

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By Chairman Darko, on March 7, 1989, at 3:10 p.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Lee Heiman, Legislative Council

Announcements/Discussion: None

HEARING ON SENATE BILL 249

Presentation and Opening Statement by Sponsor:

Senator John Harp, District 4, stated that this authorizes the county commissioners to establish a joint fair and civic center commission for the operation of the fairgrounds and civic center buildings. In certain areas of Montana the fair boards work all year and some of the authority they thought they had, has been questioned in a recent Attorney General's opinion and this bill attempts to clarify those duties.

Testifying Proponents and Who They Represent:

Bill Chiesa, Manager, Metra Park, Billings
Gordon Morris, Montana Association of Counties

Proponent Testimony:

Bill Chiesa stated that he currently serves as Chairman of the Legislative Committee for the 26 fairs in Montana. There is a clear need for this bill and the permissive language would allow the county commissioners to appoint boards and carry out the year-round activities associated with these fairs in Montana.

Gordon Morris concurred with Mr. Chiesa's testimony.

Testifying Opponents and Who They Represent: None

Opponent Testimony: None

Questions From Committee Members: None

Closing by Sponsor: Senator Harp closed.

DISPOSITION OF SENATE BILL 249

Motion: Rep. Rehberg moved that SB 249 BE CONCURRED IN. Rep. McDonough seconded.

Discussion: None

Amendments, Discussion, and Votes: There is a technical amendment necessary for this bill (page 3, line 8 - strike "this" and insert "his"). Rep. Nelson moved the amendment. Seconded by Rep. Wyatt. The motion CARRIED unanimously.

Recommendation and Vote: Rep. Gould moved SB 249 BE CONCURRED IN AS AMENDED. Rep. Rehberg seconded. The motion CARRIED unanimously. Rep. Good will carry this bill on the House floor for Senator Harp.

HEARING ON SENATE BILL 252

Presentation and Opening Statement by Sponsor:

Senator Ethel Harding, District 25, stated that this is a simple bill that would allow county commissioners to increase the number of members on the fair board from 5 up to eleven members. Because of the complexity of their county they would like the ability to appoint more members if they feel they are needed.

Testifying Proponents and Who They Represent: None

Proponent Testimony: None

Testifying Opponents and Who They Represent:

Bill Chiesa, Manager, Metra, Billings
Dale Mahlum, Missoula County Fair Board

Opponent Testimony:

Bill Chiesa stated that in light of SB 249 there is no need for this bill. With the joint commission there will now be ten members and the number of people that this bill would increase it to would be unworkable.

Dale Mahlum stated that he has been a fair board member for many years. Missoula has a five member board plus 2 or 3 ad hoc members and this bill would complicate matters. The fair runs smoothly with each of these people doing their duties and there just isn't a need for additional members.

Questions From Committee Members:

- Rep. Hansen asked Mr. Mahlum since this bill would make additional members permissive rather than mandatory, would they appoint additional members to their board. Mr. Mahlum did not think that they would since their board seems to get everything done with the present number.
- Rep. Stickney asked Sen. Harding the reason for this bill request. Sen. Harding stated that citizens of the county asked that the number be increased. Sen. Harding saw no harm since it is permissive and not mandatory.
- Rep. Gould asked Mr. Mahlum if it was possible that the county commissioner would be making political appointments to this board with its expansion. Mr. Mahlum felt that would be possible to make political appointments and snarl a good working board by adding more people to it.
- Rep. Rehberg asked Sonny Hansen (who was in the audience and no longer a member of the Metra board) if he foresaw the problem with political appointments to fair boards. Mr. Hansen said that was a possibility. Many boards would have to change their method of operation to a committee structure to accommodate more members.
- Rep. Darko asked Sen. Harding if the bill met with this same opposition in the Senate. Senator Harding stated that there were neither opponents nor proponents in the Senate.
- Rep. Hansen asked Mr. Mahlum if they had enough people applying for the positions on the fair boards or do they have to look for people to serve. Mr. Mahlum stated that they have a waiting list for their board and the county commissioners appoint ad hoc members. The pay is \$25 per year for serving on this board.
- Sam Yewvsiak, Missoula, stated that many applicants to the fair board only have one particular purpose in serving rather than the whole picture of putting on the fair.
- Rep. Rehberg asked Mr. Yewvsiak if the county commissioners may have a particular ax to grind. Mr. Yewvsiak stated that was possible. The ad hoc members on their board are non-voting members and it has worked well but it is more expensive to have more people on the board.
- Rep. Brooke asked Sen. Harding if this bill is an answer to a problem where people stay on the fair board for a long period of time. Sen. Harding was sure that the terms were staggered terms so that there is a carry-over and that there was not a waiting list to serve. Their county has a rural fair and this would allow more people to help with different areas.

Bob Cartwright, Manager, Northwest Montana Fair in Kalispell, stated that he was familiar with Lake County's problems. They have two fairs in the county - one fair in Polson and one fair in Ronan. Sen. Harding stated that the county has one fair in Ronan but there is a rodeo grounds in Polson.

Closing by Sponsor: Sen. Harding stated that there is a need for members on the fair board to handle the fair work. There is not a conflict with this bill and SB 249 but she did not oppose amendments to be sure.

DISPOSITION OF SENATE BILL 252

Motion: Rep. Rehberg moved SB 252 BE NOT CONCURRED IN. Rep. Guthrie seconded.

Discussion: Rep. Rehberg stated that this appeared to be a particular problem with a fair board. Smart county commissioners could easily play politics with the fair board where they could change the working majority of a board with this bill.

