

MINUTES OF THE MEETING
LOCAL GOVERNMENT COMMITTEE
49th Legislature
Special Session III
House of Representatives

June 18, 1986

The meeting of the Local Government Committee was called to order by Chairman Darko on June 18, 1986 at 1:33 p.m. in room 312-2 of the State Capitol.

ROLL CALL: All members were present with the exception of Rep. Fritz who was excused by the Chairman.

CONSIDERATION OF HOUSE BILL NO. 11: Rep. Rex Manuel, District #11, sponsor of HB 11, appeared before the committee to present the bill. He stated the intent of this bill is to give county commissioners the option to freeze pay increases for 1986 and longer if they so desire. The bill gives all officials the option to freeze their own wages, which wasn't the intent. Rep. Manuel said the amendments (Exhibit 1) will put the bill to the original intent, that county commissioners may if they wish freeze all the official salaries. There is a constitutional technicality with the justice of the peace, that if the commissioners chose to freeze their salaries, it must be done by June 30th.

PROPOSERS: Rep Gay Holliday, District 31, stated her support for the bill as amended. She distributed a letter from county commissioners of Musselshell County (Exhibit 2).

OPPOSERS: Chuck Krause, Assessor for Silver Bow County, spoke in opposition to the bill (Exhibit 3).

Rep. Paul Pistoria stated that he would be an opponent if it is going to give the county commissioners the right to set all the salaries.

In closing, Rep. Manuel distributed a letter from Hershel M. Robbins, county commissioner from Musselshell (Exhibit 4). He also asked the committee for favorable support.

There were no further opponents or proponents present.

DISCUSSION OF HOUSE BILL NO. 11: Rep. Poff asked Rep. Manuel if he had contacted the County Commissioners Association what their opinion was. Rep. Manuel stated that Gordon Morris, Executive Vice President, is in favor of this bill as amended.

Rep. Sands asked Rep. Manuel if the bill would permit the

county commissioners to selectively determine which of the elective officials salaries would be froze. Rep. Manuel replied that the commissioners would have their option and that there isn't anything mandatory in this bill. He also stated that the intent is to have the county commissioners freeze their own salaries first but the bill states that they can be selective. It was noted that there are other bills in the process similar to HB 11 but, if those bills do not pass, then HB 11 would take care of this purpose. That must be done by June 30th.

Rep. Kadas wanted to clarify that the intent is to allow the county commissioners to freeze their own salaries and everyone else's at the same time. Rep. Manuel said that the intent of this bill is, if the county commissioners freeze their salaries, then everyone else will follow. Clarification was made by Lee Heiman that almost all of those salaries are connected to the county clerk and the commissioners salaries are linked to the county clerk. There are some that would not be so covered.

Rep. Pistoria asked Lee Heiman if this bill is to only freeze the salaries but not give the county commissioners the power to set salaries. Mr. Heiman said that it reads the county commissioners may freeze a salary at the June 30, 1986 level.

Rep. Switzer asked Rep. Manuel if he wants this bill to pass if it gives the county commissioners authority to be discriminating in whose salaries are set. Rep. Manuel assumed that the commissioners could not be selective.

Gordon Morris, Executive Director, Montana Association of Counties, (Exhibit 10) recommended the bill in the committee to establish a salary freeze as opposed to a freeze by county officials as submitted in the introduced bill.

DISPOSITION OF HOUSE BILL NO. 11. Rep. Sales moved that HB 11 DO PASS. It was seconded by Rep. Hansen. Rep. Gilbert made a motion to move the amendments, and Rep. Brandewie seconded.

Rep. Pistoria stated that he would vote for the bill if it did not give the county commissioners the right to generally set salaries.

Rep. Kadas asked if the commissioners have the right to freeze a particular person's salary and not anyone else. Mr. Heiman stated that the justice of the peace and the coroner salaries

could be frozen separately.

Rep. Sands asked if the county commissioners could choose if his own salary was to be reduced. Mr. Heiman stated that the amendments provide that the commissioners, as a body can freeze the salaries of the commissioners.

The motion for the amendments PASSED UNANIMOUSLY. Rep. Kadas moved that the assessors, justice of the peace and the coroner that they all be frozen uniformly. Rep. Hansen seconded the motion.

Rep. Poff asked Mr. Heiman if county assessors are paid by the state. Mr. Heiman said county assessors are paid by the state but they come under the pay system like the rest of the officers. The state pays about 70% of their wages.

Rep. Brandewie was concerned if the justice of the peace and assessor have to take this pay freeze before July 1, 1986. Rep. Kadas thought that it could be done at a later date but the wage freeze had to be at the June 30th level.

Rep. Hansen wondered if the pay plan is frozen, does that freeze the assessor's salary. The question was unanswered. She stated, if the county and state funds were both frozen, that would give them a double whammie.

Rep. Kadas made a substitute motion that allowed the county commissioners to freeze all public official salaries if possible. The justice of the peace would be an exception if constitutionally impermissible.

There being no further time to discuss HB 11, it had been scheduled to take further action at a later date.

CONSIDERATION OF HOUSE BILL NO. 14: Rep. Bardanoue appeared before the committee as sponsor of HB 14. This bill states that the available money in a local government block grant will be proated to the government agencies. The local government block grant program is tied to earmarked revenue, which is hooked to a falling revenue base. There have been many colleges, institutions, and etc., that have to take cuts so local government is in the same situation.

PROPOSERS: Dave Woodgerd, Department of Revenue, passed out a copy of an amendment (Exhibit 5). This amendment goes to the mechanics involved in HB 14 and how the amount of money is determined with how much money each county will

receive from the block grant program. The purpose is so that the state of Montana will not be held accountable for the numbers that the counties certify to the state for purposes of apportioning that income. The purpose of this amendment is to simply have the legislature make it clear that the Department of Revenue and Department of Commerce are not liable or required to audit the numbers the county certified to these departments. It provides that the counties are required to live by whatever numbers that are certified. Under the Lewis and Clark County case, the state may have to go back to some counties to give the state a refund.

Newell Anderson, Department of Commerce, handed out a breakdown of figures for all counties (Exhibit 6). He stated the bill amends the local government block grant program to allow the states to prorate disbursements from this program based upon revenues received rather than on claims made. He encouraged support for HB 14; the probation of these funds will solve this issue and put the state in a position where it will pay out from this program only the amount of money which it takes in.

OPPONENTS: Sen. Ed Smith, District #10, stated that in 1981 the legislature removed the vehicles from the property tax base in each of the counties which did have an effect on each of the school districts, city government, and the university system. This same legislature promised those entities that they would provide funding to off-set that tax base law. It is the responsibility of the legislature to correct what the legislature cut back.

Alec Hansen, Executive Director of the Montana League of Cities and Towns, stated the cities and towns in this state are facing a budget crisis similar to the problem you are trying to solve. The property taxpayers cannot be expected to come up with the money to subsidize the block grant program. We need an alternative and some time to find something that the people can handle.

Don Peoples, Chief Executive for Butte Silver-Bow, stated his concern about a potential loss of a significant portion of the motor vehicle replacements funds in the block grant program. The people of Butte have voted down the school mill levy for the second time; this shows that people are having trouble keeping up with the times. The level of pain should not be transferred to the taxpayers. I urge you to seek alternatives.

Local Government
June 18, 1986
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Terry Minow, Montana Federation of Teachers and Montana Federation of State Employees, spoke in opposition to the bill.

Rep. Dan Harrington, District #68, speaking for the administration of School District #1, spoke in opposition to this bill saying Butte is already faced with major cuts due to the second loss of the school mill levy. We all will have to go back to our counties which are faced with large cuts in different areas.

Rep. Nancy Keenan, District #66, spoke in opposition to the bill saying it was stated that Deer Lodge County is the highest property tax county and it will lose \$229,000 with an additional 24 mills that have to be levied against our property taxes. We should hold this bill to then seek alternatives.

Ben Bifoss, Anaconda-Deer Lodge City/County Manager, handed out a breakdown of the Anaconda tax base (Exhibit 7). He spoke in opposition to the bill and said that Anaconda has suffered enough pain. Before they receive a cut, which this bill proposes, there must be a cut of 10% that has to be taken. We urge you to seek further alternatives.

Mary Jo Oreskovich, Superintendent of Schools in Anaconda, stated that Anaconda has coped with cutting back for the last five years. We would ask you to find some alternative to find something less drastic and more timely.

