

**MINUTES**

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

**COMMITTEE ON LOCAL GOVERNMENT**

**Call to Order:** By **CHAIRMAN TOM BECK**, on March 27, 1997, at 3:08 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 461, HB 518, HB 531, HB 556  
Posted: 3/13/97

Executive Action: HB 461 Be Concurred In  
HB 518 BCI as Amended  
HB 531 BCI as Amended  
HB 248 BCI as Amended  
HB 240 BCI as Amended  
HB 508 BCI as Amended  
HB 408 Be Concurred In  
HB 369 BCI as amended  
HB 556 Be Concurred In

HEARING ON HB 461

Sponsor: REP. DIANA WYATT, HD 43, Great Falls

Proponents:

Tim Magee, City of Great Falls

Jerry Sepich, Park and Recreation Director of Great Falls

Opponents:

John Shontz, MT Assoc of Realtors

Opening Statement by Sponsor:

REP. DIANA WYATT, HD 43, Great Falls, presented HB 461. This bill is an act authorizing park, forestry and street maintenance districts to have improvements in those districts to be provided by resolution or ordinance. She said many people in the City of Great Falls wanted improvements in the Mountain View area concerning their parks and this bill is a response to community needs.

Proponents' Testimony:

Tim Magee, City of Great Falls, said this bill is a tool for their neighborhoods. He said right now they have statutes that allow for park improvements by creating an SID and people in the community are charged 8-20 years for these improvements. However, this is not clear in the statutes as to how to form a maintenance district and give people a voice over the matter. There are street maintenance districts that allow people to comment on whether a district should be formed or not. People would like to have a voice about their neighborhood parks. He said they would like to avoid having a special improvement district in which they would have to put a long term assessment on the property. Maintenance districts are done yearly and can be cancelled if they do not serve their purpose.

Jerry Sepich, Park and Recreation Director of Great Falls, said this would allow the industry some flexibility. He said numerous times they get calls encouraging increased maintenance in neighborhood parks. But because the funding is tied to the General Fund there is only so many dollars they are allowed to work with. This bill will allow for more flexibility and a way to fund those projects.

Opponents' Testimony:

John Shontz, MT Assoc. of Realtors, said one of the things the legislature is attempting to do is cap property taxes. If property taxes are capped, do they want to increase fees? He said fees for services are not deductible. If there is a need, then local governments should have the flexibility to go to the voters

and ask for an increase in property taxes. This is a better option than having increased fees.

Questions From Committee Members and Responses:

SENATOR DOROTHY ECK asked if a district is formed what are the assessment fees? REP. WYATT said they are the same as any current maintenance district and it depends on the cost of the improvements of the park. This can be protested and it won't come from the city, but from the people in that community.

SENATOR ECK asked if these are done on an annual basis? Tim Magee said they would set up a budget based on community input and what they wanted for the park. The total cost is divided out by the assessment method and that becomes the assessment. This has to be done every year and the neighborhood decides if they want this assessment district.

CHAIRMAN TOM BECK asked if this is set up by resolution only? REP. WYATT said this is set up by resolution or ordinance.

CHAIRMAN BECK asked if there had to be at least 50 percent of the owners within the area to stop a district from being formed. REP. WYATT said that was correct.

Closing by Sponsor:

REP. WYATT said it is interesting that the realtors came in and opposed this bill because when looking for property she looks for schools, parks, etc. In Great Falls, the city property taxes last year on a \$100,000 home were \$342.00. The 6 percent real estate on that same house is \$6000. The assessments for maintaining boulevards in Great Falls average about \$45.00 per year. Cities and towns have used special districts for many years to appropriate the cost of fire hydrants, street lights and maintenance. This insures that property owners pay a fair price for the services they receive.

EXECUTIVE ACTION ON HB 408

Motion/Vote:

SENATOR ECK MOVED HB 408 BE CONCURRED IN. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON HB 369

Motion/Vote:

SENATOR FRED VAN VALKENBURG MOVED TO ADOPT THE AMENDMENTS TO HB 369 (EXHIBIT 1). MOTION CARRIED UNANIMOUSLY.

Motion/Vote:

SENATOR VAN VALKENBURG MOVED HB 369 BE CONCURRED IN AS AMENDED.  
MOTION CARRIED UNANIMOUSLY.

