

50TH LEGISLATIVE SESSION  
MINUTES OF THE MEETING  
LOCAL GOVERNMENT COMMITTEE  
MONTANA STATE SENATE

January 22, 1987

The fifth meeting of the Local Government Committee was called to order at 1 p.m. on January 22, 1987 by Chairman Bruce Crippen in Room 405 of the Capitol.

ROLL CALL: All members were present except Senators Pinsoneault and Hammond who were excused.

CONSIDERATION OF SENATE BILL 135: Senator Al Bishop, representing District 46, sponsored the bill. He stated that this bill is a housekeeping bill to exempt the relocation of a common boundary line between lots within and adjoining platted subdivisions from the Montana Subdivision Platting Act. If a person owned two platted lots side by side, he could relocate a common boundary line. The same would apply for two unplatted lots. But, if a platted lot and an unplatted lot stood side by side, relocation of that common boundary line is not covered under present law. He distributed Exhibit 1, a letter from a constituent who is having a dispute with the City of Billings over this law. Sen. Bishop is sponsoring this bill to solve this problem.

PROPONENTS:

Bob Felding, registered lobbyist for the Montana Association of Realtors, supports the bill and feels it will correct an error in the law.

Margaret Clark, Department of Commerce, said the department agrees with the object of the bill in handling a problem, but felt that it should be handled in a different way and would work with Karen Renne on amendments. See Exhibit 2.

William Spilker, a Helena realtor, felt this provision would not come into play often, but that it would handle the problem when it did occur. At present, a person would have to pay a fee of \$375 for a summary review, possibly have a public hearing, a survey etc. -- expensive and time consuming.

Sen. Eck said that a lengthy study has gone on and other legislation is to be proposed, but that there was a need for this bill to be passed.

OPPONENTS:

Dave Bishop, representing the Montana Association of Planners,

OPPONENTS TO SB 135 (continued)

asked that the bill be deferred until the other piece of legislation is introduced into the legislature. He felt that this bill could cause great confusion in the County Clerk and Records' offices. He agreed with some of the proposed amendments to be presented by the department of Commerce. The bill, he felt, erodes the concept of public review, and thought it could cause problems in determining boundary lines in future property transfers.

Brooks Morin, administrative officer for the City of Helena, agreed the bill would create confusion. It would potentially allow the property owner to remove his lots from the subdivision at will, because it would create non-conforming lots violating zoning regulations. Creating an exemption of survey requirements violates the intent of the amended plat review process, he said.

A. R. "Toni" Hagener, Hill County commissioner and president of Montana Association of Counties, opposed the bill for the same reasons as other opponents.

DISCUSSION BY THE COMMITTEE:

Sen. Harding asked why Sen. Bishop proposed the exemption. Sen. Bishop felt the present process was cumbersome and contradictory. He added that this was not an attempt to circumvent the law and felt that it might have a fairly broad use i.e. placement of garages might be more advantageous if a property line could be moved a few feet. He said he did not propose any change in perimeters of lots.

Sen. Eck asked what was the process to change a lot line. Margaret Clark said it involved review and that there is a difference between a major change and a minor change. A minor change would simply be investigated and approved, but a major change would have to go through the entire process. All property owners involved would have to sign their approval. She said that current statute does not address this particular problem and that different county commissions handled it in different ways.

Sen. Story questioned Mr. Hanson about a possible property line change which he had drawn. Mr. Hanson said that lot lines can be moved at present within the platted boundaries by minor plat for 5 or less lots if property is being added to the platted land. However, a future property owner might not discover the lot line change if a Certificate of Survey

is not required for it. He did, however, feel that title insurance plus the use of a realtor and a lawyer would protect the property owner and buyer.

Chairman Crippen asked if it was true that this bill would cause confusion as far as the Clerk and Recorders' offices were concerned. Sen. Harding, a former Clerk and Recorder, said that the records come from the Plat Room in the Clerk and Recorder's Office and they already have the vehicle to take care of amended plats.

Sen. Bishop said that, if property owners wanted to conduct this type of property transfer, they would first have to have a survey which would go through the Surveyor's office and the Clerk and Recorder's Office and that the survey would have to be approved. He said that the bill does not deal with subdividing and would not pertain to attempt to evade the Subdivision Platting Act. He then closed the hearing.

CONSIDERATION OF SENATE BILL 141: Senator Esther Bengtson, representing District 49, appeared as sponsor of the bill. It is being submitted to grant 55-mill authority to allow county commissioners greater flexibility in managing county operations. She distributed Exhibit 3 and explained the purpose of the bill.

PROPOSERS:

Dave Fuller, formerly a state senator and Local Government Committee Chairman, presently chairman of the board of County Commissioners of Lewis and Clark County, felt that this was a critical bill. He said that commissioners have enough problems in reaching agreement; but that, when a crisis arises, such as a bridge being destroyed by a flood, they had funding problems. Even if there might be surplus funds in another levied fund, the commissioners would not be able to use them. This bill would allow them the flexibility to use the funds where needed. At present, a bond would have to be levied for a specific project.

Toni Hagener said that counties who don't wish to use the 55-mill levy wouldn't have to but, for those who did, they would have the flexibility to invoke it. She felt the change of abuse by county commissioners was remote. It puts a greater responsibility on the commissioners as they are responsible to their constituents.