Alan Tandy, representing the city of Billings, stated his concern about the legislature abrogating its responsibility to fund the loss of light motor vehicles from the property tax base. The 1981 legislature made a commitment to local governments that their action would not mean a net loss in revenues. Additional cuts, until we can address new tax base issues in the 1987 regular session, cannot be absorbed without serious harm. (Exhibit 8)

Jim Nugent, representing the city of Missoula and Vice President of the League of Cities and Towns, stated that in Missoula we are losing revenue sharing and many other revenue sources. We have gone to property tax before to generate revenue and the people cannot handle higher taxes. I urge you to kill this bill. A letter from the mayor of Missoula was distributed (Exhibit 9).

Phil Campbell, Montana Education Association, spoke in opposition to this bill. Would like to remind the committee that \$.60 on the dollar is school money and would like this money to go to the counties.

Bruce Moerer, Montana School Board Association, would like to consider that there is just more than this cut which we are faced with. We urge the committee to seek other alternatives.

Tom Stetzner, Director of Business Affairs for the School District in Butte, stated that the taxable evaluation in the county has dropped over 13% already. He and others oppose this bill very strongly.

Rep. Paul Pistoria, District #36, stated his opposition to the bill because there are no proposals to help in this situation for local governments.

Al Johnson, City Manager of Great Falls, stated his opposition of this bill. This bill will destroy a contract of good faith that was made between the legislature and local government. We urge you to seek alternatives.

Jess Long, Secretary School Administrators, of Montana, spoke in opposition to this bill.

Rep. Dave Brown, District #72, is listed as an opponent.

Gordon Morris, Director of the Montana Association of Counties, was unable to attend and has sent a telegram on his opposition to this bill (Exhibit 10).

Rep. Bardanouve stated that all the opponents that spoke have not given any alternatives or other directions to look into. However, something has to be done about the deficit. The problem has been created and now there has to be a solution.

There were no further opponents or proponents present.

DISCUSSION OF HOUSE BILL NO. 14: Rep. Gilbert asked Rep. Bardanouve what the consequences are if the bill does not pass and how will the money be distributed into this fund. Rep. Bardanouve said that it will draw down the general fund.

Rep. Brown asked if other alternatives were explored for replacement of the revenue that do not put school districts in such a bind. Rep. Bardanouve said he could not answer but administration might be able to.

Rep. Wallin wondered if the people were given the option of voting on whether or not they wanted to raise their license fees. Rep. Bardanouve stated that if they were

able to vote on any kind of increase they probably wouldn't approve them.

Rep. Sales asked Sen. Smith that if his bill does pass along with this bill would the proration be negated. If your bill doesn't pass then something must be done. Sen. Smith stated that we are leaning too much on promises.

Rep. Kadas asked a question regarding the amendments addressing the appealed district court decision on the Lewis and Clark County local block grant funds, and when to expect a decision. Mr. Woodgerd replied that he could not answer the question. It was stated that the Department of Commerce plays an administrative function compiling the statistics submitted by the county and did not have a role in auditing the numbers. The amendment would provide you with the opportunity to speak to that issue yourselves.

Rep. Kadas questioned Newell Anderson on the method of determining light vehicles from the county treasurer to the Department of Justice. Mr. Anderson stated that the amendment allows the Registrar of Motor Vehicles to be the certifying agent for all of the counties for the actual number of registered vehicles per county.

Rep. Switzer asked Mr. Anderson if the law says those pickups are light vehicles, why would there be any change if it were being assessed at the state instead of local level. Mr. Anderson said the assessments to supplement funds for the local government block grant program are assessed against light motor vehicles. If they are not included under a GVW and if they are under 3/4 ton, then they are included in this special fee.

There being no further time available the meeting was adjourned at 3:19 p.m. and an executive action hearing will be scheduled on June 19, 1986.



PAULA DARKO, Chairman

DAILY ROLL CALL

LOCAL GOVERNMENT

COMMITTEE

49th LEGISLATIVE SESSION -- 1986

THIRD SPECIAL SESSION

Date June 18, 1986

NAME	PRESENT	ABSENT	EXCUSED
Rep. Paula Darko, Chairman	X		
Rep. Norm Wallin, Vice Chairman	X		
Rep. Ray Brandewie	X		
Rep. Dave Brown	X		
Rep. Harry Fritz			X
Rep. Bob Gilbert	X		
Rep. Stella Jean Hansen	X		
Rep. Mike Kadas	X		
Rep. Les Kitselman	X		
Rep. Paul Pistoria	X		
Rep. Bing Poff	X		
Rep. Walter Sales	X		
Rep. Jack Sands	X		
Rep. Dean Switzer	X		

ROLL CALL VOTE

LOCAL GOVERNMENT

COMMITTEE

DATE June 18, 1986 BILL NO. HB 11 NUMBER 1

NAME	AYE	NAY
Rep. Paula Darko, Chairman	X	
Rep. Norm Wallin, Vice Chairman	X	
Rep. Ray Brandewie	X	
Rep. Dave Brown	X	
Rep. Harry Fritz	X	
Rep. Bob Gilbert	X	
Rep. Stella Jean Hansen	X	
Rep. Mike Kadas	X	
Rep. Les Kitselman	X	
Rep. Paul Pistoria	X	
Rep. Bing Poff	X	
Rep. Walter Sales	X	
Rep. Jack Sands	X	
Rep. Dean Switzer	X	

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Karey Olson
Secretary

Paula Darko
Chairman

MOTION: Rep. Gilbert moved to pass the amendments. Rep.
Brandewie seconding the motion.

June 18, 1986

Rep. Manuel

Amendments to HB 11, white (introduced) copy

Prepared for Rep. Manuel by John MacMaster

1. Title, line 5
Following: line 4
Strike: "OFFICIALS"
Insert: "COMMISSIONERS"
Following: "SALARIES"
Insert: "AND OTHER OFFICIALS' SALARIES"
2. Title, lines 6 and 7
Following: "LEVEL" on line 5
Strike: "IF" through "LAW" on line 7
3. Page 1, line 15
Following: "resolution"
Strike: ", but a justice of the peace"
Insert: "and"
4. Page 1, line 16
Following: "set"
Strike: "his salary"
Insert: "the salaries"
5. Page 1, lines 17 and 18
Following: "level" on line 17
Strike: "if" through "resolution" on line 18
Insert: "if the salary at the time of the resolution is not
above the June 30, 1986, level"
6. Page 2, line 8
Following: "in"
Strike: "subsection"
Insert: "subsections (1) and"
7. Page 2, line 17
Following: "but"
Strike: "a"
Insert: "the"
8. Page 2, line 18
Following: "county"
Strike: "commissioner"
Insert: "commissioners"
9. Page 2, line 19
Following: "set"
Strike: "his salary"
Insert: "their salaries"

10. Page 3, line 5
Following: "but"
Strike: "a"
Insert: "the"
Following: "county"
Strike: "commissioner"
Insert: "commissioners"
11. Page 3, line 6
Following: "set"
Strike: "his salary"
Insert: "their salaries"
12. Page 4, lines 15 and 16
Following: "same" on line 15
Strike: ", but" through "officer" on line 16
Insert: "and"
13. Page 4, lines 17 and 18
Following: "set" on line 17
Strike: "his salary"
Insert: "the salaries"
Following: "level" on line 17
Strike: "if" through "board" on line 18
14. Pages 6 and 7
Following: "However," on line 25, page 6
Strike: "a" through "attorney" on line 1, page 7
Insert: "the county commissioners"
15. Page 7, line 2
Following: "set"
Strike: "his"
Insert: "the"
16. Page 9, lines 2 and 3
Following: "index." on line 2
Strike: "Any" through "subsection" on line 3
Insert: "The county governing body"
17. Page 9, line 4
Following: "set"
Strike: "his salary"
Insert: "the salaries"
18. Page 9, line 17
Following: "coroner"
Strike: ", but the coroner"
Insert: "and"

19. Page 9, line 18
Following: "set"
Strike: "his"
Insert: "the"
20. Page 9, line 19
Following: "level" on line 18
Strike: "if" through "resolution" on line 19

AMEND/hm/HB11/MacMaster



County of Musselshell

ROUNDUP, MONTANA

BOARD OF COUNTY COMMISSIONERS

HERSHEL M. ROBBINS
RICHARD E. WALKER
LYLE E. STORTZ

Date: May 27, 1986

To: Gay Holliday
State Representative
House District 31

Dear Gay:

Due to the depressed economy in the State of Montana and Musselshell County. We, The Board of County Commissioners, would like you to consider sponsoring an effort in the upcoming Legislative session to give local elected officials the option of not taking a 2½% cost of living increase in their salaries.

There may already be efforts in this direction. If that is the case we would urge your support of such a action. We find it difficult to request freezing of salaries or requesting cut backs when we are mandated an automatic increase in our own pay.

