

LOCAL GOVERNMENT COMMITTEE MEETING
January 29, 1981

The Local Government Committee met January 29, 1981 at 12:30 p.m. in Room 103. CHAIRMAN BERTELSEN called the meeting to order. All committee members were present, with the exception of REPRESENTATIVES GOULD AND PISTORIA who were absent. STAFF RESEARCHER LEE HEIMAN also was present.

CHAIRMAN BERTELSEN opened the hearing on House Bill 227.

HB 227 SPONSOR, WALTER SALES, introduced the bill to Committee. HB 227 eliminates the powers and duties of the Board of Printing and related county publishing requirements. The purpose is to require the board of county printing to set maximum prices which may be charged for county printing and legal advertising. They adopt necessary standards for sizes, weights, and grades of paper stock, which shall conform to the uniform scale of sizes and types of printing, ruling, and binding. They shall conform as nearly as possible to the ordinary standards in use in the printing industry. The law requires that counties purchase all printing and legal notices from a newspaper. The paper must be of general circulation, published at least once a week, publishing in the county and shall have been continuously published in the county for the 12 months preceding awarding of the contract. If there is no newspaper in the county or the newspaper cannot supply commercial printing, the county is free to purchase those services outside of the county with businesses within the state.

PROPOSERS for HB 227

BEVERLY GIBSON, representing the Montana Association of Counties, testified in favor of HB 227. As in the past, they support the repeal of the County Printing Board functions. We feel it is no longer needed or necessary. County Commissioners should be allowed to bid printing contracts as they bid many other contracts in the course of conducting their million dollar business. Most counties and governments have a good relationship with their local printers and they like to support home industry. If their newspaper gives them good prices and good work, the taxpayer should not be restrictive on who the county should deal with. We support HB 227.

EVERETT ELLIOTT, Montana Association of County Commissioners of Pondera County, testified in favor of HB 227. He asked to emphasize a few points brought out which are by no means a conflict with our local printers. They are very necessary in our community. They dispatch the news to the community and help us do what often times is unnoticed. Many times the value of the local newspaper is not fully recognized. On the other hand,

printing contractors, particularly in rural areas, give the best prices and services available. In going through bids, we many times know before even opening the bid who the low bidder will be and he'll get the job. In no way would I suggest that we have bad relationships with the local newspapers.

OPPONENTS OF HB 227

MIKE MELOY of Helena represented the Montana Press Association. Mr. Meloy stated that HB 227 repeals a number of sections of Montana law. If it is REPRESENTATIVE SALES intent to repeal the County Printing Board, he doesn't have the right section, but I believe that is a technical problem which could be corrected. Other technical problems of the bill are more substantive. There are two things dealt with in these sections that are being repealed. One is the various requirements that the counties do certain things with respect to their printing and the requirements authorizing and setting forth the duties of the county printing board. Those two sections work hand-in-glove. Because of these reasons, I cannot understand why the county commissioners or the Montana Association of Counties are in support of repealing the County Printing Board because it was for their benefit that County Printing Board was established. Without the printing board, the county commissioners are at the mercy of the people in the rural areas of the local newspaper because they are required to print certain types of notices. Without the Board setting maximum rates, it is conceivable the county would be put into the position where they'd have to pay whatever the local newspaper requires.

Another section being repealed is the one that requires sureties to be posted for printing. You are repealing the section that limits the length of the contracts. You are also eliminating the section that requires competitive bids for county printing. If you repeal the whole thing, in addition to getting rid of the other requirements, you are substantially affecting the ability, in some cases, of the county newspapers to function.

VERLE RADEMACHER, editor and publisher of the Meagher County News in White Sulphur Springs. I am the legislative chairman of the Montana Press Association which is composed of 86 member newspapers in the State of Montana. The Montana Press Association opposes HB 227. (A copy of Mr. Rademacher's testimony is attached.)

IRVIN HUTCHINSON, committee chairman of the printing committee of the Montana Press Association and publisher of the Liberty Times in Chester stated that for 35 years he has held the Liberty Times printing contract. We are bonded to perform our service and get our work out on time. I am worried. When you take a man

