MINUTES OF THE MEETING LOCAL GOVERNMENT COMMITTEE MONTANA STATE SENATE

January 29, 1985

The seventh meeting of the Local Government Committee was called to order at 1:00 p.m. on January 29, 1985 by Vice Chairman John Mohar in Room 405 of the Capitol Building.

<u>ROLL CALL</u>: All members were present. Chairman Fuller was presenting a bill to another committee and arrived at the meeting later.

CONSIDERATION OF SENATE BILL 130: Senator Ethel Harding, District #25, is the sponsor of this bill. It was introduced to generally standardize notice requirements relating to the conduct of business of local government units other than municipalities.

PROPONENTS

Sue Bartlett, Lewis and Clark County Clerk and Recorder, representing the Montana Association of Clerk and Recorders, spoke in favor of the bill. She feels the bill will make the process of advertising notices a much less complicated procedure.

Mike Stephen, representing the Montana Association of Clerk and Recorders, spoke in favor of the bill. He stated the bill would streamline the ability of the clerk and recorder to operate efficiently. He proposed that the bill be amended to contain an effective date of July 1. The bill does not contain an effective date at this time.

OPPONENTS

Mike Meloy, representing the Montana Press Association, spoke in opposition to the bill. He feels there is good reason for the different types of notices; that some types of action require only one notice but others require more than one. He also stated that, while the purpose of the bill is to standardize all notices, some of the provisions are covered by this bill and some are not.

Questions from the Committee were called for.

Senator Regan asked Mr. Stephen why he proposed to make the effective date of the bill July 1. Mr. Stephen explained that it was just a matter of consistency with the fiscal year.

Senator Harding stated that she agreed that any provisions that were left out of the bill should be included as the purpose of the bill was to standardize all notices. She emphasized that the bill does not include municipalities and provisions covering municipalities were not intended to be included in the bill.

Senator Story stated he shares Mr. Meloy's concerns about different types of actions requiring different types of notices.

Senator Harding explained that all parties involved are sent some type of certified or registered mail notifying them of action to be taken besides being informed through advertising. The advertising is not the only method of notification to the parties involved.

Senator Fuller asked Mr. Meloy if he was comfortable that the bill is in compliance with the law. Mr. Meloy stated he felt the requirement for different types of notices was originally set up for a purpose. He feels there are some cases where it is more important to give more than one notice.

Senator Harding feels that, in more important cases, people are getting plenty of notice. She explained that, if the bill were to pass, it would standardize the number of notices to two.

The hearing was closed on SB 130.

CONSIDERATION OF SENATE BILL 140: Senator Chris Christiaens, District #17, is the sponsor of this bill. The bill was introduced to increase the amount of single-purpose county indebtedness authorized without a vote to \$500,000 from \$150,000.

PROPONENTS

A letter supporting Senate Bills 126, 130, 140, and 170, was submitted by the Missoula County Commissioners. The letter is attached as Exhibit A to these minutes.

Gordon Morris, representing the Montana Association of Counties, spoke in favor of the bill. He stated that the amount of one hundred fifty thousand now in the bill is a barrier to sound fiscal management. He said the Infrastructure Task Force has made several recommendations to expand the flexibility regarding the limits now imposed on county governments. He said the bill is supported by all fifty two members of the Montana Association of Counties.

Mort McBain, Administrative Officer for Yellowstone County, stated that the Yellowstone County Commissioners are in support of the bill. He feels the current dollar amount is not keeping pace with the economy and restricts the ability of county commissioners to manage in an effective manner.

Greg Jackson, representing Urban Coalition, stated he endorses the philosophy of giving local governments the ability to manage in a more effective manner.

OPPONENTS

There were no opponents to SB 140.

Questions from the Committee were called for.

Senator Story asked what other limits were placed on county spending authority. Mr. Morris responded there were a variety of limits placed on local governments through state laws, including limits on long term indebtedness and property tax indebtedness.

Senator Harding expressed her concern with the limit of five hundred thousand dollars. She stated that, for small counties, this would be a large amount of indebtedness. She asked if there could be some way to base the amount on county population. Mr. Morris stated they did not have a problem with that, but they had already tried to do that and they could not come up with a feasible formula due to the large amount of population fluctuation in counties.

Senator McCallum asked how long the limit of one hundred fifty thousand dollars had been in effect. Mr. Morris said the limit was raised in 1981 from eighty thousand dollars to one hundred fifty thousand dollars.

Senator Eck stated she felt there were enough other limits on county spending to prevent counties from going crazy spending money.

The hearing was closed on SB 140.

CONSIDERATION OF SENATE BILL 170: Senator George McCallum, District #26, is the sponsor of this bill. The bill was introduced to clarify the duties of the county fair commission and to delete ceilings on specific appropriations and on the mill levy for funding county fairs.

