

CHAIRMAN BERTELSEN called the meeting to order at 7:30 p.m. on Friday, February 20, in room 103. All committee members were present.

HOUSE BILL 781: REPRESENTATIVE HAL HARPER, Sponsor, was introduced. He gave a brief history of the bill, stating it was in early but has been kicked around because there was a question of just exactly what a "repurchase agreement" is. A repurchase agreement is an actual sale of securities to a governing body and an agreement by the financial institution to buy them back. All this bill does is recognizes the practice which has been going on in a number of cities for quite awhile and a practice which I think any responsible governing body should look into. It provides that you can get more interest for your money and therefore more efficient use of money.

The amendments I've suggested are drawn out on your bill. I was looking for some city people who could have explained this a little further but must have missed the time of the hearing. Basically this is a clarification of law. A gentleman from the First Bank in Helena went over it very carefully and checked the amendments to be sure they worked.

PROPOSERS FOR HOUSE BILL 781 None were present, even though a number were to appear today.

OPPOSERS FOR HOUSE BILL 781 As there were none, the hearing was opened for QUESTIONS FROM COMMITTEE MEMBERS.

REP. HURWITZ had a question for Mike Stephen. It is possible for counties now to put their money in some other account at a higher interest rate than banks usually give?

MIKE STEPHEN said he was not familiar with this, but that is the intent of this bill.

CHAIRMAN BERTELSEN said he understands that this can now be done on a daily basis.

MIKE STEPHEN said it can be done on any time payment agreement between the governing body and financial institution. The purpose of the bill is to obtain the maximum amount of interest for the taxpayer's money.

REP. PISTORIA: The sponsor of the bill must have had in mind other institutions that pay a higher rate of interest. In Great Falls we have no other way out than the banks.

MIKE STEPHENS: You have the banks and the savings and loan institutions.

This bill will be considered again tomorrow morning.

HOUSE BILL 790 - Sponsor REP. FRED DAILY introduced the bill. House Bill 790 will place Butte's metro sewer rates under the authority of the Public Service Commission like every other city in the state of Montana. The other day we had quite a controversy on the floor and I believe this is really the right way to do it. I have one amendment I would like to offer to this bill and it is just to provide an effective date of January 1, 1982.

PROPOSERS FOR HOUSE BILL 790

REP. PISTORIA said he is for this bill. It is the only thing we have to protect our rates. The Public Service Commission is the only fair way to go.

REP. BROWN from BUTTE said this legislation is a direct result of the embarrassment suffered in the past and he feels this type of legislation responds to a utility and the desire of this committee. I personally would prefer to see this type of action go back to local government for their own decision making purposes, but in lieu of that and until such a preferential bill comes through, I truly support HB 790.

REP. McBRIDE from House District 85 in Butte said she wanted to make sure that she had some input into HB790. I want to express my support for it. I feel it is a compromise and a way of perhaps eliminating one more thing that could be controlled at least at a different level other than at the legislative level as far as setting these rates.

CHAIRMAN BERTELSEN said there is a point he'd like Lee to make before REP. DAILY closes concerning this bill and two others we now have.

LEE HEIMAN: We have always felt that there should be some legislation that would allow either all the way or some of the way so local government could control municipal utilities. We could

put a coordinating instruction into this bill to say that it will be null and void if the other one or two bills pass so the control would go on the local level to some degree. There is no conflict that could happen.

REP. HURWITZ: I think that might require a repealer of a statute since it is representing a set.

LEE HEIMAN: Yes, that is true.

REP. HURWITZ: Are you saying that you don't want local government to set the rates on metro sewers.

REP. DAILY: I'm not saying that at all personally. I'm just saying I want Butte to be the same as everyone else.

REP. DAILY closed by saying he'd received a call from Don Peoples, the Chief executive of Butte. MR. PEOPLES wondered if he should come to Helena and testify in support of this bill, and I told him I did not think it was necessary. But I do hope the Local Government Committee will support HB790.

Chairman BERTELSEN said the hearing on HB790 is closed.

HOUSE BILL 805. REP. LES KITSELMAN, sponsor of HB805 said the purpose of the bill is to simplify and economize the provision of public services by authorizing the creation of multipurpose self-governing metropolitan districts. This basically is to streamline delivery of essential services to Montana landowners. Under present Montana law a property may belong to half a dozen or more various service districts such as water, sewer, rural fire, and lighting, each providing its particular service and each with its own board of assessments. The MMDA would authorize property owners to organize a single metropolitan district that could provide all of these services as well as number of others. The concept of one district providing most, if not all, of these essential services has some obvious advantages. A metropolitan district may include a portion of two or more counties as well as areas presently incorporated into cities and towns. The services are provided more efficiently as well as saving on administrative costs.

REP. KITSELMAN went through the bill section by section and explained the provisions.

PROPOSERS TO HOUSE BILL 805

SCOTT CURREY said he is representing the Montana Association of Realtors. MR. CURREY furnished written testimony which is attached to and made a part of these minutes. MR. CURREY also provided a list of possible amendments which he asked be considered. He did urge support of HOUSE BILL 805.

CLIFF CHRISTIAN, executive vice president of the Montana Association of Realtors, presented handout material for the committee members which is attached to and made a part of these minutes. He also passed out material from the Montana Association of Planners, stating this is their testimony in favor of HB805 as neither organization could be present.

