

MINUTES OF MEETING  
LOCAL GOVERNMENT COMMITTEE  
MONTANA STATE SENATE

March 5, 1983

The meeting of the Local Government Committee was called to order by Chairman George McCallum on March 5, 1983 at 12:30 p.m. in Room 405, State Capitol.

ROLL CALL: All Senators present.

CONSIDERATION OF HOUSE BILL NO. 58: Rep. John A. Ryan, District #49, introduced this bill at the request of the hospital administrator in Jordan. They wanted the mill levy raised to keep the little hospital running as they are having trouble keeping it in operation. By request of the hospital board to the county commissioners they can raise more mills than they now can and gave the section numbers in the statutes that explains how this can be done. (Section 7-34-2134 and 2135(1)).

PROPOSERS: Beverly Gibson, Montana Association of Counties gave her testimony, a copy of which is attached.

John Wilkinson, Chairman of the Board of County Commissioners, Lewis and Clark County, supported the bill and said they are in the process of replacing the old facility in their county. In order to complete the bidding, the county must levy 2.75 mills for a 3 year period. This bill would also simplify the procedure for accounting. (Testimony attached).

George Bousliman, Urban Coalition, supported the bill.

Lee J. Tickell, Chief of Field Services Bureau, Department of Social and Rehabilitation Services, also supported HB 58.

There were no opponents.

DISCUSSION OF HOUSE BILL NO. 58: Sen. Hammond asked what happens in a county where there is a hospital and they create a hospital district in another town - would this be a double burden? Rep. Ryan was not too sure about this as they have just the one small hospital in the area.

Mrs. Gibson said the counties have the flexibility to choose whether they want to support their hospital countywide. Some counties have only one district and some may have more than one.

Sen. Thomas asked if it is 16 mills total and then it would have to be taken to the voters. Rep. Ryan said that they can go to 13 1/2; anything over that you have to go to the voters. Under this bill, there is no limit with the vote of the people. Sen. Van Valkenburg asked if, without the vote of the people, would it be more than 16 1/2?

There being no further questions from the committee, the hearing was closed on HB 58.

CONSIDERATION OF HOUSE BILL NO. 212: Jay Fabrega, District #44, said that everyone on the committee is aware of the problems of the libraries in the major cities as far as financing is concerned. They have the books and buildings but the service is being cut back. He introduced this bill to raise the mill levy for counties from 3 to 5 and for cities from 4 1/2 to 7 mills.

PROPOSERS: Jim Nugent, City of Missoula, read a letter from Dave Wilcox, Administrative Assistant, in support of HB 212. A copy of this letter is attached to the minutes.

Jack Stimpling, Director of the McLaughlin Research Institute, Great Falls, said he was concerned about the young people not having the access to a good public library and felt this was one of the reasons for the failing scholarship and interest in the sciences and technology. Unless this is turned around the country is going to be in serious trouble. Interest in science and technology begins with resources that are provided by public libraries and felt libraries play a key role in the future of our nation.

J.D. Holmes, Montana Arts Advocacy, felt that libraries head the list in importance in improving the cultural level of the state. Nine counties are now at the maximum and six cities are above the maximum. They are in support of the bill as written and as it may be amended with Sen. Mazurek's amendment.

Millie Sullivan, Helena, said that the Montana State Library Commission supports this bill in that it allows the counties some flexibility in the funding of libraries.

Sen. Mazurek, District #16, has been before this committee previously with SB 272. He was in support of this bill but said it would not solve the problems across the state. They would like to have the additional authorization in SB 272, to allow the city or county governing board, by petition, to exceed the maximum with voters' approval. Some of them are already operating at more than these new maximums and there is a need to go above that. He suggested that subsection (2) of SB 272 be amended into this bill.

Dennis Fredrickson, Lewis and Clark County Library, urged the passage of this bill with the amendments suggested by Sen. Mazurek.

Elizabeth Morrissett, Montana Library Association and Head Librarian at Montana Tech said they need more revenue and public libraries are worth every dollar that they receive.

