MINUTES OF THE MEETING OF LOCAL GOVERNMENT COMMITTEE January 15, 1981

The meeting of the Local Government Committee was held January 15, 1981 at 12:30 p.m. in room 103. CHAIRMAN VERNER BERTELSEN called the meeting to order. All committee members were present, including Staff Researcher Lee Heiman.

CHAIRMAN BERTELSEN opened the hearing on HOUSE BILL 54.

REP. HURWITZ, sponsor of HB 54, introduced the bill to the committee. This bill allows municipalities to select the annexation procedure appropriate to the particular annexation. The municipal governing body must follow the specific procedure described in the appropriate part.

#### PROPONENTS:

DAN MIZNER of the Montana League of Cities and Towns; MARGARET DAVIS of the League of Women Voters of Montana; ROYAL JOHNSON, Deputy Mayor of Billings; JAN DOLAN, representing the City of Great Falls; and DAVE FISHER, Montana Volunteer Firemen's Association of Missoula, had no objection to the bill.

R. A. ELLIS, Montana State Volunteer Firemen's Association and a volunteer of the West Helena Fire District, had no objections.

ART KORN, Secretary-Treasurer of the Montana State Volunteer Firemen's Association had no objections.

OTHER proponents present at the hearing are listed on the attached visitor register.

#### OPPONENTS:

ROBERT N. HELDING, an attorney and Executive Director of the Montana Wood Products Association said they are concerned about no exemptions for industrial or agricultural land. If a city chooses to take that method, there would be no exemptions to annexation. Is that the intent of this law?

REP. HURWITZ: No, there is other legislation which will accomplish this.

DEBRA SCHMIDT, staff person for the study committee on annexation, said that once a municipality chooses which procedure it is going to follow, it must be followed. Last session, REP. KESSLER introduced a bill which said that the Planned Community Development Act would no longer supercede all other annexation procedures. After passage of the Bill, city officials said they were unsure how, since there were separate procedures, they'd decide which one to use when more than one procedure fits a given situation.

MR. HELDING: If the Planned Development Act is one of the chosen procedures, could a city annex any industrial land which is now exempted?

ANSWER: Yes.

As there were no further opponents, REP. HURWITZ closed the hearing on HB 54.

MR. HURWITZ said the Planned Community Development Act was envisioned to provide planned, orderly development for cities and urban areas. You now have some protection.

#### **OUESTIONS:**

REP. PISTORIA thinks this is a good bill. He wondered if the other bills that Mr. Helding mentioned DO PASS, would this bill go into effect. ANSWER: Yes.

CHAIRMAN BERTELSEN: Mr. Helding, if this bill passes and the city chooses that development act, would there be any recourse for the industrial development of the community?

MR. HELDING: Yes. There are two bills in the hopper that would take away that exemption. At present we cannot annex agricultural land or land used for industrial purposes.

REP. HURWITZ: Does this bill refer to only the eight bills which are currently in the statutes or would it include other bills that may come later?

DEBBIE SCHMIDT: This bill is independent of any other bills enacted. If the Committee and the Legislature chose to act on all of them, they would all inter-relate. The reason the Committee wanted to introduce eight separate bills was because they felt that each of the eight proposals had individual merit. If this bill and other bills eliminating the exemption pass, there would be NO exemption for agricultural or forest land.

REP. KESSLER: If the Planned Community Development Act now in force has been enacted, how will this bill make it any different? What is the distinction?

MR. HELDING: It takes away the exemption.

REP. KESSLER: Where specifically does HB 54 take away the exemption?

MR. HELDING: It takes away the exemption because it authorizes one of the avenues of annexation under Section 5 of the Act.

CHAIRMAN BERTELSEN: I think what Mr. Helding is trying to say is that under the present system you don't have to follow a plan. There are exemptions you can take, but once you have chosen a plan, you stick to it only.