CHAIRMAN BERTELSEN asked REP. KITSELMAN to close.

REP. KITSELMAN said I close.

REP. HANNAH asked "what is meant by the district being required to furnish two or more of the services."

LEE HEIMAN explained the summaries. These include all of the services that are allowed in the nine districts.

REP. DUSSAULT asked Cliff Christian if he is familiar with the Grant Creek addition in Missoula.

CLIFF CHRISTIAN: Yes, I am.

REP. DUSSAULT: As I remember, the Grant Creek Addition petitioned for annexation, did they not?

REP. AZZARA: Yes, the developers did.

REP. DUSSAULT: If we pass this bill, I would think they would prefer to use this particular mechanism rather than petition for annexation.

CLIFF CHRISTIAN said they would want to develop first, and annex later.

REP. SWITZER: REP. KITSELMAN, is the 10% in section 5 a new figure?

REP. KITSELMAN said yes, but if you want to make it 15% or 20% you can. This applies where there is a huge land mass that is basically adjacent to the city, but the city is not really interested in putting out the capital to develop it. This allows the district to be created. They foot the cost of the bonds, and so forth. As the city grows and wishes to annex, then it can do so and the services are there.

As there were no further questions, Chairman BERTELSEN closed THE HEARING ON HB805.

HOUSE BILL 307

CHAIRMAN BERTELSEN announced HB307, would be discussed first because REP. YARDLEY is here to discuss requested amendments.

REP. YARDLEY said because the bill came back from this committee with a DO NOT PASS and it was requested the Department of Health and Environmental Sciences and involved the solid waste management statute it was necessary to consider some amendments. The current law permits the Board of Health and Environmental Sciences to make loans and grants for planning and organization. This bill permits for making grants to local governments for the purchase of solid waste management capital equipment to be used by solid waste management systems.

(see statement of intent attached to these minutes.)

He also mentioned that some of the money from the junk vehicle fund might be a possible source of the funding. DUANE ROBERTSON, Director of the Solid Waste Management Division, will explain further.

DUANE ROBERTSON, Chief of the Solid Waste Management Bureau, said what prompted us to ask for this piece of legislation in the first place was we applied to the Department of Natural Resources through the Renewal Resources Development Program for some money to grant to counties or cities for renewable resource projects. MR. ROBERTSON passed out material in connection with this bill for front-end implementation grants for solid waste management for capital equipment which is included as part of these minutes

MR. ROBERTSON continued that the reason they asked for junk vehicle money was because since 1975 there has been a balance in the junk vehicle fund. We now feel we made a mistake in doing this. Actually the department would rather have the junk vehicle money stay where it is. We are nervous that it might be taken out of the fund and put into the State's general fund because every session there is a move to do that. In this particular session Senate Bill 22 is a move to take the entire amount of the junk vehicle fund from the earmarked fund and move it into the general fund along with a lot of other funds and

grant it back to the counties where it would no longer have to be used for junk vehicle purposes. We thought by asking for money from this fund, it would go back to the counties and be used in line with what it was collected for in the first place.

REP. SALES: The projects you have listed in the book were submitted by several different organizations and I am wondering how they, in particular, were chosen. Evidently, we're putting your project in as #4 priority and actually where the money is going to go hasn't had the same review. Maybe if I scratch your project off, mine will move up a notch. It seems strange that people are going to this board and then find that there is a deal like this in competition for those funds.

DUANE ROBERTSON: All we're doing with HB307 is giving the opportunity if money becomes available. We also feel that federal money might also become available.

REP. HANNAH: Is this money strictly grant money, with no repayment expected? What is the entire desired result of these grants?

MR. ROBERTSON: When we applied for this money from the Department of Natural Resources, we asked for a grant to be able to use funds for renewable resource projects. There are two or three plants in the state at present that are looking at burning solid waste to produce steam which they will sell to the railroad at Livingston to heat their railroad shops. There is another consideration at Montana State University where they burn the refuse from Bozeman and Gallatin Counties, West Yellowstone and the Ennis area to produce steam for Montana State University.

REP. HANNAH asked if these projects are economically sound?

MR. ROBERTSON: it is something to help them out and get them going.

REP. HANNAH: Who will own the project when it is completed?

MR. ROBERTSON: In Livingston it will be the Park County Refuse District which takes in the city of Livingston.

REP. HANNAH: Are all of these government entities or do some take in private entities?

MR. ROBERTSON: At the present time all are government entities. Present law allows it to pass the money through to local governments.

REP. DUSSAULT: MR. ROBINSON, are you talking about the coal tax receipts that are in the renewable resources.

MR. ROBERTSON: Yes, that is correct.

REP. DUSSAULT: What your division has done is make application to the Department of Natural Resources for a \$400,000 grant from the coal tax receipts. Your intention is to award those grants to local governments for front-end implementation projects.

REP. PISTORIA asked if these are the same projects that Margaret Warden of Great Falls was involved in.

MR. ROBERTSON: Yes. The legislature in 1977-79 through these same funds made \$300,000 available. At the present time there are 24 or 25 counties and some 200 municipalities involved in that \$300,000.

REP. PISTORIA: Since she sold the idea in Great Falls, she had it all setup with the Anaconda Company to buy it all. You see what happened to Anaconda? We could have lost all that money.