Sincerely:


Hershel M. Robbins, Chairman

Musselshell County Commissioners

HMR/ech

Exhibit 2
HB 11
Rep Holliday
June 18, 1986

FRANCES L. DAWSON
Clerk & Recorder
WARREN SMITH
Assessor
CLINTON J. MOORE
Treasurer
Supt. of Schools
BRIAN NIEDHARDT
Sheriff
JOHN L. PRATT
County Attorney
ALICE BROWER
Clerk of Court
JOHN RAE
Coroner
IRVING DODDS
Public Administrator
EVELYN HATTERSCHEID
Justice of the Peace

Exhibit 11
HB 11
Krause
June 18, 1986

TESTIMONY RELATIVE TO HOUSE BILL 11:

JUNE 18, 1986

Speaking on behalf of the Montana Assessors Association, we are
strongly opposed to this Bill which would allow local County
Commissioners to set the salaries of their Assessors.

Chuck Krause
CHUCK KRAUSE, ASSESSOR
SILVER BOW COUNTY

Exhibit 4
June 18, 1986
Rep. Marne
HB 11

June 18, 1986

TESTIMONY IN SUPPORT OF HOUSE BILL 11, AS AMENDED

Presented by Hershel M. Robbins, Chairman
Musselshell County Commission
Roundup, Montana

I submit this written testimony as my support of House Bill 11, as amended, to give County Commissioners the option to freeze or allow the cost of living increase as provided in the statute.


Hershel M. Robbins

KY 91017 5
HB 154

AMENDMENT TO HB14 -- BLOCK GRANT PROGRAM

Amend the HB14, Introduced Bill, as follows:

On page 7, after line 2, insert the following:

"(7) The Department shall not correct or change, nor shall the Department be required to change, the quantities certified to it by counties on or before February 1, 1982 for CT, CF, and NC or the quantities certified to it on or before February 1 of each year for NC(Y). Further, all payments made to local governments prior to the effective date of (this Act) shall be deemed to be correct and shall not be adjusted."

On page 8, after line 21, insert the following:

"(7) The Department shall not correct or change, nor shall the Department be required to change, the quantities certified to it by counties on or before February 1, 1982 for CT, CF, and NC or the quantities certified to it on or before February 1 of each year for NC(Y). Further, all payments made to local governments prior to the effective date of (this Act) shall be deemed to be correct and shall not be adjusted."

Wavle

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Exhibit C
HB 14
Newell Anderson
June 18, 1986

Effect on Each County of Prorating LGRG beginning in FY87.

County	County Class	FY86 Reimb.	Projected FY87 Grant Requests (X 1.0206)	Prorated FY87 Reimbursement	FY87 Shortfall =	County Mills
Beaverhead	5	\$104,585.80	\$106,740.27	\$57,565.03	\$49,175.24	3.352
Broadwater	5	\$39,303.42	\$40,113.07	\$21,632.98	\$18,480.09	1.625
Carbon	2	\$143,157.30	\$146,106.34	\$78,795.15	\$67,311.19	2.240
Carter	6	\$24,901.52	\$25,414.49	\$13,706.04	\$11,708.46	1.444
Cascade	1	\$1,666,972.96	\$1,701,312.60	\$917,517.89	\$783,794.72	8.553
Chouteau	2	\$33,741.60	\$34,436.68	\$18,571.70	\$15,864.98	0.519
Custer	4	\$318,303.63	\$324,860.68	\$175,197.37	\$149,663.32	8.070
Daniels	6	\$25,947.36	\$26,481.88	\$14,281.68	\$12,200.20	1.510
Dawson	2	\$255,846.40	\$261,116.84	\$140,820.31	\$120,296.53	4.097
Deer Lodge	6	\$448,311.50	\$457,546.72	\$246,754.94	\$210,791.77	22.547
Fergus	3	\$279,675.00	\$285,436.31	\$153,935.80	\$131,500.51	5.904
Flathead	1	\$1,152,896.94	\$1,176,646.62	\$634,565.52	\$542,081.10	6.068
Gallatin	1	\$1,285,172.46	\$1,311,647.01	\$707,371.23	\$604,275.78	9.664
Garfield	6	\$18,803.40	\$19,190.75	\$10,349.57	\$8,641.18	1.163
Glacier	2	\$78,508.79	\$80,126.07	\$43,211.99	\$36,914.08	0.756
Golden Valley	6	\$6,151.76	\$6,276.49	\$3,385.99	\$2,892.50	0.546
Granite	6	\$30,902.40	\$31,538.99	\$17,008.98	\$14,530.01	2.558
Hill	2	\$228,162.00	\$232,862.14	\$125,582.55	\$107,279.59	2.166
Jefferson	4	\$192,686.49	\$196,655.83	\$106,056.49	\$90,599.34	5.208
Judith Basin	6	\$18,959.15	\$19,349.71	\$10,435.30	\$8,914.41	0.952
Lake	3	\$187,332.38	\$191,191.43	\$103,109.54	\$86,081.89	3.262
Lewis & Clark	1	\$1,279,453.92	\$1,305,810.67	\$704,223.69	\$601,586.98	9.725
Liberty	3	\$686.10	\$700.23	\$377.64	\$322.60	0.015
Lincoln	2	\$195,919.08	\$199,955.01	\$107,835.74	\$92,119.27	2.569
Madison	4	\$64,783.58	\$66,118.12	\$35,657.50	\$30,460.62	1.711
McCone	5	\$23,126.70	\$23,603.11	\$12,729.16	\$10,873.95	1.004
Meagher	6	\$43,085.46	\$43,973.02	\$23,714.65	\$20,258.37	2.499
Mineral	7	\$104,125.32	\$106,270.30	\$57,311.57	\$48,958.73	10.536
Missoula	1	\$2,611,725.20	\$2,665,526.74	\$1,437,518.57	\$1,228,008.17	9.846
Musselshell	3	\$35,636.82	\$36,370.94	\$19,614.85	\$16,766.09	0.575
Park	4	\$236,571.66	\$241,445.04	\$130,211.31	\$111,233.73	5.876
Phillips	2	\$11,241.04	\$11,472.61	\$6,187.18	\$5,285.43	0.126
Pondera	3	\$75,167.87	\$76,716.33	\$41,373.12	\$35,343.21	1.445
Powell	5	\$108,252.04	\$110,452.03	\$59,592.96	\$50,899.07	2.576
Prairie	6	\$19,977.40	\$20,388.93	\$10,995.75	\$9,393.18	1.401
Reynolds	3	\$253,887.92	\$259,118.01	\$139,742.34	\$119,375.67	4.842
Roosevelt	1	\$57,050.30	\$58,225.54	\$21,401.03	\$26,824.50	0.336
Sanders	3	\$140,658.70	\$143,556.27	\$77,419.90	\$66,136.37	3.146
Silver Bow	2	\$1,273,657.00	\$1,299,874.33	\$701,033.01	\$596,841.32	13.471
Stillwater	4	\$70,295.55	\$71,746.70	\$38,693.00	\$33,053.70	2.148
Sweet Grass	6	\$57,104.88	\$58,281.24	\$31,431.07	\$26,850.17	3.285
Teton	3	\$109,146.96	\$111,355.39	\$60,075.53	\$51,319.85	2.475
Toole	2	\$40,666.67	\$41,504.40	\$22,393.32	\$19,121.08	0.394
Treasure	7	\$7,342.04	\$7,493.29	\$4,041.13	\$3,452.16	0.741
Valley	1	\$264,695.00	\$270,147.72	\$145,690.66	\$124,457.05	2.464
Wheatland	6	\$49,424.00	\$50,452.34	\$27,203.95	\$23,243.39	3.255
Wibaux	3	\$6,123.24	\$6,249.38	\$3,370.29	\$2,879.09	0.114
Yellowstone	1	\$3,133,606.92	\$3,196,159.22	\$1,724,767.27	\$1,473,391.95	6.983
		\$16,812,742.22	\$17,160,106.81	\$9,214,447.22	\$7,945,659.59	3.301

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Impact of LGBG Proration on Selected Counties' COUNTY GENERAL FUNDS

County	Total LGBG Revenue FY86	Total COUNTY GENERAL FUND (budgeted FY86)	% LGBG of Total Budgeted	CUT OR RAISE* in FY87
Cascade	\$105,000	\$4,410,899	2.38%	1.28%
Butte-Silver Bow	\$191,809	\$5,721,620	3.35%	1.81%
Lewis & Clark	\$63,298	\$2,574,664	2.46%	1.33%
Missoula	\$211,293	\$7,825,463	2.70%	1.46%
Yellowstone	\$194,223	\$6,755,094	2.88%	1.55%
Beaverhead	\$8,000	\$980,862	0.82%	0.44%
Dawson	\$23,000	\$1,323,151	1.74%	0.94%
Hill	\$7,300	\$1,452,035	0.50%	0.27%
McCone	\$2,200	\$558,749	0.39%	0.21%
Roosevelt	\$3,000	\$2,091,872	0.14%	0.08%

* CUT OR RAISE means that, under proration, about 53.93% of the LGBG revenue would either have to be raised OR the County General Fund expenditures would have to be cut by this percent to stay within unaugmented revenues in FY87.

