

MINUTES OF THE MEETING OF THE LOCAL GOVERNMENT COMMITTEE
March 8, 1983

The meeting of the Local Government Committee held on March 8, 1983, at 12:30 p.m., in Room 224A of the Capitol Building was called to order by Chairman Kathleen McBride. All members were present except Reps. Kadas, Keenan and Waldron, who were absent, and Rep. Bertelsen, who was excused.

SENATE BILL 412

SEN. LYNCH, sponsor. This bill would change the fiscal year for counties and municipalities from July 1 -- June 30 to October 1 -- September 30, and change dates for various budgetary functions to conform. This bill was introduced on behalf of Urban Coalition as well as local government. The reason local governments have thought to change the fiscal year is because under the present system there are about five to eight weeks that they are in the dark as to what their revenues will be for the coming year. This would eliminate that problem for them. They could have a more realistic budget based on something other than mere speculation.

PROPONENTS:

GEORGE BOUSLIMAN, representing Urban Coalition, said the purpose of the bill simply is to give local government an opportunity to prepare their budgets when they know what their revenues are. The fiscal year for cities and counties starts July 1; local government budgets are supposed to be finalized in August. Local governments do not know, even in August after they have finalized their budgets, what their revenues are. There are some amendments that are purely technical that will be worked out with Lee Heiman. For example, page 5, section 7 would amend the section of law that deals with adoption of preliminary budgets. The change is to change the date from August to September. If you will look up on line 21, there is reference to the current fiscal year. This points out the problem. Local governments are adopting budgets when the fiscal year has already begun. In that instance and a dozen places in the bill, change "current" to "next". That is the reason for the bill.

ARTY AIKEN, Commissioner from Great Falls, said this legislation would facilitate the budgeting process by synchronizing the local government fiscal year with the federal year. It would also help them to know what the value of the mill is before they get into a budgeting process. She supports this legislation.

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ALEC HANSEN, Montana League of Cities and Towns, supports this legislation for reasons cited by previous proponents.

JOHN WILKINSON, Lewis and Clark County, also supported this legislation.

OPPONENTS: None

SEN. LYNCH closed saying the one problem that might appear on the bill to some--on the back page, we talk about an increase of 25%. In order to get into the phase, you will have to budget fifteen months one time. It is a way to help local government achieve a more realistic budget.

QUESTIONS:

REP. VINGER: Would the county commissioners work an additional three months?

SEN. LYNCH: No.

REP. WALLIN: We have difficulty getting a tax notice out by November 30. Will this change affect that?

GEORGE BOUSLIMAN: It will not affect that process at all. We are only proposing to change the fiscal year in the budgeting process.

SEN. LYNCH: Some people are concerned about having taxes collected on Christmas Eve. That would not happen.

REP. PISTORIA: How do you feel about this legislation.

MIKE STEPHEN: Our executive committee took a neutral position.

CHAIRMAN McBRIDE: Do you foresee potential difficulties in the long run having the local governments on one fiscal year and the state on another fiscal year.

GEORGE BOUSLIMAN: No. Federal government is on one and state is on another. It may encourage the state to do the same thing.

REP. WALLIN: How about school districts? Why don't you change their fiscal year?

GEORGE BOUSLIMAN: Maybe they should be changed but the Coalition didn't want to take it upon itself to recommend a change in the school districts.

SEN. LYNCH: You would not want the school districts to do so because of foundation monies.

REP. PISTORIA: How would they get the mill levy. You are going to lengthen it from July through September. Counties and cities are based on a mill levy. How are they going to make up that budget.

MIKE STEPHEN: The budget would be based on a twelve month period. You would just slip that three months. The 25% would take up the slack.

CHAIRMAN McBRIDE closed the hearing on SENATE BILL 412.

SENATE BILL 428

SEN. ETCHART, sponsor. This bill was an effort to set up a weather modification authority and it would be the first one of this type in the state of Montana. It arises because of a problem we had in all of eastern Montana. They had a terrible drought and local people tried to set up a weather modification facility. They failed because the mechanism wasn't there for them to do this. North Dakota has a weather modification law but they use it for dispersing thunder storms rather than for rainmaking. They do it by flying through thunder clouds that are building up. Another method that some people think has a lot of merit is a system that is used by Dr. Irving Krick. He uses silver iodide generators that are ground based and his theory is that you get billions of these tiny particles in the atmosphere. If a super-cooled cloud comes through (15-25°), it is his theory that it takes a particle to trigger this rain off. This bill will allow a county weather modification authority to be set up in the county should the people want this to happen. The money part of it--it is up to a two mill levy on all property in the county. The way he envisioned this--it would allow the authority over a period of five to 10 years to levy a small amount (one mill) to build up a fund so that when and if a drought came along, they would be in a position financially to give something a try. The Department of Natural Resources has an amendment to the bill.