Dwight MacKay, Yellowstone County Commissioner, said that the time of emergency is now. The Yellowstone County financial

situation is the same as the state of Montana and that flexibility is a must in dealing with problems as they arise. He distributed Exhibit 4 and stated that the bill would lend itself to a better method of reporting, easier documentation, consolidated accounts and accounting procedures. He also said that, when CI-105 passed, it created a huge dilemma for the City of Billings.

James Van Arsdale, mayor of Billings, felt that if the legislature makes further cuts, this bill would have to be expanded even further. He felt the bill would make better managers of the commissioners.

Gordon Morris, County Commissioner of Missoula County, distributed a letter signed by the Missoula County commissioners stating their support of the bill. See Exhibit 5. He said that the bill is also supported by the Montana Association of Counties.

John Ireland, representing the Billings Chamber of Commerce and chairman of Western Heritage, said the Chamber has long supported local control of local government. He felt the bill might even have an affect on funding for the museum.

#### OPPONENTS:

Dennis Burr, representing the Montana Taxpayers' Association said there isn't a county now that uses all their mill levies. He's afraid that if 55 mills are allowed, the counties will all increase their levies. He also fears that some items will be totally missed i.e. no weed control. And, said that if a county stays within authorized budgeting, it will be approved; if not, there will be dissention.

Carol Mosher, representing the Montana Cattle Women and herself, lives in the rural community of Augusta which is in Lewis and Clark County. Because of logisitics, most people in her community commute to Great Falls more often than to Helena, the county seat. She felt that most projects using this money would not benefit people in her area. She felt the Helena library cost her ranch \$1,000 per year for 20 years and she has never been there.

Vera Calhoun, representing the Missoula County Freeholders Association, said her group opposes any increase in taxes.

#### QUESTIONS FROM THE COMMITTEE:

Sen. Beck asked if this bill would address any levies that

are lower than before in connection with paying off bond levies. Mr. Morris said it would allow the commission to free up funds unused to use them on a necessary project. Sen. Beck asked if a commission would have to levy 55 mills or couldn't lower levies be issued if less funds were needed. Mr. Morris agreed that lower levies could be used.

Sen. Harding asked why some common items were not listed on Exhibit 6, legislative researcher's comments on SB 141, such as Extension, Senior Citizens, Airport, health, ambulance and Search and Rescue. Sen. Bengtson said the list was uniform, while those options did not need funds in every county. Mr. Morris said they had listed all the levies they could identify in terms of current existing discretionary authority where there are caps that have not been changed since 1973. The airport authority is a pseudo separate taxing jurisdiction, he said.

Sen. Beck asked why district courts were omitted. Mr. Morris said because of the Family Services possibility and the continuing potential for the assumption of district courts. They didn't want to confuse the issue.

Chairman Crippen asked how this bill differed from similar ones proposed in the past. Mr. Morris said this bill singled out "apples and apples" where previous bills mixed "apples and oranges". The bill in 1985 included libraries. Sen. Crippen said there had been some concern that the "big ants" would eat the "little ants." Mr. Fuller felt that responsible commissioners would handle the funding in a fair and equitable manner. Sen. Crippen asked about reducing the 55 level. Mr. Fuller said you could ease into it by saying the all-purpose levy shall not exceed the total maximum mill levies of the previous year. Commissioner MacKay said he would not object to that amendment if some of the responsibilities were removed from the commission such as jails and sheriff's departments. But, he felt that Yellowstone County would not be able to operate without an increase of 18 or 19 mills.

Chairman Crippen asked what the affect of CI-105 would have regarding this bill. Mr. Morris said the total tax on a piece of property couldn't go up, but if one levy went down another could go up.

In her closing statement, Sen. Bengtson stated that this is not a local option tax, but gives local flexibility. The commissioners need to be able to fund essential services, she stated. The hearing closed.

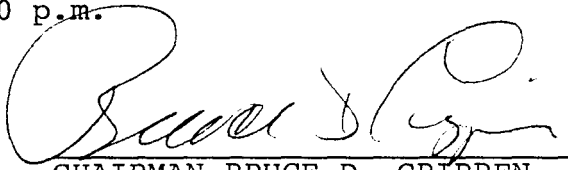
Local Government Committee  
January 22, 1987  
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EXECUTIVE ACTION ON SENATE BILL 55:

Chairman Crippen asked Karen Renne to distribute and explain Senator Story's amendments and she did. After some discussion, Senator Story moved that his amendments DO PASS. The motion carried unanimously.

Sen. Story then moved that Senate Bill 55 DO PASS AS AMENDED and the motion carried unanimously.

The meeting adjourned at 2:50 p.m.



CHAIRMAN BRUCE D. CRIPPEN

ROLL CALL

*Senate Local Government* COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date *Jan. 22, 1988*

NAME	PRESENT	ABSENT	EXCUSED
BRUCE CRIPPEN	X		
R. J. PINSONEAULT			X
TOM BECK	X		
DOROTHY ECK	X		
H. "SWEDE" HAMMOND			X
ETHEL HARDING	X		
LES HIRSCH	X		
PETER STORY	X		
ELEANOR VAUGHN	X		
MIKE WALKER	X		

Each day attach to minutes.

AMENDMENT TO SENATE BILL NO. 135  
BY THE DEPARTMENT OF COMMERCE

1. Page 2, Line 11

Strike: ~~(5) divisions made for the purpose of relocating a common boundary line between a single lot within a platted subdivision and adjoining land outside a platted subdivision.~~

2. Page 2, Line 22

Insert: "(b) divisions made for the purpose of relocating a common boundary line between a single lot or more than one lot within a platted subdivision and adjoining land outside a platted subdivision must be filed as an amended plat with the county clerk and recorder. If the governing body determines that such relocation of a common boundary line will be a significant change, it should be reviewed and approved by the governing body. If the change is determined to be insignificant, review shall be only for conformance with surveying and filing requirements."

