

MINUTES

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

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **CHAIRMAN TOM BECK**, on March 11, 1997, at 3:48 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: HB 197, HB 210, HB 190
Posted: 2/24/97

Executive Action: HB 197 Be Concurred In
HB 201 Be Concurred In

HEARING ON SB 197

Sponsor: REP. BILLIE KRENZLER, HD 17, Billings

Proponents:

Doug Streeter, City of Billings
Alec Hansen, MT League of Cities and Towns

Opponents: None

Opening Statement by Sponsor:

REP BILLIE KRENZLER, HD 17, Billings, presented HB 197. This bill will help the cities' consolidated lighting districts thus reducing administrative costs to the districts and savings to property owners. It will increase the bonding from eight years to 10 years as there has not been a change in the bonding since the early 1950's and costs have increased greatly over the past 40 years. The City of Billings currently has 152 lighting districts and two-thirds are owned by Montana Power. They would like to consolidate these districts over a period of years. Right now they are looking at consolidating eight districts into two. There will be a public hearing before this process would take place and the vote would be by a majority of the city council.

Proponents' Testimony:

Doug Streeter, City of Billing spoke in favor of HB 197 (EXHIBIT 1).

Alec Hansen, MT League of Cities and Town, rose in support of SB 197. This bill will apply more effective and economic practices to municipal lighting districts. It is a good idea to extend the bond period and lengthen those payments over a period of time making it more affordable.

Opponents' Testimony: None

Questions From Committee Members and Responses:

SENATOR SHARON ESTRADA said she lives in the older district of Billings and had to fight to keep those older king pole lights and will these lights be in jeopardy. Mr. Streeter said no it won't hurt them, this bill is just consolidating the districts.

SENATOR MIKE SPRAGUE asked when was the eight years put into law. Mr. Streeter said he wasn't sure but it was sometime in the 1950's.

SENATOR SPRAGUE asked by consolidating would it be cheaper and would the interest rate affect this. Mr. Streeter said cheaper is not the best word as interest does go up, but they are making it more affordable each year.

Closing by Sponsor:

REP. KRENZLER closed on HB 197.

{Tape: 1; Side: A; Approx. Time Count: 4:01 p.m.; Comments: .}

HEARING ON HB 201

Sponsor: REP. BILLIE KRENZLER, HD 17, Billings

Proponents:

Mike Mathew, Yellowstone Co. Commissioner

Opponents: None

Opening Statement by Sponsor:

REP. BILLIE KRENZLER, HD 17, Billings, presented HB 201. She said currently the counties must conduct yearly inventories of all their tools and equipment. It is a very time consuming job and the counties would like to be able to conduct this inventory every two years instead of annually.

Proponents' Testimony:

Mike Mathew, Yellowstone Co. Commissioner, rose in support of SB 201. He said their county finds this cumbersome and unnecessary.

Opponents' Testimony: None

Questions From Committee Members and Responses:

SENATOR ESTRADA asked how much money would this save? Mike Mathew said he is not certain any money would be saved.

SENATOR SPRAGUE said in business they do their inventories annually because of property tax values. But it is done also because they need to keep track of that inventory. Tools are misplaced and how can one keep track of that every two years? Mike Mathew said this will not change operational standards. This bill addresses desks, chairs, etc. and things that are very mobile are watched carefully.

SENATOR SPRAGUE said the bill says tools, machinery and equipment, does the county do regular inventory on this? Mike Mathew said they do a tool inventory at the shop almost on a monthly basis. This is just looking at decreasing the paperwork.

SENATOR FRED VAN VALKENBURG asked what business is it of the state legislature to tell these counties to do an inventory or not. Mike Mathew said if they didn't do an inventory they could be subjected to an audit.

SENATOR VAN VALKENBURG said if Yellowstone Co. wants a clean audit they will make sure an inventory is done. Mike Mathew said the committee can repeal the entire statute if that is appropriate.

CHAIRMAN TOM BECK asked if Yellowstone Co. had been written up by the auditor for not complying with this law. Mike Mathew said no.

Closing by Sponsor:

REP. KRENZLER closed on the bill.

{Tape: 1; Side: A; Approx. Time Count: 4:09 p.m.; Comments: .}

EXECUTIVE ACTION ON HB 197

Motion:

SENATOR J.D. LYNCH MOVED HB 197 BE CONCURRED IN. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON HB 201

Motion:

SENATOR ESTRADA MOVED HB 201 BE CONCURRED IN.

Discussion:

SENATOR VAN VALKENBURG said we should not be involved in this and let the counties make their own decision.

SENATOR BILL GLASER asked if this could be converted to a repealer. Martha Colhoun said she didn't think that could be done.

CHAIRMAN BECK said he didn't think this entire section could be repealed.

SENATOR LYNCH said lets pass the bill the way it is and if it is a big deal the next legislature can deal with it.

Vote:

MOTION THAT HB 201 BE CONCURRED IN PASSED UNANIMOUSLY.

HEARING ON HB 190

Sponsor: REP. SHEILL ANDERSON, HD 25, Livingston

Proponents:

Bill Adamo, MT Assoc. of School Business Officials
Lynda Brannon, MT Assoc. of School Business Officials
Don Waldron, MT Assoc. of Superintendents

Opponents:

Marcia Porter, Local Government Record Committee.
Mary Pippen, MT Clerks of District Court

Opening Statement by Sponsor:

REP. SHEILL ANDERSON, HD 25, Livingston, presented HB 190. This bill requires a local government records committee to adopt a schedule of retention and disposition to where local government entities and school districts can determine whether they need to keep certain documents. The current process to dispose of these records is very cumbersome. The Local Government Record committee should put together a permanent list of things that can be disposed of such as phone messages etc. then school districts won't have to go through the formal process of disposing records.

