

MINUTES OF THE MEETING  
LOCAL GOVERNMENT COMMITTEE  
MONTANA STATE SENATE

February 21, 1985

The fourteenth meeting of the Local Government Committee was called to order at 12:30 p.m. on February 21, 1985 by Chairman Dave Fuller in Room 405 of the Capitol Building.

ROLL CALL: All members were present.

ACTION TAKEN ON SENATE BILL 285: Senator Regan said another bill will allocate coal interest money for school districts and highways and that should be the bill that is considered. She said a joint resolution will also be introduced to ask for a study of the coal impact program.

Senator Regan moved the Committee recommend a DO NOT PASS on SB 285. The motion passed with Senator Eck voting no.

ACTION TAKEN ON SENATE BILL 279: Senator Regan moved the Committee recommend a DO NOT PASS on SB 279. The motion failed with a tie vote. Senators Crippen, Eck, Mohar, Regan, and Fuller voted yes. Senators Harding, Hirsch, McCallum, Pinsoneault, and Story voted no.

Senator Regan moved that SB 279 be tabled. The motion passed with Senators Story, McCallum, Pinsoneault, and Harding voting no.

ACTION TAKEN ON SENATE BILL 291: Karen Renne explained the proposed amendments to SB 291. The proposed amendments would change the bill to exclude only towns with a population of less than three hundred from audits.

Senator Mohar moved the Committee adopt the proposed amendments. The motion passed unanimously.

Senator Mohar moved the Committee recommend a DO PASS on SB 291 as amended. The motion passed unanimously.

ACTION TAKEN ON SENATE BILL 118: Senator Regan suggested the bill be amended to make it optional for county commissioners to offer the additional money for additional duties and to make the amount "not to exceed two thousand dollars", rather than exactly two thousand dollars.

Senator Regan moved the Committee adopt the proposed amendments. The motion passed unanimously.

Senator McCallum moved the Committee recommend a DO PASS as amended on SB 118. The motion passed with Senator Mohar voting no.

February 21, 1985

CONSIDERATION OF SENATE BILL 389: Senator Les Hirsch, District #13, is the sponsor of this bill. The bill was introduced to revise provisions concerning the sheriffs' retirement system, to redefine "final salary" for the calculation of retirement benefits for certain members, to increase members' and counties' contributions to the system, to revise eligibility requirements for service retirement and early retirement, to revise the formula for calculating retirement benefits, and to permit a member to qualify military service as creditable service in the retirement system.

PROPOSERS

John Scully, representing the Sheriffs' and Peace Officers' Association, spoke in favor of the bill. He said most retirement systems have been altered recently but this one has not changed since 1974. Sheriffs are elected for four year terms and the current retirement requirement of twenty five years service for sheriffs is a problem since twenty five is not equally divisible by four.

Chuck O'Reilly, representing the Montana Sheriffs' and Peace Officers' Association, spoke in favor of the bill. He said they had a local sheriff who was on the force for twenty four years and was unable to collect one hundred percent of his retirement due to the twenty five year requirement.

OPPONENTS

There were no opponents to SB 389.

Questions from the Committee were called for.

Senator Mohar asked if deputy sheriffs would be included in this bill. Mr. Scully said they would be.

Senator Regan expressed concern that this would be the only retirement system with a time limit of twenty four years instead of twenty five or thirty years and that it would set a standard for all other retirement systems. Senator Story said the twenty four year period made sense because of the four year election terms.

Senator Story moved the Committee recommend a DO PASS on SB 389. The motion passed with Senators Regan and Mohar voting no.

CONSIDERATION OF SENATE BILL 336: Senator Dave Fuller, District #22, is the sponsor of this bill. The bill was introduced to change the fiscal year for counties, cities, and towns from July 1 to October 1, and to provide for transition in budgets and mill levies.

February 21, 1985

PROPOSAL

Kathy Macefield, representing the Helena Areawide Planning Organization, spoke in favor of the bill. Her written testimony is attached as Exhibit A to these minutes.

Richard Llewellyn, an attorney for the Areawide Planning Organization, spoke in favor of the bill. He said the bill will correct something they thought never existed in the first place.

Bill Spilker, a licensed real estate broker, spoke in favor of the bill. He said he spent over twelve hundred dollars in dealing with a major subdivision review due to the existing language in the statute.

H.S. Hanson, representing Montana Technical Consults, stated his support of the bill.

Terry Carmody, representing the Montana Association of Realtors, stated his support of the bill.

OPPOSERS

There were no opponents to SB 354.

Senator Fuller opened the hearing for questions. There were no questions from the Committee on SB 354.

The hearing was closed on SB 354.

ACTION TAKEN ON SENATE BILL 354:

Senator Mohar moved the Committee recommend a DO PASS on SB 354. The motion passed unanimously.