Sen. Max Conover read a letter from Rep. Glenn Mueller, District #21 in support of HB 212. A copy of this letter is attached to the minutes.

Sen. Max Conover, District #36, appeared in support of this bill. He also serves on the library board of Yellowstone County and said they would have to cancel all book purchases for the rest of the year and said they need this kind of support.

There were no opponents.

DISCUSSION OF HOUSE BILL NO. 212: Sen. Conover referred to page 2, (4) and asked about a charter form of government like Billings which takes money out of the library fund without the consent of the library trustees. Rep. Fabrega said that is currently the law. Sen. Conover said the charter form of government does not have to abide by the laws of the state under that form of government and wanted to make this clear, but Rep. Fabrega said even though they are a charter form of government they still are limited to the 65 mill general fund. He also said he had no problem with the amendment proposed by Sen. Jazurek. Sen. Mazurek will carry the bill on the floor should this committee concur in the bill.

The hearing on HB 212 was closed.

CONSIDERATION OF HOUSE BILL NO. 164: Rep. Gene Donaldson, District #29 said that this bill had been in the Senate Agriculture Committee and all it does is change the word sprinkler to maintenance. This law was passed many years ago. This is not sprinkler irrigation but sprinkling of streets. Page 3, lines 17-21 defines what this is. The only real difference is snow removal from what it is now. Page 5, line 6 states that the time for the ordinance to be acted on is changed from 15 to 12 days.

PROPOSERS: Bob Erickson, City Manager for the City of Helena, said that this statute is 50 years old and is very confusing. The hearing process, however, has been left in.

Ken Haag, Director of Public Works, City of Billings, supported the bill.

Jim Nugent, City of Missoula, urged passage of this bill. His testimony is attached to these minutes.

Alec Hansen, League of Cities, supported the bill for the reasons cited by the other proponents.

Bill Verwolf, City of Helena, said there were four things the League was especially interested in seeing passed this session and this is one of the four.

There were no opponents:

DISCUSSION OF HOUSE BILL NO. 164: Sen. Crippen asked how these things are paid for at the present time? Mr. Haag said Billings is one of those that can do snow removal now. Bill Verwolf said that Helena's snow removal is put in the general fund, the rest of the functions are through the sprinkler district. Sen. Marbut wondered about the change in the fiscal year that was accomplished when we passed a bill of Sen. Lynch. Mr. Verwolf did not feel that Sen. Lynch's bill would change HB 164.

Sen. Van Valkenburg asked if the leaf removal in Missoula was out of the general fund? Mr. Nugent said that the general fund is used for most of these services. Mr. Verwolf said that in Helena, chip sealing and overlaying are done out of the general fund.

Chairman McCallum asked what the money would be used for - the money they have been using up to now. Would taxes be cut? Mr. Erickson said it would probably be a tradeoff.

There being no further questions, the hearing on HB 164 was closed.

CONSIDERATION OF HOUSE BILL NO. 293: Rep. Dozier, District #61, said that the interest limit was changed in 1981. This takes that interest rate ceiling off and extends the payoff time from 8 to 12 years.

Ken Haag, City of Billings, asked for an immediate effective date.

Jim Nugent, Missoula, felt it was simply a legislative oversight and should have been changed last year.

Alec Hansen, League of Cities, supported the bill as did Bill Verwolf of the City of Helena.

There were no opponents to HB 293.

DISCUSSION OF HOUSE BILL NO. 293: Sen. Ochsner asked about the percentage figure that has been changed. It was changed in the House to be 12% and then amended to be pursuant to 17-5-102. Dave Bohyer explained that section. Sen. Van Valkenburg said that a bill has been passed to take care of this. Rep. Dozier, however, agreed with the request for an effective date.

There being no further questions from the committee, the hearing was closed on HB 293.

CONSIDERATION OF HOUSE BILL NO. 306: Rep. Gene Ernst, District #47, said that local government entities favor this bill. There must be an ad stating that an audit has been conducted and that a copy has been sent to the paper for public viewing. This is not trying to take away the rights of the public to know. It is just to save costs to small districts that could better use that money.

