

PROCEEDINGS OF THE  
LOCAL GOVERNMENT COMMITTEE  
HOUSE OF REPRESENTATIVES  
January 25, 1979

The meeting was called to order at 1:00 pm by Chairman, Rep. Hershel Robbins. The Secretary called the roll and found a quorum present, Representatives Moore and South were excused. Rep. Robbins then announced that members may leave a vote on bills, however it must be prior to the vote of the committee. He announced there would be a new schedule for meetings Monday, meetings to start at 12:30 pm, the house to convene at 2:30. A meeting was also announced for Saturday.

HOUSE BILL 56: Chairman Robbins called on Rep. Pistoria of Dist. 39 in Great Falls, Sponsor, to open the hearing. Rep. Pistoria stated he had been requested by the Public Service Commission to sponsor this bill. It relates to including sewage disposal service within the definition of public utility.

Chairman Robbins then called for proponents. William Opitz of the Public Service Commission was present and explained all 5 members support the passage and this would prevent challenges in court.

Frank Buckley also of the Public Service Commission then distributed the Supreme Court Opinion relating to this bill as well as a proposed amendment which is attached and on page 2 states the opinion is that the Public Service Commission does have jurisdiction over municipal sewage rates...

Rep. Robbins then called for opponents. Dan Mizner, Executive Dir. of the League of Cities and Towns stated if the bill were amended they would support it and offered the amendment on line 1, page 2, line 25, page 1 and line 3, page 2, to be inserted after water and sewage, "not owned by municipalities. He also suggested adding a section stating that water or sewage services owned by an incorporated city or town shall not be considered within the meaning of this chapter to be a public utility. He stated this would put the Public Service Commission in the business of setting rates which are the cities business, and there are 2 other bills to the contrary being submitted.

Allen Johnson, City Commissioner of Great Falls also spoke against the bill. He stated the bill would also place private contractors under the Public Service Commission and should not do so. His comments are attached.

David Meyer of Helena also spoke in opposition, and requested holding the bill until the others are seen.

Mr. Ellingson of Missoula also requested holding this bill until the others had been reviewed. He stated maybe the cities that own their own sewage system could be excluded. He stated the Public Service Commission was designed to take public input regarding privately owned utilities, but in municipally owned utilities, the people do have input.

Sam Gesto of Bozeman, City Manager, requested holding the bill, and stated their City Commission was opposing the bill.

Jeff Brazier of the Consumer Council stated the amendment proposed by the league of cities was probably unconstitutional. He then noted that several cities do have private contractors on water as well, giving Missoula as a special case.

Rep. Pistoria was then asked to close on the bill. He stated he never sees elected officials testifying, it is always appointed officials. He felt the decision of the Supreme Court should be considered. There were several questions from the committee and hearing was then closed on HB 56. This bill was assigned to a subcommittee.

HOUSE BILL 81: Representative Hurwitz introduced the bill, stating this was at the request of the Interim Subcommittee on Subdivision Laws, of which he was a member. He stated that Jim Richards of the Health dept. and Debbie Schmidt of the Legislative Council had also worked with them on this. Rep. Hurwitz then explained the bill addresses giving local government more authority to review the sanitary requirements in a new area, as well as remedies. The 20 acre limitation was removed to comply with HB 46, and the term subdivision applies to all sizes created by division. There is requirement for the dept. of health to review individual water and sewer. A new section is provided for enforcement. A plat may not be filed unless the local government has certified water, sewer and solid waste.

Chairman Robbins then called for proponents. Leonard Sargent stated he was a proponent, and suggested amendments which are attached.

Stan Bradshaw of the Dept. of Health and Environmental Sciences spoke in favor of the bill and also proposed several amendments which are attached.

H. S. Hanson of the Montana Technical Council also spoke as a proponent, and offered amendments which are attached to his testimony.