my age who has been depending on the revenue from a contract for 35 years and then tell him you are going to take the contract away from him, you have a worried man. I know the legislature must think of what is good for all of the people of Montana. But is it in the best interests of all the people of Montana to keep this county printing law? I intend to show you that it is. We are in a farming community and we have to depend on the revenue from the county printing contract. If the crops aren't good, we'd go broke without the contract. I talked with the people in the community and asked them, if they support me, to write some letters to REPRESENTATIVE IVERSON and WOHLSTAD and tell them how they feel about this and send me copies of the letters as I'd be testifying at the hearing. The letters I'm going to show you were written two years ago, but are on the same subject so they are relevant today. A booklet was distributed to committee people with the letters included. Before you pass the death sentence on perhaps 10 of Montana's smallest newspapers, read what these people have to say. They know that the newspaper provides a vital service to the community. Most of the organizations know they couldn't go on if the newspaper didn't cooperate with them. These people are the taxpayers in Liberty County who are paying the taxes that the commissioners are spending for county printing. I can guarantee you that if you kill this County Printing Board, the price of printing is going to skyrocket. MR. HUTCHINSON mentioned, as an example, how his costs have risen. He ordered about 24 cases of paper. For some reason the girl at the paper supply house sent out one carton by itself. The freight on that carton was \$24.31. A carton is 10 reams or 5,000 sheets, at \$2.43 for shipping per one ream. Two days later the balance of the shipment came in (23 cartons) and the price was \$61.23 for freight, or 27 cents per ream.

We also had to print up forms for a particular item that the county had run out of and needed immediately. If an out-of-town printer was doing the job, there'd be no way the job could be done immediately as we do. The people don't want the Board of Printing eliminated. It isn't in the best interests of the people. It will cost them service when they need it and that could be disastrous for many of the small weekly newspapers in Montana.

REPRESENTATIVE HOLLIDAY: I have been asked to enter a statement opposing House Bill 227 from LOUISE RASMUSSEN, Editor and Publisher of the Roundup Record-Tribune and Winnett Times and past president of the Montana Press Association. (REPRESENTATIVE HOLLIDAY left the entire statement which is attached to the minutes of this meeting.)

REPRESENTATIVE KITSELMAN spoke in opposition to the bill at the urging of BILL TURNER of Billings, owner and publisher of the Billings Times. Because of the contracts which he has, he has been able to provide special services to the low cal forms, etc, which will in the long run save Yellowstone County considerable funds.

As there were no other opponents, CHAIRMAN BERTELSEN asked REPRESENTATIVE SALES to close.

REPRESENTATIVE SALES stated he is not here to put people out of business. I would be very surprised if anyone lost any business if the Board no longer functioned. I have more faith in my county commissioners than to think they would run around looking for someone to deal with rather than dealing with their local people. I think the work will remain with them as long as it remains good. I don't agree with the attorney who stated the local printers might stick it to the county if the controls were taken off; I don't think that will happen. I don't expect anybody to start raising their prices simply because the board isn't available to set prices.

QUESTIONS:

REPRESENTATIVE McBRIDE: Looking at the section which will be repealed, is it your intention, REPRESENTATIVE SALES, to delete the details relating to the printing contracts in that whole section which give some guidelines regarding the contracts that the commissioners would let for printing? Section 75-2412.

REPRESENTATIVE SALES: Yes, it's the whole chapter that would be repealed. As was pointed out, there is another section which the people in the Legislative Council didn't pick up, so if we do this we should repeal that section.

REPRESENTATIVE HANNAH for MR. HUTCHISON: Do you think the people who are represented by the letters you furnished would be willing to pay more for your paper?

MR. HUTCHISON: If I lose the county printing contract, that is what I'll find out. The only alternative I'd have would be to raise the subscription rates.

REPRESENTATIVE HANNAH: Do you think it is fair for the people to pay as they go for those that really believe you have a product that is worth selling? Do you think it is better for them to pay for it or to mandate that the whole county pay for it? We have a situation now where the county is forced to give all its printing to the county paper. This is a situation where the costs

are spread throughout the whole county where every taxpayer is paying a small share to support the county paper.

MR. HUTCHISON: That is essentially correct. Don't forget that the county has to have the printing and it will cost them more if they give the bids to someone else.

REPRESENTATIVE HANNAH: That isn't my point. You have the situation now where all the taxpayers are forced to pay for the service. If we repeal this bill, you'd have a situation where the people who believe it was a good product and worthwhile and necessary would pay for the product. Is that correct?

MR. HUTCHISON: The taxpayers would still be paying for the printing because it would have to be done somewhere else. The county has to have it.

REPRESENTATIVE HURWITZ to MR. RADEMACHER: Can you give me some idea as to what a printing contract is worth to a small printer?

MR. RADEMACHER: We are a sixth class county and we have about \$1,500,000 budget. We're talking about \$5,000.

MR. HURWITZ: I've heard that several of the state newspapers would like to get rid of the county printing.