There were no proponents.

OPPONENTS: Mike Meloy, representing the Montana Press Association, was present to oppose HB 306. He said that the sections that were amended are those that require audits to be done on local government entities on a biannual basis. These are done with the assistance of the state auditor. About 10 years ago it was amended to say that only the comments of the audit have to be published and usually these are very short statements. He contacted the newspapers about the approximate costs and a copy of the replies is attached. The highest cost is Petroleum County which is \$318. The reason the costs are so low is that the state placed a lid on the amount the paper can charge,

these reasons they asked for a do not pass on this bill.

There were no further opponents.

DISCUSSION OF HOUSE BILL NO. 306: Sen. Fuller asked if this was the publishers or reporters of the Montana Press Association. Mr. Meloy answered that it is the publishers. The amount of money per year received is a small fraction of their total budget so this is not why they are in opposition. They feel that the audit statements are to be published.

There being no further questions, the hearing on HB 306 was closed.

CONSIDERATION OF HOUSE BILL NO. 491: Rep. Dozier, District #61, said it is a simple bill and there is only one change. It just adds assessors to the bill stating that they are allowed actual traveling expenses to their conventions. Most counties are doing it now and they just want to make it legal.

PROPOSERS: Charles Graveley, representing the County Assessors, said they had asked that these two bills, HB 491 and 579, be drafted together but they came out as two separate bills and 579 went to another committee. County assessors are essentially a state office but they are elected on a county level. Urged the committee's support for the bill especially since there are counties that are already doing it.

There were no opponents to HB 491.

DISCUSSION OF HOUSE BILL NO. 491: Sen. Ochsner felt that the assessors are state employees and wondered why we have to sock it to the counties. Rep. Dozier said when they were made state employees a lot of the counties did not want this; they wanted to have some control over them so it was stated that they would be state employees but they would be elected by the counties. Sen. Ochsner wanted to know if this couldn't be paid by the State.

A representative of the Department of Revenue said they did pay for these expenses until 1981. In 1981 the Legislature resisted an amendment that was submitted and we stopped paying for appraisers and assessors. The appraisers quit coming to the meetings and the assessors come at their own expense. Some counties used the statute to say they shouldn't pay for it. We feel they are operating as an agent of the state. As far as the association conventions, the Dept. of Revenue stopped paying for both of them in 1981.

Sen. Hammond asked why these two bills aren't in the same committee but Rep. Dozier said he had no explanation. Sen. Marbut felt they are redundant. The other bill, HB 579, allows the county assessor to obtain county membership. He felt these two bills should be put together and suggested that this bill be moved to State Administration.

Charles Graveley said that at the time of the drafting request it was asked that they be one bill, however, there are separate sections

dealing with payments for sheriffs, justices of the peace, etc., and this may be why they came out as two separate bills.

Chairman McCallum said that this bill has been brought in before and it has always been brought out that they are state employees. Sen. Van Valkenburg felt that the assessor is something in between state and county employee and Sen. Ochsner remarked that we should get them straightened out.

Rep. Dozier felt that they are really not state employees, they are elected officials. This is not the fault of the assessor but the fault of the Legislature. It is kind of a weird position they are in. Most of the counties feel it is justified to pay this minimal cost out of some kind of slush fund.

FURTHER CONSIDERATION OF HOUSE BILL NO. 319: Chairman McCallum said that Rep. Manuel had talked to a number of the members about HB 319, and said he would not be adverse to striking all the language except page 2, lines 20, 21 and 22, and reinsert the original language in the bill, also striking section 1 in its entirety. However, if we are going to do this we must reconsider our action on HB 319. Sen. Ochsner said they have had mutual aid agreements in their area for years, in fact they just negotiated another one. Sen. Van Valkenburg MOVED TO RECONSIDER THE COMMITTEE ACTION ON HB 319. MOTION CARRIED with Sens. Ochsner and Marbut voting "no". Dave Bohyer will draft the amendments to be presented to the committee.