HOUSE BILL 58

CHAIRMAN BERTELSEN opened the hearing on HB 58 by calling on REP. GERALD KESSLER, sponsor.

REP. KESSLER introduced the bill to the Committee. The bill is a result of the Interim Study Committe on annexation and relates to the provision of services by municipalities to newly annexed areas. It ties any annexation procedures to the laws already on the books in the Planned Community Development Act which specifies plans the city must follow to show they are going to provide the various services to the areas they annex. I feel this bill is a strong protection for areas being annexed.

#### PROPONENTS for HB 58:

ROYAL JOHNSON, Deputing Mayor of Billings, favors HB 58 and his written testimony is attached to these minutes.

R. A. ELLIS, Montana Volunteer Firemen's Association; ART KORN, Montana State Volunteer Firemen's Association; DAVE FISHER, Montana Volunteer Firemen's Association; BRUCE SUENRAM, Missoula Rural Fire District; DAN MIZNER, Montana League of Cities and Towns; VERN ERICKSON, Montana State Firemen's Association of Missoula; and JAN DOLAN, City of Great Falls, all support HB 58.

#### OPPONENTS TO HB 58:

BILL ROMINE represented the Montana Solid Waste Contractors Association. The Montana Solid Waste Contractors Association is definitely opposed to HB 58 as written. He commented that if the word "or" is deleted from each section and replaced by "and", the Association would go along with the bill. Mr. Romine's written testimony is attached to these minutes.

VESTER WILSON, Rural Disposal Service, Hamilton, Montana, agrees with Mr. Romine and will support HB 58 if amended as Mr. Romine proposed.

Since there were no further opponents, REP. KESSLER closed the hearing on House Bill 58.

REP. KESSLER: This bill, in no way, is meant to put private contractors out of business as Mr. Romine implies. My understanding of this bill is that a city can provide the services to newly annexed areas if they want it. If they don't want the service, they can continue to do business with private carriers. I feel the people annexed have the right to chose who their carrier should be. The option does remain with the freeholder.

#### QUESTIONS:

MR. ROMINE: Mr. Kessler, are you saying you don't want the free-holders to make a decision for the first five years on whether they want the city or a private carrier to provide garbage service?

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REP. KESSLER: Yes, for the first five years.

REP. ANDREASON: What is being repealed in Section 2 of the Montana Codes?

DEBBIE SCHMIDT: The sections being repealed are just a codification.

There being no further questions, CHAIRMAN BERTELSEN opened the Hearing on HOUSE BILL 55.

HOUSE BILL 55 Sponsor JAY FABREGA introduced the bill to the Committee. He stated HB was introduced at the request of the Study Committee on annexation laws. You are looking at a package of bills. House Bill 55 is merely a house cleaning unit. The title itself simply says that if you have gone through the process and strictly followed the rules, the land is considered annexed even though it was not meant to be. There is no challenge as everyone presumed the land had been annexed, the taxes were paid and it was properly shown in the maps for a period of seven years.

#### PROPONENTS for HB 55

DAN MIZNER, Montana League of Cities and Towns, supports HB 55. The irregularity regarding property supposedly annexed for many years was brought out at a committee meeting and it was felt the law should be changed to clarify the matter. Seven years seemed to be a good length of time to use.

DAVE FISHER, Montana Volunteer Firemen's Association of Missoula; ART KORN, Secretary-Treasurer of the Montana State Volunteer Firemen's Association; BRUCE SUENRAM, and VERN ERICKSON all of Missoula had no objections and support HB 55.

#### OPPONENTS TO HB 55

There we no opponents to HB 55.

#### HOUSE BILL 59

SPONSOR OF HB 50, REP. JAY FABREGA, announced the bill makes a small but significant change. The bill addresses all the codification changes. Line 21 and 22 read "cities of the first class" and has now been changed to "municipalities". Page 2, line 12 read: "city council of a city of the first class", but now reads," "municipal governing body", etc. The bill eliminates an inequity that resident freeholders have more rights over their property than non-resident freeholders.

