

MINUTES OF THE MEETING OF THE LOCAL GOVERNMENT COMMITTEE
February 2, 1983

Chairman McBride called the Local Government Committee into Executive Session, February 2, 1983, 7:15 p.m., in Room 224A of the Capitol Building. All members were present.

HOUSE BILL 126

REP. KITSELMAN, sponsor. This bill deals with the costs of rural improvement districts and allowing up to 3% of the principal on the bond to pay for incidental expenses and putting an additional 5% into the revolving fund.

REP. KITSELMAN: Moved HOUSE BILL 126 DO PASS.

REP. KITSELMAN also moved that the amendment be adopted (EXHIBIT 1).

Page 3, line 20.

Following: "of"

Strike: "the revolving fund"

Insert: "the owners of record of the property of the district in direct proportion to the original assessment on each piece of property"

After discussion of the amendment, it was CARRIED UNANIMOUSLY.

The motion DO PASS HOUSE BILL 126 PASSED UNANIMOUSLY.

HOUSE BILL 189

REP. BENGTON, sponsor. Consolidation of services is dealt with in this bill.

REP. SALES: Moved that we adopt the first set of amendments and stated that these amendments were not meant to change the intent of the bill in any way.

CHAIRMAN McBRIDE: These amendments clearly say that it is the majority of people residing in a municipality and a majority of people residing in the rest of the county-- each has to pass by a majority in each of those two groups.

The motion was voted on to adopt the amendments and PASSED UNANIMOUSLY.

REP. HAND: Moved the second set of amendments be adopted.

REP. SANDS explained the amendments. He said we are talking about the consolidation of a service district--a specific service; and because you are talking about a specific service, you may be talking about something that a local entity has invested a lot of money in and may have a property right in that service. It is not always appropriate in that situation to have questions about that service decided by a majority vote of everyone in the county. An alternative that I have suggested would be to say before the matter could ever be on the ballot, the Inter-local Cooperation Commission must approve it by two-thirds vote. The service consolidations can come on the ballot in two ways. An Inter-local Cooperation Commission can be formed which consists of four people from the largest city and one person from each of the incorporated cities within the county. A second way that a service consolidation can come on the ballot is by a petition of 15% of the voters in each incorporated city within the county as well as 15% of people in the parts of the county who are not incorporated. He stated he would be willing to reduce the 40% of the registered electors to 25%.

CHAIRMAN McBRIDE: We are getting away from approval at election time but going to an earlier part of the process?

REP. SANDS: I agree.

REP. KADAS: Have these amendments been shown to REP. BENGTON; and, if so, what was her reaction.

REP. SANDS: REP. BENGTON would like to have the bill passed as it is but she would rather have the bill passed with my amendments than not have it passed at all.

REP. SANDS: Moved a substitute motion that the second set of amendments be adopted with the exception of reducing the 40% to 25%.

The motion FAILED with seven voting yes (REPS. HAND, KADAS, KEENAN, KITSELMAN, SANDS, WALDRON and WALLIN) and twelve voting no (REPS. PISTORIA, BERGENE, BERTELSEN, DARKO, HANSEN, HOLLIDAY, NEUMAN, SALES, SCHYE, SWITZER, VINGER and CHAIRMAN McBRIDE).

The original motion regarding the 40% was withdrawn by REP. SANDS.

REP. SWITZER: Moved HOUSE BILL 189 DO PASS AS AMENDED.

REP. BERGENE stated she would have to oppose the DO PASS. She felt that this bill creates a political jurisdiction for governmental subdivision and it really has never been recognized in Montana law. She also thought it destroys the one person--one vote concept.

CHAIRMAN McBRIDE: It is important in discussing rural people and city people, to remember that the city people also belong to the county.

A roll call vote was taken on the motion of DO PASS AS AMENDED on HOUSE BILL 189. Eight Committee members voted yes (REPS. PISTORIA, BERTELSEN, HOLLIDAY, NEUMAN, SALES, SWITZER, VINGER and WALLIN) and eleven Committee members voted no (REPS. BERGENE, DARKO, HAND, HANSEN, KADAS, KEENAN, KITSELMAN, SANDS, SCHYE, WALDRON and CHAIRMAN McBRIDE). The motion was reversed DO NOT PASS AS AMENDED with eleven representatives voting yes and eight representatives voting no.

HOUSE BILL 289

REP. PISTORIA, sponsor. This bill is an act to make the term of office of County Treasurer run concurrently with other county offices.