DISPOSITION OF HOUSE BILL NO. 293: Sen. Ochsner MOVED THE AMENDMENT TO HB 293 - effective date. MOTION CARRIED UNANIMOUSLY. Sen. Fuller MOVED HB 293, AS SO AMENDED, BE CONCURRED IN. MOTION CARRIED UNANIMOUSLY.

MEETING ADJOURNED 2:55 p.m.

  
GEORGE MCCALLUM, CHAIRMAN

(Type in committee members names and have 50 printed to start.)

ROLL CALL

LOCAL GOVERNMENT

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date 3/5/83

NAME	PRESENT	ABSENT	EXCUSED
OCHSNER	✓		
CRIPPEN	✓		
HAMMOND	✓		
STORY	✓		
MARBUT	✓		
CONOVER	✓		
FULLER	✓		
THOMAS	✓		
VAN VALKENBURG	✓		
BOYLAN	✓		
McCALLUM	✓		

DATE

March 5

COMMITTEE ON

## VISITORS' REGISTER

58-164 212  
293-306-491

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Beverly Gibson	M A Co - Helena	HB 58	✓	
" "	" "	HB 491	✓	
Bill Verusoff	City of Helena	HB 164	✓	
J. D. Holmes	MT ARTS ADVOCACY	HB 212	✓	
Chris White	Montana Library Assn	HB 212	✓	
Don J. Hansen	League of Cities	HB 58	✓	
Mike Wilson	Y. Clark	HB 58	✓	
LEE J. TICKELL	S.R.S.	HB 58	✓	
Key Haag	City of Billings	HB 164 293	✓	
George Bonham	Urban Coalition	HB 58	✓	
JOHN WILKINSON	Lewis & Clark Library	HB 58	✓	
Mike Meloy	PRESS ASSOC.	HB 306		✓
Patricia Lee	Helena Writers	58	✓	
Adrian	ref	HB 212	✓	
Jim Nugent	City of Missoula	HB 212	✓	
Jim Nugent	City of Missoula	HB 164	✓	
Dennis Fredrickson	Lewis & Clark Library	HB 212	✓	
Dorothy Sullivan	Art Library Assn	HB 212	✓	
Jim Heckel	Lewis & Clark Library	HB 212	✓	
Frank Miqueloth	Carroll College Library	HB 212	✓	
Charles Brashley	Co. Assessors	HB 491	✓	
JIM Nugent	City of Missoula	HB 293	✓	
Alec Hansen	LEAGUE OF CITIES	164 293	✓	
William Leary	Mont. Hospital Assn	HB 58	✓	



# STANDING COMMITTEE REPORT

March 5

19 83

MR. **PRESIDENT**

We, your committee on **LOCAL GOVERNMENT**

having had under consideration **House**

Bill No. **293**

**Dozier (McCallum)**

Respectfully report as follows: That **House**

Bill No. **293**

**third reading copy, be amended as follows:**

1. **Title, line 8.**

Following: **"MCA"**

Insert: **"; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"**

2. **Page 3.**

Following: **line 24**

Insert: **"NEW SECTION. Section 3. Effective date. This act is effective July 1, 1983."**

**BE CONCURRED IN,**  
**AS AMENDED**

DO PASS

HB 58

Mr. Chairman and members of the committee, for the record I am Beverly Gibson from the Montana Association of Counties.

The Montana Association of Counties supports this bill because it allows the local taxpayers the flexibility to support their local medical facility at whatever monetary level it takes to keep it in operation for their use. It will benefit both urban and rural county taxpayers.

The major thrust of HB 58 is to create more flexibility for hospital districts to raise enough money to operate. The other issue raised in this bill is to remove funding for county medical facilities from the poor fund. Counties now have the option to support their medical facilities by levying from within the poor fund, or outside the poor fund, without establishing a hospital district.