A corporation was considered a non-resident freeholder even though it was right there using the land. Is this a property right or a residency right? If you pay taxes, it is a property right. If you are not paying taxes for residency, whether you use it or not, the taxes go on. EXPLANATION: For the residency part, you could own property in Missoula and live in Billings, but you are still

a resident freeholder. But, if you live in another state, you are no longer a resident freeholder.

#### PROPONENTS TO HOUSE BILL 59:

ART KORN, H. E. ELLIS AND DAVE FISHER all supported HB 59.

DAVE GOSS representing the Billings Chamber of Commerce supports the bill from the standpoint of fairness that everybody has the right to have input into the decision of the process that affects their property when paying taxes and receiving services.

ROYAL JOHNSON, Deputy Mayor of Billings, supports the bill and his written testimony is attached to these minutes. Our support is because of the fact that this bill eliminates the differential between the first, second and third class cities and there is a statement regarding the rights of resident and non-resident free-holders.

CHAIRMAN BERTELSEN: Mr. Johnson, do you feel the title may not cover the full points in the bill?

ROYAL JOHNSON: We feel that (1) removed the differences between the first, second and third class cities, which we strongly support. (2) The second is resident and non-resident freeholder rights.

REP. FABREGA: Mr. Johnson is correct. I forgot about the first part which removes the distinction.

DENNIS TAYLOR, City of Helena, said they've followed the Interim Committee's work on annexation laws. We support all the bills before this Committee today. We do, like Billings, take exception with the provision regarding non-resident property owners. We don't believe that absentee corporations outside the State should block the orderly growth of our city.

DAN MIZNER, Montana League of Cities and Towns, is a proponent if the bill is amended.

STAFF RESEARCHER LEE HEIMAN passed out copies of sections that are repealed within the act. There are two identical provisions regarding freeholders. One involves second and third class; one involves first class. By repealing the provision for second and third class cities, you have only one left. Rather than making two amendments and keeping two parallel pieces of law on the books, they were merged.

DAN MIZNER said the bill is what they want because some measures must be set up between resident and non-resident freeholders. The resident freeholders should have the right to consider annexation if they desire, even though non-resident freeholders do not wish to be annexed.

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#### OPPONENTS TO HB 59

MARGARET DAVIS, League of Women Voters, said she was neither a proponent or an opponent, but said her group believes we must look carefully at the action we take on legal exemption for industrial, mining and agricultural land. She hoped action would be postponed on HB 54 and HB 59 so they could be considered together.

CHAIRMAN BERTELSEN announced we'd postpone action on the bills, and he asked REP. FABREGA to close.

SPONSOR JAY FABREGA closed the hearing on HB 59. He feels the bill can stand on its own merit. It can pass by itself because once you remove the distinction between first, second and third class cities, the only question before you is in the process of annexation as to whether you have a property right or a residency right.

#### OUESTION AND ANSWER PERIOD:

REP. WALDRON asked if all committee members understood the change making all counties have the same rules, by eliminating the wording of "second and third class cities." ANSWER: Yes.

CHAIRMAN BERTELSEN closed the hearing on HOUSE BILLS 54, 55, 58 and 59. He called a brief recess, after which the committee return for executive action.

#### EXECUTIVE SESSION:

#### HOUSE BILL 111

REP. SALES moved that HB 111 DO NOT PASS.

The Forest Service and the BLM made cooperative agreements with the local city fire departments, town fire departments and rural fire departments. They discovered there were some areas within the counties that did not fall within a protected district. They went to the county and said they'd like to have a cooperative agreement with the county so everything would be covered. The county said they had no objection to entering into an agreement, but they had no way of raising funds that would make them financially responsible to enter such an agreement. They came to the Legislature and discussed their problem. The only way counties could raise money for fire protection was through districts. No money was available for fire control under the General Fund. The Legislature agreed to a token amount out of the General Fund so the agreements could be entered into. If there isn't enough money in the General Fund, you can levy up to \$15,000. The intention of the \$15,000 figure was only to make the county financially responsible so they could enter into the necessary agreements to cover everyone. for entering into these cooperative agreements was because the federal government said they didn't have manpower available to fight fires in the forest area or BLM area. They agreed to furnish some equipment, which they did.