MR. ROBERTSON: Yes, but they didn't go ahead with the project.

REP. PISTORIA: But it could have happened.

REP. HURWITZ asked MR. ROBINSON would it be possible to do this through revenue bonds?

MR. ROBERTSON: That is the mode that the county will take for additional financing.

REP. SALES: You evidently have some projects which you feel are worthwhile that you want to give some front-end implementation to. But if they are projects that are worthy of coal tax money, they should not be going directly for their money but go through the point system and stand in line like everybody else does. They are finding ways to avoid now and only have to satisfy you. They don't have to be in competition with the other projects. When you made your application, did you specify the exact projects?

MR. ROBERTSON: No, not the exact projects. Just that they would go through the point system.

REP. SALES: That is what bothers me.

REP. HANNAH: The point that bothers me is if they are economically sound units, why don't we loan them the money? Why are we always

giving them money?

MR. ROBERTSON: From what I understand of RENEWAL RESOURCE FUNDS, they grant certain amounts of money for projects they feel are worthy projects.

REP. HANNAH: All I have in front of me is HB307. We have the authority, it appears to me within this, that we could make a loan. Is that correct?

CHAIRMAN BERTELSEN commented that these are grants. The projects are not viable. They are not tangible projects which you can go out and see. They are new projects. In order to get a project going and show the state they are working in a real way to do that, we'll give them a little front-end money to encourage them to get the balance needed to finish the project.

REP. DUSSAULT: It seems pretty clear to me that given the intention of the Renewable Resources Program, what you're trying to do here is fairly consistent. I want to follow up on what REP. SALES was asking. Could any of the local government entities apply directly to D & R for grant monies?

MR. ROBERTSON: I don't know. All I know is that we got in on the same thing as everyone else. We put in application for these funds. Since they had gone with us on the planning fund and were satisfied with the way we had administered the fund, they decided this was a very viable project.

REP. DUSSAULT: Had you received monies from the grant fund before?

MR. ROBERTSON: Yes, in 1977 and 1979.

CHAIRMAN BERTELSEN ask Mr. Stephen if he had any comment to make. What is your reaction to this whole thing?

MIKE STEPHEN: We did not support or oppose the bill. We encourage this sort of thing, but we had some trouble with the wording regarding the same thing REP. SALES had so we chose not to oppose it or support it. We believe the government entities can apply for this through the Department of Natural Resources. I think the city of Helena has a grant coming, it could be done independently.

REP. NEUMAN: I am carrying a renewable resources development bill. The criteria that is used are basically four broad areas to pick where the money would go. The department shall encourage projects whose benefits could intentionally be state-wide, projects that are primarily public, and applications for projects that will



conserve energy and resources. Grant funds should be used to fund irrigation projects at the maximum grant level from all sources of 55% of the total project cost. Parks and public works construction projects up to 75% if the project has no private benefits, and projects which are unique to Montana and would not be instituted without R & D funding up to 100% of the total project cost. If the project has some benefits, it could only be funded up to 75%, but if it is a project that wouldn't be started at all without these funds, then 100% of the funds could be used.

REP. DUSSAULT: I move that HB307 DO PASS, with a STATEMENT OF INTENT.

REP. SALES moved that HB 307 DO NOT PASS. It doesn't seem proper that the Board handing out these grants has gone through the specific process of looking at individual projects and given them a rating on a point system. Everybody has to earn his way into a winning position by going through quite a process, and yet here is a state agency with no specific project, who ends up taking a chunk of the money. What their points are based on is knowing that they are nice guys and have done a good job. It does not seem fair.

REP. DUSSAULT: There are two responses. This may be inovation, but I like inovation if it gets the job done. I think a number of the grants given under this program are given in large lump sums to an entity which then subcontracts for the purposes intended. I don't think this is an unusual precedent at all. Secondly, if I understand what Mr. ROBINSON is saying, I suspect they do have a pretty good knowledge of which projects they will be funding because they have already done the planning on them through another grant. So it is not as though they are receiving \$400,000 without any idea where it is going.

CHAIRMAN BERTELSEN remarked to REP. SALES that it seems possible that in a sense they are performing a service for the Board. The Board may feel this guarantee that a certain area involved in a specific type of thing is being accomplished and it does not require going into quite as much detail.

REP. NEUMAN: I'd like to give you an example of how the money goes. One of them is like the Tri-Angle Saving and Conservation District for \$300,000. There are probably 200 farmers who receive a portion of that money. The Buffalo Rapids Irrigation project is the same kind of thing. The money goes to one entity

and is then divided up among a number of different people who screen within that. So these are basically pretty much block grants of larger amounts of money.

CHAIRMAN BERTELSEN asked if the group **was ready for the** question. He said we'd have a roll call vote on REP. SALES DO NOT PASS motion. The roll call vote was 9 to 9; motion failed; bill dead for now.

REP. DUSSAULT moved that HB307 be passed until tomorrow morning. After further discussion, and with different people not being able to attend the meeting, it was decided to vote again.

THE CHAIRMAN said that REP. DUSSAULT withdrew her motion. It was then moved by REP. MATSKO that HB307 DO PASS AS AMENDED, with a statement of intent attached. Because of the fact that not everyone could be present in the morning. After further discussion it was decided to have a roll call vote for a DO PASS on HB307.

