

DAILY ROLL CALL

LOCAL GOVERNMENT

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date June 16, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. NORM WALLIN, CHAIRMAN	✓		
REP. RAY BRANDEWIE, VICE CHAIRMAN	✓		
REP. BUDD GOULD	✓		
REP. REP. TIMOTHY WHALEN	✓		
REP. PAULA DARKO	✓		
REP. TOM BULGER	✓		
REP. JAN BROWN	✓		
REP. BOB GILBERT	✓		
REP. LARRY GRINDE	✓		
REP. WALTER SALES	✓		
REP. STELLA JEAN HANSEN	✓		
REP. PAUL PISTORIA	✓		
REP. ROBERT HOFFMAN	✓		
REP. LES KITSELMAN	✓		
REP. JACK RAMIREZ	✓		
REP. DAVE BROWN			
REP. CAROLYN SQUIRES	✓		

MINUTES OF THE MEETING
LOCAL GOVERNMENT COMMITTEE
50TH LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES

January 16, 1987

The meeting of the Local Government Committee was called to order by Chairman Norm Wallin on January 16, 1987, at 1:00 p.m. in Room 312-E of the State Capitol.

ROLL CALL: All members were present with the exception of Rep. Dave Brown who was absent.

CONSIDERATION OF HOUSE BILL NO. 124: Rep. Richard Nelson, House District #6, sponsor of the bill, stated this bill is a proposed constitutional amendment which would take 2/3 vote of the legislature to put it on the ballot to amend the constitution by removing the required voter review over local governments. It would not remove the voluntary review in the constitution which provides for people doing it any time they so wish, but to remove the requirement to review every ten years. He presented a breakdown of the cost to municipalities and the number of recommendations made and passed.

PROPOSERS: Rep. Paul Pistoria voiced his support for this bill and distributed a cost sheet to each county in the state and stated further that if it is a volunteer review it will not cost the taxpayers any money. Gordon Morris, Executive Director of MACO wished to go on record in support of both HB 124 and HB 125 as his association believes that from the standpoint of redundancy that is built into the system by virtue of tenure that the centennial requires for the review process, and that is a redundancy we can eliminate by submitting it to the voters in 1988 for the purposes of repeal. They tracked the expenses during the two years the voter review process was undertaken and in that period they showed figures in excess of 2.3 million dollars having been budgeted associated with voter review.

Mr. Morris further added that is budgeting from the standpoint that the law requires for purposes of financial administration that the study commission be financed by the county commissioners (Sec. 7-3-184) of at least one mill and the local government may levy up to one mill in excess of all other mill levies; and as a consequence, we had every one of those counties engaged in the review process in fiscal year 1986; and it is a redundancy in the system from the standpoint that the electorate, the citizens of each and every taxing jurisdiction in the state can

do this any time they see fit. From that standpoint the Association urges their support for both of the bills. Jack Mehlose of Clancy, urged the committee's support of this bill as the result of the study which was made in his county in 1986 at the cost of \$10,000 to their county funds. Jo Ellison of Clancy seconded Mr. Mehlose's comments. Vera Cahoun of the Missoula County Freeholders voiced her support of HB 124 and HB 125 for its cost effectiveness and to let it be a volunteer process. Julie Harcker, also members of Missoula County Freeholders Association supported HB 124 and HB 125.

OPPONENTS: Alec Hansen, representing the Montana League of Cities and Towns stated his organization had not taken an official position on either of these bills. However, he had talked to representatives in Bozeman, Missoula, Billings and Butte who indicated to him that periodic review of local government was a good idea. Also, he did not think there's a real problem in allowing the voters of Montana to decide if they want to keep it or not.

Richard Roeder, testifying as a private citizen, opposed HB 124 and HB 125 stating that the HB 124 was composed and written on the basis of a vast experience; a local government committee in the constitutional convention included people with experience as mayors, aldermen, county attorneys and city attorneys. This particular division in local government body open for periodic review is what really ties the whole article of local government together. After lengthy testimony, he strongly urged the consideration of HB 124 and to study the constitutional provisions on local government in their entirety.

Sande Sargeant, former study commissioner voiced her opposition to HB 124 as she believed this process becomes more important every year.

There were no further proponents or opponents. Rep. Nelson closed by saying he believes this process of review should be strictly voluntary on the part of the community, and he would distribute a copy of the statistics he presented earlier in the hearing for their information.

QUESTIONS (OR DISCUSSION) ON HOUSE BILL NO. 124: Rep. Grinde asked if these two bills are passed can the cities and counties still go through this process. Rep. Nelson responded that any group of citizens can form a committee and petition for review.

Rep. Grinde asked further if he could describe that process. Rep. Nelson stated it is covered in Sec. 7-3-121 through Sec. 161 which is listed on the back of the page he distributed with the titles describing all details. Rep. Grinde further asked if these people decide to petition for this review will the funding still be available. Rep. Nelson replied no.