REP. SALES continued saying he is afraid that if there is too much money in the fund, people are going to find a way to spend it. That is not the purpose of the money. If the amount is too large, we're getting into double taxation for some of the people. These are my reasons for wanting to kill HB lll.

MR. KESSLER: The purpose of HB lll is not to change the system by which fire protection is given. The bill doesn't address changes in that area; it only changes the amount that may be levied. I would underline the word "may". A county or governing body is not obligated to levy \$40,000. They merely have the option of doing so when they say "may" and that is the upper limit.

REP. AZZARA: Mr. Sales, I still want to know why you would want to restrict the ability of the counties to levy more money for fire suppression.

REP. SALES: Some counties presently do not have fire departments. Counties do not suppress fires. Counties only work through districts which are established and have levies that provide for equipment and manpower.

REP. AZZARA said there is nothing that prevents them from engaging in fire suppression activities outside the three provided forms of districts, namely, rural, volunteer and the combination between paid and volunteer. I don't feel we should set any limit. If we do anything at all, the figure should be raised. But I think the best solution would be to not interfere at all. Let the county do what it wants.

REP. SALES: Most counties do not levy any tax for fire suppression. The \$40,000 figure request is to allow for some cooperative agreements.

REP. WALDRON: "Is the motion DO NOT PASS?" ANSWER: Yes.

REP. WALDRON: I think we'd be wise to pass the bill. Some areas have huge grass fires in a county outside the rural fire district. This brings their cost of firefighting up to a large figure. If a county has already budgeted their 25 mills for other purposes, they have nowhere to get the additional amount. By allowing this \$40,000 figure, they have some recourse to pay any additional expenses incurred because of such unexpected fires.

REP. SWITZER: Rep. Sales, we have good cooperation between the counties in eastern Montana. Can you tell me if they have countywide fire districts?

REP. SALES: Some do and some don't. It depends on how the fire arrangements have been set up. Normally, if the county is covered, it is through cooperative agreements.

REP. VINGER commented that eastern Montana has rural fire trucks purchased by the county. The manpower is all volunteer. Wolf Point and the rural fire district work back and forth under a cooperative agreement. The City must maintain its fire trucks to maintain their fire insurance rating. The rural people will help the city and vice versa. The rural truck can be used both in and out of town.

REP. KITSELMAN: Mr. Sales, are those who had the foresight to form a district and those within a metropolitan area who formed a city district picking up monetary support for those who did not have the foresight to form a fire district?

REP. SALES: Yes.

REP. MATSKO: That is about the way Great Falls works out their problem. We have a large city and a lot of fire apparatus owned by the city. Due to manpower problems, there have been times when, according to our agreement with the volunteer fire departments, they will come in and man the city stations. We've had huge fires where all the city firemen were on the fire lines. To alleviate the problem, should another fire spring up somewhere else in town, the volunteer people came in and manned the stations. This is the purpose of the fund we're discussing. It helps pay for equipment and train people.

REP. ANDREASON: We need some soothing legislation, but I don't think this is the bill to do that. All HB lll does is raise the amount the counties may levy.

At this point, CHAIRMAN BERTELSEN asked for a vote on the motion. MOTION: That House Bill 111 DO NOT PASS. All in favor of the bill, vote against the motion. The roll call vote was 12 voting "NO"; 5 voting "YES".

REP. SALES moved that we reverse the vote and that HB 111 DO PASS. A second roll call vote was requested. The tally was 16 members for DO PASS; 2 members voting "NO". Motion passed. Representatives Hannah and Sales voted "NO" and Rep. Hurwitz was absent.

#### HOUSE BILL 112

REP. BERTELSEN: This is "an act to amend 76-5-1117 providing for broadened statutory methods by which cities, towns and counties can assess tax for payment of bonds."

REP. DUSSAULT: She has some problems with the language on line 24 that says, "with any other equitable method selected by the governing body authorizing the issurance of the bonds." Could we ask the staff researcher to draft some other language that ties this down. My understanding is that the other option would be to

tax land, including improvements. I would like that specified rather than using the broad language.

REP. WALDRON: There are a number of different methods that could be utilized. I agree with Rep. Dussault. I make a motion that the above language be changed.

REP. KITSELMAN: This particular section was specific in talking about irrigation projects and dams. I think the interpretation of our disposition to county commissioners seemed to be far more broad than the statute allows.

REP. MATSKO: I feel the intent is clear according to the testimony.

REP. DUSSAULT: I object to moving the bill without a proposed amendment. I move that the researcher be directed to draft substitute language for HB 112. The motion was seconded by Rep. Vinger.

QUESTION: The question was called for and the motion carried unanimously.

#### HOUSE BILL 58

CHAIRMAN BERTELSEN requested action on HB 58 (the garbage bill).

REP. HANNAH: I move that HB 58 be passed; seconded by Rep. Hannah.

REP. WALDRON: I want to make clear why the garbage people are complaining. Under current law they must be allowed to continue garbage service for five years. Under this bill, as I understand it, the people who are being annexed can say "no, we prefer to have the garbage service of the City and want it right away", so that section of the law would not apply. By the same token, if an area wanted to be annexed and the City was reluctant but finally agreed to annex them, could the city demand that they furnish their garbage service? Since that would be a small item, the freeholders would probably agree. That is what the garbage people are complaining about.

REP. KESSLER: With this system, doesn't the five year stipulation still remain? If I had a solid waste business and you annexed a certain section, wouldn't I have five years to serve that area before I'd have to give it up?

ANSWER: This is the way the law now stands, as passed last session. If we pass this law, we'll change the law in that it's not guaranteed. In other words, if the city annexed a particular area, whether or not garbage service would be provided by the private carrier would be up to the freeholders who were annexed.

REP. WALDRON: I feel there should be some protection for the independent carrier as he could be run out of business tomorrow if the annexation took place. What would happen to his equipment?

REP. KESSLER: This is a philosophical question. If we pass this law, we are taking away the choice of the freeholder to determine what type of garbage service he wants. It might be that he wants the city to serve him. You're right. It would be tough on the independent carrier.

REP. WALDRON: We should not take away the guarantee to the private carrier that he continue his service for five years. He needs time to make other plans.

REP. KESSLER: If you feel the State has the right to dictate to the individual freeholder that he must continue service with a particular company, whether he likes it or not, then I guess you are right.

REP. MATSKO: There is a provision under the mutually agreed plan that exempts the freeholder from the plan where the carriers are given the five year option. The city can mandate. They can say, as a final condition, you will accept our garbage service. The freeholder then has the option of choosing whether they wish to be annexed. We have to allow some protection to the private carrier to stop the city from mandating their garbage service as part of the plan for annexation.

REP. KESSLER: Rep. Matsko is correct, but we must stipulate that might be a condition which the city places on the freeholders if they want to be part of the city.

ANSWER: You are right.

REP. WALDRON: If that is a condition, the carrier should be protected against mandated conditions, or I can't support this bill.

REP. KESSLER: We are not arguing about a big issue. The question is whether or not we should allow the solid waste contractor to continue to provide service for five years. I don't think it would hurt the substance of the bill if we amend it to keep the current provision. He asked the researcher how to do that so we could have an amendment now.

STAFF RESEARCHER LEE HEIMAN said if the "or" was replaced with an "and" in each of the four places where the "or" is included, then it would read "according to a plan except: (1) as provided in 7-2-4736: and in each of the four sections.