Proponents' Testimony:

Bill Adamo, MT Assoc. of School Business Officials, passed out testimony in support of HB 190 (EXHIBIT 2).

Lynda Brannon, MT Assoc. of School Business Officials, said the legal definition for a record is defined in 2-6-401 fits such items as telephone messages. If there was a record disposition schedule it would allow for a lot more control of what is saved and thrown away. Clerks that destroy old, useless, out-of-date information are breaking the law. Any claim, voucher, bond or treasurer's general receipt may be destroyed by any county or school officer after a period of five years. Schools have to get permission from the Records Disposal Sub-committee even though that law is clear. This is cumbersome and takes up useful space. She said other states such as Indiana have a schedule for all county governments to look at. The committee does not have to begin from scratch as they can follow what other states have done. In order to keep the school retention current and up to date it could be placed on the internet. If the cost of that annual publication is a problem then their organization will volunteer to publish it.

Don Waldron, MT Assoc. of Superintendents, spoke in favor of HB 190. He read a letter from Rachel Vielleux (EXHIBIT 3).

{Tape: 1; Side: A; Approx. Time Count: 4:27 p.m.; Comments:}

Opponents' Testimony:

Marcia Porter, Local Government Record Committee, opposed HB 190. This committee was founded for the protection and preservation of local government records. She said the state already had a records committee and the local governments felt they needed one to protect their own records. She said the school district is the only one opposing the creation and destruction approval process. These records need to be protected for a historical, fiscal, administrative, and legal aspect. The local government record committee is non-funded and assumes this work on top of their regular duties. The cost of the last retention schedule was split by their own budgets, the Clerk and Records of Jefferson Co., the State Archivist, and her office in Missoula Co. There is

already a school retention schedule being formed, but these things take a long time to create. She said she doesn't know why schools wouldn't want their records reviewed of approval. It takes less than two weeks to receive approval of disposal. She gave out 19 letters opposing this bill (**EXHIBIT 4**). It would almost be impossible to print and distribute retention schedules annually because there are not the funds or staff to do this. The intent behind this committee is to preserve and protect the local government records.

Mary Pippen, MT Clerk of District Court, opposed HB 190. Documents of court litigation are very important and need to be retained for historical use. The Local Government Record Committee review is an important safe guard against destruction of records important for litigation and historical purposes. She said they oppose section 2 of the bill because if one agency is exempt from a schedule it corrupts the whole intent of the records retention.

Questions From Committee Members and Responses:

SENATOR DON HARGROVE asked if there is a standard list that all of the counties use. **Marcia Porter** said that is one of the things included in the retention schedule and the hardest part is doing an inventory on those records. She said sometimes a record may have five names over a period of 150 years. They also determine how long they need to keep the record if there were no statute saying how long it needed to be retained.

SENATOR HARGROVE asked how do they narrow down the amount of records to fit onto one list. **Ed Eaton, State Record Management**, said first there is a general schedule of those records that are common to each state agency. Then each agency has the legislative responsibility to create a retention schedule that is unique to their function and they are not published. These schedules are done because if an agency is audited then they have proof of what was done.

SENATOR HARGROVE asked why is the consultant referred to in the fiscal note. **Ed Eaton** said originally they were concerned there would be fees for publishing the schedule. As it is now all the people on the Local Government Committee are volunteers and there are no funds for publishing the schedule. **Kathryn Otto, State Archives**, said the reason for the consultant was that the retention schedules could be done faster.

SENATOR SPRAGUE said this committee was created in 1993 and has seven members and what is the budget for that committee? **Marcia Porter** said she didn't know for sure, they have no funding and work on their own time.

SENATOR SPRAGUE asked if the committee members meet in Helena and they are paid per diem? **Marcia Porter** said yes that was correct. Mileage comes out of their own personal budget.

SENATOR SPRAGUE said who is on this committee. **Marcia Porter** said the committee has three state employees, three county employees and one city employee.

SENATOR SPRAGUE asked if the local governments pay for their travel. **Marcia Porter** said that was correct.

SENATOR SPRAGUE asked if this bill's main focus was to make a time certain. **Marcia Porter** said yes and make sure they are published annually. This bill should not exclude schools because they are a local government entity too.

SENATOR SPRAGUE said in the fiscal note it says the state will absorb the cost of this bill and if not the local governments will. Who is it that is going to pay? **REP. ANDERSON** said the amendment that was put on by the House would eliminate the need for the consultant after the first year. There should be an administrative budget left over for the committee to use so the state and the local governments don't have to pick up these costs. But the state will pay for the cost of this bill.

SENATOR ESTRADA said if this bill was put in place would records that are 40 years old be hard to find or not in place any more. **Marcia Porter** said each record has to be looked at in a historical aspect because otherwise they are easy to throw away and this is why the committee was formed.

SENATOR HARGROVE asked how often is there not unanimous disposal of a record by the committee. **Kathryn Otto** said it has never happened.

SENATOR HARGROVE asked if **Kathryn Otto** was on the committee. **Kathryn Otto** said she is on the destruction sub-committee.

Closing by Sponsor:

REP. ANDERSON said the school districts are dealing with these receipts all the time and they are only asking the Local Government Committee to consider including in the disposition schedule those things they had agreed to dispose of anyway. These retention schedules are already being formed in other units of local government and they should have one for the schools also.

ADJOURNMENT

Adjournment: 4:55 p.m.



SEN. THOMAS 'A. "TOM" BECK, Chairman



JODI JONES, Secretary

TB/jj