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

The meeting of the Local Government Committee held on Tuesday, March 15, 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 Rep. Neuman, who was excused, and Reps. Kitselman, Sales and Sands, who were absent.

SENATE BILL 345

SEN. STEPHENS, sponsor, said this piece of legislation involves the Department of Administration in that it will allow the department to dispense information and technical assistance in the telecommunication field. The real interest is contained on page 3, lines 5 - 8, "The department may provide assistance to political subdivisions or nonprofit organizations, upon such terms that the department may establish, relative to state and interstate communications systems and techniques." What we are asking for in this bill--there has been some concern in the Department of Administration as to whether or not they may provide the kind of information that is requested of them. They, for example, will receive calls from translator groups or individual organizations that are interested in providing low power television service to various communities on a nonprofit basis and up until this point, it has been rather gray whether a government agency should get involved in this and offer this kind of expertise. All this bill does--it says when they call on the phone or write a letter, the department can say, "Sure. We have the people here in Helena. They can help you." This bill says that legally we can help those people who ask for it.

PROPONENTS:

JOHN NERAAS, Administrator, Communications Division, Department of Administration, said they have been receiving pressure to expand and assist local government and nonprofit organizations. We need clarification as to the role a governmental agency should play in this area. The following factors contribute to the need for communications assistance: (1) Communication technologies are extremely volatile, undergoing constant change and refinement. Expertise in addressing efficient and cost effective technologies is often not available at the local level; (2) Regulatory changes, such as deregulation and divestiture of the telephone industry and cost impacts, are frequently not understood at the local level. Consequently, assistance is needed to help local communities adjust to these impacts; and (3) Montana communities cannot take advantage of federal grants-in-aid where skill in interpreting federal regulations, identifying sources of federal funds and preparing grant applications is not available. We urge support of this legislation (EXHIBIT 1).

CHUCK O'REILLY, Sheriff of Lewis and Clark County, and also representing the Montana Peace Officers Association, said they agree with this bill and urge its passage. We have no funds available or no expertise available within our local government entities to research these statutes and look into technological advancements that are being made.

MIKE STEPHEN, Montana Association of Counties, also supported this measure. He stated if this would allow the Department of Administration to let their resources be available, they would avail themselves of the opportunity.

ALEC HANSEN, Montana League of Cities and Towns, expressed his support of this legislation. He stated that a lot of our communities could benefit from the advice of the Department of Administration.

OPPONENTS: None

SEN. STEPHENS closed.

QUESTIONS:

REP. WALLIN: What if a private organization came in and requested assistance.
SEN. STEPHENS: A private organization would probably have their own legal counsel.

CHAIRMAN McBRIDE closed the hearing on SENATE BILL 345.

REP. LORY will tentatively carry this bill on the House floor.

SENATE BILL 281

SEN. HAGER, sponsor, said all this bill will do is allow the adoption of the local option motor fuel tax by referendum. Rather than having to put this issue on the ballot by petition, it could also be done by the vote of the county commissioners. I think this bill is necessary. It is something they really should have the right to do by resolution.

PROPONENTS:

DAVE GOSS, representing the Billings Chamber of Commerce, spoke in support of this bill. The only thing this bill does is completes the initiative referendum process. At the present time, you do have the initiative process on the local option gas tax. This completes it with the referendum of the governing body being able to put it on the ballot. The people still have to vote it in whether it is put on the ballot by initiative or whether it is put on by referendum.

ALEC HANSEN, Montana League of Cities and Towns, said he thought the Legislature intended for local governments to have the authority and the right to put a local option gas tax before the people and allow the people to make a decision as to whether or not they want to impose this tax. The initiative requirement in this bill, however, represents an impediment to realization of the legislative intent on this question. The local government initiative must be signed by 15% of registered electors. That means that 15% of the registered electors in a particular jurisdiction must sign the petition. That is a relatively high petition requirement. In Yellowstone County when they put this petition to the people, they were required to collect almost 10,000 signatures. You can put an initiative-statewide-on the ballot with 18,000 signatures. He thought this requirement is too high--it is also unnecessary. The ultimate decision on the question of imposing a local option gas tax would still lie with the people.

MIKE STEPHEN, Montana Association of Counties, said simply that this is a tool that could be used to provide this additional tax.

OPPONENTS:

JOHN BRAUNBECK, representing the Montana Intermountain Oil Marketers Association and the Montana LP-Gas Association, said that SENATE BILL 281 simply eliminates one step the cities and counties would otherwise be required to complete in order to initiate current statutes on the Local Option Tax for gasoline. The result is the implementation of the current Local Option Tax on gasoline statute. Being mechanically unworkable in current form, we think opposition to a proposal which would bring an unworkable law to existance sooner is absolutely necessary. Alternatives were suggested: (1) Eliminate need for the above listed costs and expenses by concentrating on Section 15-70-101(1), M.C.A. (specifically the $6.5 million allocation); (2) Increase the present level of these allocations to the $10.39 million mark thereby eliminating the need for a costly, unworkable program that local governments haven't been able to implement anyway; (3) In this manner, allocations would go directly to cities/counties to be dispersed under the current formula without engaging a campaign that will most likely cost more to implement and operate than it would generate; and (4) SB-288 has been introduced in the Senate to address these issues (EXHIBIT 2).