PROPOSERS:

GARY FRITZ,, Department of Natural Resources, said the department supports this bill as it provides the machinery to generate some revenues for initiation of weather modification activities. The amendments that SEN. ETCHART passed out would take the department out of the bill insofar as it would leave the option of local government as to whether or not they would like to contract or have the Department of Natural Resources contract to initiate weather modification activities (EXHIBIT 1). One small problem that may occur in the existing

statute is that the authority would only be able to initiate weather modification if an emergency arose. "Emergency" is not defined in this bill. Under the existing weather modification statutes, emergency may be defined. The problem is--local government might not be able to initiate weather modification activities in a drought situation because of the way "emergency" is used in this bill. We have drafted an amendment to take the word "emergency" out of this bill so local government people could decide when to initiate weather modification activities in a drought situation. The way it is used in the bill, we are not sure they could to that (EXHIBIT 2).

OPPONENTS: None

SEN. ETCHART closed.

QUESTIONS:

REP. HAND: Is there any danger that you would usurp storms going from west to east.

SEN. ETCHART: That is a real possibility.

REP. HAND: The potential of water in the clouds, you could probably drop out of it and you wouldn't get that much out of it. Is that right.

SEN. ETCHART: It really isn't a proven technology. I can't say that you are going to create all that much rain or not. There is a possibility--if you could get enough of these silver iodide particles in the air, and a cloud came along, it might trigger it off.

REP. HANSEN: How successful is this?

SEN. ETCHART: It is debatable. In one study that was done, half of the clouds were seeded with silver iodide and the other half were seeded with sand. The clouds seeded with sand produced a lot more rain.

REP. HANSEN: Has this been done much in Montana?

GARY KNUTSON: I would like to answer two questions: the first--do you deplete a cloud as it goes across the state. You probably do increase the effect of the cloud seeding down wind. There is an increase in precipitation. There is a tremendous amount of water in the atmosphere. The second question --does it work--it is a science that has been around for many years. The findings did indicate that there is very good promise in that field. It is not a scientific program but they do have science tied with it. There are strong indications that they are seeing effects.

REP. SWITZER: Would two mills fund a program like this unless you had more than one county involved.

SEN. ETCHART: I really wouldn't know. I suspect they would have to build up a kitty over five to ten years so that when a real drought came along, they could handle the problem.

REP. SWITZER: Would one county be a large enough area?

SEN. ETCHART: This is the way North Dakota did it. I suspect it would take a couple of counties.

REP. SWITZER: Do you have any comments about degrees of success they have had in suppressing hail.

SEN. ETCHART: I think it has been quite successful. I think they have accidentally created more rain.

GARY KNUTSON: There was a very long-term hail research project going on in Colorado. The real problem with weather modification research, you are dealing with such a variable parameter, it is difficult to set up hypotheses. I can't recall the results out of North Dakota but I believe that their findings show they can reduce hail.

REP. HAND: I have seen several programs and I am wondering if they use the information available. Are they wasting money inventing the wheel all over again.

SEN. ETCHART: You would have to leave it to the judgment of people on Hail Authority. Once they created the Authority, they would go and examine the research.

REP. NEUMAN: This is a county-wide deal. How would we ever do this in a county like Cascade or Deer Lodge where you are divided by a mountain range.

SEN. ETCHART: It probably wouldn't happen in those areas that have natural boundaries. In the eastern part of the state where it is agricultural, that is where you would see it happen.

CHAIRMAN McBRIDE: There is nothing under existing law that would prevent you and a group of farmers getting together and doing what you want to have done under this bill. Is that correct? You could get together and create your own organization, set some sort of fee and do what you want to do.

SEN. ETCHART: When a drought is coming on, it is difficult to get the people together and organize them. You have to be ahead of the game.

CHAIRMAN McBRIDE: I find it interesting that people are coming in and wanting a little more government created.

REP. BERGENE: What about the Department of Agriculture. Is there a possibility of some funding from that source.

SEN. ETCHART: I don't think so unless it would be for research.

REP. SANDS: Would you have any objection to changing the bill--instead of authorizing a county-wide levy, form a district and exclude cities and towns.

SEN. ETCHART: I wouldn't have any strong feeling about it. We are taxing the people in the cities; but on the other hand, if you take communities like Glasgow and Wolf Point, the majority of the people are voting on it.

REP. SALES: I can't figure out why nobody has mentioned the legal liability involved in this. Has anything been compiled to find out what the results have been.

SEN. ETCHART: They have tried it in North Dakota. I don't see why we shouldn't here.

REP. WALLIN: This would last for five years and then be sunsetted. Would they pay two mills per year?

SEN. ETCHART: It would be up to two mills. They can't levy over two mills. At the end of five years, the County Commissioners could extend it by resolution or go through the petition process or if the people didn't want it, they could put it on the vote to eliminate it.

REP. PISTORIA: Asked GARY KNUTSON regarding the filling of Hungry Horse Dam.

GARY KNUTSON: There was an issue whether or not you could seed into a wilderness area. It was too short to see affects.

CHAIRMAN McBRIDE asked REP. SCHYE or REP. VINGER to carry this legislation on the House floor if the bill is passed out of committee.

SENATE BILL 19

SEN. KOLSTAD, sponsor. The main purpose of the bill is to overcome serious court funding problems. Under this bill, the county may levy an annual tax on properties within its boundaries to finance district court costs. This tax could not exceed six mills for first and second-class counties, five mills for third and fourth class counties, and four mills in fifth, sixth, and seventh-class counties. If these court

costs exceed sums derived from the mill levy, then a county may apply to the Montana Department of Administration for a state grant to meet its district court obligations. This bill requires a county to apply to the department for a district court grant by July 20 for the previous fiscal year unless the department grants a time extension. He stated this is an important bill to the residents of Montana and he asked the Committee's concurrence in this legislation.

