

MINUTES OF THE MEETING OF THE LOCAL GOVERNMENT COMMITTEE
February 15, 1983

The meeting of the Local Government Committee held on February 15, 1983 at 11:30 a.m. in Room 224A of the Capitol Building was called to order by Chairman Kathleen McBride. All members were present.

EXECUTIVE SESSION

HOUSE BILL 565

REP. VINGER, sponsor. This bill requires a determination of legibility for the recording of documents by the County Clerk and Recorder.

REP. VINGER: Moved HOUSE BILL 565 DO PASS.

REP. VINGER: Moved HOUSE BILL 565 be amended:

Strike: 1934

Insert: 1984

The motion PASSED UNANIMOUSLY.

REP. VINGER: Moved HOUSE BILL 565 DO PASS AS AMENDED.

REP. VINGER: It was brought out and proven by exhibits that are brought to be recorded that they are not legible. We should tighten the law so that we do get legible records on the books.

REP. WALLIN: In reviewing previous testimony--a party comes into the courthouse, five minutes to five, from out of town with an illegible document. To protect yourself, should some sort of receipt be made out indicating that the document was received and that another document is needed to replace the illegible one.

CHAIRMAN McBRIDE: Who is deciding if the document is legible and at what point do you have a legally recorded document.

REP. HAND: If that were to happen, wouldn't it be the Clerk and Recorder's prerogative to give the individual a receipt for the document and bring one back that was legible.

CHAIRMAN McBRIDE: That was what I questioned previously. The Clerk and Recorder has a document that is truly legal and they can refuse to take it.

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REP. VINGER: The intent of the bill is to refuse any document that is not legible. It does not say they have to refuse it. They could work something out with the individual.

The motion that HOUSE BILL 565 DO PASS AS AMENDED PASSED with REP. SWITZER and CHAIRMAN McBRIDE voting no.

HOUSE BILL 596

REP. KADAS, sponsor. This bill provides that Boards of County Commissioners, after notice and hearing, may determine number and term of office of members on appointed boards and commissions that provide local government services.

REP. KADAS: Moved HOUSE BILL 596 DO PASS.

REP. SALES: Moved to strike all of Section 13 and renumber.

The motion to amend HOUSE BILL 596 PASSED UNANIMOUSLY.

REP. KADAS: Moved to amend HOUSE BILL 596 as follows:

Page 1, line 25.

Following: "interest."

Insert: "If the board of county commissioners reduces the number of members or reduces the term of office of members on a board or commission, such a decision does not affect the term of office of current members of the board or commission."

The motion to accept the above amendment PASSED UNANIMOUSLY.

REP. KITSELMAN: Moved HOUSE BILL 596 DO NOT PASS AS AMENDED.

REP. SCHYE: As I understand the law, a city-county planning board has half city and half county members. Under this bill there are five city members and five county members. If we give this authority to the county, they could add three more members and outbalance the city and the city would have no recourse to add members to their side.

REP. KITSELMAN: The danger I see--if there is a problem with an appointed member, there could be a way of diluting that simply by adding more members to that board.

REP. KADAS: The city-county planning board is set up by an interlocal agreement. If the county did raise the numbers, they would have to change the interlocal agreement.

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REP. BERTELSEN: This doesn't actually follow the process set up in HOUSE BILL 122 for establishing boards and commissions. I thought that was a better system than this is.

LEE HEIMAN: The city-county planning board is not covered under this bill. It consists of not less than nine members to be appointed. This only covers the county planning board.

REP. BERGENE: On page 6, are we talking about the mosquito control board (7-22-2412)--I would be concerned about not setting the length.

REP. KADAS: What the bills says is that the county commissioners can set a period of time and that is no longer mandated in the statute.

REP. WALLIN: I think you would find this open-ended appointment--you could appoint someone for 25 years.

REP. KADAS: If a county commissioner did that, he would be in for a lot of flack. It's just putting the responsibility on the county commissioners and giving them the flexibility to do that.

A roll call vote was taken on the motion of HOUSE BILL 596 DO NOT PASS AS AMENDED. Nine members voted yes (REPS. BERTELSEN, KITSELMAN, SALES, SANDS, SCHYE, SWITZER, VINGER, WALLIN and CHAIRMAN McBRIDE) and ten members voted no (REPS. PISTORIA, BERGENE, DARKO, HAND, HANSEN, HOLLIDAY, KADAS, KEENAN, NEUMAN and WALDRON). The motion FAILED.

The vote was reversed reflecting ten voting yes and nine voting no on a DO PASS AS AMENDED.

HOUSE BILL 600

REP. McBRIDE, sponsor. This bill would establish a local government block grant program providing financial assistance to municipalities and counties in Montana; providing a method for distribution of the funds; designating the Department of Commerce as the administering agency.

REP. DARKO: Moved HOUSE BILL 600 DO PASS.

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REP. SANDS: I would like to offer an amendment striking that section dealing with earmarking of funds, page 2, lines 13 through 16. The reason I am offering this amendment-- I was impressed with the arguments that were given by the individual representing the League of Women Voters. With budgetary restraints that are plaguing our state, to try to develop a scheme to permit a situation where the State Legislature has greater control over the funding, right now something like 70% or more that the state has spent is earmarked. You have the potential of a real problem. It is really important for us to have the mechanisms in our state to control our spending. If we move towards more earmarked funds, we are going to detract some of our bills from controlling that funding.

REP. WALDRON: I saw the problem with revenue sharing in that when the Legislature is dealing with appropriating money, the first place we are going to cut is local government. If we set aside a certain tax for local government, at least they have that portion. They are going to be protected from having us cut off the funding when we get into a budget crunch. I think there is some protection for local governments by earmarking that money but I would not want any support doing it.

CHAIRMAN McBRIDE: Earmarked monies are appropriated and they still have to go through the budgetary process. They exist in the fund but if that money is not appropriated to be spent in this program, it can't be spend.

REP. WALDRON: There are some exceptions. We do hold some funds back.

CHAIRMAN McBRIDE: There is some scrutiny.

REP. WALDRON: That is true but I think you will find there is less scrutiny with earmarked money that there is with General Fund money. In Appropriations, you are more concerned with General Fund money than with earmarked monies.

REP. HANSEN: I understood this was being looked at as a short-term solution of an ongoing program.

CHAIRMAN McBRIDE: The bill is to make it a permanent program.

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CHAIRMAN McBRIDE: The intent of the amendment would be not to have the oil severance tax earmarked but to get the money from General Fund.

REP. SWITZER: If we remove Section 3 that does earmark the oil severance tax, won't it be General Fund just as it is now?

CHAIRMAN McBRIDE: Only if we take action on the other bill that talks about the earmarking. What this would do is provide that the funding sources for the local government block grant program would not be the oil severance tax.

Question was called and a roll call vote was taken on the acceptance of REP. SANDS' amendment. The motion FAILED with four members voting yes (REPS. KITSELMAN, SANDS, SWITZER and WALLIN) and fourteen members voting no (REPS. PISTORIA, BERGENE, DARKO, HAND, HANSEN, HOLLIDAY, KADAS, KEENAN, NEUMAN, SALES, SCHYE, VINGER, WALDRON and CHAIRMAN McBRIDE).

A roll call vote was taken on the DO PASS motion of HOUSE BILL 600. The motion PASSED with fifteen members voting yes (REPS. PISTORIA, BERGENE, DARKO, HAND, HANSEN, HOLLIDAY, KADAS, KEENAN, KITSELMAN, SANDS, SCHYE, VINGER, WALDRON, WALLIN and CHAIRMAN McBRIDE) and four members voting no (REPS. BERTELSEN, NEUMAN, SALES and SWITZER).

HOUSE BILL 418

REP. YARDLEY, sponsor. This bill would earmark a portion of the oil and gas severance tax for the local government block grant account.

CHAIRMAN McBRIDE: There are some technical amendments (EXHIBIT 1). There were some words added that should not have been added. The words "and gas" should be struck all through the bill.

Page 3, line 24.

Following: "under"

Insert: "subsection (2) (b) of"

REP. DARKO: Moved HOUSE BILL 418 DO PASS.

REP. HAND: Moved the amendments be accepted.

The motion to amend HOUSE BILL 418 PASSED UNANIMOUSLY.

REP. DARKO: Moved HOUSE BILL 418 DO PASS AS AMENDED.

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A roll call vote was taken with fifteen members voting yes (REPS. PISTORIA, BERGENE, DARKO, HAND, HANSEN, HOLLIDAY, KADAS, KEENAN, KITSELMAN, NEUMAN, SCHYE, VINGER, WALDRON, WALLIN and CHAIRMAN McBRIDE) and four members voting no (REPS. BERTELSEN, SALES, SANDS, and SWITZER). The motion DO PASS AS AMENDED HOUSE BILL 418 PASSED.

HOUSE BILL 611

REP. DONALDSON, sponsor. This bill requires each board of county commissioners to publish a notice once each month that the minutes of commission meetings, all claims to be paid, and the county clerk's annual statement of financial condition are available for public review; removing the requirement that such items be published at length; and requiring each board to provide copies of board minutes.

REP. HAND: Moved HOUSE BILL 611 DO NOT PASS.

REP. HAND: The smaller paper, in particular, is already in bad shape. I don't think it hurts to put that information in the newspaper.

REP. SCHYE: I would support the motion. I do believe people read the county commission's minutes in the paper and ask questions regarding them.

REP. BERGENE: Why couldn't this be a discretionary item?

REP. HAND: I am sure if it would be discretionary, it would cost money and they would not put it in.

REP. BERGENE: I get the feeling that in some areas it is all right to put that information in. One way or the other, I would like to not set it statutorily and leave it discretionary.

REP. VINGER: If it is discretionary, they are not going to do it. I don't think the money is the number one thing. The number one item is the public's right to know. Transactions should be listed in the paper. That is the main reason I do oppose this bill.

REP. SWITZER: I am not in favor of the bill. I am convinced that publications of the commissioner's proceedings have a lot of value and as we increase local government decisions, it will be more and more important to the people locally.

The motion that HOUSE BILL 611 DO NOT PASS CARRIED with
REPS. SALES, SANDS, BERGENE, KADAS and HANSEN voting no.

HOUSE BILL 622

REP. HARPER, sponsor. This bill eliminated employer contributions by cities and counties to the sheriffs', municipal police officers', and firefighters' unified retirement systems by requiring that the amount due from these employers be paid by the state through insurance premium taxes; removing an employer's taxing authority for the purpose of making contributions to these retirement systems.

REP. HARPER: These retirement systems, the levels at which these people are paid, is decided by the state. The local government does not have anything to say about how much they are going to be involved in. We are asking that we begin to trickle a little relief back to the local government units. We want to put the costs at the level the decisionmaking is right now.