MR. RADEMACHER: Here is a good example. My county commissioners recently put in a computer. When the computer came in, with it came a lot of printing too. During this changeover, my county treasurer ordered some forms from the Great Falls Tribune, also in violation with the county printing contract.

REPRESENTATIVE DUSSAULT: Do you know what the current rate now is for county advertising?

ANSWER: \$3.60 for 100 words.

REPRESENTATIVE DUSSAULT: How does that relate to your private rate?

ANSWER: it is the same exact rate as the private rate. I have no differentiation between the State of Montana, the county of Meagher, or a private attorney.

CHAIRMAN BERTELSEN: MR. MELOY, as long as we're short a section, can you tell me what section we're short in case we want to look at it. MR. MELOY said he thinks the researcher has found it, and Lee agreed.

As there were no further questions, CHAIRMAN BERTELSEN closed the hearing on HOUSE BILL 227.

CHAIRMAN BERTELSEN opened the hearing on HOUSE BILL 304.

HB 304 SPONSOR JACK MOORE introduced the bill. Its purpose is to clarify the qualifications that a newspaper must have in order to be eligible to bid on county printing contracts. House Bill 304 brought up a problem created by a reclassification bill in 1973. This was during the executive reorganization era. The recodification bill removed the language which is being reinstated in HB 304, lines 20 through 22. The removal was inadvertently made with the understanding that it didn't change the substance of the section. However, by removing the requirement that those entities eligible to bid on county printing didn't have a paid circulation as well as a second class mailing permit, the definition permits entities to bid on the county printing contract, including legal advertising even though they may not have the kind of distribution that generally gets to the public. The language reinstated in HB 304 simply replaces back into the section the language which has been prevalent since 1895.

PROPONENTS for HB 304

MIKE MELOY representing the Montana Press Association, said this bill reinserts language which was inadvertently removed in 1973. It deleted the reference to a second class mailing permit and paid circulation. This caused a problem because in one instance a publication which we commonly know as "The Shopper" bid for a job. We found the requirement mentioned had been deleted. The District Court figured out a way of deciding the change without really addressing the fact that the SHOPPER was not a qualified newspaper. They heard arguments that for a long time in Montana it had been the policy of the State to put its legal advertising in newspapers that would get to a fairly diverse membership.

The statute on the books said it was very important that a paper have a paid circulation to assure that the persons who get the paper bought it for a particular purpose. If advertising is done in a paper without a paid circulation, there is no guarantee that a person will read it. We ask that you consider this as a clarification measure and that this committee recommend a DO PASS for HB 304.

BILL ROESGREN, publisher of the Independent Record, stated he does no county printing as the legal notices represent about one percent of their revenue a year. I do believe in the principle upon which it is based. It was established by Congress many years ago. I don't know if any small papers might go out of business if we lose this printing law, but I do think it is a good idea to have the requirements written into the law. Having a paid circulation helps a newspaper's finances. It goes to compensate for the various expensive business of gathering news. A paper which takes advertising and nothing else doesn't have that expense. I do feel we do have a case.

OPPONENTS TO HB 304 - there being none, REPRESENTATIVE MOORE was asked to close. REPRESENTATIVE MOORE said all we're trying to do is reinsert the original language to clarify any problems that might exist. A personal example: Within the past 12 or 15 months there was a certain major newspaper that made disparaging remarks about a county commissioner. This county commissioner got his cohorts together and they took their printing away from the newspaper and gave it to another paper. The question was: Who are they? Since 90% of the county had never heard of the newspaper, it made it rather bad as it wasn't general circulation. I know for a fact that statewide people love to read the monthly operations of the county. I hope you will recommend a DO PASS on HB 304.

QUESTIONS FROM COMMITTEE

REPRESENTATIVE McBRIDE of REPRESENTATIVE MOORE: Are there any publications which might not be published at least weekly fit into this? REPRESENTATIVE MOORE: No, all the papers in this state are either daily or weekly newspapers.

REPRESENTATIVE HANNAH for BILL ROESGREN from the Independent Record: Regarding the second class mailing permit, is that a subsidized government permit?

MR. ROESGREN: The second class mailing permit is a lower rate for distributing second class matter, and a newspaper qualifies for it.

VICE CHAIRMAN VINGER asked if there were further questions. There being none, he closed the hearing on HB 304.

A brief recess was called, after which the remaining bills will be heard.

VICE CHAIRMAN VINGER opened the hearing on HOUSE BILL 228.