NOTE: Block grant revenue and total revenue numbers were taken from the 1985-1986 county budgets.

The following shows the percent of the total LGBG award that goes into the county's general fund and the state reimbursement per motor vehicle:

Cascade	80%	\$28.09	
Butte-Silver Bow	79%	\$47.26	
Lewis & Clark	77%	\$30.21	(39.91)
Missoula	70%	\$43.40	
Yellowstone	81%	\$30.61	
Beaverhead	71%	\$13.88	
Dawson	76%	\$25.60	
Hill	69%	\$16.50	
McCone	68%	\$7.62	
Roosevelt	59%	\$9.07	

Impact of LGBG Proration on Selected Counties' major CITY GENERAL FUND

County	Total LGBG Revenue FY86	Total CITY GENERAL FUND (budgeted FY86)	% LGBG of Total Budgeted	CUT OR RAISE* in FY87
Great Falls	\$231,000	\$8,531,628	2.71%	1.46%
Butte-Silver Bow	n/a	n/a	n/a	n/a
Helena	\$120,000	\$4,805,591	2.50%	1.35%
Missoula	\$280,000	\$9,910,580	2.83%	1.52%
Billings	\$499,345	\$16,461,933	3.03%	1.64%
Dillon	\$7,000	\$424,888	1.65%	0.89%
Glendive	\$24,000	\$1,118,891	2.14%	1.16%
Havre	\$25,704	\$1,316,633	1.95%	1.05%
Circle	\$2,500	\$156,348	1.60%	0.86%
Wolf Point	\$5,000	\$454,346	1.10%	0.59%

* CUT OR RAISE means that, under proration, about 53.93% of the LGBG revenue would either have to be raised OR the City General Fund expenditures would have to be cut by this percent to stay within unaugmented revenues in FY87.

NOTE: Block grant revenue and total revenue numbers were taken from the 1985-1986 city budgets.

Impact of LGBG Proration on Selected Counties' COUNTY SCHOOL DISTRICT FUNDS

County	Total LGBG Revenue FY86	Total COUNTY SCH.DIST.FUND (budgeted FY86)	% LGBG of Total Budgeted	CUT OR RAISE* in FY87
Cascade	\$1,000,184	\$39,444,242	2.54%	1.37%
Butte-Silver Bow	\$815,140	\$19,278,420	4.23%	2.28%
Lewis & Clark	\$806,056	\$24,755,402	3.26%	1.76%
Missoula	\$1,331,980	\$35,859,386	3.71%	2.00%
Yellowstone	\$1,848,828	\$58,552,210	3.16%	1.70%
Beaverhead	\$59,614	\$4,228,478	1.41%	0.76%
Dawson	\$148,391	\$6,893,510	2.15%	1.16%
Hill	\$125,489	\$11,784,965	1.06%	0.57%
McCone	\$11,100	\$1,733,380	0.64%	0.35%
Roosevelt	\$25,672	\$11,645,126	0.22%	0.12%

* CUT OR RAISE means that, under proration, about 53.93% of the LGBG revenue would either have to be raised OR the County School District Fund expenditures would have to be cut by this percent to stay within unaugmented revenues in FY87.

NOTE: The block grant amount for the school district was obtained by taking the ratio of school district levies to total county levies times block grant submitted to the county 3/1/86.

ADDITIONAL NOTES:

A 50% reduction in the block grant program will also cause a reduction in the revenue for the foundation program (\$1.2 million) state assumption of welfare (\$.145 million) and the six-mill university levy collection (\$.135 million).

HOUSE BILL # 14

TESTIMONY BY NEWELL ANDERSON

ADMINISTRATOR

LOCAL GOVERNMENT ASSISTANCE DIVISION

DEPARTMENT OF COMMERCE

IN SUPPORT OF THE BILL PROPOSING AUTHORITY TO PRORATE THE

LOCAL GOVERNMENT BLOCK GRANT PROGRAM

MADAM CHAIRMAN, MEMBERS OF THE COMMITTEE:

IT IS NOT A PLEASANT TASK THAT THE DEPARTMENT PROPOSES IN HOUSE BILL 14. WE DO NOT COME TO THIS SPECIAL SESSION ON THIS BILL WITH ANYTHING SHORT OF A REAL AND PAINFUL ISSUE. IT IS AN ISSUE THAT IS NOT PECULIAR FROM THE VERY REASON THIS SESSION IS CONVENED - NOT ENOUGH REVENUES TO COVER ANTICIPATED COSTS IN FY '87.

HOUSE BILL 14 VERY SIMPLY AMENDS THE LOCAL GOVERNMENT BLOCK GRANT PROGRAM STATUTORY DEFINITIONS TO ALLOW THE STATE TO PRORATE DISBURSEMENTS FROM THIS PROGRAM BASED ON REVENUES RECEIVED RATHER THAN ON CLAIMS MADE. LET THERE BE NO MISTAKE, WITH EXISTING REVENUE SOURCES AND ESTIMATES, CLAIMS FOR DISBURSEMENTS WILL EXCEED REVENUES BY NEARLY 50% IN FY '87. THIS BILL ALSO AMENDS THE CERTIFICATION OF VEHICLE COUNTS BY MOVING THIS RESPONSIBILITY FROM THE COUNTY TREASURERS TO THE DEPARTMENT OF JUSTICE - MOTOR VEHICLE DIVISION.

LET ME BRIEFLY DESCRIBE THE REASONS WHY WE, OF THE DEPARTMENT OF COMMERCE ARE REQUESTING THIS LEGISLATION.

FIRST - THE REGULAR SESSION OF THE 49th LEGISLATURE PREDICTED THAT REVENUES MAY BE SHORT WHEN HOUSE BILL 500 PASSED. IN JANUARY OF 1986, THE DEPARTMENT

COMPLETELY IDENTIFIED THAT THE REVENUES COMING IN FROM THE 1/3rd RECEIPTS OF THE OIL SEVERANCE TAX WOULD NOT EQUAL THE CLAIMS FOR DISBURSEMENTS REQUIRED BY STATUTE. IT WAS DETERMINED THAT FULL FUNDING WAS THE ONLY OPTION AVAILABLE TO THE DEPARTMENT FOR THE MARCH 1, 1986 DISTRIBUTION. IN ORDER TO ACCOMPLISH THAT FULL FUNDING , THE DEPARTMENT HAD TO BORROW FROM THE GENERAL FUND, \$7.880 MILLION. ON JUNE 30, 1986, THIS PROGRAMS YEAR END FUND BALANCE IS PROJECTED TO BE A NEGATIVE \$1.674 MILLION.

NEXT - THE DEPARTMENT REVIEWED EVERY OPTION WE COULD CONCEIVE OF SINCE MARCH OF THIS YEAR, LOOKING FOR OPTIONS THAT COULD ENHANCE THE FUTURE REVENUES FOR THIS PROGRAM. EVERY ONE OF THOSE OPTIONS INCLUDED SIGNIFICANT INCREASES IN EITHER TAXES OR FEES. THE GOVERNOR HAS MADE IT VERY CLEAR THAT INCREASES SUCH AS THESE WERE "ONLY AS A LAST RESORT".

FINALLY - THE DEPARTMENT ANALYZED THE OPTIONS AND CONCLUDED THAT PRORATION WAS THE MOST RESPONSIBLE OF THOSE THAT WE REVIEWED. IT IS NOT WITHOUT PAIN. IT DOES EFFECT LOCAL GOVERNMENTS AND THEIR REVENUES. THOUGH THE NUMBER OF 50% DOES REPRESENT THE APPROXIMATE DEFINITION OF DISBURSEMENTS PROJECTED UNDER PRORATION, THAT NUMBER CANNOT BE USED IN REALISTICALLY DEFINING THE IMPACT ON LOCAL GOVERNMENTS. MORE REALISTIC IS THE EXAMPLE OF HOW FY '86 DISBURSEMENTS RECEIVED BY A SPECIFIC UNIT OF LOCAL GOVERNMENT RELATED TO THAT UNITS TOTAL GENERAL FUND. SUCH AN EXAMPLE WOULD BE: (NOTE HAND OUT)

* YELLOWSTONE COUNTY - TOTAL COUNTY GENERAL FUND = \$6,755,094; TOTAL LGBG FUNDS DISBURSED TO COUNTY GENERAL FUND = \$194,223; % LGBG REVENUE IS TO TOTAL GENERAL FUND = 2.88%; IF PRORATION IS UTILIZED IN THIS CASE THE YELLOWSTONE COUNTY GENERAL FUND REVENUES WOULD BE REDUCED BY 1.55%.