PROPOSERS:

ALEC HANSEN, representing the Montana League of Cities and Towns, said this is the most comprehensive bill introduced this session to address the question of public pensions. Other measures will adjust the system by temporary state assumption but this bill goes all the way to provide for complete state assumption of police and firefighters' programs including the sheriffs' departments and it would also pick up the incumbent liability. He said the reason that so many pension bills have been introduced is that the system is based on an inequity. The cities have no control over the cost of the program but they must levy the tax to pay the benefits. The League supports HOUSE BILL 622. (EXHIBIT 2)

JIM VANARSDALE, City of Billings, stated the current police and fire pension programs were mandated by the State Legislature without giving cities the authority to levy a tax to finance the benefits. Cities in Montana need fiscal help from the state and HOUSE BILL 622 will provide some of that help. (EXHIBIT 3)

JIM NUGENT, City of Missoula, said this bill changes the method of funding retirement systems for sheriffs, police officers and firefighters. The bill eliminates the local governments' contribution to these retirement systems and substitutes a state contribution to be funded through insurance premium taxes. The City of Missoula strongly supports HOUSE BILL 622 (EXHIBIT 4).

GEORGE BOUSLIMAN, representing the URBAN COALITION, said the only thing we can count on is that property tax in counties and cities are going to be on the rise. The pension situation is symptomatic of a broader problem of local government. Montana is at the bottom of the barrel as far as state assistance to local governments compared with all the neighboring states whether you are talking about aid to cities, aid to counties--we're at the bottom.

DAVE GOSS, Billings Chamber of Commerce, stated the retirement systems are becoming an increasingly costly burden to local governments. They support the bill from a responsibility standpoint.

LARRY NACHTSHEIM, Public Retirement System, Department of Administration, called attention to one thing on the fiscal note and that is the consideration that there are fourteen other smaller systems (police and fire) that have the ability to join these two of the three systems being talked about. That would change the numbers but we have no handle on it. There is one technical problem in the bill--on page 10, in police areas, they move the responsibility of the unfunded liability to the state of Montana retaining the provision that says "shall receive a credit". They did correct that in the fire areas. (EXHIBIT 3a)

OPPONENTS: None.

REP. HARPER closed saying local government finds itself hooked on a property tax. He asked the Committee to give serious consideration to this bill.

QUESTIONS:

REP. SALES: Doesn't this insurance premium tax come from insurance premiums of property?

LARRY NACHTSHEIM: Taxes are on the insurance premiums paid for fire and liability.

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LARRY NACHTSHEIM: We are not talking about increasing the insurance premium tax. We are talking about shifting where the money ends up.

REP. SWITZER: Isn't this General Fund money now?

REP. HARPER: Yes.

REP. SWITZER: This fiscal year 1984 will be about 3.6 million dollars. Next year, there will be substantially more. That almost covers the new money that goes into the block grant program. Do you see any way both can be funded?

REP. HARPER: I would hope there would be a way to do it.

CHAIRMAN McBRIDE closed the hearing on HOUSE BILL 622.

HOUSE BILL 654

REP. FAGG, sponsor. This bill would provide additional alternatives for the assessment of costs for special improvement districts.

PROPOSERS:

JIM VANARSDALE, Billings, Montana, said this bill will provide more flexibility to cities in distributing the costs of improvements funded through special improvement districts. It adds a per lot method and the taxable value as a method. Furthermore, it will permit these two to be used in combination with the standard square foot and front foot basis. He urged support of HOUSE BILL 654 (EXHIBIT 5).

JIM NUGENT, City of Missoula, urged support of this legislation and read into the record a letter from JOSEPH L. ALDEGARIE, P. E., Director of Public Works, Missoula (EXHIBIT 6).

OPPOSERS: None

REP. FAGG closed saying this type of bill will allow people to pay a fair share of taxes and it is fair way of assessing.

QUESTIONS:

REP. SANDS: Why is this bill necessary for a city that has self-governing power?

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JIM VANARSDALE: Because the state law dictates how these improvements are to be financed on the square foot or front foot basis.

REP. SANDS: Doesn't a city with self-governing power have the right to have its own regulations.

JIM VANARSDALE: Not in this instance.

CHAIRMAN McBRIDE closed the hearing on HOUSE BILL 654.

HOUSE BILL 230

REP. WALDRON, sponsor. He stated this bill doesn't do something to local governments; it does something for local governments. It places a tax on tourists through hotels, motels and campgrounds. There is an amendment that is necessary to insure that counties are included in this.

PROPOSERS:

JIM VANARSDALE, Billings, stated he supports this bill because it would allow the use of a hotel-motel tax based on the percentage of the hotel-motel charge which is customary in the industry. It will provide cities and counties another option with which to address the financial plight (EXHIBIT 7).

ALEC HANSEN, League of Cities and Towns, stated the League had adopted a resolution supporting the hotel-motel tax. We are in a position to work with the sponsor to make some amendments and you could make both of these bills into one workable concept that would address this issue (EXHIBIT 8).

JIM NUGENT, City of Missoula, read a letter from DAVID WILCOX, Administrative Assistant, City of Missoula, which stated HOUSE BILL 230 gives local governments the option of imposing a tourist tax on the use of hotels, motels and campgrounds. The bill is important in that it provides an additional source of revenue to financially troubled local governments (EXHIBIT 9).

RAY BLEHM, representing the Montana State Firemen's Association, said this bill makes good sense because a lot of the specialized fire fighting equipment that deals with high-rise and high-load occupancy are needed by the type of hotels that have been alluded to and the dwellings that are occupied by transient population that do not contribute to the tax base. It would be a reasonable thing for the Legislature to provide revenues to the cities from this type of tourism.

OPPONENTS:

PHIL STROPE, representing the Montana Innkeepers Association, a voluntary trade association which has about 50% of the properties in the state and 70% of the rooms. The proponents are telling this committee they want a sales tax to tax tourists. To tax tourists you are going to have to go to a sales tax because the tourists are not the kind of people to stay in the lodging industry (EXHIBIT 10).

DON JUDGE, representing the Montana State AFL-CIO, said they oppose HOUSE BILL 230 because it proposes a form of sales tax, and their position over the years has been that they are against this regressive form of tax. They support fair taxes that are based on the ability to pay (EXHIBIT 11).

REP. HARRISON FAGG stated this is a step backwards. The bill proposes a local option. All this says is that my motel will be charging from \$.50 to \$5.00 more per room per night than we did before. We can't absorb the tax. This bill could raise our property taxes 50%. I don't think you want to do that. About 10% of our guests would be considered tourists; 40% are people who come in for conventions and 50% come in on business. About 55-60% of our guests are Montana citizens. You would simply be putting more taxes on your local individuals.

REP. ROBERT ELLERD, said this bill is a sales tax. It is an insult to our people to have the word passed around the whole country that Montana has a tourist tax. A tourist tax is in direct opposition to building business in Montana.

DON INGELS, Montana Chamber of Commerce, said HOUSE BILL 230 is a selective sales tax proposing revenue to a general fund. The Montana Chamber of Commerce urged the defeat of HOUSE BILL 230 (EXHIBIT 12).

TACK VAN CLEVE, representing dude ranchers, stated dude ranches do not sell or rent rooms or beds for overnight, or for a week. They do not cater to the travelling or transient public. Instead, they invite friends into their homes to share in a unique and disappearing way of life. He urged that "dude/guest ranch" be deleted from the content and intent of HOUSE BILL 230 (EXHIBIT 13).

VIRGINIA B. CHRISTENSEN, representing dude ranchers, said it would cost a guest so much extra that it would preclude guests from coming to Montana. (EXHIBIT 14).

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JIM MAYES, assistant business manager of Operating Engineers Local 400, spoke against HOUSE BILL 230. He urged the Committee vote against HOUSE BILL 230 (EXHIBIT 15).

REP. NORM WALLIN stood in opposition of HOUSE BILL 230. He said the thing that bothers him on this bill--dude ranchers do not sell their accommodations so much for a room or a meal. For that reason, I think the bill is unfair.

REP. WALDRON closed urging members to ask the representatives of AFL-CIO and Operating Engineers Local 400 if they intend to oppose the liquor tax increase to fund the long-range building program which will employ their membership. When we put a tax like this on liquor, we call it an excise tax and it seems strange that when it is a tax on hotel, motel or campgrounds, it becomes a sales tax. I consider this to be an excise tax. There was some concern about locating conventions in an area that has a local option tax. The first concern is location and then one worries about having enough rooms and the price of the rooms. In dealing with government, you ought to have diversified means of raising revenue. We have diversified means of raising revenue on the state level. The only means local government has of raising revenue is property tax. He asked Committee members to support this legislation.

CHAIRMAN McBRIDE closed the hearing on HOUSE BILL 230.

HOUSE BILL 643

REP. JIM JENSEN, sponsor. This bill allows annexation of high density land contiguous to a municipality.

REP. JENSEN stated we have a number of urban situations in Montana where cities are constrained in their ability to provide services for the users who live outside those boundaries and constrained by the limited tax base. They cannot tax the people who are using their goods and services and facilities. The bill allows cities to annex only that residential property contiguous to the city when it reaches a density level of four dwellings per acre. You cannot annex someone without providing services for them. The question of protesting seems to be an unfair remedy when we are talking about cities expanding their legitimate boundaries.

PROPOSERS:

ALEC HANSEN, representing Montana League of Cities and Towns, supports this legislation.

LEON STALCUP, City Council Member of Missoula, also supported HOUSE BILL 643. He stated that logic for reason does not have any part in setting city ordinances. Several maps of the areas that would be affected under this density rule were passed out (EXHIBIT 16). Legal and jurisdictional actions have caused many problems in the past. He urged support of HOUSE BILL 643.

JIM VANARSDALE, City Councilman, Billings, said the City of Billings supports the enactment of HOUSE BILL 643 because it will allow them to address annexation issues in a more comprehensive and timely basis than they can under current statutes (EXHIBIT 17).

LOIS HERBIG, Council Person from Missoula, spoke in favor of HOUSE BILL 643. She said the City is in need of these changes in order to carry on its required functions (EXHIBIT 18). She also read into the record a letter from FRED RICE, who was also in support of HOUSE BILL 643 (EXHIBIT 19).

BUD SCHOTZ, Administrative Assistant for the City of Hamilton, stated that Ravalli County increased by 48% in population over the last ten years. The direct area surrounding Hamilton has increased by 50%. They now have a population in the area surrounding Hamilton more than double the population within the city. The City of Hamilton is being strangled because they cannot increase their tax base. He urged that the Committee take a hard look at what is happening to communities who are being forced against annexation.

JIM NUGENT, Attorney for the City of Missoula, said that HOUSE BILL 643 was specifically drafted to alleviate the concerns of State legislators that cities would annex agricultural lands such as farms and/or ranches, or other moderately and thinly populated areas near cities if annexation laws were amended to facilitate annexation of densely populated lands contiguous to cities whose residents regularly use many City services of an immediately adjacent city without contributing to the payment of the costs of those services. Further, HOUSE BILL 643 was drafted with the intent to more equitably spread the costs of City services over the populations that comprise the primary users of many City services (EXHIBIT 20). He strongly urged support of this bill.

RAY BLEHM, Montana State Firemen's Association, stated he thought he would never see problems of city growth but what has happened--artificial impediments to city growth have been put in the way. Cities that can no longer grow and are losing their abilities to develop in an orderly way can no longer tax to solve their problems because of this block against the ability to annex. He urged support of this legislation.

OPPONENTS:

REP. DENNIS VELEBER stated that the right of protest is a very important item. The people that I represent in Missoula feel that protest is a very important item to them and also the services. If they are annexed, what happens to the services.