SPONSOR and COMMITTEE MEMBER WALTER SALES opened the hearing. I am sure you are all familiar with Rural Improvement Districts and Special Improvement Districts. The special improvement districts are in your cities and town and the rural improvement districts are in the rural areas. I think that the general public has the idea that when the district is set up it only affects the people in that district. They are the ones incurring the debt and paying it off. The bonding people come in and look at it on that basis. The buyers look at it on that basis and if it's a good project they go ahead and nobody else is affected except the property owners in that district. In Montana that isn't true. Here we have the revolving fund. We have a sinking fund to meet the bond requirements but there is also a revolving fund. The revolving fund simply says that if for any reason the

county or the city doesn't have the money on hand from receipts from the district to pay the bonds and the interest, they can levy a countywide tax or a citywide tax to pay the difference. Over the years you'd think we would receive a very preferential interest rate on our improvement district bonds because of this. We don't. It is nice for the people in the district to know that the whole county is behind them. It is nice for the bond people because they can come in and encourage a district and not worry about it going under. It is nice for the people who buy the bonds; it is a nice, solid investment, but it is not to the advantage of the general property holder in the entire county or in the entire city. It is to his detriment and for no good reason as far as I'm concerned. Maybe people in opposition to these bills will have some good reasons to leave them in there.

VICE CHAIRMAN VINGER said House Bills 228 and 229 are almost identical except that one deals with county RIDs and the other with city and town SIDs.

PROPONENTS TO HOUSE BILL 228

There were none.

The CHAIRMAN called for OPPONENTS TO HB 228.

GENE HUFFORD, with D. A. DAVIDSON & COMPANY of Great Falls, said they've been underwriting Special Improvement bonds in Montana for 13 years. I always appreciate anyone who can call \$72 million inconsequential. There are at least this many SID bonds outstanding in the State of Montana at the present time. A portion of those bonds are paid off each year, just as new bonds are issued. I don't have the number of improvements that have been financed by this method in the state, but it involves lots of money. If these bills are passed, there will be no markets for Special Improvement Bonds in the State. The only reason that the bonds can be sold at the present time is because of the revolving fund. Without the revolving fund that money will not be available and if one piece of property in any district does not pay its taxes in a timely manner, and even if the property is foreclosed on and sold and it doesn't bring enough money to pay the taxes, there will be a default in the bond issue. What this bill will do, if a city or community is able to market their special improvement district bonds, is cause many defaults on the bonds.

MAE NAN ELLINGSEN, with the city attorney's office in Missoula, said the City of Missoula is opposed to House Bill 228 for reasons a bit different from those of MR. HUFFORD. (She submitted written testimony, attached to these minutes.) We urge that the committee recommend a DO NOT PASS FOR HB 228.

AL THELEN, City Administrator of Billings, said he appears on behalf of his city government. I am opposed to this bill. From a general standpoint we can't stand to lose any mechanics or instruments that we are now using to meet some of our needs to the community. Special Improvement Bonds are extremely significant in providing the financing for public improvements in Billings. I am concerned when we have some suggestion that SID bonds might not be issued. In terms of the revolving fund, funds that come from a revolving fund do not have to come from a general tax on the city. In 1978 the City of Helena adopted a policy where they had to come from the developer. In 1979 Billings adopted a similar policy. The city governing bodies of each of those cities and county commissions can make that determination. They don't have to ever issue a special district bond. They must find it is in the public interest before they do so. If they want to require the money to come from other sources, as funding money from the developer, they have that authority to do so. In many instances there are other sources of funds that have been used. In Helena and in Billings community development funds or revenue sharing funds were used, particularly in older and low-income neighborhoods. Because we did not want the people in that area to have to make it, and we thought it was an incentive and would raise the standards in those neighborhoods. Those are the types of decisions which should be made at the local level by the city councils and the county commissioners. SIDs, in addition to providing monies to build the streets, water lines, sewer lines and sidewalks, also provide a way for distributing costs in areas where they have multiple ownership. Sometimes it is impossible for those ownerships to get together and decide how they are going to apportion the costs and special improvement districts provide a method for that. In many cases the developers will want to do the development without using SIDs if they, in fact, are the single ownership.

VICE CHAIRMAN VINGER asked if there were any other opponents. As there were none, he asked REPRESENTATIVE SALES to close. REPRESENTATIVE SALES closed the hearing on House Bill 228. I am surprised that nobody mentioned the fact that this is done elsewhere. Like I say, I have not been able to find another state where they have this type of revolving development funds. There are other ways the money can be on hand in time to pay the bonds and interest when they come due. The revolving fund reads like the only purpose for it is to assure that the money is there at the particular time the coupons come due. There are other ways through the sinking fund and the structure of the bonds that the district is set up to take care of that, and not leave that responsibility on just that property in the district. It hasn't created that much of a problem. There haven't been too many failures of improvement districts. We're getting into an era now, not so much in the cities but certainly in the counties, where we've got some pretty big recreational and rural developments going on. Some are highly speculative. A great many of

them would not even be considered by a bond buyer or by a company such as D. A. Davidson if this guarantee wasn't there. I think that those districts should be able to stand on their own two feet and get their own financing.