3. Renumber subsequent sections.



E110, p. 2  
1-22-87  
SB 185

1. The proposed changes be done on an amended plat.
2. For housekeeping purposes, to allow more than one lot within the platted subdivision to be involved in a boundary line adjustment with adjoining property outside of the subdivision.
3. Allow the governing body to determine whether a proposed boundary line adjustment would have a significant change on the approved subdivision. In such a case, the governing body shall review it as a minor subdivision with the authority to notify other property owners within the subdivision. If the proposed change would be insignificant, the amended plat should be reviewed only for compliance with surveying requirements.

DEPARTMENT OF COMMERCE  
LOCAL GOVERNMENT ASSISTANCE DIVISION



THE GOVERNOR

STATE OF MONTANA

(406) 444-2107

HELENA, MONTANA 59601

January 26, 1987

Summary of Testimony on SB135 by Margaret Clark representing the Department of Commerce.

The Department agrees with Senator Bishop in trying to find solutions to relocating a boundary line between a lot in a platted subdivision and adjoining land outside of the subdivision.

However we would suggest that any action that affects a platted subdivision should be handled by an amended plat and not a certificate of survey (COS) for the following reasons:

1. COS's are filed separately from subdivision plats and although a COS may affect a lot in a subdivision, COS's are not referenced on the face of the subdivision plat. This may cause problems for a member of the public who may have questions about a particular subdivision and who goes to the subdivision plat and is not made aware of changes that were made by a COS filed separately.
2. We would also suggest that a provision be added to allow boundary line adjustments between more than one lot in a platted subdivision and adjoining land outside of the subdivision, e.g., this situation may arise when an error in a survey results in the original landowner/subdivider owning a 10' wide strip outside the subdivision along the boundary of a number of lots. This was never the intention. Therefore a boundary line adjustment would be necessary to deed this strip to the landowners within the subdivision.
3. We would further suggest that in cases where the boundary line adjustment would make significant changes e.g., changes that could have made a difference in the original plat approval that the amended plat be reviewed by the governing body and that lot owners in the subdivision be notified. For example if a landowner is proposing to sell part of his lot within the subdivision to an adjacent property owner outside of the subdivision, this would decrease his lot size which might make the lot non-conforming to the minimum area requirements of the zoning ordinance (if one is in place) or may cause the lot to be substandard in terms of health department requirements if a septic tank is utilized.

Thus, in summary DOC is in favor of the bill but would suggest three amendments:

1-22-87  
Senator Al Bishop

Page 2

January 21, 1987

boundary lines within a platted subdivision, if applicable to five or fewer lots, to also be an exempted subdivision.

Thus, we have exemptions for a change in boundary lines between adjoining subdivided lots, and also a change in the boundary line between adjoining unplatted lots. If the statute is read literally, there is no similar exemption if a boundary line is being changed in a situation where there is a "mix" of the two lots, in the case of two parcels adjoining each other where one is a platted lot, and the other is an unplatted lot.

Though I feel that the statute can be interpreted to mix the two exemptions so as to allow the exemption for a platted-unplatted situation, that is not the interpretation which has been furnished to me by the City of Billings or the Yellowstone City-County Planning Board. My dwelling house is located on a platted lot. My immediate neighbor to the south is the owner of an unplatted lot. Several years ago I agreed to convey to my neighbor the south 15 feet of my lot so that my neighbor would have a larger lot and I would have a smaller lot. We engaged a surveyor to draw a plat so that I could legally describe in a deed the 15-foot strip I was transferring to my neighbor. When submitted for review, the governmental officials said they would not accept the mere filing of the certificate of survey, but instead would process it as a "minor plat", which would require park dedication and street dedication.

Although I disagree with the position of the City, I am unable to complete the project without going through the minor plat review process.

I am unaware of any specific legislative intent which would distinguish between the moving of a boundary line between a platted and unplatted lot, while at the same time providing for an exemption when the adjoining lots are either two platted lots or two unplatted lots. For that reason, we are proposing enactment of an additional exemption under §76-3-201, which would permit the relocation of a common boundary line where the adjoining parcels consist of an unplatted lot and a platted lot.

I would be happy to furnish any additional information which the Committee may desire.

Sincerely yours,

David L. Johnson

DAVID L. JOHNSON

DLJ:ba

300 WESTERN PLAZA  
400 NORTH BIST STREET  
HELENA, MONTANA 59601

January 21, 1987

Senator Al Bishop  
Montana State Senate  
P. O. Box 9  
Capitol Station  
Helena, Montana 59620

Re: Senate Bill No. 135

Dear Senator Bishop:

I appreciate your notifying me this morning that Senate Bill No. 135, which you introduced at my request, will be the subject of a hearing before the Local Government Committee, tomorrow at 1:00 p.m. Since I will be unable to be present at the meeting, I am hopeful that my comments in this letter can be taken into account as my written testimony for the benefit of the committee members.

Under the Montana Subdivision and Platting Act (Section 76-3-101 et. seq.), the general rule is that any division from an existing parcel of land is considered a subdivision, and necessitates a full subdivision review process.

Part 2 of Title 76, Chapter 3 then contains a number of miscellaneous exemptions which are not considered to constitute subdivisions. In each instance, the exemptions do not apply if the method of disposition is adopted for the purpose of evading the general subdivision requirements.

