

**MINUTES**

**MONTANA SENATE  
55th LEGISLATURE - REGULAR SESSION**

**COMMITTEE ON LOCAL GOVERNMENT**

**Call to Order:** By **CHAIRMAN TOM BECK**, on February 11, 1997, at 2:30 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 248, SB 261 posted: 2/3/97  
SB 274 posted: 2/4/97  
SB 280 posted: 2/5/97

Executive Action: SB 221 Tabled  
SB 252 Do Pass as amended  
SB 214 Do Pass as amended

**EXECUTIVE ACTION ON SB 221**

**Motion:** SENATOR DON HARGROVE MOVED SB 221 BE TABLED.

**Discussion:**

SENATOR FRED VAN VALKENBURG said he supports the table but if there is any way to amend the bill then he would support it.

SENATOR J.D. LYNCH said there is a problem still and it needs to be dealt with.

SENATOR MIKE SPRAGUE said the solution seems closer at hand than everyone is making it. Nobody wants to accept liability on these roads but the sportsmen want access. Isn't there an easy way to have access without accepting liability?

CHAIRMAN TOM BECK said there are a lot of roads that are maintained but those off-roads don't have to be plowed or maintained.

SENATOR SPRAGUE said it seems like the posting of a disclaimer sign at the entrance of the road would be sufficient. But the county commissioners from Yellowstone Co. said they can't or won't do that.

SENATOR VAN VALKENBURG said one of the problems is knowing where the entrance of the road is. Another concern is who is a person going to sue if they are hurt or killed on this road because there was no guard rail.

Vote: MOTION TO TABLE SB 221 PASSED 8-1 WITH SENATOR LYNCH voting no.

EXECUTIVE ACTION ON SB 252

Motion/Vote:

SENATOR LYNCH MOVED TO ADOPT THE AMENDMENTS. MOTION PASSED UNANIMOUSLY (EXHIBIT 1).

Motion/Vote:

SENATOR LYNCH MOVED SB 252 DO PASS AS AMENDED. MOTION PASSED UNANIMOUSLY.

EXECUTIVE ACTION ON SB 214

Motion:

SENATOR DOROTHY ECK MOVED TO ADOPT THE AMENDMENTS. MOTION CARRIED UNANIMOUSLY (EXHIBIT 2).

Motion:

SENATOR ECK MOVED SB 214 DO PASS AS AMENDED.

Discussion:

SENATOR LYNCH said why don't the people that have a problem with this go and complain to the incorporated cities that aren't doing their job. There are no problems in Bozeman, Butte or Billings, yet we are requiring municipalities to erect signs designating

parking spaces for persons with disabilities. This is not the state's problem.

**SENATOR ECK** said there have been some questions with municipalities about the \$100 fine. But the other part of the bill that would be effective is to allow citizens to volunteer to give citations to people who do not follow the laws. Police departments are overworked and not funded adequately to do this.

**SENATOR LYNCH** said the bill is leaving in the language on page 1, line 4. The state is ordering the municipalities to do something about this and they have to eat the costs.

**SENATOR ECK** said erecting signs is a function of local governments. On line 18 and 23 the language reads they shall erect and maintain signs. This language could be changed to "may" instead of "shall".

**SENATOR LYNCH** said there is a difference between sub-section 2 and 3. These signs must be erected because they are liable if they don't.

**SENATOR VAN VALKENBURG** said section 1 needs to be struck from the bill and leave in 2.

MOTION/VOTE:

**SENATOR FRED VAN VALKENBURG MADE A SUBSTITUTE MOTION TO STRIKE SECTION 1 IN ITS ENTIRETY.**

Discussion:

**SENATOR SPRAGUE** said how are these junior policemen going to collect. It seems the police would have time to collect a \$100 fee. It could be a mess if civilians got involved.

**SENATOR HARGROVE** said this would create a division among civilians.

**SENATOR ECK** said striking this section would conflict with the amendments.

**Martha Colhoun** said section 49-4302 sub-section 2 talks about the privilege of disabled parking and sub-section 307 talks about the \$100 penalty.