ACTING CHAIRMAN VINGAR stated we'll hold the questions on HB 228 until we've had the testimony on HB 229.

VICE CHAIRMAN VINGAR opened the hearing on HB 229 and called REPRESENTATIVE SALES to open the hearing.

REPRESENTATIVE SALES: I close. HB 229 was included with HB 228.

OPPONENTS FOR HOUSE BILL 229

GENE HUFFORD said he'd comment on REPRESENTATIVE SALES remarks on how other states handle the matter. I do not know of any state that issues special improvement district bonds where the bonds are payable primarily from the special assessments on individual pieces of property or an individual area within the community that does not have something similar to the revolving fund. I do not know of any other state that has something they call a revolving fund. The additional backing in the state of Montana is not unique at all. It is an absolute necessity to sell the bonds.

The acting chairman called for other opponents. As there were none, he called for questions from the committee members.

QUESTIONS:

REPRESENTATIVE ANDREASON commented that he thinks he understood REPRESENTATIVE SALES to say that when it does come from the revolving fund it is made in the way of a loan for special improvement districts; and he said that both principal and interest were used on the part of all the taxpayers supporting the SID.

MAY ELLINGSEN: The revolving fund is used to pay principal and interest payments on the bonds that are delinquent. That is a loan from the revolving fund and is to be repaid from the district. It is essentially repaid in two ways. When the property owner comes in and pays his delinquent fee, that money is put back into the revolving fund. Or assuming there is a default, the city sells the property and tax payoff is from the amount of money that is realized from that sale goes into the revolving fund.

REPRESENTATIVE AZZARA FOR AL THELEN: You mentioned something that Helena did several years ago regarding developer liability.

AL THELEN: The Helena policy basically says that 5% of any special

improvement district bond on raw land developments has to be paid up front to the revolving fund before the city will issue an SID bond. On the last year of that particular SID that 5% is used to pay off that particular lien against the property.

REPRESENTATIVE HANNAH for AL THELEN: The developers in Billings and Helena are required to capitalize at a 5% rate. Is that correct?

AL THELEN: Yes.

REPRESENTATIVE HANNAH: Is the city capitalizing their bonds at 5%?

AL THELEN: The city, when it issued general obligation bonds, did not capitalize. I have argued for years since I've been in Montana that we should change our system so it is full-fledged so the consumer can get that advantage, but again, when we issue a general obligation bond, the answer is no, it's a general obligation of the city. It in effect is the same kind of guarantee as the revolving fund and there is no capitalization because it does not have a demand on the revolving fund. On revenue bonds each one of them usually has or always has a provision for either a capitalization or the creation of either a reserve fund that can be used as a guarantee much like the sinking fund is, but they differ whether it's a water utility, a parking garage utility or something else.

REPRESENTATIVE HANNAH: So what your're talking about from the city's stand point is not an actual cash outlay until default happens. Is that correct?

AL THELEN: There is no cash outlay until there is a default and incidentally all SIDs in Montana are called the bonds so it has to be on the fifteenth year if they are fifteen year bonds.

REPRESENTATIVE HANNAH: Is there a penalty charge to that particular person to make up for costs to the city?

AL THELEN: Billings does not make a charge, and at least while I was in Helena there was none.

REPRESENTATIVE HANNAH: Mae, will you answer the same question?

MAE ELLINGSEN: The revolving fund charges the district the same amount of interest for the bond that the district was paying.

REPRESENTATIVE KESSLER for REPRESENTATIVE SALES: Do you have any comments on what other states said about having some type of backing?

REPRESENTATIVE SALES: I want to comment on what Al said about the city in Kansas. It looks to me like they don't have SID bonds; all they have are general obligation bonds.

REPRESENTATIVE KESSLER: Mr. Sales, if this bill should happen to pass and what happens is what the gentleman from D. A. Davidson said, how in your mind are cities going to finance these improvements?

REPRESENTATIVE SALES: Senate Bill 96 is a good bill and I hope we get it passed. There are many ways to do it that are better than what we are doing, but I think the big problem is that we're seeing a lot of districts created and a lot of farms sold all of a sudden on projects that are highly speculative and that's why I'm concerned.

REPRESENTATIVE VINGER of MAE ELLINGSEN: What is the location of SB 96?