(EXHIBIT 3)

PROPOSERS:

MIKE STEPHEN, Montana Association of Counties, said that the reason there is a need for this legislation--the previous mechanism for our counties to obtain grant aid for district courts sunsets this year so this would continue that program. This particular bill does not contain any money; however, there is \$3.5 million in the Governor's budget that would fund this legislation. The district court system is part of the state court system and part of the burden for paying the court system right now is destined to be with the counties. In fiscal year 1980, the county portion was about 83 percent and in fiscal year 1982, we paid 88 percent of the court costs for the state court system throughout the state. This bill also has a provision that we will pay the audit costs which are necessary. He thought since this is a state court system, the state should be paying for the entire amount. He urged passage of this legislation.

DARRYL MEYER, representing Cascade County, said they are \$265,000 in the red and they are registering warrants to fund their court system. At the end of the year, they will be \$325,000 in the red. They feel this is the necessary mechanism to help them fund their court system.

DAVE GOSS, Billings Chamber of Commerce, said they have not exceeded the six mill figure but it looks like they will this next year. He feels the state has an obligation along with the local people. He supports this bill.

DAVE ASHLEY, Deputy Director, Department of Administration, stated they support SENATE BILL 19. In the first year, the department had \$375,000 to distribute to counties. Thirteen counties applied for a total of \$605,000. The department had to prorate those amounts to the counties. Each county received 62% of its request. In 1982, 21 counties applied for that same amount of money with the result that the department could only honor 29% of their request. From the department's perspective, the rationale behind some of the statutory language changes comes about through our administering the program for these two years. We became aware of some defects in the language

in the statute; we administered this bill; we worked closely with Montana Association of Counties and Urban Coalition and Judiciary did adopt the bill. The major changes are (1) continuation of the program; (2) there is an audit provision in this bill; and (3) as a result of the department's administration of this bill, we received three attorney generals' opinions and we attempted to write language that incorporated the attorney generals' opinions. We feel we have successfully done that. There is no monetary impact of this bill. The money side of this bill has been included in the Governor's budget. Rep. Quilici's subcommittee has deleted \$200,000 from the \$3.5 million requested from the executive budget. The second thing I would like to mention--there is a bill, HOUSE BILL 639, which has the effect of moving the Local Government Services Division under the Department of Administration from Administration to Commerce. If that bill passes, the effect of that would be to move this program as well to the Department of Commerce. In listening to one of the earlier bills allowing the local governments to change the fiscal year, I don't think that would have an adverse effect on this bill.

SEN. MAZUREK stated he supports this bill. He thought the operation of district courts is and should be more and more from a financial standpoint a state responsibility. It is particularly acute here in Helena where we have a good deal of our court work arrived at because state government is located here. Because state government is here, we have a relatively low property tax base and we get to the six mill limit very quickly here and need to go into our General Fund to fund the district court operation earlier than most of the other counties. He proposed an amendment that would provide for inclusion of expenses incurred where an additional district court judge is added to a county by the Legislature. The amendment would allow for reasonable expenses of remodeling of an existing space and the reasonableness of those expenses would need to be determined by the Department of Administration. The need, here in Lewis and Clark County, has been established clearly for an additional district court judge. It was proposed last session and the interim study determined that the need was there. The problem here in Helena is that we are over our six mill limit. Although

we have plenty of space, we have not come up with additional money to make space available for a district court judge. It seems to me that that is a legitimate court expense and that it would be appropriate to allow the county to include that amount in the reimbursement. If you cannot see fit to adopt the amendment in its entirety, I would hope you would consider some sort of a matching foundation. Please give this matter your consideration (EXHIBIT 4).

GEORGE BOUSLIMAN, representing Urban Coalition, said that SENATE BILL 19 is strongly supported by the Coalition. It is a workable bill and represents a good example of how counties in the state can work together. The Coalition has dealt with the issue of a new judgeship. SENATOR MAZUREK's amendment is reasonable and he hoped the Committee would consider it as well.

JOHN WILKINSON stated he supports SENATE BILL 19. He said it was not resolved in his own mind--should the district courts be a responsibility of the state or should it be involved in a cost-sharing arrangement. He was in support of SENATOR MAZUREK's amendment because we are now levying \$100,000 above and beyond the six mills and it is likely that we will expend all of it. There is a bill to add a district court judge to Lewis and Clark County. We are not opposed to that but that represents additional cost. That presents an acute dilemma for us in that we are out of bonded indebtedness.

OPPONENTS: None

SEN. KOLSTAD closed saying they have been working on this bill for over four years. The biggest problem they had in getting this bill passed was to cut it down so it wouldn't include all the functions that weren't directly involved with justice itself. I am sure if money wasn't a problem, it would be great to have this included. But for that reason, I would have to oppose the amendment.

QUESTIONS:

REP. PISTORIA: Would this bill take in the public defender and court reporter.

SEN, KOLSTAD: Any costs directly associated with the district courts would be included.

CHAIRMAN McBRIDE: In looking through this bill, it strikes me that there is a basic change of philosophy from when it was first designed. When it was first designed, it was to help district courts who were strapped with a large court case. The bill, as it looks now, reflects the reality of trying to run the court. Is that a fair assessment?