Prominent among the exceptions are those set out in §76-3-207, which enumerates a number of subdivisions which are exempted from the subdivision review process, but not from survey requirements. Among those are exemptions provided when there is to be a mere change in a boundary line between adjoining parcels:

- (a) Change of Boundary Lines Between Lands Outside a Platted Subdivision. The first exemption is set out in §76-3-207(1)(a), and states that if there is to be a boundary line change between two parcels that are outside of platted subdivisions, the same is considered to be an exempted subdivision (again, unless done for the purpose of evading the act), and is subject only to the survey requirement.
- (b) Boundary Line Changes Between Subdivided Lots. In addition, subsection (e) considers a relocation of common

SENATE LOCAL GOVERNMENT

FILE NO.       /      

DATE

1-22-87

Local Government

## VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Julie Hacker	Msia Co Truckers	141		✓
Kara Lohman	Msia Co "	141		✓
Don DeLano	Billings Chamber of Comm	141	✓	
Joel Wiley	MT. ASSOC. OF PLANNERS	135		✓
Margaret Clark	Dept of Commerce	135	✓	
Arden Morris	MACO	141	✓	
David Fuller	Lawrence Clark Co. Commis.	141	✓	
Ann Wirtz	MPC			
Brookes Morin	City of Helena	SB 135		✓
A.R. (Tami) Hagen	MAEO	135 141	✓	
Dwight Marking	Yellowstone Co.	141	✓	
Bob Holding	MT. ASSOC. REALTORS	135	✓	
Rich Meigs	MT Environmental Info Center	135		
Jim VanLisabel	City of Billings	141	✓	
Breg Jackson	MTCIK-Rec Assn	135 141	✓	✓
Dennis BURR	MONTAX	141		✓
Dennis Burr	MONTAX	135	✓	
Wm M. Spivey	Mont Assoc of Realtors	135		
Carol Marshall	Mt. Battle Women	141		✓

NAME: Carol Mesher DATE: 1-22-87

ADDRESS: P.O. Box 1679

PHONE: 442-3420

REPRESENTING WHOM? Montana Wildlife Women

APPEARING ON WHICH PROPOSAL: SB 141

DO YOU: SUPPORT? \_\_\_\_\_ AMEND? \_\_\_\_\_ OPPOSE? X

COMMENT: We oppose most local option taxes. Let me tell you  
why our situation reflects most of my <sup>(organization)</sup> members. In this  
County, Lewis and Clark, local option taxes could be financially disastrous  
to rural people. I live out of Augusta and most of the people from  
my area seldom come to Helena. The demand of our business in either  
Great Falls or Libby is higher in 2 other counties. Most things  
that would be accomplished by this tax here in this county would  
never be used nor appreciated by those in my area. There are many  
large taxpayers in my area and what we would have to pay could  
be completely out of proportion to any benefit we would get from it.  
We would be very much in the minority when it came to voting  
but we could be very much in the majority when it came  
to the amount we as individuals would pay.  
We very much oppose this bill.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Kara Cahoon DATE: 1/22

ADDRESS: Star Pt. Bonner MI - 1032 Buckenridge  
Helena

PHONE: 244-5552 - 443-1884

REPRESENTING WHOM? Mslw Co. Freeholders

APPEARING ON WHICH PROPOSAL: SB 141

DO YOU: SUPPORT? \_\_\_\_\_ AMEND? \_\_\_\_\_ OPPOSE? ☒

COMMENT:

We oppose this bill believing that it may very well result in higher property taxes and it also may result in funding areas of unnecessary things to a greater degree than those essential services. This could be a very serious situation in Mslw County where commissioners are not fiscally responsible. Travel expense for Com in our county is out of control now - so will we have travel to Europe too.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

# MONTANA ASSOCIATION OF COUNTIES

STATE OF MONTANA  
LEGISLATIVE COUNCIL  
CLERK  
MONTANA STATE HOUSE  
CARTER, 900 N. GALE  
BOZEMAN, MONTANA 59717  
(406) 442-2272

## ALL PURPOSE LEVY

The proposed "All Purpose Levy" is endorsed by MACo from the standpoint that "Such an all purpose levy would allow Commissioners greater flexibility in managing county operations and achieve greater efficiency managing county operations and achieve greater efficiency in the delivery of services and the cost associated with those services."<sup>1</sup>

(1) general fund levy, as approved in 7-6-2501;	25/27 mills
(2) bridge levy, as provided in 7-14-2052;	4
(3) recreation levy, as provided in 7-16-1911;	1
(4) museum levy, as provided in 7-16-2205;	2
(5) county fair levy, as provided in 7-21-3410;	1.5
(6) weed levy, as provided in 7-22-2142;	2
(7) insect pest levy, as provided in 7-22-2142;	3
(8) poor fund levy, as provided in 53-2-321; OR	13.5
(9) developmental disabilities facility levy, as provided in 53-20-208.	<u>1</u>
	53/55 mills

The aggregate total, while lower than the 55 mill authority proposed is justified from the standpoint that most of these levies have been fixed by state law dating back to 1973.

<sup>1</sup> Revenue Enhancement Report, MACo, P. 8

SEN: \_\_\_\_\_  
DATE: \_\_\_\_\_  
BILL NO.: \_\_\_\_\_



# County of Yellowstone

COMMISSIONERS



## MEMORANDUM:

TO: Honorable Chairman Bruce Crippen  
and  
Members of the Senate Local Government Committee

FROM: Dwight MacKay, Yellowstone County Commissioner

DATE: January 21, 1987

RE: 55 Mill All Purpose Levy

Because the financial condition of counties is similar to that of the State of Montana, we all need new ways to manage our governments in order to survive. Each county has needs that are different and we each should be allowed flexibility to meet our individual needs. Let us manage our tax dollars as each of our communities sees fit.