Robert Oset of Bitterroot representing himself stated he favored the bill, with some amendments, noting that the supreme court had ruled that public interest and input was required.

Ed Casne of the Dept. of Health and Environmental Sciences also spoke in support of the bill. He stated the department would have those areas that have experts on staff review the requirements on behalf of their department, and that he would recommend against local governments going to court.

Tom Dawson representing the Association of Local Health Officers also spoke in favor and offered amendments which are attached to his testimony.

Chairman Robbins then called for opponents, and questions from the committee. Rep. Kemmis inquired as to how the Dept. of Health determines if local governments have adequate personnel, and it was stated there really had been no dispute over reviewing qualifications. Only one county had not been contracted with. Amendments were offered by the dept. of health. There were other questions by committee members and hearing was closed on HB 81.

HOUSE BILL 125: Rep. Reichert, Sponsor introduced the bill, stating Montana is one of the four states in the country that doesn't have state revenue sharing. Her statement giving figures from other states and money that would be available from Montana is attached.

Representative Robbins then called for proponents. Joy Block representing the League of Women Voters spoke, stating they were in support of HB 125. Her statement is attached.

Dan Mizner of the Montana League of Cities and Towns spoke in favor. He stated cities are able to go to 65 mills for tax base, however he stated some are going up to 78 mills. He felt this revenue sharing program would be of great assistance to the cities. He stated several cities had planned to send representatives and some could not come and he submitted their statements.

Dan Hickey of Billings spoke in favor, stating that already 14.7% of their budget is required to be used for state implemented programs in which the state does not participate, and he felt this would be a step forward.

Ray Thraikill, Mayor of Hamilton stated they have had to increase their budget by 11.3% to provide for indebtedness of state required programs.

Larry Mackinley, Butte-Silver Bow budget director spoke in favor, stating the property taxes received are not sufficient revenues, but raising property taxes affects those on fixed incomes.

Mae Ellingson, Deputy Attorney from Missoula gave figures from Missoula on increased budgeting. She also spoke of programs that were being financed in the city. She then asked for tax relief and stated she would be willing to

have the bill amended to have Revenue Sharing in lieu of property taxes and was requesting tax relief as well.

John Fitzpatrick, Deputy Director of Budget and Planning of the Governor's office also spoke in support, stating there would be two areas to consider. The cost of the proposal at a minimum of \$200 would be \$72,000 in the biennium. He stated as far as tax relief, the legislature does have a number of bills to adjust tax rates, some of which are Senate Bills, 135 and 182. He stated he would work closely on this in preparation.

Elmer Schye of White Sulphur Springs also spoke in support, stating he felt the cities knew they need help, and past tax relief programs had not been implemented and a set program for revenue sharing would help.

Marie McAlear of Twin Bridges, council member, stated that in such a small city, income had been \$11,149 and expenditures \$13,120 on a variety of programs, and were spending more than they derive from the state. She stated there was no way to cut their spending back as they only had one clerk and one law enforcement officer. The revenue sharing would help cover these increased costs.

Sam Gesto, City Manager of Bozeman also spoke in support, stating their city had financial difficulties. He gave some reasons such as having the university with 10,000 students and tax free buildings on campus, to which they must offer fire protection. He stated two years ago the legislature had authorized financial assistance, however no appropriation had been made.

David Hunter representing the City of Helena also spoke in favor, asking that the state pay for services it requires cities to furnish. He asked for a favorable vote on this bill.

Al Johnston, City of Great Falls also spoke in favor, stating their current costs were \$1,775,800, or 14% of the budget as in Billings. He encouraged support of the bill and stated the commission gave their endorsement.

Ray Blehm, representing the Firemen's association stated although he did not totally agree with the bill, he knew cities are in need of funding and he would support this.

Chairman Robbins then called for opponents. Ed Nelson of the Montana Taxpayers Association spoke against the bill, stating in effect it would raise taxes more, that the funds would be distributed by population rather than need, and that it would be putting the state in a financial bind. His complete testimony is attached.