Rep. Bulger asked as a point of clarification, as the law presently sits, matching several rather large expenditures by the cities and counties, is it correct to say that no city or town or county is required to have such a study commission unless the members of that entity rule to have such a commission? Rep. Nelson replied yes to that question.

CONSIDERATION OF HOUSE BILL NO. 125: Chairman Wallin stated the committee would now consider HB 125 which is tied in with HB 124. The Chairman asked Rep. Nelson to present HB 125 as for the record they have to be separated. Rep. Nelson, House District #6, Kalispell, sponsor of the bill, stated HB 125 is the repealer that would go into effect if the constitutional amendment were approved.

PROPOSERS: There were none.

OPPOSERS: Tom Payne of Missoula voiced his opposition to HB 124 and HB 125. He had served on the study commission in 1974-1977 and felt the review process should be retained.

There were no further proponents or opponents. Rep. Nelson closed.

DISPOSITION OF HOUSE BILL NO. 124: Rep. Gould moved that HB 124 DO PASS. Rep. Sales seconded the motion. Rep. Whalen made a substitute motion that it DO NOT PASS. The motion FAILED. Rep. Kitselman moved to REVERSE MOTION. Motion CARRIED.

DISPOSITION OF HOUSE BILL NO. 125: Rep. Gould moved that HB 125 DO PASS. The motion CARRIED.

CONSIDERATION OF HOUSE BILL NO. 99: Rep. Sales, House District 76, sponsor of the bill, explained the reason for wanting to free the funds received from the resort tax for bonding purposes and there are a number of important concerns which need to be taken care of, such as the water system being a serious problem, the streets and the sewer system.

They have found a water supply 10-12 miles out of town, and this will be quite a project. They have formed their own citizens committee to administer the details. He asked Cal Dunbar of West Yellowstone to give the details to the hearing. Mr. Dunbar explained they went back to HB 826 of the 1985 Session; this is a retail sales tax for resort communities above 2500, who by local option voted this tax; it is for 3%. The bonds would be paid over 20 years; make monthly remittance; they have a 5% withholding rebate for the collecting business - property tax relief of 5%; in a year or two any uncollected funds through HB 826 are automatically allocated to property tax relief in the next 20 years. They have to be very careful how they allocate the funds. A detailed list of taxable items was read by Mr. Dunbar to the committee. (Exhibit 1).

He further stated that the local committee had a review and in several instances they had forgotten some things; they reconvened the committee and put an amendment on their ordinance to add certain taxable goods and moved ahead. They have collected about \$505,000 and they have around \$8,000 that is accrued interest so they are sitting on about \$513,000. This tax has been overwhelmingly popular and the people are just sitting up there waiting to see us start working on the streets. They have already hired engineers, they have engineering studies. They have a water project because the water project was city water which they need and that is going to give them a reduced fire rate of 10 for a commercial, 9 for residential. This is going to greatly help them when that water comes in and they have to do that first because they have to completely rebuild the streets and the sub-structure up.

This means they have a storm sewer project which is a part of the street project. They have to repair the streets that are mostly chuck holes now. And so you are talking about 6 million dollars. They have \$500,000 from year one coming in; they have collected about \$86,000 in a brief period before this fiscal year - they had a carry-over so they have this money to do this job that the people expect them to do, (because they were told they were going to use this money for this purpose) they have to have a bonding authority and when HB 826 was written it did not give them any bonding authority. They can only do as much as HB 826 permits them to do; therefore, we need to give them this bonding authority in order for them to proceed in the way the people expect to utilize this money. Just collecting the money isn't going to do the job - they have to be able to leverage this revenue stream into a bonding program so they can go ahead; they are already quite far along on this with the money they did have available in the hopes they could make this thing work.

Bill Howell will give you some more figures on exactly what they are talking about with respect to money.

BILL HOWELL: Mr. Howell, a city council member, stated they were provided last legislative session with a source of funds and all they want to be able to do now is to get the job done in West Yellowstone. They have three basic projects that the citizens in West Yellowstone want them to accomplish: as Cal mentioned to you, one is their city water system and fire protection; currently they have no fire hydrants in their town with the exception of one that comes off an old water tower that was established there a number of years ago. They have no city water in West - about every business there is on a well system and the volume of water that is used in that community is quite extensive. They have located a source of water 4 miles from town. The water project is going to cost 1.6 million dollars according to their engineering studies. They also need to have a street project and a storm sewer system to go along with that. That project is also going to be 1.6 million, and in addition to that a complete rehab of all the streets in West Yellowstone will be 2.7 million dollars. So for a total of 3 projects, they are looking at 6.2 million dollars. Now obviously, they can take the money they are collecting and do it a block at a time for 20 years and never have anything that is done, or looks decent; or it can be done all in one shot, and that is what they are going to try and do.