MAE ELLINGSEN: SB 96 is still being held in the Senate Taxation Committee. SENATOR TOWE wanted to place an amendment on it that was not in the original bill. It is a good one which would provide that at the end of the 20 year period the 5% that has been capitalized by that district would return to either the property owners or we think the best solution would be to use it to retire the last year of the bond.

REPRESENTATIVE VINGER for MR. HUFFORD: How many special improvement districts have failed within the last 20 years in rural improvement districts?

MR. HUFFORD: Prior to the revolving funds there were many, but the revolving fund law became effective in about 1929 and the law was passed at that time to prevent defaults. Since the revolving fund has been in existence, there has not been a default that I know of. Default is non-payment of principal and interest on a bond.

MAE ELLINGSEN: There is another piece of legislation which is closely related to the problem. The current penalty for non-payment of SIDs is 8%. There are a lot of people who aren't going to pay 8% when they can invest somewhere else.

REPRESENTATIVE NEUMAN for MR. HUFFORD: Do you have any idea what percentage of your \$72 million in revenue bonds is being funded now out of a revolving fund?

MR. HUFFORD: All of them are secured by the revolving fund, but on the other hand I do not have any idea how much is being drawn from the revolving fund to pay on the bonds, but percentage wise it is very small.

REPRESENTATIVE SALES for the whole committee: How many of you knew before today that your neck was on the line for a district you didn't live in or own property in?

REPRESENTATIVE VINGER: I knew they were secured.

ACTING CHAIRMAN VINGER closed the hearing on House Bill 228 and 229.

ACTING CHAIRMAN VINGER said we had only one small piece of business left to take care of and that is REPRESENTATIVE DUSSAULT's request to have a committee bill so she can park some buses on the streets in Missoula. Are there any objections if we do this?

REPRESENTATIVE SALES moved that the committee write a bill related to providing for establishment of bus stops in municipalities.

Motion was seconded and carried unanimously.

Staff Researcher was given a copy of the suggested draft.

The meeting adjourned at 2:30 p.m.


VERNER L. BERTELSEN, Chairman
hbm

HOUSE Local Govt COMMITTEE

Date 1-29-81

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

NAME Beverly Gibson BILL No. HB 227
ADDRESS Helena DATE 1-29-81
WHOM DO YOU REPRESENT MACo
SUPPORT X OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME EVERETT ELLIOTT BILL No. 227
ADDRESS PONCHARA County DATE 1-29-81
WHOM DO YOU REPRESENT MACO
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:



The Roundup Record-Tribune

P. O. Box 747

ROUNDUP, MONTANA 59072

January 26, 1981

KEN and LOUISE RASMUSSEN, Publishers

MRS. LOUISE RASMUSSEN, Editor

STATEMENT ON HB 227

My husband and I publish the Roundup Record-Tribune and The Winnett Times. We hold the county printing contracts for Musselshell and Petroleum Counties. In both counties these are the only publications.

If HB 227 is approved abolishing the County Printing Board which sets the maximum prices counties pay for their printing, it will be extremely difficult to prepare a bid. County needs for forms vary a great deal from year to year. Both these counties are using forms that are 30 and even 40 years old and who knows when they will be needed again. With a general criteria such as set by the present pricing code, all printing is priced fairly uniformly throughout the state.

Our shop is crowded with old forms, negatives and samples of work done for the county during the past 70 years. All this would be lost with out-of-county printers having the contract. I am sure we would lose out to the quick-printers or a large chain outfit which already has the Yellowstone County Printing contract. There would be no point in us keeping these past jobs any longer. There would be no perceptible saving to the county.

In Musselshell County, the total county printing bill including the expensive bound books accounts for about 10% of our gross annual incomes. In Petroleum County, it is about one-third of the gross. The loss of the Musselshell County contract wouldn't cripple us, but it would probably cause the loss of one employee. In Petroleum County it would no longer be possible to continue publishing a paper for these people. We already use every short cut possible. The people in that area are so isolated, this would be a real tragedy to them, their school and their sense of community.

This would be the story in many of the rural counties in Eastern Montana, the newspapers in a recent Legislative Audit Committee said "represent only minimal inefficient resource utilization."



The Roundup Record-Tribune

P. O. Box 747

ROUNDUP, MONTANA 59072

KEN and LOUISE RASMUSSEN, Publishers

MRS. LOUISE RASMUSSEN, Editor

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A good example of how counties can be taken advantage of happened here. Our Sheriff bought a printed form from Moore Business Forms (which we could have printed) costing the county \$432.22. The printing code price is \$285.00. He did this illegally of course. The forms were billed out of San Francisco, printed out of the state.