REP. KESSLER moved that House Bill 58 be amended as follows:
Page 1, line 16, following 7-2-4736, strike "or" and insert "and"
Page 1, line 24, following 7-2-4736, strike "or" and insert "and"
Page 2, line 7, following 7-2-4736, strike "or" and insert "and"
Page 2, line 15, following 7-2-4736, strike "or" and insert "and"

REP. HANNAH wondered why the law allowed the solid waste people to have five years to deal with the freeholders?

REP. KESSLER: I don't think that was the plan of the bill when it was drafted. It was probably an oversight.

REP. HANNAH: If it was not the intent to tamper with the five-year period, then I will second the motion and call for the question. Mr. Romine was asked if he'd be satisfied with HB 58 if we changed the words "or" to "and" as specified in the amendment, and he said he would be satisfied.

REP. KESSLER asked for the question.

CHAIRMAN BERTELSEN: Is anyone opposed to the amendment to HB 58? As only one member was opposed, the Chairman said the amendment carried.

CHAIRMAN BERTELSEN called for a vote on HB 58, as amended. All members voted "aye", with the exception of Rep. Gould who voted "no". Motion carried and HB 58 received a DO PASS AS AMENDED.

CHAIRMAN BERTELSEN: Due to the lateness of the day, the remaining bills will be held until Tuesday, January 20 to be discussed in Executive Session.

The meeting was adjourned at 2:30 p.m.

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STATEMENT PRESENTED BY DEPUTY MAYOR ROYAL JOHNSON, PRESENTED TO THE HOUSE COMMITTEE ON LOCAL GOVERNMENT, ON JANUARY 15, 1981, REGARDING HOUSE BILLS 58, 59, 54 AND 55 DEALING WITH ANNEXATION.

My name is Royal Johnson, Deputy Mayor of Billings, Montana, and I appear before you today on behalf of the City Council of Billings. The City of Billings has been very active in the study that took place by the Interim Committee reviewing Montana's annexation laws during the past two years. In particular, we appreciated the Committee holding one of the meetings in Billings on this important study.

The City of Billings supports HOUSE BILLS 54, 55 and 58. We also support part of the provisions in HOUSE BILL 59. I will make a comment on each bill.

HOUSE BILL 54 clarifies the procedure that we think is part of the law already in that it allows the governing body of a city to select the statute and procedure that we will use for annexation, in those instances where more than one of the annexation procedures is applicable to a particular annexation. In Billings, we have been following this procedure and this would clarify this issue. There certainly needs to be a separate procedures to annex areas entirely surrounded by the City as opposed to areas on the outskirts of the City that are in early stages of development.

HOUSE BILL 55 simply would allow tracts of land that have been annexed and been treated as annexed property for 7 years even though there may have been some minor problems in the procedure used by that City. It seems to me that this is a housekeeping law that should be adopted.

HOUSE BILL 58 requiring cities to adopt a plan that would indicate the services that would be provided by the City and the time table for these services. The City of Billings thinks there should be a plan to provide all the municipal services to an area before it is annexed. Billings, as is the case in most other cities, feels the improvements to serve a particular area have to be funded by that area either

through special improvement bonds or private financing which places the responsibilit back on the affected land owners. Except in rare instances, the revenues derived by a city from a newly annexed area are not sufficient to cover the operating costs of those services for several years. There certainly needs to be a plan acceptable to both the city and the land owners if we are to have the orderly development of our cities within our financial capacility. We support HOUSE BILL 58.