The reason for being here for HB 99 is to ask the support of this committee to allow them the bonding authority to use those funds for that purpose to leverage annual collections so they can get into their project. Right now the time schedule is this: they anticipate in June tearing up West Yellowstone and putting in a water system and fire hydrant system, and at the same time, putting in a storm sewer system. The following June they anticipate starting the street project and the engineers say it may be possible to get it all done at once and possibly it may take the third summer in order to get the final streets finished. They are most appreciative of what you did for them and are asking to be able to use the money as best they can with our long-range goal past the twenty-year tax collection period. It is going to take them about 20 years to pay it off, pledging almost all their revenues from the resort tax with the exception of those things mandated by the legislature, property tax relief. They are asking support for HB 99.

OTHER PROPONENTS: Gordon Morris, Executive Director of MACO stated the Montana Association of Counties supported this bill.

Rep. Robert Hoffman voiced his support of these two bills and was favorably impressed at what has happened to date.

Mrs. Mae Ellingson, Bond counsel, discussed information concerning the nature of the bonds being requested under this bill. What is being asked for is essentially a revenue type bond. These would not be general obligation bonds of the town of West Yellowstone, but they would be bonds that would be payable solely from the resort tax or any other revenues that this legislature authorized them to pay. They are essentially very much like a water and sewer revenue bond, that is, currently cities and towns are authorized to construct and do sewer systems and water systems by borrowing money and pledging for the repayment of those bonds - - sewer charges and water charges; this would be a similar type bond, similar to a parking revenue bond where you are pledging payment for a parking facility that is being constructed. She wanted to clarify that so they would understand the nature of the bonding proposed. A question had arisen a little bit earlier as to the marketability of these bonds. You should know that the town of West Yellowstone is working with some underwriters who are willing to purchase these bonds if you give them the authorization to proceed.

The exact underwriting standards for the marketing of the bonds hasn't been determined at this point. Cal mentioned they had collected about \$500,000 with resort tax this previous year; the underwriters will probably not allow them to bond to that full capacity because of the uncertainty over tax collections in the future so they may allow them to only issue bonds that could be serviced say by \$400,000 a year just in case there is a shortfall from year to year. All of those things will be considered in the underwriting process of the bonds.

OPPONENTS: There were none.

QUESTIONS (OR DISCUSSION) ON HOUSE BILL NO. 99: Rep. Pistoria asked Rep. Sales if the bill passed so they can sell bonds - have they got money now in the till accumulated. Rep. Sales said they had a good portion of that \$500,000 now. Rep. Pistoria asked when they passed the ordinance do they tax

everything to derive their revenue from or is it just a bed tax? Rep. Sales stated that Cal had pretty much identified that through the list but he will have him list the things that aren't taxed as it would be easier.

Mr. Dunbar stated that in order to make it easier for the businesses to operate they had prepared these (lists) for the individual merchants. It says the 3% tax applies on all items except these specific examples and there are 18 of them. (Exhibit 2). He then read all the 18 items to the committee which were not taxed. He further stated that this was open; they have a committee of citizens meet and if anyone has a concern who is in business they discuss the item and make the decision. This bill would not work if the people weren't in favor of the resort tax, because you can't force something like this on local people. They vote on this and they voted for it. The reason they bought this thing is they want to get their streets fixed, they want to get their water situations squared away and they want a very big program for us to do for them and we can't do it with \$500,000 a year unless we can leverage this into long-term financing.

Rep. Ramirez had a question for the bond counsel - he recognizes the revenue bonds are not within the statutory debt limitation but this is kind of a hybrid - not strictly a revenue bond; what is the taxable valuation and what would the debt limit be for West Yellowstone and why do we have such a broad exemption here from the debt limit - he asked if she knew of any other statutory provision or other situation where there is a similar exemption so broad? Ms. Ellingson said the taxable evaluation is 16 million and it will be 1.6; the answer to the first question is that generally speaking in Montana we have always excluded revenue bonds from any calculation of debt. The Montana debt limitation for municipalities is based on property tax and the general obligation bonds are based on property tax because there has always been that correlation; she thought the committee felt very strongly about it. You may want to place some kind of limitation on the bond but she certainly would advise against doing it on taxable valuation because that's the problem of West Yellowstone. Initially, there's not enough taxable valuation there and that is why the general obligation route is unworkable.

As far as she knows, every kind of revenue bond that they do with the state of Montana is not included in the statutory debt limit. The same is true of special assessment bonds;

special assessment bonds may be more like general obligation bonds than is this particular tax bond and those are not included in statutory limitations.

Rep. Rameriz asked if anyone has any estimates of how much of this 6 million dollar project could be paid for under a more traditional revenue bond approach - in other words, how much (or special assessment) are their fees and assessments going to generate for this project? Or just for your water system? Ms. Ellingson stated that when they reviewed this initially to determine whether or not it could be financed under existing law, what could be financed under general obligation bonds and what could be financed under special assessments, and it was both a practical consideration and political consideration that property owners in West Yellowstone were by special assessments getting the resort tax and it would be defeated if they had to turn around and put in the improvements by special assessments against the property tax owners.

Rep. Rameriz then asked if they don't intend to use any special assessments still you would intend to charge for your water system, that's the only part of this which you could actually have any revenue from; he was just wondering how it would break out then as far as how much you could do with that GO bonds, how much you could do with revenue bonds financed by the water system and how much would you have to have over and above that then, to be paid for by your resort tax?

