

MINUTES OF THE MEETING
LOCAL GOVERNMENT COMMITTEE
MONTANA STATE SENATE

January 24, 1981

The meeting of the Local Government Committee was called to order by Vice-Chairman O'Hara, in the absence of Senator McCallum, on January 24, 1981 at 1:15 in Room 405, State Capitol.

ROLL CALL: Roll was called with Senator Thomas being absent and Senator McCallum being excused due to illness.

Several visitors were in attendance. (See attachments.)

CONSIDERATION OF SENATE BILL NO. 131: Senator Boylan, sponsor of the bill, asked the committee's consideration of this bill. He said he brought up a senate bill during the 1973 session that was referred to as green belt legislation. This was necessary because they used to tax land on its market value and not its productivity. He has two pieces of property right against the city limits and he wants to keep this property in green belt as long as possible. The pressures a person faces today in regard to fencing are getting to be astronomical. When you have one property owner's land adjoining another's, it has always been the rule of thumb that you keep up your side of the fence. The railroads have always furnished all the material for fences where livestock is a problem because they felt responsible. The rancher usually furnishes the labor. The same holds true for the state highway department, they too recognize their responsibility. The problem now is who is responsible for fencing when a subdivision moves in. Who is going to take over the responsibility of the fence then. You can take out insurance against this but in case of loss of life you never have enough coverage. He owns a parcel of land that is right against an industrial park. Senator Boylan passed around pictures of the encroachment on his fence by this industrial park. He knows the county will not want to accept liabilities on this. He wants the committee to take the bill and see if they can come up with something to alleviate these problems. Farmland will be taken out of production if something is not done about this. Senator Boylan believes land owner associations are good, perhaps they could assume responsibility. He asked the committee, if they see fit, to do a little more work on this. He feels realtors will not accept responsibility because after they sell the land they move on and have nothing more to do with it.

There were no further proponents of the bill.

Senator O'Hara then asked for opponents of Senate Bill No. 131.

Scott Currey of the Montana Association of Realtors and opponent of the bill has problems with Senate Bill No. 131. One thing is the bill goes against traditional Montana custom and case law as far as the responsibility for fencing goes. The Montana Supreme Court, on numerous occasions, has ruled that a person is not responsible to fence their cattle in, also, they are not responsible for damage done by their cattle. This bill would require home owners or subdividers to fence cattle out. As the law stands now, it is the land owner's option to fence cattle out. This bill requires the subdivider to do that. If the committee feels a bill with this sort of concept is a good idea and they try to go with something like this, the realtors do have a problem with the fact that the subdivider is required to maintain the fence. If the subdivider sells the property, he is out of the picture. There are also mechanical problems with the way the bill is written. A subdivider is anyone who subdivides property in less than 20 acre parcels and they have to fence the land if there is livestock around. Does the subdivider have to fence, for example, a five acre tract he sold or the remaining fifteen acres as well. There could also be problems with interpretation of the bill. The requirements regarding interaction between livestock and residents and the reasonable expectation of damage could create a lot of litigation. There are existing laws that protect ranchers against their livestock damaging property. Mr. Currey feels the committee would have to amend this bill for the concept to be workable.

There were no further proponents or opponents for Senate Bill No. 131.

Senator Boylan wanted to make some closing remarks. He repeated that the railroads and highways accept responsibility so there is some responsibility there. When farming and ranching you can't be continually replacing fences and continually taking court action against someone. You have neither the time nor money.

Senator O'Hara then called for questions from the committee.

Senator Hammond told Senator Boylan he was at a loss to see how it would be possible to completely fence his land without going into the city limits. The bill says the subdivider must fence and maintain fences. You have to have cooperation from the other side of the fence.

Senator Boylan replied that if they had a land owner association on this land the association would take care of this. Each person takes care of their side of the fence. To protect farmland is a mutual problem.

Senator Conover tried to explain that what Senator Boylan was saying was that if you have a quarter section that is all fenced and you subdivide, he will keep up his half.

Senator Ochsner added that this was only where there was interaction between residences and farmland.

Senator Van Valkenburg asked Senator Boylan about when railroads built fences do they maintain them, and who is the rightful owner in such a case.

Senator Boylan did not know who rightfully owned the fence. The railroad or highway would own the material.

Senator Ochsner said the old rule was the person who built it owned it. If anyone wanted to touch it, they would have to get permission from the owner.

There was no further discussion on Senate Bill No. 131.

CONSIDERATION OF SENATE BILL NO. 116: Senator Himsl of Senate District No. 9 and sponsor of the bill asked the committee to look at this bill objectively. He said in 1908 Congress passed the National Forest Reserve Act providing that 25% of the forest receipts be distributed to the counties in which national forest lands are situated on the basis of acreages involved. The money is to be expended as state legislatures prescribe for the benefit of public schools and public roads. Montana decided to give the schools 1/3 and the public roads 2/3. This bill proposes to leave the 1/3 to the schools but to apportion the 2/3 going to public roads between the cities, towns and county on the basis of percentage of population. The portion going to municipalities would go to a special fund for establishing, maintaining or improving streets. The roads are for people and often most of the people are in the towns and cities and are not beneficiaries of these federal payments, instead they pay heavily on all purpose levies including special levies of which streets are a part and which are used in general by people of the county. Senator Himsl then passed around a handout with 1980 figures on each county's forest receipts. (See attached Exhibit A.) In many counties the forest receipts do not amount to a great deal but in the western counties it is quite substantial. In fairness, the committee should understand this has been out of balance for a long time. Lincoln County cannot use all the money they have in their road fund. That shows there should be a review of the fairness of this situation. Senator Himsl then introduced Norbert Donahue of Kalispell.

Norbert Donahue, Kalispell City Attorney and proponent of the bill, said he is quite concerned with this bill. He said basically this is a federal revenue sharing bill, it is not a taxing bill at

all. The percentage of revenue the federal forest takes in is publicly owned. He feels the city residents are as much entitled to share this as are the county residents. As far as the impact of the federal lumber and timbering industries, the cities suffer as much impact as counties from the standpoint of these funds. The county roads may be long but they do not get the concentrated use that city roads do. A safety factor is imposed by logging trucks coming through town. Cities need help and he thinks this is a good way without creating new taxes. He also feels you have to consider precedents in this area. A lot of states get this type of revenue. Federal law and state law make no differentiation as far as schools receiving these funds, whether they are city or rural schools. He does not see why we cannot share this.