The most frequent method is to levy mills for county medical facilities within the poor fund. However, when a county applies for a state grant-in-aid for welfare expenditures, the millage for the hospital or nursing home must be separated out, and sometimes that is difficult to do, because part of the care for indigents includes this type of care. It will be much clearer for audit purposes to levy separately for the county medical facilities.

I have prepared a chart that will show you what each county pays for their hospital or nursing home, and by what method. The chart also shows how much one mill will raise in a county; as you will notice, the mill value varies from county to county. One mill in Garfield county will raise only \$6,521, but in Lewis and Clark county one mill raises \$54,722; therefore, it takes more mills to support a facility in a small-valuation county than in a high-valuation county.

I urge your support of this bill. Thank you.

County - owned  
and/or operated  
hospitals and/or  
nursing homes

1982-83

Form 4256 Counties

(1981-82)

	State Publishing Co. Helena, Montana	class	mill value	med. fee. in poor fund	mills outside poor fund	hospital district mills
✓	Beaverhead	4	15,345		3.00	
✓	Big Horn	1	12,392	1.15	2.99	
	Blaine	2	33,607			
✓	Broadwater	6	7,131	4.17		
✓	Carbon	3	27,321			
✓	Carter	6	6,518	1.00		
✓	Cascade	1	89,479	(2.75 7482-83)		
✓	Chouteau	3	28,683			12.39*
✓	Custer	4	18,321			
✓	Daniels	6	8,035		9.00	
✓	Dawson	2	30,045	1.84		
	Deer Lodge	5	13,208			
✓	Fallon	1	11,832			
	Fergus	3	22,220			
✓	Flathead	1	80,101	1.06		
✓	Gallatin	1	56,944	1.90		
✓	Garfield	6	6,521	13.50		
✓	Glacier	2	44,961	4.32		
	Golden Valley	7	4,245	1.00		
✓	Granite	6	5,308	6.00		
	Hill	2	44,742			
	Jefferson	5	10,877			
	Judith Basin	6	9,768			
	Lake	3	26,272			
✓	Lewis and Clark	1	54,722			
✓	Liberty	3	21,520	9.00		
	Lincoln	2	32,594			
✓	Madison	5	14,208			6.00*
✓	McCone	5	11,516	1.38		
✓	Meagher	6	5,732		3.00	
✓	Mineral	7	4,643		3.00	
	Missoula	1	124,355			7.00
✓	Musselshell	3	29,304		2.04	
	Park	4	17,827			
	Petroleum	7	28,822			
	Phillips	2	32,896			
✓	Pondera	3	23,698	1.65		
✓	Powder River	1	73,083	3.80	5.10	
✓	Powell	5	11,475	1.25		
✓	Prairie	6	6,228	9.30	9.00	
✓	Ravalli	3	21,801	2.57		
	Richland	1	144,666			
✓	Roosevelt	1	67,518			11.46*
✓	Rosebud	1	163,639			
✓	Sanders	4	19,357			3.00
✓	Sheridan	1	92,393			
	Silver Bow	2	47,571			
✓	Stillwater	5	13,967		.68	
✓	Sweet Grass	6	7,308			
✓	Teton	4	178,866			3.00
✓	Toole	2	45,258	7.85 (10.66 7482-83)		
	Treasure	7	44,022			
	Valley	3	29,389	.0001528		
✓	Wheatland	6	5,692	2.0		
✓	Wibaux	3	28,964			
✓	Yellowstone	1	196,095	.15		

\* Chouteau: sinking fund 1.10  
Chouteau Co. hosp. 8.50  
Riv. Valley Hosp. 2.79

\* Madison: Madison Valley Hosp. 3  
Ruby Valley hosp. 3  
\* Roosevelt: Culbertson hosp. 1.46

JOHN WILKINSON  
COUNTY COMMISSIONER

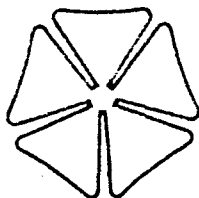
## Lewis and Clark County Support for HB58 and HB145

As an operator of a county nursing home, Lewis and Clark County supports legislation to allow for a separate mill authorization for county nursing home purposes. Such authorization is provided by both HB58 (Ryan) and HB145 (Harper). The county supports both pieces of legislation for the following reasons:

First, both bills will enable the county to complete the financing of a new nursing home. After initially attempting to replace its existing condemned facility without a local tax subsidy, the county, due to reductions in Medicaid property reimbursement rates, was forced to resort to local tax assessment to finance construction of a new \$1,900,000 60-bed facility. The primary source of funding was a \$1,000,000 general obligation bond issue; \$1,000,000 was the maximum amount available to the county under its GO bonded indebtedness limit. The other tax levy came from the 2.75 mill assessment allowed counties for nursing home purposes under the present County Poor Fund. Under current law, Section 53-3-323 MCA, the County Poor Fund mill assessments are directly tied to the state's grant-in-aid program for welfare departments. In order to complete financing of the new facility, the county needs to levy at least 2.75 mills for a three year period. Prior to the bond issue election, county voters were informed of the property tax increases associated with the bond issue and the 2.75 three-year mill assessment. At the polls on November 2, 1982, the voters, by an overwhelming 78% majority, approved the bond issue. The current law is set to sunset on June 30, 1983. There are a number of welfare related proposals to replace it. The county believes that, in order for voters wishes to be followed, it would be in the best interest of the county to have a separate mill assessment for nursing home purposes.

Second, the separation of the nursing home from the Poor Fund budget will enable the county's accounting office to simplify and clarify accounting procedures for both the nursing home and the welfare department. This step will eliminate audit

Third, Lewis and Clark County recognizes the problems of smaller counties in which due to economy of scale, find it necessary to subsidize the operations of their nursing home with a local tax assessment. By having a separate nursing home assessment, they will be able to continue their nursing home operations with placing it in competition with the needs of their welfare department. This becomes most important in light of the proposals for additional Medicaid reductions and the large increases in welfare assistance experienced by most counties.



THE GARDEN CITY  
HUB OF FIVE VALLEYS

# Missoula, Montana 59802

OFFICE OF THE  
201 West Spruce Street  
Phone 721-4700

TO: Senator George McCallum, Chairman  
Local Government Committee  
Members of the Committee *David Wilcox*

FROM: The City of Missoula by David Wilcox, Administrative Assistant

RE: HB 212 Raising the Maximum Mill Levy for Libraries

DATE: March 4, 1983

House Bill 212 is one of several bills introduced this session which could increase the mill levy limit for libraries. As amended in committee and passed by the House of Representatives, HB 212 is the best bill among those proposed. The City of Missoula supports the bill because it represents a means by which libraries throughout the state may obtain additional monies if local governing bodies decide to raise property taxes for that purpose.

Libraries throughout the state, like all other local government services, are suffering from declining revenues while operating costs increase. Yet libraries are suffering no more seriously than other services including police, fire and street maintenance. The additional authorized millage may help libraries, but it doesn't necessarily help other services or property tax payers. Nevertheless, the bill may be utilized by local governments to improve one service they are responsible for providing. And, the fact that the new library millage will lie outside the general all-purpose levy provides for improving libraries without harming other services.

Local governments will use the increased allowable millage cautiously and prudently, to be sure. Local government bodies are no less reluctant than the legislature to increase taxes. They will only increase taxes where necessary and where the demand for service indicates acceptability on the part of local tax payers.

HB 212 gives local governments additional taxation authority for a specific purpose. The authority is needed. The City of Missoula urges passage of the bill.

kma



*The Big Sky Country*

MONTANA STATE HOUSE OF REPRESENTATIVES

REPRESENTATIVE GLENN H. MUELLER  
HOUSE DISTRICT 21

HELENA ADDRESS:  
CAPITOL STATION  
HELENA, MONTANA 59620

HOME ADDRESS:  
BOX 334  
LIBBY, MONTANA 59923

COMMITTEES:

FISH, WILDLIFE & PARKS  
NATURAL RESOURCES  
STATE ADMINISTRATION

March 5, 1983

TO: Senator George McCallum  
Members of Senate Local Government Committee

Gentlemen:

I respectfully urge the Senate Local Government Committee to approve House Bill 212. This proposed mill levy increase is permissive. I sincerely believe we should give our local governments the option and flexibility to do what the county or city leaders decide is needed and best for their individual situations. The Lincoln County Commissioners favor this legislation.