JAMES A. LOFFTUS, Board of Trustees, Missoula Rural Fire District, opposed HOUSE BILL 643. He asked what would be the definition of external boundaries? Missoula Fire District would lose a lot of ground surrounding, in whole or in part, the external boundaries. This bill also takes away the right of protest (EXHIBIT 21).

ROBERT HELDING, an attorney from Missoula, representing the private citizens, said he knew of no one who had resisted annexation if they were told what they would get. If we take away the right of protest, we have lost a great deal. He felt the bill was fatally defective because in the enabling clause, it says nothing about first-class cities--it says all municipalities. He opposed HOUSE BILL 643.

BRUCE A. BENSON, farmer from Missoula, Montana, stated if this legislation was enacted, he would be farming an island surrounded by city. I do feel that people have to have protest of some kind to let the city know that there may be some law that we could not abide with. If no protest could be allowed, he urged that the bill be killed.

REP. JENSEN closed saying if the cities break the law, there is a clear protest remedy and that is the courts. This bill annexes only property that has four dwellings per acre. The question of exterior boundaries--they end where there are no more areas of four dwellings per acre. Everybody talks about the exclusion of the protest being unfair. If we are going to talk about fairness--fairness is a moral question. When someone gets something for nothing and is unwilling to pay their fair share, they are exercising an unfair advantage on those people providing the services. He urged the Committee to very seriously consider this measure.

Additional testimony is attached (EXHIBIT 22).

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QUESTIONS:

REP. KADAS: If we did give annexation powers to Class 1 cities, should we give it to all other cities.

ROBERT HELDING: There are different provisions in the law how you annex. Ordinarily, you would do it by petition and then you could protest out or you could petition in. You would have to look at the law to answer that properly.

REP. SCHYE: If property was annexed, is the city willing to put all the sewer lines in to all the houses.

JIM NUGENT: Yes.

REP. WALLIN: Do you have to hook onto the water and sewer before you come into the city.

JIM NUGENT: No.

CHAIRMAN McBRIDE closed the hearing on HOUSE BILL 643.

The meeting adjourned at 2:30 p.m.

Kathleen McBride
CHAIRMAN KATHLEEN McBRIDE

Geri Brusett
Secretary

STANDING COMMITTEE REPORT

HOUSE BILL 418

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Ex. 1
HB 418

SPEAKER

MR.

LOCAL GOVERNMENT

We, your committee on

having had under consideration **HOUSE** Bill No. **418**

First reading copy (white)
color

**A BILL FOR AN ACT ENTITLED: "AN ACT TO REBARK A PORTION OF THE OIL
AND GAS SEVERANCE TAX FOR THE LOCAL GOVERNMENT BLOCK GRANT ACCOUNT;
AMENDING SECTIONS 15-1-501 AND 15-36-112, MCA; AND PROVIDING AN
EFFECTIVE DATE."**

Respectfully report as follows: That **HOUSE** Bill No. **418**

BE AMENDED AS FOLLOWS:

1. Title, line 6.

Strike: "AND GAS"

2. Page 1, line 22.

Following: "(d)"

Strike: "oil and gas"

3. Page 2, line 21.

Following: "of"

Insert: "the"

Following: "oil"

Strike: "and gas"

Following: "severance"

Strike: "taxes"

Insert: "tax"

CLARENCE

February 15, 1983

4. Page 2, line 25.

Following: "oil"

Strike: "and gas"

5. Page 3, line 9

Following: "oil"

Strike: "and gas"

6. Page 3, line 24.

Following: "under"

Insert: "subsection (2)(b) of"

AND AS AMENDED
DO PASS

HB-622

THIS IS THE MOST COMPREHENSIVE BILL INTRODUCED THIS SESSION TO ADDRESS THE QUESTION OF PUBLIC SAFETY PENSIONS. OTHER MEASURES WOULD ADJUST THE SYSTEM, PROVIDE FOR TEMPORARY STATE ASSUMPTION AND REDUCE THE EMPLOYER'S SHARE OF THE PAYMENT, BUT THIS BILL GOES ALL THE WAY. IT WOULD PROVIDE FOR COMPLETE STATE ASSUMPTION OF POLICE AND FIRE PENSION PROGRAMS, INCLUDING THE SHERIFF'S DEPARTMENTS, AND IT WOULD ALSO PICK UP THE UNFUNDED LIABILITY.

* UNFORTUNATELY, THIS COMMITTEE WILL NOT HAVE AN OPPORTUNITY TO HEAR ALL OF THESE BILLS THAT HAVE BEEN INTRODUCED TO DEAL WITH THE PUBLIC SAFETY PENSION PROGRAMS. WE BELIEVE, HOWEVER, THAT THE LEGISLATURE IS INTERESTED IN DOING SOMETHING ABOUT THIS ISSUE AND THAT A METHOD CAN BE FOUND WITHIN THE CURRENT BUDGET CONTEXT OF ALLEVIATING CITIES AND COUNTIES OF A PORTION THE COST OF THESE PROGRAMS.

* I BELIEVE THAT THE REASON THAT SO MANY MANY PENSION BILLS HAVE BEEN INTRODUCED IS THAT THE SYSTEM IS BASED ON AN INEQUITY.

CITIES ARE OBLIGATED FOR HALF THE EMPLOYER'S SHARE OF THE PENSION CONTRIBUTION, BUT THE LEGISLATURE SETS THE RATES. THE CITIES HAVE NO CONTROL OVER THE COST OF THE PROGRAM, BUT THEY MUST LEVY TAXES TO PAY THESE BENEFITS.

* IN RECENT YEARS, THE EMPLOYER'S CONTRIBUTION TO THESE PROGRAMS HAVE BEEN INCREASED BY THE LEGISLATURE, WHILE MUNICIPAL REVENUES HAVE DECLINED. AND THE COMBINATION OF HIGHER PENSION COSTS AND STAGNANT CITY BUDGETS IS AN IMPORTANT FACTOR IN THE FINANCIAL DETERIORATION OF LOCAL GOVERNMENT.

HOUSE BILL 622 REPRESENTS A TOTAL AND FINAL SOLUTION TO THIS PROBLEM
AUTHORITY
BY COMBINING THE ~~RESPONSIBILITY~~ FOR SETTING THE RATE WITH RESPONSIBILITY
FOR PAYING THE FREIGHT.

AS THE FISCAL NOT INDICATES, TOTAL STATE ASSUMPTION WILL
COST SOME MONEY, AND WE REALIZE THAT ANY DECISION ON THIS BILL
WILL DEPEND ON THE AVAILABILITY OF REVENUE AND THE FINAL LEVEL
OF APPROPRIATIONS.

February 15, 1983

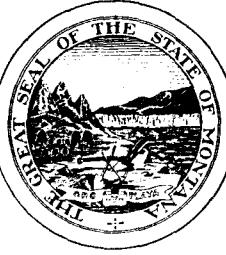
STATEMENT PRESENTED BY JIM VANARSDALE ON BEHALF OF THE CITY OF
BILLINGS REGARDING HOUSE BILL 622 BEFORE THE HOUSE LOCAL GOVERNMENT
COMMITTEE

THE CITY OF BILLINGS SUPPORTS HOUSE BILL 622 AS IT WILL RELIEVE THE CITY OF AN ESTIMATED \$740,000 IN FISCAL 1984. THE CURRENT POLICE AND FIRE PENSION PROGRAMS WERE MANDATED BY THE STATE LEGISLATURE WITHOUT GIVING CITIES THE AUTHORITY TO LEVY A TAX TO FINANCE THE BENEFITS. TODAY THE STATE AND CITIES ARE FUNDING THE FIRE PENSION SYSTEM ON A 50-50 BASIS WITH BOTH CONTRIBUTIONS SCHEDULED TO GO TO 18% ON JULY 1, 1983. WHILE IT VARIES WITH EACH CITY, THE POLICE PENSION SYSTEM IN BILLINGS IS CURRENTLY FUNDED 58% BY THE CITY AND 42% BY THE STATE. AS YOU KNOW, CITIES IN MONTANA NEED FISCAL HELP FROM THE STATE AND HOUSE BILL 622 WILL PROVIDE SOME OF THAT HELP.

THANK YOU.

EX 30
HA 622

DEPARTMENT OF ADMINISTRATION
PUBLIC EMPLOYEES RETIREMENT DIVISION



TED SCHWINDEN, GOVERNOR

1712 9TH AVENUE

STATE OF MONTANA

(406) 449-3154

HELENA, MONTANA 59620

February 16, 1983

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

Re: House Bill 622

Dear Representative McBride:

The PERD has no position on H.B. 622, as I testified. We simply appeared to answer any questions relative to the fiscal note which we prepared.

As I mentioned in my testimony, there is a technical problem with this bill on page 10 line 19. In order to correct this oversight and make the provisions of the police and fire systems compatible, I recommend the following amendments:

On page 9 beginning on line 20 delete entire section 7 through line 4 page 12.

Replace with "The state shall assume the responsibility for payments of any excess and unfunded liability payments and receive credits and the member cities shall no longer be eligible to receive credits under the provisions of section 2 chapter 375, Laws of Montana 1979.

The amount as determined by the Board needed to amortize the excess and unfunded liability payments less any credits must be made by the state auditor from the premium taxes on insurance risks enumerated in 19-11-12."

On page 15 beginning line 5 delete entire section through line 10 page 16.

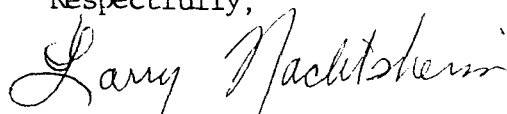
Replace with "The state shall assume the responsibility for payment of any excess and unfunded liability payments and receive credits and the member cities shall no longer be eligible to receive credits under the provisions of section 24 chapter 566, Laws of Montana 1981.

The amount as determined by the Board needed to amortize the excess and unfunded liability payments less any credits must be made by the state auditor from the premium taxes on insurance risks enumerated in 19-11-512."

The Honorable Kathleen McBride
Page 2
February 16, 1983

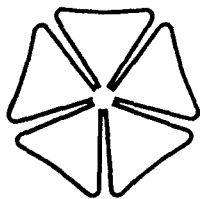
If you have any questions concerning this legislation, please feel free to call on me.

Respectfully,

A handwritten signature in cursive script that reads "Larry Nachtsheim". The signature is written in dark ink and is positioned above the printed name.

LAWRENCE P. NACHTSHEIM
Administrator

EX 4
HB 622



THE GARDEN CITY
HUB OF FIVE VALLEYS

Missoula, Montana 59802

**BILL CREGG
MAYOR**

201 West Spruce Street
Missoula, MT 59802
Phone 721-4700

TO: REPRESENTATIVE KATHLEEN McBRIDE, CHAIRPERSON, LOCAL GOVERNMENT
MEMBERS OF THE COMMITTEE

FROM: CITY OF MISSOULA, BY DAVID WILCOX, ADMINISTRATIVE ASSISTANT

SUBJECT: HB 622, FUNDING OF RETIREMENT SYSTEMS FOR SHERIFFS, POLICE
OFFICERS, FIREFIGHTERS

DATE: FEBRUARY 15, 1983

House Bill 622 changes the method of funding retirement systems for sheriffs, police officers and firefighters. The bill eliminates the local governments' contribution to these retirement systems and substitutes a state contribution to be funded through insurance premium taxes.