Bill Cregg, mayor of Missoula and proponent of the bill, agrees with Senator Himsl. Mr. Cregg said they have a special problem in Missoula with Champion International. There are numerous logging trucks driving on city streets each year. One year of the logging truck driving on these streets is the same as a lifetime of an automobile driving on the streets. He then passed out copies of testimony from Tom Crowley, Director of Public Works of the City of Missoula. (See attached Exhibit B.)

Cecil Hudson, mayor of Columbia Falls and proponent of the bill, said Columbia Falls has several mills and the city must make a way for the mill employees to get to work. He feels the city needs help because they don't have the funds to maintain the streets properly.

Dan Mizner of the League of Cities and Towns and proponent of the bill pointed out to the committee that this is not a fight between cities and counties but it is a philosophy. We need to benefit the community. Most county commissioners say cities belong to the county. The distribution of the school money goes to all schools and these funds are the same dollars.

Elmer Schye of White Sulphur Springs supported the bill as an individual. He feels this division of money is wrong. He believes the cities are entitled to a share of it. The cities have an impact when a logging company moves in as far as garbage, police, water, etc. Cities get nothing for it. Mr. Schye gave the committee pictures of a U. S. Forest Service building, heliport and several lots that are located within the city limits. (See attached Exhibit C.) People travel on city streets each day to these properties and the city gets nothing for it.

There were no further proponents appearing before the committee

Senator O'Hara then asked for opponents of the bill.

Mike Stephen of the Montana Association of Counties strongly opposes this bill. He said we need to reflect on what the intent

of these funds was. The main emphasis was to benefit schools and public roads. He believes they have a strong case that these are county monies. Counties have very little, acreage wise, to support themselves on a property tax basis because of the amount of federally owned land. One thing is apparent and that is the fact that the cities have had a choice whether they want to incorporate or not. They opted to establish higher levels of service and living on their own. In doing this they were deciding to pay for the higher standard of living. Forests are in counties not in city limits. Some counties appear to have more than sufficient money to maintain roads, there might be a couple of these counties but they should not hold up the others. The association would be in a position to share this wealth if all county roads were brought up to the standard of city streets. They would also share this money for forest acreages that fall within the city limits.

John H. Buttelman, Gallatin County Commissioner, said Gallatin County needs all the money they can get to maintain roads. In Gallatin County, 44% of the land is government owned land. As far as federal land use, the city people are going over county roads to federal lands for recreation. Rural people going to cities usually are going to spend money there. He does not believe this is the method to use in raising funds for cities.

Tom Beck, Powell County Commissioner, said Powell County would be drastically effected by this bill. They have over 900 miles of county roads to maintain. They need these funds to maintain these roads. Mr. Beck then read a letter from the mayor of the city of Deer Lodge. (See attached Exhibit D.)

Bob Decker, Lewis and Clark County Commissioner, said for four years Lewis and Clark County has been at the maximum road mill levy. They have had to lay off four people to meet their budget. Sixty-five percent of Lewis and Clark County is incorporated. Outside that area, 55% is federally owned. The greater part of our county, land wise and road wise, is owned by federal government. A lot of the major roads in the cities are not paid for by either the city or county but by state or federal funds. Mr. Decker said the point was made that the public owns the forests, rural as well as city. The main point is who is paying the bills for those roads. Lewis and Clark County is paying the bills for those roads. Mr. Decker wanted to point out three things. First, being objective and fair, federal land is located in counties and not in cities. Second, there is little use in many counties of incorporated town roads by forest service vehicles. Thirdly, the bill, as written, is arbitrary and simplistic. The bill in current form would be just as unfair to counties as some people feel it is to cities.

There were no further opponents appearing before the committee.

Senator Himsl closed by saying the distribution formula was established 73 years ago. We are all residents of the county so we are all in the same boat and you can't sink half a ship. He feels people in cities own as much of the forest as people in the county. All he is asking is how this can be done fairly. Senator Himsl feels there is merit in considering a rescheduling of allocations of this money.

Senator O'Hara then asked for questions from the committee.

Senator Hammond asked Senator Himsl if he tried to make a comparison of miles between county roads and city streets.

Senator Himsl did not have solid figures. He said this is basically a people situation. He believes population is the only way to go.

Senator Hammond argued that more miles of road cost more dollars.

Senator Himsl said there are areas that have gone overboard on development of county roads. In some areas there is quite an extravagance in the roads.

Senator Hammond asked if the money is divided this way, won't cities get the greatest portion of this money.

Senator Himsl said in some areas they will not.

Senator Ochsner asked if there were many cities or towns where there were not federal roads going through.

One of the county commissioners answered no.

Senator Ochsner wanted to suggest they give the 66% to the schools and the 33% to public roads and that way more people would benefit from the money.

Senator Hammond asked how the unincorporated towns were treated with the forest funds.

Dan Mizner answered that the roads and streets in unincorporated towns are the responsibility of the county.

Senator Hammond asked if they were satisfied.

Mr. Mizner said Park County is unhappy. It all depends on the county commissioners.

Senator Van Valkenburg made a brief reference to payments in lieu of taxes. He asked if there were other federal monies in

in respect to forests paid to the counties.

Senator Hims1 said there are different programs where payment in lieu of taxes goes to the counties.

Senator Van Valkenburg asked if they did not go to the cities.

Senator Hims1 said no, they do not go to the cities.

Mike Stephen said in lieu of taxes is a program that reimburses counties against impact from forest, timber and mining. This is allocated on appropriation by Congress. As far as these payments go, the counties get a slice of the pie nation wide. As far as acreage, the forest receipts monies are a deduction of the in lieu of tax they get.

Elmer Schye said oil leases do not cause the county any problem, neither does the Taylor Grazing Act. He feels we are equal in wanting these.

Senator Van Valkenburg asked Mr. Decker if the statement regarding in lieu of taxes was valid.

Mr. Decker said federal reserve funds are subtracted. It is not an add-on thing.

Senator Van Valkenburg asked Mr. Stephen if forest reserve monies are deducted from payment in lieu of taxes (PILT) monies.

Mr. Stephen said yes. It is deducted from the formula for taxes. It is money to the county and that is the way it is deducted.

Senator Van Valkenburg asked Senator Hims1 to respond.

Senator Hims1 said there is a formula, it depends on how much money you get. You don't deduct forest service money, you just don't get the rest of it.