DOUGLAS A. ALEXANDER, Gallatin County Petroleum District, said they strongly believe in the initiative process and do not mean to degrade it. We believe the citizens of our county should be allowed to say whether they want this particular tax instead of allowing the county commissioners to make the decision. The initiative type of tax allows the voting public see exactly what they are voting on before it is put on the ballot. The referendum does not. The distributors feel that the tax in its present form is very unworkable. We feel it will never be put into affect because it is impossible to administer (EXHIBIT 3).

SEN. HAGER closed saying as far as HOUSE BILL 16--the argument that local option gas tax may not be necessary if it passes with the extra money for the cities and towns--that is very true. He thought it should be on the books to be used in case of local need. The purpose of this bill is to add referendum to the initiative process.

QUESTIONS:

CHAIRMAN McBRIDE: Your opposition seems to take two points of view (1) the process of how local people should go about taxing themselves, which, I think, is what this bill addresses; and (2) any kind of a tax that would be on motor fuel. Please clarify where your opposition is.
JOHN BRAUNBECK: With respect to SENATE BILL 281, our opposition comes from the point that we would not like to see a mechanically unworkable local option tax be brought one step

further in the process. This eliminates one step in getting the local option tax from the origination stage to the ballot stage to the vote of the people. We are not against the community imposing the tax. Our alternative is to impose a state gasoline tax statewide utilizing the existing tax collections and distribute that directly to the counties avoiding all the cost involved with local options.
CHAIRMAN McBRIDE: What I am trying to get at--are you opposed to having the resolution and the referendum on the motor fuel tax go to the vote of the people or is it any kind of local option tax that you would not want to go by resolution to the vote of the people?
JOHN BRAUNBECK: We are not opposed to a local option tax. We have worked with the Legislature for many years to try and amend that particular local option tax statute so that it would be workable and it would be collectible.

REP. WALLIN: How much do the cities get now from the state on gasoline taxes?
JOHN BRAUNBECK: The figure off the top is $6.5 million.
REP. WALLIN: How many cents per gallon?
JOHN BRAUNBECK: Deferred to NORRIS NICHOLS.
NORRIS NICHOLS, Department of Revenue: The $6.5 million is divided under formula where the counties get $2.95 million and the cities get $3.55 million.
REP. WALLIN: If this bill were to pass and all 56 counties elected to pass a local option tax, what difference would there be in administering what you are doing right now and the lump sum?
NORRIS NICHOLS: There would be no money allotted. It would just be billed back to the counties. SENATE BILL 281 has no bearing on how tax is collected. In 1979 the act was passed allowing the counties or the Department of Revenue to give them an option. In 1981 they decided they didn't want to do it so it was determined that the Department of Revenue shall collect the tax and charge the option tax back to the counties. With 56 counties, we add on the number of people it takes to collect the tax and bill back the proportionate share of the cost.
REP. WALLIN: There would be no fiscal impact?
NORRIS NICHOLS: The counties would come off the top of the collection. The distributors would have to report to us the same as they do now.

REP. BERGENE: You had stated that the gathering of signatures for a ballot issue is a very unworkable situation.
JOHN BRAUNBECK: In view of the costs that are involved, cities and counties would be responsible. SENATE BILL 281 as proposed would eliminate a general minor set of costs in this particular local option process. We are saying--eliminate all these costs and do it statewide and transfer the additional revenue directly to the cities and counties.
REP. BERGENE: I am sure you are aware of the sensitivity to taxes by everyone and that the state is interested in letting local government make that kind of decision. I don't think that is an exorbitant cost. It seems to be offset by the fact that local people want to be able to make that decision. I do think it is a workable kind of thing.
JOHN BRAUNBECK: In converting an unworkable statute one step closer to implementation, we would like to oppose that particular issue until we can correct that particular statute.
REP. BERGENE: Do you mean unworkable or do you mean it would be difficult for you to be part of implementing this kind of tax.
JOHN BRAUNBECK: By the time a local option tax is implemented and all costs passed through to the consumer, it wouldn't be worth implementing to begin with. That's what we mean by being mechanically unworkable.

REP. DARKO: By what means is the $6.5 million allocated to local government?
NORRIS NICHOLS: The state treasurer does the allocating.
ALEC HANSEN: The formula is based on road miles and population. $6.5 million represents about 1.3 cents of the total tax of 8 cents. Local governments get a minor share of gas taxes collected in Montana. One cent of gasoline tax will raise $5 million. That money is allocated to counties and incorporated cities and towns. The way it breaks out--counties get 45.38% of that money and cities get 54.61% of the money.
REP. DARKO: Are those figures based on census figures?
ALEC HANSEN: The census figures are updated every five years and road mileage is updated periodically.

REP. WALLIN: How much tax were the voters in Billings asked to approve?
SEN. HAGER: Two cents a gallon.