In the present law, the bond furnished by printers needs to be increased to a more realistic amount. It should also be emphasized that no county should be expected to accept inferior printing, or have to wait unreasonable lengths of time for their printing. We have always strived to give both counties the best possible work we could perform and prompt service.

Respectfully submitted,

Louise G. Rasmussen

Editor & Publisher

The Roundup Record-Tribune and Winnett Times

Past President, Montana Press Association

P.S. This is almost an identical statement I wrote in February 1979 to help defeat an almost identical bill. It seems stupid to have this same matter brought up every two years. The amounts the counties pay for printing and legals is such a very small portion of their annual budgets, it makes one wonder why so much time is being spent trying to get this board abolished.

The Meagher County News

P. O. Box 349

WHITE SULPHUR SPRINGS, MONTANA 59645

MONTANA PRESS ASSOCIATION STATEMENT

My name is Verle L. Rademacher and I am editor and publisher of the Meagher County News in White Sulphur Springs. I am the legislative chairman of the Montana Press Association, which is composed of 86 member newspapers in the state of Montana.

The Montana Press Association opposes HB 227 which would repeal the County Printing Board and its functions. We believe that HB 227 would be injurious, particularly to the smaller newspapers of the state. The legislation could mean the closing of some of these smaller papers.

The first law governing county printing services was enacted in 1895 which required that county governments were to purchase all of their printing and legal notice services from newspapers and printing businesses within their respective county. The law had also built into it a price setting mechanism. Up through 1967, the legislature set the maximum prices that could be charged for printing and legal advertising. At that time a five member County Printing Commission was formed to shoulder the task of regulating the setting of prices.

Historically, the Montana Press Association has evolved into a very few from many. Originally, Montana newspapers popped up whenever the need to publish homestead claims was necessary or when a new mining boom materialized a town overnight. During the height of the homesteading activity counties like Valley County had as high as 16 newspapers. After the immediate need of publication of homestead claims had passed, many newspapers moved on or consolidated. It was during this time that county governments realized the necessity of having a local press and the county printing law was born.

In 34 of Montana's 56 counties the county seat weekly is the bidder on the county printing contract. It is estimated that possibly 10 of these weeklies could be effected to the point of closing or merging with another newspaper if the county printing law were repealed. We feel that any legislation which will jeopardize the continuance of a newspaper in every county is not in the best interests of the people of the state. Once a community loses a newspaper, almost invariably that community ceases to grow and begins to die, since the community newspaper is the only direct tie such communities have to the outside world.

The repeal of the County Printing Law would, we feel could and most likely result in:

1. Closure of a number of printing shops and newspapers in Montana.
2. A loss of services available to a number of smaller Montana towns and communities.
3. A decrease in employment opportunities to nearly every Montana community involved in the county printing industry.
4. A loss of the right to know in some communities by bringing about a loss of their only means of keeping informed on current events and the operation of county government.
5. Loss of tax revenues and reduced business and personal purchasing within the effected counties.
6. A direct increase in the cost of certain larger printing jobs needed by counties, to the benefit of big business in Montana and at the expense of Montana small business.
7. Even less public participation in the expenditure of county tax dollars.
8. Loss of all ceiling prices on printed material for county use.
9. Increasing control of regulatory activities by major vested interest groups combined with a loss of control by small business.
10. A general decrease in the timeliness and quality of services being provided county government by local printers.

HOUSE Local Govt COMMITTEE

COMMITTEE

Date 1-29-81

Sales



PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

NAME MacNan Ellington BILL No. 228
 ADDRESS 201 W. Spence DATE Jan. 29, 1981
 WHOM DO YOU REPRESENT City of Missoula
 SUPPORT _____ OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

The City of Missoula is opposed to H.B. 228 not so much in concept, but rather in effect.

The ultimate result of this piece of legislation would be the elimination of S.D.'s as a method of financing local government public improvements.

While the purpose of the bill, particularly the title, is laudable, i.e. removing the liability of taxable property within a city for payment of principal and interest on special improvement District bonds; it really overstates what the law actually is.

S.D.'s are very limited obligations of the city. The sections to be made inapplicable to S.D.'s after June 30, 1981 are sections establishing the revolving fund and establishing procedures for funding the revolving fund and procedures for making loans to the different S.D. districts. Let me emphasize that payments made from the revolving fund to district S.D.'s are loans.

The revolving fund is currently funded by a general tax levy on the city residents. The city is authorized to levy an amount of taxes so as to fund the revolving fund in an amount not to exceed 5% of the outstanding S.D.'s.