To follow up on that - he is saying it shouldn't be a wide open authorization with no limit and thinks we could devise a limit that would meet their needs and afford some protection where it needs to be afforded.

Ms. Ellingson said again, they have recognized the whole financing but it is impossible to finance all of the improvements that need to be financed from the proceeds of the resort tax; there simply is not enough there. What they are currently proposing to do would be to finance the improvements to the water system through a traditional water revenue bond that perhaps will be sold to the department of natural resources under the water development program so we know what we've got to pay for that. They have applied for a grant to pay for the storm sewer, so what they are really thinking is what they are going to finance through the resort tax bond issue would be the improvements to the streets and perhaps sidewalks.

In some ways the resort tax, the amount of bonds that you can issue is really determined by the amount of collections. It is just like with revenue - the pure revenue bond issue for the water system you can issue as many bonds as you need to put in the water system or the sewer system as long as you can show that you've got adequate revenues to retire the debt.

Rep. Pistoria stated that Rep. Ramirez brought up a very good point on the amount of revenue - there's no caps. In other words, in this bill you can raise as much money as you want to, you have a free hand, isn't that right? Chairman Wallin said, no, 3%. Rep. Pistoria stated it could build up to - it doesn't say in the bill the amount whether it would be seven million or ten million etc.

Rep. Sales said the only thing is they want to do this project now, for the people for the next 20 years or longer and they can't do any more than they can finance in that period. So they are limited by what they can actually finance in that period. They cannot exceed that. How much is the rebate on the property tax - is it 5% - that goes under B, property tax relief, and any unbudgeted funds; you can't put them in the general fund, so if you don't budget right, the property tax payer would win.

Rep. Brandewie asked for anybody who could answer, what he was concerned about is that if the stream of income from the sales tax should dry up and you know, nobody can anticipate that, would this all fall back on the property taxpayer or is it the bonding company that is in trouble? Ms. Ellingson said this clearly would not be an obligation of the property tax payers in West Yellowstone. The bond will clearly say on its face that it is payable from the revenues pledged which will be the resort tax revenues. And in that instance, the obligation would fall on the owners of the bond and of course that is why the underwriters are looking at how much they collected this year, whether it is reasonable to anticipate to collect one-half a million dollars next year and that they would probably not let them bond up to the full one-half million dollars, but it will not ever become a general obligation of the town of West Yellowstone.

Rep. Wallin directed a question to Rep. Sales, that there were 3 bills heard this morning in taxation that have to do with bed tax, room tax, and if they go through, that would be in addition to this tax - and he thought that should be clarified.

Rep. Ramirez directed a question to bond counsel: Let's say that your revenues were insufficient for the bonds under the present tax structure; there are a lot of exemptions in there that he assumes are up to the people of the community. So they could increase the revenue stream by eliminating some of the exemptions. Would they be required to do that? Ms. Ellingson stated they haven't gotten to this point in the financial covenant that they would ask the city to go back and take things out - or whether the underwriters will ask them to do that, that is certainly something that could be on the table that they would get the town to covenant to not only levy the 3% as authorized, but to levy it on all things that are authorized under the ordinance and under the resolution.

Rep. Ramirez further said if, as part of the security, and he assumes that if it were done this way, which is authorized - he recognizes that they are not going to do it this way in this particular bond issue, but they are authorized not only to use the resort fee but special assessments as well. So his question is the same - let's say that you had an issue that was part special assessment, part resort tax - generally, would you have the kind of provision in your bond agreement that the special assessment would have to be increased, for example, if the resort tax was insufficient?

Ms. Ellingson answered that they wouldn't be able to do that as a matter of law. She thought his illustration is a good one; it is likely that they may have to finance a portion of the sidewalk, for example, by using both resort tax revenues and special assessments. In order to do that they would have to create a special assessment district. They would have to notify the property owners in that district at the time it is created how much would be levied and assessed against them for their share of the sidewalks. Once that is done, they wouldn't be able to increase the assessments levied against the property in excess of what they were initially told. So again, the bond holder would take the risk.

Rep. Ramirez said in the bill on page 2, line 9, it says, "you can pledge resort tax revenue, special assessments and any other source of revenue authorized by the legislature to be imposed or collected by the resort community."

Local Government Committee
January 16, 1987
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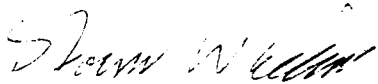
Does that turn it into a GO obligation? Would that include property taxes? Ms. Ellingson stated that is not the intent and certainly you need to clarify that. They would be more than happy to. They are concerned that you may authorize something else in this session and they wanted to make sure that if you did authorize additional sources that they could collect that they could pledge them, but it is not intended that they do general property tax so that would certainly be an acceptable clarification.

Chairman Wallin called for further questions from the committee. There were none.

Rep. Sales closed and thanked the committee.