Our intent of support is not for more tax collections, but to allow us to be better managers of our funds. In light of frozen collections, we must and will have to begin for the first time to prioritize our services. Government must review what its role is locally and state-wide. We cannot afford to do all that we have done in the past. Yes, in our county we will have to begin to establish what are essential services and what are not. Commissioners may not like this but that is what we are here for - to insure the best service with the funds available.

Support of this bill would also lend itself for better reporting, easier documentation, audits, and consolidated accounting for a cost saving.

Yellowstone County is one of the most conservative counties in the State, and when 105 was passed, it froze us far below many other counties' levy amounts. Therefore, for us to operate efficiently and effectively, we must roll these funds together in order to operate our jail, Youth Services Center and our essential services.

There is discussion of tax roll backs and if this does happen, we will need to expand this bill further in order for us to operate local government.

Thank you for your consideration. We need your help!

DM:gp

1. The first group of people who are not in the labor force are those who are not in the labor force because they are not in the labor force.

[illegible]

## PROPERTY TAX REVENUE AND EXPENDITURES BY CITY

CITY	POPULATION	ESTIMATED MILL VALUE	TOTAL BUDGETED EXPENDITURES	TOTAL NON-TAX REVENUES	PROPERTY TAX REVENUE	FY 86-87 MILL RATE	PER CAPITA LEVY	BUDGETED CASH RESERVE	
ALBANY	4,700	\$23,773	\$1,282,562	\$612,027	\$320,340	13.475	\$66.16	\$131,837	31
ALBANY	13,300	\$60,762	\$1,941,760	\$413,045	\$493,184	23.600	\$37.06	\$34,430	14
ALBANY	700	\$3,657	\$237,470	\$170,000	\$33,942	6.000	\$46.49	\$33,792	56
ALBANY	5,700	\$27,111	\$1,178,212	\$408,353	\$333,109	14.500	\$59.87	\$59,870	36
ALBANY	7,100	\$22,099	\$1,439,616	\$430,460	\$356,081	25.000	\$77.77	\$68,716	26
ALBANY	2,500	\$37,533	\$1,165,768	\$356,774	\$720,000	19.164	\$680.01	\$36,012	47
ALBANY	6,900	\$13,661	\$817,138	\$391,285	\$373,167	23.000	\$54.06	\$60,643	29
ALBANY	1,900	\$6,115	\$443,152	\$156,310	\$161,264	26.372	\$84.68	\$143,729	53
ALBANY	20,800	\$28,213	\$1,845,566	\$1,013,807	\$513,073	18.186	\$60.69	\$270,000	8
ALBANY	14,400	\$102,199	\$2,059,861	\$815,450	\$628,458	6.149	\$43.64	\$40,770	72
ALBANY	11,600	\$77,143	\$2,390,391	\$962,400	\$1,170,935	15.179	\$190.94	\$79,112	16
ALBANY	13,200	\$213,943	\$3,207,546	\$1,458,787	\$318,664	1.403	\$4.14	\$30,000	13
ALBANY	9,200	\$40,500	\$1,290,315	\$304,893	\$602,602	19.500	\$60.50	\$20,504	23
ALBANY	5,900	\$67,476	\$1,483,700	\$421,665	\$701,986	8.005	\$118.98	\$40,000	33
ALBANY	20,200	\$34,374	\$6,034,948	\$2,982,325	\$2,427,097	69.337	\$68.95	\$632,357	7
ALBANY	6,000	\$17,081	\$946,669	\$431,358	\$486,545	26.350	\$60.42	\$312,210	22
ALBANY	3,300	\$7,464	\$500,530	\$214,403	\$269,376	30.000	\$81.63	\$10,000	41
ALBANY	6,400	\$19,257	\$856,587	\$251,824	\$481,425	25.000	\$75.22	\$25,500	30
ALBANY	5,700	\$43,479	\$1,487,079	\$582,112	\$675,181	6.326	\$48.08	\$45,000	35
ALBANY	1,000	\$5,366	\$281,090	\$80,478	\$143,732	26.998	\$100.79	\$30,000	55
ALBANY	10,000	\$43,346	\$1,633,343	\$733,223	\$562,772	11.600	\$50.08	\$10,000	22
ALBANY	2,300	\$7,235	\$347,597	\$218,018	\$195,742	27.055	\$85.11	\$70,000	48
ALBANY	1,500	\$62,899	\$1,390,231	\$213,056	\$357,230	15.600	\$238.15	\$20,000	23
ALBANY	118,700	\$211,949	\$7,182,308	\$2,773,173	\$3,983,363	18.734	\$33.56	\$1,701,003	1
TOTAL	821,900	\$2,297,333	\$100,786,738	\$40,800,346	\$42,936,337	18.630	\$52.11	\$15,940,504	
FY 86-87	804,000	\$2,354,012	\$99,719,137	\$42,525,780	\$42,000,643	17.804	\$52.05	\$15,387,327	
CHANGE		-2.5%	1.1%	-4.2%	2.1%	4.3%	-0.3%	3.5%	

# MISSOULA COUNTY

BOARD OF COUNTY COMMISSIONERS

• Missoula County Courthouse • Missoula, Montana 59802

SENATE LOCAL GOVERNMENT  
DATE  
BILL NO. 564

BCC-87-041  
January 21, 1987

SENATE LOCAL GOVERNMENT

FORM NO. 2

DATE

BILL NO.