Vote:

**MOTION TO STRIKE SECTION 1 IN ITS ENTIRETY PASSED UNANIMOUSLY.**

Discussion:

**SENATOR VAN VALKENBURG** said we are starting to move toward volunteering among our communities. This is not creating a

problem by having volunteers issue these citations. These people do not have arrest authority, all they can do is write out the ticket. There is a problem with people parking in these spaces and they do not have the authority.

**CHAIRMAN BECK** said if an officer sees a car parked illegally he will put a ticket on the car and the same is true for a parking attendant. There are quite a few people already giving out these tickets.

**SENATOR SPRAGUE** said this is already happening. Other civilians are taking responsibility to tell these folks they are parked in a handicap zone.

Vote:

MOTION TO PASS SB 214 AS AMENDED PASSED 5-3 ON A ROLL CALL VOTE.

{Tape: 1; Side: A; Approx. Time Count: 2:56 p.m.; Comments: .}

HEARING ON SB 261

Sponsor: SENATOR TOM KEATING, SD 5, Billings

Proponents:

Jeff Essman, Yellowstone Co.

Mike Mathew, Yellowstone Co. Commissioners

Opponents:

Brad Martin, MT Democratic Party

Opening Statement by Sponsor:

**SENATOR TOM KEATING, SD 5, Billings,** presented SB 261. He said in Yellowstone Co. there are several precincts. There are two people elected into each precinct, making 140 people on the central committee. The central committee would like a revision where there would be an election of a committee man and women for each whole house district within the county. This elected committee man or woman would represent partial house districts in each county and serve on the central committee. The central committee would appoint precinct committee men and women for each precinct within the county. He said some of these people are elected as a Republican but they help the Democratic side when the next election comes around. The precinct committee person situation doesn't always work, it is cumbersome and there are excessive people on the committee. The large counties need to have committee men and women representing the whole district then they could appoint members for the precinct and this would make the system more streamlined.

Proponents' Testimony:

**Jeff Essman, Billings,** spoke in favor of SB 261. This system is being used in other states. In 1995 there were only 35 elected precinct people and now there are 70 on the central committee. If they did manage to fill the central committee it would be too large of a group to direct the efforts of the chairman or executive board. This would strengthen the democratic process by having a smaller group elected on a house district basis. He said some of the other members in Yellowstone County would rather be elected by precincts than by house districts. He passed out some proposed amendments (EXHIBIT 3).

**Mike Mathew, Yellowstone Co. Commissioner,** spoke in favor of SB 261. Precinct positions are difficult to get people to run for and often they are filled by write in ballots. If a person can get two or three votes usually they are elected and they don't necessarily have party affiliation.

{Tape: 1; Side: A; Approx. Time Count: 3:12 p.m.; Comments: .}

Opponents' Testimony:

**Brad Martin, MT Democratic Party,** handed out testimony from the Yellowstone Co. Democratic Central Committee (EXHIBIT 4). This bill would reduce participation from 70 people down to 30. He said urban counties argue that this is one of the most important charges they have to make that the grass roots of citizen participation reach out into their county. He said often times the best participation is in the house districts. Some of the best, hard working members on the central committee will now be in open competition. While this bill will keep the title, the interest will be lost. The people who run for precinct positions like having a say who their county chair is and the operation of their central committee. The hardest part of this job is convincing people to participate. The central committee encourages citizens to participate and encourages people to run for office.

Questions From Committee Members and Responses:

**SENATOR ECK** asked if Cascade and Yellowstone Co. are the only ones who are affected by this bill. **SENATOR KEATING** said he hadn't counted the house districts in all of the counties.

**SENATOR ECK** said Gallatin Co. has five House districts and half of another one and they are very diverse areas. Some parts are more political active than some of the others and can this affect the activities of each of the precincts? **SENATOR KEATING** said the activities on the central committee and the activities by the precinct committee man and woman are often very different. Precinct committee men and women are involved in the politics of the precinct to get out and vote. But often times those members don't want to participate in the central committee meetings. He

said last year he served on the central committee as an appointed officer and was active in the county. There were only about 15 people that would show up to those meetings but they were very effective in helping the candidates because they were a smaller group.

**SENATOR ECK** asked how would representation to state conventions be decided? **SENATOR KEATING** said he didn't believe it would have any impact. An appointed or elected person could attend.

**SENATOR HARGROVE** asked if the committee member will be the chair of the sub-group. **SENATOR KEATING** said the committee person elected to the house district will be the sub-chairman of the precinct.