Roll call vote on DO PASS was 10 to 8, in favor. Motion carried. Those voting "NO" were REP. ANDREASON, GOULD, HANNAH, HURWITZ, KITSELMAN, PISTORIA, SALES and SWITZER.

HOUSE BILL 516: REP. KESSLER said he would like to address the fiscal note. Someone said the \$5,500,000 is not correct. Where is this money coming from?

LEE HEIMAN said that is the insurable value of the state buildings but they used the full insurable value rather than just roughly one-half on which taxes are figured. If the amendments are included, it should be much less.

CHAIRMAN BERTELSEN asked the subcommittee Chairman, REP. MATSKO, to report on their meeting.

REP. MATSKO said his committee met briefly between floor sessions of the House and amendments were worked out with the help of REP. NORDTVEDT. Principally the amendments address the problems we were talking about before as to outhouses, road shacks and road department garages (things of that nature.)

There are a lot of amendments and most of them go from state owned property to state owned buildings. There is a definition in amendment 3, which defines "state owned buildings", as follows: "a state owned building is a structure owned by the State of Montana intended for human habitation as a dwelling, office or school having an area of 2,000 or more square feet."

This removes the smaller types of state owned buildings from the schedule that don't really have an impact from police or fire to the extent that would warrant them paying taxes.

Because of the change in state owned property and buildings, you can see the number of kinds of property, which had to be stricken.

Amendment 9 shows that any money appropriated from the State for implementation of this act, whether they would fully meet the total taxable value or not, would be determined and then proportionately paid. Say half the money was allocated that should have been to cover the total tax to local governments. Such taxable value would be figured and the tax rates paid to the local government would be figured as if half of the total had been allocated by state government. Half of the payment for each unit would be given to local government.

The CHAIRMAN said what you're really saying is if there is no appropriation, nothing happens. If there is a feeling by the Appropriation Committee that this is really worthwhile and they want to go for something, it would be divided equally between the institutions in this manner.

The Chairman asked if the Committee wanted to move the amendments.

REP. MATSKO moved the amendments to HB516 DO PASS.

REP. HANNAH said there are two things he remembers talking about, but he is not sure if we communicated that, or even had an agreement on it.

CHAIRMAN BERTELSEN said it seems to him the capital is determined in a way that it would be the amount equal to the mills that are levied which would produce the amount in any particular area for these services. In other words, if 5 mills are levied to take care of police and fire protection, then the amount of money those five mills would raise on property of this value would be the cap that they could receive.

REP. BOULD: What is the cap on value of property?

REP. HANNAH replied to REP. GOULD by saying the real cap is how much the legislature appropriates to pay for those services.

REP. HURWITZ: I think the Appropriations Committee will have to consider something like \$300 million. Some lose money and some are asking for money from the general fund, that is piled up in addition to the dollars that are going to run the State government. That is the kind of competition you would be facing.

CHAIRMAN BERTELSEN felt REP. HURWITZ raises a valid point in that if this is an exercise in futility as far as the opportunity of gaining an appropriation, then we may have a decision to make as to whether we want to put the legislature through the process.

REP. DUSSAULT: Is there a companion appropriation bill that has been or will be introduced? This serves as an enabling appropriation.

REP. HURWITZ: It would have a low priority.

REP. WALDRON: I don't know how low a priority it would have. I'm on the Appropriations Committee and it would have perhaps a higher priority for me than for perhaps REP. HURWITZ. There are some things in the Appropriations Committee like the Council Groves Monument and I do not even know where that is and they want a pile of money. I would certainly put this above that. I guess it's a philosophical issue. If it is the feeling of this committee that the State Government should be making payments to local governments for services local governments provide as far as police and fire protection, then this bill provides a mechanism to do that. If you believe that local governments receive enough benefits by having the government buildings there, even though they do not pay taxes, and the benefits outweigh the impacts of having the State government property and people there, then you should vote to kill the bill.

REP. PISTORIA: Does the State pay the city for water and sewer services?

Answer: That is right. What would Helena do if the Capitol was not here? Where would all the employment be?

REP. DUSSAULT: There are probably some valid arguments for this bill. I assume the State gives the University Systems enough money to function. I think they could give some of that money to pay for questionable repayments.

CHAIRMAN BERTELSEN: We fail to take into consideration that there is an option for local government agreement if the unit feels that it is an absolute necessity for them to get the kind of service they need. They can work out an agreement in their budget. If they felt there was some kind of fire service the city wouldn't have available and there is no way they can get it and they absolutely need it, they could ask for that in their appropriation.

REP. SALES: I feel this is a much more honest use of State funds to pay for a service that is provided by the local governments than to talk about things like revenue sharing.

REP. SWITZER moved that the amendments DO PASS.

LEE HEIMAN furnished the following list of amendments.