Bruce Crippen, Chairman  
Senate Local Government Committee  
Montana State Senate  
Capitol Station  
Helena, MT 59601


Dear Senator Crippen:

We are writing in support of Senate Bill 141, which would authorize counties to consolidate certain mill levies into an "all purpose levy." We have consistently supported this legislation, believing that it would give us greater flexibility to manage our diminishing property tax revenues, while at the same time making it easier to deal with any possible property tax limitations or freezes that might occur in the future. Counties vary considerably as to tax base and services that their citizens need and want. Some counties find that they need more property tax dollars than the statutes allow for a county fair, while others do not come close to reaching the mill levy cap on the fair, but find they need more levy authority for, say, museums or bridges.

We believe that having a cap on property taxes as a whole, rather than on individual mill levies, would better enable us to meet local needs. While some argument can be made that other individual mill levies should be added into the all purpose levy, or possibly that one of those specified in section 1 of Senate Bill 141 should be taken out, we believe that the concept is an excellent one, and we are sure that we can live with virtually any all purpose levy bill that emerges from the Legislature.

Sincerely,

MISSOULA BOARD OF COUNTY COMMISSIONERS

  
Janet L. Stevens, Chairwoman

  
Barbara Evans, Commissioner

  
Ann Macy Dunsaul, Commissioner

BCC/HS/lm

cc: Committee Members  
Missoula Senators

COMMENT ON SENATE BILL 141  
 (Senate Local Government Committee)

The maximum number of mills currently allowed for each of the levies in Section 3 is as follows:

General fund	25 (27 in 4th-7th class counties)
Bridges	4 (plus 1-2 more in some counties)
Recreation (elderly)	1
Museum	2
County fair	1.5
Weed control	2
Insect control	3
Poor fund (welfare)	13.5
Developmental disability	1
TOTAL	53

Other levies not included in this bill are:

Roads	15 (18 in 4th-7th class counties)
Public library	5
District court	6 (down to 4 in 5th-7th class counties)
Planning board	2 (first class; up to 5 in 5th-7th class counties)

SENATE LOCAL GOVERNMENT COMMITTEE  
1/13/87

SENATE LOCAL GOVERNMENT  
BILL NO. 11  
DATE 1-13-87  
(1102)

SENATE LOCAL GOVERNMENT COMMITTEE

AMENDMENTS TO SENATE BILL 55  
(requested by Senator Story)

1. Title, line 8.  
Following: "TAX;"  
Insert: "PROVIDING FOR A RESORT TAX IN UNINCORPORATED  
AREAS; EXTENDING THE TAX TO SKI RESORTS AND OTHER RECREA-  
TIONAL FACILITIES;"
2. Title, line 8.  
Following: "AMENDING"  
Strike: "SECTION"  
Insert "SECTIONS"
3. Title, line 8.  
Following "7-6-4461,"  
Insert: "7-6-4463 THROUGH 7-6-4465,"
4. Page 1, line 13.  
Following: "Resort"  
Strike: "community"
5. Page 2, line 2.  
Following: line 1  
Insert: "(4) "Resort area" means an area that

(a) derives a substantial portion of its economic well-being from businesses catering to the recreational and personal needs of persons traveling to or through the area for purposes not related to their income production;

(b) has been declared a resort area by the county commissioners as provided in [section 2]; and

(c)(i) is an unincorporated town defined in the most recent decennial census conducted by the U.S. bureau of the census as a census designated place; or

(ii) is an area comprising not more than 10 square miles that does not include any portion of an incorporated city or town.

Renumber: subsequent subsection

6. Page 2, line 6.  
Following: "derives"  
Strike: "the major"  
Insert: "a substantial"

SENATE LOCAL GOVERNMENT

FILE NO. 11

DATE 1-13-87

BILL NO. 11

7. Page 2, line 11.

Following: line 10

Strike: subsection (c) in its entirety

8. Page 2, line 13.

Following: line 12

Insert: "NEW SECTION. Section 2. Resort area -- taxing authority. (1) The board of county commissioners, upon receiving a written petition containing a description of the proposed resort area and signed by at least ten registered voters residing in the proposed district, shall by resolution establish a resort area.

(2) The petition must include a proposal to impose a resort tax within the proposed resort area, including the rate, duration, effective date, and purpose of the tax as provided in 7-6-4464.

Section 3. Section 7-6-4463, MCA, is amended to read:

"7-6-4463. Limit on resort community tax rate -- goods and services subject to tax. (1) The rate of the resort tax must be established by the election petition or resolution provided for in 7-6-4464, but the rate may not exceed 3%.

(2) (a) The resort tax is a tax on the retail value of all goods and services sold within the resort community or area by the following establishments:

(i) hotels, motels, and other lodging or camping facilities;

(ii) restaurants, fast food stores, and other food service establishments;

(iii) taverns, bars, night clubs, lounges, and other public establishments that serve beer, wine, liquor, or other alcoholic beverages by the drink; and

(iv) ski resorts and other recreational facilities.

(b) ~~establishments~~ Establishments that sell luxuries must collect a tax on such luxuries."

