February 21, 1977

A meeting of the Local Government Committee was called to order by Chairman Robbins at 10:15 AM in Room 437. The secretary called roll; Representative Jensen was absent. All other members were present.

HOUSE BILL 793: Representative Pistoria, chief sponsor, said he had the bill written up to require a vote on revenue bonds by a majority of the electors. After you heard Mr. Aby I called him on February 3rd. He explained the reason why we should vote on revenue bonds. My bill eliminates the wording on page 1, lines 18 and 19, and inserts: "the governing body of the municipality must" submit to vote on the question. I have always had my doubts and felt that government had too much authority in determining the amount of revenue bonds any city could adopt. It was brought out that it has been abused. If you remember what he said in one or two cases to do with revenue bonds the remainder of the money was squandered. The most important thing is the people will vote on these bonds. Taxpayers will save a lot of money.

There were no other proponents.

Opponents were:
Dan Mizner, representing the Montana League of Cities and Towns, said revenue bonds sell on their merit, as to whether there is an income there to pay for the revenue bond. Even if you had 100% voting for the bond and there is no income, the bonds won't sell. Where there is a revenue bond with a backup of a GO bond, in that case it has to go to vote of the people. The taxpayer does not pay on the revenue bond it is the user that generates the money.

Eugene S. Hufford, representing D. A. Davidson and Company, said in the case of municipal bonds they handled 95% of those bonds, and of the bonds sold inside the state of Montana. The rating service would not look at an election to determine the rating on the revenue issue. They look upon the economics of the community and ability to make the payment. In my opinion, there is absolutely no interest savings to community because of an election. An election is an unnecessary expense. As a private citizen he would like to testify also, he would not feel himself qualified on whether a city should improve or expand a system on water. I think the local officials are responsible for making that decision.

Representative Pistoria closed on House Bill 793.

HOUSE BILL 789: Representative Waldron, chief sponsor, said this bill provides for an urban undevelopment lot fee and an urban undevelopment lot district. The reason for the bill is that in some areas a lot of people will not develop areas that should be developed and have developed in rural areas. The way to handle would be to allow local government to give an incentive to develop. An important point to remember is that this area can take place within the jurisdiction of the

planning board. The lot district has to be within a zoned area. This is for residential or commercial use. This lot fee is optional. There are a couple of amendments and will have them by the meeting on Wednesday to provide that the county has jurisdiction outside the city.

Proponents were:
Dan Mizner, representing the Montana League of Cities and Towns, said the concept of this has been around. One problem in community is the delivery of services by vacant lots. There is an added expense to the people. We have supported this for several years to come up with some organized way to take care of this situation, and with amendments the bill will be workable.

Gregg McCurdy, representing the Montana Association of Counties, said they will support with amendments.

There were no opponents.

Representative Waldron closed on HB 789. He would like some limit on the fee, and one other thing that once the district is created the fees cannot be imposed until two years later. This will give people time to do something with their lot.

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

HOUSE BILL 745: Reprsentative Gerke moved the amendments (exhibit 1) and that HB 745 DO PASS AS AMENDED. Question, motion carried.

HOUSE BILL 677: Representative O'Connell moved to DO PASS on HB 677. Question, motion carried. Representative Ramirez voted NO. Roth - asked why he voted no. Ramirez - said he just doesn't think it is a very effective notice. Gerke - in rebuttle, there are so many notices, how many people read them. Ramirez - the odds are much greater.

HOUSE BILL 767: Representative Halvorson moved that HB 767 DO PASS. Representative Roth made a substitute motion that HB 767 DO NOT PASS. During the discussion it was noted this was only permissive legislation. There was concern that it needs more study as it could incorporate a lot that would be detrimental to ranching areas. It would end up requiring all cleaning up of water. It was noted, there didn't seem to be any regulation in it. Question was called on substitute motion that HB 767 DO NOT PASS, motion carried. Representatives Gerke, Gunderson, and Halvorson voted NO.

HOUSE BILL 716: Representative Bertelsen moved to amend HB 716 on page 2, line 8, strike: "2¼", insert: "3/4 cents", and on page 1, line 22, strike: "10", insert: "8½". Question, motion carried. Representative Bertelsen moved that HB 716 DO NOT PASS AS AMENDED. Question, motion carried. The reason is we don't want to take money out of highway funds, and we

don't want to face energy shortage.

Representative South came in.

HOUSE BILL 128: Representative Ramirez moved that HB 128 DO NOT PASS. When we voted on Saturday to continue the $300,000 per year taken from the highway funds, I feel this has been acted on. Question, motion carried.

HOUSE BILL 294: Amendments were offered by the State Board of Health but were not acted on. Representative Gerke moved to DO NOT ACCEPT the amendments. The bill is alright the way it is. Question, motion carried. Representatives Ramirez and Halvorson did not vote. Larry went through the amendments and what amendments had been voted on for HB 122. South - said to have Larry find what is in HB 122 and that should go into HB 294. Representative Gunderson made a motion to write in amendments and ADOPT HB 294 AS AMENDED. Question, motion carried. Representatives Pistoria, Colburn, Vinger and Halvorson voted NO.

HOUSE BILL 433: Representative Palmer asked to pass HB 433 for the day and he will have some amendments. Representative O'Connell moved to pass for the day. Question, motion carried.

HOUSE BILL 789: Representative Gould made a motion that HB 789 DO NOT PASS. Representative Waldron made a substitute motion that HB 789 DO PASS. Representative Gerke made a substitute motion for all motions pending that we pass for the day. Question, motion carried. Representatives Colburn, Gould, Bertelsen and Robbins voted NO.

HOUSE BILL 793: Representative O'Connell moved that HB 793 DO PASS. Question, roll call vote was taken: 11 voted NO and 5 voted YES. Motion failed. Those voting YES were: Representatives Colburn, Gould, Pistoria, Vinger, and O'Connell. Representatives Jensen and Stobie were not present.

HOUSE BILL 789: Representative Waldron said he would like to go back to HB 789, and if the feeling of those present could be classified as HB 789 is unacceptable he would go along. Chairman Robbins said the committee had said they would look at the amendments.

The meeting adjourned at 11:45 AM.

Respectfully submitted,

Hershel M. Robbins

Hershel M. Robbins, Chairman

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