**SENATOR HARGROVE** said the delegates would not be the normal precinct members. The committee member is now taking over what a precinct chairman used to do. Who decides who the delegates are to the state convention. **Jeff Essman** said each county central committee elects the number of delegates according to population of the county. The delegates need not necessarily be precinct people.

**SENATOR HARGROVE** asked if under this bill the people elected out of the house district would determine who goes to the convention. **Jeff Essman** said this was correct. It is important that people who are electing people to go to the state convention be elected themselves publicly.

**SENATOR VAN VALKENBURG** asked the sponsor if he was in favor of the amendments. **SENATOR KEATING** said he would like to make it optional so that either party at the county level could or couldn't do it.

**SENATOR SPRAGUE** asked if this would be optional for all counties and both parties. **SENATOR KEATING** said for any county that fell under the six house district limit.

**SENATOR ECK** asked if the Democratic rules were the same as the Republicans. **Brad Martin** said for the most part they are the same.

**SENATOR ECK** said in the election, it is not just committee man and woman who vote, but it is also the county officers. **Brad Martin** said at the state committee it is just the elected officers from the county that go to the state committee. Precinct people are the representatives of the state committee by the four elected positions at the local county level. Precinct people don't directly serve on the state board.

Closing by Sponsor:

**SENATOR KEATING** closed.

{Tape: 1; Side: B; Approx. Time Count: 3:33 p.m.; Comments: .}

HEARING ON SB 280

Sponsor: SENATOR FRED VAN VALKENBURG, SD 32, Missoula

Proponents:

Peter Funk, MT Court Reporters Assoc.  
Bob Nieboer, MT Court Reporter Assoc.  
Bambi Goodman, MT Court Reporters Assoc.  
Russell Hill, MT Trial Lawyers Assoc.

Opponents:

Sheila Cozzie, Lewis and Clark Co.  
Mike Mathew, Montana Assoc. of Counties  
Gloria Paladichuk, Richland Co.

Opening Statement by Sponsor:

SENATOR FRED VAN VALKENBURG, SD 32, Missoula, presented SB 280. This bill would provide for an increase in the base salary of court reporters. The maximum is currently \$30,000 and this bill would raise it to \$35,000. There is a funding mechanism in the bill on page 2 section 2 where the fee will be raised from \$10 to \$20. The maximum salary for court reporters has not been increased since 1991. Court reporters have to deal with inflation plus the demands of increased technology in their profession. Most court reporters now do real time transcripts done on computer that are available immediately.

Proponents' Testimony:

Peter Funk, MT Court Reporters Assoc., spoke in favor of SB 280. He handed out testimony (EXHIBIT 5).

{Tape: 1; Side: B; Approx. Time Count: 3:47 p.m.; Comments: .}

Bob Nieboer, MT Court Reporters Assoc. handed out testimony in support of SB 280 (EXHIBIT 6).

Bambi Goodman, MT Court Reporters Assoc. rose in support of SB 280 (EXHIBIT 7).

Russell Hill, MT Trial Lawyers Assoc., said the fees paid for these salaries will come from the plaintiffs paying their civil fees.

Opponents' Testimony:

Sheila Cozzie, Lewis and Clark Co. opposed SB 280 and said it unfairly increases the salaries of court reporters. Lewis and Clark Co. has an established pay matrix for all employees that is

developed on a competitive market. Court reporters are county employees, they are eligible for all benefits, however their pay is established by the legislature and this causes an internal equity problem. Court reporters traditionally work less than 40 hours per week and at the pleasure of the judge. Lewis and Clark Co. employees have not received the 17 percent increase and have been at a flat rate increase to try and reduce the disparity between upper and lower paid employees. The court reporters will have a 17 percent increase while all other employees will stay at two percent increase. Court reporter jobs are difficult but the raise is unfair to other county employees. It will cost the county \$17,500 to cover this increase and she didn't believe the fees would cover the total cost.

**Mike Mathew, MACo**, opposed SB 280. Court reporters are paid considerably more than other county officials. The district court reimbursement fund does not come back on civil cases so it becomes difficult as to whether this is neutral revenue to every county. The district court fund is in the most critical shape for funding. Counties have had to go to the motor vehicle option tax to offset the cost of the district court fund. These issues need to be dealt with on the local level rather than in statutory.