Section 4. Section 7-6-4464, MCA, is amended to read:

"7-6-4464. Resort community tax -- election required -- procedure. (1) A resort community may not impose or, except as provided in 7-6-4465, amend or repeal a resort tax unless the resort tax question has been submitted to the electorate of the resort community and approved by a majority of the electors voting on the question.

(2) The resort tax question may be presented to the electors of the:

(a) a resort community by--(a) a petition of the electors as provided by 7-1-4130, 7-5-132, and 7-5-134 through 7-5-137; or (b) a resolution of the governing body of the resort community; or

(b) a resort area by a resolution of the board of county commissioners following receipt of a petition of electors as provided in (section 2).

(3) The petition or resolution referring the taxing question must state:

- (a) must-state the exact rate of the resort tax;
- (b) must-state the duration of the resort tax;
- (c) must-state the date when the tax becomes effective, which date may not be earlier than 15 days after the election; and
- (d) may-specify the purposes that may be funded by the resort tax revenue.

(4) The petition or resolution referring the resort tax question may provide for a seasonal tax, which would be effective for a period of at least 1, but less than 12 months of each calendar year.

(4) (5) Upon receipt of an adequate petition the governing body may:

- (a) call a special election on the resort tax question; or
- (b) have the resort tax question placed on the ballot at the next regularly scheduled election.

(5) (6) The question of the imposition of a resort tax may not be placed before the electors more than once in any fiscal year."

Section 5. Section 7-6-4465, MCA, is amended to read:

"7-6-4465. Resort community tax administration. (1) In this section, "governing body" means the governing body of an incorporated resort community or, if the resort tax has been approved by the electors of an unincorporated resort area, the board of county commissioners.

(2) Not less than 30 days prior to the date the resort tax becomes effective, the governing body of-the-resort-community shall enact an administrative ordinance governing the collection and reporting of the resort taxes. This administrative ordinance may be amended at any time thereafter as may be necessary to effectively administer the resort tax.



+2+ (3) The administrative ordinance shall specify:

(a) the times taxes collected by business are to be remitted to the resort-community governing body;

(b) the local government office, officer, or employee responsible for receiving and accounting for the resort tax receipts;

(c) the local government office, officer, or employee responsible for enforcing the collection of resort taxes and the methods and procedures to be used in enforcing the collection of resort taxes due; and

(d) the penalties for failure to report taxes due, failure to remit taxes due, and violations of the administrative ordinance. The penalties may include:

(i) criminal penalties not to exceed a fine of \$1,000 or 6 months imprisonment or both the fine and imprisonment;

(ii) civil penalties if the resort-community governing body prevails in a suit for the collection of resort taxes, not to exceed 50% of the resort taxes found due plus the costs and attorney fees incurred by the resort-community governing body in the action;

(iii) revocation of the offender's county or municipal business license; and

(iv) any other penalties that may be applicable for violation of an ordinance.

+3+ (4) The administrative ordinance may include:

(a) further clarification and specificity in the categories of goods and services that are subject to the resort tax consistent with 7-6-4463;

(b) authorization for business administration and prepayment discounts. The discount authorization may allow each vendor and commercial establishment to:

(i) withhold up to 5% of the resort taxes collected to defray their costs for the administration of the tax collection; or

(ii) receive a refund of up to 5% of the resort tax payment received from them by the resort-community county governing body 10 days prior to the collection due date established by the administrative ordinance; and

(c) other administrative details necessary for the efficient and effective administration of the tax."

1-22-87

NEW SECTION. Section 6. Use of resort area tax -- property tax relief. (1) Unless otherwise provided by the authorization approved by the electors under 7-6-4464, the board of county commissioners may appropriate and expend revenues derived from a resort area tax for the purpose stated in the resolution approved by the electors.

(2) (a) Anticipated revenues from a resort area tax must be applied to reduce the tax levy on property within the resort area for the fiscal year in an amount equal to at least 5% of the resort tax revenues derived during the preceding fiscal year.

(b) When revenues from a resort area tax exceed the anticipated amount, the board of county commissioners shall establish a property tax relief fund for the resort area. All resort area tax revenues received in excess of the anticipated amount must be placed in the fund, and the entire fund must be used to replace the equivalent amount of property taxes in the resort area in the ensuing fiscal year."

Renumber: subsequent sections

9. Page 2, line 14.

Following: "community"

Strike: remainder of line 14 through "community" in line 15

Insert: "that adopts a resort tax and to any unincorporated area declared a resort area by the board of county commissioners"

ROLL CALL VOTE

SENATE COMMITTEE LOCAL GOVERNMENT

Date Jan. 22, 87 Senate Bill No. 55 Time

NAME	YES	NO
BRUCE CRIPPEN	X	
R. J. PINSONEAULT	absent	
TOM BECK	X	
DOROTHY ECK	X	
H. "SWEDE" HAMMOND	absent	
ETHEL HARDING	X	
LES HIRSCH	X	
PETER STORY	X	
ELEANOR VAUGHN	X	
MIKE WALKER	X	

Rosemary Jacoby  
Secretary

Bruce Crippen  
Chairman

Motion: DO PASS AS AMENDED (Story)

# STANDING COMMITTEE REPORT

3855

.....January 23..... 19 37....

MR. PRESIDENT

## LOCAL GOVERNMENT

We, your committee on .....

Senate Bill

35

having had under consideration..... No.....

first

white

reading copy ( .....

color

## REVISING RESORT COMMUNITY DEFINITION

Respectfully report as follows: That.....Senate Bill..... No.....55.....