Herein lies the problem that Representative Sales wishes to remedy, I believe. The way to remedy the problem is not to abolish the revolving fund and thereby destroy the S.D. procedure, but rather to provide alternative sources for funding the revolving fund. At the request of the City of Missoula, Sen. Fred Von Holtenburg has

City to require that 5% of the principal amount of ~~the~~ bonds be deposited in the revolving fund.

It is our position that the alternative of having the ~~city~~ SMO make a contribution toward the revolving fund, will obviate the need for the city levying general taxes to support the revolving fund.

In my opinion there is a valid reason that the local government have some limited liability for SMO bonds. SMO's are a way of financing public improvements that could be determined to be a responsibility of the governing body.

NAME Al Thelen BILL No. 228
ADDRESS 1818 Park Hill DATE _____
WHOM DO YOU REPRESENT city of Billings
SUPPORT _____ OPPOSE ✓ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

city of Billings uses S I D bonds
to make numerous public improvements

WITNESS STATEMENT

Name Gene Hufford Date Jan 29, 1981
Address Great Falls Montana Support ?
Representing W.D. Davidson & Co Oppose ? X
Which Bill ? HR 228 and 229 Amend ?

Comments:

Passage will eliminate market for SID and
PSID Bonds and will cause defaults if
issuer is able to sell Bonds, issuers will not
have fund of money to borrow from to take care
of non payment of taxes.

Please leave prepared statement with the committee secretary.

WITNESS STATEMENT

Name SCOTT CURREY Date 1/29/81
Address PO BOX 514 HELENA Support ?
Representing MONT. ASSOC OF ROGERS Oppose ? ✓
Which Bill ? H.B.'s 228-9 Amend ?
Comments: THESE BILLS WOULD MAKE MARKETING OF LOCAL BONDS
VIRTUALLY IMPOSSIBLE.

Please leave prepared statement with the committee secretary.

STANDING COMMITTEE REPORT

February 10, 19⁰¹

MR. SPEAKER

We, your committee on LOCAL GOVERNMENT

having had under consideration HOUSE Bill No. 227

A BILL FOR AN ACT ENTITLED: "AN ACT TO ELIMINATE THE BOARD
OF COUNTY PRINTING AND ITS FUNCTIONS; REPEALING SECTIONS
7-5-2401 THROUGH 7-5-2414, MCA."

Respectfully report as follows: That HOUSE Bill No. 227

Amend House Bill 227

1. Title, line 6.
Following: line 5
Insert: "2-15-1102 AND"

2. Page 1, line 9.
FOLLOWING: "Sections"
Insert: "2-15-1102 and"

AS AMENDED

DO PASS

STANDING COMMITTEE REPORT

February 11, 1981

MR. SPEAKER

We, your committee on LOCAL GOVERNMENT

having had under consideration HOUSE Bill No. 228

A BILL FOR AN ACT ENTITLED: "AN ACT TO REMOVE THE LIABILITY OF TAXABLE PROPERTY IN A CITY OR TOWN FOR PAYMENT OF PRINCIPAL AND INTEREST ON SPECIAL IMPROVEMENT DISTRICT BONDS ISSUED AFTER JUNE 30, 1981; AND PROVIDING AN EFFECTIVE DATE."

Respectfully report as follows: That HOUSE Bill No. 228

DO NOT PASS
DO PASS:

STANDING COMMITTEE REPORT

..... FEBRUARY 11, 19 81

MR. SPLAKER

We, your committee on LOCAL GOVERNMENT

having had under consideration HOUSE Bill No. 229

A BILL FOR AN ACT ENTITLED: "AN ACT TO REMOVE THE LIABILITY
OF TAXABLE PROPERTY IN A COUNTY FOR THE PAYMENT OF PRINCIPAL
AND INTEREST ON RURAL IMPROVEMENT DISTRICT BONDS ISSUED
AFTER JUNE 30, 1981; AND PROVIDING AN EFFECTIVE DATE."

Respectfully report as follows: That HOUSE Bill No. 229

DO NOT PASS
DO PASS

STANDING COMMITTEE REPORT

..... 1911

MR. SPEAKER

We, your committee on LOCAL GOVERNMENT

having had under consideration HOUSE Bill No. 304

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE
QUALIFICATIONS THAT A NEWSPAPER MUST HAVE IN ORDER TO BE
ELIGIBLE TO BID ON COUNTY PRINTING CONTRACTS; AMENDING
SECTION 7-5-2411, MCA."

Respectfully report as follows: That HOUSE Bill No. 304

DO PASS

Vernor L. Bertelsen
Vernor L. Bertelsen Chairman.