CONSIDERATION OF SENATE BILL 339: Senator J. D. Lynch, District #34, is the sponsor of this bill. The bill was introduced to allow a sheriff to charge a fee of one dollar in lieu of mileage for serving items of a civil nature.

PROPOSAL

John Scully, representing the Sheriffs' and Peace Officers' Association, stated his support of the bill.

OPPOSERS

There were no opponents to SB 339.

Senator Fuller opened the hearing for questions. There were no questions from the Committee regarding SB 339.

The hearing was closed on SB 339.

February 21, 1985

PROPONENTS

Bill Verwolf, representing the City of Helena, spoke in favor of the bill. He said Montana is one of the few states where the fiscal year does not begin on October 1. Budgets are not approved until August so you have five months of the fiscal year that are operated with no tax revenues.

Alec Hansen, representing the Montana League of Cities and Towns, stated his support of the bill.

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

Don Peoples, representing Butte Silver Bow local governments, stated his support of the bill.

Ardi Aiken, representing the Great Falls City Commission, stated his support of the bill.

Jim Wysocki, representing the City of Bozeman, stated his support of the bill.

OPPONENTS

Mike Stephen, representing the Montana Association of Clerk and Recorders, spoke in opposition to the bill. He said the current system serves them well and this system would be very cumbersome.

Questions from the Committee were called for.

Senator Crippen said he had a letter from the Clerk and Recorder in Yellowstone County objecting to the bill because it would affect school budgets.

Senator McCallum said the period between July 1 and September 30 is usually when schools set their budgets. This bill could cause budgets not to be approved until October 1.

The hearing was closed on SB 336.

CONSIDERATION OF SENATE BILL 354: Senator Joe Mazurek, District #23, is the sponsor of this bill. The bill was introduced to clarify that the conveyance of one or more parts of a building is not a subdivision.

February 21, 1985

ACTION TAKEN ON SENATE BILL 339: Senator Pinsoneault moved the Committee recommend a DO PASS on SB 339. The motion passed unanimously.

CONSIDERATION OF SENATE BILL 372: Senator Delwyn Gage, District #5, is the sponsor of this bill. The bill was introduced to require the county treasurer to invest the money of any school district as directed by the trustees of the district within three working days of such direction.

PROPOSERS

Gloria Paladichuck, Richland County Treasurer, and President of the State Association of County Treasurers, spoke in favor of the bill. She said money should be invested the very same day it is received.

Wayne Buchanan, representing the Montana School Board Association, stated his support of the bill.

Chris Mattocks, Cut Bank Superintendent of Schools, spoke in favor of the bill. He said there was one case where the money was not invested for twenty nine days, resulting in a loss of four thousand dollars in interest.

Dick Michelate, Cascade County Treasurer, stated his support of the bill.

OPPONENTS

There were no opponents to SB 372.

Senator Fuller opened the hearing for questions.

Senator Regan expressed concern that there is no penalty if they do not invest the money within three days.

The hearing was closed on SB 372.

ACTION TAKEN ON SENATE BILL 372: Senator Harding moved the Committee recommend a DO PASS on SB 372. The motion passed unanimously.

CONSIDERATION OF SENATE BILL 398: Senator R. J. Pinsoneault, District #27, is the sponsor of this bill. The bill was introduced to conform the law relating to local government initiatives to the initiative provision of the Montana Constitution by replacing a reference to annual budgets with a reference to an appropriation of money.

February 21, 1985

Letters of support regarding SB 398 were submitted by Missoula County and David Rodli, a Missoula attorney. They are attached as Exhibits B and C to these minutes.

PROPONENTS

Gary Marbut, representing the Montana Council of Organizations, spoke in favor of the bill. He said the bill would correct a technical defect in the law and bring language of the State statute into conformance with the State Constitution.

OPPONENTS

There were no opponents to SB 398.

Senator Fuller opened the hearing for questions. There were no questions from the Committee regarding SB 398.

CONSIDERATION OF SENATE BILL 415: Senator Ethel Harding, District #25, is the sponsor of this bill. The bill was introduced to provide an option for local departments or boards of health to review certain subdivisions and provide additional administrative and judicial remedies.

PROPONENTS

Paddy Trusler, Administrator of Lake County Land Services, spoke in favor of the bill. His written testimony is attached as Exhibit D to these minutes.

Pete Frazier, Environmental Health Coordinator with the City County Health Department in Great Falls, spoke in favor of the bill. His written testimony is attached as Exhibit E to these minutes.

Bill Spilker, a licensed real estate broker, spoke in favor of the bill. He said it would cut down on the review time necessary.

Terry Carmody, representing the Montana Association of Realtors, stated his support of the bill.

Jeannie Knight, Jefferson-Broadwater County Sanitarian, stated her support of the bill as long as it contained the proposed amendments.

Edward Zuleger, representing the Missoula County Health Department, stated his support of the bill.

February 21, 1985

OPPONENTS

There were no opponents to SB 415.

Chairman Fuller opened the hearing for questions.