### BE AMENDED AS FOLLOWS;

#### 1. Title, line 8.

Following: "TAX;"

Insert: "PROVIDING FOR A RESORT TAX IN UNINCORPORATED AREAS;  
EXTENDING THE TAX TO SKI RESORTS AND OTHER RECREATIONAL FACILITIES;"

Following: "AMENDING"

Strike: "SECTION"

Insert "SECTIONS"

Following "7-6-4461,"

Insert: "7-6-4463 THROUGH 7-6-4465,"

#### 2. Page 1, line 13.

Following: "Resort"

Strike: "community"

#### 3. Page 2, line 2.

Following: line 1

Insert: "(4) "Resort area" means an area that:

(a) derives a substantial portion of its economic well-being from businesses catering to the recreational and personal needs of persons traveling to or through the area for purposes not related to their income production;

(b) has been declared a resort area by the county commissioners as provided in [section 2]; and

~~XXXXXX~~

~~XXXXXXXXXX~~

.....CONTINUED.....

Chairman.

January 28, 1967

(c)(i) is an unincorporated town defined in the most recent decennial census conducted by the U.S. bureau of the census as a census designated place; or

(ii) is an area comprising not more than 10 square miles that does not include any portion of an incorporated city or town."

Renumber: subsequent subsection

4. Page 2, line 6.  
Following: "derives"  
Strike: "the major"  
Insert: "a substantial"

5. Page 2, line 3.  
Following: ";"  
Insert: "and"

6. Page 2, line 10.  
Strike: "; and"  
Insert: "."

7. Page 2, lines 11 and 12.  
Strike: subsection (c) in its entirety

8. Page 2, following line 12.  
Insert: "NEW SECTION. Section 2. Resort area -- taxing authority. (1) The board of county commissioners, upon receiving a written petition containing a description of the proposed resort area and signed by at least ten registered voters residing in the proposed district, shall by resolution establish a resort area.

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CONTINUED

January 22,

87

19.....

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(i) hotels, motels, and other lodging or camping facilities;

(ii) restaurants, fast food stores, and other food service establishments;

(iii) taverns, bars, night clubs, lounges, and other public establishments that serve beer, wine, liquor, or other alcoholic beverages by the drink; and

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(b) a resort area by a resolution of the board of county commissioners following receipt of a petition of electors as provided in (section 2).

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- (a) must state the exact rate of the resort tax;
- (b) must state the duration of the resort tax;
- (c) must state the date when the tax becomes effective, which date may not be earlier than 35 days after the election; and
- (d) may specify the purposes that may be funded by the resort tax revenue.

CONTINUED

January 23,

87

19.....

(4) The petition or resolution referring the resort tax question may provide for a seasonal tax, which would be effective for a period of at least 3, but less than 12 months of each calendar year.

(5) Upon receipt of an adequate petition the governing body may:

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- (c) the local government office, officer, or employee responsible for enforcing the collection of resort taxes and the methods and procedures to be used in enforcing the collection of resort taxes due; and

CONTINUED

January 23, 87

19.....

(d) the penalties for failure to report taxes due, failure to remit taxes due, and violations of the administrative ordinance. The penalties may include:

(i) criminal penalties not to exceed a fine of \$1,000 or 6 months imprisonment or both the fine and imprisonment;

(ii) civil penalties if the resort-community governing body prevails in a suit for the collection of resort taxes, not to exceed 50% of the resort taxes found due plus the costs and attorney fees incurred by the resort-community governing body in the action;

(iii) revocation of the offender's county or municipal business license; and

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(2) (a) Anticipated revenues from a resort area tax must be applied to reduce the tax levy on property within the resort area for the fiscal year in an amount equal to at least 5% of the resort tax revenues derived during the preceding fiscal year.

CONTINUED



January 23, 87  
..... 19.....

(b) When revenues from a resort area tax exceed the anticipated amount, the board of county commissioners shall establish a property tax relief fund for the resort area. All resort area tax revenues received in excess of the anticipated amount must be placed in the fund, and the entire fund must be used to replace the equivalent amount of property taxes in the resort area in the ensuing fiscal year."

Reamend: subsequent sections

9. Page 2, lines 14 and 15.

Following: "community"

Strike: remainder of line 14 through "community" in line 15

Insert: "that adopts a resort tax and to any unincorporated area declared a resort area by the board of county commissioners"

AND AS AMENDED,  
DO PASS

.....  
Senator Crippen, Chairman

## CLERICAL

Date: 1/23Senate Bill 55Time: 5 45 pm

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

Senate Committee on Local Government 1/23

in amendment #3

in 7-6-4464

don't underline "(2)"

in (2)(a), following "7-5-137"  
Strike ";"

in (2)(b), don't underline period

in (4), "... at least 30 but less..."

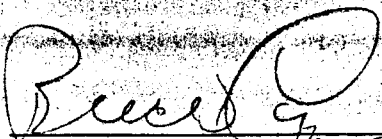
in 7-6-4465 (4)(b)(ii)

following "~~Resort community~~"  
underline "county" (not in code)

Amend #1

Last insert "AND 7-6-4463 THROUGH 7-6-4465"

Following: "7-6-4461"

  
 Sponsor Ken Crippen

 Secretary of Senate  
 or  
 Chief Clerk

MER

Legislative Council

CLERICAL

Date: 7:3:45  
Time: 1/22

Sen. Bill 28

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

*Sen. Local Government*

3. Insert: "...premises," and for: "

*Beane D. Y.*  
Sponsor  
Chipped

Secretary of Senate  
or  
Chief Clerk

*caj*  
Legislative Council