SEN. KOLSTAD: It is all part of the package and district court costs have increased as all other costs. It makes it mandatory to spend up to their mill levy before they can collect any of these grant funds.

CHAIRMAN McBRIDE: Can you explain to me the effective date requirement?

SEN. KOLSTAD: I really can't but I would ask SEN. MAZUREK to address that.

SEN. MAZUREK: We made a number of administrative changes that were required under the Attorney General's opinion and the feeling was that we should get those on the books right away even though the amount of dollars was already limited. The administration for the remainder of this fiscal year would be under the law as it has been interpreted by the Attorney General which this enacts.

REP. SANDS: Is the state able to prioritize or do they get all the grants in and make a percentage distribution.

DAVE ASHLEY: The Legislature appropriates funding for the program. We anticipate full funding to be \$3.5 million. If that figure is not appropriated, the bill requires that the department prorate the awards down based on requests coming in from the counties. If our estimate is right and if the Legislature approves, then we would anticipate funding all the counties' requests.

REP. SANDS: But if you can't fully fund them, you want no authority to be able to prioritize?

DAVE ASHLEY: We simply take all grants and prorate them down.

REP. SANDS: On page 3, line 20, the department shall award the grant for county expenditures and lay out the criteria?

DAVE ASHLEY: If there is no money available, it is not going to be funded.

CHAIRMAN McBRIDE: How do we know that \$3.5 million is going to be adequate? If we figure \$1.4 million the first year, on what basis do you go about determining how far that \$1.4 million will stretch.

DAVE ASHLEY: We get in all requests before we make an allocation.

CHAIRMAN McBRIDE: Silver Bow County figures it needs \$100,000 during its previous fiscal year. It applies on July 20 for those monies. But we may not know until June 30 how much money we are going to get.

DAVE ASHLEY: The grant program is based on the prior fiscal year. He digressed: On page 1, line 18, it says the grants are to be made from funds appropriated from the department for that purpose. We have always interpreted that to mean if funds aren't appropriated, we cannot distribute them.

CHAIRMAN McBRIDE closed the hearing on SENATE BILL 19.

EXECUTIVE ACTION

SENATE BILL 412

SEN. LYNCH, sponsor. This bill would change the fiscal year for counties and municipalities from July 1 -- June 30 to October 1 -- September 30, and change dates for various budgetary functions to conform.

CHAIRMAN McBRIDE: This bill needs some amendments.

REP. SALES: When this goes into affect, it would also be a nice thing to change the tax collection date to three months later so everything else can fit in. We have a real problem getting tax statements out on time. If we are going to advance one, let's advance the other.

CHAIRMAN McBRIDE: Let's have LEE HEIMAN look into that and he can look at the amendments to the bill as well as the possibility of changing the tax collection dates. I question whether within the scope of the title we are stretching it. We will hold up on any action until we get the amendments drafted.

SENATE BILL 428

SEN. ETCHART, sponsor. This bill was an effort to set up a weather modification authority.

REP. SALES: Moved that SENATE BILL 428 BE NOT CONCURRED IN.

REP. VINGER: There is nothing that says they can't do it now if the farmers want to form an organization.

CHAIRMAN McBRIDE: The distinction as far as liability-- if the farmers did it, it would be on them. If it was under the sanction of the county, the county would be liable.

REP. SCHYE: A few years ago, farmers in certain districts did set this up on a very small scale.

REP. SALES: Withdrew his motion of BE NOT CONCURRED IN.

CHAIRMAN McBRIDE: We will ask LEE HEIMAN to look into the liability aspect of this bill.

REP. SALES: Department of Natural Resources has a pretty good idea why they want the county or somebody else to have the authority.

DISCUSSION ON WHETHER TO DRAFT BILL
ON CHANGING METHOD FOR REGISTERING WARRANTS

REP. SALES: We had a request from several counties on when should the treasurer register warrants. It appears that the school districts have certain wording in their law that says you only register the warrants when you don't have any money available at all in the bank to cover the warrants. In the case of cities, towns and counties, it is when a particular fund is down to no balance that the treasurer can issue warrants. What they would like to see done is have the wording changed to coincide with the schools so they could use the sum of their funds before they have to register warrants. That means they have to pay interest on those checks or warrants. It seems silly for them to be paying interest on those warrants if they have money in the bank. What you are doing is shifting money between funds for a short period of time. They cannot exceed their obligation for the year but within that, they should be allowed that same flexibility that the schools now have. What they were wondering was-- would you consider this as a late bill in their behalf?

LEE HEIMAN: I talked with Don Dooley, Local Government Services of the Department of Administration.

DON DOOLEY, Department of Administration: The schools do have that ability to register warrants not registered within the sum of the district funds. That has been going on for several years. From an audit standpoint, we don't know if there have been any problems or not. With counties, the bulk

of funds are held in trust for other entities. In the case of debt service, you need money on hand to pay coupons when they are due. The law does provide several other mechanisms for keeping the funds solvent. You are allowed to maintain a one-third cash reserve that helps you cash warrants. There is a provision in each of the city and county laws that one fund may purchase the right to warrants of another fund if there is a cash surplus on hand. That tends to allow the same thing you are requesting. I have some concerns because we are aware of counties--apparently district court funds--that have registered warrants--they are at the maximum mill levy both for general and district court funds and no means of repaying those warrants. Whatever fund would have loaned them money would become inefficient so we need to negotiate that.