Senator Eck expressed concern that county commissioners do not have a voice in this process. Mr. Trusler said county commissioners cannot make ordinances but the Board of Health can.

The hearing was closed on SB 415.

FURTHER ACTION TAKEN ON SENATE BILL 354: Senator Fuller mentioned that SB 354 would need to have an immediate effective date. Senator Mohar moved the Committee adopt an amendment to that effect. The motion passed unanimously.

CONSIDERATION OF SENATE BILL 416: Senator Gene Thayer, District #19, is the sponsor of this bill. The bill was introduced to revise laws regulating the deposit and investment of local government funds, broaden the range of authorized United States securities that may be purchased, clarify provisions related to repurchase agreements, raise from 50 to 100 percent the proportion of collateralization that may be required, and place an asset requirement on institutions making investments.

PROPOSERS

John Lawton, Finance Director for the City of Billings, spoke in favor of the bill. His written testimony is attached as Exhibit F to these minutes.

Jerry Thomas, Yellowstone County Finance Director, spoke in favor of the bill. He said if they could generate one half percent more interest due to investments, they could make a lot more money.

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

Bill Verwolf, representing the City of Helena, stated his support of the bill. Because of the large sums of money received from property taxes, there is a need for short term investments.

Jim Wysocki, representing the City of Bozeman, stated his support of the bill.

Dick Michelate, Cascade County Treasurer, stated his support of the bill.

Don Peoples, representing Butte Silver Bow local governments, stated his support of the bill.

February 21, 1985

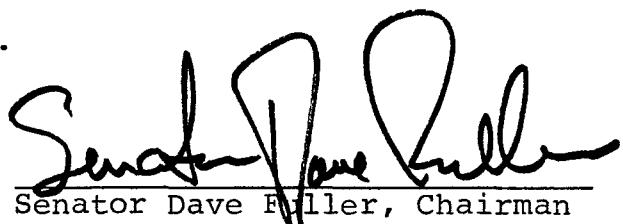
OPPONENTS

Rich Schirber, representing First Banks of Great Falls, spoke in opposition to the bill. His written testimony is attached at Exhibit G to these minutes.

Les Alke, representing the Montana Bankers' Association, spoke in opposition to the bill. He feels smaller counties do not have the expertise necessary to make investments. He also feels the bill discriminates against smaller banks.

The hearing was closed on SB 416.

The meeting adjourned at 2:30 p.m.



\_\_\_\_\_  
Senator Dave Fuller

ROLL CALL

## LOCAL GOVERNMENT

## COMMITTEE

49th  
~~XXIX~~ LEGISLATIVE SESSION -- 1985

Date 2-21-85

SENATE  
SEAT

1

Each day attach to minutes.

DATE

2-21-85

COMMITTEE ON

## LOCAL GOVERNMENT

## VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Julie Harker	Mtla Co. Frshrders	415		✓
Kera Cakau	Mtla Co. Frshrders	415		✓
Pillen Emboden	Mtla Co. Frshrders	415		✓
Gene Omorden	Mission	415		✗
Pete Foyen	City - Co. Health Dept.	415	✓	
Terrie Knight	Jefferson Broadcasters	415	✓ with amendments	
Bill Juran	Lake Co. Health Dept	415	✓ with amendments	
GARY S. MARBAT	Mont. Council of Organizations	398	✓	
Chet Basz	Powell County	415	✓ with amendments	
Bill Wood	League Women Voters	—		(as seen)
Bob Duran	City - Co. Health Dept Et. Fall	415	✓ with amendments	
Terri Thomas	Yellowstone County	415	✓	
Greg Jackson	Urban Coalition	416	✓	
John Lawton	City of Billings	415	✓	
J. C. Matticks	CUT BANK SCHOOLS	372	✓	
Don Wysocki	City of Bozeman	416	✓	
Linda Cadby	NEO Bankers Assn	416	✓	
Rich Detterer	First Banks Great Falls	416	✓	
John Morris	MPCo.			
Wayne Burcham	MSBA	372	✓	
Kathy Macfield	Areawide Planning Ass.	354	✓	
Richard J. Llewellyn	City of Helena	354	✓	
Mike Yager	City of Missoula	416	✓	
Al Johnson	City of Great Falls	336	✓	
W. W.	W. W. W. W.	416	✓	
Gloria Fidrichuk	Richard Co. Treasurer President St. Assoc. Co. Tres.	372	✓	

(Please leave prepared statement with Secretary)