Two options were presented as an amendment and the second option was moved to be adopted (EXHIBIT 4). The motion PASSED UNANIMOUSLY.

REP. PISTORIA: Moved HOUSE BILL 289 DO PASS AS AMENDED.

CHAIRMAN McBRIDE: The treasurer that would be in office at the time this legislation goes through continues to serve until the March date. It would not affect the ones that are in office right now. It would only affect the ones elected in the future.

LEE HEIMAN: This would become a compiler's comment underneath this section. It would last until the treasurer left and then it would be struck from the Code.

The motion DO PASS AS AMENDED HOUSE BILL 289 PASSED UNANIMOUSLY.

HOUSE BILL 115

REP. WALDRON, sponsor. This bill provides for setting up service districts and a means of combining joint service districts. The services provided can only be those that can normally be provided under the jurisdiction of a local government. The bill is written in such a manner--to have a joint service district that crosses governmental lines, you have to set up two separate service districts and then have an inter-local agreement. You don't set up a separate government. The county commissioners still retain control of that district because they can be the governing body for it or they can appoint a board to govern them.

REP. HAND: Moved that the amendments be adopted (EXHIBIT 5).

The amendments were reviewed and PASSED UNANIMOUSLY.

CHAIRMAN McBRIDE: When you talk about local government services within the jurisdictional area of one or more of the local governments, are you talking about a city and a county? In other words, a city and people outside of the city making the agreement or are you talking about county--part of the county in one area and part of the county in another area. What kinds of jurisdictional lines of local governments are we looking at?

REP. WALDRON: Yes. Remember that you can have two counties--and county lines do not necessarily follow good geography. People on each side of those county lines want to set up an enhanced garbage service. In order to do that, each county has to set up a service district and then you have to join those districts by an inter-local agreement.

CHAIRMAN McBRIDE: Each entity has to vote and approve it on their own. The large county can't absorb the smaller one. Are there any other local government entities aside from two counties that might decide to do this? Are we looking at within a county--some rural and some people within a city--coming to an agreement.

REP. WALDRON: That is possible within the bill. The meat of the bill is to allow local jurisdiction to set up a special service district within that jurisdiction to get some higher level services.

REP. WALDRON: Moved HOUSE BILL 115 DO PASS AS AMENDED. All Committee members voted yes except three (REPS. NEUMAN, VINGER and PISTORIA). HOUSE BILL 115 PASSED.

HOUSE BILL 399

REP. VINGER, sponsor. This bill is an act authorizing boards of county commissioners to dispose of county property according to the best interest of the county. REP. VINGER stated the amendments were prepared by the Association of Counties and are simple and self-explanatory--the largest complaint being the advertising and appraisal.

REP. VINGER: Moved that the amendments be adopted.

CHAIRMAN McBRIDE: What are the reasons for deleting 2215, 2216, and 2217.

REP. VINGER: This is what handicaps county commissioners from disposing of property.

REP. KADAS: Why do you want to take out the word "not" in 2218.

REP. VINGER: Under the present law, they could not sell it for less than 90%. After so many days have elapsed, they have to go through the same procedure. A representative from the Association of Counties stated they still have to go through the procedure of trying to sell it at 90%. If you have to get 90%, the item just sits there. You have requirements that it has to be appraised within 90 days prior to the date of sale. So every time you put the item up for sale, if you have an appraisal that is over three months old, you have to have it reappraised. The provision is once you have tried to sell it at 90% and can't get it, then you can go for less than 90%.

REP. KADAS: Could the second 90% in 2218 be eliminated?

REP. VINGER: I like the amendments the way they are.

The motion to adopt the amendments PASSED with CHAIRMAN McBRIDE voting no.

REP. VINGER: Moved HOUSE BILL 399 DO PASS AS AMENDED.

CHAIRMAN McBRIDE: There is a technical correction on the amendments.

REP. HAND: Moved that LEE HEIMAN take care of the technical problem on the amendments.

CHAIRMAN McBRIDE: Would you explain what this bill does? What powers does it give to a county that it does not now have?

REP. VINGER: It allows the county to dispose of real property and personal property. They can do that now but they are handicapped in that they are restricted by the 90% of appraised value. They can't sell the property for less than that. If it goes a certain period of time, they have to go back and get another appraisal on it.

CHAIRMAN McBRIDE: If the county gets 90% and the county sells an item at 50%, what recourse do I, as a citizen, have to protest that?