This bill is a property tax relief measure. The City of Missoula contributes \$455,000 per year to police and fire pension funds, the equivalent of 9.9 mills levied against all property in the City of Missoula. The mills levied for police and fire pensions are outside the all purpose levy and may increase without limitation as the actuarial obligation of the City increases. House Bill 622 not only eliminates the local governments' obligation to contribute to the pensions, it removes the taxing authority and thereby guarantees property tax relief to local taxpayers.

House Bill 622 provides an alternative funding mechanism in its design to provide property tax relief. State funding of the amount currently contributed by local government will be provided by the state insurance premium tax. The state insurance premium tax is used to pay the state's present contribution to these pension funds in the amount of \$3 million. The tax raises \$95-12.8 million per year, enough to cover the additional state contribution mandated by HB 622.

Finally, HB 622 establishes a mechanism for state assumption of police and fire pension funding which does not rely on property tax or income tax, and which is suitable to perpetually earmark for the purpose of funding police, fire, and sheriff pensions. Further, it is a logical source of money since insurance premiums are directly influenced by the public safety programs.

The City of Missoula strongly supports HB 622, and I urge your favorable consideration.

Respectfully submitted,

David Wilcox

VISITOR'S REGISTER

HOUSE LOCAL GOVERNMENT

COMMITTEE

BILL HOUSE BILL 622

DATE 2-15-83

SPONSOR REP. HARPER

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

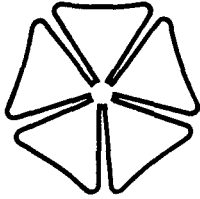
February 15, 1983

STATEMENT PRESENTED BY CITY COUNCILMAN JIM VANARSDALE,
FROM BILLINGS, MONTANA, REGARDING HOUSE BILL 654 TO THE
HOUSE COMMITTEE ON LOCAL GOVERNMENT

Madame Chairman and members of the Local Government Committee. This bill will provide more flexibility to cities in distributing the costs of improvements funded through special improvement districts. It adds a per lot method and the taxable value as a method. Furthermore, it will permit these two to be used in combination with the standard square foot and front foot basis. It will allow the cities to reach greater equity. In Billings, we funded the local share of the rehabilitation of our major baseball field with an SID in order to meet a short timetable on a Federal Grant. We had to use square foot or front footage as a basis of assessment and we choose square footage. The result was that a 20 story bank paid one-tenth of our Gibson Discount Store. We would like to have used a combination of taxable value and square footage and we could have achieved more equity.

In many subdivisions with culdesacs, lots vary in size but are close to the same area -- for utility assessments where each single family lot receives one hook-up -- A per lot assessment makes a lot of common sense and that is why the option is in the Bill.

I urge you to support HOUSE BILL 654. Thank you.



THE GARDEN CITY
HUB OF FIVE VALLEYS

Missoula, Montana 59802

CITY ENGINEERING DEPARTMENT
201 West Spruce Street
Phone 721-4700

E-83-0162

February 14, 1983

Members of the Montana
House of Representatives
Local Government Committee
Montana State Capitol
Helena, Montana 59620

RE: HB 654 Pertaining to the Provision of Additional
Alternatives for the Assessment of Costs for
Special Improvement Districts

Members of the House Local Government Committee:

I would like to urge your support for House Bill No. 654. This bill would add two options to the spreading of assessments in addition to the two current methods based on the square footage or front footage of parcels. The two added options are on a per lot basis or assessed valuation of land and improvements.

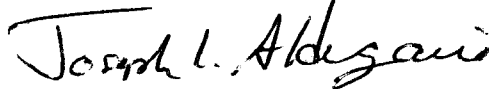
Our support is based on the following:

1. The proposed legislation is a "may" proposition which really adds more flexibility and does not prevent using present forms of assessment.
2. The lot method of assessment would be practical in a new residential subdivision consisting of single-family homes. Most new subdivisions have curving streets and cul-de-sacs which create irregular lots with varying frontages and areas, neither of which is an indication of the benefit one lot receives compared to another.
3. In the past the SID petitioners requested irregular SID boundaries to gain a little equity. This is permissible by law, but does not produce total equity.
4. Ninety-five percent (95%) of urban SIDs are created by the residents in which they feel present assessment methods are not flexible enough.

5. The taxable valuation option could be used where a wide disparity exists between the lot size and shape and the benefit derived. An example would be a large, expensive sewer main passing through a residential area to serve a high sewage producing commercial area.

6. Lastly, the bill also provides that any combination of the four methods can be used. This should ensure that each parcel will be assessed in proportion to the benefit received.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Joseph L. Aldegarie". The signature is fluid and cursive, with the first name "Joseph" and last name "Aldegarie" clearly distinguishable.

Joseph L. Aldegarie, P.E.
Director of Public Works

JLA:vm

VISITOR'S REGISTER

HOUSE

LOCAL GOVERNMENT

COMMITTEE

BILL HOUSE BILL 654

DATE 2-15-83

SPONSOR REP. FAGG

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

WITNESS STATEMENT

Name Jim VanArsdale Committee On Local Govt.
 Address Bellingham Date 2-15-83
 Representing City Support ✓
 Bill No. 230 Oppose _____
 Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. This will provide cities & counties with another option in which to address the financial problems they face.
2. The percentage (Tax %) would be in line with other states and will also make it easy to manage.
- 3.
- 4.

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

Ex 8
HB 230
Allen Hansen

10 Wed

RESOLUTION NO. 1

HOTEL-MOTEL TAX

WHEREAS, Montana local governments are experiencing serious financial problems because of their heavy dependence on a property tax base that is static or actually declining; and,

WHEREAS, the establishment of a more diverse and balanced tax structure is a fundamental requirement of financial stability for Montana's cities, towns and counties; and,

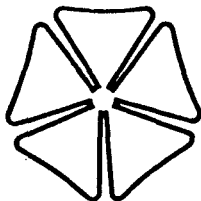
WHEREAS, the tourist and travel industry generates approximately \$1 billion annually in cash receipts and attracts more than four million people to Montana; and,

WHEREAS, these visitors exert additional pressures on local government services without making a direct contribution to the tax base; and,

WHEREAS, other states have recognized that a tax on occupied hotel-motel rooms is a reasonable method of generating revenues from an industry that places a significant demand on public services;

NOW, THEREFORE, BE IT RESOLVED, that the Montana League of Cities and Towns supports adoption of a statewide hotel-motel tax of 5% of the room fee to be collected by local governments.

BE IT FURTHER RESOLVED, that the Montana League of Cities and Towns would support using 10% of the proceeds of this tax for travel promotion purposes as designated by the local governing body.



THE GARDEN CITY
HUB OF FIVE VALLEYS

Missoula, Montana 59802

**BILL CREGG
MAYOR**

201 West Spruce Street
Missoula, MT 59802
Phone 721-4700

TO: KATHLEEN McBRIDE, CHAIRPERSON, LOCAL GOVERNMENT COMMITTEE
MEMBERS OF THE COMMITTEE,
David Wilcox

FROM: CITY OF MISSOULA, BY DAVID WILCOX, ADMINISTRATIVE ASSISTANT

SUBJECT: HB 230

DATE: FEBRUARY 14, 1983

House Bill 230 gives local governments the option of imposing a tourist tax on the use of hotels, motels and campgrounds. The bill is important in that it provides an additional source of revenue to financially troubled local governments. The City of Missoula greatly needs additional revenue from sources other than property taxation and is, therefore, inclined to support the bill. However, there may be a better approach as HB 230 contains certain elements which are not in the cities' best interest.

House Bill 230 provides for a local option tourist tax, which in and of itself causes concern. As an option it may be a tax local governments will not use unless other cities are certain to use the tax also. Some are concerned that a tourist tax which is not consistently applied throughout the state would place jurisdictions using the tax at a disadvantage in attracting conventions, tournaments and other events which fill motels. Therefore, a statewide tax is favored.

The distribution of proceeds from the tax is not consistent with the burden placed on jurisdictions where motels are located. For example, a large percentage of motel/hotel rooms in Missoula County is located within the incorporated limits of the City of Missoula. The City Police and Fire Departments supply the primary services to those motels and hotels. Police and fire services consume 66% of the City's property tax receipts. Moreover, it is the City Police Department which must shoulder the substantial burden of more disturbances, increased property damage, and difficult traffic control because of the influx of people into the community. Therefore, the City of Missoula supports a distribution formula proposed by the Montana League of Cities and Towns, which is based on the number of rooms located within the jurisdiction.

TO: KATHLEEN McBRIDE
Page 2
February 14, 1983

Finally, there is a bill before this committee which establishes a state-wide tourist tax. The City of Missoula urges your consideration of HB 599 along with HB 230 before a decision is made.

Thank you for considering the points raised by this testimony.

Respectfully submitted,

David Wilcox

NAME: Phil Stroger DATE: 2-15-83

ADDRESS: 501 North Sanders, Helena, Mont.

PHONE: 442-6570

REPRESENTING WHOM? Mont Industries Ass.

APPEARING ON WHICH PROPOSAL: HB 230

DO YOU: SUPPORT? AMEND? OPPOSE? ☒

COMMENTS: HB 230 is,

1. selective sales tax
2. contrary to governors recommendation of no new taxes
3. private industry is committed to an increase from \$30,000 to \$100,000 in new budget to support governors build Montana program - This \$100,000 will match state money for travel promotion and new business development. private money
4. lodging industry gets only 15% to 20% of travel dollar. Transportation 33%, Food 32%, Recreation 15% to 20%.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.



Box 1176, Helena, Montana

JAMES W. MURRY
EXECUTIVE SECRETARY

ZIP CODE 59624
406/442-1708

TESTIMONY OF DON JUDGE ON HOUSE BILL 230, HEARINGS OF THE HOUSE LOCAL GOVERNMENT COMMITTEE, FEBRUARY 15, 1983

I am Don Judge, representing the Montana State AFL-CIO.

We oppose House Bill 230.

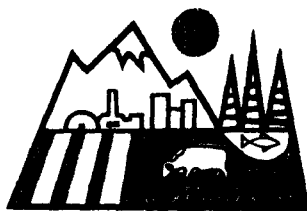
We oppose it because it proposes a form of sales tax, and our position over the years has been that we are against this regressive form of tax. We support fair taxes that are based on the ability to pay. The annual convention of the Montana State AFL-CIO has reaffirmed time after time our strong opposition to the sales tax, which hurts most those with the least ability to pay.

I would also point out that HB 230 would not just tax tourists either. A great deal of the business of Montana hotels and motels is made up of Montanans on business in another town, except during the summer months. This includes many state employees traveling on state business, so this bill would increase state costs.

We are well aware that local governments are in great need of revenue. They are facing a real financial crisis because of funding cutbacks by previous legislatures, severe reductions in federal aid to state and local governments and the current economic recession. We fully support funding for local governments, but not through a sales tax.