DATE

2-21-85

COMMITTEE ON \_\_\_\_\_

## VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Dick Muckelbath	Cascade County State of Mt. Tumwater	416	X	
Joe Tilden	Great Falls	336	✓	
Joe Tilden	Great Falls	116		
Bill Knott	City of Helena	3136 416 354	✓ ✓	
W M Spilken	SELF	384 415	✓	
Jim Wysocki	City of Bozeman	336	✓	
Elizabeth Frey	Clinton, Mt.	415	X	
Chuck O'Reilly	MT Sheriff & Peace Officers	339 389	✓	
Rick Lister	MT Sheriff & Peace Officers	339 389	✓	
Mike Styler	MT Assoc of Clark Realt	336	X	
Richard M. Rossignol	Self	415	X	
Dannie Donnelly	Mont Assoc of Counties	354		
Eugene Ball	Clinton, Mt.	415	X	
Ray L. Leasburg	Clinton, Mt.	415	X	
Greg Olsen	Clinton, Mt.	415	X	
J. E. O'neill, Fallon	Lolo, Mont	415	X	

# STANDING COMMITTEE REPORT

FEBRUARY 21-

19 85

MR. PRESIDENT

## LOCAL GOVERNMENT

We, your committee on.....  
having had under consideration.....

SENATE BILL

372

**FIRST**

**WHITE**

reading copy (        )  
color

## REQUIRE COUNTY TREASURER TO INVEST SCHOOL MONEY WITHIN 3 DAYS OF REQUEST

SENATE BILL

372

Respectfully report as follows: That.....

No.....

DO PASS

X55X6X5X5

..... Senator Dave Fuller

Chairman.

# STANDING COMMITTEE REPORT

FEBRUARY 21

85

19

MR. PRESIDENT

We, your committee on **LOCAL GOVERNMENT**.....

having had under consideration..... **SENATE BILL**..... No. **339**.....

**FIRST** reading copy ( **WHITE** )  
color

**SHERIFF MAY CHARGE \$1 INSTEAD OF MILEAGE FOR SERVICE  
OF CIVIL PAPERS**

Respectfully report as follows: That **SENATE BILL**..... No. **339**.....

DO PASS

~~DO NOT PASS~~

..... **Senator Dave Puller**

Chairman.

# STANDING COMMITTEE REPORT

FEBRUARY 21 1985

MR. PRESIDENT

## LOCAL GOVERNMENT

We, your committee on .....  
having had under consideration..... No. ....

FIRST

reading copy ( WHITE )  
color

285

## DETERMINATION OF LOCAL GOVERNMENT COAL DEVELOPMENT IMPACT COSTS

Respectfully report as follows: That..... No. ....

## SENATE BILL

285

~~DO PASS~~

DO NOT PASS

Senator Dave Fuller

Chairman.

# STANDING COMMITTEE REPORT

FEBRUARY 21

85

19

MR. PRESIDENT

We, your committee on.....  
having had under consideration.....

**LOCAL GOVERNMENT**

**SENATE BILL**

**118**

No.....

**FIRST** reading copy ( WHITE )  
color

**INCREASE SALARY OF CLERK AND RECORDER WHO SERVES AS ELECTION  
ADMINISTRATOR**

**SENATE BILL**

**118**

Respectfully report as follows: That..... No.....

**be amended as follows:**

1. Page 2, line 12.  
Following: "administrator"  
Strike: "shall"  
Insert: "may"
  
2. Page 2, line 13.  
Following: "(1)"  
Insert: "not to exceed"

**AND AS AMENDED**

**DO PASS**

**XXXXXX**  
DO NOT PASS

.....  
**Senator Dave Fuller**

Chairman.

# STANDING COMMITTEE REPORT

FEBRUARY 21

55

19

MR. PRESIDENT

## LOCAL GOVERNMENT

We, your committee on.....  
having had under consideration..... No. 291

FIRST reading copy ( WHITE )  
color

## STATE AUDITS OF MUNICIPALITIES ON FIRST, SECOND, THIRD CLASS CITIES ONLY

### ~~XXXX~~ SENATE BILL

291

Respectfully report as follows: That..... No.....

be amended as follows:

1. Title, line 5.  
Following: "TO"  
Strike: "FIRST-, SECOND-, AND THIRD-CLASS"
2. Title, line 6.  
Following: "CITIES"  
Insert: "AND TOWNS HAVING A POPULATION OF MORE THAN 300"
3. Page 1, lines 13 and 14.  
Following: "and-towns"  
Strike: remainder of line 13 through "class" in line 14  
Insert: "and towns having a population of more than 300 in  
the most recent census taken under the direction of  
congress"

### AND AS AMENDED

DO PASS

~~XXXXXX~~  
~~DO NOT PASS~~

..... Senator Dave Fuller

Chairman.

# STANDING COMMITTEE REPORT

FEBRUARY 21

85

19

MR. PRESIDENT

We, your committee on LOCAL GOVERNMENT

having had under consideration SENATE BILL No. 354

FIRST

WHITE

reading copy (          )  
color

## CLARIFYING DEFINITION OF DIVISION OF LAND; CONVEYANCE OF PART OF BUILDING

SENATE BILL

Respectfully report as follows: That

No. 354

be amended as follows:

1. Title, line 6.  
Following: "MCA"  
Insert: ";" AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"
2. Page 1, line 18.  
Following: line 17  
Insert: "NEW SECTION. Section 2. Effective date.  
This act is effective on passage and approval."

