonded indebtedness. Under this bill, the school district would be required to pay back the funds to the board of investment. No additional levy would be imposed to the tax-payers. He asked **Mr. Dennis** if he understood those facts and how is it that the school district in Great Falls would have jumped on the opportunity to pay a borrowed \$5 Million out of its existing budget without asking the property tax-payers for additional funding? **Mr. Dennis** said he saw his point.

**SENATOR VAN VALKENBURG** said the limitation is in the existing budget of the school district. If they can't meet the debt obligation out of their existing budget, they can't meet the requirements of this law. **Mr. Dennis** said if it comes out of their existing budget aren't they going to need funds later on to replenish this budget?

**SENATOR VAN VALKENBURG** said **Mr. Dennis'** job was to answer the questions not ask them.

**SENATOR ECK** asked if the board of investments has a limited amount of money they can borrow. She said if a lot of new districts come in, would they have a cap? **SENATOR JABS** said no, but they can sell bonds and use this money in their budget. They have to work within their budget though.

SENATOR ECK asked if the inter-cap program was a specific amount in the board of investments. SENATOR JABS said he wasn't sure.

Closing by Sponsor:

SENATOR JABS said this bill is for small projects and the limit is for \$500,000. The approval must still come from a vote of the people and there will be no problems with competition under this bill. A school might want to build on, but have to buy a small piece of land, so real estate was included under this. There is no fiscal impact and he encouraged a do pass on SB 207.

{Tape: 1; Side: A; Approx. Time Count: 3:52 p.m.; Comments: .}

HEARING ON SB 214

Sponsor: SENATOR DOROTHY ECK, SD 15, Bozeman

Proponents:

Miles Eaton, Business and Consumer Bureau  
Sharon Odden, Easter Seals

Opponents: None

Opening Statement by Sponsor:

SENATOR DOROTHY ECK, SD 15, Bozeman, presented SB 214. This bill deals with parking spaces for people with disabilities. She said if there is a disabled spot designated and it does not have a \$100 fine sign for parking there illegally, a law enforcement officer can do nothing about an illegally parked car. The other problem is the local police department is overworked, and often don't have time to go around and give tickets to cars parked illegally. If no citations are made, people soon learn they can park there and not get a ticket. This bill allows for a city to create a training program for volunteers to go around and give tickets to illegally parked cars. She offered an amendment. (EXHIBIT 2). She feels this bill will increase the availability for disabled persons.

Proponents' Testimony:

Miles Eaton, Business and Consumer Bureau, spoke in favor of SB 214. In 1993 the requirement of putting up \$100 signs went into effect and hasn't been enforced. He said walking around the Capitol there are no \$100 signs posted and therefore this law cannot be enforced. He said in the city of Missoula, he went through the same process with them and they don't want to implement the program because they don't have time. The attorney general said he does not have the power to require a municipality, city, or county to upgrade signs and for the police department to enforce them. The city of Bozeman has passed an ordinance to do this and it is a volunteer situation. The city of

Billings has issued decals to put on their signs. He turned in letters of support for SB 214 (**EXHIBIT 3**). He said many states have incorporated a training core of volunteer citizens to issue this one type of citation. The Bozeman Police department is in favor of this and they feel it would enhance their ability to protect handicap parking spaces. He showed a picture of a police car parked in a handicap parking space. He said this is one of the problems by not having handicap parking spaces enforced.

**Sharon Odden, Easter Seals**, spoke in favor of SB 214. This problem is everywhere. Finding parking is difficult for many people especially around the Capitol. It is very discouraging for a disabled or elderly person to find an illegally parked car in a handicap spot. Many people need to be educated about handicap parking spaces and the consequences of parking in those spots. The mission of Easter Seals is to provide services and support to maximize the independence of persons with disabilities. Their organization would be willing to be part of any training program for citizens to do ticketing of people who are illegally parked.

*{Tape: 1; Side: B; Approx. Time Count: 4:05 p.m.; Comments: .}*

Opponents' Testimony: None

Questions From Committee Members and Responses:

**SENATOR LYNCH** said he thought there was already handicap laws on the books and he asked when was the fine raised to \$100.00. **Mr. Eaton** said the \$100 fine was passed in 1993, but has never been enforced because the Attorney General does not have the right to enforce those laws.

**SENATOR LYNCH** said in the Butte paper on occasion there is a list of the handicap parking fines. Why aren't we going to the local governments and asking them why they are not doing their job to enforce these laws. **Mr. Eaton** said he went to the Attorney General and he said the legislature did not give him the authority to require the municipalities to put up the signs to enforce these codes.

**SENATOR LYNCH** said he didn't think this bill should be before the legislature, but rather at the local level. The city council should be passing ordinances to do the same thing. **Mr. Eaton** said Bozeman did this, but Missoula could care less.