**Gloria Paladichuk, Richland Co.**, said page 1, line 13 is not accurate as they make thousands of dollars in transcription fees. The county provides the machines, materials, and if the court reporter transcribes anything, the county has to pay \$2.00 per original page, \$.50 for second copies and \$.25 for additional copies. County Commissioners often have to pay claims that are in the thousands of dollars. Often there is not enough money in these small counties and the bill will be paid out of the district court fund or the General Fund.

*{Tape: 2; Side: A; Approx. Time Count: 4:09 p.m.; Comments: .}*

#### Questions From Committee Members and Responses:

**SENATOR LYNCH** asked if transcription was equal or about 50 percent of the salary? **Bambi Goodman** said she grossed \$7215.00 in transcript fees.

**SENATOR HARGROVE** said it is not necessary to pay the maximum increase in this bill but if it is mandated the fee will increase? **SENATOR VAN VALKENBURG** said this was correct. There may be an excess of funds generated by an increase in fees if the maximum salary is not reached for all court reporters.

**SENATOR HARGROVE** asked if there was any liability in this job. **Bambi Goodman** said they have errors and admissions insurance.

**SENATOR HARGROVE** asked who pays for that insurance. **Bambi Goodman** said she did.

Closing by Sponsor:

SENATOR VAN VALKENBURG said court reporters have come up with funding ideas that wouldn't hurt the county. Court reporters work hard, they usually cannot transcribe during the work day because they are in the court room everyday so they transcribe during off time. These are employees of the state court system and this is why the legislature has to be involved.

HEARING ON SB 274

Sponsor: SENATOR FRED THOMAS, SD 31, Stevensville

Proponents:

Dana Huestis, MT Contractor Assoc.  
Millan Foster, United Industry  
Jim Gilman, Gilman Construction  
Arnie Mohl, MT Contractors Assoc.

Opponents:

Alec Hansen, MT League of Cities and Towns  
Jack Lynch, Butte-Silverbow  
J.D. LYNCH, SD 19, BUTTE  
Tom Hardin, Teton Co.  
Bruce Bender, City of Missoula  
Kim Milburn, City of Helena  
Cheryl Patton, City of Great Falls  
Miral Gamradt, City of Bozeman  
Vern Peterson, Fergus Co. Commissioner  
Sam Gianevancisco, Gallatin Co.  
Eric Griffith, Lewis and Clark Co.

Opening Statement by Sponsor:

SENATOR FRED THOMAS, SD 31, Stevensville, presented SB 274. He handed out amendments (EXHIBIT 8). He said the purchase of equipment would go to bid if it was over \$20,000. If there was a maintenance or construction project over \$25,000 it would also go to public bid. Cost effective government is contracting out services that can be done for the least amount of money. In dealing with construction projects there is liability, and passing this on to private companies puts this liability on them rather than the counties. When projects are bid out such as highway department jobs those bids need to comply and the project needs to be done in a timely matter.

Proponents' Testimony:

Dana Huestis, MT Contractors Assoc., spoke in favor of SB 274 (EXHIBIT 9).

**Millan Foster, United Industry,** spoke in favor of SB 274. He said governmental bodies should get out of the construction business and quite competing with the contractors. If governmental bodies want to do it themselves this is fine but if not it should go to public contract. More and more governmental entities are going to private contract. The City of Billings has a program called the "paver program" where every city street in Billings gets something done to it every seven years. A lot of this work is bid out by private contract. He said they are not out to take jobs away from anybody but to help out.

**Jim Gilman, Gilman Construction,** spoke in behalf of SB 274. He passed out testimony (**EXHIBIT 10**).

**Arnie Mohl, MT Contractor Assoc.** said this has been a problem for many years. In the construction business there are a lot of women, minorities and contractors. If the city, county, and state does not bid out some of their work the private contractors are not going to be in business. Contractors pay taxes on equipment, fuel, etc. and without the tax-payers there won't be anybody to pay for the city, county and state workers. The military also wants to get into the contract business and they shouldn't be in this business. He used the example if the general's reasoning was that if they got in a war they needed to have trained people to pave an airport. The General felt he should train their soldiers to be construction workers and his argument was why not take trained people with them to do this. He said, as contractors, they also train people.