### AND AS AMENDED

—DO PASS—

XXXXXX  
DO NOT PASS

Senator Dave Fuller

Chairman.

# STANDING COMMITTEE REPORT

FEBRUARY 21

19 85

MR. PRESIDENT

## LOCAL GOVERNMENT

We, your committee on.....  
having had under consideration.....

## SENATE BILL

389

No.....

FIRST

reading copy ( WHITE )  
color

## GENERALLY REVISING LAWS CONCERNING SHERIFFS' RETIREMENT SYSTEM

## SENATE BILL

389

Respectfully report as follows: That.....

No.....

DO PASS

XXXXXX  
DO NOT PASS

..... Senator Dave Fuller

Chairman.

# Lewis and Clark Areawide Planning Organization



City-County Building  
316 N. Park  
P.O. Box 1725  
Helena, Montana 59624  
406-442-9920 Ext. 374

Gustav A. Byrom III, Director

LOCAL GOVERNMENT COMMITTEE  
FEBRUARY 21, 1985  
EXHIBIT A

File: 1010 SB354.F21

February 21, 1985

## TESTIMONY

### SB 354

On June 27, 1984 the Attorney General issued Opinion No. 57 in which he stated that buildings to be used for lease or rental situations constitute a subdivision. This opinion has been interpreted to mean that when portions of buildings are rented or leased, that also constitutes a subdivision. This interpretation of subdivision creates many problems for local governments for the following reasons:

1. This interpretation of subdivision, when considering rental or lease situations, is confusing. As a result, this interpretation is then susceptible to many different and inconsistent applications by the various state-wide local governments.
2. Requiring that portions of buildings that are rented or leased to be reviewed as subdivisions places an unnecessary burden on the public:

Requiring public review as a subdivision for rent/lease situations results in additional and unnecessary expense for both the single individual who wants to rent or lease the portion of the building, and for the general taxpayer.

(The expense occurs because generally local government Planning offices require a review fee, and also because generally the Planning offices are partially supported by the taxpayers.)

3. Requiring public review as a subdivision for rent/lease situations, which includes even multi-family such uses as duplexes; and commercial structures that may have more than one use (such as shopping centers and medical offices, for example), is an unwarranted test of the credibility of the various local governmental agencies. Requiring unnecessary public review, as more bureaucratic red-tape, could be interpreted by the general public as having an anti-development bias.

For example: Residential Units (multi-family)

In Helena alone, in 1984, 27 building permits were issued for a total of 115 multi-family units. It can be estimated that approximately half of those permits were issued for duplexes,

for an approximate total of 13 duplexes.

In 1983, 16 building permits were issued for a total of 103 multi-family units. Again, it can be estimated that approximately half of those permits were issued for duplexes, for an approximate total of 8 duplexes.

Commercial Development

In Helena alone, in 1984, there are a total of 10 examples where more than one commercial use was located in a building (by rent or lease). In 1983, there are a total of 6 examples where more than one commercial use was located in a building (again by rent or lease). These commercial examples include offices and shopping centers.

According to the AG opinion, in 1983 and 1984, it would have been necessary for the local governing body to review approximately an additional 21 duplexes as "subdivisions". According to the AG opinion, it would have also been necessary to review the remaining 22 multi-family units as subdivisions.

In addition, if the AG opinion had been in effect for 1983 and 1984, the local governing body would have had to review the 16 commercial uses.

SB 354 clarifies that portions of buildings, whether existing or newly constructed, that are leased or rented are not subdivisions, and do not require public review. SB 354 removes the unnecessary burden of unwarranted additional public review, and is a benefit to the general public.

**The AREAWIDE PLANNING ORGANIZATION supports SB 354, and asks that you approve this bill.**

Sincerely,

*Kathy Macefield*

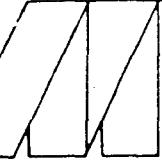
Kathy Macefield, Planner  
AREAWIDE PLANNING ORGANIZATION

NAME Kathy MacField BILL NO. 354  
ADDRESS P.O. Box 1725 Helena 59624 DATE 2-21-85  
WHOM DO YOU REPRESENT Areawide Planning Organization  
SUPPORT X OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

SB 354 clarifies that portions of buildings, whether existing or newly constructed, that are leased or rented are not subdivisions, and do not require public review. SB 354 removes the unnecessary burden of unwarranted additional public review, and is a benefit to the general public.



# MISSOULA COUNTY

OFFICE OF THE ATTORNEY  
MISSOULA COUNTY COURTHOUSE  
MISSOULA, MONTANA 59802  
TELEPHONE: (406) 721-5700

**ROBERT L. DESCHAMPS III**

COUNTY ATTORNEY

LOCAL GOVERNMENT COMMITTEE  
FEBRUARY 21, 1985  
EXHIBIT B

February 20, 1985

Gary S. Marbut  
P. O. Box 4924  
Missoula, MT 59806

Dear Gary:

You have asked me for my comments on S.B. 398. Please be advised that it generally makes sense to have the language of a statute which implements a constitutional provision conform to the constitutional language on the same subject. I understand that is the purpose of S. B. 398.