**SENATOR LYNCH** asked if Bozeman had passed an ordinance and there was no problem. **Mr. Eaton** said this was correct.

**SENATOR HARGROVE** said there is a potential for some decisiveness. Who are these people running around giving out tickets and don't people have enough problems without having to do this. **Mr. Eaton** said many states are already doing this. They take volunteers trained by the city and the only citation they can issue would be

a handicap parking violation. The police departments are in favor of this bill.

**SENATOR VAN VALKENBURG** asked **Mr. Eaton** if he had a parking disability permit, and what was his disability? **Mr Eaton** said he did have a permit and he has a prosthetic leg.

**SENATOR VAN VALKENBURG** said the municipalities shall erect and maintain signs and this is an unfunded mandate. He asked **Mr. Eaton** what his position was on this? **Mr. Eaton** said we need the bill and will accept any amendments before the committee.

**SENATOR VAN VALKENBURG** asked if there is an envision that municipalities have some authority or obligation to erect and maintain signs on private property. **Mr. Eaton** said municipalities have the right to enforce signs and they should pass an ordinance requiring businesses to put up the correct signs.

**SENATOR LYNCH** said the bill addresses that municipalities may erect, this is already in the law then why should we have the bill? **Mr. Eaton** said there is no enforcement to put up the signs.

**SENATOR SPRAGUE** asked **Mr. Eaton** to explain his organization. **Mr. Eaton** said the **Better Business Bureau** is equivalent to his organization.

**SENATOR SPRAGUE** asked how many members were a part of this organization. **Mr. Eaton** said it is a non-profit organization and they interchange with the **Better Business Bureau** nationwide. He said there is no organization in the State of Montana.

**SENATOR SPRAGUE** asked if the \$100 ticket was not incentive enough for the local authorities to go and ticket these people. **Mr. Eaton** said they won't do it. He has called up the police and told them there is a car illegally parked and waited a half hour and no law enforcement official has come to give a ticket.

**SENATOR LYNCH** asked if there was any other city enforcing this besides Bozeman. **Mr. Eaton** said he thought Billings and Butte where doing this.

Closing by Sponsor:

**SENATOR ECK** said municipalities have the requirement to post signs as needed. The state does not pay for these unless they are on state ground. If we use "shall" or "may" on line 25 is not really the issue as the rest of the bill, which deals with ticketing authority, must be considered. The people of Montana feel guilty when they park in a handicap zone, but on the other hand, unless there is some kind of enforcement, they are likely to put up with that guilt. If people think they are going to get a ticket they won't park there.

{Tape: 1; Side: B; Approx. Time Count: 4:17 p.m.; Comments: .}

EXECUTIVE ACTION ON SB 138

Amendments:

Martha Colhoun explained the amendments for SB 138. (EXHIBIT 4)

Motion/Vote:

SENATOR LYNCH MOVED TO ADOPT THE AMENDMENTS. MOTION CARRIED UNANIMOUSLY.

Discussion:

SENATOR GLASER asked about the wording in the amendment, "been admitted to the practice of law" and should that practice of law be in Montana. SENATOR VAN VALKENBURG said in current law it doesn't talk about Montana. It is an implied requirement that it is practiced in this state and the law will be interpreted this way.

Motion/Vote:

SENATOR LYNCH MOVED SB 138 DO PASS AS AMENDED. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON SB 159

MOTION/VOTE:

SENATOR LYNCH MOVED SB 159 DO PASS. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON SB 207

Motion:

SENATOR LYNCH MOVED SB 207 DO PASS.

Discussion:

SENATOR LYNCH said this is a good bill for small districts and should be passed.

Vote:

MOTION TO DO PASS SB 207 CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON SB 49

Discussion:

SENATOR BILL GLASER said if anybody is big oil in the Legislature it is SENATOR DELWYN GAGE and local governments come in and support big oil because they get some of this money.

Motion:

SENATOR BILL GLASER MOVED SB 49 DO PASS.

Discussion:

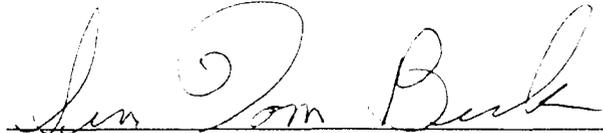
SENATOR LYNCH asked if the cities are for this bill, but the counties are opposed to it. CHAIRMAN BECK said no, they had some concerns with the rates. The rates should be left alone because it won't amount to any significant difference.

Vote:

MOTION TO DO PASS SB 49 CARRIED UNANIMOUSLY.

ADJOURNMENT

Adjournment: 4:25 p.m.



SEN. THOMAS A. "TOM" BECK, Chairman



JODI JONES, Secretary

TB/jj