

MINUTES OF THE MEETING
LOCAL GOVERNMENT COMMITTEE
MONTANA STATE SENATE

January 23, 1979

The meeting of the Local Government Committee was called to order by Chairman, Senator George McCallum on Tuesday, January 23, 1979 at 1:35 in Room 405 of the State Capitol Building.

ROLL CALL: All members were present with the exception of Senator Peterson, who was excused.

Several people were in attendance at the meeting. (See attachment.)

CONSIDERATION OF SENATE BILL 106: Senator Bob Brown of Senate District 10, sponsor of the Senate Bill 106, gave a brief resume of the bill. This bill is an act providing salary increases for probation officers and a minimum salary for deputy probation officers. The probation officers have not had any wage increases since 1974. Senator Brown then introduced Glen Hufstetler of Kalispell, representing the Probation Officers and Youth Courts. Mr. Hufstetler stated that there are 63 probation officers in the state of Montana. When these officers have finished their training, 40% of them will hold a master's degree. These officers have participated in several programs to help the victims of crimes. These probation officers have not even had a cost of living raise. Mr. Hufstetler spoke in favor of the bill.

Mr. Jerry Johnson of Missoula, representing the Montana Youth Court Probation Officers, spoke in favor of SB 106. He offered a written statement. Mr. Johnson asked for fair wages to the members of his organization. Mr. Johnson then introduced several probation officers from around the state: John Foster, District 10; C. F. Dooley, 9th Judicial District; W. E. Lumpkin, 15th Judicial District; Gary Loskesky, 3rd probation District; and Dick Meeker, 1st Judicial District.

Senator McCallum then asked if there were any opponents to Senate Bill 106.

Mr. Dean Zinnecker representing the Montana Association of Counties spoke in opposition to the bill. Mr. Zinnecker stated that he did not agree with the Legislature setting the salaries and having the budget authority. He stated that MAC felt that it should be done on the local level.

Senator Brown made the closing remarks. He stated that in the judicial districts, there is more than one county involved, so it is hard to set the salaries, therefore, he felt it was better to have the Legislature set the salaries. He also stated that with the cost of living increase that a raise would be in order.

Chairman McCallum then opened the meeting to a question and answer period from the committee. Discussion was held, however, no action was taken at that time.

CONSIDERATION OF SENATE BILL 135: Senator Lloyd Lockrem, co-sponsor of the bill, of Senate District 32 gave a brief resume of the bill. This bill is an act to provide improved funding for construction and reconstruction of rural and urban streets and roads; deleting authorization for certain funding of maintenance and repair of such roads. Senator Lockrem highlighted the changes in the codes that would come about if the bill would pass. Senator Lockrem used the city of Billings as an example and what would be possible if the Coal Severance Tax was available for roads and streets. He handed out a statement regarding the allocation of coal tax revenues. (See attachment.)

Chairman McCallum then called on the proponents to Senate Bill 135.

Jane Lloyd of Billings, representing the Montana League of Cities and Towns stated her group favors SB 135 because it provides for some solution to a problem that nearly all local governments face. (See attachment)

Janelle Fallan, representing the Montana Chamber of Commerce, spoke in favor of the bill. (See attachment.)

Hugh Spall, representing the City of Great Falls felt the funding made available in SB 135 could greatly help communities with their much needed street repair and building. The city of Great Falls supports SB 135.

Royal Johnson, representing the city of Billings as deputy mayor, feels that SB 135 would benefit the entire state and not any single area. The city of Billings favors SB 135. (See Attachment.)

Larry McGinley, representing the government of Butte-Silver Bow, stated that his group is in support of this bill. It would give local governments help in their funding problems.

Larry Huss representing the Montana Contractors Association stated that his group would favor the bill with one small change; on page 6, line 7, strike the word "Contract" and add the word "Cost". Mr. Huss stated that he hopes the committee would pass SB 135 with the proposed amendment.