* CARRYING THAT SAME DISTRIBUTION TO THE CITY OF BILLINGS THE FIGURES WOULD BE: TOTAL CITY GENERAL FUND = \$16,461,933; TOTAL LGBG FUNDS DISBURSED TO

BILLINGS GENERAL FUND = \$499,345; % LGBG REVENUE IS TO TOTAL CITY GENERAL FUND = 3.03%; IF PRORATION IS UTILIZED IN THIS CASE THE BILLINGS CITY GENERAL FUND REVENUES WOULD BE REDUCED BY 1.64%.

* CARRYING THAT SAME DISTRIBUTION TO THE YELLOWSTONE COUNTY SCHOOL DISTRICTS THE FIGURES WOULD BE: TOTAL COUNTY SCHOOL DISTRICT FUND = \$58,552,210; TOTAL LGBG FUNDS DISBURSED TO YELLOWSTONE COUNTY SCHOOLS = \$1,848,828; % LGBG REVENUE IS TO TOTAL SCHOOL FUND = 3.16%; IF PRORATION IS UTILIZED IN THIS CASE THE YELLOWSTONE COUNTY SCHOOL DISTRICTS FUND REVENUES WOULD BE REDUCED BY 1.70%.

OUR CONCLUSION, BASED ON THESE TYPE OF EXAMPLES, IS THAT WHERE PRORATION MEANS A REDUCTION OF 1.55% ON REVENUES TO A COUNTY GOVERNMENT'S GENERAL FUND, THIS IMPACT IS LESS NEGATIVE THAN EITHER INCREASING THE STATES ALREADY SUBSTANTIAL DEFICIT BY ANOTHER \$7.9 MILLION OR RAISING FEES ON MONTANA CITIZENS AUTOMOBILES BY UP TO 47%.

THE AMENDMENT THAT TRANSFERS THE CERTIFICATION OF VEHICLE NUMBERS FROM THE COUNTY TREASURERS TO THE DEPARTMENT OF JUSTICE IS SIMPLY INTENDED TO PROVIDE THE QUANTIFICATION OF VEHICLES BE DONE AT THE END OF THE REGISTRATION SYSTEM RATHER AT THE BEGINNING. THE UNIFORMITY OF INFORMATION WILL BE ENHANCED, THUS INCREASING THE ACCURACY OF REIMBURSEMENTS.

SOME WILL SAY THAT THIS PROPOSAL IS AN UNFORTUNATE EFFORT TO PASS THE PAIN ON TO LOCAL GOVERNMENTS. WE DO NOT PUT THIS PROPOSAL TO THE LEGISLATURE WITHOUT RECOGNITION OF ITS PAIN - A PAIN THAT IS NO DIFFERENT THAN THAT WHICH THE WHOLE OF STATE GOVERNMENT IS NOW DEALING WITH. OTHERS WILL SAY THAT THE STATE IS FORCING LOCAL GOVERNMENTS TO RAISE LOCAL TAXES BY THIS PRORATION PROPOSAL. WE RECOGNIZE THAT IS AN OPTION TO LOCAL GOVERNMENTS, BUT IT SHOULD NOT BE CONSIDERED WITHOUT CONSIDERATION GIVEN TO REDUCING BUDGETS - AS THE STATE

GOVERNMENT IS NOW DOING.

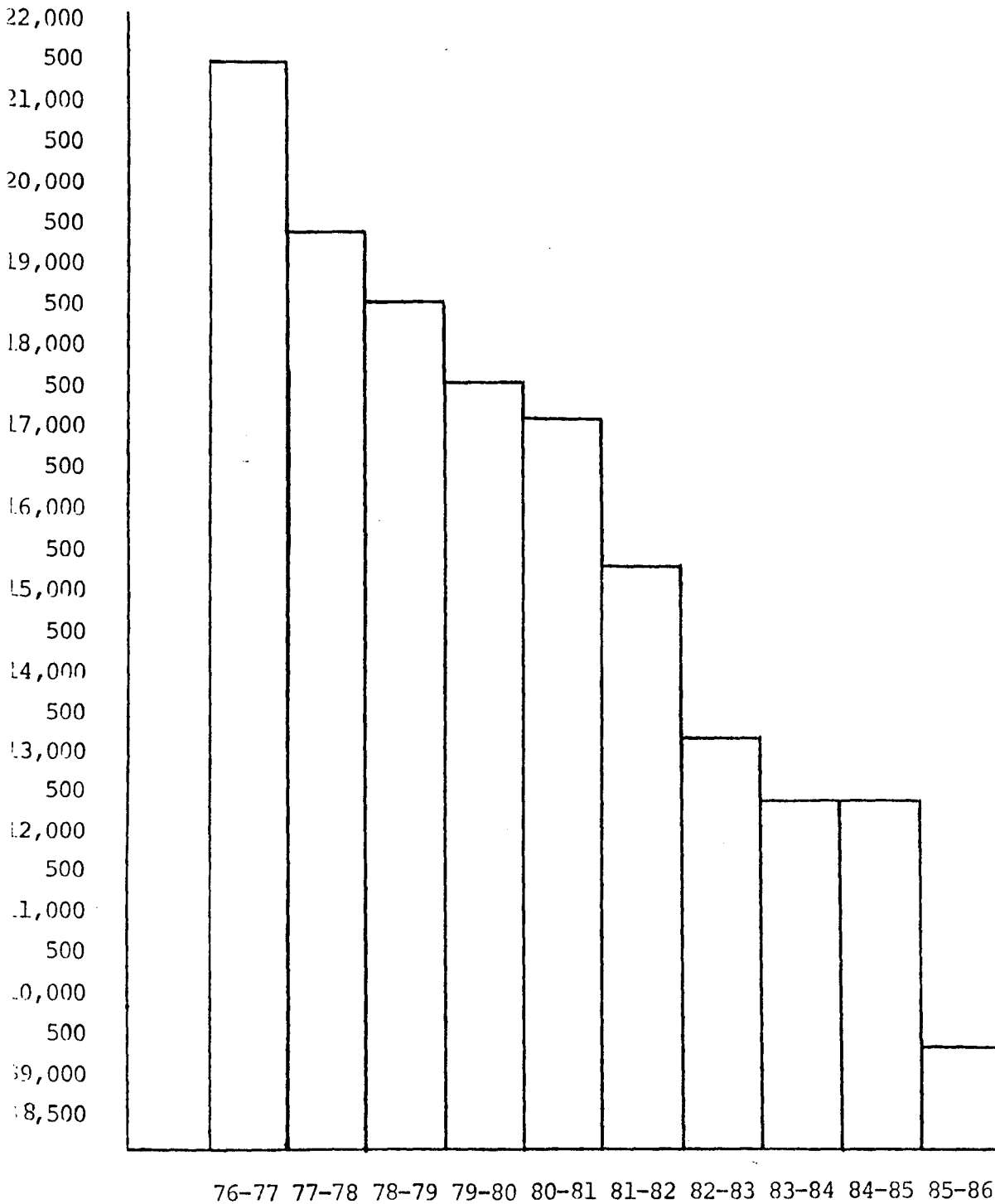
IN CONCLUSION MADAM CHAIRMAN AND MEMBERS OF THE COMMITTEE, WE ENCOURAGE YOUR SUPPORT FOR HB 14. THE PRORATION OF THESE FUNDS WILL SOLVE THIS ISSUE - NOT WITHOUT PAIN - BUT IT WILL PUT THE STATE IN A POSITION WHERE IT WILL PAY OUT FROM THIS PROGRAM - ONLY THAT AMOUNT WHICH THE STATE TAKES IN.

THE OPTIONS AVAILABLE ARE CLEARLY LEGISLATIVE POLICY ISSUES. WE BELIEVE PRORATION SHOULD BE SERIOUSLY CONSIDERED. THANK YOU FOR THE TIME TO DISCUSS THIS PROPOSAL WITH YOU. I WOULD BE HAPPY TO ANSWER ANY QUESTIONS.