Senator Ochsner asked about the 75% in Lewis and Clark County, was this forest land?


Mr. Decker said 75% is the baseline top figure. The road receipts are subtracted from the final PILT money.

Norbert Donahue wanted to add this is not a tax matter. It is revenue sharing money. It should not be confused with a tax matter.

There was no further discussion on Senate Bill No. 116. Senator O'Hara said no decision would be made on this bill in the near future.

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ADJOURN: There being no further business before the committee,
the meeting was adjourned at 3:00 p.m.



Vice-Chairman Jesse O'Hara

gs

ROLL CALL

LOCAL GOVERNMENT COMMITTEE

47th LEGISLATIVE SESSION - - 1981

Date 1/24

NAME	PRESENT	ABSENT	EXCUSED
Senator George McCallum			✓
Senator Jesse O'Hara	✓		
Senator Rete Story ^{Hammond}	✓		
Senator J. Donald Ochsner	✓		
Senator Bill Thomas			
Senator Max Conover	✓		
Senator Fred Van Valkenburg	✓		

Each day attach to minutes.

DATE

January 24, 1981

COMMITTEE ON LOCAL GOVERNMENT

BILL NO. SB116

VISITOR'S REGISTER

NAME	REPRESENTING	Check One	
		Support	Oppose
W. F. Renahue	City of Kalamazoo	X	
Frank G. ...		X	
Frank R. ...	City of ...	X	
Paul ...	City of ...	X	
M. K. ...	City of ...		X
H. M.		X
Bob		X
John H. Buttlesman	Calhoun County		
Max ...		X	
...		X	
...	West ...	X	
John E. ...	14 ... RR ...		
Don		X
Elmer	X	
Bill Clegg	City of Muskegon	X	
...	...		X
...	...		+
Marie ...	Madison Co. Town of ...		X

(Please leave prepared statement with Secretary)

January 24, 1981

BILL NO. SB131

VISITOR'S REGISTER

[illegible]

(Please leave prepared statement with Secretary)

NAME: SCOTT CURREY DATE: 1-24

ADDRESS: ARCADE BLD. HEWLETT

PHONE: 2-8070

REPRESENTING WHOM? MT. ASSOC. OR PENN. 3

APPEARING ON WHICH PROPOSAL: _____

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

COMMENTS: SB131 GOES AGAINST TRADITIONAL

GOVING LAW & CUSTOM IN MONTANA. ALSO, BECAUSE

PRINCIPLE OF URGENCY, SB131 WOULD BE DIFFICULT IF NOT

IMPOSSIBLE TO ADMINISTER.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

NAME: V.F. DONAHUE DATE: _____

ADDRESS: Box 1035

PHONE: 755-5457

REPRESENTING WHOM? City of Kalispell

APPEARING ON WHICH PROPOSAL: SB 116

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

COMMENTS: We feel the Cities should be
considered on a par with Counties
in sharing Federal Timber Revenue
funds distributed for public
road purposes.

There is no equitable reason
why only County residents should
share in these funds. Cities have the
expense of maintaining streets used
by timber harvest personnel but
get no help therefor as these
funds are presently distributed.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

NAME:

DATE: 1-24-81

ADDRESS:

PHONE:

REPRESENTING WHOM?

APPEARING ON WHICH PROPOSAL:

DO YOU:

SUPPORT?

AMEND?

OPPOSE?

COMMENTS :

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

NAME: J. L. H. P. T. L. M. - 6 DATE: 11/24/51

ADDRESS: Willow Creek Mont

PHONE: 587- 7316.

REPRESENTING WHOM? Allen Court

APPEARING ON WHICH PROPOSAL: *SB 116*

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

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

NAME: Tom Beck DATE: 1/24/81

ADDRESS: 651 Greenhouse Rd.

PHONE: 546-2452

REPRESENTING WHOM? Powell Co.

APPEARING ON WHICH PROPOSAL: S.P. 116

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

COMMENTS: We are opposed to S.P. 116

for the reason it will take away forest
service receipts many many farm and
Road funds

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

<u>County</u>	<u>1980 - 25% N. F. Receipts</u>	<u>Present - County Road Share 2/3</u>	<u>1980 County Population</u>	<u>City & Town</u>	<u>Pop. %</u>	<u>City-Town Share</u>
Beaverhead	126,801	84,449	8,187	Dillon Lima County	55.55 4.29 40.16	46,911 3,623 33,915
Broadwater	14,069	9,370	2,526	Townsend County	54.28 45.72	5,086 4,284
Carbon	32,317	21,523	7,080	Bridger Fromberg Joilet Bearcreek Red Lodge County	10.13 5.14 5.82 0.44 26.05 52.42	2,180 1,106 1,253 95 5,607 11,282
Carter	9,340	6,220	1,956	Elakaka County	33.90 66.10	2,109 4,111
Cascade	10,337	6,884	81,804	Belt Cascade Great Falls County	0.80 0.87 73.46 24.74	55 60 5,056 1,713
Choteau	1,865	1,242	6,473	Big Sandy Ft. Benton Geraldine County	12.78 28.78 5.72 52.72	159 357 71 655
Custer	NONE		12,174	Ismay Miles City County	0.33 74.12 25.55	None
Deer Lodge	25,285	16,840	15,652	Anaconda County	62.43 37.57	10,513 6,327

Senator Brad Kimel

County	1980 - 25% N. F. Receipts	Present - County Road Share 2/3	1980 County Population	City & Town	Pop. %	City-Town Share
Flathead	5,406	3,600	12,611	Denton	3.16	114
				Grass Range	1.44	52
				Lewistown	51.04	1,837
				Moore	9.64	347
				Winifred	1.51	54
				County	33.21	1,196
Flathead	1,669,791	1,112,081	39,460	Columbia Falls	6.72	74,732
				Kalispell	26.68	296,703
				Whitefish	8.49	94,416
				County	58.11	646,230
Gallatin	40,075	26,690	32,505	Belgrade	4.02	1,073
				Bozeman	57.35	15,307
				Manhattan	2.51	670
				Three Forks	3.65	974
				West Yellowstone	2.33	622
				County	30.14	8,044
Glacier	1,476	983	10,783	Browning	15.77	155
				Cut Bank	37.13	365
				County	47.10	463
Golden Valley	1,379	918	931	Lavina	18.15	167
				Ryegate	28.03	257
				County	53.82	94
Granite	218,680	145,641	2,737	Drummond	18.05	26,283
				Phillipsburg	41.21	60,019
				County	40.74	59,334
Jefferson	84,461	56,251	5,238	Boulder	25.62	14,412
				Whitehall	19.76	11,115
				County	54.62	30,724
Judith Basin	17,076	11,373	2,667	Hobson	7.20	819
				Stanford	18.94	2,154
				County	73.86	8,400

