

MINUTES OF THE MEETING OF THE LOCAL GOVERNMENT COMMITTEE  
February 13, 1981

The Local Government Committee met February 13, 1981 at 7:30 p.m. in Room 103 of the Capitol. The meeting was called to order by CHAIRMAN VERNER BERTELSEN. The roll call was taken and all committee members were present but REPRESENTATIVES HURWITZ, KESSLER and PISTORIA, who were absent.

HOUSE BILL 704

CHAIRMAN BERTELSEN announced that HB 704 would be heard first.

HOUSE BILL 704 SPONSOR, REP. DUSSAULT introduced the bill. The purpose of HB 704 is to provide an exemption for bus stops in areas otherwise forbidden for motor vehicles to stop. In Missoula the buses are not legally permitted to stop in orange marked zones, but to make it legal for them to do this, they asked for approval from the legislature.

PROPONENTS

RICHARD A. HOWELL of the Transit Bureau, Department of Community Affairs, stated this is more of a legal problem than anything. Missoula is the first city that has run into this problem. Basically, we are looking for a clarification in the law. We have checked with the Department of Highways and the City Engineers of Billings, Helena, Great Falls and Missoula for the language in the bill. As long as there is a study required and as long as the State Highway Department has the review approval of highways, the street areas so marked can be used for bus stops.

OPPONENTS

There were no opponents to HOUSE BILL 704.

CHAIRMAN BERTELSEN asked REP. DUSSAULT to close.

REP. DUSSAULT: I close.

REP. DUSSAULT moved that HOUSE BILL 704 DO PASS.

Question: All in favor of HOUSE BILL 704 say "aye". All were in favor so HOUSE BILL 704 received a unanimous DO PASS vote.

REP. GOULD moved that HOUSE BILL 704 be put on the consent calendar. All committee members approved.

REP. McBRIDE thought REP. DUSSAULT deserves a chance to discuss her bill on the floor. This was agreed so the Chairman asked that "it be removed from the consent calendar".

HOUSE BILL 425

CHAIRMAN BERTELSEN asked committee members if they wanted to take executive action on HOUSE BILL 425.

REP. GOULD moved that HOUSE BILL 425 DO PASS.

The CHAIRMAN said this is the bill dealing with franchises being granted by municipalities. The amendments were proposed by the Montana-Dakota Utilities and Staff Researcher LEE HEIMAN fit them into the bill. Read through them and see how you feel. (See copy of Standing Committee Report attached.)

MR. HEIMAN said by definition a franchise that goes through an election keeps it exclusive, but most franchises are a written document where it says exclusive. There is absolutely no problem with keeping the two apart. He said non-exclusive franchises are no problem in granting. Any exclusive franchise has to go through an election, which separates the two automatically.

REP. VINGER said he thinks this takes care of the solid waste people. All the utility franchises in the State are just gas. You don't have to have electric, but they are all non-exclusive. In other words, the city can offer a franchise to another solid waste district.

REP. MATSKO; The City of Great Falls does have an exclusive franchise for city gas.

CHAIRMAN BERTELSEN asked if the Committee was ready for the question.

QUESTION: All in favor of DO PASS on the amendments say "aye".  
The motion on the amendments carried unanimously.

QUESTION ON PASSING HOUSE BILL 425 AS AMENDED: All in favor say "aye". The vote was unanimous for DO PASS AS AMENDED.

HOUSE BILL 438

HOUSE BILL 438 will be held until Monday, February 16 as MR. HEIMAN has not had an opportunity to prepare the amendments.

HOUSE BILL 516

The question was asked if anybody ever came up with a fiscal note on this bill.

CHAIRMAN BERTELSEN said he has one. MR. HEIMAN secured some which he then passed out.

REP. DUSSAULT asked if it were safe for her to assume that the Interim Committee found that the benefits of the local government were such that they do not warrant payment to local governments for such purpose?

REP. BERTELSEN said he thinks to do it on this type of broad scale involved problems as there are little state properties all over Montana. The matter of trying to determine how much fire protection they owe the city of Broadus is hard to do. As an example, they have a highway maintenance house there so it would be almost insurmountable to figure how much the state would owe.

REP. NEUMAN; What is the difference? You pay local taxes for fire protection or you pay state taxes? You accomplish the same thing, don't you?