REP. VINGER: Would the cities and counties ever consider divorcing themselves from the state.
ALEC HANSEN: I don't think they have. There is some discussion in the Senate of providing some additional gasoline tax revenue to cities and counties. The real issue is whether the cities or the counties can go directly to the people with the question of whether or not they want to impose this tax without having the unnecessary step of collecting 10,000 signatures.
REP. VINGER: Do you feel it would be cumbersome for the counties to handle it?
NORRIS NICHOLS: In 1981 it was the wisdom of the Legislature that the Department of Revenue collect it.
DAVE GOSS: By going through the Department of Revenue, they would be just filling out one form.

SEN. ECK: I especially support the fact that this gives local government some authority to put something on the ballot. It is not going to be approved unless it is something very important to the prople and something they really do want.

CHAIRMAN McBRIDE closed the hearing on SENATE BILL 281.

SENATE BILL 173

SEN. CRIPPEN, sponsor. He stated that all this bill does is increases that permissive mill levy to go as high as two mills. The reason for this is that in a lot of counties the permissive mill levy is being used and there is a demand and need for additional sources of funds. The reason for the permissive one mill levy is that we want to do everything as a a state to preserve our heritage.

PROPONENTS:

REP. BENGSTON: Stated she supported this legislation and submitted some amendments (EXHIBIT 4).

DONNA FORBES, representing the Yellowstone Art Center, Billings, stated that the purpose of these institutions is to preserve our heritage not only in historical artifacts but in art and culture. All of us who are receiving county funding (30), seven of the counties allocate the full amount toward their museums. The commissioners do not need to give any more than they feel is necessary.

J. D. HOLMES, representing the Montana Arts Advocacy, asked if "art centers" could be written into the bill and said they support the bill, even as amended. In a number of cases where the 7 counties that are presently at the full mill maximum, it is because they have more than one museum they are funding out of the one mill.

KATHLEEN OLSON, Fort Missoula Historical Museum, said they are in need and require more funding and would like to see this bill passed. If they do get these additional monies, it will help them in applying for corporate and foundation monies (EXHIBIT 5).

R. ARCHIBALD, Montana Historical Society, said that they recently completed a Historical Society survey of county museums and art centers in the state. There are some 180 museums and art centers in the state and there is a willingness to extend support to them. He stressed this is a permissive levy and not mandatory and urged passage of this legislation.

OPPONENTS: None.

SEN. CRIPPEN closed saying he had some concerns regarding the amendments: (1) how it would affect those funds being allocated now, and (2) if we are asking for the authority on the part of the county commissioners to do this, we ought to be able to choose the museum in the county.

<u>QUESTIONS</u>:

REP. WALLIN: When you were talking about the amendment, did you want it worded in such a way to give the county the option of either providing funds or not providing funds to the other museums?
SEN. CRIPPEN: If you adopt the amendments, it should give them discretion.
REP. HAND: You approve of REP. BENGSTON'S amendment?
SEN. CRIPPEN: I felt there probably wasn't that much of a need for it if there wasn't any testimony for it. I was concerned as to why they were excluded to begin with.
SEN. HAND: How do you feel about J. D. HOLMES' amendment regarding art centers?
SEN. CRIPPEN: I have no objection.

DONNA FORBES: I think there are some misconceptions of what an art center is. An art center does not own a collection. It shows traveling exhibitions. It has to have a professional staff. It does not have to have a permanent collection that it shows.
CHAIRMAN McBRIDE: If we amended the bill so it included art centers, are we further spreading a limited amount of money?
DONNA FORBES. There are art centers being funded under that right now. They qualify under the museum category. The biggest concern most of us have is that these institutions are professionally run, the work is handled by a trained staff and that is a very important point in preserving artifacts.
CHAIRMAN McBRIDE: Have you seen REP. BENGSTON'S amendment?
R. ARCHIBALD: No.
CHAIRMAN McBRIDE: One of the things she changes is the language to read: "The Board of County Commissioners may make an appropriation in its annual budget for the upkeep, care, maintenance, operation and support of any county-owned or rural nonprofit museum." What is a rural nonprofit museum as opposed to a urban nonprofit museum?
R. ARCHIBALD: I don't have any answers but I have a couple of questions. I don't know if county commissioners have the constitutional authority to appropriate money to an organization that is not governmentally affiliated. There is a system set up in the statutes for governments of county museums. Not only do the county commissioners appropriate money, they physically own the building and have some control over the governing structure. There are two methods provided in statute for county commissioners to exert governing control over the county museums. I don't know of any legal definition of a local nonprofit museum. Of the 180 museums in Montana, 30 are county funded and county governed in some way and there are 90 that are nonprofit with no governing affiliation. Whether those are eligible for county funding or not or whether this would make them eligible, I don't know.

SEN. CRIPPEN: It might be well for the researcher to check that point out.

REP. BERTELSEN: Does it concern you that there are 90 others out there that will be wanting funding?
SEN. CRIPPEN: My concern would be how much it would dilute the small part that they have now.

CHAIRMAN McBRIDE closed the hearing on SENATE BILL 173.