<u>County</u>	<u>1980 - 25% N. F. Receipts</u>	<u>Present - County Road Share 2/3</u>	<u>1980 County Population</u>	<u>City & Town</u>	<u>Pop. %</u>	<u>City-Town Share</u>
Ide	144,747	96,401	14,445	Polson Ronan St. Ignatius County	17.06 9.33 6.40 67.21	16,445 8,994 6,170 64,792
Lewis & Clark	141,425	94,189	33,281	Helena East Helena County	58.30 4.96 36.74	54,912 4,672 34,605
Lincoln	2,559,307	1,704,498	18,063	Eureka Rexford Libby Troy County	6.62 1.35 18.19 5.80 68.04	112,838 23,011 310,048 98,861 1,159,740
Madison	79,475	52,930	5,014	Ennis Sheridan Twin Bridges Virginia City County	9.99 12.68 12.23 2.97 62.13	5,288 6,712 6,473 1,572 32,885
Meagher	27,078	18,034	2,122	White Sulphur Sp. County	56.55 43.45	★ 10,198 7,836
Mineral	371,532	247,440	2,958	Alberton Superior County	12.27 33.57 54.16	30 361 83,066 134,013
Missoula	444,133	295,793	58,263	Missoula County	50.63 49.37	★ 149,760 146,033
Park	54,345	36,194	11,197	Livingston Clyde Park County	61.47 2.18 36.35	22,248 789 13,157
Pondera	6,218	4,141	6,611	Conrad Valier County	41.90 9.85 48.25	1,735 408 1,998

<u>City</u>	<u>1980 - 25% N. F. Receipts</u>	<u>Present - County Road Share 2/3</u>	<u>1980 County Population</u>	<u>City & Town</u>	<u>Pop. %</u>	<u>City-Town Share</u>
Ponder River	35,557	23,681	2,862	Broadus County	27.92 72.08	6,612 17,069
Powell	347,399	231,368	906,000 - 6,660 255	Deer Lodge County	64.65 35.35	149,579 81,789
Ravalli	336,207	223,914	14,409	Darby Hamilton Stevensville County	3.73 17.34 5.75 73.18	8,352 38,827 12,875 163,860
Rosebud	10,012	6,668	6,032	Forsyth County	31.05 68.95	2,070 4,598
Sanders	673,831	448,771	7,093	Hot Springs Plains Thompson Falls County	9.36 14.75 19.12 56.77	42,005 66,194 85,805 254,767
Silver Bow	36,100	24,043	41,981	Butte Walkerville County	55.66 2.61 41.73	13,382 628 10,033
Stillwater	19,467	12,965	4,632	Columbus County	25.32 74.68	3,283 9,682
Sweet Grass	22,060	14,692	2,980	Big Timber County	53.42 46.58	7,848 6,844
Teton	13,719	9,136	6,116	Choteau Dutton Fairfield County	25.93 6.79 10.43 56.85	2,369 620 953 5,194
Wheatland	3,855	2,567	2,529	Harlowtown Judith Gap County	54.37 6.33 39.30	1,396 162 1,009

Table 1

NATIONAL FOREST RECEIPTS ACT USE OF FUNDS

State	Allocation of Funds Specified by State Law		Method of Distribution to Localities		
	No	Yes		All Directly	Some Indirectly
		Percent Roads	Percent Schools		
Total	12		24	34	2
Alabama		50	50	X	
Alaska					
Arizona	X			X	
Arkansas		25	75	X	
California		50	50	X	
Colorado	X			X	
Florida		50	50	X	
Georgia		50	50	X	
Idaho		70	30	X	
Illinois		50	50	X	
Indiana	X			X	
Kentucky		50	50	X	
Louisiana		50	50	X	
Maine		60	40		X ⁴
Maryland					
Michigan		25	75	X	
Minnesota	X			X	
Mississippi		50	50	X	
Missouri		25	75	X	
Montana		66.7	33.3	X	
Nebraska		20	80	X	
Nevada		50	50	X	
New Hampshire	X ²				X
New Jersey					
New Mexico		50	50	X	
North Carolina	X			X	
Ohio	X			X	
Oklahoma		75	25	X	
Oregon		75	25	X	
Pennsylvania	X			X	
South Carolina	X			X	
South Dakota		50	50	X	
Tennessee		50	50	X	
Texas		50	50	X	
Utah					
Vermont	X			X	
Virginia		0	100	X	
Washington	X ¹			X	
West Virginia		20	80 ³	X	
Wyoming	X ¹			X	

¹Requires a minimum amount for both roads and schools, but allows local discretion regarding the allocation as long as the minimum is satisfied.

²The funds due to areas that contain incorporated towns are distributed to the towns which may divide the money between roads and schools as they choose. The remainder, 27% in 1976, is divided between the state Education and Highway Departments as the administration chooses, typically 50/50.

³Most funds are divided according to these percentages; however, payments to localities within the Knob-Seneca Rocks National Recreation Area are divided 63% for education and 37% for roads.

⁴The state operates schools in the unorganized parts of the state and the Education Department receives the school share for operation of the schools in those areas.

In 1908 - ^{City's} about 70 years ago - Congress passed the National Forest Reserve Act providing that 25% of the forest receipts be distributed to the states to be in turn distributed to the counties in which national forest lands are situated on the basis of acreages involved. The money to be expended as state legislatures may prescribe for the benefit of public schools and public roads.

The 25%, prior to 1976 was based on a net figure--10% of the receipts to be used for forest roads and trails--since 1976 the 25% share is based on gross receipts.

The state can distribute this money to public schools and public roads any way the legislature wishes. Montana is the only state giving 1/3 to schools and 2/3 to roads--that is the county roads.

~~The~~ Advisory Commission on Intergovernment Relations states that 70 years ago the main function of local governments was to provide for schools and roads, and even recommended that some local government operations have changed so much--the forest receipts ought not be earmarked at all.