CHAIRMAN McBRIDE: I basically agree with the concept. One question I have--when a fund is in need of the additional money that they would register warrants for but rather, the bill passes and under that provision they could borrow money from another account--that is in anticipation of money coming into that fund. What if that money doesn't come?

REP. SALES: You do the same thing you do with registered warrants. You levy a higher tax to make up for the short-fall.

CHAIRMAN McBRIDE: You have taken money from another account to cover it. Having borrowed money from another account, you have a debt to that account. It seems it might create problems.

REP. SALES: You can get into that problem right now where you don't have the income you anticipate, but the expenses are still there.

CHAIRMAN McBRIDE: Do you want us to mull that over?

REP. SALES: It is a simple way of getting something into the law.

REP. NEUMAN: We had a bill a little earlier that allowed them to move some of that money around within a fund.

REP. SALES: This is moving money between funds.

REP. WALLIN: Now that the counties can invest their money, how much are we talking about between the cost of registering warrants and putting their money in another fund?

CHAIRMAN McBRIDE: Silver Bow County has an ongoing cost of \$120,000 of interest on registered warrants that is constantly growing like the poor fund.

REP. WALLIN: You are drawing interest from other sums also.

MR. DOOLEY: Theoretically, it would be the same.

REP. SALES: There are a lot of counties that are operating a lot closer than we are. A lot of the smaller counties haven't taken advantage of the investment side. I do think that all of them would be able to take some advantage of this but it would certainly vary from one unit to another.

CHAIRMAN McBRIDE: School districts currently have the ability to not register warrants if there is sufficient money in other funds. Are we looking at different degrees of complexity when you compare city or county budgets.

MR. DOOLEY: The schools do not maintain funds on behalf of other entities. They are for the operation of that district. In a county, for example, you have the General Fund for operation of the courthouse. Within the county group of accounts, interchange of funds would not be a bad idea. The other funds--the SID's--in the case of the city, do make it a more complex financial creature outside of the schools.

REP. HANSEN: If you had a sewer fund, they could take from that and use to pay a court cost.

CHAIRMAN McBRIDE: The language is written fairly broadly but the language for SID's is written very conservatively.

REP. SALES: The time of your money coming and the time of your money going out in payment of the bonds usually dictates.

REP. HANSEN: A certain amount that we pay in for sewers--money that is going to build another plant--could that money be used?

REP. SALES: Yes.

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CHAIRMAN McBRIDE: I would suggest you talk with some of the Committee members and by Thursday decide whether we will go ahead with the draft.

The meeting adjourned at 2 p.m.

Kathleen McBride

CHAIRMAN KATHLEEN McBRIDE

Geri Brusett

Secretary

VISITOR'S REGISTER

HOUSE LOCAL GOVERNMENT COMMITTEE

BILL SENATE BILL 412

DATE 3-8-83

SPONSOR SENATOR LYNCH

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

AMENDMENTS TO SENATE BILL 428

1. Page 5, line 3.

Following: "activities"

Strike: "in conjunction with the state of Montana."

Insert: "as provided by [section 12 of this act]."

2. Page 7, line 15.

Following: "activities"

Strike: "in conjunction with the department."

Insert: "as provided by [section 12 of this act]."

3. Page 11, line 22.

Following: "hearing --"

Strike: "request to department."

Insert: "determination of need for weather modification
operation"

4. Page 12, line 9.

Following: "may"

Strike: "by resolution request the department to enter into
an agreement, pursuant to 85-3-103(7), with a licensee
designated by the authority to perform the operation
specified by the authority."

Insert: "proceed with activities needed to initiate and
conduct the requested operation."

5. Page 12, lines 13 through 18.

Strike: section 13 in its entirety

Renumber: all subsequent sections

6. Page 12, line 20.

Following: "through"

Strike: "13"

Insert: "12"

7. Page 12, line 22.

Following: "through"

Strike: "13"

Insert: "12"

SENATE BILL 428
(Third Reading)

TESTIMONY OF
THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING ESTABLISHMENT OF COUNTY WEATHER MODIFICATION AUTHORITIES WITH TERMINATION AFTER 5 YEARS; PROVIDING FOR A LEVY OF UP TO 2 MILLS EACH YEAR; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Since the mid-1960's, Montana statute has provided for the regulation and management of weather modification activities in the state. Administered by the Department of Natural Resources and Conservation, that enactment deals largely with the licensing and permitting of operators and projects which attempt to control Montana's weather systems. Senate Bill 428 contemplates another dimension of weather modification -- the obtaining of funds needed to conduct operational projects. Through this legislation, county weather modification authorities could be created that, in turn, are able to certify a 2 mill tax for a county weather modification fund. If determined that a project is needed, funds made available through the tax must be appropriated to the Department of Natural Resources. With such funds, the department would act as a contracting agent and obtain the services needed to conduct the requested operation.

