

HOUSE LOCAL GOVERNMENT COMMITTEE

Chairman, Kathleen McBride, called the Local Government Committee to order on January 29, 1983, at 2:30 p.m. in Room 224A of the Capitol Building, Helena, Montana. All members were present except Ted Neuman and Steve Waldron.

HOUSE BILL 336

REP. JAY FABREGA, District 44, sponsor, opened by saying this bill is designed to help counties fund such things as county hospitals and nursing homes. It will pay for itself because the hospital can take the money paid to it for services and pay off the bond. Rep. Fabrega presented two amendments that would limit the counties to activities that are authorized by law only. (Exhibit #1)

PROPOSERS:

GEORGE BOUSLIMAN, Urban Coalition, said the amendments proposed would insure the counties issuing revenue bonds for purposes authorized by the State of Montana only. He said the bill will be useful not only to urban counties but counties who have nursing homes and hospitals and for this they urge the Committee's support of HB 336.

MIKE STEVENS, Montana Association of Counties, said they strongly support this bill.

OPPONENTS: none

QUESTIONS:

REP. HAND: The cities have for a long time not been able to issue revenue bonds without the approval of the Legislature. All this does is give them limited authority to issue bonds for necessities?

REP. FABREGA: This will allow them to exceed the 13.5 mill option. This way they can earn enough money to pay off the bond.

HOUSE BILL 399

REP. ORREN VINGER, District 3, sponsor, opened by saying this bill gives county commissioners the right to disperse of county property in the best interest of the county. It may be dispersed of under any conditions. The commission may credit it to the account that is in the best interest of the county. It gives them some power to do what they like. He read a letter of support from the Montana Association of Realtors. (Exhibit #2)

TOM SCHARER, County Commissioner from Toole County, said he thinks this bill is a good and reasonable way to open up all county property so the commissioners can be responsible and take care of things. The process of coming back to the state all the time is too expensive and the market is depressed right now and this will allow them to take advantage of a buyer when the opportunity arises.

MIKE STEVENS, Montana Association of Counties, said counties have a pretty good way of acquiring property but disposing of it is a problem. Time is important when disposing of property and this bill will help.

OPPONENTS: none

QUESTIONS:

REP. WALLIN: This is a pretty loose bill. What protection does the public have for proper appraisals, etc.?

Mr. Scharer: The statute as it stands now says appraisals will be acquired by the Board. Does that mean they hire someone or do it themselves? We don't know, and the county attorney doesn't know. We use local appraisers.

REP. WALLIN: Can you imagine a situation where under the broad power you have with this bill, the public would be at a disadvantage?

Mr. Scharer: I would be willing to amend this bill if you have some ideas.

REP. McBRIDE: Attached to your information sheets is a list of the statutes that would be repealed by HB 399.

HOUSE BILL 289

REP. PISTORIA, District 39, sponsor, opened by saying there was a need for this bill when it came to his attention that the County Treasurer takes office the first Monday in March and all other elected officials take office January 1. It was decided it would be nice to have all elected officials take office on January 1.

PROPONENTS:

Mike Stevens, Montana Association of Counties, said this bill would bring into line all the elected officials on one date and it would eliminate many phone calls to his office concerning the issue.

OPPONENTS: none

QUESTIONS:

REP. WALLIN: Have you considered that this would be a reason to have less interest in the off year election?

REP. PISTORIA: This bill will not effect elections at all.

REP. SALES: You want to make sure we are not electing someone to a four year term and he only serves 3 years and 10 months.

REP. PISTORIA: The person in the transition year will lose 2 months.

HOUSE BILL 298

REP. VERNER BERTELSEN, District 27, sponsor, opened by saying this bill would delete the requirement that trust receipts for negotiable securities that are used to secure deposits of local government funds be signed by the director of the Department of Administration. He said this last protective step is useless as the government doesn't know whether they are safe or not. It just amounts to a lot of paper shuffling.

JANUARY 29, 1983

Page 3

Local Government Committee

PROPONENTS:

DAVID ASHLEY, Department of Administration, said they hold the same stand as Rep. Bertelsen and support the move to eliminate the Department as a signator. The law is very specific in saying this is between the bank and the local government. The State government is only a formality.

BILL VERWOLF, City of Helena, said the state requirement is not necessary. The city is responsible to assure that the securities pledged are correct. The Department of Administration step is very time consuming and unnecessary.

MIKE STEVENS, Montana Association of Counties, said they support this legislation for those reasons stated.

OPPONENTS: none

QUESTIONS: none

EXECUTIVE SESSION:

HOUSE BILL 298

REP. HAND made the motion to DO PASS HB 298.

Question: Motion carried by unanimous vote.

HOUSE BILL 289

REP. McBRIDE: I think we should wait on this one because we may have a problem with the requirement of serving four years. There may be a question of authority with the transition treasurers. We will have legal council look at it and report back.

HOUSE BILL 336

REP. HAND made the motion that the amendments proposed for House Bill 336 DO PASS. Question: Motion carried by unanimous vote.


REP. KADAS made the motion that HOUSE BILL 336 DO PASS AS AMENDED. Question: Motion carried by unanimous vote.

REP. McBRIDE asked that the sub-committee on HB 318 and HB 319 have something prepared for the Committee on Tuesday, Feb. 1.

The hearing adjourned at 3:15 p.m.



REP. KATHLEEN McBRIDE, CHAIRMAN


Linda Palmer, Secretary

AMENDMENTS
to
HOUSE BILL NO. 336

1. Page 1, line 17
Following: "any"
Strike: "undertaking as defined in 7-7-4402, including
nursing homes and hospitals."
Insert: "project or activities which the county is otherwise
authorized by law to undertake."
2. Page 1, line 25
Following: "commissioners"
Strike: "."
Insert: "whenever the board of county commissioners is
acting pursuant to Section 1."

VISITORS' REGISTER

HOUSE LOCAL GOVERNMENT COMMITTEE

BILL HOUSE BILL 336

Date 1-29

SPONSOR FABREGA

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

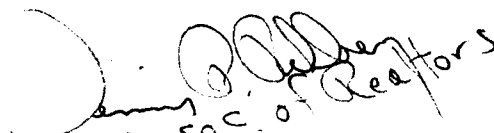
Testimony of the Montana Association of Realtors
On
House Bill #399, Introduced by Representative Vinger

The Montana Association of Realtors would like to go on record as being in support of HB 399 allowing county commissioners to dispose of county property according to the best interests of the county.

We feel legislation of this type is compatible with, and embodies the goals of excellence in future land use planning. By allowing flexibility in the area of property disposition, and use of the subsequent funds, you will be helping to assure quality management in terms of function and efficiency.

It is hoped that this bill will allow for, and encourage, sound planning, both economic and environmental. Within their various jurisdictions, county officials have been given the responsibility for overseeing the growth of housing, commercial and recreational uses, as well as the utility services they would require. Without the flexibility to dispose of their property in any way they deem best, they have often been frustrated in their efforts.

With the objective of flexibility and efficiency in mind, the Montana Association of Realtors supports HB 399.


MT. Assoc. of Realtors

WITNESS STATEMENT

Name Bill Venneit Committee On Local Govt.
Address Helena Date 1-29-83
Representing City of Helena Support X
Bill No. HB 298 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. This requirement is not necessary. The state confirms at time of bank examination. The City is responsible to assure that the securities pledged are ~~are~~ correct.
2. The requirement for a state agency signature causes a delay in the processing of pledges and substitutions, especially for those at some distance from Helena.
- 3.
- 4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

VISITORS' REGISTER

HOUSE LOCAL GOVERNMENT COMMITTEE

BILL HOUSE BILL 298

Date 1-29

SPONSOR BERTELTSEN

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

TO: The House Local Government Committee

FROM: Lee Heiman, Committee Counsel

DATE: January 29, 1983

RE: Bill Summaries of House Bills 289, 298, 336, and 399

HB 289 (Pistoria). Provides that the terms of office of a county treasurer is the same as other county officers.

HB 298 (Bertelsen). Deletes the requirement that trust receipts for negotiable securities that are used to secure deposits of local government funds be signed by the director of the department of administration. Also deletes the requirement that the receipt be made in the favor of the state as well as local officials and that the forms for such trust receipts be approved by the department. (A copy of the repealed section is attached.)

HB 336 (Fabrega). Provides that the county may issue and refund county revenue bonds in the same manner that a city may issue city revenue bonds.

HB 399 (Vinger). Generally revises the method for selling county property not needed for county operations. See attached sections to be repealed.

7-6-209. Director of department of administration to sign trustee and deposit receipts. The director of the department of administration shall sign all trustee and deposit receipts and releases required to be signed on behalf of the state in all cases where negotiable securities are placed in trust with a trustee, in place of the actual securities, for security of county, city, and town deposits under the laws of the state relating to the deposit of county, city, and town funds.

History: En. Sec. 1, Ch. 44, L. 1931; re-en. Sec. 4767.3, R.C.M. 1935; amd. Sec. 70, Ch. 348, L. 1974; amd. Sec. 29, Ch. 213, L. 1975; R.C.M. 1947, 16-2621; amd. Sec. 7, Ch. 274, L. 1981.

TO BE REPEALED BY HB 399:

7-8-2212. Notice of sale and public auction required for certain sales. Unless otherwise provided, if the real or personal property sought to be sold is reasonably of a value in excess of \$100 for real property or \$2,500 for personal property, the sale shall be at public auction at the courthouse door after previous notice given by publication in a newspaper published in said county. The notice shall be published once a week for 4 successive weeks and posted in five public places in the county.

History: En. Subd. 10, Sec. 1, Ch. 100, L. 1931; re-en. Sec. 4465.9, R.C.M. 1935; amd. Sec. 1, Ch. 30, L. 1953; amd. Sec. 1, Ch. 110, L. 1957; amd. Sec. 1, Ch. 120, L. 1967; amd. Sec. 1, Ch. 284, L. 1975; R.C.M. 1947, 16-1009(part).

7-8-2213. Terms of sale. (1) The sale shall be for cash or on such terms as the board of county commissioners may approve provided at least 20% of the purchase price shall be paid in cash. All deferred payments on the purchase price of any property sold shall bear interest at the rate of 6% per annum, payable annually, and may be extended over a period of not more than 5 years.

(2) No sale shall be made at public auction or to any school district without public auction for less than 90% of the appraised value.

(3) No title to any property sold under the provisions of 7-8-2211 through 7-8-2220 shall pass from the county until the purchaser or his assigns shall have paid the full amount of the purchase price therefor into the county treasury for the use and benefit of the county.

History: En. Subd. 10, Sec. 1, Ch. 100, L. 1931; re-en. Sec. 4465.9, R.C.M. 1935; amd. Sec. 1, Ch. 30, L. 1953; amd. Sec. 1, Ch. 110, L. 1957; amd. Sec. 1, Ch. 120, L. 1967; amd. Sec. 1, Ch. 284, L. 1975; R.C.M. 1947, 16-1009(part).

7-8-2214. Appraisal required for certain sales. Unless otherwise provided:

(1) in all sales of property of a value in excess of \$100 for real property and \$2,500 for personal property, there must, before any sale, be an appraisal thereof by the board and at a price representing a fair market value of such property. Such appraised value shall be stated in the notice of sale.

(2) no sale shall be made at public auction or to any school district without public auction of any property unless it has been appraised within 3 months prior to the date of the sale.

History: En. Subd. 10, Sec. 1, Ch. 100, L. 1931; re-en. Sec. 4465.9, R.C.M. 1935; amd. Sec. 1, Ch. 30, L. 1953; amd. Sec. 1, Ch. 110, L. 1957; amd. Sec. 1, Ch. 120, L. 1967; amd. Sec. 1, Ch. 284, L. 1975; R.C.M. 1947, 16-1009(part).

Continues

7-8-2215. Procedure to challenge appraised value. (1) Any taxpayer who may believe that such appraised value is less than the actual value of the property may, at any time before the day fixed for the sale of such property, file with the board of county commissioners written objections to such appraised value.

(2) When any such objection is filed, it vacates the sale and the board must at once apply to the judge of the district court to have such property reappraised.

(3) (a) Upon such application, the district judge shall appoint for purpose of reappraisal three disinterested persons. Such appraisers, when appointed by the district judge and after filing their appraisal report with the county clerk and recorder, shall be allowed \$5 per day for each day necessarily employed in making such appraisal and their necessary and actual expenses.

(b) The appraisal of the persons appointed under subsection (3)(a) must be made and filed with the county clerk and recorder. The new appraisal or reappraisal shall be used in the next sale of such property.

History: En. Subd. 10, Sec. 1, Ch. 100, L. 1931; re-en. Sec. 4465.9, R.C.M. 1935; amd. Sec. 1, Ch. 30, L. 1953; amd. Sec. 1, Ch. 110, L. 1957; amd. Sec. 1, Ch. 120, L. 1967; amd. Sec. 1, Ch. 284, L. 1975; R.C.M. 1947, 16-1009(part).

7-8-2216. Sale of county property to school district. (1) The board of county commissioners shall have the power to sell directly to the school district, without the necessity of a public auction, any real or personal property, however acquired, belonging to the county and which is not necessary to the conduct of the county's business or the preservation of its property, for its appraised value, which shall represent a fair market value of such property.

(2) If the property to be sold to the school district is reasonably of a value in excess of \$100 for real property and \$2,500 for personal property, notice of the sale shall be given by publication in a newspaper in said county. The notice shall be published once a week for 4 successive weeks and posted in five public places in the county.

History: En. Subd. 10, Sec. 1, Ch. 100, L. 1931; re-en. Sec. 4465.9, R.C.M. 1935; amd. Sec. 1, Ch. 30, L. 1953; amd. Sec. 1, Ch. 110, L. 1957; amd. Sec. 1, Ch. 120, L. 1967; amd. Sec. 1, Ch. 284, L. 1975; R.C.M. 1947, 16-1009(2).

7-8-2217. Procedure for sale of property of lesser value. (1) If the property to be sold is reasonably of a value of less than \$100 for real property and \$2,500 for personal property, sale thereof may be had at either public or private sale, as in the discretion of the board of county commissioners may appear to be to the best interests of the county.

(2) If it be at public sale, notice shall be given by posting in five public places in the county at least 5 days before the date of sale.

History: En. Subd. 10, Sec. 1, Ch. 100, L. 1931; re-en. Sec. 4465.9, R.C.M. 1935; amd. Sec. 1, Ch. 30, L. 1953; amd. Sec. 1, Ch. 110, L. 1957; amd. Sec. 1, Ch. 120, L. 1967; amd. Sec. 1, Ch. 284, L. 1975; R.C.M. 1947, 16-1009(part).

7-8-2218. Procedure if property not sold at public auction. If no bid or offer is made for any property offered for sale at public auction, after notice and appraisal given as provided in 7-8-2212 and 7-8-2214, the board of county commissioners may, at any time thereafter, sell such property at private sale and may on such private sale accept as the purchase price therefor an amount not less than 90% of the appraised value thereof.

History: En. Subd. 10, Sec. 1, Ch. 100, L. 1931; re-en. Sec. 4465.9, R.C.M. 1935; amd. Sec. 1, Ch. 30, L. 1953; amd. Sec. 1, Ch. 110, L. 1957; amd. Sec. 1, Ch. 120, L. 1967; amd. Sec. 1, Ch. 284, L. 1975; R.C.M. 1947, 16-1009(part).

7-8-2219. Exchange of county land in case of failure to make sale. If within 1 year no immediate sale be had of real estate attempted to be sold under the provisions of 7-8-2211 through 7-8-2220, the board of county commissioners may make trades or exchanges of such real estate owned by the county for any other lands or real estate of equal value located within the same county.

History: En. Subd. 10, Sec. 1, Ch. 100, L. 1931; re-en. Sec. 4465.9, R.C.M. 1935; amd. Sec. 1, Ch. 30, L. 1953; amd. Sec. 1, Ch. 110, L. 1957; amd. Sec. 1, Ch. 120, L. 1967; amd. Sec. 1, Ch. 284, L. 1975; R.C.M. 1947, 16-1009(5).

STANDING COMMITTEE REPORT

February 2,

19 83

MR. SPEAKER

We, your committee on LOCAL GOVERNMENT

having had under consideration HOUSE Bill No. 289

first reading copy (white)
color

**A BILL FOR AN ACT ENTITLED: "AN ACT TO MAKE THE TERM OF OFFICE
OF COUNTY TREASURER RUN CONCURRENTLY WITH OTHER COUNTY OFFICES;
AMENDING SECTION 7-4-2205, MCA."**

Respectfully report as follows: That HOUSE Bill No. 289

be amended as follows:

1. Page 1.

Following: line 19

Insert: "Section 2. Transition. A county treasurer holding
office on the effective date of this act or a person appointed
to fill the unexpired term of such a treasurer, continues to
serve until the first Monday of March after the election of his
successor. Notwithstanding the provisions of 7-4-2205(1), the
successor's term expires on the first Monday in January
following the election of his successor."

AND AS AMENDED

DO PASS

STANDING COMMITTEE REPORT

1-29

19 83

MR. **SPEAKER**

We, your committee on **LOCAL GOVERNMENT**

having had under consideration **HOUSE** Bill No. **298**

first reading copy (**white**)
color

**A BILL FOR AN ACT ENTITLED: "AN ACT TO DELETE THE REQUIREMENT THAT
THE DEPARTMENT OF ADMINISTRATION SIGN PLEDGED SECURITY AGREEMENTS
INVOLVING DEPOSITS OF LOCAL GOVERNMENT FUNDS; AMENDING SECTION
7-6-207, MCA; REPEALING SECTION 7-6-209, MCA; AND PROVIDING AN
IMMEDIATE EFFECTIVE DATE."**

Respectfully report as follows: That **HOUSE** Bill No. **298**

~~DO PASS~~

STANDING COMMITTEE REPORT

January 31,

19 83

MR. **SPEAKER**

We, your committee on **LOCAL GOVERNMENT**

having had under consideration **HOUSE** Bill No. **336**

first reading copy (**white**)
color

A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW COUNTIES TO ISSUE REVENUE BONDS IN THE MANNER PROVIDED IN TITLE 7, CHAPTER 7, PART 44, FOR ISSUANCE OF MUNICIPAL REVENUE BONDS; AND TO ALLOW COUNTIES TO REFUND REVENUE BONDS IN THE MANNER PROVIDED IN TITLE 7, CHAPTER 7, PART 45 OR PART 46, FOR REFUNDING OF MUNICIPAL REVENUE BONDS."

Respectfully report as follows: That **HOUSE** Bill No. **336**

BE AMENDED AS FOLLOWS:

1. Page 1, line 17 through line 18.

Following: "any"

Strike: the remainder of line 17 and line 18 in its entirety

Insert: "project or activity which the county is otherwise authorized by law to undertake."

2. Page 1, line 25.

Following: "commissioners"

Insert: "whenever the board of county commissioners is acting pursuant to subsection (1)"

AND AS AMENDED

DO PASS.

STANDING COMMITTEE REPORT

HOUSE BILL 399

Page 1 of 2

February 2,

1983

MR. **SPEAKER**

We, your committee on **LOCAL GOVERNMENT**

having had under consideration **HOUSE**

Bill No. **399**

FIRST

reading copy (**WHITE**)
color

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING BOARDS OF COUNTY COMMISSIONERS TO DISPOSE OF COUNTY PROPERTY ACCORDING TO THE BEST INTEREST OF THE COUNTY; AMENDING SECTIONS 7-8-2211, 7-8-2220, 7-8-2308, 7-22-2448, AND 20-15-403, MCA; REPEALING SECTIONS 7-8-2212 THROUGH 7-8-2219, MCA."

Respectfully report as follows: That **HOUSE** Bill No. **399**

be amended as follows:

1. Title, line 7.
Following: "7-8-2211,"
Insert: "7-8-2218,"

2. Title, line 8.
Following: "SECTIONS"
Strike: "7-8-2212"
Insert: "7-8-2215"
Following: "THROUGH"
Strike: "7-8-2219"
Insert: "7-8-2217"

3. Page 2, line 20.
Following: "through"
Insert: "through 7-8-2215, 7-8-2219,"

~~DELETED~~

4 .Page 2, line 22.

Following: "through"

Insert: "through 7-8-2215, 7-8-2219,"

5. Page 2.

Following: line 25

Insert: "Section 5. Section 7-8-2218, MCA, is amended to read:

"7-8-2218. Procedure if property not sold at public auction. If no bid or offer is made for any property offered for sale at public auction, after notice and appraisal given as provided in 7-8-2212 and 7-8-2214, the board of county commissioners may, at any time thereafter, sell such property at private sale and may on such private sale accept as the purchase price therefor an amount not less than 90% of the appraised value thereof.""

Renumber: Subsequent sections.

6. Page 3, line 18.

Following: "through"

Insert: "through 7-8-2215, 7-8-2219,"

7. Page 4, line 5

Following: "7-8-2216"

Insert: "7-8-2214,"

8. Page 4, line 22.

Following: "Sections"

Strike: "7-8-2212"

Insert: "7-8-2215"

9. Page 4, line 23.

Following: "through"

Strike: "7-8-2219"

Insert: "7-8-2217"

AND AS AMENDED

DO PASS