Senate Bill 116 proposes to leave the 1/3 to the schools but to apportion the 2/3 going to the roads between the cities, towns and county on the basis of percentage population. The portion going to municipalities would go to a special fund for establishing, maintaining or improving streets.

Of course county commissioners will oppose this dilution of county road money--but roads are for people and often most of the people are in the towns and cities and are not beneficiaries of these federal payments--instead they pay heavily on all purpose levies including special levies--of which streets are a part and which are used in general by people of the county.

The legislature has laid a heavy hand on cities and towns through legislative orders, and here is one way of granting some relief which I believe to be merited, is just---and is long overdue.

There are 34 counties which share in this funding, in 11 counties the 25% of National Forest receipts amounts to over \$100,000 a year---Lincoln County gets \$2½million, Flathead \$1.6 million, Sanders \$673,000 and Missoula \$444,000.

Now please note how the distribution would work based on the 1980 proceeds.

Exhibit B

SENATE BILL 116

TESTIMONY FROM TOM CROWLEY, DIRECTOR OF PUBLIC WORKS,
CITY OF MISSOULA

I support Senate Bill 116

The following comments are offered in support of SB 116:

1. Cities cannot adequately maintain the streets under their jurisdiction at the current funding levels.

Example:

- a. Missoula has approximately 1700 blocks of developed streets.

- b. The cost per average block to reconstruct only the paving of a 37 foot asphalt section is \$18,000 \pm .

- c. Funds received currently to Missoula are:

\$ 247,000 per year gas tax fund
110,000 per year license fees

\$ 357,000 total per year

- d. \$357,000 at \$18,000 per block will allow approximately 20 blocks of reconstruction per year.

- e. 1700 blocks total at 20 blocks per year produces an 85 year cycle where a 30 year cycle is recommended.

2. With a 30 year life cycle a yearly street maintenance fund of \$1,020,000 should be provided for a city with 1700 urban blocks.

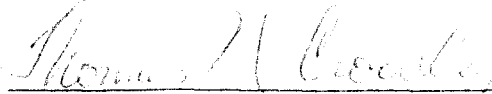
3. The Missoula City Council has gone on record that the vehicle should pay its own way to avoid special assessments to property owners. The Council currently desires that gas tax funds also be used to pay for curbs, as opposed to assessing the residential property owners. Our current yearly curb

3. Cont'd.

program exceeds \$100,000 per year and is rising due to inflation. These added costs would further lengthen the reconstruction life cycle to 94 years.

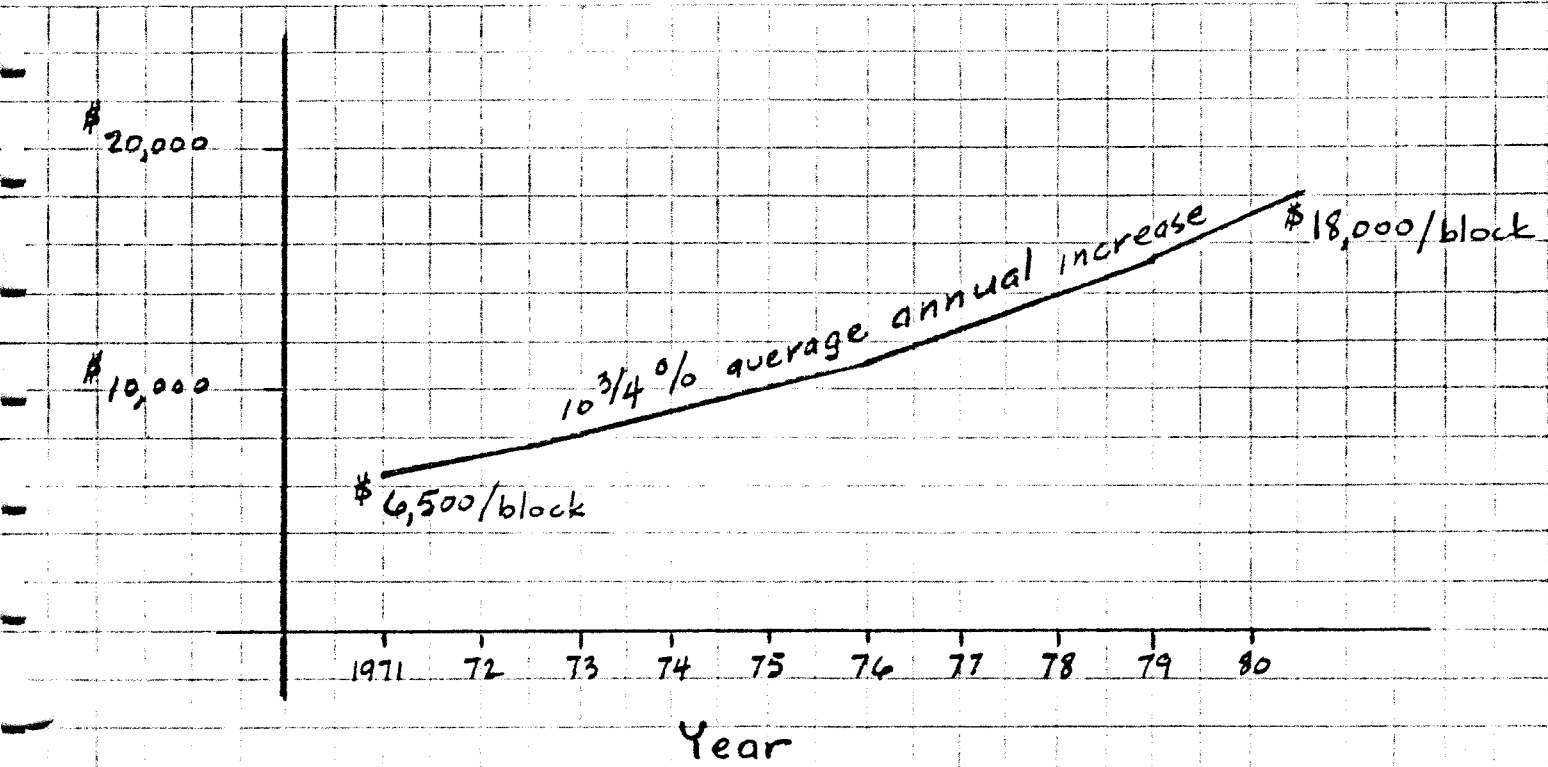
4. General maintenance such as snow removal, street cleaning, signing, striping and chip seals are currently funded by the general fund through property taxes. Actually, it would be reasonable to have forest receipt revenues help fund this street work to ease the burden of property taxes.
5. Refer to the attached graphs on street cost and funding.