- END -

EX-107,1 1
June 18, 1986
Ben Bifuss

HOW MUCH A CITY - COUNTY MILL
IS WORTH



PER CAPITA TAXABLE VALUATION OF SELECTED COUNTIES WITH POPULATION
BETWEEN 9,000 AND 20,000 PERSONS

COUNTY	1980 POPULATION	1985-86 TAXABLE VALUATION	TAXABLE VALUATION PER CAPITA
Big Horn	11,083	\$27,786,863	\$11,530
Custer	13,070	\$18,545,146	\$ 1,419
Dawson	11,850	\$29,361,690	\$ 2,478
Deer Lodge	11,300	\$ 9,349,247	\$ 827
*1985 Pop.			
Fergus	13,052	\$22,273,178	\$ 9,461
Glacier	9,662	\$48,824,984	\$ 5,053
Hill	17,931	\$49,529,959	\$ 2,762
Lake	19,098	\$26,996,012	\$ 1,414
Lincoln	17,731	\$35,862,494	\$ 2,023
Park	12,682	\$18,929,185	\$ 1,493
Richland	12,225	\$112,926,763	\$ 9,237
Roosevelt	10,446	\$79,769,620	\$ 7,636
Valley	10,249	\$50,509,759	\$ 4,928
Average	13,106		\$ 4,635

Anaconda-Deer Lodge County has 17.8% the average taxable value per capita.

Anaconda-Deer Lodge County has only 58.4% of the taxable value per capita
of the next poorest county.

5 SURROUNDING COUNTIES

COUNTY	1985 POPULATION ESTIMATE	1985-86 TAXABLE VALUE	TAXABLE VALUE PER CAPITA
Beaverhead	8,500	\$14,671,349	\$ 1,726
Butte-Silver Bow	38,092	\$43,273,244	\$ 1,136
Granite	2,700	\$ 5,614,942	\$ 2,080
Powell	6,800	\$14,229,000	\$ 2,093
Ravalli	24,100	\$24,654,791	\$ 1,023
AVERAGE			\$ 1,612
Anaconda-Deer Lodge	11,300	\$ 9,349,247	\$ 827

Anaconda-Deer Lodge County has only 51% the average taxable value per capita of the five surrounding counties.

Anaconda-Deer Lodge County has only 81% the taxable value of the next poorest county in the region.

Valuation of Property in Montana Counties

1984-85

1985-86

County Valuation

County Valuation

Class of County

Class of County

1 Year Change

5 Year Change

Assessed	Taxable	Class	Assessed	Taxable	Class	1 Year Change	5 Year Change
BEAVERHEAD \$	15,155,776	4	156,664,920	14,671,349	5	-3,205	-18,253
BIG HORN	127,755,782	1	548,078,982	127,788,863	1	0.02	16.83
BLAINE	34,312,334	2	169,865,935	44,289,414	2	29.08	23.83
BROADWATER	10,927,608	5	111,281,935	11,369,683	5	4.05	51.82
CARDON	28,234,173	3	177,215,762	30,043,780	2	6.41	26.96
CARTER	6,795,445	6	62,897,496	8,110,125	6	19.35	-9.29
CASCADE	89,419,814	1	947,194,089	91,643,719	1	2.49	-1.44
CHOUTEAU	30,209,895	2	222,597,824	30,540,368	2	1.09	3.44
CUSTER	18,274,984	2	188,879,641	18,545,146	2	1.48	-11.96
DANIELS	8,170,427	6	73,048,561	8,078,248	6	-1.13	-7.97
DANSON	29,365,423	3	219,454,883	29,361,690	3	21.10	13.52
DEER LODGE	12,460,074	5	94,558,267	9,349,217	5	-26.97	-45.45
FALLON	115,772,404	1	235,174,752	123,486,144	1	6.86	166.14
FERDUS	21,874,930	3	201,838,799	22,273,178	3	1.82	-10.90
FLATHEAD	86,418,103	1	957,417,590	89,333,836	1	3.37	10.96
GALLATIN	59,488,206	1	641,986,003	62,531,599	1	5.12	5.37
GARFIELD	6,689,940	6	59,056,832	7,603,948	6	13.66	0.06
GLACIER	45,796,324	2	203,813,975	48,824,984	2	6.61	16.52
GOLDEN VALLEY	5,239,576	6	46,384,932	5,301,216	6	1.18	14.13
GRANITE	5,562,353	6	60,429,799	5,614,942	6	0.95	-8.53
HILL	45,368,815	2	331,127,702	49,529,959	2	14.97	14.97
JEFFERSON	15,386,711	4	202,650,073	17,395,189	4	13.05	70.12
JUDITH BASIN	9,108,873	6	79,186,183	9,356,686	6	2.83	-12.48
LAKE	26,443,146	3	291,797,983	26,996,012	3	2.09	-4.54
LEWIS & CLARK	60,101,835	1	649,463,134	61,857,651	1	2.92	4.91
LIBERTY	20,161,061	2	105,369,915	21,928,899	2	8.77	36.63
LINCOLN	33,310,642	3	358,640,122	35,862,494	3	7.66	22.00
MADISON	16,180,061	4	160,857,295	17,806,981	4	10.06	-1.23
MCNEE	10,781,673	5	87,660,834	10,834,162	5	0.49	-7.15
MEADER	7,954,134	6	75,658,477	8,108,625	6	1.94	29.08
MINERAL	4,473,586	7	43,958,385	4,647,049	7	3.88	-5.62
MISSOULA	123,133,283	1	1,326,770,148	124,716,123	1	1.29	-3.81
MUSSELSHELL	27,277,779	3	96,596,418	29,153,672	3	6.88	45.78
PARK	18,360,936	4	194,134,373	18,929,185	4	3.09	-1.03
PETROLEUM	3,183,470	7	21,338,810	2,969,647	7	-6.72	-23.22
PHILLIPS	39,347,917	2	232,898,677	38,313,122	2	-2.63	52.43
POWDER	25,177,170	3	153,249,409	24,460,491	3	-2.85	11.94
POWDER RIVER	67,513,144	1	124,401,102	52,422,694	1	-22.35	3.25
POWELL	13,803,337	5	131,766,853	14,232,649	5	3.11	12.20
PRAIRIE	6,497,419	6	47,356,530	6,681,988	6	2.84	29.15
RAVALLI	23,896,228	3	264,270,628	24,654,791	3	-9.41	51.48
RICHMOND	124,859,036	1	387,474,622	112,926,783	1	3.69	205.42
ROOSEVELT	76,933,437	1	317,484,416	79,769,620	1	-2.66	130.31
ROSEBUD	244,364,813	1	1,778,000,797	237,854,469	1	7.27	153.37
SAUNDERS	20,933,587	3	190,806,228	21,020,745	3	0.42	7.87
SHERIDAN	87,866,888	1	225,146,186	94,257,628	1	7.27	-18.43
SILVER BOW	46,787,562	2	460,136,578	44,455,146	2	2.76	8.64
STILLWATER	14,977,997	5	136,772,337	15,391,145	4	3.04	-15.41
SWEET GRASS	6,708,983	6	71,867,748	6,912,972	6	3.04	11.73
TETON	18,634,944	4	147,409,425	20,737,143	4	1.05	40.22
TOOLE	48,027,545	2	194,002,578	48,532,621	2	1.62	12.10
TREASURE	4,587,439	7	42,968,369	4,661,795	7	15.38	127.38
VALLEY	43,777,973	2	310,006,476	50,509,759	2	0.72	24.49
WHEATLAND	7,089,822	6	63,609,648	7,140,620	6	-10.07	134.52
WIBAUX	28,176,939	3	69,304,168	25,340,284	3	4.47	10.02
YELLOWSTONE	201,971,002	1	2,196,523,257	210,995,106	1	1.63	28.46
THE STATE.....	16,732,093,970		16,950,506,661	2,370,133,344			