There is little question that Senate Bill 428 would help to overcome the problem of obtaining finances for operational weather modification programs. On the other hand, the

legislation is fairly restrictive on the matter of who contracts for the actual projects involved. Since the bill is focused on the use of weather modification to alleviate emergency conditions, an authority should be afforded the flexibility to proceed with a project in as expeditious a manner as possible. Accordingly, it is proposed that the legislation be amended to provide the needed flexibility and the greatest possible local control over a project.

In essence, the amendments proposed by the department and submitted to this committee would delete the requirement that all county weather modification funds be used in conjunction with the state. The current weather modification statute provides this department with the authority to work on behalf of the counties in contracting with private concerns for weather modification operations (see section 85-3-103(7)). Consequently, the suggested amendments would not affect the ability of an authority to deal with the state on such matters. On the other hand, by eliminating these constraining provisions, an authority would have the latitude needed to proceed with implementing the weather modification efforts contemplated by this bill.

SENATE BILL 19 (Kolstad).

Abstracted from "The District Courts, Indigent Defense, and Prosecutorial Services in Montana", A Report to the Fourty-Eighth Legislature, Joint Subcommittee On Judiciary, December 1982.

District Court Grant Program

While reviewing funding provisions for the district courts, the subcommittee examined the district court mill levy and grant program. A county may levy an annual tax on property within its boundaries to finance district court operations. This tax may not exceed six mills in first and second class counties, five mills in third and fourth class counties, and four mills in fifth, sixth, and seventh class counties. If the court costs exceed the sum derived from the mill levy, a county may apply to the Montana Department of Administration for a state grant to meet its district court obligations. The 1981 Legislature appropriated \$375,000 in grant money for fiscal year 1982, and the same amount for fiscal year 1982. In August, 1981, thirteen counties received district court grants ranging in amounts from \$86,675 to \$360. The grant money for fiscal year 1984⁵ is scheduled to be distributed in December, 1983.

In April 1982, the subcommittee adopted LC 14 removing the sunset provision on the grant program and mill levy. The bill also contained amendments suggested by the Department of Administration and the Montana Association of Counties to clarify and streamline the administration of the grant program.

In September 1982, the Department of Administration again appeared before the subcommittee requesting members to reconsider their action on LC 14 to allow further amendments to the bill. The department explained that several issues concerning eligibility for and audit of grant moneys had developed that could be resolved through the provisions of LC 14. The subcommittee agreed to reconsider its action on the bill. At the final meeting in November 1982, the subcommittee voted unanimously to adopt LC 14 as revised by the department.

This bill, endorsed by the Montana Association of Counties and the Urban Coalition, requires a county to apply to the department for a district court grant by July 20 for the previous fiscal year unless the department grants a time extension. Under the provisions of the bill the department must award a grant if the county's district court expenditures exceed the sum of 1) the product of the maximum mill levy authorized by law⁶ for district court purposes, whether or not assessed, multiplied by the previous

year's taxable valuation of the county; and 2) all revenues except district court grants required by law to be deposited in the district court fund for the previous fiscal year. Eligible court expenditures for grant purposes include all costs of the county associated with the operation and maintenance of the district court except costs for building and capital items and ⁷library maintenance, replacement, and acquisition. LC 14 further provides that the department must audit each approved grant request. After all grants are awarded, each county will then be charged a fee based upon the costs incurred in conducting the audit. If a county receives a grant exceeding the amount for which it was eligible, the recipient must repay the excess to the department. This excess will then be redistributed to the other counties receiving grants. The bill also grants rulemaking authority to the department to administer the program. Because of this grant of authority, a statement of intent must accompany the bill. The department submitted a statement to the subcommittee at its final meeting, and the legislators adopted it.

Notes

⁵The distribution of grant money for fiscal year 1983 was delayed because of a controversy over the eligibility of Missoula and Roosevelt Counties for grant assistance. Because neither county had levied the maximum district court mill levy authorized by law for the district courts, the department declared them ineligible for grant money. The counties challenged the department on this finding of ineligibility. The department then requested an Attorney General's opinion. In September 1982, the Attorney General ruled that the department may not require a county to impose the maximum mill levy for district court expenses before it may be considered eligible for a state grant to district courts. In light of this ruling the department has revised its grant application forms and has asked the counties to resubmit their requests.

⁶Section 1(3)(a) of LC 14 reflects the Attorney General's ruling that a county need not impose the maximum mill levy for district court expenses before being eligible for grant money.

⁷The Urban Coalition testified at the November 1982 meeting that it opposed the exclusion of costs for building and capital items and library maintenance, replacement, and acquisition as eligible costs for grant purposes. The coalition believes that these are legitimate expenses associated with court operations and therefore they should not be arbitrarily excluded.

AMENDMENTS TO SB 19

1. Page 4, line 9.

Following: "acquisition."

Insert: "However, where remodelling of existing courthouse space is necessary to accommodate an additional district court judge added by the legislature, the reasonable expenses of remodelling shall be eligible for grant purposes. The reasonableness of the expenditures shall be determined by the department."