*{Tape: 2; Side: A; Approx. Time Count: 4:33 p.m.; Comments: .}*

Opponents' Testimony:

**Alec Hansen, MT League of Cities and Towns,** opposed SB 274. He passed out testimony from the Town of West Yellowstone (**EXHIBIT 11**). Most of the work is already contracted out and it should be a local decision.

**Jack Lynch, Butte-Silverbow,** said public works has one of the highest accountability and they are not in competition with the private sector. Each of these entities have a role to play. All employees pay taxes and the person that benefits from these projects is the tax-payer. He handed out testimony in opposition to SB 274 (**EXHIBIT 12**). Agencies need to respond quickly in times of emergency and the public demands it and they need to be able to deliver promptly.

**SENATOR J.D. LYNCH, SD 19, BUTTE,** spoke in opposition to SB 274. This piece of legislation is aimed right at Butte. In Butte-Silverbow they made sure the ASMI project was going to be completed out of \$482 Million. He said he wanted them to take a look at the Department of Transportation and see the equipment they have and apply this bill to the state and the university system, not only to local government. He said the House just

endorsed a measure where prison laborers are going to start building prisons rather than contracting. It was also suggested that they start building highways. If prison labor is endorsed and they think this bill is a good idea they better oppose prison labor. This bill is against the cities and towns and especially against Butte and it shouldn't be here.

**Tom Hardin, Teton Co.** spoke against SB 274 (**EXHIBIT 13**).

**Bruce Bender, City of Missoula,** rose in opposition of SB 274. He said right now the current law allows jurisdictions to make choices on contracting. There is already the blend here between private and government work. The current law says we must do it fairly and give notice to all available contractors. This bill causes some concern in the area of maintenance. Maintenance includes cleaning sewer lines, cemeteries, parks, traffic signals etc. Where is the private sector going to fit into this area? Right now cities and counties are already making these choices and let them be within the local decision.

*{Tape: 2; Side: B; Approx. Time Count: 4:51 p.m.; Comments: .}*

**Kim Milburn, City of Helena,** said we are all in favor of free competition. There are certain things in city government that will not apply to this bill mainly in maintenance and operations. If this bill passes we are going to see reduced services and operations.

**Cheryl Patton, City of Great Falls,** said each project needs to be evaluated carefully as some are more applicable to private and others to the city. She said the City of Great Falls already has good relationships with contractors.

**Miral Gamradt, City of Bozeman,** said they already do a majority of the public works and on a contract basis.

**Vern Peterson, Fergus Co. Commissioner,** said the bidding process is very difficult. In the summer time when there is a lot of work the prices of bidding fluctuate quite dramatically. The price is not competitive and to have someone come from Missoula to Fergus Co. to put in a culvert is not going to be efficient. Most of the contracting in Fergus Co. is under \$25,000 but these are easy projects. He said often times, the engineering costs are high and if it is contracted out they need the engineering blue prints even for simple projects. This could double the cost of those projects. If a county already has equipment purchased to do maintenance or construction it will be much more efficient. The state has salaries set by law for contractors and they are higher than what the counties pay.

**Sam Gianefancisco, Gallatin Co.** said their county contracts more than any county but this bill will really tie their hands.

**Eric Griffin, Lewis and Clark Co.** spoke in opposition of SB 274. There are approximately 1300 miles of road in Lewis and Clark Co. and 300 are high surface roads. He said under this bill anything that is over 2.27 miles would have to be put out for bid and that is not practical.

Questions From Committee Members and Responses:

**SENATOR LYNCH** asked about the budget for the state maintenance department and why are they not included in this bill. **SENATOR THOMAS** said he thought there was about \$16 Million and most of their projects are bid out.

**CHAIRMAN BECK** said \$25,000 is too low of a cap but \$3 Million is too high. Is there some middle ground here? **Jack Lynch** said there are two issues one being the maintenance and the on going operation of the city. The dollar amount is also very difficult. He said the counties and the cities could find a common amount.

**SENATOR SPRAGUE** said he sponsored a bill for the privatization of projects and in those 13 recommendations, seven where highways. He said they had discussed setting up a council to determine if some counties needed to do it and others not. It was an evaluation by case basis. Would this be applicable in this bill. **SENATOR THOMAS** said he was open to any ideas.