1. Page 1, line 12.  
Following: line 11  
Strike: "Property"  
Insert: "Buildings"  
Following: "Act of"  
Strike: "1983"  
Insert: "1981"
2. Page 1, line 16.  
Following: "Buildings"  
Strike: "and facilities"
3. Page 1, line 25 through line 2 on page 2.  
Following: "(3)"  
Strike: subsection (3) in its entirety  
Insert: "State-owned building" means a structure owned by the  
state of Montana intended for human habitation as a dwelling,  
office, or school having an area of 2,000 or more square feet."
4. Page 2, line 6.  
Strike: "property"  
Insert: "building"
5. Page 2, line 25.  
Strike: "property"  
Insert: "building"
6. Page 3, line 4.  
Following: "state-owned"  
Strike: "property"  
Insert: "building"
7. Page 3, line 15.  
Following: "payment"  
Insert: "(1)"
8. Page 3, line 19.  
Following: "buildings"  
Strike: "or facilities"
9. Page 3, line 20.  
Following: "[section 6]."  
Insert: "If the appropriation for the implementation of [this act]  
is insufficient for the full payments determined under [section 7]  
the department shall reduce all payments proportionately.  
(2)"
10. Page 3, line 25 through line 4 on page 4.  
Strike: section 9 in its entirety  
Renumber: subsequent sections

Lee Heiman furnished the following List of Amendments  
(Continued from page 13....

11. Page 4, line 7.  
Following: "any"  
Strike: "state property"  
Insert: "state-owned building"

QUESTION ON THE AMENDMENTS: All in favor of the amendments say "aye". All voted "aye" and the amendments carried by unanimous vote.

REP. KITSELMAN moved that HOUSE BILL 516 DO PASS AS AMENDED. A roll call vote resulted in an 11 to 8 vote for DO PASS. Motion carried. Those voting no were: REPS. BERTELSEN, DUSSAULT, GOULD, HOLIDAY, HURWITZ, McBRIDE, NEUMAN AND PISTORIA.

HOUSE BILL 715

REP. HANNAH: Somebody from the Montana Association of Realtors has dropped some comments in my lap on HB715. Is it appropriate to pass these out?

CHAIRMAN BERTELSEN stated we had a subcommittee of which REP. HURWITZ was Chairman. He asked for a report from REP. HURWITZ.

REP. HURWITZ reported on the subcommittee report by going through the amendments. He said they adopted some of the amendments but some were changed. The amendments now read:

1. Page 4, line 17. Following "the" strike "transaction" and insert "time of conveyance".
2. Page 8, lines 5 and 6. Following "division", strike "within a 12-month period"
3. Page 8, line 9. Following "period of" strike "5"; insert "3"
4. Page 9, line 3. Following "period of", strike "5", insert "3"
5. Page 9, line 13. Following: line 12 strike: "40-4-402". Insert "40-4-202"

6. Page 9, line 15. Following "survey;" strike "and"
7. Page 9, line 17. Following: "domain" strike: "."Insert:  
"; and"
8. Page 9. Following line 17, Insert: "(h) divisions used for utility sitings or easements provided no structure requiring water or sewage disposal is erected on the parcel."

REP. SALES moved the amendments DO PASS.

QUESTION: All in favor reply "aye". The amendments passed by unanimous vote.

REP. SALES moved that HOUSE BILL 715 DO PASS AS AMENDED. I would, however, like to have REP. HURWITZ explain to me what immediate family means. I have a wife, a mother and 5 children. How far can I go now?

REP. HURWITZ: You can give each one a parcel every three years.

REP. SALES then asked could I give 7 parcels and then no more for three years?

REP. HURWITZ: You could give them another one, but it would come under review.

REP. HANNAH: Do we still have 40 acres in the bill?

REP. HURWITZ: Yes, we've gone from 20 to 40 acres.

REP. HANNAH: Is this because 40 acres is agricultural and 20 acres in a city is a subdivision? Do you have any idea how big 20 acres are?

REP. SALES said "I could split that 40 acres seven times."

QUESTION: for a DO PASS AS AMENDED?

The Chairman asked for a roll call vote. The result was 14 voting "yes and 5 voting no". Motion carried. Those voting "no" included REPS. VINGER, GOULD, HANNAH, PISTORIA AND SWITZER.

#### HOUSE BILL 278

CHAIRMAN BERTELSEN asked REP. AZZARA to comment on the bill. REP. AZZARA reported that an amendment was made in the title, line 7, following "APPROPRIATING", strike "\$1,000,000" and insert "\$250,000". The \$250,000 figure was arrived at in compromise with the various people who testified here from

REP. DUSSAULT moved that HOUSE BILL 278 DO PASS AS AMENDED.

REP. MATSKO: Is this bill redundant with other measures? Is there someone who is gathering, monitoring or analyzing local energy supply demand and cost information? Is there state money going to projects that principally handle that?

REP. AZZARA: I believe there is federal money coming to the state which then finds its way to private agencies in localities. But none of that money is allowable for the purpose of analyzing energy systems. REP. SALES is referring to duplication. I had the Environmental Quality Council of the Department of Natural Resources and the State Auditor all research exactly what is available for this purpose.

REP. AZZARA: The objective here is to have either a quasi-public body or a private energy consulting firm retain these funds. Nobody is trying to take the type of information singly as one bit of data and integrate it with a lot of other information to give a total energy figure.

REP. McBride: What I'm trying to say is perhaps there are some possible studies that the state is looking at in terms of trying to look at overall energy supply, demand and cost type information. If I'm not mistaken, I think Jim is saying "it is going to take someone to pull it all together." You must realize you must have the money to pay that private consultant or whoever is going to do the job.