The Montana State AFL-CIO testified last week in favor of block grant programs to help fund local government. This funding would come from a portion of the oil severance tax and from the general fund. We support this fair way of providing funds for local government. But we will continue to oppose measures which would raise funds through the most regressive tax of all, the sales tax.

Please vote against House Bill 230.



MONTANA CHAMBER OF COMMERCE

P. O. BOX 1730

• HELENA, MONTANA 59624

• PHONE 442-2405

Testimony
before the
House Local Government Committee
Kathleen McBride, Chairman
in opposition to
HB 230
by
Montana Chamber of Commerce

February 15, 1983

A bed tax, or "tourist" tax, as proposed in HB 230 is a selective sales tax proposing revenue to a general fund. Historically, and now, this legislative body and the Montana Chamber of Commerce membership has opposed such taxes.

User taxes, such as gasoline taxes dedicated to the highway program, or a voluntary check-off fee proposed by wheat growers to improve crop markets, cannot be confused with a selective sales tax as proposed in this bill.

This bill proposes a tax which is not broad based and which can be imposed by simple resolution of the governing entity designated. It segregates one form of business to be taxed but not the others.

To require proprietors of hotels and motels to become unpaid tax collectors is an infringement on their equal rights as merchants. To require them -- but not other business men and women -- to keep additional bookkeeping records subject to government inspection is an unfair burden.

(more)

Testimony

HB 230

Montana Chamber of Commerce

February 15, 1983

Page 2

The Montana Chamber of Commerce membership urges this committee to oppose selective sales taxes where the proposed revenue would go into the general fund of the state or its political subdivisions. House Bill 230 is that kind of legislation, and we urge its defeat.

/ssg

WITNESS STATEMENT

Name Tack Van Cleve Committee On local Gov't
Address Big Timber Date 15 Feb 83
Representing dude ranchers Support _____
Bill No. HB 230 Oppose
Amend ✓

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. Dude ranchers do not in any way fall under the definitions in this bill, because:
2. They do not sell or rent rooms or beds for overnight, or for a week.
3. They do not cater to the travelling or transient public.
instead:
4. They invite friends into their homes, to share in a unique and disappearing way of life.

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

SPECIFICALLY DELETE "DUDE/GUEST RANCH" FROM THE

CONTENT & INTENT OF THIS BILL, HB 230

Representative woman

Madam Chairman, Committee Members:

My name is Jack Van Cleave. We've ~~ranched on the largest~~
~~in Ranch~~ at Big Timber for 105 years, and have been dude
ranching for 61 years. We've been inviting out-of-staters into our
home for 61 years, to share our totally unique and rare way of life.

I am the immediate past president of the Dude Ranchers Association,
~~and the 3rd generation of my family to hold that office.~~ I am here to
persuade you that dude ranchers simply do not fall under this bill's
~~stated~~ definitions; that dude ranching is something very special.

~~What are you legislators comparing dude ranching to? To compare~~
~~us to motels and hotels is to compare apples to oranges. What is dude~~
~~ranching all about?~~ Struthers Burd wrote in his 1925 autobiography,
"Diary of a Dude Rancher," (see attached sheet)

Or to quote from the new book, "Families Who Take in Friends," An
Informal History of Dude Ranching, by Joel Bernstein of Hamilton,
(see attached sheet)

Does that sound at all like any motels and hotels of your experience?
Finally, how many hotels & motels would receive "Thank you" letters of
this sort from guests? (read letter excerpts)

The point is - we dude ranchers are not selling a bed to a traveller,
or a night's rest to a transient motorist about whom we know nothing
and care nothing, nor whom we are ever likely to see again. We
are sharing our rare & wonderful way of life with guests whom we
invite into our homes and our lives. Before they leave, they are friends!

∴ I respectfully ask you to specifically exclude dude ranches from the

Spiritually, as well, a dude ranch is very far removed from either
a summer hotel or a summer boarding-house. Unaware as dudes may be of this fact, there is a social and moral and actual responsibility unlike any responsibility attached to the job of being a hotel keeper. That is what, in some ways, makes the dude-business a very pleasant business and, in other ways, a very trying one. You have, you see, upon your hands a number of people most of whom are in an entirely new and rather bewildering environment. It is not sufficient merely to give them rooms and baths and then turn them loose; it is necessary to entertain them, or see that they are entertained, and to instruct them in a strange and wild, ^{and} if not properly handled, fairly dangerous country. You give them horses and teach them to ride, you beg and argue with them not to over-ride, you outfit them and send them out on pack-trips, you flirt occasionally, if you have to, with some of the younger, or, as you get older, youngish ones, and you try to prevent some of the still younger ones from breaking up discipline by flirting with your cowboys, you tell innumerable stories, so that at times your voice becomes hoarse and your mind wanders, and you answer an infinite number of questions."

"It is a large patriarchal life in which at moments you feel you are the father of an unruly family and, at other moments, especially when you are asked, as you are every hour or so, about the weather, that some one has mistaken you for a minor deity."

In a long forgotten, very bad novel, Dude Ranch, written by Milton Krims in 1930, he has one of his characters describe a dude ranch. "A dude ranch is usually a once respectable cattle ranch that has been converted into a place for the amusement of Eastern guests--paying guests. They are taken on interesting trips into the mountains, on fine fishing and hunting trips, they watch the round-ups and everything is done to give them a good time and incidently make them realize that

CHAPTER VIII

"Down the Road"

The dude ranch is a uniquely American enterprise. It is an integral part of our history and its loss would be a serious cutting of ties with the past. As the first sections of this book have tried to illustrate, dude ranching is an industry steeped in the past and in many ways one trying to hold back the present and the future. As one dude rancher wrote, "A Dude Ranch is a place where you can relax and get away from the hustle and bustle of city life, the bright lights and smog. It is a place that reminds you of the fact that there are stars in the sky; that there is a gentle breeze; that there is still unpolluted water in streams that you can drink from; that animals can be found outside doors; that there still is a tremendous country untouched by so-called progress; that hot dogs cooked over an open fire do taste as good as you remember them as a child."

Maybe we can add that a dude ranch is a place where we can live some of our fantasies--the times when the cowboy ruled the West and people were free to pursue their own destinies in a nation whose own great destiny was being played out. The enduring American dream, the cowboy, comes alive and for that week or two in the Rocky Mountains, the Plains or the desert, we become that person, at least to ourselves. Maybe no one else

WITNESS STATEMENT

Name Virginia B Christensen Committee On Local Govt
Address Livingston Date 3/15
Representing The Dude Ranchers Support _____
Bill No. HB 230 Oppose _____
Amend ✓

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. Montana could lose ^{money} because guests will be prevented from coming to Montana because of extra costs
2. The spirit & essence of dude is non-commercial
3. It is discriminatory against Dude Ranches because they would derive no benefit.

4.

DRA - bylaws specifically prohibit member ranches from

1. Selling Meals to the Public
2. Selling Lodging to the Public
3. Operating a licensed bar for the public
4. Soliciting transient trade

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

Specifically delete dude ranches from #230
context & content of this bill

HB 230 could cost a guest staying at a dude ranch so much ~~time~~ that they would ~~forget~~ their Montana vacation. It would kill the goose that lays the golden egg. Our guests spend extra money renting cars, buying gas, some meals when they take sight seeing trips from the ranch, western clothing, alcoholic beverages, high phone bills, all contributing considerably to the local economy. Discourage them from coming to Montana with a tax of this sort, & you lose all of those dollars

Ranches don't need any additional problems in this depressed economy.

The spirit & essence of dude ranching is non-commercial

- DRA bylaws specifically prohibit member ranches from
1. Selling meals to the public
 2. Selling lodging to the public
 3. Operating a licensed bar for the public
 4. Soliciting transient funds

How are you going to tax the beds in motor homes, campers, truck sleepers who stop elsewhere than in commercial campgrounds? They use the highways, rest stops, waste disposal facilities, etc., whereas dude ranchers do not.

Dude ranchers would derive almost no benefit from this tax, unless the revenue was used exclusively for travel promotion. Even then, they would derive only minimal benefit, because Montana does not sell us to our guests - Rather, we sell Montana to our guests. Our ranches are destinations, not merely a diversion from a trip through the state. Our guests come to Montana for the purpose of coming to the ranch. Because of this, this tax would severely discriminate against dude ranches. The 45% of revenue earmarked for municipal governments would not serve us at all; the 35% ~~to~~ to county governments would be of only slight benefit; & the 10% to the Dept. of Revenue & to the state Travel Promotion Bureau would benefit not at all.

Re: Wording of the bill

We do not provide overnight lodging facilities"

We do not provide anything to the "general public".

We ^{II} don't "rent" anything, on any basis, daily or weekly

BY-LAWS TO THE CONSTITUTION

page one

ARTICLE I: Name of Association

Section 101-0: The name of this Association shall be The Dude Ranchers' Association and shall be referred to as the Association in these Articles.

Section 102-0: All publications, brochures and correspondence of the Association shall utilize the name of this Association in a manner commensurate with the purposes of this Association.

Section 103-0: No advertising or similar endeavor of this Association shall be more advantageous to one member or group of members, but shall be of equal advantage to the entire membership.

Section 104-0: Members may use their affiliation with this Association to their advantage within the scope of the purposes of the Association. The Association will endeavor to aid its members toward achieving improved business potential within the scope of the purposes of the Association.

ARTICLE II: Members, their classes, qualifications, dues, etc.

Section 201-0: A member ranch must meet the following requirements.

- a. No Dude Ranch shall operate a public cafe or sell meals by the meal in connection with the Dude Ranch operation.
- b. No Dude Ranch shall operate a licensed bar in connection with the Dude Ranch operation.
- c. No Dude Ranch shall actively solicit transient

International Union of Operating Engineers

LOCAL 400

Affiliated with AFL-CIO

Montana

JOHN SLATTERY
President

D. F. "DAVE" JOHNSTON
Vice President

LOUIS LAYMAN
Treasurer

RALPH REID
Rec. Corres. Secretary



BILL BURLINGAME
Business Manager &
Financial Secretary

HEADQUARTERS
2737 Airport Road
Helena, Montana 59601
Telephone: (406) 442-9597

TESTIMONY OF JIM MAYES HOUSE BILL 230 HOUSE LOCAL GOVERNMENT COMMITTEE, FEBRUARY 15, 1983

I am Jim Mayes, assistant business manager of Operating Engineers Local 400. I am here today to speak against House Bill 230. This bill would allow local governments to impose a tax on hotel, motel, and tourist campground facilities.

This tax is called a "tourist tax", but it is really a sales tax. The Operating Engineers and organized labor have traditionally been against a sales tax. It is an unfair tax, and puts the burden on people who can least afford it. The people of Montana overwhelmingly rejected a sales tax when it was on the ballot in 1971. We fear that the enactment of any kind of sales tax is just a foot in the door to putting a sales tax on other goods or services.

And, it would not be just out of state tourists who would have to pay the additional cost. Montanans travel for business and pleasure, too. They would also have to pay this tax.

We believe that local governments need additional money. We recognize that their budgets are in very tough financial shape. But we believe that there are other methods to raise this money. We support fair and just methods to raise funding for local governments. We cannot support a sales tax.

We urge you to vote against House Bill 230.

Thank you.