EXECUTIVE ACTION

SENATE BILL 412

SEN. LYNCH, sponsor. This is a bill changing the fiscal year for counties, cities and towns and providing transitions in budgets and mill levies. The bill changes the fiscal year from July 1 to October 1.

LEE HEIMAN passed out the amendments to SENATE BILL 412 and reviewed them briefly with the Committee. He said there were two different things on the amendments. Amendments 3 and 4 just changes "September" to "July". All of the rest of the amendments reflect the fact that during the month of August when almost all of the county budgeting takes place, (under the present system the fiscal year begins in July) all the work on the budget takes place in August which, under current law, is the current fiscal year. Under the new law, August would be just prior to a fiscal year. The same mechanical work would take place but instead of being in the year it is being worked on, it would be on the next fiscal year. In some places it changes "next" to "current". All of the amendments work on that adjustment situation. (EXHIBIT 6)

CHAIRMAN McBRIDE: The real issue is determining when the fiscal year begins.

LEE HEIMAN: What you are doing is creating a budget after the fiscal year begins.

REP. WALDRON: Moved that the amendments be accepted.

REP. VINGER: Do these amendments have any dates on them as far as changing the dates.

LEE HEIMAN: Only Amendments 3 and 4.

REP. VINGER: Some of the county people feel this is going to put them in a bind by moving it up three months.

LEE HEIMAN: I don't think that under the title of the bill would change the tax collection system. It would require a whole system with a political decision as to what date--what does that do to all the bonding provisions. In Lewis and Clark County, tax statements are due thirty days after tax statements are sent out.

REP. WALLIN: Did I understand you to say you would be budgeting further in advance than they have ever been able to do before.
CHAIRMAN McBRIDE: That has been the problem. They work for six to eight weeks not knowing what the budget is. What this would do would be to allow the process to take place prior to the fiscal year starting.
REP. WALLIN: The first half taxes are due November 30. It looks like this would delay the necessity of doing all that because the fiscal year doesn't start. Would there be the tendency to stop over even further, say January 1, before you received your November tax statement.
LEE HEIMAN: This may have an affect on small counties if they don't have the computerized system to get the tax statements out. That tends to be not with the budget cycle but with the Department of Revenue in getting the procedures worked out.

A vote was taken on the amendments and the motion PASSED UNANIMOUSLY.

REP. WALDRON: Moved that SENATE BILL 412 BE CONCURRED IN AS AMENDED.

REP. SCHYE: I talked with the assessor in Valley County and they do have problems with this. They are not on computers and have cut personnel by two. It will be a burden on two people to get tax notices out without computers.

REP. WALDRON: I don't understand how this is going to make any difference because this is only affecting the fiscal year.

REP. BERGENE: Do you see any conflict at all since the school district is not on this fiscal year.
REP. WALDRON: The school district will have their mill levy voted on so that information is already there.

REP. VINGER: What is the great advantage of moving this up to October 1.
REP. WALDRON: When the state sets up its budget, we are not setting it up for the fiscal year we are in. We are setting it up for the fiscal year that starts July 1. Counties and cities are stuck with going into the fiscal year expending money and they don't even have a budget to do that yet.

CHAIRMAN McBRIDE: One of the changes in this bill is that the final budget shall be fixed--instead of being August, it is changed to September. I don't think the Department of Revenue gets that information out to the counties so they can even meet the September deadline. It is the information from the Department of Revenue and not when the budget is set that is the critical part. It is information from the Department of Revenue that might cause some county to be delayed.
REP. SCHYE: The federal and the school years are different; and also the state.
CHAIRMAN McBRIDE: That is right. The only difference is that when you look at the state fiscal year and the budgeting process, once that fiscal year starts, the budgeting process has already taken place. That is not true for local governments. They get into their current fiscal year and they are trying to set their budget for that current fiscal year. That is the distinction between the two even though the dates appear to be similar.

REP. SWITZER: The assessors were discussing with the Taxation Committee some of the restraints they labor under now. If we are going to disturb this schedule any, won't we further confound their other schedules?
REP. WALDRON: It has nothing to do with the Department of Revenue not getting the information. Oftentimes, the Department of Revenue doesn't send these millage numbers until after the budget is set.
REP. SWITZER: There is one advantage of completing the budget after they find out how much money they are going to have. They don't find themselves spending more money the second half than they have.
REP. WALDRON: If you want that to be done, you should set the fiscal year December 1. The other approach to take is to change the law so cities and counties set their budget before July 1. But then the Clerks and Recorders and the Department of Revenue are upset about that because they have to have all the millage information in before July 1.

REP. SALES: The treasurer does have a problem because in order to make out the tax notices they have to have all the information. If we move the date up three months, I think we are curing problems such as setting a budget in advance.