Respectfully submitted,

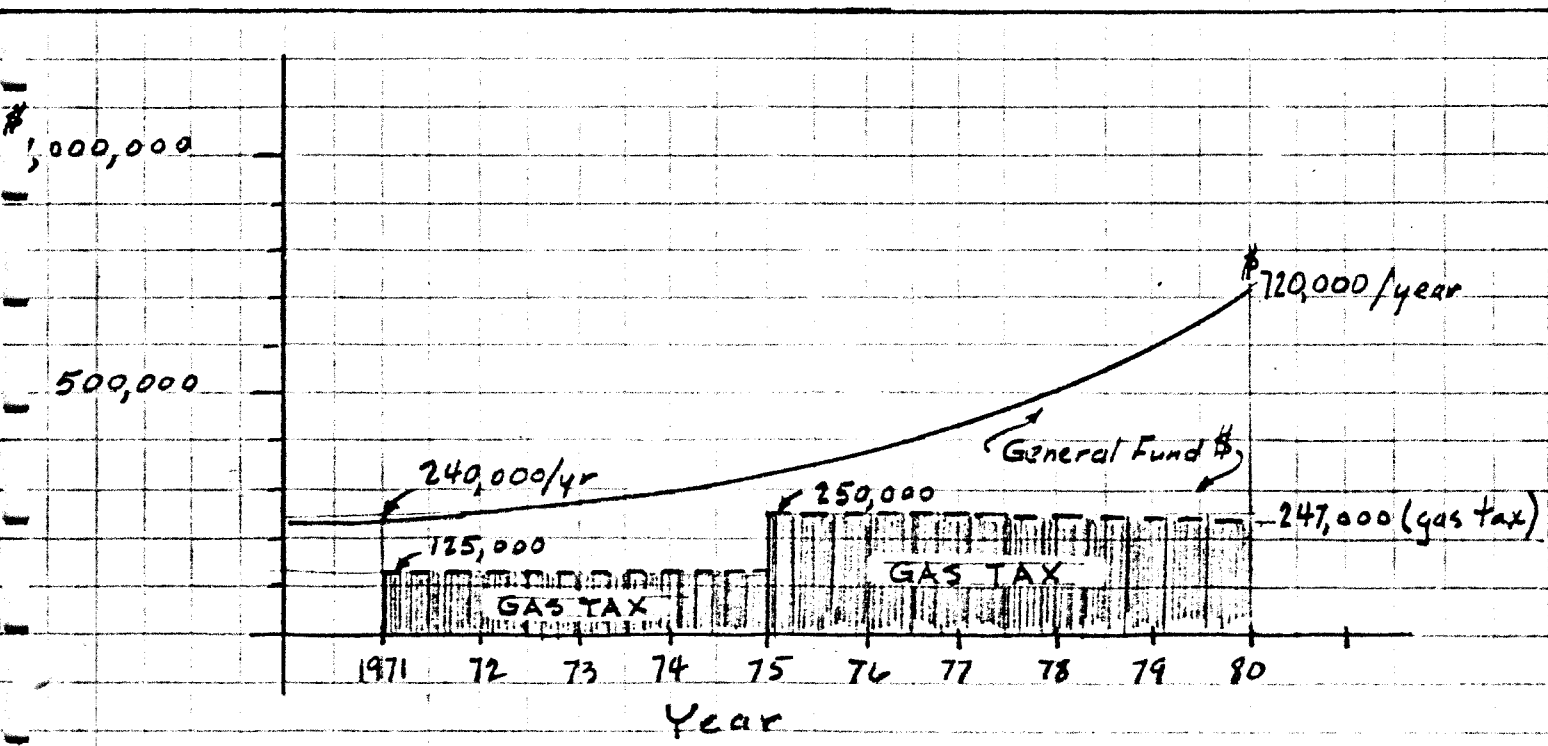


Thomas N. Crowley, P.E.
City Engineer/
Director of Public Works

TNC:vv



STREET COST PER 300' BLOCK



STREET CONSTRUCTION FUNDING

PROJECT

CONCRETE CURBS AND STREET COSTS

DATE

Jan 9, 1981

Concrete curb cost
(per lineal foot)

\$10.00

\$5.00

280/LF

10.5% average annual increase

750/LF

1971

72

73

74

75

76

77

78

79

80

CONCRETE CURBS

Year

40' Asphalt Street Cost
(per lineal foot)

\$60.00

\$40.00

\$20.00

\$16.00/LF

11.5% average annual increase

\$46.00/LF

1971

72

73

74

75

76

77

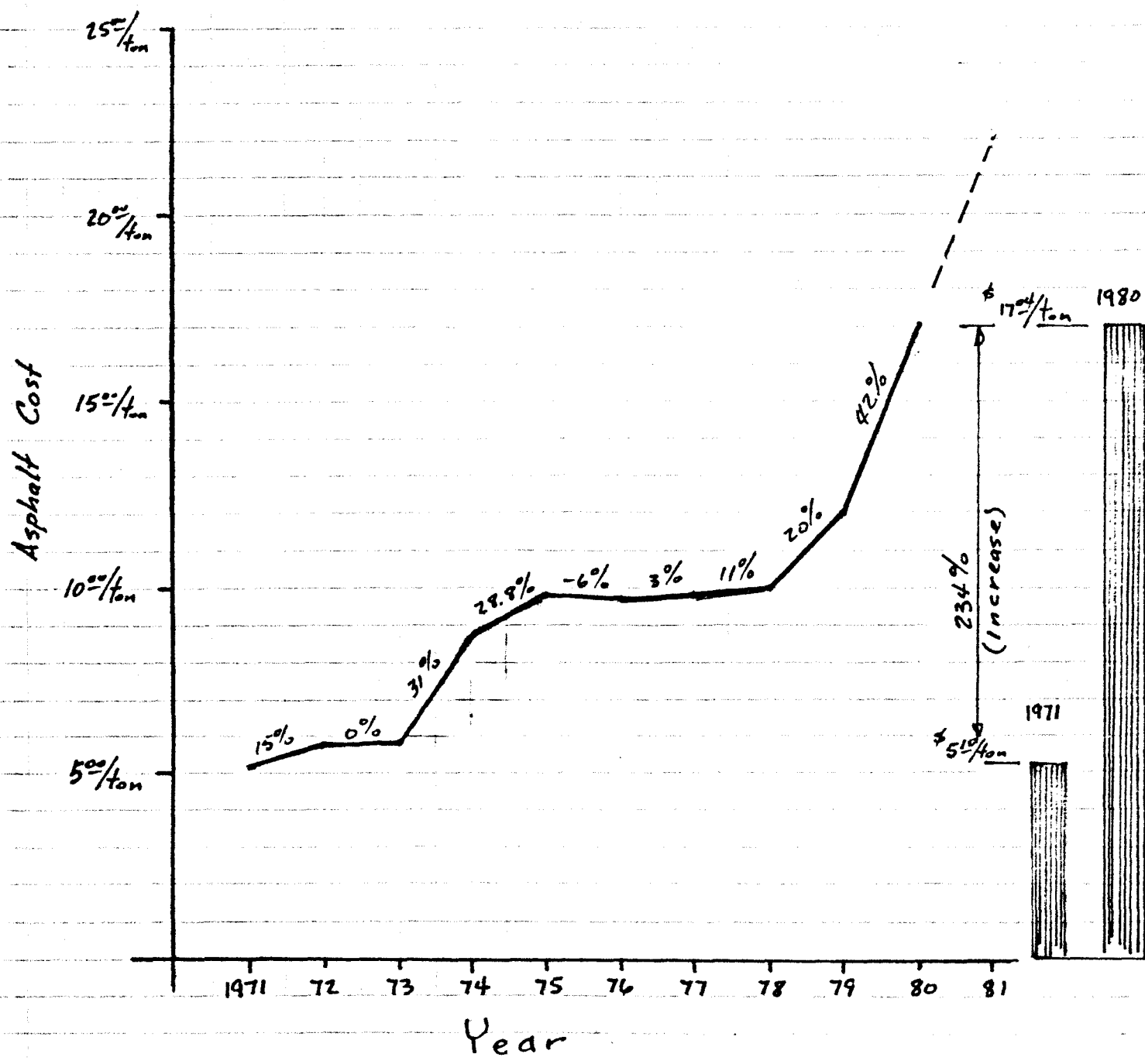
78

79

80

ASPHALT STREETS

Year



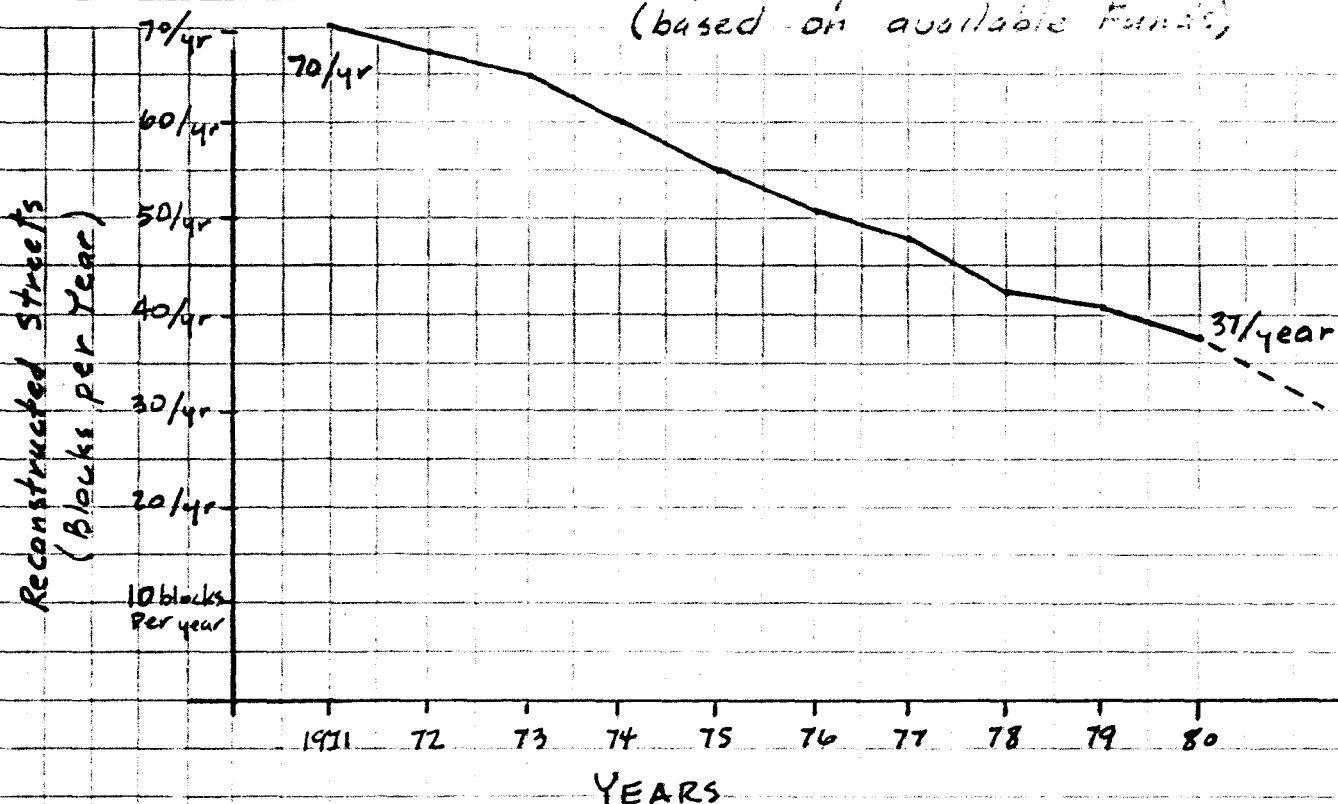
PROJECT

Street Construction - Size & Cycle

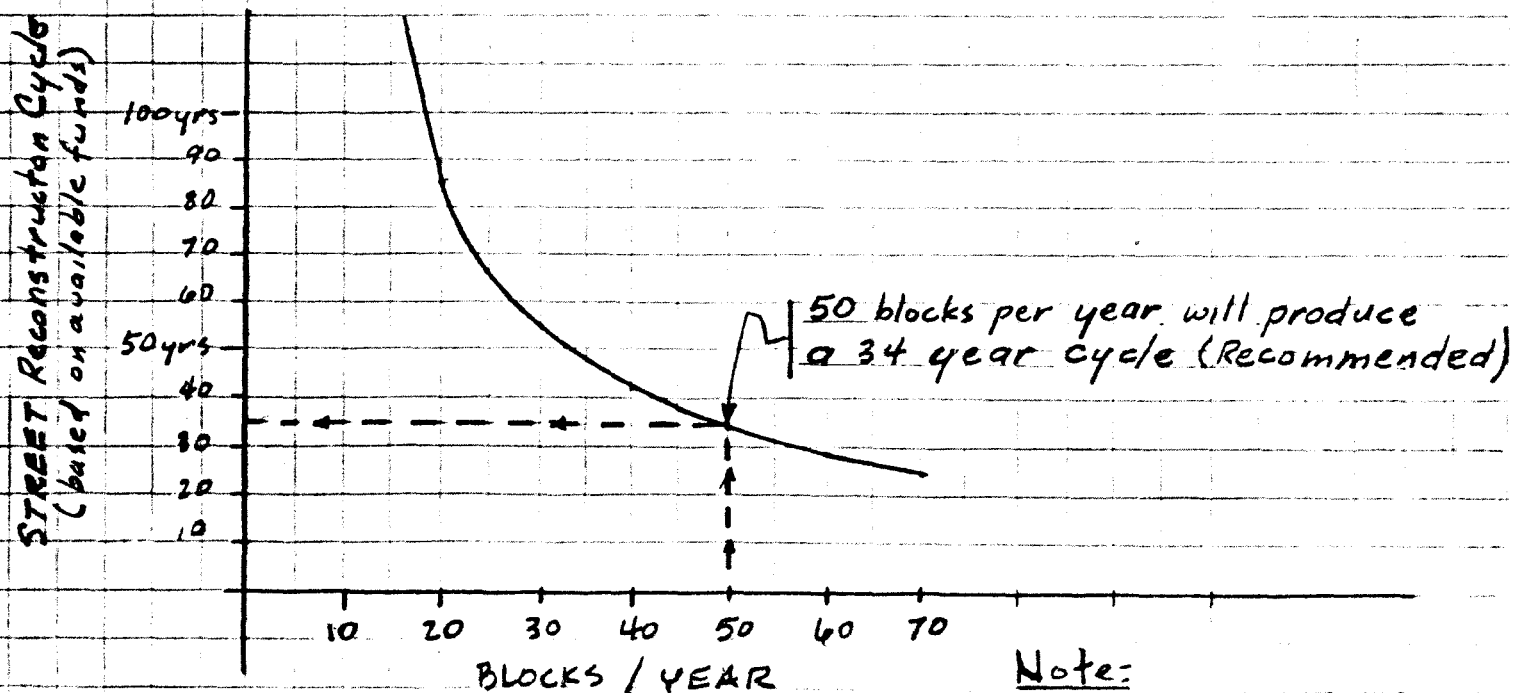
DATE

Jan 9 1981

(based on available funds)



STREET CONSTRUCTION (NUMBER BLOCKS PER YEAR)



Note:

(Based on Missoula's 1700 Urban Blocks)

STREET CONSTRUCTION CYCLE



Exhibit C



JOHN D. WILSON, Mayor
KERMIT DANIELS
City Attorney

BARBARA P. McOMBER, Clerk
SUSAN J. WHITTINGTON, Treasurer

CITY OF DEER LODGE

MONTANA

59722

COUNCILMEN:
WILLIAM H. SPECK
ROY LOVELY
KENNETH COLBO
LOY E. MIZNER
ROBERT BRAND
MALCOLM MacCALMAN
KENNETH E. FENNER
N. PAUL MILLER

January 23, 1981

To Whom It May Concern:

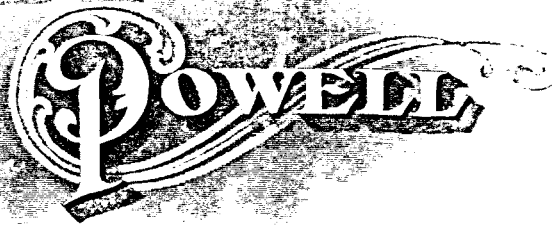
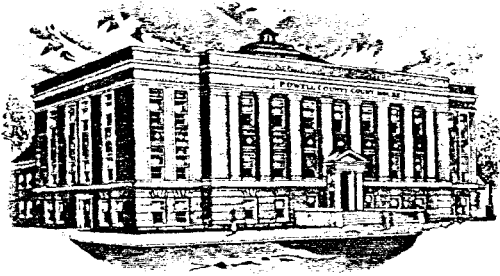
At the present time due to the excellent working relationship existing between the County and the City governments and due to the fact that the county has to maintain over 900 miles of county roads, we feel that the passage of Senate Bill No. 116 would not be to the best interest of the residents of this area.