VISITOR'S REGISTER

HOUSE LOCAL GOVERNMENT

COMMITTEE

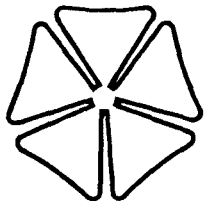
BILL HOUSE BILL 230DATE 2-15-83SPONSOR REP. WALDRON

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Jack Van Clue	Big Timber	Dude ranchers		(amend)
Virginia [unclear]	Livingston	Dude Ranchers		(amend)
Jim Van Arsdale	Billings	City of Billings	✓	
Don Judge	Helena	MT STATE AFL-CIO		X
Leon Stalder	Missoula	City of Missoula	X	
Louis Herling	"	" "	X	
Jim Nugent	Missoula	City of Missoula	support w/ [unclear] by rooms	
Bud Schatz	Hamilton	City of Hamilton	X	
Don Ingels	Helena	MT Chamber of Commerce		✓
Alec Hansen	Helena	LEAGUE OF CITIES	X	
Pat A. Elliot	Butte			X
Jim Mayes	Helena	LOCAL 400 IUE		X

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.





THE GARDEN CITY
HUB OF FIVE VALLEYS

Missoula, Montana 59802

CITY ENGINEERING DEPARTMENT
201 West Spruce Street
Phone 721-4700

E-83-0160

INFORMATION SHEET

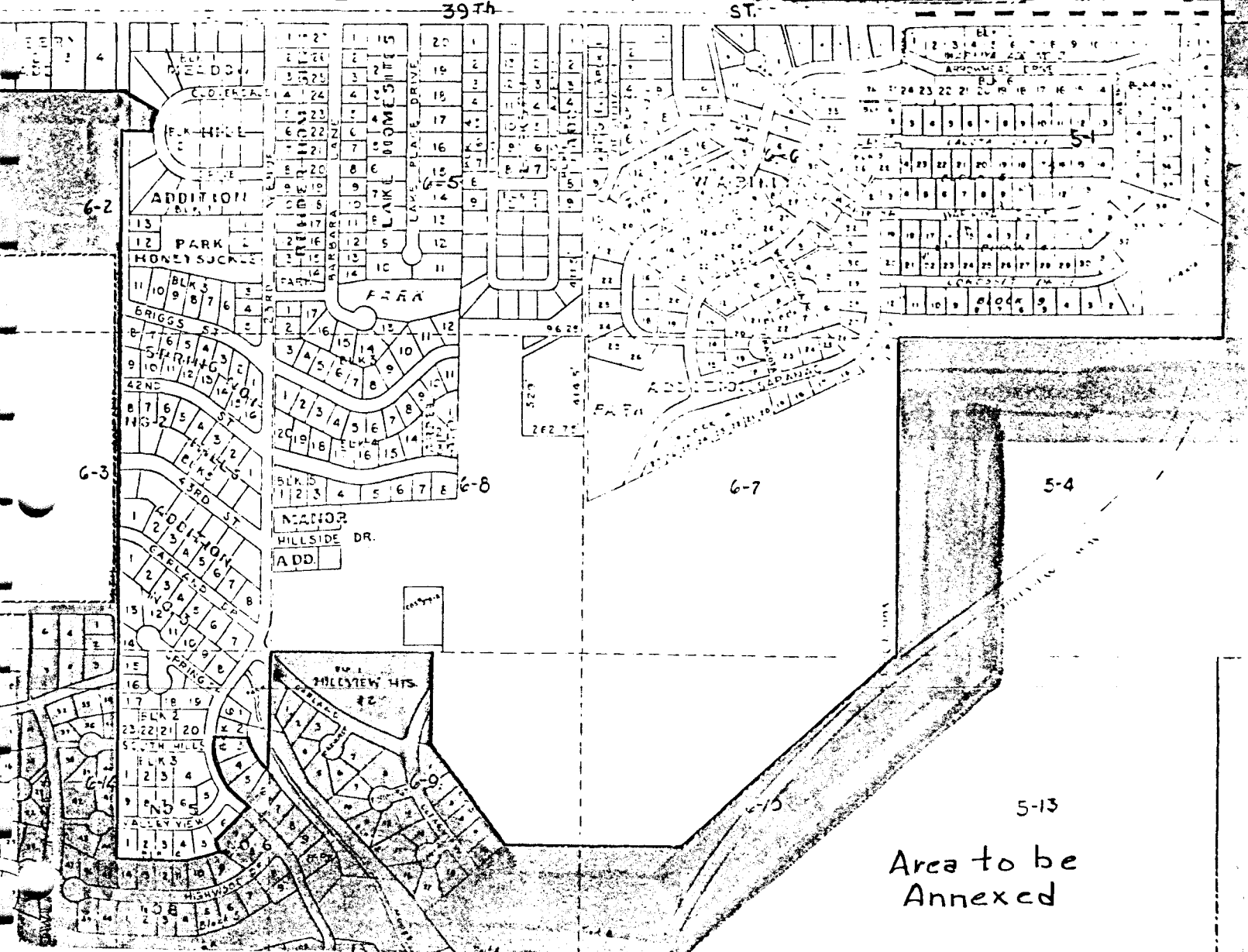
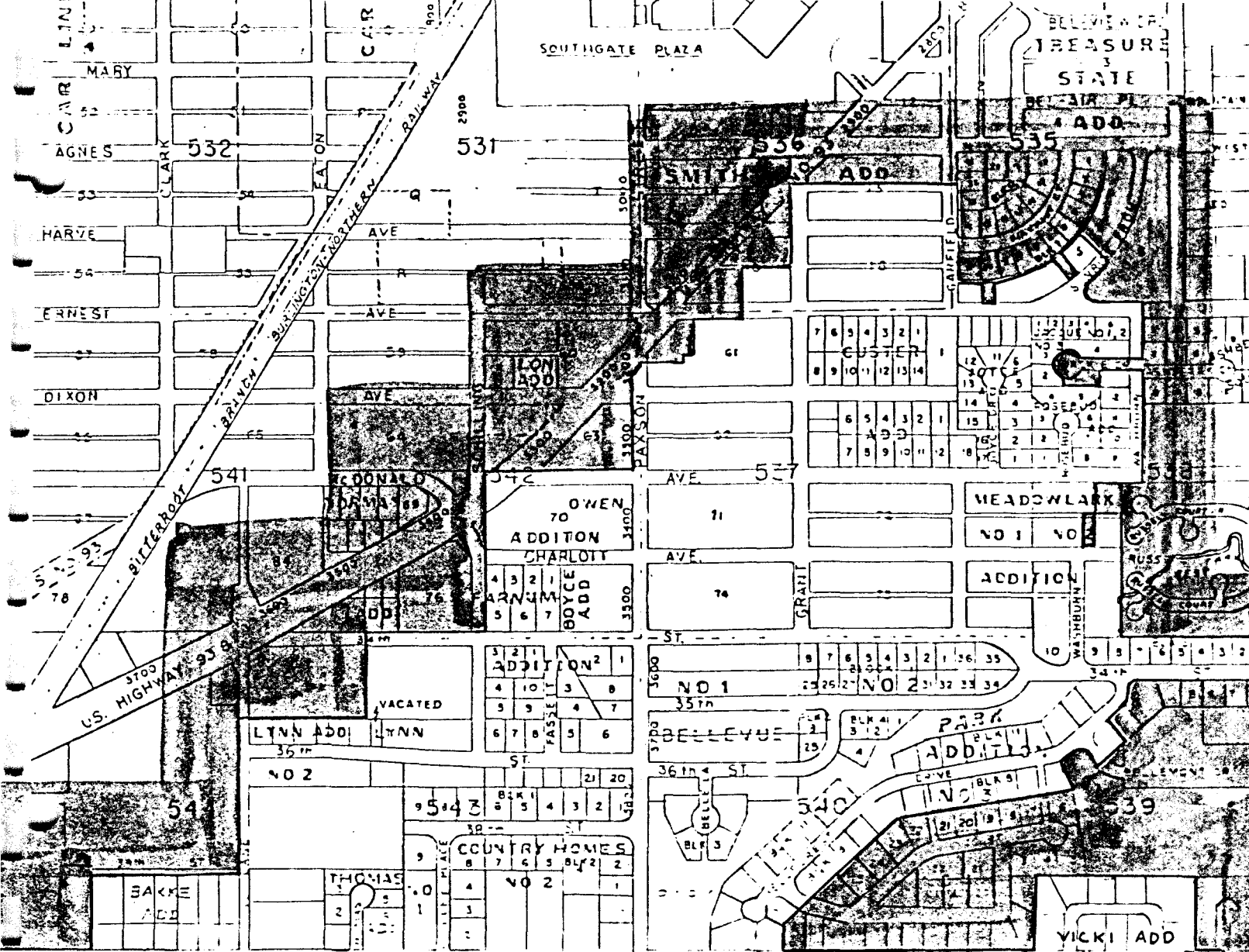
Wapikiya - Bellevue - Cold Springs Area

The area contains the following:

1. 92 blocks and some acreage
2. 1,185 lots
3. Over 1,030 buildings - broken down as follows:
 - a. 6 businesses
 - b. 989 single-family
 - c. 24 duplexes
 - d. 64-plexes
 - e. 1 tri-plex
 - f. 1 6-plex
 - g. 3 mobile homes
 - h. 25 vacant lots
4. Population of approximately 3,500 people

JLA:vm
02/14/83

AN EQUAL EMPLOYMENT OPPORTUNITY AFFIRMATIVE ACTION EMPLOYER M/F



February 15, 1983

STATEMENT PRESENTED BY JIM VANARSDALE, CITY COUNCILMAN, BILLINGS, MONTANA, TO THE HOUSE COMMITTEE ON LOCAL GOVERNMENT REGARDING HOUSE BILL 643.

THE CITY OF BILLINGS SUPPORTS THE ENACTMENT OF HOUSE BILL 643 BECAUSE IT WILL ALLOW US TO ADDRESS ANNEXATION ISSUES IN A MORE COMPREHENSIVE AND TIMELY BASIS THAN WE CAN UNDER CURRENT STATUTES. IN A RECENT ANNEXATION INVOLVING A SUBDIVISION KNOWN IN BILLINGS AS LAMPMAN, THE CITY OF BILLINGS HAD EXTENDED WATER SERVICE TO A PORTION OF THE SUBURBAN SUBDIVISION AND MOST OF THE OWNERS HAD SIGNED A WAIVER OF ANNEXATION IN ORDER TO OBTAIN THE WATER SERVICE. TODAY, ALL OWNERS MUST SIGN A WAIVER OF ANNEXATION IN ORDER TO RECEIVE AN URBAN SERVICE. IN ANY EVENT, THE CITY TRIED TO ANNEX THE ENTIRE SUBDIVISION UNDER PLANNED UNIT DEVELOPMENT STATUTE AND THE ANNEXATION WAS PROTESTED OUT BY A MARGIN OF THREE HOMEOWNERS. THE CITY THEN FOLLOWED UP AND ANNEXED A PORTION OF THE SUBDIVISION WHICH HAD SIGNED THE WAIVERS OF ANNEXATION TO RECEIVE WATER SERVICE. TODAY, WE HAVE A SITUATION WHERE THE NORTH FOURTH AND THE SOUTH HALF OF THIS SUBDIVISION REMAIN AS UNINCORPORATED AREAS OF THE COUNTY EVEN THOUGH IT IS SEMI DEVELOPED. THE PARK DESIGNED TO SERVE THE ENTIRE SUBDIVISION WHEN IT WAS PLATTED YEARS AGO HAPPENS TO BE LOCATED IN THE NORTH QUADRO AND IS OUTSIDE THE CITY AND CONTINUES TO BE UNDEVELOPED AND SERVES NO ONE. THE CITY HAS SUBSTANTIAL PROPERTY IN ALL DIRECTIONS FROM THE SUBDIVISION THAT IS CURRENTLY IN THE CITY SO CITY SERVICES ARE AVAILABLE TO THE AREA. IT IS SIMPLY A MISTAKE THAT THIS TOTAL AREA WASN'T ANNEXED AT THE SAME TIME. THIS SUBDIVISION IS DEVELOPED LIKE ANY OTHER TYPICAL SUBURBAN SUBDIVISION, WITH APPROXIMATELY 50% OF THE LOTS DEVELOPED AND BEING ADDED TO EACH YEAR. HOUSE BILL 643 WOULD ALLOW US TO ADDRESS THIS ISSUE TO CONSIDER THE ISSUE OF THE TOTAL COMMUNITY. I URGE YOU TO SUPPORT HOUSE BILL 643.