Chairman Wallin stated the hearing on House Bill 99 was closed. There would be no executive action on House Bill 99 as the committee wished to get more information before doing so.

ADJOURNMENT: There being no further business to come before the committee, the hearing was adjourned at 2:50 p.m.



NORM WALLIN, Chairman

7-3-121. Purpose. The purpose of 7-3-121 through 7-3-161 is to provide procedures for alteration of existing forms of local government.

History: En. Sec. 1, Ch. 675, L. 1979.

- 7-3-121. Purpose.
- 7-3-122. Definitions.
- 7-3-123. Alteration of existing forms of local government.
- 7-3-124. Election procedure.
- 7-3-125. Petition for alteration.
- 7-3-126 through 7-3-140 reserved.
- 7-3-141. Permissible recommendations.
- 7-3-142. Requirements for petition.
- 7-3-143. Special requirements if consolidation recommended.
- 7-3-144. Special requirements if county merger recommended.
- 7-3-145. Special requirements if municipal disincorporation recommended.
- 7-3-146. Filing of petitions.
- 7-3-147. Availability of petitions.
- 7-3-148. Publication of summary and comparison.
- 7-3-149. Election on alternative form.
- 7-3-150. General ballot requirements.
- 7-3-151. Treatment of suboptions for alternative forms.
- 7-3-152. Effect of adoption of new form of government.
- 7-3-153. Filing of approved plan.
- 7-3-154. Judicial review.
- 7-3-155. Three-year moratorium.
- 7-3-156. Effective date of alternative plan or amendment.
- 7-3-157. General transition provisions.
- 7-3-158. Transition provisions affecting personnel.
- 7-3-159. Treatment of existing ordinances and resolutions.
- 7-3-160. Election of new officials.
- 7-3-161. Organization of new governing body.
- 7-3-162 through 7-3-170 reserved.

ALTERNATIVE
FORMS LAW

UNCHANGED

BY HB 125

7-3-171. Purpose. The purpose of 7-3-171 through 7-3-193 is to provide a mechanism for local government review as required by Article XI, section 9, of the Montana constitution.

History: En. Sec. 1, Ch. 697, L. 1983.

- 7-3-171. Purpose.
- 7-3-172. Purpose of study commission.
- 7-3-173. Establishment of study commissions.
- 7-3-174. Election procedures.
- 7-3-175. Election on question of establishing study commission.
- 7-3-176. Election of commission members.
- 7-3-177. Composition of study commission.
- 7-3-178. Term of office — vacancies — compensation.
- 7-3-179. Organization of commission.
- 7-3-180. Cooperation of study commissions.
- 7-3-181. Conduct of business.
- 7-3-182. Open meetings and public involvement.
- 7-3-183. Commission powers.
- 7-3-184. Financial administration.
- 7-3-185. Scope of study commission recommendations.
- 7-3-186. Study commission timetable.
- 7-3-187. Final report.
- 7-3-188. Special final report requirements — consolidation or county merger.
- 7-3-189. Special final report requirements for disincorporation.
- 7-3-190. Supplementary reports.
- 7-3-191. Publication of summary.
- 7-3-192. Election on recommendation.
- 7-3-193. Application of other sections.

STUDY COMMISSION
LAW

REPEALED

BY HB 125

X
HB 124

Section 9. Voter review of local government. (1) The legislature shall, within four years of the ratification of this constitution, provide procedures requiring each local government unit or combination of units to review its structure and submit one alternative form of government to the qualified electors at the next general or special election.

(2) The legislature shall require an election in each local government to determine whether a local government will undertake a review procedure once every ten years after the first election. Approval by a majority of those voting in the decennial general election on the question of undertaking a local government review is necessary to mandate the election of a local government study commission. Study commission members shall be elected during any regularly scheduled election in local governments mandating their election.

Compiler's Comments

1978 Amendment: Constitutional Amendment No. 6 (see Appendix to 1979 Laws of Montana) in subsection (2) after "require" inserted "an election in each local government to determine whether a local government will undertake"; and added last two sentences relating to voter approval and election of commission members.

Cross-References

Legislature to provide alternate forms of local government, Art. XI, sec. 3, Mont. Const.
Self-government charters, Art. XI, sec. 5, Mont. Const.
Alternate forms of local government, Title 7, ch. 3.

Procedure for alteration of existing forms of local government, 7-3-121 through 7-3-125, 7-3-141 through 7-3-161.

Local government review — study commissions, 7-3-171 through 7-3-193.

Constitutional Convention Transcript Cross-References

Adoption, Trans. 2940 through 2942.

Committee report, Vol. II 784, 785, 800, 801, 1010, 1011, 1014, 1015, 1074, 1075.

Debate — committee report, Trans. 2512, 2513, 2555 through 2565.

Debate — style and drafting report, Trans. 2819, 2928.

Delegate proposals, Vol. I 217, 234.

Final consideration, Trans. 2841, 2842.

Text as adopted, Vol. II 1102.