**SENATOR HARGROVE** wanted to know what the year 2000 was for. **SENATOR THOMAS** said he would like that amended to July 1, 1997.

**SENATOR HARGROVE** asked if this would allow for cities and municipalities to wear out and amortize or get rid of some of their equipment. **SENATOR THOMAS** said he didn't know for sure.

**SENATOR HARGROVE** said there are several places that are remote to emergency situations. He said it is not practical in an emergency situation to have it contracted out when the city and towns could be handling it. **Millan Foster** said we are not looking for snow removal to be contracted out. There is a place for municipalities in these areas and we are not looking to contract those out. They would like to contract out the construction maintenance and big projects.

**SENATOR VAN VALKENBURG** said why should the legislature decide on this matter as opposed to the cities or counties? **SENATOR THOMAS** said because it is a statewide issue and affects every community.

**SENATOR VAN VALKENBURG** asked if Stevensville should do it the same as Billings. **SENATOR THOMAS** said no they are not going to do it the same.

**SENATOR ECK** asked if contractors provide health insurance for their workers. **SENATOR THOMAS** said if the state was looking to privatize janitorial services in the State Capitol then this is an issue that would need to be looked at as to if there is proper

health care insurance. He said there are many private organizations that put together health insurance programs. If we strip down benefits just for the cost we may have not saved any money.

Closing by Sponsor:

SENATOR THOMAS said this bill is just clarifying law that is already in statute now. Maintenance is different from construction and this can still be addressed in this bill. He said they would consider a limit on the amount of money to be spent. This bill is not meant to pick on cities especially Butte. The highways may need to be added to this bill to make it stronger because they do bid out construction and maintain on highways.

{Tape: 3; Side: A; Approx. Time Count: 5:15 p.m.; Comments: .}

HEARING ON SB 248

Sponsor: SENATOR KEN MILLER, SD 11, Laurel

Proponents:

Ronda Carpenter, Montana Housing Providers  
John Shontz, MT Association of Realtors

Opponents:

Alec Hansen, MT League of Cities and Towns  
Miral Gamradt, City of Bozeman  
Chris Booth, MT Rural Water Systems  
Hank Endler, St. Marie Water and Sewer  
Kim Milburn, City of Helena  
Bruce Bender, Missoula Co.  
Terrie Casey, City of Helena  
Paul Torok, Seeley Lake Water District

Opening Statement by Sponsor:

SENATOR KEN MILLER, SD 11, Laurel, presented SB 248. He said right now the municipalities and water districts can allow a tenant to put the water and sewer in their name and if they get delinquent they can put that cost onto the landlord. He said this seems totally out of line as it is not the landlord that used the water. He handed out amendments (EXHIBIT 14).

Proponents' Testimony:

Ronda Carpenter, Montana Housing Providers, rose in support of SB 248. She said currently most water and sewer bills can be liened on property. If a tenant has signed in on a contract that they will pay for the bill and they don't pay the water bill, it becomes a tax lien on the landlord's property. To prevent these

liens most landlords pay it themselves and add it into the rent. The cost of water and sewer is rising and it is impossible to adjust rent on a monthly basis based on water usage. When the landlord pays the bill there is no incentive for the tenant to conserve the resource. This bill will not result in tenants being charged to pay for utilities that are shared. This bill will let landlords and tenants in housing where each unit is separately metered to have a contract for who is responsible for the water bill. If the tenant is responsible for the water bill it cannot come back on the landlord's property taxes.

**John Shontz, MT Assoc. of Realtors**, spoke in favor of SB 248. He said if people are renting and they make a contract to pay the water bill, it is their obligation to pay these bills. He said the Montana Power Co. doesn't put a lien on property if the electric bill is not paid. He said a couple years ago in Helena a young couple rented a house to some people. He said they contracted it on a two year lease agreement. When the two years expired the tenants refused to pay and they wouldn't move out. It took two years to get them evicted from the house and during this time there were water and sewer bills that went unpaid and no rent was received. The people that owned the house ended up losing their house. The water company should be the same as the electric company and people should pay their bills.