{Tape: 1; Side: A; Approx. Time Count: 3:28 p.m.; Comments: .}

HEARING ON HB 518

Sponsor: REP. DAVID EWER, HD 53, Helena

Proponents:

Bob Gilbert, MT Volunteer Fire Assoc.

Opponents: None

Opening Statement by Sponsor:

REP. DAVID EWER, HD 53, Helena presented HB 518. This bill is a clean up bill in several areas of Title 7. This bill allows cities to borrow under a contract without the vote of the people. He said they now have counties being able to borrow up to \$.5 Million per project without a vote. He said both fire districts and rural fire service areas can borrow against their budget without any particular limit as long as they stay within their budget. Counties have to stay within their budget and they cannot exceed I 105 and they can't put this debt onto the taxpayers. He said if it is voted on by the people then that debt can be put on the taxpayers outside I-105.

This bill is also a clean-up on amortized bonds. He said the statutes give preference to these types of bonds but nobody ever uses them and this part is being stripped out of the statutes. He said two years ago the legislature authorized the creation of a reserve fund. The proceeds of that fund goes to the revolving fund and if that fund is over-funded, governments can take that money. This bill will allow the final payments from the reserve account to be able to pay off those bonds. He said people like to buy municipal bonds at a discount rate. However, when this law was passed last session the refunding bonds were left out and this bill is just clarifying that.

Another area this bill covers is if a person were an appointed official, that person has to live in the city. There needs to be some flexibility here and if someone wants to live out of the city limits they should be allowed to do that by a decision of the local government. The next thing this bill does is for Butte, which has the largest superfund site in America and they want the ability to form multi-jurisdictional agreements between Anaconda and Deer Lodge so they can help reclaim this. He said another thing this bill covers is reinserting the formation of a water and sewer district and the ability to use a mail ballot.

To form a water and sewer district there has to be a 40 percent turnout to begin with. This would put the ability of using a mail ballot back in to get those voter turnouts. Another area of this bill is fire districts can borrow money by bonds or by a loan. A fire district can borrow up to 18 percent of the taxable value but a rural fire service area can only borrow seven percent. These two districts need to be equal on their borrowing power. Rural fire service areas don't get any tax money to begin with as their money comes totally from fees on properties. The final area this bill addresses is that governments can't borrow money to repair a swimming pool. These maintenance costs are expensive and they need this borrowing power.

Proponents' Testimony:

**Bob Gilbert, MT Volunteer Fire Assoc.** said rural fire service areas should have flexibility to increase the loan power from seven to 18 percent. People that work in those areas are volunteers and they need that equipment.

{Tape: 1; Side: A; Approx. Time Count: 3:46 p.m.; Comments: .}

Opponents' Testimony: None

Questions From Committee Members and Responses:

**SENATOR MIKE SPRAGUE** passed out amendments to HB 518 and discussed them (**EXHIBIT 2**).

**SENATOR VAN VALKENBURG** said the current limit on the rural fire service areas is more of a protection against home owners than giving them the power to borrow more. How does this work with the seven percent? **Bob Gilbert** said the numbers were set to keep the borrowing power lower. However, when it affects the ability of the fire service provider to run that service they need more flexibility. He said districts would rather be strong and able to fight fires, than being able to barely get by.

**SENATOR BILL GLASER** asked if these assessments have to be voted on before they can borrow. **Bob Gilbert** said he was not sure, but because this is a paid service it allows them to borrow on their assets which is their own money, it is not tax money.

**SENATOR ECK** asked what the reason was for going to 18 percent? **REP. EWER** said the current law for fire districts is 18 percent of taxable value. He said if a service area wants a \$50,000 loan and they have a \$14 Million tax base to cover that, it can't be reached with only seven percent. It would be much easier to have both of them at 18 percent.

**SENATOR ECK** asked how many other districts deal with fire suppression. **REP. EWER** said it is divided out to full time municipal authority and they have the same bonding as municipalities. There are rural fire service areas, fire

districts, county suppression in unincorporated areas, and private fire companies.

Closing by Sponsor:

REP. EWER closed on HB 518.