Dan Mizner of the Montana League of Cities and Towns spoke in favor of the bill and offered the following amendment: to amend line 2 on page 4 to reinstate the words, "maintenance and repair". (See attachment)

Dean Zinnecker of the Montana Association of Counties stated that he agreed with Mr. Mizner's amendment. Mr. Zinnecker also stated that he did not agree with the allocation formula that would have 80% going to the cities and only 20% going to the counties. He suggested a 50/50 split.

David Hunter representing the city of Helena stated that his group feels the 80/20 split is fine. Mr. Hunter offered two amendments. The first, he asked that the bill allow for maintenance and repair. Second, on page 6, line 9, to change the limit of \$4,000 to \$10,000 above which work must be contracted. (See attachment.)

Chairman McCallum then called on the opponents.

Les Simpkins, representing the Office of Budgets and Program Planning, felt that the amending of SB 135 would cause a loss of general fund revenues.

J. T. Harrison, Jr., representing the Montana Association of Oil, Gas, and Coal Producing Counties stated he is neither for or against the bill. He hopes that with everyone wanting a piece of the coal tax money, that there will be enough to go around. Mr. Harrison suggested that the committee be very careful in their actions.

Senator Lockrem made the closing statements. He stated that he could well understand why Mr. Harrison's group was against the bill. Senator Lockrem state that the county portion is allocated in three places in the bill. It costs four times as much to build one mile of city streets as one mile of county roads. Senator Lockrem suggested that coal taxes be traded for asphalt.

Senator McCallum then opened the meeting to a question and answer period from the committee. Discussion was held, however, no action was taken at this time.

MINUTES: A motion was made by Senator Lockrem to dispense with the reading of the minutes at further committee meetings. Senator McCallum explained to the committee that the secretary was keeping a book of minutes for each member of the committee, and that the minutes would always be available. Motion carried unanimously.

CONSIDERATION OF SENATE BILLS 11, 12, 13, 15, 16, 17, 18, 19, 20, 21 and 23: A motion was made by Senator Lockrem to table Senate Bills 11, 12, 13, 15, 16, 17, 18, 19, 20, 21, and 23. Motion carried unanimously.

ADJOURN: With no further discussion the meeting was adjourned at 2:55. The next meeting will be held on Thursday, January 25, 1979 at 1:30 for the consideration of Senate Bills 69 and 102.



GEORGE MCCALLUM, Chairman

date January 23, 19

ROLL CALL

LOCAL GOVERNMENT COMMITTEE

46th LEGISLATIVE SESSION - 1979

Each Day Attach to Minutes.

SENATE

COMMITTEE

BILL

VISITORS' REGISTER

DATE

Please note bill no.

NAME	REPRESENTING	BILL #	(check one) SUPPORT	OPPOSE
C. F. Dooley	9th Judicial District	SB106	✓	
W. E. Lompson	15th "	"	✓	
Lloyd, Lubbock	3rd " P. L. C.	SB135	✓	
John W. McGehee	1st Judicial District	SB106	✓	
John R. Foster	10th Judicial Dist.	SB106	✓	
W. H. McGehee	11th Judicial District	SB106	✓	
Arnold Bohrer	Billings Chamber	SB135	✓	
Ronald Johnson	City Council Billings	SB135	✓	
Eric Floyd	Montana Citizens for SB135	"		
Larry McGehee	Battle Budget Action	SB135	✓	
David McGehee	City of Billings	SB135	✓	
John McGehee	OBPP	SB135		
John McGehee	Billings City Council	SB135	✓	
John McGehee	OBPP	SB135		
John McGehee	Billings	SR135		
John McGehee	PPA	"		
John McGehee	Montana P. L. C.	SB106	✓	
Hugh Spain	City of Mt. Pleasant	SB135		

TESTIMONY FOR STATE LEGISLATURE

My name is Jane Lloyd. I am a member of the Billings City Council, but am here representing the Montana League of Cities and Towns. The League supports Senate Bill 135 because it provides some solution to a problem that nearly all local governments face.