REP. VINGER: You would have no recourse under this bill.

CHAIRMAN McBRIDE: One of the things we have done is to delete one of the provisions that gave the citizens the right to protest.

REP. VINGER: That is right under 2215. He felt the individual could contact the county commissioners and work something out but it leaves no formal procedure.

CHAIRMAN McBRIDE: If an objection is filed, there has to be a reappraisal. This provision is being struck.

REP. NEUMAN: Would the county be able to trade equipment.

REP. VINGER: They would be able to trade or exchange.

The motion of HOUSE BILL 399 DO PASS AS AMENDED PASSED with all members voting yes except CHAIRMAN McBRIDE who voted no.

HOUSE BILLS 318 and 319

CHAIRMAN McBRIDE asked if the subcommittee on the two fire bills, HOUSE BILLS 318 and 319, were ready to report back. The answer was no. She stated that REP. MANUEL gave her a copy of a letter from one of the people who testified. There are certain aspects of HOUSE BILL 318, how to tax and who to tax to raise money for these volunteer fire services, and they have suggested parts of that bill be struck. They were basically the ones pushing for the bill. If the Committee wants, we can at least make sure this is translated into the language we can look at and consider.

HOUSE BILL 41

REP. NORDTVEDT, sponsor. This bill deals with changing the times of certain elections.

REP. KITSELMAN: Moved the bill be TABLED. The motion was voted on and PASSED UNANIMOUSLY.

HOUSE BILL 383

REP. DAVE BROWN, sponsor. This bill increases the base salary for newly confirmed police officers.

REP. SALES: Moved HOUSE BILL 383 DO NOT PASS.

CHAIRMAN McBRIDE: The supplemental pension is based on the current salary paid newly confirmed police officers in each city. There are only four cities affected by this increase to \$1,100--Miles City, Livingston, Lewistown, and Glasgow. The way the supplemental pensions are determined--it is 50% of the newly confirmed officers' pay so it would be 50% of

the \$1,100. The effect of this on these various cities is that there is an increase to 23 individuals varying from \$1.45 per month for 9 retirees in the City of Miles City; \$20.27 per month for four retirees of the City of Livingston; \$21.25 for three retirees for the City of Glasgow; \$96.58 for six retirees in the City of Lewistown and \$118 per month for one retiree of the City of Baker. So there is, in fact, some effect by virtue of what we are doing on the retirement for those places. The 2% increase to be calculated for all police officers in the next fiscal year will require state and city employer contributions of 14.04% of that increase. So you are looking at some additional monies and you will be taxing both state and cities as they both contribute to the pension.

REP. HAND: Do these local governments have the power to set their own policemen's salaries. The answer was yes.

CHAIRMAN McBRIDE stated that the sheet that was handed out that listed the various cities, John Scully wanted to make sure that we realized that we were looking at base salaries of newly confirmed officers. Our fiscal note may not have included at the lower end newly confirmed officers but people who were not confirmed yet.

The motion of DO NOT PASS on HOUSE BILL 383 PASSED with REPS. DARKO, SCHYE, KEENAN and PISTORIA voting no.

The meeting adjourned at 9 p.m.

Kathleen McBride

CHAIRMAN KATHLEEN McBRIDE

Geri Brust
Secretary

Amendments to House Bill 126 (Introduced copy)

1. Page 3, line 20.

Following: "of"

Strike: "the revolving fund"

Insert: "the owners of record of the property of the district in direct proportion of the original assessment on each piece of property"

a "to"

AMEND HOUSE BILL 189 AS FOLLOWS:

1. Page 2, line 14.

Following: "~~In~~"

Strike: "Among those electors voting in"

Insert: "In"

2. Page 2, line 17.

Following: "~~question~~"

Insert: "voting on the question"

Following: "and"

Insert: "a simple majority"

3. Page 2, line 18.

Following: "those"

Insert: "voting on the question"

4. Page 5, line 6.

Following: "(4)"

Strike: "Among those electors voting in"

Insert: "In"

5. Page 5, line 9.

Following: line 8

Insert: "voting on the question"

Following: "and"

Insert: "a simple majority"

Following: "those"

Insert: "voting on the question"

AMEND HOUSE BILL 189 AS FOLLOWS:

1. Title, line 5.

Strike: line 5 in its entirety

2. Title, line 6.

Following: line 5

Strike: "RESIDING IN THE REMAINDER OF THE COUNTY FOR"