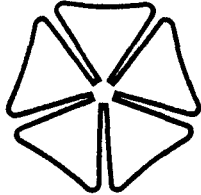
February 16, 1983

I am Lois Herbig, Council Person from Missoula. I wish to speak in favor of House Bill No. 643 which would provide for municipal annexation of contiguous high-density land under certain conditions.

Ward I, which I represent, is definitely affected by the high density of the upper Rattlesnake Area by way of traffic congestion. This will increase as time goes by with further development. The effect on the city as a whole will be the ever-increasing problem of sewage treatment. Currently, the Lincoln Hills Development has its own system that has failed in the past due to maintenance and operation problems. Raw sewage has been found on top of the ground and everyone worries about the possibility of pollution of the ground water. Levels of Nitrates and Phosphates are present in the Rattlesnake Creek. This will increase, no doubt, with the prospect of 4 and more dwellings to the acre. This is a reality presently in a good many areas there now. The figures are also exclusive of the area occupied by streets and parks, of which there are many.

The residents of the Upper Rattlesnake enjoy all the benefits of the City and should be included in addressing these problems. The County does not have the power to address them the same way that the City does. Most of the residents are also employed in the City.

The City is in need of these changes in order to carry on its required functions.



THE GARDEN CITY
HUB OF FIVE VALLEYS

Missoula, Montana 59801

OFFICE OF THE CITY COUNCIL
201 W. Spruce St.
Phone 721-4700

February 15, 1983

Walter Sales:

While other matters prevent me from attending today's hearing on HB 643, this legislation is of great importance to me and the people I represent.

Missoula, like so many other Montana cities, is plagued by problems which spring, in part, from its inability to deal with development adjoining the city limits. Problems relating to sanitation, traffic and increased stress on city facilities are some of the real consequences accompanying the city's inability to annex contiguous parcels.

In Missoula's Ward 1, which I represent, these problems are particularly acute; city parks in our neighborhood, particularly Greenough Park, are frequently used by nearby county residents. Van Buren Street and Duncan Drive, the major north/south routes through the ward, provide the only access to shopping, schools and work for hundreds of people who live outside the city in the upper Rattlesnake Valley. Nearby subdivisions in the county are now beginning to experience sanitation problems while new subdivisions, which will aggravate the situation, are already being planned. At the present time, the city can do little to control, correct or alleviate these problems. HB 643 gives cities and towns an important tool to remedy such situations. I urge you to support HB 643.

Thank you for your consideration.

Sincerely,

Fred Rice

Fred Rice
735 Elm
Missoula, MT 59802

EX 20
HB 643

TO: HOUSE LOCAL GOVERNMENT COMMITTEE MEMBERS
MONTANA STATE LEGISLATURE

FROM: JIM NUGENT, MISSOULA CITY ATTORNEY

RE: SUPPORT FOR ENACTMENT OF HOUSE BILL NO. 643 - AN
ACT TO PROVIDE FOR MUNICIPAL ANNEXATION OF
CONTIGUOUS HIGH DENSITY LAND UNDER CERTAIN CONDITIONS

DATE: FEBRUARY 15, 1983

I would like to urge your support for the enactment of House Bill No. 643 pertaining to the annexation of high density population lands contiguous to a city. House Bill 643 is entitled "An Act to Provide for Municipal Annexation of Contiguous High Density Land Under Certain Conditions." The Montana League of Cities and Towns as well as the City of Missoula support the enactment of House Bill 643.

House Bill 643 was specifically drafted to alleviate the concerns of State legislators that cities would annex agricultural lands such as farms and/or ranches, or other moderately and thinly populated areas near cities if annexation laws were amended to facilitate annexation of densely populated lands contiguous to cities whose residents regularly use many City services of an immediately adjacent city without contributing to the payment of the costs of those services. Further, House Bill 643 was also specifically drafted with the intent to more equitably spread the costs of City services over the populations that comprise the primary users of many City services.

For example, a study by the City Parks and Recreation Department within the last few years with respect to who was using the City of Missoula's Playfair Park and Spartan Swimming Pool (park lands adjacent to Sentinel High School lands) indicated that easily the majority of the users of the Park and Pool were non-city residents. Another example is that the contiguous densely populated areas adjacent to the City of Missoula must, in most instances, always use City streets (non-state highway routes) in order to go to: (1) work; (2) shop; (3) attend school (grade school, high school, Vo-Tech, University of Montana); (4) use day-care centers and babysitters near their places of work within the city; (5) special events (such as shows, concerts, games (both high school and college); (6) visits to professional offices, such as doctors, dentists, attorneys; (7) etc., the list goes on. A third example is the fact that City Police Department statistics indicate that 52% of the drivers involved in motor vehicle accidents within the City of Missoula are non-City of Missoula residents. Non-city residents clearly significantly impact City of Missoula motor vehicle traffic regulation costs in all respects, not just accidents, as the vast number of non-city residents adds dramatically to the volume of traffic and accompanying congestion on all streets, including state highway routes, which City officials must regulate with law enforcement officials. A final example is that within the City of Missoula there are 57 liquor licenses and 18 beer licenses, whereas in the remainder of Missoula County outside of the city limits (an extremely large geographical area) there are only 32 liquor licenses and 1 beer license. Densely populated areas contiguous to the City of Missoula use the city establishments on a regular basis. Establishments with liquor and beer licenses tend to either themselves or through their patrons cause significant impacts on the time of law enforcement officials, both at the establishment or off the establishment's premises once the patron leaves. Like City residential taxpayers, as a matter of tax equity, the densely populated urban fringe areas should be helping pay for the costs of law enforcement associated with the regulation of these establishments and their patrons.

City taxpayers very clearly bear the financial costs of City services while members of the densely populated urban fringe derive substantial benefits either directly or indirectly from many City services without contributing to the payment of the costs. Existing annexation laws are obstacles to logical and orderly growth of cities primarily because of 7-2-4734(4), M.C.A., which is commonly referred to as the rural fire district exclusion. The rural fire districts make use of this provision of state law to impede and obstruct logical and orderly growth of a city via annexation, thereby causing a great inequitable tax inequity to the city taxpayers. No other state in the United States has a provision such as 7-2-4734(4), M.C.A., in their respective state laws. No other state in the United States allows rural fire districts to possess such a stranglehold on a city's ability to grow. The rural fire district exclusion in Montana's annexation laws is not equitable, logical or of sound policy. The rural fire district exclusion is the end result of pure political pressure primarily from the members of rural fire departments and their relatives and friends. Rural fire districts were intended and should exist to provide fire protection in rural areas. Rural fire districts when originally authorized and created were not intended to provide fire protection to densely populated urban areas contiguous to cities. The state legislature should not continue to allow rural fire districts to exist to prevent densely populated urban areas contiguous to a city from being annexed to a city.

Many times during my service as City Attorney for the City of Missoula non-city residents living in densely populated areas contiguous to the City of Missoula have come to my office requesting to be annexed. Often the basis for their request is that they would like to obtain City sewer service or receive fire protection from a city fire station located closer to their property than a rural volunteer fire station. Once the existing annexation laws and the procedure for getting out of a rural fire district are explained to the person(s), they typically leave the office shaking their heads in disbelief.

Many, many people living in densely populated areas contiguous to the City of Missoula have informed me that they do not consider the existing property tax situation in the City of Missoula to be equitable and further they believe they should be paying City taxes. However, they believe that from a practical perspective it is not worth the hassle and effort to go through state law detraction procedures from rural fire districts only to risk possible defeat in the end by protest because of rural fire departments and their relatives and friends who have personal vested interests in maintaining the continued existence of their rural fire district fire department mount a successful protest petition drive. Consequently, this tax inequity not only continues to exist, but the tax inequity also continues to grow as the immediate community grows in population (city/densely populated contiguous non-city).

It is time the state legislature recognize and eliminate the problems it has statutorily created for the growth of cities in Montana. The state legislature should no longer allow rural fire districts to continue to retain their stranglehold on the ability of cities to grow in a logical and orderly manner. Cities should be able to annex densely populated areas contiguous to a city in a manner authorized by House Bill 643. Therefore, I strongly urge your support for the enactment of House Bill 643. Thank you for your favorable consideration of House Bill 643.

Respectfully submitted,


Jim Nugent, Missoula City Attorney



MISSOULA RURAL FIRE DISTRICT

2521 SOUTH AVENUE WEST MISSOULA, MT 59801 (406) 549-6172

February 14, 1983

Local Government Committee
c/o Representative Kathleen McBride
Montana State House of Representatives
Capitol Station
Helena, Montana 59601

Dear Members of the Committee:

My name is James A. Lofftus, Chairman, Board of Trustees of Missoula Rural Fire District. We strongly oppose HB 643.

First, Section 1, Subsection 1.a. states "within external boundaries". What will be the definition of "external boundaries"? This section, as written, will open a whole new can of worms in cases where the city limits are spread out such as in Missoula. This would permit a wholesale annexation of property. Missoula Rural Fire District would stand to lose a lot of property which is now within our Fire District, as we have several areas which are surrounded either in part or in whole, depending on the definition of "external boundaries".

Secondly, Section 1, Subsection 2, takes away the right of protest. This country exists today on the right of protest, such as the Boston Tea Party. People need the right to protest to prevent abuses in government. We believe this is taking away a right of the people to determine their own destiny.

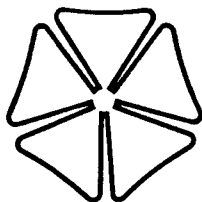
We are totally opposed to this bill and believe it should die a natural death.

Thank you.