Lee Heiman
1/16

STATE OF MONTANA

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SCOTT A. SEACAT
LEGISLATIVE AUDITOR

Recd - Sat - Sept. 13, 1986

September 12, 1986

Representative Paul Pistoria
2421 Central Avenue
Great Falls, MT 59401

Dear Representative Pistoria:

Based on your request, we are providing the enclosed schedule regarding which local government entities established review commissions and their actual levy amounts for fiscal years 1984-85 and 1985-86. Twenty-five counties and seventy-three cities and towns established local government review commissions.

The amounts levied may vary from amounts actually expended by the review commissions. The Montana State University Local Government Center is planning to review actual commission expenditures. When we receive a summary of their results, we will forward a copy of that information to you also.

If we can be of further assistance, please contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read "Scott Seacat", written over a horizontal line.

Scott Seacat
Legislative Auditor

Enclosure

Rec'd - Let - Sept 13, 1986 - Paul S. Pistoria

TAX LEVIES FOR LOCAL GOVERNMENT REVIEW COMMISSIONS
Fiscal years 1984-85 and 1985-86

<u>Entity</u>	<u>1984-85</u> <u>Levy Amount</u>	<u>1985-86</u> <u>Levy Amount</u>	<u>Totals</u>
<u>COUNTIES</u>			
Beaverhead	\$ - 0 -	\$ - 0 -	\$ - 0 -
Big Horn	- 0 -	- 0 -	- 0 -
Blaine	34,312	1,772	36,084
Broadwater	- 0 -	- 0 -	- 0 -
Carbon	28,234	30,044	58,278
Cascade	89,426	91,644	181,070
Custer	18,275	9,273	27,548
Deer Lodge/Anaconda	- 0 -	- 0 -	- 0 -
Flathead	86,418	5,360	91,778
Gallatin	59,488	- 0 -	59,488
Glacier	45,787	48,825	94,612
Hill	44,462	- 0 -	44,462
Jefferson	15,387	- 0 -	15,387
Lincoln	33,311	21,876	55,187
Madison	- 0 -	16,026	16,026
Meagher	7,954	- 0 -	7,954
Park	18,361	4,543	22,904
Phillips	39,348	- 0 -	39,348
Pondera	25,177	- 0 -	25,177
Richland	11,219	10,163	21,382
Roosevelt	76,933	- 0 -	76,933
Rosebud	2,444	2,379	4,823
Sheridan	- 0 -	- 0 -	- 0 -
Silver Bow/Butte	- 0 -	- 0 -	- 0 -
Toole	15,849	5,339	21,188
COUNTY TOTALS	<u>652,385</u>	<u>247,244</u>	<u>899,629</u>

CITIES AND TOWNS

Bainville	- 0 -	- 0 -	- 0 -
Baker	4,164	4,244	8,408
Belgrade	2,449	2,540	4,989
Belt	385	378	763
Big Sandy	681	669	1,350
Boulder	715	708	1,423
Bozeman	21,182	18,211	39,393
Bridger	596	594	1,190
Brockton	- 0 -	- 0 -	- 0 -
Browning	- 0 -	- 0 -	- 0 -
Cascade	- 0 -	- 0 -	- 0 -
Chinook	1,229	1,255	2,484
Circle	827	850	1,677
Clyde Park	- 0 -	- 0 -	- 0 -

<u>Entity</u>	<u>1984-85 Levy Amount</u>	<u>1985-86 Levy Amount</u>	<u>Totals</u>
<u>CITIES AND TOWNS (continued)</u>			
Columbia Falls	3,413	- 0 -	3,413
Conrad	- 0 -	5,736	5,736
Culbertson	- 0 -	601	601
Cut Bank	- 0 -	- 0 -	- 0 -
Deer Lodge	2,940	2,570	5,510
Dillon	- 0 -	- 0 -	- 0 -
Dodson	- 0 -	- 0 -	- 0 -
Ekalaka	367	373	740
Ennis	- 0 -	- 0 -	- 0 -
Fairfield	617	- 0 -	617
Fairview	- 0 -	780	780
Forsyth	2,131	2,168	4,299
Fromberg	299	300	599
Geraldine	248	260	508
Glendive	7,554	483	8,037
Great Falls	- 0 -	30,018	30,018
Hamilton	3,221	- 0 -	3,221
Harlowton	763	- 0 -	763
Hardin	- 0 -	2,128	2,128
Havre	8,202	8,825	17,027
Hingham	207	- 0 -	207
Hobson	- 0 -	- 0 -	- 0 -
Hysham	- 0 -	- 0 -	- 0 -
Kalispell	15,001	7,881	22,882
Kevin	- 0 -	- 0 -	- 0 -
Lavina	- 0 -	- 0 -	- 0 -
Lewistown	- 0 -	- 0 -	- 0 -
Libby	- 0 -	3,426	3,426
Livingston	5,243	2,993	8,236
Lodge Grass	201	202	403
Malta	2,560	3,958	6,518
Manhatttan	725	- 0 -	725
Medicine Lake	267	269	536
Melstone	330	320	650
Miles City	9,202	9,418	18,620
Plentywood	2,370	2,462	4,832
Plevna	- 0 -	- 0 -	- 0 -
Poplar	- 0 -	- 0 -	- 0 -
Red Lodge	2,219	2,439	4,658
Richey	- 0 -	- 0 -	- 0 -
Ronan	1,371	- 0 -	1,371
Roundup	1,573	1,551	3,124
Saco	197	- 0 -	197
Shelby	2,469	2,561	5,030
Sidney	6,242	6,315	12,557
Stevensville	977	- 0 -	977
Sunburst	- 0 -	- 0 -	- 0 -

<u>Entity</u>	<u>1984-85 Levy Amount</u>	<u>1985-86 Levy Amount</u>	<u>Totals</u>
<u>CITIES AND TOWNS (continued)</u>			
Superior	785	824	1,609
Three Forks	945	- 0 -	945
Townsend	- 0 -	- 0 -	- 0 -
Valier	- 0 -	- 0 -	- 0 -
Walkerville	- 0 -	- 0 -	- 0 -
West Yellowstone	- 0 -	- 0 -	- 0 -
Westby	- 0 -	206	206
White Sulphur Springs	- 0 -	- 0 -	- 0 -
Whitefish	- 0 -	- 0 -	- 0 -
Whitehall	- 0 -	- 0 -	- 0 -
Wibaux	617	903	1,520
Wolf Point	- 0 -	- 0 -	- 0 -
CITIES AND TOWNS TOTALS	<u>115,484</u>	<u>129,419</u>	<u>244,903</u>
OVERALL TOTALS	<u>\$767,869</u> =====	<u>\$376,663</u> =====	<u>\$1,144,532</u> =====

MUNICIPALITIES

73 of 126 incorporated entities had review commissions

24 of the 73 made recommendations

15 of the 23 passed

4 of the 14 adopted new forms

(Great Falls incorporated its manager into a new charter and Miles City, Belgrade and Livingston adopted new manager forms)

Total cost: \$92,314 (figures for 6 small towns are still missing, but rounding up to \$100,000 would be about right)

Average cost: \$1,370

Of the 73 review commissions:

9 committees spent nothing

49 spent less than \$1,000

70 spent less than \$5,000

72 spent less than \$10,000

The big spenders were Great Falls (\$29,808) and Kalispell (\$8,765)

COUNTIES

25 of 56 counties had review commissions

13 of the 25 made some form of recommendation

2 of 13 passed - Park and Custer

(both continued the commission form but reduced terms of commissioner from 6 to 4 years)

Total cost: \$250,000

(This is an estimate since actual figures for both Meagher and Silver Bow are still missing - but it surely is a pretty close figure)

Average cost is \$10,000

Four counties (Big Horn, Carbon, Cascade and Flathead) accounted for \$153,000 of the total, or 61% of the total)

Big Horn spent \$51,000 and most of this was for attorney fees for the litigation in federal court over apportionment of the commission districts

Of the 25 review commissions:

7 counties spent less than \$1,000

18 spent less than \$10,000

21 spent less than \$20,000

TOWN OF WEST YELLOWSTONE

Box 579
West Yellowstone, Montana 59758
Telephone: (406) 646-7795

To: ALL BUSINESSES

RESORT TAX UPDATE

On November 5, 1985, the general electorate of West Yellowstone adopted a 3% resort tax to be collected by all businesses in the Town of West Yellowstone commencing January 4, 1986. Ordinances No. 112, 113, and 117 outline, enact, and amend the resort tax.

Tax remittance forms and tax charts may be obtained from the Town Office, 124 Yellowstone Avenue. All tax money is due monthly and should be remitted by the 10th of the month following. It may be mailed in or brought in personally to the Town Office. Penalties and interest will accrue for late remittances.

The 3% tax applies on all items except these specific exemptions:

- 1) Food purchased unprepared or unserved.
- 2) Utilities and utility services.
- 3) Medical supply services and medicine.
- 4) Wholesale merchandise for resale at retail or used in the purchaser's business as supplies.
- 5) Gasoline and other motor vehicle fuel.
- 6) Propane and similar home fuels.
- 7) Liquor sold at state liquor stores.
- 8) Automobiles, trucks, snowmobiles, motorcycles, all-terrain vehicles, boats, outboard motors, and chain saws.
- 9) Labor on the above items in no. 8.
- 10) All non-recreational labor, services, and non-recreational state licensed professions and trades.
- 11) All payroll and business and labor costs.
- 12) Lumber, building supplies, and tools.
- 13) Household appliances.
- 14) Bicycle sales and service.
- 15) Lodging facilities occupied for a period longer than 30 days.
- 16) Sales of goods from catalogs paid for from outside the boundaries of the Town.
- 17) Newspapers.
- 18) Fishing and hunting licenses.

PLEASE NOTE: The food stamp regulations have been accepted as criteria as definition of food purchased unprepared or unserved.

Food prepared and served by businesses for consumption off premises IS TAXABLE. i.e. To-Go Orders. To-Go Orders include all restaurant foods as well as microwaved foods prepared on premises for consumption there or elsewhere.

PLEASE DIRECT ANY FURTHER QUESTIONS OR INQUIRIES TO THE TOWN OFFICE, telephone: 646-7795.

REMINDER:

BUSINESS LICENSES ARE DUE THE 1st. OF JUNE. LICENSES ARE DELINQUENT THE 1st. OF JULY AND THERE WILL BE A 10% PENALTY FOR ANYONE THAT HASN'T PURCHASED THEIR LICENSE BEFORE THIS DATE.

Your license fee will be

PLEASE CONTACT THE CITY CLERK AT THE CITY OFFICES OR PHONE 646-7795 FOR YOUR LICENSE INFORMATION.

THANK YOU.

STANDING COMMITTEE REPORT

January 16

19 87

Mr. Speaker: We report on **LOCAL GOVERNMENT**

report **BILL NO. 124**

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☐ as amended
☐ statement of intent attached

REP. NORM WALLIN,

Chairman

FIRST reading copy (**WHITE**)
color

STANDING COMMITTEE REPORT

January 16

19 87

Mr. Speaker: We, the Committee on **LOCAL GOVERNMENT**

report **HOUSE NO. 125**

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☐ as amended
☐ statement of intent attached

REP. NORM WALLIN,

Chairman

AMS

FIRST

WHITE

reading copy (_____)
color

ROLL CALL VOTE

LOCAL GOVERNMENT

COMMITTEE *4-7*

DATE January 16

BILL NO. 124

NUMBER 124

NAME	AYE	NAY
REP. NORM WALLIN, CHAIRMAN		X
REP. RAY BRANDEWIE, VICE CHAIRMAN		X
REP. DAVE BROWN	X	
REP. JAN BROWN	✓	
REP. TOM BULGER	✓	
REP. PAULA DARKO	✓	
REP. BOB GILBERT		X
REP. BUDD GOULD		X
REP. LARRY GRINDE		X
REP. STELLA JEAN HANSEN	Y	
REP. ROBERT HOFFMAN		Y
REP. LES KITZELMAN		Y
REP. PAUL PISTORIA		Y
REP. JACK RAMIREZ		Y
REP. WALTER SALES		X
REP. CAROLYN SQUIRES	X	
REP. TIMOTHY WHALEN	✓	

TALLY

2-10-71

7 10

Jean Stephenson

Secretary

REP. NORM WALLIN

Chairman

MOTION: *7-2-16*

MOTION DO PASS

2-aye - SUBSTITUTE MOTION DO NOT PASS

HB 124-6 - REVERSE MOTION

H.B. 124 PASSED

ROLL CALL VOTE

LOCAL GOVERNMENT

COMMITTEE ¹⁶

DATE January 16

BILL NO. 125

NUMBER 125

NAME	AYE	NAY
REP. NORM WALLIN, CHAIRMAN	X	
REP. RAY BRANDEWIE, VICE CHAIRMAN	✓	
REP. DAVE BROWN		✓
REP. JAN BROWN		✓
REP. TOM BULGER		✓
REP. PAULA DARKO		✓
REP. BOB GILBERT	✓	
REP. BUDD GOULD	✓	
REP. LARRY GRINDE	✓	
REP. STELLA JEAN HANSEN		X
REP. ROBERT HOFFMAN	✓	
REP. LES KITZELMAN	X	
REP. PAUL PISTORIA	X	
REP. JACK RAMIREZ	✓	
REP. WALTER SALES	✓	
REP. CAROLYN SQUIRES		X
REP. TIMOTHY WHALEN		✓

TALLY

10 7

Jean Stephenson

Secretary

REP. NORM WALLIN

Chairman

MOTION:

HB 1256 - 10-7-

HOUSE BILL 125 DO PASS

HOUSE BILL 125 PASSED identical vote

WITNESS STATEMENT

NAME Sue Baker BILL NO. 124
ADDRESS 4 R. Brown DATE 1/16/87
WHOM DO YOU REPRESENT? Mia M. Brown
SUPPORT V OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. Same expenses as usual
2. Allow issues to surface from the citizens
3. When change is needed local people recognize the need and will do something to make the situation right.

WITNESS STATEMENT

NAME

Vera M. Carlsen

BILL NO.

124
122

ADDRESS

Star Rte - Bonner

DATE

1/16/87

WHOM DO YOU REPRESENT?

Mslw. Co. Freeholders

SUPPORT

☒

OPPOSE

AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

*Cost effective
Let it be voluntary*

LOCAL GOVERNMENT

COMMITTEE

BILL NO.

125

DATE _____

Jan. 16 - '87

SPONSOR

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

LOCAL GOVERNMENT

COMMITTEE

BILL NO. 99

DATE _____

Jan. 16-87

SPONSOR _____

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

LOCAL GOVERNMENT

COMMITTEE

BILL NO.

124

DATE _____

Jan. 16 - '87

SPONSOR

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