REP. AZZARA: Mr. CHAIRMAN, that is why I inserted "comprehensive" as a further clarification.

REP. HANNAH: Is this money for research and not for actual improvements?

REP. AZZARA: Correct.

REP. HURWITZ: I guess it's the farmer in me, but I think if the city wants to study its problems, then they should raise the money within the city. Everybody wants to do something but they want somebody else to provide the money.

REP. AZZARA: I point out, REP. HURWITZ, that this money is coming from taxes generated from nonrenewable resources and objective of the bill is to try to determine how we can develop energy systems that don't depend on renewable resources. That is what energy planning is all about. As long as that money is there, that is an appropriate use of it. I think it is hard-nosed and practical.



QUESTION: The motion is DO PASS AS AMENDED. We'll call the roll on House Bill 278. Result: 10 to 9 for DO PASS AS AMENDED, WITH STATEMENT OF INTENT. Motion carried. Those voting "NO" included REPS. BERTELSEN, VINGER, GOULD, HANNAH, HURWITZ, NEUMAN, PISTORIA, SALES and SWITZER.

HOUSE BILL 737 - REP. DUSSAULT said this bill is to authorize the establishment of municipal facilities districts by petition, hearing, and election; to provide for the election of commissioners to administer the facilities in the districts; to authorize the levy of 3 mills for the establishment and operation of municipal facilities.

REP. GOULD: What is a public facility?

REP. DUSSAULT: Under the bill a public facility means a structure, building, or any portion thereof maintained for activities and events held for the benefit or enjoyment of the general public, or that may be rented on a nondiscriminatory basis, to private organizations or individuals for purposes not contrary to the public interest.

CHAIRMAN BERTELSEN said this was discussed as a means of providing a recreation facility in a town like Missoula, establishing a district that could encompass whatever area they wanted to and get the power to bond and so forth. By petition they could establish this district for that one specific purpose.

REP. DUSSAULT said the bill is amended as follows:

1. Page 2, line 1 following "thereof" insert "and real property"
2. Page 8, line 23, following line 22, strike: "The" and insert "Subject to the limitations of this section the"
3. Page 8, line 8, following "board", strike "shall" and insert "may"

REP. SWITZER made a motion that House Bill 737 DO PASS.

REP. DUSSAULT moved that the amendments DO PASS.

QUESTION: The Chairman said all in favor of the amendments say "aye". All voted "aye" and the motion carried unanimously.

REP. WALDON moved that HOUSE BILL 737 DO PASS AS AMENDED.  
Motion was seconded by REP. SALES.

REP. SWITZER: If a levy of 3 mills is allowed, Missoula must be hard up.

REP. BERTELSEN said it must be by a vote of the people.

QUESTION: All in favor say "aye". 15 voted aye, 3 voted "NO" and 1 abstained. Those voting "NO" were REPS. HANNAH, SWITZER, AND VINGER. REP. NEUMAN abstained. Motion carried and HB737 received a DO PASS AS AMENDED recommendation.

HOUSE BILL 805: Chairman Bertelsen said this is an act to provide procedures for the electors of local governments to consolidate or transfer the administrative and financial responsibility for services between or among municipalities and counties.

REP. KITSELMAN moved that HOUSE BILL 805 DO PASS AS AMENDED.

REP. MATSKO said the problem he sees with this is that it allows a Board or a group to prepare a plan and present it. It does not give any options other than "YES" or "NO" on the entire plan. If the plan has some good points in it and some bad points in it, you should go ahead and vote for it anyway because it's the only shot you're going to get. You are going to end up bringing in some very bad points along with possibly some good things. That is my main objection. Maybe it isn't worth mentioning but I feel that there must be a better way of bringing this about. There is a method now in effect to bring about consolidation and I think maybe we should work on that for awhile.

REP. ANDREASON thinks this is a pretty good bill. It gives an opportunity for consolidation of services, not just law enforcement.

REP. HURWITZ: I'd like to ask REP. WALDRON specifically what prompted this bill?

REP. WALDRON: There is provision in law for an Interlocal Cooperation Commission. Billings has one. The people who are working on it feel that because of the turf problems, when you start consolidating services, there should be an option for a place in the consolidation or transfer on the ballot. This bill provides two methods for doing that. One is for the Interlocal Cooperation Commission to place their recommendation on the ballot and it also provides that if 15% of the electors sign a petition for consolidation of services,

it can be placed on the ballot. There are some protections in there that any petition has to have a plan and some elements to the plan that are listed in the bill. So if it is done by petition or by the Interlocal Cooperation Commission, the protection is there for setting up a service plan. That plan has to entail its hearings, and so forth.

REP. MATSKO: Then in your opinion, there is a problem that the interlocal agreements have not worked and do not work?

REP. WALDRON: When you try consolidating services, there is going to be some real opposition on one side or the other. For instance, if you wanted to consolidate dispatchers between a sheriff's and police department, somebody is going to figure they are losing dispatchers and fight it all the way. One of the ways to get around that is to put it on the ballot and let the people decide if they really want to consolidate.

REP. MATSKO: Let's take this as an example. You have the dispatchers. Who would be better qualified to determine whether you are going to have a functioning dispatch center when you are done than the people who are using it now? I know in Great Falls they have consolidated the dispatch for the city police, fire and ambulance services. It is very difficult, if not impossible, to get a message through that dispatch center to the people in cars. I know that because I worked with them for years.