There may, however, be a good reason Sec. 7-5-131(2)(a) MCA is worded the way it is, since local governments don't "appropriate" money in the same way the legislature does, and Article III, Sections 4 and 5 of the constitution clearly relate to initiative and referendum for state laws. The local government process similar to legislative appropriations is the budget process. Hence, the language employed in 7-5-131 may be appropriate under the circumstances.

Time does not allow me the ability to further research this matter, and absent a full examination of the issue I cannot take a more precise stand on S.B. 398.

Sincerely,



Robert L. Deschamps III  
County Attorney

RLD:lh

*David Rodli Law Offices, P.C.*

725 S.W. Higgins Ave.

Suite C

Missoula, MT 59803

*David Rodli*

(406) 721-0368

February 20, 1985

The Honorable R.J. Pinsoneault  
Montana State Senate  
Capitol Station  
Helena, Montana 59620

LOCAL GOVERNMENT COMMITTEE  
FEBRUARY 21, 1985  
EXHIBIT C

Re: Senate Bill Number 398

Dear Senator Pinsoneault:

Please accept this letter as confirmation of my support for Senate Bill 398 proposing to amend the language of § 7-5-131(2)(a), M.C.A., to bring it into conformity with Article III, Sections 4 and 5 and Article XI, Section 8 of the Montana Constitution. In my opinion there is a significant difference between the term "appropriations of money" used in the Constitution and the term "annual budget" utilized in § 7-5-131(2)(a), M.C.A., though the statute appears intended to create the same exception as the Constitutional provision.

I believe the Legislature will be doing the people of the State of Montana a service by amending the statute to conform to the Constitutional language by providing a clarity to the statutory exception which will preclude the otherwise inevitable court action for interpretation.

I stand ready to further discuss the matter with you if you so desire.

Sincerely yours,



David Rodli

DR/jt

LAKE COUNTY  
LAND SERVICES DEPARTMENT

POLSON, MONTANA  
59860

LOCAL GOVERNMENT COMMITTEE  
FEBRUARY 21, 1985  
EXHIBIT D

PLANNING

Jerry Sorensen  
Nancy Thormahlen

56415

ADMINISTRATOR

Paddy R. Trusler  
TELEPHONE 406-883-6211

SANITATION

Al Hawkaluk  
Bill Juran

The Lake County Land Services Department would like to go on record in support of the concept of the above referenced proposed legislation. Many of the new provisions of this legislation have been the concept of this department along with input from the State Department of Health and Environmental Sciences and many sanitarians from around the state. The motivation for working on the concept for a local review option came from past legislatures which reviewed bills which attempted to grant total review authority to local governing bodies. This concept has obviously never been granted.

The option outlined in Senate Bill 415 is really quite simple; upon Certification by the department, a local board of health which employs professional people, can review minor subdivisions proposing individual sewage disposal and water supply systems. Also, divisions of property which connect to existing municipal systems can be reviewed by the local reviewing authority.

My department does feel that a couple minor amendments are necessary in order to make the bill totally workable. First, Section 76-4-128 should be left in its original form to allow for continued contracting between local government and the State Department of Health and Environmental Sciences. Many counties feel more comfortable with this option rather than the total review option for minor subdivisions as has been previously described. Also, the bill refers to existing community water and wastewater systems.....I believe this language should be amended to Municipal water and wastewater systems previously approved by the department.

It must be pointed out that this bill provides an option; nobody can force the local jurisdiction to review small divisions unless they request the program. There are those who feel that they employ qualified personnel and will request certification. These local boards of health should be allowed the privileges of having the option.

In Lake County my department is fortunate to have a local government which is concerned about subdivision. They are willing to expend monies to provide research materials, testing equipment and other pertinent background data which are used in review of subdivisions. The board of health recognizes this and feel that an effective and equitable review of land divisions, as prescribed in this bill, can be accomplished.

I would sincerely appreciate any effort you put forth in assisting this bill through the legislative process to enactment. I will be happy to provide any further information you may have.

  
Paddy R. Trusler Administrator  
Lake County Land Services

Pete Frazier

MR. CHAIRMAN AND COMMITTEE MEMBERS, MY NAME IS ~~DARRELL PURAN~~. I  
~~Environmental Health Inspector~~  
AM A ~~SUPERVISING SANITARIAN~~ WITH THE CITY-COUNTY HEALTH DEPARTMENT IN  
GREAT FALLS, A POSITION I HAVE HELD FOR THE PAST 14½ YEARS.