REP. WALDRON: If you are just changing the fiscal year, I don't see who you are putting the squeeze on as far as the tax notices go.
REP. SALES: The budget amounts are not going to be determined until three months later. In order for the treasurer to know how many mills to put on, she has to have the evaluation. Those two items have to go together so she can make her tax notices up and send them out to the people. She is going to be late getting the dollar figures and it is October 15 before the budget is set.
REP. WALDRON: The budget has to be set before the fiscal year starts which is October 1.
CHAIRMAN McBRIDE: Even under the law that exists right now, if the county doesn't have the figures from the Department of Revenue until after September 1, the August date doesn't mean anything. At least, the September date is closer in reality than when they have the figures anyway.
REP. WALLIN: This first year is going to be fifteen months so tax notices are going to be considerably larger. We have a lot of delinquency now. I can see more delinquency that first year. This will affect SID's and everything, won't it?
LEE HEIMAN: I think the budget has to be a fifteen month budget but you wouldn't have a fifteen month mill levy because your mills are only set once a year. You wouldn't collect three months more of taxes because you would be collecting the taxes as you go along.
REP. WALLIN: Your fiscal year has changed. You surely have to take that into consideration.
REP. WALDRON: But your tax collections haven't changed.
LEE HEIMAN: What you would collect is three mills for fifteen months rather than three mills for twelve months.
REP. WALDRON: I don't know how that is anticipated in the bill. The logical way to deal with REP. WALLIN'S problem is to allow you to collect the additional amount you need in the next November.
CHAIRMAN McBRIDE: On page 30, section 36, line 8, it talks about the transition--what the bill says is that to allow for the transition--what you do is--that first transitional fiscal year which consists of fifteen months, from July 1, 1984 to September 30, 1985, during that period the mill levies adopted for fiscal year 1985 may exceed the statutory annual mill levy limits by 25%. I think that really takes care of the situation.

REP. VINGER: Moved SENATE BILL 412 BE NOT CONCURRED IN AS AMENDED.

The vote was taken with REPS. BERTELSEN, HAND, SALES, SCHYE, SWITZER, VINGER and WALLIN voting yes and REPS. PISTORIA, BERGENE, DARKO, HANSEN, HOLLIDAY, KADAS, KEENAN , WALDRON and CHAIRMAN McBRIDE voting no.

The motion FAILED. The motion was reversed and SENATE BILL 412 was recorded as BE CONCURRED IN AS AMENDED.

The meeting adjourned at 2:00 p.m.

Kathleen McBride
CHAIRMAN KATHLEEN McBRIDE

Geri Brusett
Secretary

Ex 1
SB 345

January 24, 1983

SENATE BILL: 345

ASSISTANCE TO MONTANA COMMUNITIES IN COMMUNICATIONS

SUBSTANCE OF PROPOSED LEGISLATION

This bill allows the Department of Administration to provide assistance to political subdivisions and nonprofit organizations in the area of communication systems and techniques.

FORM OF PROPOSED LEGISLATION

Amends Section 2-17-302, MCA to require that the Department of Administration shall:

(i) Foster the development of new and innovative communications systems and techniques ~~for state government~~ within the state.

(2) The department may provide assistance to political subdivisions or nonprofit organizations, upon such terms that the department may establish, relative to state and interstate communications systems and techniques.

(2) (3)

BACKGROUND

Present statutory authority governing communications systems does not clearly enable the Department of Administration to assist local governments or interested non profit organizations in the development of communications systems.

The Department has received requests from numerous local governments and non profit organizations to assist in the following ways:

a. Analysis of telephone costs and recommendations for ways to reduce costs.

b. Ways to improve telephone service.

c. Ways to improve local land mobile radio service in such areas as coordinating local dispatch capabilities and improving the quality of local service.

d. Assistance in applying for federal grants-in-aid for construction of communications facilities.

NEEDS

The following factors contribute to the need for communications assistance:

a. Communication technologies are extremely volatile, undergoing constant change and refinement. Expertise in addressing efficient and cost effective technologies is often not available at the local level.

b. Regulatory changes, such as deregulation and divestiture of the telephone industry and cost impacts, are frequently not understood at the local level. Consequently, assistance is needed to help local communities adjust to these impacts.

c. Montana communities cannot take advantage of federal grants-in-aid where skill in interpreting federal regulations, identifying sources of federal funds and preparing grant applications is not available.

PROPOSED SOLUTION

The Department of Administration, through experience with the Montana Telecommunications Advisory Council (MTAC) and planning conducted under the auspices of HB 827 for telecommunications planning, has the expertise to assist Montana communities in developing innovative communications systems and techniques. The current level of staff and funding would enable this assistance without the need for additional funds or resources beyond the current level supported by the Division. Proposed amendments to Section 2-17-302, MCA, would enable this assistance to be provided.

DEPARTMENT OF ADMINISTRATION
COMMUNICATIONS DIVISION

EXAMPLES OF STATE ASSISTANCE TO MONTANA COMMUNITIES IN TELECOMMUNICATIONS

Lewis and Clark County: Assisted County Commission in analysis of consultant's report on radio site development. Facilitated discussions between County and State agencies on radio tower site sharing.

Butte-Silver Bow: Reviewed telephone costs and contractual obligations, with advice on bid opportunities for future telecommunications purchases.

Billings, City of: Reviewed city's requirements for radio communications and potential tie-in between Billings and the State's network.

Flathead County and Missoula County: Ongoing discussions relative to linkages between their microwave radio system and state government.

Flathead County: Requested assistance with data communications interface between Kalispell, Missoula, Hamilton, and state government in Helena.

Radio Communications Assistance

The following is a partial list of agencies requesting help with a variety of land mobile radio communications concerns:

Stillwater County Sheriff's Office
Beaverhead County
Cascade County Sheriff's Office
Chouteau County Sheriff's Office
Lincoln County Sheriff's Office
Livingston School District No. 1
Hill County Road Department
Bozeman Police Department
Lodgegrass Police Department
Missoula County Fire Department
Sheridan County Sheriff's Office
Petroleum County Sheriff's Office
Sidney City Clerk
Daniels County Sheriff's Office
Phillips County Commission
Missoula County Airport Authority
Gallatin County
Meagher County Sheriff's Office
Pondera County Sheriff's Office
Fallon County Sheriff's Office
Indian Health Service, Billings
Big Horn County Sheriff's Office
Indian Health Service, Lodge Grass
Belgrade Police Department
Conrad

VISITOR'S REGISTER

HOUSE LOCAL GOVERNMENT COMMITTEE

BILL SENATE 345 DATE 3-15-83

SPONSOR SENATOR STEPHENS

NAME	RESIDENCE	REPRESENTING	SUP-PORT	OP-POSE
John [illegible]	helena	Dept of Admin	✓	
Hiram Shaw	"	"	✓	
Chuck O'Reilly	Helena	Mt Sheriffs & Peace Officers	✓	
Mike Stephens	Helena	MACo	✓	
Alec Hansen	Helena	League of Cities	✓	

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

FORM CS-33

Ex 2
SB 281

TESTIMONY

SB-281

For the record, my name is John Braunbeck and on SB-281 I represent the Montana Intermountain Oil Marketers Association (IOMA) and the Montana LP-Gas Association (MLPGA); a coalition of some 150 petroleum distributors state-wide. We are here to oppose SB-281.

SB-281 simply eliminates one step the cities and counties would otherwise be required to complete in order to initiate current statutes on the Local Option Tax for gasoline. It accomplishes exactly what the authors intended and we have no disagreement with drafting. However, the result of SB-281 is where differences begin to occur. That result, of course, is the implementation of the current Local Option Tax on gasoline statute.

Make no mistake! Our distributors do not oppose the concept of a community voting a tax upon themselves. What concerns our organizations is the current Local Option Tax statute as presently written. Being mechanically unworkable in current form, we think opposition to a proposal which would bring an unworkable law to existance sooner is absolutely necessary.

To further understand our opposition to SB-281 and, consequently, the imposition of the Local Option Tax on gasoline, please consider the following:

1. Costs involved in gathering signatures for a ballot issue and the resulting campaigns necessary to explain the issues;
2. Costs involved in placing the initiative on the ballot with timing such that completion will coincide with scheduled elections.
3. Costs involved in waging the campaign, once sufficient signatures are collected; and
4. Costs involved when the Montana Department of Revenue attempts to set-up and operate the program for local governments. Further, we cannot but anticipate the massive costs to the state bureaucracy alone when 56 counties implement the Local Option Tax.

Both Associations understand and appreciate the overall intent of SB-281. Simply put, local governments are attempting to defray some expenses from the above list to seek further income capabilities with the Local Option Tax. We understand the desperate conditions of a community's streets, roads, etc., probably better than anyone. Our delivery vehicles pound those same chuck-holes. Also, we know the funding plight being experienced by local governments at this time.

We are not without alternatives to this area. After many Association meetings, time and effort, what we propose is the following:

1. Eliminate need for the above listed costs and expenses by concentrating on Section 15-70-101(1), M.C.A. (specifically the $6.5 million allocation).
2. Increase the present level of these allocations to the $10.39 million mark thereby eliminating the need for a costly, unworkable program that local governments haven't been able to implement anyway;
3. In this manner, allocations would go directly to cities/counties to be dispersed under the current formula without engaging a campaign that will most likely cost more to implement and operate than it would generate.

4. SB-288 has been introduced in the Senate to address these issues.

Further reasons why the Local Option Tax on gasoline is mechanically unworkable can be listed. However, the issue today is SB-281. Again, this proposal is designed to remove a very minor set of expenses involved with the implementation of a Local Option Tax on gasoline. The question is, of course, should an amendment to the current Local Option statute be granted making a mechanically unworkable law easier to implement? We hope not. Therefore we urge the Committee to defeat SB-281.

If the Committee wishes further information as to the specifics of why the present Local Option statute is mechanically unworkable, we place our organizations at your disposal for questions and answers.

Thank you.

Ex 3
SB 281

March 14, 1983

TO: Representatives Walter Sales and Norm Wallin

FROM: Oil Distributors from Gallatin County

Re: SB - 281 (LOCAL OPTION TAX BY REFERENDUM)

The purpose of this letter is to register our opposition to the above mentioned bill and to an alternative to this bill that we all endorse. We will outline to you a mechanically unworkable situation created by the local option tax and will ask for your assistance in the defeat of this complicated bill.