REP. WALDRON: I know what you're getting at. In Missoula we have the 911 system, which works exceptionally well. We have well trained dispatchers. They dispatch ambulances, fire, police calls and it works fine. It is possible to do away with an elected sheriff in this bill, but I don't think it would be done. We've had several consolidations in the state and every consolidation we've had they have retained the elected sheriff. I don't think we are going to end up doing away with an elected sheriff by this bill.

REP. MATSKO: That is not my concern. My concern is that I think you should allow the people, who are taking it away from the sheriff and putting it into another field, to assure that the services will not be interrupted or totally changed.

REP. WALDRON: In response to that, that is the purpose of the Interlocal Cooperation Commission. If you have road crews, bring in those experts and the city public road directors. That is the purpose of the Interlocal Cooperation Commission.

CHAIRMAN BERTELSEN asked: "Are we getting anywhere or just having conversation?"

REP. SALES said REP. Matsko is on the same track that I talked to REP. WALDRON about the other day. You have two governing bodies that presently into an Interlocal Agreement that do any of the things covered by this bill. What he is saying is if one of those governing bodies doesn't want to enter into a cooperative agreement, it can be done through a vote and force it to happen. This isn't going to work. The governing bodies have to agree that this is a function they can carry on cooperatively.

CHAIRMAN BERTELSEN said he had a problem with it. He asked if the group is ready for the question.

QUESTION: FOR A DO PASS ON HOUSE BILL 805.

The secretary will call the roll. The result of the roll call was 13 to 4 for DO PASS. Motion carried. Those voting NO were REP. VINGER, AZZARA, McBRIDE and SWITZER.

The next meeting will be at 7:00 A.M. tomorrow morning, Feb.21.

The meeting adjourned at 10:12 p.m.

  
\_\_\_\_\_  
Verner L. Bertelsen, Chairman

hbm

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10-238

Date Fri., Feb. 20, 7:30

1

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## VISITORS' REGISTER

HOUSE LOCAL GOVERNMENT COMMITTEE

FILE \_\_\_\_\_ HOUSE BILL 790  
SPONSOR \_\_\_\_\_ REP. DAILY

Date Fri., Feb. 20, 7:30

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## VISITORS' REGISTER

HOUSE LOCAL GOVERNMENT COMMITTEE

BILL HOUSE BILL 805

Date Fri., Feb. 20 7:30

SPONSOR Rep. Les Kitselman

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



February 20, 1981

My name is Jim Richard. I am immediate past president of the Montana Association of Planners and represent that organization on the Montana Technical Council.

The Montana Association of Planners strongly supports House Bill 805.

Under Montana law, most county services must be provided by special districts. Current law requires formation of numerous different special districts in order to obtain a fairly complete array of services. The many different districts create a hardship for local officials who must administer and oversee petitions, notices, hearings, voter qualification, elections, and assessments. Authorizing most services to be provided by a single service district would greatly increase efficiency and lower the cost of administration.

Planners in counties facing rapid growth from energy and natural resource development are becoming keenly aware of the role of special districts in providing community services. Reducing the present maze of administrative hurdles would greatly aid local officials to plan for and meet the demands for public services created by population growth.



HB 705

MEMORANDUM

February 20, 1981

TO: HOUSE LOCAL GOVERNMENT COMMITTEE

FROM: MONTANA ASSOCIATION OF REALTORS

RE: THE MONTANA METROPOLITAN DISTRICTS ACT

The purpose of the Montana Metropolitan Districts Act (hereafter MMDA) is to streamline the delivery of essential services to Montana landowners. Under present Montana law, a property owner may belong to half a dozen or more various service districts, such as water, sewer, rural fire and lighting, each providing its particular service and each with its own board and assessment. The MMDA would authorize property owners to organize a single metropolitan district that could provide all these services, as well as a number of others. The concept of one district providing most, if not all, of the landowner's essential services has obvious advantages. Services are provided more efficiently and at a smaller administrative cost.

A metropolitan district may include portions of two or more counties, as well as areas presently incorporated into cities and towns. (See Section 4). Once a metropolitan district is organized, it becomes the sole provider of services within that area. No district organized to provide services, authorized under the laws of Montana, may be organized within an existing metropolitan district after June 1, 1981. However, property owners within the metropolitan district at any time may petition the district to provide additional services.

The procedure by which a metro district is created is quite similar, and was modeled after, existing statutes authorizing the creation of county water and/or sewer districts (7-13-2201 et. seq.). A petition signed by at least ten percent of the registered voters of the proposed district is presented to the board of county commissioners of the county in which the proposed district, or most of it, is located. The petition must set forth and describe the proposed boundaries and a general description of the purposes of the district. The petition must also state whether the proposed district lies wholly or partly within another county, service district or municipality. After the publishing of public notice, the

board of county commissioners, or a special board made up of commissioners from all involved counties, hold a public hearing to discuss the formation of the proposed district. Subsequent to the public hearing, elections on the creation of the district are held. Again, as with a water and/or sewer district, all persons possessing all the qualifications required by electors under the general election laws of this state and who are residents of the proposed district may vote in the election. An individual who is the owner of real property within the proposed district may vote even though he or she does not reside within the district. If at least forty percent of all registered voters residing within the proposed district have voted and if the majority of those voters favor the organizing of the metropolitan district, the board of county commissioners must authorize the creation of the district.