PROPONENTS

Bob Severson, representing the Rocky Mountain Association of Fairs, spoke in favor of the bill. He stated that fairs are often the biggest event of the year in counties but they often become strapped for funds in order to put them on. He said most counties stay well below the one and a half mill levy that can now be authorized by county commissioners but this bill would at least give them the authority to go over that limit if they needed to.

Al Brandon, Manager of the Lewis and Clark County Fairgrounds, stated his support of the bill.

Jim Hohn, Chairman of the Broadwater County Fair Board, stated his support of the bill.

Sonny Hanson, representing the Yellowstone County Fair Board, spoke in favor of the bill. He said they are in need of additional money to improve their fair facilities.

OPPONENTS

Dennis Burr, representing the Montana Taxpayers' Association, spoke in opposition to the bill. He stated they could not agree with completely removing the mill levy limit from the bill.

Questions from the Committee were called for.

Senator Fuller asked Mr. Burr how they came up with a one and one half mill levy being what every county would need. Mr. Burr stated that fairs are not essential forms of government and therefore get a mill levy after other forms of government have been accounted for.

Senator McCallum closed by stating that very few counties would need the excess of one and one half mill levies, and this bill would not give counties a free hand in spending because they always have to go before the county commissioners for funding approval.

The hearing was closed on SB 170.

CONSIDERATION OF SENATE BILL 126: Senator George McCallum, District #26, is the sponsor of this bill. He introduced the bill at the request of the Rocky Mountain Association of Fairs. The bill was introduced to authorize general transfers of appropriations within county budgets for certain expenditure classes.

PROPONENTS

Bob Severson, representing the Rocky Mountain Association of Fairs, spoke in favor of the bill. He stated that expenditures come up throughout the year that are unexpected but unspent funds in one category cannot be transferred to another category. He said additional wages are usually the problem.

Gordon Morris, representing the Montana Association of Counties, stated his support of the bill. He feels it is important for local elected officials to be able to manage their affairs.

Dennis Burr, representing the Montana Taxpayers' Association, stated he was in support of the bill.

Sonny Hanson, representing the Yellowstone County Fair Board, stated that utility costs have gone up tremendously and counties need this flexibility.

Mort McBain, Administrative Officer for Yellowstone County, stated his support of the bill. He said if they make a miscalculation in the budget, they are stuck with it even though they have the spending authority for the funds.

Al Brandon, Manager of the Lewis and Clark County Fairgrounds, stated his support of the bill.

Jim Hohn, Chairman of the Broadwater County Fair Board, stated his support of the bill.

Greg Jackson, representing Urban Coalition, stated his support of the bill.

Jim Jensen, representing the Montana Magistrates' Association, stated his support of the bill.

OPPONENTS

There were no opponents to SB 126.

Questions from the Committee were called for. There were no questions from the Committee on SB 126.

ACTION TAKEN ON SENATE BILL 126: Senator Mohar moved that the Committee recommend a DO PASS on SB 126. The motion passed unanimously.

Senator McCallum moved that the Committee recommend a DO PASS on SB 170 but withdrew his motion after Senators Eck and Harding expressed their concerns with totally removing the mill levy limit from the bill. Senator McCallum will look into perhaps amending the bill to include a mill levy higher than the one and one half mill levy now in the bill.

FURTHER CONSIDERATION OF SENATE BILL 93: Karen Renne explained the proposed amendment to SB 93 regarding the removal of the specific sign size.

ACTION TAKEN ON SENATE BILL 93: Senator Regan moved the adoption of the amendment. The motion passed unanimously.

Senator Crippen moved that an amendment to change the parking space requirement for angle parking of eight feet to thirteen feet be adopted. The motion passed unanimously.

Senator Pinsoneault moved that the Committee recommend a DO PASS as amended on SB 93. The motion passed unanimously.

FURTHER CONSIDERATION OF SENATE BILL 62: Larry Nachtsheim, Administrator of the Public Employees Retirement System, explained that the amendments to the bill would remove the option for police forces to join the Public Employees Retirement System. They would have to either join the statewide police retirement system or form their own retirement fund.

Senator Eck moved adoption of the amendments. The motion passed, with Senators McCallum, Hirsch, and Fuller voting no.

Senator McCallum requested that a fiscal note be prepared on SB 62.

The meeting adjourned at 2:55 p.m.

Senator Dave Fuller, Chairman

ROLL CALL

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COMMITTEE

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XXXXX LEGISLATIVE SESSION -- 1985

Date 1-29-85

NAME	PRESENT	ABSENT	EXCUSED
Senator Crippen, Bruce	1,		
Senator Eck, Dorothy			
Senator Harding, Ethel			
Senator Hirsch, Les	/ .		
Senator McCallum, George		·	
Senator Mohar, John(V.Chair)			
Senator Pinsoneault, Dick	1		
Senator Regan, Pat	V		
Senator Story, Pete	_ /		
Senator Fuller, Dave (Chair)			

Each day attach to minutes.

STANDING COMMITTEE REPORT

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Senator Dave Puller

Chairman.