HEARING ON HB 556

Sponsor: REP. ED GRADY, HD 55, CANYON CREEK

Proponents:

Gayla Hall, Lewis and Clark Conservation District  
Mike Volesky, Montana Assoc. of Conservation Districts

Opponents: None

Opening Statement by Sponsor:

REP. ED GRADY, HD 55, CANYON CREEK, presented HB 556. He said this bill revises the membership for joint or consolidated city county planning boards. He said currently there is a law providing for a conservation district membership, but if a joint or consolidated planning board is formed by inner or local government agreement, conservation districts are excluded from membership. Conservation districts can contribute and provide a great deal of information for land management planning concerning grazing, weed control, streams and other areas.

Proponents' Testimony:

Gayla Hall, Lewis and Clark Conservation District spoke in favor of HB 556 (EXHIBIT 3).

Mike Volesky, MT Assoc. of Conservation Districts, spoke in favor of HB 556. He said this situation only exists in the Lewis and Clark Conservation District, but has the potential of existing in other districts.

Opponents' Testimony: None

Questions From Committee Members and Responses:

SENATOR ECK asked what the membership of these boards will be. Mike Volesky read the current statutes on the membership of the county planning boards and how they are appointed.

Closing by Sponsor:

REP. GRADY said this was overlooked in the original statutes and is a clean up measure.

{Tape: 1; Side: B; Approx. Time Count: 4:04 p.m.; Comments: .}

EXECUTIVE ACTION ON HB 556

Motion/Vote:

SENATOR ESTRADA MOVED HB 556 BE CONCURRED IN. MOTION PASSED UNANIMOUSLY.

EXECUTIVE ACTION ON HB 518

Discussion:

SENATOR ECK asked what the intent of the amendment was (EXHIBIT 2). SENATOR SPRAGUE used the example of a local government requiring a private business to keep records. The local government describes the form and the content of that record, but they cannot tell them what kind of method to use to keep those records.

SENATOR ECK asked if a business could send their information in on a yellow pad? SENATOR SPRAGUE said that was correct.

Motion/Vote:

SENATOR BILL GLASER MOVED TO ADOPT THE AMENDMENTS (EXHIBIT 2). MOTION CARRIED UNANIMOUSLY.

Motion/Vote:

SENATOR GLASER MOVED HB 518 BE CONCURRED IN AS AMENDED. MOTION CARRIED UNANIMOUSLY.

HEARING ON HB 531

Sponsor: REP. EMILY SWANSON, HD 30, Bozeman

Proponents:

Jan Sensibaugh, Department of Environmental Quality  
Gordon Morris, MACo  
Bob Gilbert, MT Tow Truck Assoc.  
Richard Corrigan, Missoula Co. Junk Vehicle Program

Opponents: None

Opening Statement by Sponsor:

REP. EMILY SWANSON, HD 30, Bozeman, presented HB 531. This bill is to improve the administration of the junk vehicle program. The junk vehicle program has been in place since 1973. Its purpose is to dispose of junk vehicles which are vehicles that have no salvage value. The funding mechanism is the county charges fifty cents on each yearly license renewal. A \$1.50 is collected on any title transfers and is given to this program. The scrap metal that is sold from these vehicles is also retained. All of this money is sent to the state and then redistributed to each county

by a formula. In current law, it is limited as to how much money can be sent back to the counties, it is \$1.00 per junk vehicle collected that goes back. This bill will raise this cap from \$1.00 to \$1.25. The EPA says all fluids must be drained before it can be crushed, but there is no money to do this. Because of the \$1.00 cap and the amount of money that has come in from the scrap metal the state fund has a surplus. This bill also says if a county does not have enough money to administer their program completely then they don't have to process those junk vehicles if they can't do it properly.

Proponents' Testimony:

Jan Sensibaugh, EQC, spoke in favor of HB 531 (EXHIBIT 4).

Gordon Morris, MACo, rose in support of HB 531.

Bob Gilbert, MT Tow Truck Assoc. said this bill is a partial solution to the problem the counties address concerning the junk vehicle program. The twenty-five cent increase is only for the approved program that the county may have. He said if they don't figure out a way to address the fluids for EPA standards they will get dumped on the ground. This does not have to be a county program as they can contract with private organizations to do this work.

Richard Corrigan, Missoula Co. Junk Vehicle Program, said his costs have gone up by 50 percent, over the last year, to take the fluids out of these vehicles. The money is already there and it will not be an increase in fees or taxes.