The metropolitan district is governed by a board of directors, similar to other service districts, consisting of three to five members. General district elections are held every four years. As in other service districts, the board of directors is authorized to hire personnel and contract for services.

The general powers of the metropolitan district are identical to those of a county water and/or sewer district (7-13-2217, MCA). The metro district shall have perpetual succession, may sue and be sued, adopt a seal, own and lease property and make contracts, as well as perform all other acts necessary to exercise the foregoing powers. Districts have the power to accept funds and property from public or private sources, as well as to cooperate and contract with the state or federal government. A district may borrow money and incur indebtedness and issue bonds, as well as refund or retire that indebtedness. Finally, a metropolitan district, like other service districts, may levy taxes or assessments.

In addition to the foregoing powers, a metro district, if the persons within that district so choose, may have those powers conferred by state law upon the following districts: water and/or sewer districts, garbage and ash collection districts, television districts, mosquito control districts, weed control districts, cemetery districts, rural fire districts, refuse disposal districts, and lighting districts. The metro district, again, like other service districts, has the power to charge for services rendered by the district. (See Section 38). This includes the power to pass levies to cover deficiencies. (See Section 39). The method for assessing specific lots and parcels of land within the district is identical to existing state law concerning

the method of assessment for county water and/or sewer districts. (See 7-13-2303, MCA). Again, a metro district must give notice of its intention to levy and collect taxes, and allow for the protest of those levies, similar to a county water and/or sewer district. (See Sections 40 through 45).

A metro district, like existing service districts, may incur bonded indebtedness. The maximum term of bonds issued by the district shall not exceed forty years. Such bonded indebtedness shall only be incurred if approved by election by the residents of the district. (See Sections 49 through 53). The procedure that a metro district must follow in a bond election is, again, identical to the existing procedure followed by a county water and/or sewer district. Notice of the election is required, and all registered electors owning or residing upon real property within the district are entitled to vote. In order to issue bonds, at least sixty percent of the votes cast must be in favor of incurring the bonded indebtedness. The board of directors may sell or dispose the bonds issued at such times or in any such manner as it may deem to be in the public interest. Like bonds issued by other service districts, any bonds issued by metropolitan districts are given the same force and value as bonds issued by any municipality and shall be exempt from all taxation within the state of Montana. (See Section 57).

Land may be added to a metro district at any time upon the petition of persons residing in the proposed addition. Two or more metropolitan districts may consolidate at any time, again, upon petitions submitted by the residents of the districts.

For the most part, the MMDA implements procedures already common to existing Montana law. The purpose of the MMDA is not to create a "super district" but to facilitate the consolidation of the delivery of services already allowable, for the most part, under present state law.

R. SCOTT CURREY

Amendment to House Bill 701 (continued)  
Page Two

4. Page 1, line 15.  
Following: "requirements"  
Strike: ", "  
Insert: "and"

5. Page 2, line 19 through line 2 of page 35.  
Following: "invested"  
Strike: the remainder of subsection (5) in its entirety.  
Insert: "."

6. Page 4, line 19.  
Following: line 19  
Strike: "not"

AS AMENDED

NO PAGE

# STANDING COMMITTEE REPORT

January 11, 1911

MR. CROMBIE

We, your committee on LOCAL GOVERNMENT

having had under consideration HOUSE Bill No. 790

A BILL FOR AN ACT ENTITLED: "AN ACT TO PLACE METROPOLITAN SANITARY AND/OR STORM SEWER DISTRICTS UNDER THE REGULATORY AUTHORITY OF THE PUBLIC SERVICE COMMISSION; AMENDING SECTIONS 7-13-112, 7-13-141, AND 7-13-144, MCA."

HOUSE

790

Respectfully report as follows: That Bill No.

Amend House Bill 790, introduced copy, as follows:

1. Page 4.

Following: line 2

Insert: "Section 6. Coordination with House Bill 788. If House Bill 788, introduced in the 47th Legislature is passed and approved:

(1) Sections 1, 4, and 5 of this act are void and of no effect;

(2) The amendatory material added to 7-13-141, MCA, as subsection (3) in section 2 of this act relating to regulatory authority of the public service commission is void and of no effect; and

(3) The amendatory material added to 7-13-144, MCA, as new subsection (3) in section 3 of this act relating to the regulatory authority of the public service commission is void and of no effect and the code commissioner is authorized and instructed to internally renumber the subsections of section 7-13-144, MCA, accordingly."

DO-PASS

AS AMENDED

NO PASS

# STANDING COMMITTEE REPORT

February 22, 1951

MR. SAWYER

We, your committee on LOCAL GOVERNMENT

having had under consideration HOUSE Bill No. 605

A BILL FOR AN ACT ENTITLED: "AN ACT TO SIMPLIFY AND ECONOMIZE THE PROVISION OF PUBLIC SERVICES BY AUTHORIZING THE CREATION OF MULTIPURPOSE SELF-GOVERNING METROPOLITAN DISTRICTS."

Respectfully report as follows: That HOUSE Bill No. 605

DO PASS