HOUSE LOCAL GOVERNMENT COMMITTEE

DATE 3-8-83

SPONSOR SENATOR KOLSTAD

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE LOCAL GOVERNMENT

COMMITTEE

BILL SENATE BILL 428

DATE 3-8-83

SPONSOR SENATOR ETCHART

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

STANDING COMMITTEE REPORT

March 10,

19 **83**

MR. **SPEAKER**

We, your committee on **LOCAL GOVERNMENT**

having had under consideration **SENATE** Bill No. **19**

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color

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE PROVISIONS FOR STATE GRANTS TO COUNTIES FOR DISTRICT COURT ASSISTANCE; PROVIDING A FORMULA FOR COMPUTING THE GRANTS; REQUIRING THE DEPARTMENT OF ADMINISTRATION TO AUDIT GRANT RECIPIENTS; GRANTING THE DEPARTMENT RULEMAKING AUTHORITY; AMENDING 7-6-2352, MCA; REPEALING SECTION 3, CHAPTER 692, LAWS OF 1979; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Respectfully report as follows: That **SENATE** Bill No. **19**

**BE CONCURRED IN
STATEMENT OF INTENT ATTACHED**

XXXXXX
DO PASS

MR. SPEAKER

WE, YOUR COMMITTEE ON LOCAL GOVERNMENT, HAVING HAD UNDER CONSIDERATION SENATE BILL NO. 19, THIRD READING COPY (BLUE), ATTACH THE FOLLOWING STATEMENT OF INTENT:

STATEMENT OF INTENT
SENATE BILL NO. 19

A statement of intent is required for this bill because it grants rulemaking authority to the Department of Administration for the purpose of administering the state grant to district courts programs.

Section 1 of this bill requires the Department of Administration to prescribe rules and forms necessary to effectively administer the program. It is contemplated that the rules will address the following:

- (a) definition of terms;
- (b) standard grant application format;
- (c) circumstances for permitting time extension of grant application;
- (d) form and timing of grant award notification; and
- (e) procedures for adjusting grant awards following audit.

STANDING COMMITTEE REPORT

SENATE BILL 412

Page 1 of 5

March 15,

19 83

MR. SPEAKER

We, your committee on LOCAL GOVERNMENT

having had under consideration SENATE Bill No. 412

third reading copy (blue)
Color

A BILL FOR AN ACT ENTITLED: "AN ACT CHANGING THE FISCAL YEAR FOR COUNTIES, CITIES, AND TOWNS IN THE STATE OF MONTANA; PROVIDING FOR TRANSITION IN BUDGETS AND MILL LEVIES; AMENDING SECTIONS 7-3-1302, 7-3-4372, 7-6-2201, 7-6-2311, 7-6-2315 THROUGH 7-6-2317, 7-6-2321, 7-6-2322, 7-6-2352, 7-6-2502, 7-6-4101, 7-6-4103, 7-6-4105, 7-6-4109, 7-6-4113, 7-6-4221, 7-6-4226 THROUGH 7-6-4228, 7-6-4232, 7-6-4233, 7-6-4407, 7-6-4410, 7-6-4412, 7-7-2264, 7-7-4264, 7-12-4181, 7-14-4713, 7-14-4734, 7-16-2204, 15-16-114, 15-23-607, 20-9-152, ~~AND 53-2-308, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND AN~~ ~~APPLICABILITY DATE.~~"

Respectfully report as follows: That SENATE Bill No. 412

BE AMENDED AS FOLLOWS:

1. Title, line 8.
Following: "7-6-2311,"
Insert: "7-6-2313,"
Following: "7-6-2317,"
Insert: "7-6-2320,"

~~XXXXXX~~

March 15,

19 83

2. Title, line 10.
Following: "7-6-4221,"
Insert: "7-6-4224,"
Following: "7-6-4228,"
Insert: "7-6-4231,"

3. Page 3, line 2.
Following: "June"
Strike: "September"
Insert: "July"

4. Page 3, line 7.
Following: "June"
Strike: "September"
Insert: "July"

5. Page 4.
Following: line 22
Insert: "Section 6. Section 7-6-2313, MCA, is amended to read:
"7-6-2313. Preparation of expenditure program and information on sources of revenue. (1) From those estimates the county clerk and recorder shall prepare a tabulation showing the complete estimated expenditure program of the county for the current next fiscal year and the sources of revenue by which it is to be financed.
(2) The tabulation shall set forth:
(a) the estimated receipts from all sources other than taxation for each office, department, service, institution, or district court program funded by the county for the current next fiscal year;
(b) the actual estimated receipts for the last completed current fiscal year;
(c) the estimated surplus or unencumbered treasury balances at the close of that last the current fiscal year;
(d) the amount necessary to be raised by taxation;
(e) the estimated expenditure for each office, department, service, institution, or district court program funded by the county for the current next fiscal year;
(f) the actual estimated expenditures for the last completed current fiscal year;
(g) all contracts or other obligations which will affect the current next year revenues;
(h) the total amount of emergency warrants issued during the preceding current fiscal year, with the amount issued for each emergency and the amount issued against each fund."

Renumber: subsequent sections

6. Page 5, line 21.
Strike: "current"
Insert: "next"

March 15, 1983

7. Page 6.

Following: line 17

Insert: "Section ~~11~~ Section 7-6-2320, MCA, is amended to read:

"7-6-2320. Final budget -- approval and adoption. (1) The budget as finally determined, in addition to setting out separately each item for which an appropriation or expenditure is authorized and the fund out of which it is to be paid, shall set out:

(a) the total amount appropriated and authorized to be spent from each fund;

(b) the estimated cash balance in the fund at the close of the preceding current fiscal year;

(c) the amount estimated to accrue to the fund from sources other than taxation;

(d) the reserve for the next fiscal year; and

(e) the amount necessary to be raised for each fund by tax levy during the current next fiscal year.

(2) The board shall then by resolution approve and adopt the budget as finally determined and enter the budget at length in the official minutes of the board."

Renumber: Subsequent sections

8. Page 6, line 25.

Strike: "current"

Insert: "next"

9. Page 7, line 1.

Strike: "current"

Insert: "next"

10. Page 15, line 4.

Strike: "current"

Insert: "next"

11. Page 16.

Following: line 9

Insert: "Section 20. Section 7-6-4224, MCA, is amended to read:

"7-6-4224. Preparation of expenditure program and information on sources of revenue. (1) From estimates of revenue and disbursements, the clerk shall prepare a tabulation showing the complete estimated expenditure program of the municipality for the current next fiscal year and the sources of revenue by which it is to be financed.

(2) The tabulation shall set forth:

(a) the estimated receipts from all sources other than taxation for each office, department, service, or institution for the current next fiscal year;

(b) the actual estimated receipts for the last-completed current fiscal year;

(c) the estimated surplus or unencumbered treasury balances at the close of that ~~last~~ the current fiscal year;

(d) the amount necessary to be raised by taxation;

March 15,

1983

(e) the estimated expenditure for each office, department, service, or institution for the current next fiscal year;

(f) the actual estimated expenditures for the last completed current fiscal year;

(g) all contracts or other obligations which will affect the current next year revenues;

(h) the total amount of emergency warrants issued during the preceding current fiscal year, with the amount issued for each emergency and the amount issued against each fund."

Renumber: Subsequent sections

12. Page 17, line 3.

Strike: "current"

Insert: "next"

13. Page 18.

Following: line 9

Insert: "Section 32. Section 7-6-4231, MCA, is amended to read:

"7-6-4231. Final budget -- approval and adoption. (1) The budget as finally determined, in addition to setting out separately each item for which an appropriation is made or expenditure authorized and the fund out of which it is to be paid, shall set out:

(a) the total amount appropriated and authorized to be spent from each fund;

(b) the estimated cash balance in excess of outstanding unpaid warrants at the close of the preceding current fiscal year;

(c) the amount estimated to accrue to the fund from sources other than taxation;

(d) the reserve for the next fiscal year; and

(e) the amount necessary to be raised for each fund by tax levy during the current next fiscal year.

(2) The council shall then by resolution approve and adopt the budget as finally determined, and the clerk shall enter it at length in the official minutes of the council."

Renumber: subsequent sections

14. Page 18, line 17.

Strike: "current"

Insert: "next"

15. Page 18, line 18.

Strike: "current"

Insert: "next"

16. Page 19, line 2.

Strike: "current"

Insert: "next"

.....March 15,..... 1983.....

17. Page 19, line 3.

Strike: "current"

Insert: "next"

18. Page 20, line 6.

Strike: "current"

Insert: "next"

AND AS AMENDED
BE CONCURRED IN

STANDING COMMITTEE REPORT

SENATE BILL 428

Page 1 of 2

March 17,

19 83

MR. SPEAKER

We, your committee on LOCAL GOVERNMENT

having had under consideration SENATE Bill No. 428

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A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING ESTABLISHMENT OF
COUNTY WEATHER MODIFICATION AUTHORITIES WITH TERMINATION AFTER
5 YEARS; PROVIDING FOR A LEVY OF UP TO 2 MILLS EACH YEAR; AND
PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Respectfully report as follows: That SENATE Bill No. 428

BE AMENDED AS FOLLOWS:

1. Title, line 7.

Following: "YEAR;"

Insert: "AMENDING SECTION 85-3-104, MCA;"

2. Page 1, line 15.

Strike: "Commission"

Insert: "Commissioner"

3. Page 5, lines 3 and 4.

Following: "activities" on line 3

Strike: "in conjunction with the state of Montana"

Insert: "as provided by [section 12]"

~~REDACTED~~

4. Page 7, line 15.

Following: "activities"

Strike: "in conjunction with the department"

Insert: "as provided by [section 12]"

5. Page 11, line 23.

Following: line 22

Strike: "request to the department"

Insert: "determination of need for weather modification operation"

6. Page 12, line 9.

Following: "may" on line 9

Strike: the remainder of subsection (2)

Insert: "proceed with the activities needed to initiate and conduct the requested operation."

7. Page 12, lines 13 through 18.

Strike: section 13 in its entirety

Renumber: subsequent sections

8. Page 12.

Following: line 18

Insert: "Section 14. Section 85-3-104, MCA, is amended to read:

"85-3-104. Nonliability of state and agents for acts of private persons. Nothing in this chapter shall be construed to impose or accept any liability or responsibility on the part of the state, the board, the department, or any state officials or employees or a county weather authority, its officers or employees, for any weather modification and control activities of any private person or group."

9. Page 12, line 20.

Following: "through"

Strike: "13"

Insert: "12"

10. Page 12, line 22.

Following: "through"

Strike: "13"

Insert: "12"

AND AS AMENDED
BE CONCURRED IN