Sincerely,

James A. Lofftus, Chairman
Missoula Rural Fire District
Board of Trustees

JAL:lcd



THE GARDEN CITY
HUB OF FIVE VALLEYS

Missoula, Montana 59802

BILL CREGG
MAYOR
201 West Spruce Street
Missoula, MT 59802
Phone 721-4700

February 15, 1983

House Local Government Committee Members
Montana State House of Representatives
Capitol Station
Helena, Montana 59620

Dear House Local Government Committee Members:

As Mayor of the City of Missoula I would like to urge your support for the enactment of House Bill - 643 entitled "An Act to provide for Municipal Annexation of contiguous high density land under certain conditions."

In May, 1977, shortly after the Legislature had killed annexation bills - I asked Gaspard "Por" Deschamps, a former Republican State Senator, why the Legislature would not allow cities reasonable growth. He responded that the reason was "Because the Legislature is still essentially rural, and those people don't want the wicked cities reaching out seven miles to annex their farms or ranches."

Of course cities don't want to reach out to annex farms or ranches - we can't provide essential services to them at a reasonable cost. (Costs of services would out-weigh taxes derived). Nor do we even want to annex thinly populated suburban areas (even though they use a lot of city services) who enjoy a certain quasi-rural atmosphere on small acreages with a saddle horse and milk cow. Again it is not cost effective to provide the services for the taxes received.

House Bill 643 addresses these concerns of rural legislators by being keyed to density, which mandates that RURAL REMAINS RURAL, while cities are

able to annex the heavily populated contiguous urban area. Many urban county residents tell us they'd like to annex so they would have a voice in city government and actually be paying for the services they use. Urban residents in high density contiguous areas are seldom if ever going to petition for annexation, their good argument from their free-loader perspective being "why petition in when we get virtually all the services and pay nothing?"

It is very important for Legislators who oppose this bill to know that they're NOT the champions of farmers, ranchers, nor drug-store cowboys living on some acreage close in. Rather they're the champions of the free-loaders who utilize most of the city amenities but who are too greedy to pay their way.

Is there a basic American right to protest annexation? Well the other 49 states probably feel they're as American as Montana, and all of them think that the urban county citizen's rights must be mitigated by the right of city dwellers to some semblance of tax equity.

The classic example is that while we are guaranteed free speech in the Bill of Rights, one doesn't have the right to yell "FIRE" in a crowded theatre. One may smoke in the back of a plane, but not the front. The smoker's right to smoke must be weighed against the non-smokers' right to breathe cleaner air. Same with the right of protest - it must be weighed against the city's right to spread its costs equitably over the populace utilizing the service, which would mean a more equitable tax on city citizens.

Missoula has considered charging extra fees to non-city people utilizing certain park, cemetery, and other services but has held off pending the outcome of the interim committee's efforts to straighten out the mess.

We call it the "fence" theory, and it's a potential bureaucratic nightmare. Without a "City I.D.Card," the person would pay extra for services. Swimming at the two municipal pools is 25¢ for city folk, 50¢ for outsiders. \$5.00 registration of Little League Baseball, \$10.00 for county kids. \$200.00 to

die in the city, but \$250.00 in the county.

We think the "fence" theory is highly devisive and undesirable. Our costs are increasing so much, however, that dire measures may be necessary. With our small city boundaries, along with the fact that slightly more than 9,000 U of M students require much attention but pay no property tax, our abilities to deliver even emergency services such as police, fire, and sewer are sorely tried.

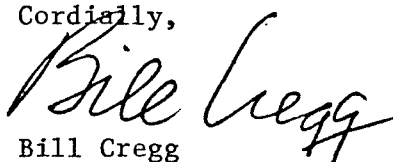
We've been told that Legislators think cities aren't broke because of an inability to annex, but rather because of unwarranted expansions of municipal bureaucracy. Missoula employs 285 people including part-time employees, myself and the 12-member council, and at 33,388, 1980 census population, that's less than 1% per capita employed. Conversely, the State of Montana, which you run, and not counting the university system, employs over 11,000 people. That's over 1.4% of the state population of 783,700 in 1980. The half of one percent difference may not seem significant, but if we staffed the city at state levels per capita, our 285 employees would bulge to approximately 467 which is more than a 50% increase. City officials are not interested in increasing the number of their employees in order to be on a par with the state percentage wise.

And our city is certainly not over-loaded in administration; in fact there's only two of us! Conversely again, we put our money in emergency services

Our primary concern and interest is tax equity by having the ability to require those persons in the densely urban contiguous areas to pay for the city services that they use on a regular daily basis. In closing, we believe our time has come to make the Garden City a united entity, sharing, and sharing alike. It's now up to the Legislature to end this devisiveness in our valley.

Thanks and warm personal regards.

Cordially,


Bill Cregg

2105 Gerald ^{EX 22}
Missoula, MT 59801 ^{HB 643}

February 14, 1983

To: Kathleen McBride
Chrmn, Local Government House Standing Committee

HB 643 - To provide for municipal annexation of
contiguous high density land under certain conditions

Dear Kathleen McBride,

I urge your Local Government
committee to pass HB 643. This is
desperately needed in our high density metropolitan
areas. As a city resident and taxpayer who pays
for services urban area residents use but do
not pay taxes to maintain, I find our city
is going broke, because urban area residents are thick
outside city limits and boundaries.

Montana is 1 of four states only,
which has such limiting, (limiting to responsible
growth of cities) legislation.

Please pass HB 643. IT will make
possible more orderly growth.

Hopefully yours,

Maileen Hart Trotter
2105 Gerald
Missoula MT 59801

Charles E. Hardy
512 Benton
Missoula, Montana 59801

February 14, 1983

Kathleen McBride, Chairman
House Local Government Committee
Montana Legislature
Helena, Montana

Re: HB643

Dear Ms McBride:

We urge your committee to consider favorably HB643, which provides legislation enabling cities to annex high density contiguous areas. As residents of the city of Missoula for over thirty years we are fully aware of the inequitable tax burden borne by city residents. Our state annexation laws are outmoded and have long needed revision, especially in the light of the fact that Montana is now one of a very few states without laws modernizing annexation procedures. We favor provision for orderly growth and feel that HB643 is essential to such provision.

Will you enter our communication in the testimony favorable to the passage of HB643? Thank you.

Sincerely,


Charles E. and Mabelle G. Hardy

Kathleen McBride, Chairwoman
House Local Government Committee
Montana State Legislature
Helena, Montana 59601

February 14, 1983

Dear Chairwoman McBride and Members of the Committee,

I regret that I am unable to attend the public hearing on H.B. 643, but would ask that you consider this letter as testimony in favor of that legislation.

The bill would allow cities to grow in a logical and orderly fashion, based on density and location of population. For Missoula, it would solve the existing tax inequity between city residents and residents of the urban fringe. This problem has caused much animosity between the two groups, making it difficult to prosper as a community with common concerns.

It is my understanding that the majority of states provide for automatic annexation of contiguous developed areas. Montana's laws are outdated and need to be changed to be more responsive to the changing needs of our more urban communities. H.B. 643 would be an important step in that direction.

The most common argument against such necessary legislation is that the city should "lure" in the urban fringe by offering services. The problem is, those areas already enjoy many of the services without paying taxes, so why should they voluntarily annex themselves to raise their taxes?

I appreciate your complex job of making laws for the good of the state. I feel that H.B. 643 would allow necessary growth to occur in our more urban areas, while insuring protection for the rural areas with the density requirement. I urge your support of this much needed and long-awaited piece of legislation.

Sincerely yours,

Rosalie Buzzas
Rosalie Buzzas

215 Dixon
Missoula, Montana 59801

5120 Larch

EX
HB

Missoula MT 59802
83/2/14

Rep Kathy McBride
House Local Government Committee

Dear Representative McBride,

I am informed that the committee will be considering tomorrow HB 643, the purpose of which is to facilitate annexation by cities of contiguous high-density residential areas. I believe effective legislation of this sort is needed, and I hope the committee will give HB 643 careful and sympathetic consideration.

I haven't read the text of the bill, but am informed that it applies to areas of density at least 4 residential units/acre. I live outside Missoula in an area where the density criterion would seem not to apply. Realizing the problems of making local government ~~with~~ ^{operating} efficiently and with equity, my initial reaction is that the criterion may be too restrictive.

The bill's provisions for protest are also, I understand, a matter of concern. While I don't know what the very best numbers or proportions of petitioners to require may be, I think it is desirable so to define the criterion that annexation will in fact be facilitated.

HB 643 seems to head in the right direction.

Sincerely, yours,

Bill Ballard

VISITOR'S REGISTER

HOUSE LOCAL GOVERNMENT COMMITTEE

BILL HOUSE BILL 643

DATE 2-15-83

SPONSOR REP. JENSEN (Jim)

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

STANDING COMMITTEE REPORT

February 28, 19 83

MR. SPEAKER

We, your committee on LOCAL GOVERNMENT

having had under consideration HOUSE Bill No. 230

first reading copy (white)
Color

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING LOCAL GOVERNMENTS TO IMPOSE A TOURIST TAX ON CHARGES FOR THE USE OF HOTEL, MOTEL, AND TOURIST CAMPGROUND FACILITIES; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Respectfully report as follows: That HOUSE Bill No. 230

DO NOT PASS
~~DO PASS~~

January 26, 1983

4. Page 3, lines 9 through 11.

Following: line 8

Strike: lines 9 through 11 in their entirety

5. Page 3, line 12.

Following: line 11

Strike: "of the regulations"

Insert "(7)(a) If persons whose names appear on the last

completed assessment roll and who represent 25% or more of the freehold parcels with the district have protested the establishment of the district or the adoption of the regulations the board of county commissioners shall call for a mail referendum on the resolution.

(b) Within 10 days of the close of the protest period, the board of county commissioners shall poll by registered letter all persons with the district whose names appear on the last completed assessment roll regarding approval or disapproval of the resolution. One ballot shall be mailed for each parcel within the district. Each ballot must indicate the names of the persons qualified to cast the ballot. The ballot must contain an explanation of:

(i) the resolution; and

(ii) the polling procedure.

(c) Ballots must be received by the board of county commissioners for a period of 30 days following the polling. Votes shall be tabulated on a one vote per parcel basis and fractional votes must be accepted. Votes shall be secret.

(d) If a majority of the votes tabulated disapprove of the resolution"

AND AS AMENDED
DO NOT PASS

STANDING COMMITTEE REPORT

February 17, 19 83

MR. SPEAKER

We, your committee on LOCAL GOVERNMENT

having had under consideration HOUSE Bill No. 643

first reading copy (white)
color

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR MUNICIPAL
ANNEXATION OF CONTIGUOUS HIGH-DENSITY LAND UNDER CERTAIN CONDITIONS."

Respectfully report as follows: That HOUSE Bill No. 643

DO PASS

STANDING COMMITTEE REPORT

February 17, 19 83

MR. SPEAKER

We, your committee on LOCAL GOVERNMENT

having had under consideration HOUSE Bill No. 654

first reading copy (white)
Color

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE ADDITIONAL ALTERNATIVES FOR THE ASSESSMENT OF COSTS FOR SPECIAL IMPROVEMENT DISTRICTS; AMENDING SECTIONS 7-12-4113, 7-12-4161, 7-12-4162, AND 7-12-4164, MCA; REPEALING SECTION 7-12-4163, MCA."

Respectfully report as follows: That HOUSE Bill No. 654

DO PASS