

February 7, 1977

A meeting of the Local Government Committee was called to order by Chairman Robbins at 4:25 PM in Room 225. The secretary called roll; All members were present.

HOUSE BILL 459: Representative Hurwitz, chief sponsor, said this is a simple bill and the purpose is to raise the firemen's pension. It involves only incorporated towns and cities and only volunteer firemen. It raises the pension from \$75 to \$100 per month after 20 years of service. The money does not come out of county funds but directly from a tax on fire insurance premiums only.

Proponents to speak were:

Henry E. Lohr, representing the Montana State Voluntary Firemen's Association, said some cities do have ample funds to pay this and they would like to pay.

R. A. Ellis, representing the Montana State Volunteer Firemen's Association, said it is not a mandatory retirement the state shall pay.

Dave Fisher, representing the Montana State Volunteer Firemen's Association, is in support.

Art Korn, representing the Montana State Volunteer Firemen's Association, said the bill applies to only 2nd and 3rd class cities.

There were no opponents.

Representative Hurwitz closed on House Bill 459.

HOUSE BILL 439: Representative Mular, chief sponsor, said this is a bill that would provide annual cost-of-living increases to police retirees.

Tom Harrison, representing the Montana Police Protective Association, said what this bill does is to work for the future, and it applies a percentage of that amount on the retirement pension. It is a system of funding retired people. The problem is it is a costly one because the big cities have not made the funding donation to the policemen's retirement system. Their justification in the past is they have the ability to levy, if necessary, and so the fund is really solvent. The law was changed to finally make the cities make the donations to the fund. The system is vastly unfunded at this time and will take a substantial increase in the contribution to restore to full funding. We feel the cost-of-living for retirement should be automatic.

Opponents to speak were:

Dan Mizner, representing the Montana League of Cities and Towns, wished to call to the committee's attention this bill is not just a supplement to Representative O'Connell's bill. In that

## HOUSE BILL 439: continued

bill you had provided for payment of that as there is a decrease of the general fund and takes money out of the general fund. This bill takes money from police retirement fund with no increase for the funding. For many years the police did not contribute, some cities did under the insurance program. Some cities are two million dollars underfunded at this time. What you are saying is that you are going to increase the cost to that fund so it will be further unfunded. He would consider an amendment to increase money coming from the premium fund. If you pass this bill, the cities will have to increase the property tax in order to meet this mandated expense.

Larry Nachtsheim, administrator of the Public Employees Retirement Division, who said he is only here to advise the committee. No funding is provided in this bill. Assume there is a 4% increase in CPI funding for this bill and assuming the rate of law is 5.4%. The funding for the bill is 1.6 million and the entire funds on June 1976 was 4.5 million dollars and without funding this bill will bankrupt the system in 10 years.

In closing Representative Mular said it might be suggested to transfer this bill to appropriations and take a look at the funding.

HOUSE BILL 440: Representative Mular, chief sponsor, said this bill eliminates the 20-year limit and increases longevity pay 1/2%. He would defer to Tom Harrison, representing the Montana Police Protective Association, who explained in the bill the longevity pay is computed from the wage, which is \$750 presently. They receive, in addition to \$750, 1% of that per year of service. Your 20-year employee under that would now be getting a salary of \$900. It is their position that relative to other salaries in public and private sector, is minimal, and this does change that from \$7.50 to approximately \$11. The minimum wage will be \$970. The impact might be felt in one town and not in others. The second part amends by deleting the 20-year limit on longevity, that is a practical matter.

Opponent was:

Dan Mizner, representing the Montana League of Cities and Towns, said this is another mandated expenditure at the local level. This should be handled at the local level and this is the type of thing the local level should negotiate.

Representative Mular said in closing that when Mr. Mizner speaks of negotiations, the term 'negotiation' is an illusive word and what we are looking forward to is uniformity.

HOUSE BILL 122: Chairman Robbins said before we go into Section 2, we are going to have some testimony on the printing section of the codes which has not been presented yet.

Tom Hanrahan, representing the Montana Press Association, said

## HOUSE BILL 122: continued

he was appearing as a proponent to the amendments they are proposing. What they are attempting to do is retain the law as it is in present statute. There are two areas which require county local government who should contract with the local newspaper for local printing. This fight has been going on for a number of years between the commissioners and the press association. This argument isn't anything new. Basically, although the newspapers are certainly a business, they are providing a service.. It has been the public policy of this state to encourage local newspapers by requiring county commissioners to contract with them. I relate to Glendive, our local newspaper, which is very important to us. There are county papers that are marginal, and this printing is important to them. What we are talking about here is that the present provision stays the same. Proposed amendments are - exhibit 1.

Mr. Hanrahan called on the following person to speak: Hal Stearns, Independent Record, Helena, said having spent years on newspapers, he would like to dwell on what is said that this is a subsidy. An existence of a weekly news is a way of preserving a way of life and is an essential thing. The peoples' right to know is essential.

The following were introduced to the committee:

Dean Neitz, president of the Montana Press Association, left prepared statement - exhibit 2.

Sam Gilully, secretary of the Montana Press Association.

Paul Verdon, Western News.

Verle Rademacher, representing the Montana Press Association, prepared statement is - exhibit 3.

Opponent was:

Steve Turkiewicz, representing the Montana Association of Counties, said they have three issues: legal advertising, commission proceedings, and job shop printing. Mr. Turkiewicz read from Section 16-1230 and said we are not questioning that they should do business-all the code says that is up to the commission - not the state. In title 47A-1-302, page 19, lines 13 through 25, it lists criteria for legal advertising. In talking about county proceedings, in Cascade County it costs \$76,000. They strongly recommend that the provisions on purchasing, including county printing, be passed as it has been proposed.