*The*  
WE SUPPORT SB 415 ONLY IF ~~two~~ AMENDMENTS ARE MADE TO THIS BILL.  
THE FIRST AMENDMENT NECESSARY IS ON PAGES 17 AND 18. IT IS IMPERATIVE  
THAT LINES 8-11 ON PAGE 18 BE DELETED AND LINES 20-25 ON PAGE 17 AND  
LINES 1-7 ON PAGE 18 BE REINSTATED AS ORIGINALLY WRITTEN. THE WAY SB  
415 IS CURRENTLY WRITTEN, IT GIVES LOCAL GOVERNMENTS THE OPTION OF  
ACCEPTING SUBDIVISION REVIEW OF FIVE OR FEWER LOTS IN ITS TOTALITY OR  
LEAVING THE RESPONSIBILITY TOTALLY WITH THE STATE DEPARTMENT OF HEALTH  
& ENVIRONMENTAL SCIENCES. THE TOTAL RESPONSIBILITY FOR SUBDIVISION  
REVIEW AND APPROVAL OF FIVE OR FEWER LOTS AT THE LOCAL LEVEL WOULD  
CREATE AN UNACCEPTABLE LIABILITY SITUATION FOR LOCAL GOVERNMENTS DUE  
TO THE LACK OF ADEQUATE FUNDS AT THE LOCAL LEVEL TO HIRE PROFESSIONAL  
SERVICES THAT MAY BE NECESSARY FOR REVIEW, INCLUDING LAWYERS, HYDRO-  
LOGISTS, ENGINEERS, ETC., WHICH ARE ALREADY AVAILABLE AT THE STATE  
LEVEL WHEN NEEDED. IN ADDITION, THE POSSIBILITY OF POLITICAL PRESSURE  
NOW HELD IN CHECK BY THE STATE DEPARTMENT OF HEALTH'S CENTRALIZED  
AUTHORITY COULD OCCUR WITH REGULARITY IN ANY LOCALLY ADMINISTERED SUB-  
DIVISION REVIEW PROGRAM. FACED WITH THESE PROBLEMS, MANY COUNTIES  
WOULD PROBABLY NOT OPT FOR THE ACCEPTANCE OF THIS RESPONSIBILITY AND,  
THEREFORE, THE STATE HEALTH DEPARTMENT WOULD BE LEFT WITH THE RESPONSI-  
BILITY OF REVIEWING MINOR SUBDIVISIONS (FIVE OR FEWER LOTS) ALONG WITH  
THE MAJOR SUBDIVISIONS. DUE TO THE STATE'S LIMITED STAFF, DEVELOPERS  
WOULD FIND THAT IT WILL TAKE THE FULL 60 DAYS ALLOWED UNDER THE LAW TO  
GET A MINOR SUBDIVISION APPROVED, COMPARED TO THE CURRENT 15 TO 20 DAYS

THAT IT NORMALLY TAKES FOR A MINOR SUBDIVISION APPROVAL WHEN IT IS REVIEWED BY A LOCAL HEALTH DEPARTMENT THAT CONTRACTS WITH THE STATE HEALTH DEPARTMENT. THEREFORE, BY REINSTATING LINES 20-25 ON PAGE 17 AND LINES 1-7 ON PAGE 18, SB 415 WILL PROVIDE LOCAL GOVERNMENTS THE OPTION TO CONTINUE CONTRACTING WITH THE STATE DEPARTMENT OF HEALTH FOR REVIEW OF MINOR SUBDIVISIONS, AS MANY COUNTIES HAVE BEEN DOING FOR A NUMBER OF YEARS. THIS PROCEDURE HAS BEEN A SUCCESSFUL METHOD OF MINOR SUBDIVISION REVIEW OVER THE PAST SEVERAL YEARS.

THE SECOND AMENDMENT HAS TO DO WITH THE SECTION ON LOT FEES ON PAGE 6. SINCE SOME LOCAL HEALTH DEPARTMENTS ARE UNDER THE COUNTY GENERAL FUND, WHILE OTHERS USE A SEPARATE FUND ESTABLISHED UNDER LAW, FOR LOCAL HEALTH DEPARTMENT OPERATIONS NOT ASSOCIATED WITH THE GENERAL FUND, LINE 20 ON PAGE 6 SHOULD BE REVISED TO READ, "THE COUNTY FUND SPECIFIED FOR LOCAL BOARD OF HEALTH ACTIVITIES".

IF THESE ~~TWO~~ AMENDMENTS ~~ARE~~ MADE, WE ASK THIS COMMITTEE TO GIVE SB 415 A "DO PASS" RECOMMENDATION. HOWEVER, IF THESE AMENDMENTS ARE NOT MADE TO SB 415, WE WOULD URGE THIS COMMITTEE TO GIVE SB 415 AN ADVERSE COMMITTEE REPORT.

THANK YOU.