At the outset, we are not opposed to the concept of a community voting a Local option Tax upon themselves. However, under current statutes please consider the following:

1. The tax will be collected by the Montana Department of Revenue at an added bureaucracy cost for each county implementing the tax. Can you imagine State costs if 56 counties implemented the tax?

2. Under current statutes, the Department of Revenue is required to collect the taxes from the distributor. The distributor must file a monthly statement to the Department of Revenue of all gasoline distributed during the preceeding month in the county in which it is sold to the ultimate consumer.

3. In addition to numerous other problems such as competitive pricing advantages, station relocation outside the taxing area, current distributor definition problems (as per 15-70-201-MCA), the question of equitability arises.

The above three mentioned items create unfair pricing of products from one county to another, problems of audit, collection, and record keeping, problems of accountability of product and monies collected and geography problems that would require more audit and bookeeping time than the tax is worth.

We, as citizens of Gallatin county have met with out County Commissioners and have outlined many of the problems that are stated above. We have explained that we do not oppose the theory of the Local Option Tax, but do oppose the current law as it is on the books. It is totally unworkable and unfair to the distributors who have to administer it.

We do have an alternate plan. This is bill SB-288, which among other things, repeals this unworkable statute and provides funding to all counties and not a select few. We have spent many dollars and much time trying to arrive at a workable solution to the Local Option Tax. We have been unable to do so. We feel that SB-288 provides an equitable, cost effective and workable taxing mechanism to provide the city/county governments needed funds for streets and roads. SB-288 will provide an increase of $2.75 million to cities and counties under the existing tax distribution formula established under 15-70-101 M.C.A. A Local Option Tax will not be needed and should be repealed.

We, the undersigned, solicit your support in defeating SB-281 and in support of SB-288, thus solving the Local Option Tax implementation problems. Thank You

NAME	ADDRESS	CITY	PHONE NO
Doug [illegible] - Exxon	300 E Griffin	Bozeman, Mt.	587-77
David [illegible] - Conoco	318 W. Griffin	Bozeman, mt.	587-326
Philip E. O'Neil CHEVRON	622 E. TAMARACK	BOZEMAN	587 763
[illegible] E. Badgley Exxon	716 E. Main	Bozeman	587-338
[illegible] Husky	1310 N 7th	Bozeman.	587-383
Michael [illegible] Exxon	300 E. Griffin	Bozeman	587-743
Yale M [illegible]	BOX 129	Belgrade	388-4009

Ex 4
SB173

Amendments to Senate Bill 173 (Third reading copy) Bengtson

1. Title, line 5.
Strike: "COUNTY"

2. Page 1, lines 11 through 13.
Following: "commissioners" on line 11
Strike: "of any county owning or acquiring any such museum or collection of exhibits"

3. Page 1, line 16.
Following: line 15
Strike: "thereof"
Insert: "of any county owned or rural community nonprofit museum"

VISITOR'S REGISTER

HOUSE LOCAL GOVERNMENT COMMITTEE

BILL SENATE BILL 281 DATE 3-15-83

SPONSOR SENATOR ECK

NAME	RESIDENCE	REPRESENTING	SUP-PORT	OP-POSE
1) Doug Alexander	Bozeman Mont.	Petroleum Distributors - IDMA		✓
John Brannbeck	Mont. IOMA Mont LP Gas Assn	Helena		✓
~~[illegible]~~				
Dave Goss	Billings	Billings Chamber of Commerce	X	
Mike Stephen	Helena	MACo	X	
Alec Hansen	Helena	League of cities	✓	
Tom Hagen	Billings	SD 30	X	

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

FORM CS-33

EX 5
SB 173

Kathleen M. Olson, Acting Director
Fort Missoula Historical Museum

TESTIMONY - LOCAL GOVERNMENT COMMITTEE
House of Representatives
Tuesday, March 15, 1982

Mme. Chairman and Members of the Committee:

Missoula County has allocated the allowable one mill for museums. This mill of $122,908.00 is currently shared equally between two museums: the Fort Missoula Historical Museum and the Missoula Museum of the Arts. The two museums currently serve a combined audience of approximately 40,000 people.

This current level of funding is inadequate for both museums. Each requires further funding to maintain and improve a professional, stimulating and educational museum program. The increase of the permissive mill from one to two would allow the County to further develop this extremely vital asset to the community.

As I have mentioned, the Missoula County Mill Levy borders on $123,000.00. There are numerous museums in Montana whose county tax base is so low that it is wholly inadequate to operate and staff their museums at the basic level.

Rising inflation has, naturally, strongly affected museum operational costs. Limiting a County's monetary support has curtailed their ability to further cover inflationary increases of general operations. Montana's museums have found it necessary to cut back far beyond minimum requirements. Although ready and willing, inadequate operational funding has deprived Counties and their museums of their ability to maintain and develop programs for a deserving and demanding public. At the present rate of funding, Montana's museums are unable to preserve existing resources in both historical and art environments. They are, in effect, taking two steps backward for every step forward.

The one mill maximum does not allow the County Commissioners flexibility to respond to museum needs as they arise; rather it tends to establish an arbitrary limit on what a county museum might expect to achieve.

An increase of the base funding makes it possible to increase matching funding from Federal, private, and corporate resources. Programs such as the Institute of Museum Services allows an applicant requests of not more than 10% of their total operating budget. Obviously, an increase in the mill allocation for museums would give these institutions an even greater opportunity and new motivation to meet the fundamental requirements of existence.

The increase of the allowable mill would liberate the museum staff, whether paid or volunteer, to perform the duties a staff is meant to do, and to do it well. More often than not, an inadequate staff is overburdened with the responsibilities of fund raising which usurps its abilities to use available man hours in a creative and productive manner.

In closing, I would like to reiterate the importance of Montana's museums. Montana possesses historic and artistic resources worth preserving and interpreting. These museums provide access to the resources for residents in addition to stimulating and accentuating one of our major economic industries, tourism.

"He believes in hope, but he thinks he has lived on that long enough, and would now like something a little more substantial."

VISITOR'S REGISTER

HOUSE LOCAL GOVERNMENT COMMITTEE

BILL SENATE BILL 173 DATE 3-15-83

SPONSOR SENATOR CRIPPEN

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOSE
Donna Forbes	Billings Mt.	Yellowstone Art Center	✓	
Kathleen A Olson	Msla, MT	Ft. Msla Hist. Mus	✓	
J.D. Holmes	Helena	MT ARTS ADVOCACY	✓	
R. Archibald	Helena	Mt Hist Soc	✓	

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

FORM CS-33

Ex 6
SB 41

AMEND SENATE BILL 412 AS FOLLOWS:

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

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: "<u>September</u>"
Insert: "<u>July</u>"

4. Page 3, line 7.
Following: "~~June~~"
Strike: "<u>September</u>"
Insert: "<u>July</u>"

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~~ <u>estimated</u> expenditure program of the county for the ~~current~~ <u>next</u> 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~~ <u>next</u> fiscal year;

(b) the ~~actual~~ <u>estimated</u> receipts for the ~~last completed~~ <u>current</u> fiscal year;

(c) the <u>estimated</u> surplus or unencumbered treasury balances at the close of ~~that-last~~ <u>the current</u> 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~~ <u>next</u> fiscal year;

(f) the ~~actual~~ <u>estimated</u> expenditures for the ~~last completed~~ <u>current</u> fiscal year;

(g) all contracts or other obligations which will affect the ~~current~~ <u>next</u> year revenues;

(h) the total amount of emergency warrants issued during the ~~preceding~~ <u>current</u> 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"

7. Page 6.
Following: line 17
Insert: "Section 9. 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 18. 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;

(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 21. 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"

17. Page 19, line 3.
Strike: "current"
Insert: "next"

18. Page 20, line 6.
Strike: "current"
Insert: "next"

STANDING COMMITTEE REPORT

March 17, 19 83

MR. SPEAKER

We, your committee on LOCAL GOVERNMENT

having had under consideration SENATE Bill No. 173

third reading copy (blue)
color

A BILL FOR AN ACT ENTITLED: "AN ACT TO RAISE THE MAXIMUM PERMISSIVE MILL LEVY FOR COUNTY MUSEUMS; AMENDING SECTION 7-16-2205, MCA."

Respectfully report as follows: That SENATE Bill No. 173

BE CONCURRED IN

DOXPASX

STATE PUB. CO.
Helena, Mont.

KATHLEEN McBRIDE Chairman.

COMMITTEE SECRETARY

STANDING COMMITTEE REPORT

March 22, 19 83

MR. SPEAKER

We, your committee on LOCAL GOVERNMENT

having had under consideration SENATE Bill No. 281

third reading copy (blue)
color

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING ADOPTION OF A LOCAL OPTION MOTOR FUEL TAX BY REFERENDUM; AMENDING SECTION 7-14-301, MCA."

Respectfully report as follows: That SENATE Bill No. 281

BE CONCURRED IN
~~DO PASS~~

KATHLEEN McBRIDE Chairman.

STATE PUB. CO.
Helena, Mont.

COMMITTEE SECRETARY

STANDING COMMITTEE REPORT

March 17, 19 83

MR. SPEAKER

We, your committee on LOCAL GOVERNMENT

having had under consideration SENATE Bill No. 345

third reading copy (blue)
color

A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW THE DEPARTMENT OF ADMINISTRATION TO PROVIDE ASSISTANCE TO POLITICAL SUBDIVISIONS OR NONPROFIT ORGANIZATIONS FOR THE PURPOSE OF ESTABLISHING COMMUNICATION SYSTEMS; AMENDING SECTION 2-17-302, MCA."

Respectfully report as follows: That SENATE Bill No. 345

BE CONCURRED IN

~~DO PASS~~

KATHLEEN McBRIDE Chairman.

STATE PUB. CO.
Helena, Mont.

COMMITTEE SECRETARY