**Opponents' Testimony:**

**Alec Hansen, MT League of Cities and Towns**, said most cities already require owners to pay their water bills. Owners have to pay the water bill so the tax-payers don't have to take on the responsibility of paying delinquent water bills. There is a big difference between the electric company and the water company in that the sewer cannot be shut off. This is a local issue and shouldn't be decided at the state. In Billings they already do what this bill says.

**Miral Gamradt, City of Bozeman**, said MSU represents a very big part of the population in Bozeman. There are a lot of renters and in order to operate a sufficient water system all bills are placed in the property owner's name. Prior to doing that there were over 300 changes of renters per month and it created a lot of extra work and confusion.

**Chris Booth, MT Rural Water Systems**, spoke against SB 248 (EXHIBIT 15 & 16).

**Hank Endler, St. Marie Water and Sewer**, said this bill is implying that it is perfectly alright for a landlord or rental company to pocket their fees and if it is not paid by the renter then let everyone else in the district pay that fee. He said the water and sewer base rate goes into pay for capital improvement and development. The variable portion covers the daily operating costs. He said as a water district they cannot afford to pick up delinquent payments and the only other alternative is to put

liens on property owners. He turned in testimony from Ron Edwards (EXHIBIT 17).

**Kim Milburn, City of Helena**, said this puts the renter into a special privilege class. It allows the renter to stay in his property and the water cannot be shut off. It takes the landowner out of the responsibility of taking care of his tenants.

**Bruce Bender, Missoula Co.** said their city doesn't have a municipal water system it is private. The question is how do you shut off a water system, it cannot be done and they are dependent on the liens. Water and sewer are the basic utilities we live off of and it can't really be compared to other utilities such as the telephone. Liens are very effective to collect on those \$60,000 per year of water usage that is not paid in Missoula.

**Terrie Casey, City of Helena**, said our water systems are local. These are local issues not statewide issues. She said they own three rental properties and they pay the water and sewer themselves so that the city is ensured payment.

**Paul Torok, Seeley Lake Water District**, handed out testimony against SB 248 (EXHIBIT 18).

{Tape: 3; Side: A; Approx. Time Count: 5:45 p.m.; Comments: .}

Questions From Committee Members and Responses:

**SENATOR ESTRADA** asked if this is a local issue and to simplify the problem why doesn't the landlord just raise the rent and pay the water himself. **SENATOR MILLER** said it is like any other utility and people are not near as conservative unless they are paying it themselves. Many times the landlord does pay the water bill and this is still an option.

**SENATOR ECK** said Montana Power has a silly system where they send a notice to the landlord of a late bill then a few days later they send a notice to disregard because the tenant has paid their bill. Is this bill headed the same way and is it better for the water company. **SENATOR MILLER** said Montana Power can turn off the electricity and the reason the landlord gets a notice of late payment is so they can pay the bill themselves or make arrangements to pay before the power is turned off.

**SENATOR ECK** asked can't the water company also turn off the water if it is not paid? **SENATOR MILLER** said yes it can happen but not every city or building has that capability. He said sometimes the water is separate from the sewer and the sewer can also be shut off but not easily.

**SENATOR VAN VALKENBURG** said what kind of cost is associated with plugging the sewer system. **SENATOR MILLER** said it isn't excavation normally to plug the sewer line there are other methods. The sewer is normally in the landlord's name and they

can work with the water company to shut off the water and if there is no water then the sewer is not a problem.

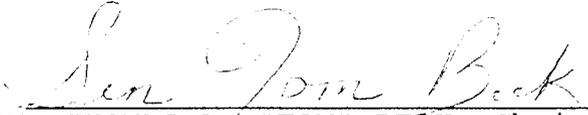
**SENATOR ESTRADA** said what kind of program has the City of Billings adopted. **SENATOR MILLER** said they do not lien the property if a tenant owes for water or sewer.

Closing by Sponsor:

**SENATOR MILLER** said this bill won't affect bond rates. This bill is an option and the property can still be liened. If this is a bad bill then it also makes sense for the landlord to collect all of the other utilities.

ADJOURNMENT

Adjournment: 5:57 p.m.

  
\_\_\_\_\_  
SEN. THOMAS A. "TOM" BECK, Chairman

  
\_\_\_\_\_  
JODI JONES, Secretary

TB/jj