IN
000'S

\$2,500

\$2,400

\$2,300

\$2,200

\$2,100

\$2,000

\$1,900

\$1,800

\$1,700

\$1,600

\$1,500

INFLATION
1976 YEAR

\$2,371

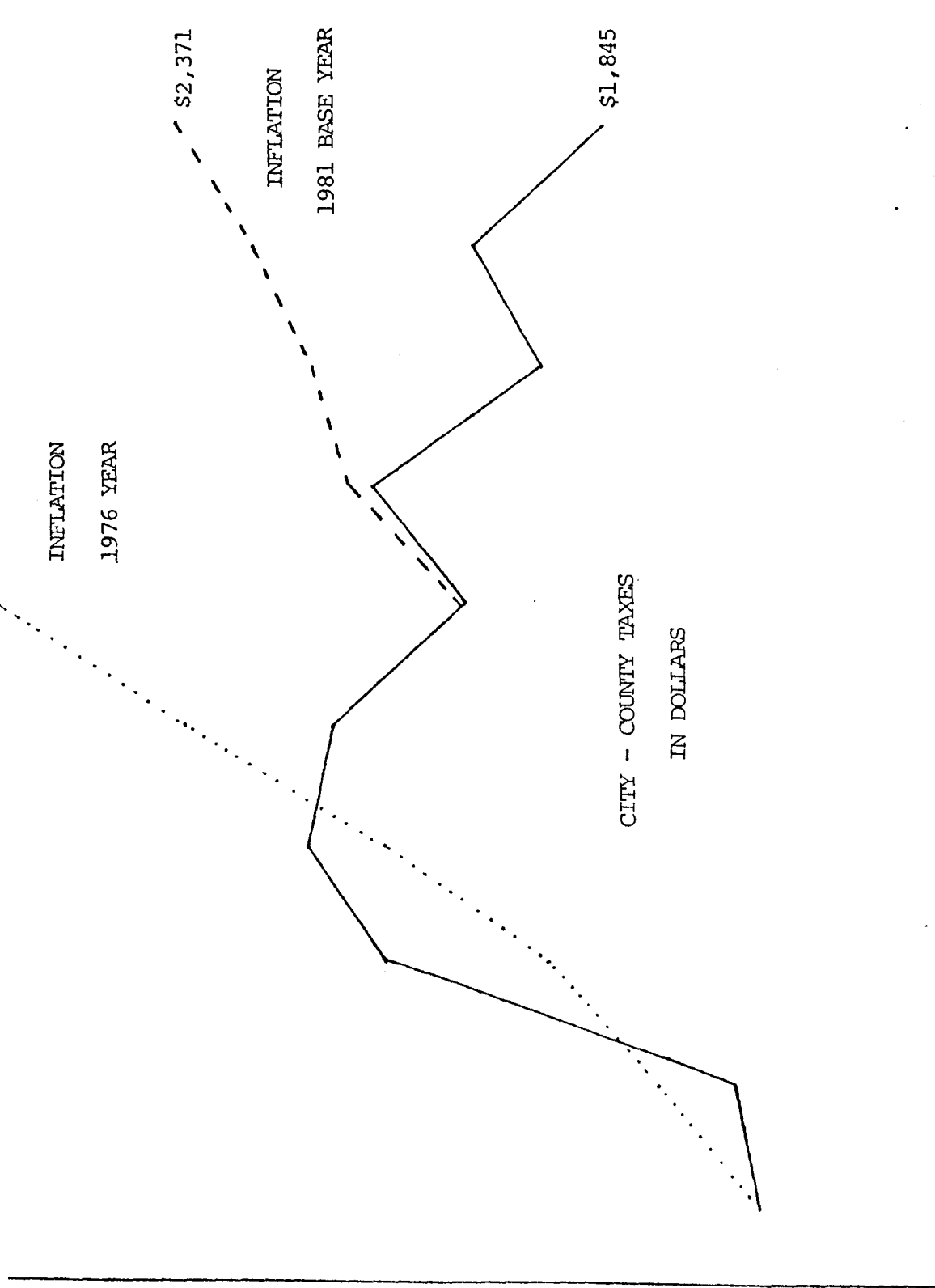
INFLATION

1981 BASE YEAR

CITY - COUNTY TAXES
IN DOLLARS

\$1,845

76-77 77-78 78-79 79-80 80-81 81-82 82-83 83-84 84-85 85-86

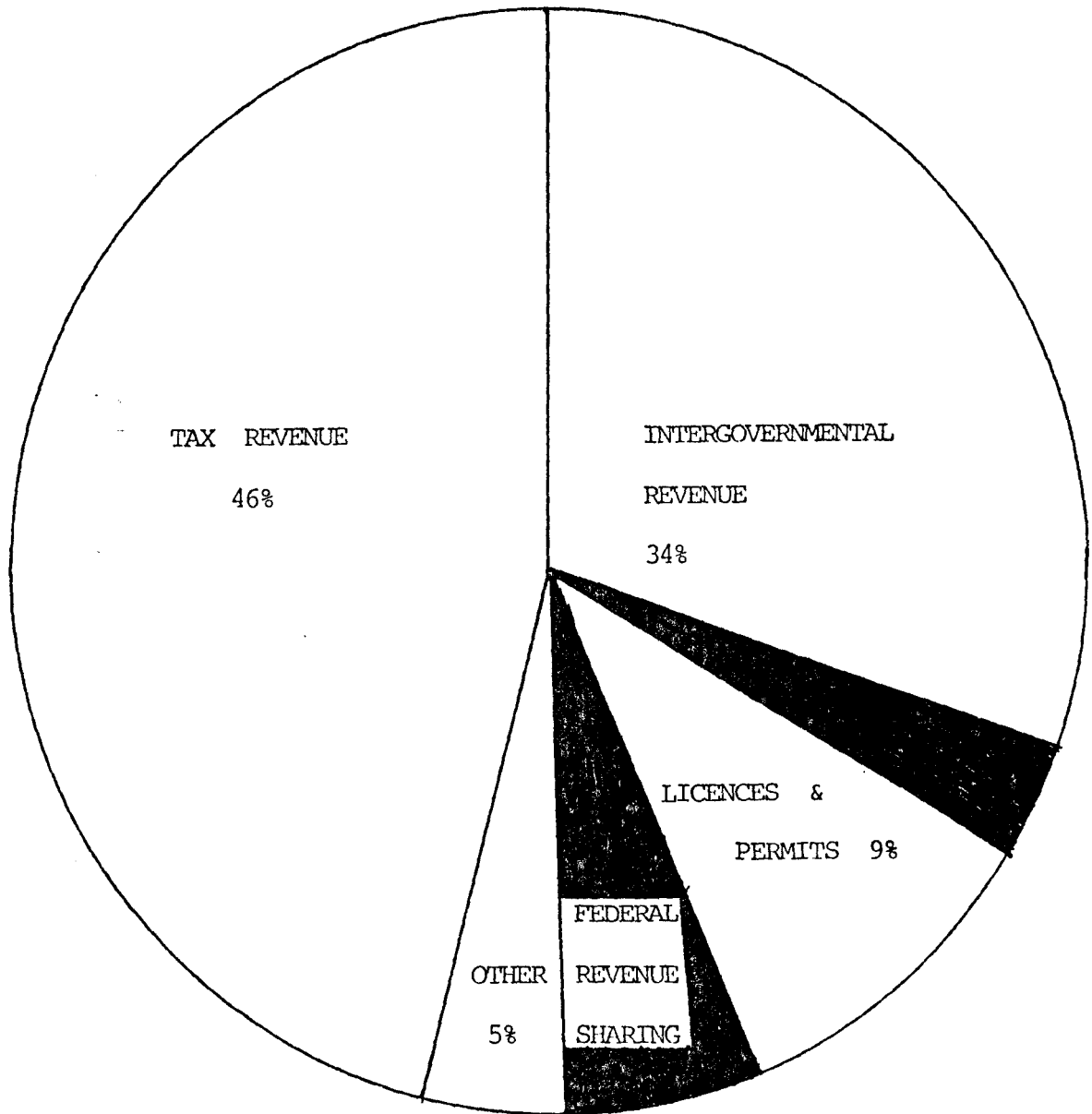


TOTAL LEVY IN CITY

486.25 MILLS 100%

<p>CITY - COUNTY :</p> <p>160.85 MILLS</p> <p>33%</p>	<p>GEN. & HIGH SCHOOL</p> <p>106.59 MILLS</p> <p>22%</p>	<p>SCHOOL RETIRE</p> <p>65.36 MILLS</p> <p>13%</p>	<p>SCHOOL DIST.</p> <p>60.52 MILLS</p> <p>12%</p>	<p>CITY FIRE</p> <p>60.33 MILLS</p> <p>12%</p>
<p>↓ STATE</p> <p>6 MILLS</p> <p>1%</p>	<p>↓ CEMETERY</p> <p>10.01 MILLS</p> <p>2%</p>	<p>↓ CITY-DIFF.</p> <p>16.59 MILLS</p> <p>3%</p>		

ANACONDA-DEER LODGE COUNTY
GENERAL FUND REVENUE



My name is Alan Tandy and I am here representing the City of Billings.