HOUSE BILL 59, which would eliminate the distinction between rights of resident and non-resident freeholders, and eliminates the distinction between the class of cities. The City of Billings feels that the annexation problems and needs of all cities are similar and only differ in scale and, therefore, the procedure should be the same in all classes of cities. On the other hand, we do take strong exception to the provision that gives non-resident freeholders the same right of protest as resident freeholders. In many instances, the land owned around cities is owned by absentee owners, in some cases, corporations, in some other states (particularly Minnesota and Colorado). It doesn't seem reasonable that we should give these non-residents the right to control the orderly growth of our cities and towns. The provision that has been in existance in first class cities since 1925 is working well and has been upheld by the courts, and we urge you to reject this section of HOUSE BILL 59.

I thank you for the opportunity to appear before you.

HAME Will	an l. Romine	BILL No. H.B. S8	-
ADDRESS 730	x1691 Helena	DATE 1-15.8	/.
wном ро <u>Ү</u> өн	REPRESENT 1550	I'd waste Contractors	
SUPPORT	opposet	- AMEND	
PLEASE LEAVE	PREPARED STATEMENT	WITH SECRETARY.	
Comments:	Testimony Left	with secretary	

HOUSE BILL 58.

TESTIMONY:

Mr. Chairman, and members of the Committee, I represent the Montana Solid Waste Contractors Association. We oppose passage of House Bill 58. Under the present law, as amended in the last legislative session, if a municipality annexes additional areas which are receiving garbage and solid waste disposal service by a private carrier authorized under the Public Service Commission, the municipality may not compete or provide similar service to the area for five (5) years following annexation unless it can be shown to the Public Service Commission that the existing carrier is unable or refuses to provide adequate service to the annexed area. After the expiration of five years, the municipality may provide such service only if a majority of the residents of the annexed area request in writing that such service be provided by the municipality.

House Bill 58 is an attempt to by-pass the present law, which is Section 7-2-4736. The necessity of the present law was adequately demonstrated in the last legislative session. The equipment utilized by private garbage collectors is expensive, and becomes more expensive each year. If a municipality may annex an area and then take over the service of removal of garbage and solid waste, the private carrier is going to be forced out of business. He will be forced to compete with a governmental agency which is utilizing tax money or license fees to subsidise the same service. Since he is required under the terms of his permit from the Public Service Commission to provide

service in the area, but part of his area was pre-empted by the city, he is placed in a very precarious situation. The present law allows him five years to depreciate his equipment.

In fact, the last legislature amended the then existing law by extending the time period from three to five years, and further providing that after five years it took a majority of the landowners to request that the city take over the services. This bill, however, would by-pass that requirement.

First of all, it does away with the five-year non-competition clause automatically. If a private carrier is continuously faced with the possibility that he will be forced out of business as the result of annexation, with little or no opportunity to amortize and depreciate his equipment, he is going to be very reluctant to purchase new equipment or to otherwise update his business. The result will be that private service for areas in and around cities and towns which have not been annexed will deteriorate.

Secondly, the government should not compete with private business except in those areas where private business cannot provide the service. This is a prime example of an area where services can and are being provided by the private sector, and in most instances the services are superior to government services and the cost to the customer is less.

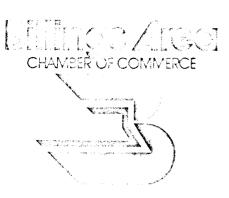
Each time we put a garbage collector out of business, we lose the tax basis he and his employees provide. His equipment is no longer on the tax rolls, his profit is no longer taxed, and this in turn reduces the other taxes that are paid by private industry.

Aside from by-passing the present law concerning the collection of garbage and solid waste, House Bill 58 also by-passes the existing law concerning the requirement that cities, when they annex, set up

plans for police protection, fire protection, streets and street maintenance, water mains, sewer lines, curbs, gutters and so forth. For a number of sessions the legislature has determined that expansion should be orderly, and that services should be provided for initially, rather than at some future date. Many laws have been passed to insure that the types of services referred to above are in place before an area becomes overgrown with little or no planning. The land owners wishing to be annexed may forego types of services required under the present law for fire and police protection and so forth, merely to be annexed for a particular reason. They may hope that the services that are now required to be set out at the time of annexation will be provided in the future, but they may learn to their sorrow that they agreed to annexation without plans for proper services to be provided.