John Bell also spoke in opposition, stating he didn't need to repeat what had just been said.

Rep. Reichert then closed, stating there would be no appropriations made this session, but this would start the program into being.

Time then was noted and the committee recessed at 3:10 pm to attend session, to return after adjournment. The meeting then reconvened at 5:15 pm. There were then questions from the committee regarding HB 125. There was question as to why this would be a better way than raising the 65 mill levy limit. Hearing was then closed on HB 125.

HOUSE BILL 198: Representative Pistoria, of Great Falls, introduced the bill, stating he was not calling for a special election, however he felt the people should have more say in local government. He stated under the present manager form of government, commissioners are elected at large and this would change this to be the same as legislators who are elected from and voted on by district. There were no proponents and Chairman Robbins called for opponents.

Dan Mizner, representing Montana League of Cities and Towns spoke against the bill, stating the legislature provided for people to have the different forms of government and if they had voted for this type, it should remain their decision.

John Bell also spoke against the bill, noting that in Helena citizens had chosen the way they preferred and the legislature shouldn't change this for them.

David Hunter representing Helena stated they felt it would also affect Helena because of their Charter which was adopted in 1976 to have at large representation.

Dean Zinnecker of the Mont. Assoc. of Counties also spoke as an opponent for Petroleum County, noting they have very few registered voters and this would affect them.

Sam Gesto of Bozeman spoke for the commission there and stated that since 1921 they have authorized at large elections. Two years ago in an election Bozeman residents reaffirmed this vote and it was felt the legislature should not change this for them. The five commissioners do live in their districts and thus are representative of all the people.

Al Johnston, representing the commission of Great Falls stated they were opposed because residents had voted for this type government and the commissioners there also live in their districts and are voted on at large.

There were then questions by committee members after Rep. Pistoria closed. Hearing was then closed on HB 198.

HOUSE BILL 199: Representative Pistoria gave opening comments and explained this would require commissioners to live in their county districts, that the counties are in agreement and feel this would be more representative of the people. He stated they would prefer not to be voted on at large, and this would not go into effect until 1984.

There were no proponents and Chairman Robbins called for opponents. Dean Zennicker of the Montana Association of Counties stated the majority of the counties were opposed, that this would affect 51 counties, and they now feel they are well represented.

Dan Mizner of the League of Cities and Towns spoke in support of the counties and in opposition to the bill. He stated the people can now change the form of government if they desire and it wasn't felt the legislature should do this for them.

John Bell representing the Montana County Clerks and Recorders stated their organization was opposed, and this would offset one group against the other.

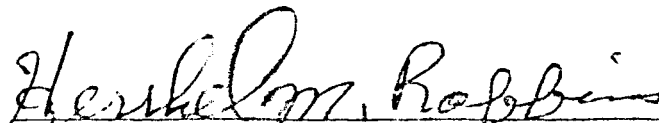
Helen Kovich spoke also as an opponent representing the Clerks and Recorders, stating they have to reapportion in 1983 and this would be the proper time for changes.

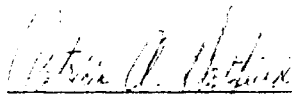
A representative of the League of Women Voters also spoke as an opponent.

Representative Pistoria then gave closing comments, stating this would not call for a special election. There were then some questions from the committee to clarify when this would go into effect and on the reapportionment in 1983. Hearing was then closed.

Chairman Robbins then announced that HB 81 would be in subcommittee, Chairman Kessler, members McBride, Bertelsen, Hurwitz and Azzara. He also assigned HB 56 to subcommittee, Chairman Oberg, members Pistoria and Gould.

There being no further business the meeting was duly adjourned at 5:45 pm.

  
Hershel M. Robbins, Chairman  
LOCAL GOVERNMENT COMMITTEE

  
Patricia A. Hatfield  
Committee Secretary