Sincerely yours,



John D. Wilson,
Mayor

COUNTY OF



DEER LODGE, MONT.

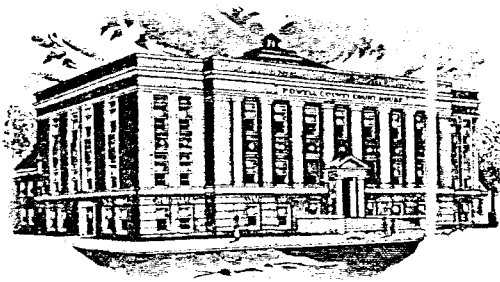
Jan 24, 1981

Gentlemen:

Powell Co. will be one of the counties drastically effected by the passage of Senate Bill 116. We receive approximately \$350,000 from Forest Service receipts, of which, one third goes to the counties school fund and the rest going to our road fund.

Powell Co. has about 900+ miles of roads to maintain on the county road system, most of which lead to federal lands. The city of Deer Lodge on the other hand has about 25 miles of roads, most of which lead to Co. roads.

The demand on co. roads has ever doubled in the last ten years due to an increase in firewood haulers, loggers, snowmobilers, hunters and many others. Of course along these same lines our costs have doubled also.



COUNTY OF

POWELL

DEER LODGE, MONT.

I realize that cities have trouble financing their streets but its no different for counties. We hardly have enough funds to keep the roads graveled let alone paved.

I would very much hope you would recommend
I do not pass on S.B 116.

Thank you
Sincerely

Tom Beck
Co. Comm. Powell Co.