As a member of the Lincoln County Library Board, I am well aware of the problems we have in keeping our libraries open. The cost of books, energy, etc. has reached the point where we have had to drastically reduce the purchase of books and our services to the community.

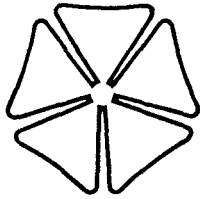
Your approval of this legislation would be appreciated.

Sincerely,

A handwritten signature in cursive script, reading "Glenn H. Mueller".

GLENN H. MUELLER  
Representative

GHM:dh



THE GARDEN CITY  
HUB OF FIVE VALLEYS

# Missoula, Montana 59802

March 4, 1983

OFFICE OF CITY ATTORNEY  
201 West Spruce Street  
Phone 721-4700  
83-167

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

Re: House Bill 164-Pertaining to Municipal  
Maintenance Districts

Members of the Senate Local Government Committee:

I would like to urge your support for the enactment of House Bill 164 pertaining to municipal maintenance districts for streets, avenues, and alleys. HB 164 renames municipal sprinkling districts to municipal maintenance districts. Further, HB 164 defines maintenance services so that the express itemization of maintenance services more adequately and accurately reflects modern street maintenance techniques and procedures actually relied on pursuant to modern technology.

The existing sprinkling district law authorizes and empowers a city to prepare and improve streets, avenues, and alleys so that sprinkling district services will be of a durable and continuing benefit. See 7-12-4405, M.C.A. However, the existing statutory language was enacted decades ago. Thus, it does not expressly include all modern street maintenance techniques and procedures. A review of the legislative history for Title 7, Chapter 12, Part 44, in the Montana Code Annotated pertaining to "Special Provisions for Street Sprinkling Districts" indicates that some provisions were enacted in 1897 and amended in 1927. The provisions set forth in 7-12-4405 through 7-12-4407, M.C.A., were originally enacted in 1933. Each of the provisions have always been reenacted each time the legislature recodified the law, but no substantive changes have been made to any of these provisions for fifty (50) years.

Further, the property owner safeguards within the law should be noted and emphasized. Published notice of any proposed maintenance district is required. Further, pursuant to Section 7-12-4407, M.C.A., a mere 40% of the abutting property owners protesting in writing may defeat a maintenance district proposal if they are not in agreement with the proposal.



Members of the Senate Local Government Committee

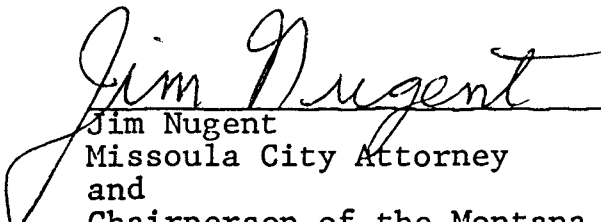
Page 2

March 4, 1983

Obviously, the composition of streets, avenues, and alleys, as well as their surfaces, have changed dramatically since 1897, 1927, and 1933, as have the methods and techniques for maintaining streets, avenues, and alleys so that the maintenance services are of a durable and continuing benefit. Clearly, it would be helpful to cities and towns as well as property owners if the existing sprinkling district laws were clarified and modernized to expressly indicate that these provisions of law may be relied on for graveling, oiling, chip sealing, seal coating, overlaying, treating, general cleaning, sweeping, flushing, snow removal, etc.

The Montana League of Cities & Towns unanimously voted at its annual meeting to support the revisions to existing law that are proposed by HB 164. Once again, I would urge your support for the enactment of HB 164. Thank you.