Opponents' Testimony: None

Questions From Committee Members and Responses:

SENATOR LYNCH asked if the money that would come out of the junk vehicle fund would be about \$400,000 for the biennium. REP. SWANSON said there is a surplus in the fund right now and this will allow some of that money to move out into the counties.

SENATOR LYNCH asked if this money will only go to those counties that have a fluid disposal program. REP. SWANSON said no it is not limited to just those counties that have the program, it goes to all counties.

SENATOR LYNCH said the towers that are picking up these abandoned vehicles usually drain the fluids and how will this aid them. REP. SWANSON said there is a difference between a junk vehicle and an abandoned vehicle. Junk vehicles normally don't go through a private salvage yard. The county can pay the tower to do this if they like.

**SENATOR LYNCH** said in Silver-Bow County the junk vehicles go through a tower and he drains the fluids. **REP. SWANSON** said each county has their own program.

**SENATOR LYNCH** asked if the money might run out in this fund if too much is given back to the counties? **REP. SWANSON** said they are not increasing fees to do this. If they send the money out faster the counties will be able to sell the metal and process more vehicles and collect more money. They are leveraging that this surplus will last until the year 2004.

**CHAIRMAN BECK** asked if there would be a fee increase when the fund runs out. **REP. SWANSON** said if they want a junk vehicle program, there is no guarantee that the fees won't be increased.

**SENATOR ESTRADA** asked **Bob Gilbert** to respond on this matter. **Bob Gilbert** said this twenty-five cent increase would only be used for those counties that have an approved fluid disposal program.

**SENATOR GLASER** said a vehicle has at least two hazardous fluids in them; antifreeze and free-on. Then there are also the oils and it takes a lot of equipment to handle these fluids properly. **Bob Gilbert** said he was correct in that those fluids are hazardous. Someone has to drain these fluids before they can be taken into the crusher. Each county has their own way of taking care of these fluids.

**SENATOR GLASER** asked if they had to pump the antifreeze out. **Bob Gilbert** said currently free-on is worth so much money that it is worth pumping out.

*{Tape: 2; Side: A; Approx. Time Count: 4:30 p.m.; Comments: .}*

**SENATOR HARGROVE** asked if the twenty-five cent increase was enough to cover the problem. **Bob Gilbert** said the counties are just starting to realize, with the EPA standards being put in place, that they are not equipped to handle the removal of the fluids. The twenty-five cent increase will help cover this problem.

**SENATOR HARGROVE** asked if the increase it going to be enough for those counties that do have a junk vehicle program. **Bob Gilbert** said the counties know it is going to cost them a lot of money to put in a proper fluid draining facility. Ideally what they would like to do is turn it back over to the state. However, this won't work as they would have to hire 50 or more people to go out into the counties and do this work.

**SENATOR ECK** asked if the money they receive is adequate to cover the program. **Bob Gilbert** said the money they receive right now is adequate to cover the collection, but not the additional cost of the fluid removal.

**SENATOR ECK** said the EPA is requiring them to do this and unless they don't have the program they will not get the extra twenty-five cents. But would the twenty-five cents be sufficient? **Bob Gilbert** said he didn't think the extra twenty-five cents should be used on another program, it should only be used in the fluid program. This would give the counties an incentive to develop a fluid disposal plan.

**SENATOR LYNCH** asked how the money would get distributed to a multi-county program. **Jon Dilliard, EQC**, said multi-counties have a cooperative agreement that the money will go into a pool and is used for the entire district.

**SENATOR LYNCH** asked why should those counties that don't have a fluid program get extra money. And what do counties do if they don't have a fluid disposal program. **Jon Dilliard** said the counties that don't have the program, the crusher usually takes care of the fluids, but they usually don't like to do it.

**SENATOR LYNCH** asked why should they give them additional money if they don't have a fluid disposal program. **Jon Dilliard** said the money that the counties receive is in the form of grants, and they have not changed over the life of the program. All junk vehicle programs are falling behind whether they have a fluid removal program or not.

**CHAIRMAN BECK** asked the sponsor if she had a problem if the bill was amended. **REP. SWANSON** said this bill was brought to her by her county commissioners and their complaint was they did not have adequate funds to pay for their junk vehicle program. The biggest reason they couldn't fund it was because of more regulations. The junk vehicle program is a mess right now because they don't have the adequate funds or facilities to drain the vehicles, etc. The idea is to move the money out better and get it back into the counties so they can use it.