The hearing closed on this section.

HOUSE BILL 122, SECTION 2: Representative Gerke, chief sponsor, spoke briefly on this section on courts. City courts have been renamed municipal courts.

Proponents to speak were:

W. E. Dowlin, Jr., representing the Supreme Court Commission on Lower Courts, said they have reviewed Section 2 and House Bill 122 with the commission staff. They have proposed a series of amendments which are in the nature of housekeeping, and he has

HOUSE BILL 122, SECTION 2: continued

been authorized by the Supreme Court Commission on Lower Courts to state this is a good bill with proposed amendments.

He had one more amendment for page 578, lines 10 and 11, following: "non-partisan", insert: "judicial". Proposed amendments are - exhibit 4. Mr. Dowlin called on Mr. Heiman, staff member of State Commission on Local Government to explain the amendments.

Julio E. Morales, judge for city of Helena, said he finds this is going to be a good law with the addition of the proposed amendments and wants to call attention to page 572, lines 17 through 21, sub-section (j), this has to read in conjunction with first part of 11-5402. He wishes to amend this bill on page 570, line 21, in the sense that the governing body of municipality may chose not to establish a municipal court and to make sure not to establish a municipal court where there is not a municipal court in existence. It could be made dependent on the will of municipality so there would be no separation of power.

Chairman Robbins asked Mr. Morales if he will submit his amendments and he said he would.

Mr. Heiman said he had been asked by Bob Campbell of Missoula to submit an amendment to allow a local option for all cities over 10,000 to have a municipal court of record - exhibit 5.

Greg Morgan, representing State Bar of Montana, said there is one problem, the same problem that has been described to you on the municipal court of record. Representative Palmer has a bill in the House that would amend the present statute on municipal courts that would take care of a problem they have in Missoula and in other places. House Bill 122 itself is a good one.

Chairman Robbins said he thought the bill on the municipal court of record was in committee.

There were no opponents.

Representative Gerke in closing said he was pleased to hear the testimony in favor and would suggest Mr. Dowlin and others get together with Mr. Heiman on the amendments.

HOUSE BILL 122, SECTIONS 3 to 192: Representative Gerke spoke, and opening remarks are - exhibit 6.

Proponents to speak were:

Al Sampson, representing the Montana State Firemen's Association, said there will be amendments presented as the pensions should be back in the law.

## HOUSE BILL 122, SECTIONS 3 to 192: continued

Ray Blehm, Jr., representing the Montana State Firemen's Association, said he spoke to the staff people and the wording change made on page 804, lines 23, they feel the original wording was the appropriate wording for that chapter "Power and Limitations" - exhibit 7.

Opponents were:

V. Sloulin, representing the Department of Health and Environmental Sciences, said he is not opposing the law but only suggesting amendments. It pertains to the three licensing laws referred to in House Bill 122. It amends our three licensing laws that provide for validation. I am not against what they are trying to do but our attorney says it cannot be done. It is in violation of constitution and administrative codes. For the validation of licenses to be in hands of local government is state law and the responsibility of state government. What we did last session was to change these three laws to provide to send a portion of the license fee to the local government. We refund most of the license fees back to the local health departments. They can all enforce state law as their own, but to take the validation away from the state and put in hands of local health departments the attorney tells me this can't be done. This is in sections 54, 34, and 35 - these are the three portions referred to. I understand what they are frustrated about. The fact they don't feel they have enough to say about licenses that go to establishments. The processes we have now are too burdensome for them to carry on their enforcement role. There is another part in chapter 8.

Representative Gerke closed.

Letters received regarding House Bill 122 are the following: Gordon E. Bollinger, chairman of the Public Service Commission - exhibit 8.

Jim E. Richard, chief Local Planning Service Bureau, DCA - exhibit 9.

Madison County Government Study Commission - exhibit 10.

The committee went into executive session to take action on the following:

HOUSE BILL 439: Representative O'Connell moved that House Bill 439 be referred to the Appropriations Committee. Representative South made a substitute motion that House Bill 439 DO NOT PASS. Question, motion carried. Representative O'Connell, Gould, and Waldron voted NO.

HOUSE BILL 440: Representative Roth made a motion that House Bill 440 DO NOT PASS. Waldron said currently 1% in law and are asking for another 1/2%. Police and firemen are currently at the same level of minimum wage. Question, roll call vote was taken: 11 voted YES and 7 voted NO. Motion carried. Those voting NO were: Representatives Colburn, Gould, Palmer Pistoria, Waldron, O'Connell, and Robbins.

HOUSE BILL 459: Representative Palmer made a motion that House Bill 459 DO PASS. Question, motion carried unanimously.

HOUSE BILL 323: Representative South made a motion that House Bill 323 DO PASS. Question, motion carried. Representative Stobie voted NO.

HOUSE BILL 361: Representative Bertelsen moved to adopt amendments proposed by Representative Day - exhibit 11. Question, motion carried. Representative South moved to amend House Bill 361 on page 1, lines 23 through line 1 on page 2, following: "first election." strike: lines 23 on page 1 through line 1 on page 2 in their entirety, and insert: "Approval by a majority of those voting in the decennial election on the question of undertaking a local government review is necessary to mandate the election of a local government study commission." Question, motion carried. Representative Pistoria voted NO. Representative Vinger moved that House Bill 361 DO PASS AS AMENDED. Question, motion carried. Representative Pistoria voted NO.

HOUSE BILL 428: Representative O'Connell moved that House Bill 428 DO PASS. Question, motion carried unanimously.

The meeting adjourned at 5:50 PM.

Respectfully submitted,

  
HERSHEL M. ROBBINS, Chairman