The streets and roads in our cities and towns are in serious need of repair. They are an ever present source of danger to life and limb, to say nothing of the fact that they cost our citizens many dollars annually for the repair and maintenance of their vehicles.. There are many reasons for this problem. Many of our streets were built 30 years ago and were not designed for the amount of traffic that they carry today. Our subdivision regulations were extremely lax and did not require a developer to construct a street that would last.

Larger towns have problems with deteriorating streets. Smaller towns need money to have their street paved. The cost of paving and rebuilding streets range anywhere from \$300,000 to 1.3 million dollars per mile.

Thus, you have an idea of the magnitude of the problem a city faces with 50 miles of streets and roads to repair. Our options for raising revenue presently seem to be limited to the property tax. Our local citizens cannot afford the tax that would be required to repair our streets. In the past, the legislature has not seen fit to increase gasoline tax for this purpose and also have ^{granted} ~~granted~~ local governments local taxing options.

Coal tax revenue seems to us to be a reasonable alternative. The fund that has accrued for streets and roads in impacted counties will be

Page Two

left alone under this bill. At the effective date of this proposal, impacted counties will benefit to the extent that all other local government units will benefit from coal development.

It is our hope that you will look favorably upon this legislation as an answer to one of our most serious problems. Thank you.

Jane Lloyd
City County Member
City of Billings



CITY OF BILLINGS

220 NORTH 27TH STREET
P. O. BOX 1178
BILLINGS, MONTANA 59103
PHONE (406) 248-7511

MEMBERS OF THE SENATE LOCAL GOVERNMENT COMMITTEE

I'm Royal Johnson, Deputy Mayor of the City of Billings, and I thank the committee for allowing me to present this testimony on our position on this most important Senate Bill 135. Because of the jokes and comments about our "Chuck Hole City" you all can appreciate our need for street rebuilding funds.

Our discussion with other cities in the state make us believe the street and road problem is not isolated to Billings. Our intention in this and other testimony is to show this bill would benefit the entire State and not any single area.

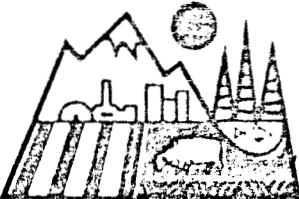
Natural resources removed from our state impacts everyone and funds realized from the removal of these natural resources should be returned and reinvested back into the state in the most visual and useful manner. What better way to have a permanent improvement than to improve our entire road system. The provisions of this bill allocates moncys much the same as the allocation of gas tax funds so all cities and counties will benefit.

This bill continues a severence tax already in force and spreads the allocation of funds. This fund has grown to about \$14 million and according to our information the money has not yet been used. This bill does not propose to use this original fund but rather to reallocate the new money collected in the future.

We understand the strong demands you are facing for all new funds but the judicious allocation suggested and the permanent improvements that would result hopefully will merit your careful consideration.

We earnestly solicit your support to help city and county governments solve one of our state's most evident and pressing problems.

Royal Johnson
Deputy Mayor
City of Billings



MONTANA CHAMBER OF COMMERCE

P. O. BOX 1730

• HELENA, MONTANA 59601

• PHONE 442-2405

SENATE BILL 135

LOCAL GOVERNMENT

January 23, 1979

For the record, my name is Janelle Fallan; I am representing the Montana Chamber of Commerce.

We support Senate Bill 135. The counties covered under the law as it now provides for coal area highway improvement are not using all the money in the fund. We see no reason that it should not be shared statewide.

A number of funding methods for cities and counties have been and will be discussed this session. We opposed the selective sales taxes that Senate Bill 22 would have allowed, and we will oppose revenue sharing as proposed in House Bill 125. However, this bill allows for the use of funds that are already being generated, and calls for a specific use-road construction and reconstruction -- that probably every city and county needs.

We have no strong feelings about the 80-20 split. If it is decided another proportion would be more equitable, we would still support the bill.

ALLOCATION OF COAL TAX REVENUE
TO COUNTIES UNDER THE PROVISIONS OF THE PROPOSED
"MONTANA RURAL & URBAN STREET AND ROAD ACT"
To Be Introduced by Sen. Lloyd C. Lockrem, Jr.

County	1980	1981	County	1980	1981
Beaverhead	12,824	14,781	Madison	8,973	10,349
Big Horn	14,866	17,136	Meagher	5,445	6,281
Blaine	15,361	17,707	Mineral	5,569	6,423
Broadwater	4,950	5,910	Missoula	32,388	37,340
Carbon	7,983	9,207	Musselshell	5,817	6,709
Carter	6,931	7,993	Park	8,725	10,063
Cascade	24,891	28,698	Petroleum	4,022	4,639
Choteau	17,032	19,634	Phillips	13,257	15,281
Custer	9,158	10,563	Pondera	8,539	9,849
Daniels	5,631	6,495	Powder River	8,106	9,349
Dawson	9,839	11,348	Powell	7,487	8,636
Deer Lodge	6,621	7,637	Prairie	4,827	5,567
Fallon	5,384	6,209	Ravalli	15,671	18,064
Fergus	14,433	16,637	Richland	10,025	11,562
Flathead	31,388	36,192	Roosevelt	11,463	13,211
Gallatin	15,547	17,922	Rosebud	13,319	15,352
Garfield	9,220	10,634	Sanders	11,138	12,847
Glacier	10,520	12,133	Sheridan	8,539	9,849
Golden Valley	3,651	4,211	Silver Bow	16,970	19,563
Granite	4,703	5,424	Stillwater	8,044	9,278
Hill	20,745	23,917	Sweetgrass	4,765	5,495
Jefferson	6,683	7,708	Teton	10,396	11,990
Judith Basin	7,240	8,350	Toole	8,354	9,635
Lake	13,752	15,852	Treasure	2,723	3,140
Lewis & Clark	15,114	17,422	Valley	16,970	19,563
Liberty	8,106	9,349	Wheatland	4,084	4,710
Lincoln	20,064	23,132	Wibaux	3,589	4,139
McCone	11,077	12,775	Yellowstone	25,881	29,840
				618,800	713,700

Projected Coal Tax Revenue (From Office of Fiscal Analyst)	1980	1981
	47,600,000	54,900,000
** 6½% as Proposed in Draft Legislation	3,094,000	3,568,500

*The proposed bill allots 80% to Cities and 20% to Counties based on population data.

**ALLOCATION OF COAL TAX REVENUE
TO CITIES UNDER THE PROVISIONS OF THE PROPOSED
"MONTANA RURAL & URBAN STREET AND ROAD ACT"
To be introduced by Sen. Lloyd C. Lockrem, Jr.**

City	1980	1981	City	1980	1981
Alberton	2,228	2,569	Ismay	1,238	1,427
Anaconda	42,116	48,673	Joliet	3,218	3,711
Bainville	2,723	3,140	Jordan	4,950	5,710
Baker	16,831	19,413	Judith Gap	1,733	1,998
Bearcreek	1,485	1,712	Kalispell	61,917	71,512
Belgrade	10,144	11,705	Kevin	3,218	3,711
Belt	4,703	5,424	Laurel	27,512	31,831
Big Sandy	7,794	8,850	Lavina	1,980	2,284
Big Timber	13,116	14,845	Lewistown	40,878	47,246
Billings	340,631	392,968	Libby	21,077	24,407
Boulder	11,262	12,847	Lima	4,703	5,424
Bozeman	100,530	115,761	Livingston	39,641	45,818
Bridger	6,064	6,852	Lodge Grass	4,703	5,424
Broadus	5,940	6,852	Malta	16,089	18,556
Broadview	1,857	2,141	Manhattan	6,683	7,708
Brockton	2,599	2,998	Medicine Lake	3,465	3,997
Browning	8,787	10,135	Melstone	2,970	3,426
Butte	126,643	146,136	Miles City	60,185	69,513
Cascade	6,311	6,472	Missoula	174,044	200,834
Chester	8,416	9,706	Moore	2,475	2,855
Chinook	13,489	15,530	Nashua	4,208	4,853
Choteau	12,870	14,816	Neihart	2,970	3,426
Circle	7,549	8,679	Opheim	2,970	3,426
Clyde Park	3,218	3,711	Outlook	1,485	1,713
Columbia Falls	19,554	22,553	Philipsburg	8,416	9,706
Columbus	10,395	11,962	Plains	6,683	7,708
Conrad	19,059	21,982	Plentywood	14,109	16,272
Culbertson	5,693	6,566	Plevna	2,228	2,569
Cut Bank	22,685	26,234	Polson	18,564	21,411
Darby	3,713	4,282	Poplar	7,921	9,135
Deer Lodge	26,770	30,973	Red Lodge	13,861	15,987
Denton	5,074	5,852	Rexford	1,238	1,427
Dillon	27,760	32,115	Richey	3,218	3,711
Dodson	2,970	3,426	Ronan	9,653	11,134
Drummond	2,723	3,140	Roundup	15,346	17,700
Dutton	3,960	4,568	Ryegate	2,723	3,140
East Helena	10,396	11,990	Saco	4,455	5,139
Ekalaka	5,198	5,995	St. Ignatius	6,436	7,422
Ennis	3,960	4,568	Scobey	10,891	12,561
Eureka	7,178	8,279	Shelby	19,802	22,838
Fairfield	5,693	6,566	Sheridan	4,208	4,853
Fairview	7,178	8,279	Sidney	29,740	34,399
Flaxville	1,733	1,998	Stanford	4,208	4,853
Forsyth	14,109	16,272	Stevensville	6,188	7,137
Fort Benton	14,356	16,558	Sunburst	5,445	6,281
Froid	3,465	3,997	Superior	8,416	9,706
Fromberg	2,970	3,426	Terry	8,663	9,992
Geraldine	3,713	4,282	Thompson Falls	9,406	10,848
Glasgow	28,750	33,257	Three Forks	10,643	12,276
Glendive	34,195	39,538	Townsend	12,871	14,845
Grassrange	1,238	1,427	Troy	6,931	7,993
Great Falls	306,220	353,280	Twin Bridges	5,693	6,566
Hamilton	18,564	21,411	Valier	7,426	8,564
Hardin	19,059	21,982	Virginia City	2,970	3,426
Harlem	7,178	8,279	Walkerville	9,416	9,706
Harlowton	11,138	12,847	Westby	2,475	2,855
Havre	56,225	64,945	West Yellowstone	6,188	7,137
Helena	143,104	165,149	Whitefish	18,316	21,126
Hingham	2,723	3,140	Whitehall	7,673	8,850
Hobson	3,960	4,568	White Sulphur Spgs.	10,396	11,990
Hot Springs	5,693	6,566	Wibaux	5,198	5,995
Hysham	3,465	3,997	Winifred	2,970	3,426
			Winnett	3,960	4,567
			Wolf Point	17,821	20,555

2,475,200 2,854,800

NAME: Dan Kuzmin DATE: 1-23-79
ADDRESS: Helena
PHONE: 401 7-8768

REPRESENTING WHOM? First League of Cities of America
APPEARING ON WHICH PROPOSAL: L.B. 135

DO YOU: SUPPORT? X AMEND? X OPPOSE? _____

COMMENTS: Revised Line 2 Pay 4 to re-instate
the words "Invention and repair".

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Hugh Spaul DATE: 1/13/79

ADDRESS: Ht Falls, Mt

PHONE: 453-8583

REPRESENTING WHOM? City of Ht Falls

APPEARING ON WHICH PROPOSAL: S.B. 135

DO YOU: SUPPORT? AMEND? _____ OPPOSE? _____

COMMENTS: oral in favor

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Harry Huss DATE: 1/23/79

ADDRESS: 107 7th

PHONE: 442-8070

REPRESENTING WHOM? Montana Contractors Assoc. (MGC)

APPEARING ON WHICH PROPOSAL: SB 135

DO YOU: SUPPORT? X AMEND? X OPPOSE? _____

COMMENTS: Line 7 project strike contract indirect cost

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Janelle Fallon DATE: 1-23-79

ADDRESS: Box 1730, Helena

PHONE: 442-2405

REPRESENTING WHOM? Montana Chamber of Commerce

APPEARING ON WHICH PROPOSAL: SB 135

DO YOU: SUPPORT? ✓ AMEND? _____ OPPOSE? _____

COMMENTS: submitting written testimony

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Jane Lloyd DATE: _____

ADDRESS: 2117 TRIS LANE

PHONE: (050-792-2

REPRESENTING WHOM? LEAGUE OF WOMEN VOTERS

APPEARING ON WHICH PROPOSAL: SB 135

DO YOU: SUPPORT? ✓ AMEND? _____ OPPOSE? _____

COMMENTS: STATEMENT WITH SECRETARY

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Les Sankins DATE: 1/23/79
ADDRESS: State Capitol
PHONE: 449-3044

REPRESENTING WHOM? Office of Budget & Program Planning
APPEARING ON WHICH PROPOSAL: SB 135

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X

COMMENTS: Amend this Bill will cause a
loss of general fund revenue

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: David L. Hunter DATE: 1/23/79

ADDRESS: Civic Center, Helena

PHONE: 442-9920 x60

REPRESENTING WHOM? City of Helena

APPEARING ON WHICH PROPOSAL: SB 135

DO YOU: SUPPORT? ✓ AMEND? ✓ OPPOSE? _____

COMMENTS: Attached Amend 6,11 to allow for maintenance and repair, and to change limit of \$4,000 to \$10,000 above which work must be contracted.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Jeremiah F. Johnson DATE: 1/23/79

ADDRESS: 840 WOODFORD INGLA.

PHONE: 542-2131 OR 549-2196

REPRESENTING WHOM? YOUTH COURT PROBATION

APPEARING ON WHICH PROPOSAL: S.B. 106

DO YOU: SUPPORT? AMEND? _____ OPPOSE? _____

COMMENTS: WE HAVE NOT RECEIVED A PAY INCREASE FOR FOUR YEARS AND STRONGLY SUGGEST TO THE COMMITTEE THAT A RATE BE CONSIDERED TAKING INTO ACCOUNT THE INCREASE IN THE COST OF LIVING FOR THE LAST 4 YRS PLUS THE NEXT 2 YEARS

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME:

R. Glen Hueston

DATE: 10-23-79

ADDRESS:

Box 1023 Keweenaw, Mich. 49901

PHONE:

955-1771 or 955-5300-245

REPRESENTING WHOM?

Youth Court - Probation Officers

APPEARING ON WHICH PROPOSAL:

S.B. 106

DO YOU: SUPPORT?



AMEND?

OPPOSE?

COMMENTS: We have updated our Qualifications
and have had no pay increase since
1974 - No Cost of living increase either

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Sam Post Brown DATE: _____

ADDRESS: _____

PHONE: _____

REPRESENTING WHOM? _____

APPEARING ON WHICH PROPOSAL: sponsor of S. B. 106

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Larry McGehee DATE: 1/22/79

ADDRESS: 1023 So. DakoTa BOTT

PHONE: 793-4500

REPRESENTING WHOM? GOVERNMENT OF BUTTE SILVER-BOW

APPEARING ON WHICH PROPOSAL: SA-135

DO YOU: SUPPORT? X AMEND? X OPPOSE?

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Dean Zimmerman DATE: 1-23-79

ADDRESS: Helen

PHONE: 442-5209

REPRESENTING WHOM? Mr. Leon of Canada

APPEARING ON WHICH PROPOSAL: SB 106 SB 135

DO YOU: SUPPORT? _____ AMEND? SB 106 OPPOSE? _____
SB 135

COMMENTS: ancend 2 to 50% to 50%

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Royal Johnson DATE: 1/23/79

ADDRESS: 2915 ILL. 2015 Billings MT

PHONE: 245-7485

REPRESENTING WHOM? City of Billings

APPEARING ON WHICH PROPOSAL: SB 135

DO YOU: SUPPORT? A AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.