All in all, the Association opposes passage of House Bill 58, and urges the Committee to give an unfavorable recommendation.

WILLIAM L. ROMINE



### HOUSE BILL 59

The Billings Area Chamber of Commerce supports House Bill 59.

Under present state law, only resident freeholders are allowed to participate in the decision making process involving the annexation of land. The non-resident freeholder, although he would pay taxes to and receive services from the same city involved if annexed, is not given the same rights. Out of fairness, we believe that all property owner should have the right to participate in the decision making process that affects their property.

While there may be some concern about the cut-of-state landlord who may oppose an annexation attempt of his land, our concern is with the businessmen and companies who are a definite part of the community, who live in the community, and who provide jobs in the community. Why are they allowed and even expected to be a part of the community in all things except decisions that affect their-property.

In closing, we would like to note that in the past the cities have been more than willing to recognize a non-resident free-holder when that non-resident freeholder has requested and initiated annexation of his property. We feel it's time that the cities give the non-resident freeholder the same recognition when they initiate the annexation.

		January 23, 19 81	
MR. SPLAKER	······································		
We, your committee on	LOCAL GOVERNMENT		
having had under consideration	EOUSE	Bill No	••
TO SELECT THE ANNEMA ANIMATION SITUATION	FTITLED: FAM ACT TO A FION PROCEDURE APPROP AMENDING SECTIONS 7 7-2-4609, AND 7-2-471	PRIATE TO EACH 7-2-4204, 7-2-4304,	
Respectfully report as follows: That	HOUSE		
DO PASS			

STATE PUB. CO. Helena, Mont.

		Fir 15, 19 84
MR. MR. SPEAKER		
We, your committee on	CAL GOVERNMENT	
having had under consideration	HOUSE	Bill No <b>55</b>
A BILL FOR AN ACT ENTITLED: UNDER WHICH LARO IS PRESUME RECORDED#		
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DO PASS

	••••	January 15,	19 <u>F.1</u>
MR. OFFICIER			
We, your committee on	LOCAL GOVERNME	SAT	
having had under consideration	EOUSE		Bill No
A BILL FOR AN ACT ENTI PROVISION OF SERVICES ARLAS; AMENDING SECTIO 7-2-4610, MCA."	BY MUNICIPALITIES	TO MEWLY ANDERE	

Respectfully report as follows: That Bill No. 53

1. Amend Page 1, line 16.

Following: "7-2-4735;"

Strike: "or" Insert: "and"

2. Amend Page 1, line 24.
Following: "7-2-4736;"

Strike: "or" Insert: "and"

3. Amend Page 2, line 7.

Pollowing: "7-2-4736;"

Strike: "or" Insert: "and"

4. Amend Page 2, line 15. Following: "7-2-4736;"

Sarike: "or"

Insert: "and"

AS AMENDED

DO PASS

STATE PUB. CO. Helena, Mont.

Local Government Committee Chairman.

		January 20	<i>t</i>	19
MR. SPIAGER				
We, your committee on	LOCAL GOVER	\$HEAT		
having had under consideration	HOUSE		Bill No.	59
A DILL FOR AN ACT INT DISTINCTION BETWEEN R PRELHOLDERS IN HATTER 7-2-4303, 7-2-4311 TH 7-2-4502, 7-2-4601, 7 7-2-4741, AND 7-2-475 THROUGE 7-2-4324, MCA	CICMTS OF RES S OF AMMEMAT ROUGH 7-2-43 -2-4606, 7-2- 1, MCA; AND	IDENT AND NONRI IOM; AMENDING ( 14, 7-2-4325, [ -4704, 7-2-470]	ESIDERT BECTIONS 7-2-4591, 5, 7-2-4719,	
Respectfully report as follows: That	ಕರಿಲಿಕ್		Bill No.	50
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DO PASS