**CHAIRMAN BECK** said they need to have the program first. **REP. SWANSON** said she agreed.

**CHAIRMAN BECK** asked the **EQC** if they would be in opposition to an amendment. **Darrell Stankey, EQC**, said new facilities have to be licensed. The county yards are 90 to 100 percent up to standard of following EPA laws. However, smaller counties with a small grant funding structure are trying to figure out a way to deal with EPA standards. He said their organization would not be opposed to an amendment.

**CHAIRMAN BECK** asked would the amendment hurt the smaller counties. **Mr. Stankey** said if the amendment was put on, it would have an impact on the counties regardless of their size.

**SENATOR SPRAGUE** asked if they indicated a time certain, would this be agreeable. **Mr. Stankey** said the time certain does need to be considered. The fluid issue needs to be up to speed and

counties need to know what the requirements are and pre-plan to deal with this issue. If they want to protect the counties, public, and state from the exposure of these regulations they need to make this more of an issue.

**SENATOR SPRAGUE** asked if the counties would have a problem with a time certain amendment. They can receive the money, but they have to implement a fluid disposal program with a certain time frame. **Gordon Morris** said they have worked with the department in educating these counties, but it has been low priority. If more money was put into the program it would move in the right direction.

**SENATOR HARGROVE** asked if there is a problem with fairness between the small counties and the large counties that have proper facilities. **Mr. Stankey** said if they start putting in too many restriction it could be very detrimental. However, on the other side if they don't have some kind of parameter for them to follow then it leaves the door open for them to use the money for other things.

**SENATOR LYNCH** asked if this bill and SB 252 pass, will there be sufficient money to fund the junk vehicle program. **Jon Dilliard** said that depends on the scrap metal market, but it is projected to last until 2004. At that time the program will be at a break even point and they will either have to increase the fees or the department will have to find other means of funding.

**SENATOR LYNCH** asked when a tower picks up a vehicle do they remove the fluids. **Jon Dilliard** said if the county contracts with the tower, they will remove the fluids.

**SENATOR VAN VALKENBURG** asked if they should put in a sunset of 2004. **Jon Dillard** said that would work, but they also have to consider if the markets will stay the same as they are now. It is hard to say what the scrap metal market is going to do.

Closing:

**REP. SWANSON** said this is a good bill. She said on page 2, line 29-30 it says if there is adequate money the department may increase the money from \$1.25 to \$2.00.

{Tape: 2; Side: A; Approx. Time Count: 4:53 p.m.; Comments: .}

EXECUTIVE ACTION ON HB 461

Motion/Vote:

**SENATOR ECK** MOVED HB 461 BE CONCURRED IN. MOTION PASSED 8-1 WITH **SENATOR ESTRADA** VOTING NO.

EXECUTIVE ACTION ON HB 248Amendments:

SENATOR GLASER explained the amendments (EXHIBIT 5).

Motion:

SENATOR GLASER MOVED TO ADOPT THE AMENDMENTS (EXHIBIT 5).

Discussion:

SENATOR ESTRADA wanted to know what was going to happen to the three retirement homes in Billings? **Maureen Rude, Board of Housing**, said they don't know what will happen to the rest of these homes, it is still up to Congress. There are nine that have gone through a process and have gotten approved and will be sold to non-profit organization.

SENATOR LYNCH asked who will own these nine units? **Maureen Rude** said the owners of the property will be the non-profit organizations that have already agreed to buy these homes.

SENATOR LYNCH asked without the \$800,000 that was taken out of HB 2 is there still a viable option on the sale of bonds. **Carroll South, Board of Investments**, said their board normally doesn't make a loan unless they think it is going to be paid back. The board looks at the interest rate and the \$800,000 is just one of the variables.

SENATOR VAN VALKENBURG asked if it is within the discretion of the Board of Investments to determine if variable rate bonds are appropriate financing mechanisms or not. He asked if fixed rate bonds would be better and could those bonds be above five percent. **Carroll South** said they could not be above the five percent because the rent would have to be increased.

SENATOR ECK asked if the board looks at the credibility of these non-profit agencies. **Maureen Rude** said the previous nine agencies have been approved by HUD and their organization also does a complete review of these organizations.