Insert: "OF TWO-THIRDS OF AN INTERLOCAL COOPERATION COMMISSION OR
40 PERCENT OF THE REGISTERED ELECTORS BY PETITION TO SUBMIT TO
THE ELECTORS THE QUESTION OF THE"

3. Title, lines 8 and 9.

Following: "UNITS;"

Strike: the rest of line 8 and line 9 in its entirety

4. Title, line 10.

Following: line 9

Strike "PLAN;"

Following: "SECTIONS"

Strike: "7-11-304"

Insert: "7-11-213"

Following: "AND"

Strike: "7-11-308"

Insert: "7-11-303"

5. Pages 1 through 5.

Strike: all of the bill following the enacting clause

Insert: "Section 1. Section 7-11-213, MCA, is amended to read:

"7-11-213. Conduct of business. (1) All meetings of the
commission shall be open to the public.

(2) A majority of the members of the commission shall
constitute a quorum for the transaction of business.

(3) Each member shall have one vote. A favorable vote by a
majority two-thirds of the entire commission shall be
necessary for any action permitted by 7-11-230, but other
actions may be by a majority of those present and voting.

(4) Each commission may adopt such other rules for its
proceedings as it deems desirable.

Section 2. Section 7-11-303, MCA, is amended to read:

"7-11-303. Petition for consolidation or transfer of
services. (1) A petition or recommendation for the
consolidation or transfer of the administrative and
financial responsibility for services between or among local
governments may be presented to the governing bodies of the
local governments affected by the consolidation or transfer.

(2) A petition must be signed by at least ~~15%~~ 40% of the
electors registered at the last general election of the
local governments affected by the proposed consolidation or
transfer.

(3) Whenever the consolidation or transfer of a
service between a county and municipality is proposed by
petition, the petition must be signed by at least ~~15%~~ 40% of the

AMEND HOUSE BILL 289 AS FOLLOWS:

Option 1 -- Cut short current treasurer's terms 2 months

1. Page 1.

Following: line 19

Insert: "Section 2. Transition. Notwithstanding the provisions of 7-4-2205(1), the term of office of 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, expires on the first Monday of January after the election of his sucessor."

Option 2 -- Newly elected treasurers have their terms cut short by 2 months.

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 sucessor. Notwithstanding the provisions of 7-4-2205(1), the sucessor's term expires on the first Monday in January following the election of his sucessor."

electors residing in each municipality included in the service consolidation or transfer and ~~15%~~ 40% of the electors residing in the remainder of the county.

(4) Upon determination of the sufficiency of the petition or upon receipt of a recommendation of the interlocal cooperation commission, the governing body of each of the local governments affected by the proposed consolidation or transfer shall call an election on the transfer or consolidation as provided in 7-11-307."

Proposed Amendments to HB 115

1. Page 2, line 17.

Following: "the"

Insert: ":",

2. Page 2, lines 18 through 21.

Following: line 17

Strike: lines 18 through line 21 in their entirety

Insert: "(a) the proposed service or services can be provided by an existing service district; or"

(b) the proposed service district is in an unincorporated area and the service or services can be provided by annexation to an incorporated municipality, unless the municipality refuses to annex."

3. Page 5, line 14

Following: "services"

Insert: "including the necessary assessment method or fee schedule"

4. Page 5, line 22.

Following: "certification"

Strike: "may"

Insert: "shall"

HB 399 should be amended as follows:

On line 19 insert: "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."

"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."

"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."

"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."

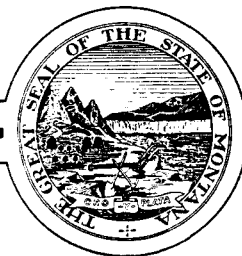
"7-8-2219. Exchange of county land in case of failure to make sale. If within 1 year no immediate sale be had of real estate attempted to be sold under the provisions of 7-8-2211 through 7-8-2220, the board of county commissioners may make trades or exchanges of such real estate owned by the county for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

Laws Repealed

- 7-8-2212 Notice of Sale and Public Auction Required for sales of real property with a value of more than \$100. Sales of personal property with a value of more than \$2500. Requires published notice in newspaper for 4 weeks. Requires posted notice in 5 county locations.
- 7-8-2213 Terms of Sale: Must be cash or terms set by county commissioners, but 20% of purchase price must be cash. 6% annual interest - not more than 5 years. Must be sold at 90% of appraised value. No title transfer until paid-in-full.
- 7-8-2214 Appraisal Required: When value of real property exceeds \$100. When value of personal property exceeds \$2500. Must sell for "fair market value" established no more than 3 months prior to sale.
- 7-8-2215 Procedure to Challenge Appraised Value: If taxpayer believes appraised value is too low he must: 1) file written objections. (this immediately vacates the sale); 2) board applies to district court judge for re-appraisal; 3) judge appoints 3 persons to decide (they get expenses at \$5 per day); 4) this new appraisal will be used.
- 7-8-2216 Sale of County Property to School District: Sell to school districts without auction for any real or personal property for appraised value. If over \$100 real or \$2500 personal property a newspaper notice is required for 4 weeks.
- 7-8-2217 Procedure for Sale of Property of Lesser Value: If less than \$100 real property or less than \$2500 personal property may be sold either public or private. 5 days notice in 5 county locations is required.
- 7-8-2218 Procedure if Property not Sold at Public Auction: If no bids are received county may sell at private sale for not less than 90% of appraised value.
- 7-8-2219 Exchange of County Land in Case of Failure to Make Sale: Sale should be within one year, if not, county can swap for land of equal value within county.

Ex 7
HB 383

DEPARTMENT OF ADMINISTRATION
PUBLIC EMPLOYEES RETIREMENT DIVISION



TED SCHWINDEN, GOVERNOR

1712 9TH AVENUE

STATE OF MONTANA

(406) 449-3154

HELENA, MONTANA 59620

February 2, 1983

Representative Kathleen McBride
Chairman, Local Government Committee
House of Representatives
Capitol Station
Helena, Montana 59620

Re: H.B. 383

Dear Representative McBride:

Per the request of Lee Heiman of the Legislative Council, I am enclosing a list of salaries paid newly confirmed police officers in the cities participating in the Municipal Police Officers' Retirement System.

In addition to increasing the salaries for newly confirmed police officers in Miles City, Livingston, Glasgow, and Lewistown, H.B. 383 will affect the retirement benefits currently being paid in these cities under the supplemental pension.

The supplemental pension is based on the current salary paid newly confirmed police officers in each city. The retirees of these individual cities are guaranteed to receive 50 percent of that newly confirmed police officer's salary as a minimum pension. This bill would establish that minimum pension at \$550 per month (50% X \$1100). This would mean an increase to twenty-three individuals varying \$1.45 per month for nine retirees of the city of Miles City; \$20.27 for four retirees of the city of Livingston; \$21.25 for three retirees for the city of Glasgow; \$96.58 for six retirees in the city of Lewistown; and a \$118 per month for one retiree of the city of Baker. This does not affect the funding of the retirement systems but will reduce the residual of tax on insurance premiums that reverts each year to the General Fund.

Further, the 2 percent increase to be calculated for all police officers in the next fiscal year will require additional state and employer (city) contributions of 14.04 percent of that increase.

If you decide that a fiscal note is necessary for this bill, I would appreciate an early call as we can use the additional time to secure the information for our actuary in making long range projections on the numbers I have provided you.

Representative McBride

Page 2

February 2, 1983

Thank you very much for calling this bill to our attention. I am sorry our bill trackers missed it or I would have appeared in the committee hearing.

Respectfully,

A handwritten signature in cursive script that reads "Larry Nachtsheim".

LAWRENCE P. NACHTSHEIM
Administrator

cc: Lee Heiman, Staff Attorney
Legislative Council

MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM
REPORTED WAGES OF NEWLY CONFIRMED POLICE OFFICERS

July '82

	<u>Salary</u>	<u>Minimum Pension</u>
Anaconda	\$ 1,473.14	\$ 736.57
Missoula	1,326.96	663.48
Great Falls	1,321.50	660.75
Billings	1,302.50	651.25
Bozeman	1,251.50	625.75
Kalispell	1,229.44	614.72
Butte	1,202.50	601.25
Helena	1,133.82	566.91
Glendive	1,123.10	561.55
Miles City	1,097.10	548.55 (9)
Livingston	1,059.46	529.73 (4)
Glasgow	1,057.50	528.75 (3)
Lewistown	906.84	453.42 (6)

NOTE:

- (1) City of Plains has a single police officer with a monthly salary of \$1,358.00. No retirees.
- (2) City of Baker joined the system 7/1/82 and has three police officers. The lowest monthly salary paid to these officers is \$1,418.00. This is probably not the salary of a newly confirmed officer. There is one retiree; a widow receiving \$432 per month.