REP. MATSKO: No. Going back to your statement was rather frightening to me. The procedure you have to go through to figure out how much tax will go for fire protection seems unreasonable. Does this method adequately answer the problem in your estimation?

REP. BERTELSEN: I think it could in some instances. But in many cases I don't think it makes sense.

REP. AZZARA: Is that because in some instances the value is so small that it is insignificant? If that is the real problem and we create an administrative problem in itself, why can't the minimum assessed valuation figure be established? I feel some compensation should be given, particularly if the bill fails because of its potential involvement.

REP. BERTELSEN said he doesn't think that is the only reason. The other thing did come up at the committee hearing stating that in cities which have large state complexes, it couldn't be proved that they had a higher rate of taxation for fire and police protection than other cities which do not have them. In fact in the city of Helena the taxation rate was lower than many other cities. The committee that did the research said that in many cases the actual impact return to the cities, because they had a complex was far greater than the added expense to the citizens within the town.

REP. AZZARA: How was that return determined? How was it classified and who did it?

REP. BERTELSEN said a research firm in Helena did it.

REP. AZZARA: Was it classified in such a way that somehow a determination was made of the economic impact on business and the percentage of business tax receipts.

REP. BERTELSEN: There was an effort to do this but that is very difficult.

REP. HANNAH: I am concerned whether this is right or wrong. I don't think the Appropriations Committee is the final arbitrator on this. There may be a workable way to put it together. I don't like this bill. I move that HOUSE BILL 516 DO NOT PASS.

Final action was delayed until next meeting.

#### HOUSE JOINT RESOLUTION 28

CHAIRMAN BERTELSEN said since REP. SALES was present he'd take up HOUSE JOINT RESOLUTION 28.

REP. SALES said he had a visit with the Business and Industry Committee about some problems with industrial revenue bonds which are occurring in the State. The Business and Industry Committee decided to write a resolution which they wish to direct to some of the local government officials in regard to the problems. As you know, Industrial Revenue Bonds have been used for some very good purposes; for anti-pollution control devices, in some cases for hospitals and rest homes in the State. There have also been cases where the good faith and credit of the people of the State and the people of the community have been abused. Instead of businesses in competition with them, in some cases this has created a real problem. We want to caution them because Congress is looking at the real possibility of taking away the tax exempt status of these bonds. These types of abuses will just give them something more to go on and we don't want to lose proper use of these bonds. So we would like to send this warning to the local officials, asking them to take a good look at what they are doing and ask that they don't approve everything that comes in. Many people are upset because of using them to promote a K-Mart where you already have 10 businesses in that type of business. You are providing them with a preferred type of credit, and actually using the good faith and credit of the people who have been here for many years. This is the type of thing we would like to have looked into.

#### PROPOSERS FOR HOUSE JOINT RESOLUTION 28

REP. ANDREASON; I would like to speak as a proponent. I am also a member of the Business and Industry Committee. There are four of us in Local Government who are on this committee, namely, REPRESENTATIVES KESSLER, BERGENE, KITSELMAN AND myself. We felt the bill originally presented for REP. SALES was a good idea and we'd like to preserve it in the resolution. There are a lot of abuses of this type of bonds. We want the people of Montana to know that we think there should be limited use of such bonds, and they should be designed for helping local and small businesses rather than setting up large chain stores.

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REP. DUSSAULT: Ditto of what REP. ANDREASON said.

OPPONENTS

There were no opponents.

REP. SALES closed.

EXECUTIVE ACTION ON HOUSE JOINT RESOLUTION 28

REP. DUSSAULT moved that HOUSE JOINT RESOLUTION 28 DO PASS.  
All in favor vote "aye". HOUSE JOINT RESOLUTION 28 carried by  
unanimous vote.

The meeting recessed until the House adjourned, at which time it  
would reconvene.

CHAIRMAN BERTELSEN returned, stated he dismissed the committee  
until next week.

Meeting adjourned at 8:20 p.m.

  
VERNER L. BERTELSEN, CHAIRMAN

TO: The Chairman and Members of the House Local Government Committee

FROM: Lee Heiman, Committee Counsel

DATE: February 13, 1981

RE: Summaries of House Joint Resolution 28 and House Bill 704

HJR 28 (Sales). Urges each local government in the state to exercise prudence in authorizing revenue bonds. Local governments are given legislative direction as to the intent behind the use of revenue bonds -- to provide capital not otherwise available from private sources.