CHAIRMAN BECK asked if there would be a lot of housing come on the market as a result of this. **Dick Brink, HUD**, said this group of nine is a unique group. These are the only nine that have the capability to sell under these terms. There are other owners that want to pay off the mortgage and put their housing into the general market and if this is done, affordable housing will be gone. The rent is just one piece of this puzzle. As part of the purchase package, owners and potential buyers are also planning on using federal tax credits. There are rent limits tied to this program, they must be affordable to people that are under 60

percent of the average immediate income. The interest rate determines what the gap is.

**SENATOR SPRAGUE** said this was a 40 year loan and purchasers have the option to opt out of this agreement in 20 years. What is the federal government's responsibility in a 40 year commitment? **Dick Brink** said these owners that built these complexes did so with a 40 year mortgage and it is federally insured. The owners could prepay that mortgage and remove all restrictions after serving this population for 20 years.

**SENATOR SPRAGUE** asked what experience does a non-profit bring to the market place and are they capable of paying off mortgages etc. **Dick Brink** said this is bothersome and they look at non-profits very closely. There is also federal backing with these mortgages.

Vote:

MOTION TO ADOPT THE AMENDMENT PASSED UNANIMOUSLY.

Motion:

SENATOR LYNCH MOVED HB 248 BE CONCURRED IN AS AMENDED.

Motion:

SENATOR SPRAGUE MADE A SUBSTITUTE MOTION TO TABLE HB 248.

Discussion:

**SENATOR LYNCH** said if there is a way they can save some people from going under, then they need to pass this bill. The loans won't be granted unless there is assurance of having them paid back.

**SENATOR SPRAGUE** said the Board of Investments is nervous and they won't give anybody a guarantee. The non-profits are in over their head, and the profit organizations need to be the ones who are doing this. The rent will go up either way.

**SENATOR GLASER** said if they put this money forward to the state program and they fail, there is still a recourse back to HUD. **Dick Brink** said they have 100 percent insurance on that loan if it goes into default and it will be guaranteed by FHA. **Carroll South** said the principle will be guaranteed, but the interest rate risk will not be guaranteed.

**SENATOR SPRAGUE** asked how can two organizations be in charge. **Maureen Rude** said there would be two loans both insured by HUD. As time goes on, the Board of Investments would be in charge and it would be insured by HUD.

SENATOR MCNUTT said the risk is the gap between the variable rate and the fixed rate.

Vote:

MOTION TO TABLE HB 248 FAILED 3-6 WITH SENATOR ESTRADA, SEN, SPRAGUE, AND SEN. HARGROVE voting yes.

Vote:

MOTION THAT HB 248 BE CONCURRED IN PASSED 6-3 WITH SENATOR ESTRADA, SEN SPRAGUE, AND SEN HARGROVE voting no.

EXECUTIVE ACTION ON HB 240

Motion:

SENATOR VAN VALKENBURG MOVED HB 240 BE CONCURRED IN. MOTION CARRIED UNANIMOUSLY.

{Tape: 2; Side: B; Approx. Time Count: 5:25 p.m.; Comments: .}

EXECUTIVE ACTION ON HB 531

Motion:

SENATOR LYNCH MOVED TO ADOPT THE AMENDMENTS (EXHIBIT 6)

Discussion:

CHAIRMAN BECK said if these amendments are put in then his junk vehicle program in Deer Lodge will have to be shut down because they won't have enough vehicles to comply.

SENATOR LYNCH said they will only be out the additional twenty five cents. He suggested making a tri-county fluid disposal program and working together.

SENATOR SPRAGUE said maybe they should have date in which they have to comply to.

SENATOR GLASER discussed the amendments (EXHIBIT 6).

SENATOR VAN VALKENBURG said the \$1.00 applies to those counties where there is 5000 or more vehicles.

Vote:

MOTION TO ADOPT THE AMENDMENTS PASSED UNANIMOUSLY.

Motion:

SENATOR VAN VALKENBURG MOVED A CONCEPTUAL AMENDMENT TO SUNSET THIS ADDITIONAL FEE BY JUNE 30, 2004.

Discussion:

SENATOR LYNCH suggested changing the date to 2003 because that is right after a legislative session and they can decide if they want to let it sunset that year.

SENATOR VAN VALKENBURG agreed.