We are very concerned about the Legislature abrogating its responsibility to fund the loss of light motor vehicles from the property tax base. The 1981 Legislature made a commitment to local governments that their action would not mean a net loss in revenues.

The City of Billings is very proud of not raising property tax levies in six years. We have done that through increasing efficiencies and reducing some services. Unfortunately, we have also done that by not funding our capital replacement and project needs. As a measure of our efforts, even though the City's area has increased by 46%, we have seven fewer staff people than we did in 1981-82. Even with a history of operating conservatively, however, we cannot continue to absorb cuts from multiple sources when we are constrained to a tax base limited to property taxes. This year we lost over \$700,000 in General Revenue Sharing and over \$300,000 from another Federal Grant source. We have recently had a Supreme Court decision come down which casts about \$300,000 in our business license fees in jeopardy. An earlier decision of the Court this year removed liability limits within a few weeks after we had lost outside insurance coverage.

Billings is within 1.6 mills, or about \$177,600, of our Charter mill levy limit. It is our understanding that the impacts of this legislation will cost us somewhere between \$180,000, \$229,000, and \$252,000, depending upon which number is applicable between \$6.8, \$8.8 and \$9.7 million on a State-wide basis.

In 1981-82, we received \$500,926 as a reimbursement for the loss of light motor vehicles from the property tax base. In 1985-86, we project receiving \$506,456. We should receive \$512,000 in 1986-87. Although we have anticipated some reduction in preparing our budget, we have balanced the budget by not adding necessary staff and stripping our General Fund of capital. Fortunately revenue sharing, in its last year, has given us the ability to replace some equipment; for example, a 1961 motor grader.

We cannot absorb further reductions without serious service implications. We would support alternate measures such as an additional surcharge on motor vehicle licenses or a move to a flat percentage charge on the value of vehicles in lieu of the current system.

The City of Billings is probably in better financial shape than most other cities. Yet with the loss of revenue sharing, even we will be facing serious service reductions.

We urge you to defeat HOUSE BILL 14 and to consider, in its place, legislation which replaces the revenue with a surcharge or a flat percentage charge. We appreciate the fact that the State is in a difficult financial situation. We ask you to remember, however, that cities like Billings have been in a cutback situation for years and we are absorbing cuts from the Federal government, courts, and State, while trying to operate on an overly dependent property tax base. Additional cuts, until we can address new tax base issues in the 1987 Regular Session, cannot be absorbed without serious harm.

Thank you for your time.

June 18, 1986



OFFICE OF THE MAYOR

201 W. SPRUCE • MISSOULA, MT 59802-4297 • (406) 721-4700

HB 14
Jim Nugent
June 18, 1986

June 18, 1986

House Local Government
Committee Members
State Capitol
Helena, Montana 59620

Re: City of Missoula opposition to HB-14

Dear House Local Government Committee Members:

I would like to take this opportunity to express the City of Missoula's opposition to HB-14.

Several times in recent years Montana State legislative enactments and Montana Supreme Court decisions have forced local governments to rely more and more on real property taxes for basic operational revenues as alternative funding sources were eliminated and/or additional service burdens and/or liabilities were imposed on local governments.

This year all local governments will most likely experience the elimination or dramatic reduction of federal revenue sharing monies. Further, the Montana real property reappraisal has resulted in Missoula County experiencing the second largest percentage decrease (more than seven percent) in the value of a mill of any Montana counties. Such a decrease also will reduce the value of a city mill significantly. Further, City of Missoula property taxpayers are faced with having to pay for hundreds of thousands of dollars of delinquent special improvement district bonds and carrying costs for land subdivisions that never sold.

The revenue monies that local governments would lose pursuant to HB-14, if it were enacted, were replacement monies that were supposed to replace lost motor vehicle revenues that local governments experienced when the 1981 Montana State Legislature changed from a basis of taxable value and property taxes to one of a flat fee for motor vehicles.

If HB-14 reduces these replacement revenues, local governments will be required to reduce services, or increase real property taxes, or some combination of these two options. Therefore, the City of Missoula respectfully opposes HB-14.

Sincerely,

Laurence L. Anderson, Admin. Asst.
for Robert E. Lovegrove
Mayor

REL:mbs

Nugent



Telegram

Exhibit 10
June 18, 1986
Gordon Morris



Telegram

MESSAGE
NUMBER > 4-010114s169

ORIGINATING
OFFICE > Red Lodge, Mt

DATE
6-18
86

FILING TIME
932 a MDT

TO: Representative Paula Darko, House Local Government Committee

ADDRESS: Capitol Station

CITY - STATE & ZIP CODE: Helena, Mt. 59601

In regard to house bill #14, the Montana Association of Colonies vigorously oppose the bill. We believe in the State Committee to fully fund the Block Grant Program.

In regard to house bill #11, we recommend the bill in the committee to establish a salary freeze as opposed to a freeze by county officials as submitted in the introduced bill.

I respectfully submit the comment for your consideration.

SIGNED: Gordon Morris, Executive Director
Montana Association of Counties

WITNESS STATEMENT

NAME Chuck Krause BILL NO. HB 11

ADDRESS Butte DATE _____

WHOM DO YOU REPRESENT? Montana Amicus Act

SUPPORT _____ OPPOSE ✓ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

WITNESS STATEMENT

NAME Newell Anderson BILL NO. 4814
ADDRESS _____ DATE _____
WHOM DO YOU REPRESENT? Dept of Commerce
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

VISITORS' REGISTER

Local Government

COMMITTEE

BILL NO. HB 11DATE June 18, 1986SPONSOR Manuel

NAME (please print)	RESIDENCE REPRESENTING	SUPPORT	OPPOSE
REP. GAY HOLLIDAY	w/ amendments	X	
CHUCK KRAUSE	MONTANA ADJUDICATORS ASS'N.		X
Bill Edwards Bill Edwards	Missoula Spec. Ed.		
Judy Edwards	MEA		
B. J. Wood	L. W.		
J. STANTON	BAKER Public Schs		
Tom Crosser	OBPP		
Arthrop Allison	Mayme Chamber Falls		X
John Allen	Heat Teller		X
Don N. Loney	ISA M		X
James H. Bore	M.C.F.		
Heila O'Brien	Mesa Co. Truckers		
Jay Nelson	M.C.F.		
Orlynn N. Bolech	Mesa Co. Truckers		
Jack & Loretta Wipke	Mont. County Truckers		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

Local Government

COMMITTEE

BILL NO. HB 14DATE June 18, 1986SPONSOR Baranovue

NAME (please print)	RESIDENCE REPRESENTING	SUPPORT	OPPOSE
Larry Majerus	Motor Vehicle Div. DOT	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Dave Woodgerd	Dept. of Revenue	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Bruce G. Myers	MSBA	<input type="checkbox"/>	<input type="checkbox"/>
Maxwell Anderson	Dept of Commerce	X	<input type="checkbox"/>
Archie Schen	Great Falls	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Archie Schen	" "	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Ray Foster	Billings	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Alan Tardiff	Billings	<input type="checkbox"/>	<input checked="" type="checkbox"/>
McLellan Allison	Mayor Cat. Falls	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BARBARA PARKER	COLUMBIA FALLS SD#6	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Phil Campbell	MEA	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Margo Voremans	MEA	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tom Minow	MFT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
MATT THIEL	MFT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Theresa Cahoon	Monte Co. Freeholders	<input type="checkbox"/>	<input type="checkbox"/>
James Duckert	Richy	<input type="checkbox"/>	<input type="checkbox"/>
Delores Pace	Monte Co Freeholders	<input type="checkbox"/>	<input type="checkbox"/>
Wynne Perichon	MSBA	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Lee Hanger	Cambria School	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

Local Government COMMITTEE

BILL NO.

HB-14

DATE

June 18, 1986

SPONSOR

Bardanave

NAME (please print)	RESIDENCE REPRESENTING	SUPPORT	OPPOSE
Jim Nugent	City of Missoula Montana League of Cities		X
LARRY ANDERSON	CITY OF MISSOULA MONT. LEAGUE OF CITIES		X
Ellen Imboden	Missoula Mt.		X
Laura M. Risdell	Missoula MT		
Verne Imboden	Missoula Mt.		
Eduardo Beach	Missoula Mont.	X	
Dean A. Cherry	Richmond, MT		
Jim Boren	MT	X	
Tom Sotner	Dist 1 School Butte Mont		X
Jeff Satterly	Dist 1 Butte Mont		
Don Blay	Commissioner Ana. Ben Sedge County Anaconda		X
John W. Henry	S. A. M		X
Mary Jo Preskornik	Anaconda School District		X
E. BEN BIFASS	Anaconda District Co		X

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