HB 704 (Dussault/House Local Government Committee). To provide an exemption for bus stops in areas otherwise forbidden for motor vehicles to stop.

## VISITORS' REGISTER

HOUSE LOCAL GOVERNMENT COMMITTEE

BILL HOUSE BILL 704

Date Feb. 13, 7:30 p.m.

SPONSOR DUSSAULT

Friday

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

NAME Richard A. Howell BILL No. 704  
ADDRESS Blue Sky Heights, Clary DATE 2/15/81  
WHOM DO YOU REPRESENT TRANSIT ASSISTANCE Bureau/OCA  
SUPPORT \_\_\_\_\_ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: I am attending as a resource person  
requested by Representative Dussault



## Amend House Bill 425.

1. Title, line 5.

Following: "GRANT A"

Insert: "NON-EXCLUSIVE"

2. Title, line 26.

Following: "Electors; "

STRIKE: "REPEALING SECTIONS "

INSERT: "AMENDING SECTION "

3. Title, line 7.

Following: "7-5-4321"

Strike: "AND 7-5-4322"

4. ~~Page~~ Page 1, lines 11 and 12.

Following: "Section 2. "

Strike: remainder of section 1 in its entirety.

Insert: "Section 7-5-4321, MCA, is amended to read:

exclusive

7-5-4321. Grant of franchise — election required. (1) The council

an exclusive

may not grant a franchise or special privilege to any person except in the manner specified in subsection (2). The powers of the council are only those expressly prescribed by law and those necessarily incident thereto.

exclusive

(2) No franchise for any purpose may be granted by any city or town or by the mayor or city council thereof to any person, association, or corporation without first submitting the application therefor to the electors of the city. " "

1. Title, line 5.

Following: "GRANT A"

Insert: "NON-EXCLUSIVE"

2. Title, line 96. <sup>all caps</sup>

Following: "Electors;"

STRIKE: "REPEALING SECTIONS"

INSERT: "AMENDING SECTION"

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NAME Richard A. Howell BILL No. 704  
ADDRESS Blue Sky Heights, Clary DATE 2/13/81  
WHOM DO YOU REPRESENT Transit Assistance Bureau/OCA  
SUPPORT \_\_\_\_\_ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: I am attending as a resource person  
requested by Representative Dussault

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Comments: I am attending as a resource person  
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NAME Richard A. Howell BILL No. 704  
ADDRESS Blue Sky Heights, Clary DATE 2/13/81  
WHOM DO YOU REPRESENT Traveller Assistance Bureau/DCA  
SUPPORT \_\_\_\_\_ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

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BILL
 HOUSE BILL 704

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SPONSOR DUSSAULT

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## VISITORS' REGISTER

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ROLL HOUSE BILL 704

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Friday

SPONSOR DUSSAULT

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FROM: Lee Heiman, Committee Counsel

DATE: February 13, 1981

RE: Summaries of House Joint Resolution 28 and House Bill 704

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# STANDING COMMITTEE REPORT

February 14, 1931

MR. SPEAKER

We, your committee on LOCAL GOVERNMENT

having had under consideration HOUSE JOINT RESOLUTION ~~SEN~~ No. 28

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF  
REPRESENTATIVES OF THE STATE OF MONTANA URGING LOCAL  
GOVERNING BODIES TO EXERCISE RESTRAINT AND SOUND BUSINESS  
JUDGMENT IN THE CONSIDERATION AND APPROVAL OF INDUSTRIAL  
DEVELOPMENT REVENUE BONDS.

Respectfully report as follows: That HOUSE JOINT RESOLUTION ~~SEN~~ No. 28

DO PASS

# STANDING COMMITTEE REPORT

February 14, 1931

MR. STARKER

We, your committee on LOCAL GOVERNMENT

having had under consideration HOUSE Bill No. 714

A BILL FOR AN ACT ENTITLED: "AN ACT TO PERMIT THE ESTABLISHMENT OF BUS STOPS IN PLACES IN WHICH STOPPING, STANDING, AND PARKING A VEHICLE ARE OTHERWISE PROHIBITED; AMENDING SECTION 61-8-354, MCA."

Respectfully report as follows: That SENATE Bill No. 734

DO PASS