Vote:

MOTION TO ADOPT THE SUNSET AMENDMENT PASSED UNANIMOUSLY.

Motion/Vote:

SENATOR LYNCH MOVED HB 531 BE CONCURRED IN AS AMENDED. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON HB 508Discussion:

SENATOR SPRAGUE said it came to their attention that in all of those repealers, the last five repealers were doing some serious harm and were not addressed in good faith.

SENATOR GLASER said there are two people that sit on the city council in Billings that have been fighting with the other council members over certain emergency monies that they have been trying to vote on. This bill gets right in the middle of that argument. What these repealers are doing is saying they no longer have to have a unanimous vote on the part of the council members to get emergency money. He said it has been suggested that a super-majority is needed to deal with emergency monies.

Alec Hansen, MT League of Cities and Towns, said he has been a lobbyist for 16 years and the reason he is still there is because his word is good. He honestly did not intend any misconception or deception in this bill. He said his comments came mainly from the fiscal note and this was prepared from the Department of Commerce. The issue in Billings is the unanimous vote that is required to adopt an emergency budget. He said they had an issue where they needed money to plow snow and one member voted no and so the city had to take the money from budgeted funds in the street department to cover this emergency. This bill repealed four sections on emergency budgets and inserted a new section. The approval process was changed to a majority which is consistent with the other section of law. This bill could be amended on Page 27, line 10, following the word "by" insert "two-thirds majority of the members present at a meeting of." If this amendment was put in they would need 8 of the 11 members on the Billings board to approve this. One person could hold up this whole process when trying to get emergency funds if they voted no.

**SENATOR GLASER** said he suggested changing it to three-fourths of the members. **Alec Hansen** said as long as it is understood that it is not three-fourths plus one. He said there are a lot of councils that only have 3 members and this problem still wouldn't be solved.

Motion/Vote:

**SENATOR LYNCH** MOVED TO ADOPT THE CONCEPTUAL AMENDMENT OF A THREE-FOURTH VOTE. MOTION PASSED UNANIMOUSLY.

Discussion:

**SENATOR SPRAGUE** said these sections that were repealed said a lot more than what everyone thinks. Another section that was repealed cuts out the public hearing process. These repealers involved a lot more than just the budget.

**CHAIRMAN BECK** said he agreed, he thinks the title of the section along with the code should be included in the bill. If the title was put down then they would have some idea of what is being repealed, otherwise they have to go through the codes.

**Alec Hansen** said on page 23 of the bill there are two new sections that call for a public hearing. It is all there, it is just in a shorter version and under no circumstance are they doing away with the public hearing process.

**SENATOR ESTRADA** asked where did this bill originate? **Alec Hansen** said the Local Government Center at MSU, the Clerks, Treasurers and Finance Officers Assoc., and several finance officers from the bigger cities worked for two years to put this bill together.

**SENATOR ESTRADA** asked if Yellowstone Co. came up with those five repealers. **Alec Hansen** said Mr. Magee from Great Falls did most of the work on this bill.

**SENATOR ESTRADA** said they have the largest county and the largest city in the state and they have some problems internally. She said when they get home, the Yellowstone Co. legislators are going to straighten this problem out and it won't happen again.

**SENATOR LYNCH** said he has known Alec Hansen almost his whole life and he has never intentionally mis-stated or deceived anyone. It can be quite confusing when it comes to repealing sections.

**SENATOR ECK** said this has been a frustrating issue for many years. If they think about the work that went into this bill, they could of come with 30 different bills all addressing the same thing. There is a lot more work and cleanup that needs to be done on Title 7.

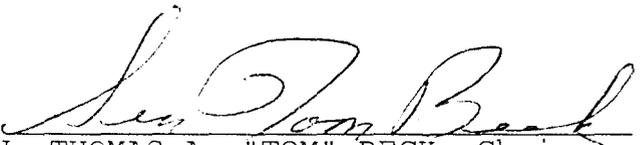
SENATOR GLASER said currently they are creating a junk file that contains one line descriptions about repealers.

Motion:

SENATOR GLASER MOVED HB 508 BE CONCURRED IN AS AMENDED. MOTION CARRIED UNANIMOUSLY.

ADJOURNMENT

Adjournment: 6:00 p.m.

  
SEN. THOMAS A. "TOM" BECK, Chairman

  
JODI JONES, Secretary

TB/jj