Respectfully,

  
\_\_\_\_\_  
Jim Nugent  
Missoula City Attorney  
and  
Chairperson of the Montana League  
of Cities & Towns Legislation Committee

JN/jd



## CITY OF BILLINGS

P.O. BOX 1178  
BILLINGS, MONTANA 59103  
PHONE (406) 245-8989

March 4, 1983

Senate Local Government Committee  
48th Legislature  
Helena, MT 59620

Ref: House Bill 293

Dear Sirs:

Thank you for the opportunity to present this testimony in favor of House Bill 293. Briefly this bill removes the present 6 percent interest rate ceiling on curb, gutter, sidewalk and alley approach warrants and allows the term of assessment on these warrants to be extended from 8 years to 12 years.

Past legislatures have removed artificially low interest rates on special improvement districts, general obligation bonds, revenue bonds and other forms of financing by local government. Unfortunately, because of the placement of this particular item in the Code, it has never been picked up and changed.

This oversight has created problems in the cities by limiting competition in that only very major concrete contractors will bid on a program under these conditions and the bid price is drastically inflated to make up for the fact that the contractor will be paid in warrants that are drawing interest rate at well below any reasonable market value.

We are requesting the extension of term from 8 years to 12 years because the average cost of this work has increased over the past several years; thus, by allowing up to 12 years, we are able to make it easier for a property owner to install these improvements.

I would also request that this committee add a provision to this bill which would provide for an immediate effective date. In that way, we would be able to use the provisions of this bill in this summer's construction.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ken Haag", is written over a horizontal line.

Ken Haag, P.E.  
Director of Public Works

ACTUAL COSTS OF PRINTING SCHOOL DISTRICT  
AUDIT COMMENTS OVER PRECEDING BIENNIUM

<u>NEWSPAPER</u>	<u>SCHOOL DISTRICT</u>	<u>COST</u>
Hardin Herald	1 & 17 (Hardin)	\$ 46.80
	2 & 27 (Lodgegrass)	72.00
	2 & 3 (Pryor)	61.20
Terry Tribune	5 (Terry)	154.80
Glendive Ranger Review	Glendive	192.60
Kalispell Daily Inter Lake		79.20
Hamilton Ravalli Republic	#1 Corvallis	90.00
	#1 (Hamilton)	72.00
	#3 (Hamilton)	133.20
	#9 (Darby)	50.40
	#2 (Stevensville)	151.20
Independent Record	#1 (Helena)	54.00
	#9 (East Helena)	57.60
	Montana City School	54.00
	#1 (Jefferson County)	79.20
Mineral Publishing Co.	Alberton	133.20
	Superior	144.00
	St. Regis	108.00
Roundup Record-Tribune	#55 (Roundup)	169.20
	#64J (Melstone)	169.20
	Musselshell	- 0 -
	Petroleum	318.80
Philipsburg Mail	Drummond	118.90
	Philipsburg	172.80
	Choteau #1	180.00
	Power #30	133.20
	Dutton #28	97.20
Flathead Courier	Polson #23	122.40
	Arlee #8J	111.60
	Wolf Point	73.80
	Froid	104.40
	Brockton	81.00
	Bainville	138.00
Missoulian	Big Sky	100.80
	Hellgate	122.40
	Seely Swan	75.60
	Sentinal	136.80
	Lolo	154.89
	#23	75.60
	#34	140.40
	Florence	147.60

<u>NEWSPAPER</u>	<u>SCHOOL DISTRICT</u>	<u>COST</u>
Missoulian	Bonner	\$126.00
	Frenchtown	183.60
	#1 Missoula	111.60
	#4 Hellgate Elem.	201.60
Harlem	#50 Hays	104.50
	#12 Harlem	100.80
	#43. Turner	96.80

Average \$119.95/Biennium

Total for 48 School Districts = \$5,757.60

Average = \$119.95 per district per biennium  
or \$59.92 per year