STANDING COMMITTEE REPORT

MR. PRESIDENT We, your committee on		Janu	ary 29	19. 5
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having had under consideration	We, your committee on	LOCAL GOVERNMENT		
AN ACT TO AUTHORIZZ GENERAL TRANSFERS OF APPROPRIATIONS WITHIN COUNTY BUDGETS FOR CERTAIN EXPENDITURE CLASSES SENATE BILL No. 126 DO PASS	having had under consideration	SENATE BILL		No
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Senator Dave Fuller Chairman.

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BOARD OF COUNTY COMMISSIONERS

• Missoula County Courthouse • Missoula, Montana 59802 (406) 721-5700

BCC-85-055 January 28, 1985 LOCAL GOVERNMENT COMMITTEE JANUARY 29, 1985 EXHIBIT A

Senator Dave Fuller, Chairman Senate Local Government Committee Montana State Senate Capitol Station Helena, Montana 59624

Dear Senator Fuller:

We are writing to give our comments on four bills that are scheduled to be heard in the Senate Local Government Committee on Tuesday, January 29, 1985.

SENATE BILL 126

We are strongly in support of this bill, which would allow us the flexibility to transfer budget authority among personnel, operations and capital expenditures. County road funds already have this authority, and we believe that the same authority should be extended to all County departments. This is a reform that is long overdue. The usefulness of this provision of law in restricting County Commissioners perhaps had a purpose in the distant past, but in today's world of sophisticated budgeting and accounting and the ability of computerized accounting systems to maintain accurate records of all budgets and expenditures, there can be no reason for this restriction.

Passage of this bill would in no way remove from us our responsibility to individually list all capital expenditures, but it would make it possible, if there are savings in personnel or operations, to make capital expenditures in a timely fashion rather than having to wait until the next fiscal year.

Since our county, and virtually all counties, is frugal with its expenditures, and has never exceeded its budgeted expenditure authority, it is our belief that there would be no loss in public accountability, while our ability to flexibly respond to needs would be immeasurably enhanced.

SENATE BILL 130

We support this bill which would standardize notice requirements for the myriad activities in which we are involved. Over the years we have found it very difficult to explain to citizens why one procedure requires one set of notices, while another procedure requires a different one. No doubt many of these differences arise from the specifics of the activity when it was first enacted into law, but over the years, they have all become fairly similar from the citizen's, and from the administrator's, point of view.

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It would certainly make life easier for us, and for the people we deal with, if they knew as a matter of course that notice and hearing requirements were pretty much the same for all of the things that they have to deal with us about.

SENATE BILL 170

We are opposed to this bill, since we do not believe that it is in anyone's interest to simply raise the mill levy for county fairs. We believe a much better solution would be passage of Senate Bill 76, the "Consolidated Services Levy," which includes the fair levy as one of the mill levies to be included in the consolidated levy. Our reasoning is as follows: If there is no cap on a mill levy, then there is a presumption on the part of fair boards, managers and proponents of the fair, that the sky is the limit as far as what the Commissioners have the authority to give them.

While we support this kind of authority in principle, in view of the citizens' resentment over increases in property taxes, we believe it is important for all people who have to deal with the County budget to realize that there are indeed limits, and that resources for one County program often have to be weighed against resources for another. The all-purpose levy, while allowing us to raise tax-supported revenue for fairs above the current limit, would allow us to do so only in the context of a levy that has to support a number of other County activities, thereby ensuring that the taxpayers understand that County resources are not inexhaustible, and that difficult choices have to be made.

SENATE BILL 140

We strongly support Senate Bill 140, which would raise the limit to which counties may incur debt without a vote of the people to a more realistic level of \$500,000. With local governments now contemplating the purchase of such items as phone systems, which they never would have even dreamt of purchasing in the past, the old limit of \$150,000 simply is not realistic.

With flexible financing tools, such as municipal leases, now being handled as a routine occurrence, counties now have the financial sophistication to use other sources of financing for small capital projects, rather than simply relying on municipal bonds. Therefore, given that inflation has eroded the \$150,000 limit, and that acquisition of new kinds of capital equipment is becoming almost routine, and that new forms of financing are now available, it only makes sense to pass this bill, and increase our flexibility in being able to make capital purchases.

Sincerely,

MISSOULA BOARD OF COUNTY COMMISSIONERS

Ann Mary Dussault, Chair

Barbara Evans, Commissioner

Barbara Evans, Commissioner

Bob Palmer, Commissioner

BCC/HS/1s

cc: Missoula County Senators
Gordon Morris, Executive Director
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COMMITTEE ON LOCAL GOVT

VISITORS' REGISTER Check One BILL # REPRESENTING Support Oppose NAME MONTAX BURR SB 170 58130 513130 EB 126 58 140,120 COUNTY MCBAIN YELLAYST ONE MORT 1.30 53140 5 3/30 6. MORRIS MHCo. 5/3/26 3B 126 3B 140 SB12/ 3/3/3/ 126 SB 136