LOCAL GOVERNMENT COMMITTEE  
FEBRUARY 21, 1985  
EXHIBIT F

February 21, 1985

Mr. Chairman and members of the Senate Local Government Committee, I am John Lawton, Finance Director for the city of Billings. I am here to speak on behalf of Senate Bill 416, which would broaden the investment authority of local governments.

One of the main features of this bill is that it would allow investment in U. S. Government Securities other than direct obligations of the government and would remove the 180 day maximum maturity on these investments. The reason for this proposal is to increase yields on investments without increasing risk.

The main difference between "direct obligations" of the government and "agency paper", which this bill would allow us to invest in, is that one is a direct debt of the government and the other is backed, or guaranteed, by the government. "Agency paper" includes such things as mortgage backed securities of the Government National Mortgage Association or the Federal National Mortgage Association, commonly called "Ginny Mae's" or "Fanny Mae's". These securities are backed by the government and to my knowledge, no one has ever lost a dollar of principle or interest by investing in these securities.

To expand a bit on their safety, the present law allows us to invest in bank certificates of deposit, backed only by the security of the bank where they are purchased and collateral amounting to only 50% of the value of the CD. That collateral may consist of the agency paper that this bill would provide authority to invest in! These securities are certainly as safe as bank CDs.

The reason for this bill is to provide flexibility to increase investment earnings. We have all been reminded again and again that the local government revenue base in Montana is very narrow. This bill will not make a major impact on the revenue base, but we need to make the best use of every revenue source we have. An increase of .5% on a \$1,000,000 investment would mean \$5,000 in increased earnings in one year.

Passage of this bill would not mean that all local governments would stop investing in everything else and load up on agency paper. We will still need balanced portfolios that consider factors other than yield, such as liquidity. It would simply be one additional investment tool available to add to our revenue base.

(2)

I do have one concern about the way the bill is written as it relates to repurchase agreements (Repos). Repos are simply securities that are sold to investors with an agreement by the seller to repurchase them at a future time, frequently the next day. The bill, as written, requires local governments to maintain a demand account with the institution offering the repo and limits bids on repos to institutions that accept demand accounts. This would preclude our local investment firms from offering repurchase agreements. These firms are as capable of offering repos as banks and there is no reason to eliminate them. I would recommend the demand account requirements in 7-6-213 (4) and (5) be deleted.

In sum, there don't seem to be any reasons not to have the broadened authority proposed in this bill. The reason to have it is to broaden our revenue base, however slightly, without increasing risk of loss.

Mr. Chairman and Committee Members

My name is Rich Schirber. I work for the First Banks Great Falls.

My intent is to make you more aware of certain items surrounding Senate Bill 416.

The first item that needs to be clarified is one of safety. Banks are required to pledge securities as collateral to local governments to protect the funds on deposit with their banks. If the city or county invest in mutual fund shares do they receive signed pledge agreements as in the case of bank deposits.

Second. Montana banks have a strong capital structure; providing additional protection. The capital structure of Montana Banks exceed \$500 million dollars. This provides additional safety for public funds deposited with Montana banks. *What is the capital structure of mutual funds?*

Banks are taxpayers and employers within their communities.

They contribute to the well being of their community.

In 1984 the seven Great Falls commercial banks provided \$8.500M in salaries and benefits along with providing over 400 jobs.

The banks paid more than \$300M in city/county/school taxes.

The deposits generated through local government investments are used to fund loan demand. The bulk of this loan demand goes to Montana borrowers. How much of the money invested in mutual funds come back to Montana. None, because they are required by Senate Bill 416 to reinvest the funds in U.S. Government Securities to fulfill the repurchase agreement requirements.

NAME: M Elizabeth Friesz BILL NO. 415  
ADDRESS: PO Box 218, Clinton, MT 59825 DATE 2/21/85  
WHOM DO YOU REPRESENT People of Rural & Clinton Area  
SUPPORT \_\_\_\_\_ OPPOSE X AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

What SB 415 amounts to is additional regulations & confusion, and citizen expense in addition to already complicated excessive regulations. And rural anger is on the steady rise due to the costs & impositions of the existing strenuous regulations. Many of the personnel officers can't interpret the existing laws on call, how can the constituency do so.

NAME: Edward G. Zuleger BILL NO. SB 415  
ADDRESS: 301 Alder, Muskegon, MI DATE 2/21/85  
WHOM DO YOU REPRESENT Muskegon Co. Health Dept  
SUPPORT  OPPOSE  AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME Patty TruslerBILL NO. 415ADDRESS Lake Co. Courthouse Polson DATE 2-21-85WHOM DO YOU REPRESENT Lake CountySUPPORT  OPPOSE  AMEND 

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## Comments:

*Support of 2 Amendments  
proposed by Sen. Hardin.*

NAME Les Alke BILL NO. S.B. 416  
ADDRESS P. 1 Last Chance Gulch DATE 2/2/85  
WHOM DO YOU REPRESENT Mont. Bankers Ass'n  
SUPPORT X OPPOSE X AMEND       

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: