

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

January 26, 1987

The meeting of the Local Government Committee was called to order by Chairman Norm Wallin on January 26, 1987 at 1:00 p.m. in Room 312-F of the State Capitol.

ROLL CALL: Roll call was taken with all members present. Lee Heiman, Committee Counsel for the Legislative Council was also present.

CONSIDERATION OF HOUSE BILL 280: Rep. Marian Hansen, House District 100--Powder River, Rosebud and Bighorn County, and sponsor of the bill stated it was to increase the time allowed for a city or town to file a financial statement with the Department of Commerce. There were those present who felt the 60 days was not enough time to file their financial reports. The bill states 180 days but they would like to amend that to 120 days. The Department of Commerce stated they would be in support of the 120-day amendment.

PROPOSERS: Alice Kuehn, Town Clerk for Ekalaka and also a member of the Legislative Committee for Clerks, Treasurers, and Finance Officers Association, stated that the annual report is due the end of August. The fiscal year-end is a problem with that time of year. Possibly at another time of year the 60 days would be enough. They have a small staff and at this time of year they are involved in seasonal activities, construction activities through the summer and the budget cycle is in process. The budget is required to be adopted by mid-August and submitted by September to the Department of Commerce, so it is also at this same time as the financial report. She submitted a written statement (Exhibit 1) Ms. Kuehn stated a lot of communities do not meet the present deadline of August 30. It is not a disregard for the deadline but just that there is not enough time. She commented that if they could get the additional 60 days the communities would view that as a reasonable deadline and make more effort to meet it. Extensions are sometimes requested and granted.

Don Hackmann, City Clerk of Laurel and representing Montana Municipal Clerks, Treasurers and Finance Officers Association, stated that June 30 is the end of the fiscal year. They usually hold the books open until the end of

July to pay claims for the fiscal year. He said at the same time this is going on, the budget process is in motion. They have a public hearing on the first Wednesday in August. The final budget should be adopted by August 10 and then sent to the Department of Commerce. The budget document takes 20 to 25 man-hours to complete. The annual financial statement is a lengthy, complex report taking 40 to 50 man-hours to complete and is around 90 pages long.

In doing some research at the Department of Commerce, Mr. Hackmann found that 13 percent of cities and towns complete the report in 60 days and 61 percent complete it in the 120-day period (Exhibit 2).

Alec Hansen, Montana League of Cities and Towns, stated the bill was considered at their convention and was included in the package of resolutions to be recommended to the legislature. He said it is very necessary because existing law does not contribute anything to the economy and efficiency of government. He said their purpose is to change a time schedule that simply doesn't work.

Rep. Leo Giacometto, House District 24, stated that the communities in his area felt the 60 days was not sufficient and hoped the bill would be amended to 120 days for filing the report.

Joe Aldegarie, Public Works Director for Missoula, conveyed the support of the bill by the Missoula City Council.

Brooks Morin, Administrative Officer for Helena, stated they found it extremely difficult to meet the 60-day time requirement because of the books being kept open and urged support for HB 280.

Chairman Wallin requested that Rick Michaelson, City of Scobey, who was unable to attend the hearing be listed as a proponent for HB 280.

OPPONENTS: None.

DISCUSSION (OR QUESTIONS) ON HOUSE BILL 280: Rep. Pistoria asked Alec Hansen if he had talked with Al Johnson about the bill. He said there were only small towns represented.

Mr. Hansen said he did not talk to him individually but it was a resolution passed at their convention and it passed unanimously with no opposition. The City of Great Falls was represented at the convention.

Rep. Pistoria asked if 120 days was really needed and if they could get by with 100 days? He felt the public and, speaking for himself, would like the information sooner.

Alyce Kuehn responded that the expenditures have to be held open for 15 to 30 days in order to get all expenditures that pertain to that fiscal year. She stated as far as filing the annual report, everyone that she knows do have their books closed by the end of August and have balance sheets completed. The report is complex and takes considerable time and effort in putting the funds together. Ekalaka has 27 funds and larger communities have more. Ms. Kuehn said as far as closing the books, balance sheets, and having the funds in balance, that has been completed. It is just compiling that information into the format of the annual report that is not completed.

Rep. Sales was concerned about the length of the report. He asked what is done with the report, how much is required to be published? When was the last time the 92-page document was looked at to see if it could be made easier for smaller towns or do all towns, large or small, use the same form? He asked who uses it? He wondered if there was a way to do without it or at least simplify it.

Ms. Kuehn responded the report is filed with the Department of Commerce. The Department does use the report. In the last two years it has gone from a 48 to a 92-page document. Each community does not use each page. There are so many pages for each type of fund. She said Ekalaka fills out at least 75 percent of the report. The Department withdraws information from the report to use in their report to the federal government on revenue sharing or the types of revenue derived in Montana.

State law requires the cities to be audited every two years. When the auditors come, they use the annual report and and the budget as the two documents to begin the audit process with. If the annual report was not completed, the auditors would go back to the closing worksheets.

Mr. Kuehn stated that when doing her closing worksheets and the annual report it gives her the opportunity to review the year and make decisions and recommendations to take to the council. She said the report is ambiguous and there are a lot of things that could be cut from it but she was not in the position to say what those things are.

Rep. Sales asked if it was required that any part of the document be published?

Ms. Kuehn responded the auditor's comments are published but the annual report is not published for any municipality.

Rep. Sales asked why the report was changed from 46 to 92 pages?

Ms. Kuehn thought the main reason was that cities had the larger report and they changed the towns report so they would have the same. It makes it easier to compare when the reports come into the Department of Commerce.

In closing, Rep. Hansen stated if the cities and towns were not getting the report in on time as was indicated and they felt they could work with the 120-day limit then the bill would allow them the flexibility to meet the deadline.

CONSIDERATION OF HOUSE BILL 311: Rep. Mike Kadas, Missoula, stated HB 311 is a bill to modify the mechanism for amending a street lighting district. He explained his neighborhood has one street lighting district that was set up 15 years ago. When the district was set up the price of electricity was fairly cheap and there was a lot of enthusiasm for the lights. Last year Coal Strip 3 increases and some other things combined, increased rates about 70 to 80 percent. With this increase, the people want to do with less lights. The district is set up with two lights at each intersection and four to five lights in every block. The people want to take out one of the intersection lights. They went to the city council and found in order to make this major modification, the district would have to be dissolved and a new district formed with the appropriate level of lighting. HB 311 uses the same mechanism used to form a district as to modify the district.

The power company asked Rep. Kadas to introduce an amendment (Exhibit 3). On page 3, line 18 following "lights", insert upgrading lights and lighting related facilities in the interest of energy conservation". Rep. Kadas stated the power company wanted to make sure that their existing authority would remain here. The power company is in the process of upgrading all street lights with sodium vapor, a more efficient lighting. He stated he had no problem with the amendment.

PROPOSERS: Joe Aldegarie, City of Missoula, stated the requirement for dissolving a district takes a petition by

75 percent of the property owners. That would take 1100 property owners inside this district. The bill proposes that if there is a significant interest of 10 percent within an area then the city council could start a process for changes. The city council of Missoula is on record as supporting the bill. It will allow people within a lighting district to determine the lighting type they want, the number of lights and whether or not they will have the ability to pay for it.

Alec Hansen, Montana League of Cities and Towns, stated he supported the bill.

OPPONENTS: None.

DISCUSSION (OR QUESTIONS) ON HOUSE BILL 311: Rep. Pistoria was concerned with the removal of the lights from the intersections that it would ruin the lighting there.

Mr. Aldegarie stated the people are looking for an acceptable level of lighting which would still allow them to reduce their costs.

Rep. Hoffman voiced concern with giving this much power to a council. He said in reading the modifications listed in the bill that these could amount to more expense than the actual original lighting district cost.

Mr. Aldegarie responded this was correct. He said what would happen in the procedures of Special Improvement Districts (SID's) would be once the petition was received by the council, a plan would be put together as to what it would cost. A mail notice to every property owner in the district would be done and then there would be a public hearing. If there was a public protest of 50 percent or greater that would kill the change to the SID.

Rep. Hoffman understood the hearing and notification but stated his experience with public hearings was that the governing body was not obligated to do what the people attending the hearings would want.

Mr. Aldegarie stated with the SID law, if there is a written protest of 50 percent or greater they are bound by that protest. They cannot overrule in the case of a 50 percent protest. There is that provision in the law.

Rep. Ramirez was also concerned and asked what would prevent someone having a very acceptable lighting district from changing it into something that could be quite expensive and not needing nearly as many people to make the change as the 75 percent that was needed to start it in the first place? If it takes 75 percent to start and public policy is that it should be that difficult to start, why should the policy be so much less to make a modification?

Mr. Aldegarie stated it does not take 75 percent to start a district. It takes 75 percent to stop a district after it has been formed. He added the bill was before the committee because the residents wanted the ability to make a change in the lighting district.

Rep. Ramirez asked if they wanted to change why was it so difficult to change by abandoning the old and starting a new district?

Mr. Aldegarie responded to abandon the old, it takes a petition of 75 percent of all property owners in the district. He said this is a monumental task. To go door to door and ask people to sign a petition to do away with the street lighting will never happen and so what they are looking for is a smaller percentage to start the process for changes and then go through the 50 percent protest.

Rep. Grinde asked once a lighting district is applied for, who determines how many street lights on each block and at each intersection?

Mr. Aldegarie stated those are determined in the initial creation of the district. A proposed plan is worked out through Montana Power and the council after being requested by the people. This would go back to the people and go through the notification and hearings process and if 50 percent protested it would not be created.

Rep. Brandewie stated for clarification in the discussion that without a change in the state law, persons cannot as an example, just propose a plan to turn off every other light in a district to cut their charges in half.

Mr. Aldegarie stated this was correct. The original resolution for creating the local district specifies the number of lights and Reps. Grinde and Brandewie were speaking of changing the number of lights in the district.

Rep. Pistoria asked if there was anyone from the utilities present to clarify things.

Bob Quinn, Montana Power, responded to Rep. Pistoria that it was his amendment that was offered and it was consistent with what they are doing now under the energy conservation program. The old fixtures are being taken out and are being replaced by new high pressure sodium vapor. The purpose of the amendment is to prevent Montana Power from having to go through the creation of a lighting district to change old fixtures with new.

Rep. Kadas in closing, stated he had the same concern expressed by Rep. Ramirez. He was unsatisfied with the protest provisions. However, it would be exactly the same to modify as it would be to set up a new district and felt the bill did give the people a reasonable option.

DISPOSITION OF HOUSE BILL 280: Rep. Sales moved to DO PASS HB 280 and he moved to pass the AMENDMENT to replace 180 days with 120 days.

The question was called and the motion carried unanimously.

Rep. Darko moved to DO PASS HB 280 AS AMENDED. The motion carried unanimously.

DISPOSITION OF HOUSE BILL 311: Rep. Sales moved to AMEND HB 311 with the amendment proposed by Mr. Quinn (Exhibit 3). Rep. Pistoria seconded the motion. The motion to amend carried unanimously.

Rep. Hansen moved to DO PASS HB 311 AS AMENDED.

Rep. Hoffman stated his concern was hearings giving boards power to do things only on having a public hearing. He felt the boards were getting a lot of power to establish law. He said county governments, on budgets, hold hearings and then go ahead and do what ever they want. This law would be fine for handling the situation presented but he stated on only being required to hold a public hearing, a town council could decide to make changes or improvements which would cost more than the original lighting district. He did not feel the hearings were effective.

Rep. Sales commented that possibly Lee Heiman could read the notice sections to Rep. Hoffman to help set his mind

at ease. Rep. Sales said usually if the council comes up with an idea that people feel they cannot afford, they can get a signed petition fairly fast. He felt the notice requirements in the bill very adequate.

Mr. Heiman read the notice provisions in Section 7-12-4303.

The question was called on Rep. Hansen's motion to DO PASS HB 311 AS AMENDED. It carried unanimously.

DISPOSITION OF HOUSE BILL 312: Rep. Sales moved to DO PASS HB 312. The motion carried unanimously.

DISPOSITION OF HOUSE BILL 277: Rep. Brandewie moved to DO PASS HB 277.

Rep. Bulger moved to amend HB 277 on page 3, subsection 4, to read: "If the county in which the violation or violations occurred has not initiated a drinking and driving prevention program as provided then the Department shall allocate the fee to that county for support of its district court system."

He felt there was a defect in the law and did not think it fair that a county not having the DUI program should lose the money collected by the \$50 fee to another county. Secondly, if that was the case, then it would be to the interest of each county to set up a program and just never meet purely to collect the money, rather than have it go to another county. He said each county should be able to maintain its own money for this purpose.

Rep. Gilbert questioned this amendment changing the intent of the bill. He offered another amendment which would state if the county did not have the program in place it would not be required to collect the fee. He felt this would keep it within the intent of the bill.

Rep. Bulger stated he could not defer to Rep. Gilbert because the county does not collect the money, the state collects it and then returns it to the particular counties.

Rep. Brown asked Mr. Heiman how far they could go within the scope of the title?

Mr. Heiman responded it is within the scope of the title because those counties where there are programs are being funded.

Rep. Whalen seconded Rep. Bulger's amendment.

Rep. Ramirez asked how are the programs being funded with the federal funds being eliminated? If there was no money coming in from these fees, how would they fund the program?

Rep. Grinde stated he did speak with Rep. Connelly and there is a fiscal note which is not available.

Rep. Hansen stated that Rep. Connelly was in last session with a bill asking for an appropriation to fund the DUI task forces because the federal money was running out. She did not get that appropriation and this time is putting a fee on to continue funding the program.

Rep. Brandewie stated they needed to make a decision as to whether it is a worthy program and not to see who gains the most. He said we are talking about saving lives of Montana citizens and at the present the thrust of the task forces is the education being done in the schools. Statistics in the large counties of Flathead, Yellowstone, Missoula, etc., indicate the program is working. Rep. Brandewie felt it important to continue the program.

Rep. Brown stated he wanted to know how the money collected would be distributed back out county by county. That information would be in the fiscal note.

Rep. Brandewie made a substitute motion to POSTPONE action until a fiscal note is received on HB 277. The motion carried unanimously.

DISPOSITION OF HOUSE BILL 253: Rep. Brandewie moved to DO PASS HB 253.

Rep. Sales was concerned that passing it in present form would allow the district to be torn apart one section at a time. There is an amendment available from Rep. Ream and people who testified on the bill.

Lee Heiman stated basically the amendment would provide on line 22, a sentence at the beginning of subsection (b) which would read, "Unless the petition is for the removal of an area which was previously added pursuant to this section, the area to be removed must be a compact continuous area located on the portion of the external boundary of the

district and must have a population of at least 100 persons."

Rep. Sales stated the amendment at least adds some reason to the bill and give the people of Rattlesnake a chance to get out of the transportation district because they do not have any service and did get into the district after it was created.

Rep. Sales moved to AMEND HB 253 with the proposed amendment.

Rep. Gould questioned if service is deleted whether the area is on the edge or not why should the people have to pay for it? He felt the bill was better without the amendment.

Rep. Ramirez was not satisfied that the amendment would stop a district from being destroyed. It could be done 100 people at a time. He felt there should be a better way to deal with a lack of representation or service of a particular area.

Rep. Sales moved to POSTPONE action on HB 253 until reasonable action could be taken. Rep. Whalen seconded the motion. The motion passed unanimously.

Rep. Wallin appointed a subcommittee to meet with Rep. Ream to work out the problems. He appointed Rep. Gould, Rep. Sales and Rep. Darko.

There being no further business to come before the committee, the hearing was adjourned at 2:15 p.m.


Chairman Norm Wallin

STANDING COMMITTEE REPORT

January 26, 19 87

Mr. Speaker: We, the committee on LOCAL GOVERNMENT

report HB 280

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☒ as amended
☐ statement of intent attached

Rep. Norm Wallin

Chairman

1. Page 1, line 12.
Strike: "180"
Insert: "120"

FIRST

reading copy (WHITE)
color

STANDING COMMITTEE REPORT

January 26,

19 87

Mr. Speaker: We, the committee on LOCAL GOVERNMENT

report HB 311

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☒ as amended
☐ statement of intent attached

Chairman

Rep. Horn Wallin

1. Page 3, line 13.

Following: "lights,"

Insert: "upgrading lights and lighting related
facilities in the interest of energy
conservation,"

FIRST

reading copy (WHITE)
color

Wallin

CLERICAL

Date: 1/26

House Bill 311

Time: _____

In accordance with Joint Rule 3-7(b) the following clerical errors may be corrected:

House Local Government

1. Insert "... and lighting-related facilities..."

Dean Wallin
Sponsor

1-27-87

15:00
[Signature]

Secretary of Senate
or
Chief Clerk

csj
Legislative Council

STANDING COMMITTEE REPORT

January 26,

19 ⁸⁷

LOCAL GOVERNMENT

Mr. Speaker: We, the committee on

report **HB 312**

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☐ as amended
☐ statement of intent attached

Chairman

Rep. Norm Wallin

FIRST

reading copy (

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color

STANDING COMMITTEE REPORT

February 2,

19 87

Mr. Speaker: We, the committee on LOCAL GOVERNMENT

report HB 253

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☒ as amended
☐ statement of intent attached

Rep. Norm Wallin

Chairman

1. Title, line 5.

Strike: "TERRITORY"

Insert: "CERTAIN PREVIOUSLY ADDED AREAS"

2. Title, lines 7 and 9.

Strike: "TERRITORY" two times on line 7 and on line 9

Insert: "AREA"

3. Pages 1 and 2.

Strike: everything following the enacting clause

Insert: "Section 1. Section 7-14-241, MCA, is amended to read:

"7-14-241. Procedure to enlarge district. (1) The boundaries of any transportation district may be enlarged if 51% of the qualified electors of the area to be added to the existing district sign a petition requesting addition to such district.

(2) However, each addition must be approved by a majority vote of the transportation board.

(3) The area added to a district pursuant to subsection (1) may be removed if the area does not directly receive transportation services from the district and 51% of the qualified voters in the area sign a petition requesting to be removed from the district. The removal of the area is effective 60 days after submission of the petition to the transportation board, unless within that time it is determined that the petition contains insufficient signatures for removal of territory. An insufficient petition must be returned to the petitioners who may submit it again within 90 days.

~~(3)~~ (4) (a) All property within any addition to the district shall be subject to all existing indebtedness of the district.

(b) Property within an area removed from the district is not subject to the district's existing indebtedness if the area had been added to the district within 5 years of the date the petition for removal was submitted to the transportation board.


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reading copy (WHITE)
color

DAILY ROLL CALL
LOCAL GOVERNMENT COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 1/26/87

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	✓		

WITNESS STATEMENT

NAME Alyce Tuck BILL NO. 280 (HB)
ADDRESS P.O. Box 241 DATE _____
WHOM DO YOU REPRESENT? Town of Ekalaka & Clerk's & Finance
Association
SUPPORT ✓ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: This bill has been sponsored on behalf of the Clerk's Association & I'm speaking for a member of their Legislative Committee & a Town Clerk of 10 years.

In Ekalaka we have a small staff and the annual report due date, 60 days following the close of the fiscal yr June 30, comes at a very hectic time in the work schedule. The budget cycle is in progress combined with all the personal activities & the major, as minor construction that has been scheduled during the summer months.

The Annual report is a long & complex document (92 pages) that requires considerable time & effort. At this time of year choices have to be made between ^{jobs} duties & responsibilities and even tho the annual report is due - something to do with the pool, park, construction or the budget is demanding attention & something less demanding have to be put off until tomorrow.

One point is that 60 days at another time of year would possibly be enough - however at this time of year many times an additional 60 days is essential.

WITNESS STATEMENT

EXHIBIT 2
DATE 1-26-87
HB 280NAME DON HACKMANN BILL NO. #B28
ADDRESS Laurel, NM DATE 1-26-87
WHOM DO YOU REPRESENT? Montana Municipal Clerk's, Treasurers, & Finance
OFFICERS ASSOCIATION (MMCTFOA)
SUPPORT ✓ OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

The current due date of 60 days is not sufficient amount of time for most clerks & finance officers to complete the financial report on a timely basis.

most of us do not get the books closed until the end of July and also at the same time we are working on next years budget, and public hearing. When the final budget is adopted, a budget document has to be completed and sent to DOC by Sept. 15. It takes approx. 20-25 MH to complete this document.

The financial report is a lengthy complex report which takes approx 40-50 MH to complete.

Statistics show that 61% of the cities & towns complete their report within a 120 day period and only 13% get it completed within 60 days.

EXHIBIT 3
DATE 1-26-87
HB 311

1/26/87

Passed

HB 311 - Introduced Bill

1. Page 3, line 18.

Following: "lights,"

Insert: *the* "upgrading lights and lighting related
facilities in the interest of energy
conservation" *underlying*

WITNESS STATEMENT

NAME

Joe Alexopis

BILL NO. 280

ADDRESS

201 W. Spruce, Missoula

DATE 1/26/87

WHOM DO YOU REPRESENT?

CITY OF MISSOULA

SUPPORT

☒

OPPOSE

☐

AMEND

☐

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

WITNESS STATEMENT

NAME JOE ALOEBARIE BILL NO. 311
ADDRESS 201 W. SPRUCE, MISSOULA DATE 1/24/87
WHOM DO YOU REPRESENT? CITY OF MISSOULA
SUPPORT ✓ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

PROVIDES PROCEDURE FOR CITIZENS TO DETERMINE
WHAT LEVEL OF LIGHTING FITS THEIR NEEDS.

VISITORS' REGISTER

LOCAL GOVERNMENT

COMMITTEE

BILL NO. HB 280

DATE January 26, 1987

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. HB 311

DATE January 26, 1987

SPONSOR

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
JOE ALDEGARE	CITY OF MISSOULA	✓	
WYCE KUCHN	Town of Kalaha	✓	
Don Lockman	city of Laurel	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.