Rep. Darko asked what happened when it gets to eleven and they can't do it any more. Rep. Rehberg answered that they would probably not appoint up to eleven immediately but just enough to get the mix needed.

Rep. Hansen stated that smaller counties may need that many people to do the work to put on the fair.

Rep. Hoffman stated that if all smaller counties were like Madison County, the county commissioners are usually not able to find enough people to put on the fair.

Amendments, Discussion, and Votes: None

Recommendation and Vote: The motion of BE NOT CONCURRED IN CARRIED with Reps. Hansen, Wyatt, Darko opposing. Rep. Darko will carry the message to the House floor.

HEARING ON SENATE BILL 119

Presentation and Opening Statement by Sponsor:

Sen. Ethel Harding, District 25, stated that this bill would enable counties to receive more than \$1 from the junk vehicle fund if the county needs it for collection of junk vehicles. If counties have returned part of their funds, the department may grant extra funds to those showing need. If there are not extra funds then the request would be denied.

Testifying Proponents and Who They Represent:

John Geach, Department of Health & Environmental Sciences
Chris Kaufmann, Montana Environmental Information Center

Proponent Testimony:

John Geach stood in support of this bill. Exhibit 1

Chris Kaufmann stated that her organization supports this bill. Many counties need these funds to clean up a special area or some vehicles are more expensive to remove. The junk vehicle program in Montana is a model program for the nation and this bill would strengthen the program.

Testifying Opponents and Who They Represent: NoneOpponent Testimony: None

Questions From Committee Members: Rep. Rehberg asked Rep. Darko if action on this bill could be held until the next meeting so that the outcome of HB 111 is known since this bill must be coordinated with it. Rep. Darko agreed.

Closing by Sponsor: Rep. Harding stated that this bill must be coordinated with HB 111 and urged the committee to act favorably.

HEARING ON SENATE BILL 271

Presentation and Opening Statement by Sponsor:

Senator Richard Manning, District 18, stated that this bill allows a city or town to levy a special tax for fire department relief association's disability and pension fund when the fund contains an amount that is less than 5% rather than 3% of the taxable valuation. The limit is determined by the taxable value in the city or town - as they decrease so does the limit of the fund. The purpose is raise the limit to help compensate for the decrease in taxable value in many small towns. It does not permit an increase in the maximum amount of pension that can be paid. Each relief association receives an amount equal to 1-1/2% of the taxable value of the town. The rest of the needed money comes from earnings of the account and mil levy.

Testifying Proponents and Who They Represent:

Lyle Nagel, Montana State Volunteer Firefighters Association
Henry Lohr, Montana State Volunteer Firefighters Association

Proponent Testimony:

Lyle Nagel stated that this bill is the result of a resolution that was passed at their 1988 convention. They have the

only pension fund in the state that has a built-in cost of living decrease. When property values go down, the pension fund goes down. When anyone retires, the others must sacrifice some of their pension to make his payment. Exhibit 2 is a list of the towns that use the relief association pension fund. Exhibit 3

Henry Lohr concurred with Mr. Nagel's testimony and urged favorable consideration of this bill.

Testifying Opponents and Who They Represent: None

Opponent Testimony: None

Questions From Committee Members: Rep. Nelson asked Mr. Nagel to explain briefly the volunteer firefighter system such as the one at Yellowstone Boys Ranch. Mr. Nagel explained that the volunteer compensation act which is handled through PERD, is funded by 5% of the tax on fire insurance premiums. The money was built up to \$1 million and then they started spending 95% of the earnings. That pays pensions and medical benefits for volunteers in unincorporated areas (about \$55 to \$60 per month). The program that is being considered in this bill only applies to incorporated areas (2nd and 3rd class towns).

Rep. Wallin asked Sen. Manning how this bill applied to I-105. Sen. Manning referred the question Mr. Nagel. Mr. Nagel stated that there cannot be any additional mil levy over what is already authorized. If they are funded to the limit they can use sec. 19-11-504 which is a 4 mil tax. This bill does not allow them to exceed that 4 mils in any way. In order to build the fund from 3% to 5%, increases in pensions must be foregone until the 5% is achieved and then start spending the money that the fund earns. There is no stipulation allowing any increase over what is presently available.

Closing by Sponsor: Sen. Manning stated that this bill is needed badly. If the economy was where it belonged maybe something else could be done but this bill will help.

DISPOSITION OF SENATE BILL 271

Motion: Rep. Dave Brown moved SB 271 BE CONCURRED IN. Rep. Rehberg seconded.

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: The motion CARRIED unanimously. Rep. Dave Brown will carry the bill on the House floor.

HEARING ON SENATE BILL 332

Presentation and Opening Statement by Sponsor:

Sen. Richard Manning, District 18, stated that this bill changes the definition of serial bonds and establishes the term of when the bond starts. Exhibit 4

Testifying Proponents and Who They Represent: None

Proponent Testimony: None

Testifying Opponents and Who They Represent: None

Opponent Testimony: None

Questions From Committee Members: Rep. Good asked Sen. Manning if the hearing in the Senate had any opponents. Sen. Manning said there were no opponents and about 5 proponents - mostly school districts.

Rep. Wallin asked Sen. Manning if these bonds ran more than twenty years and was that a problem with the bill. Sen. Manning said they did run longer than twenty years and it doesn't seem to be a problem. It has been looked at by many people and passed out of Senate local government and the Senate Floor with no dissenting votes.

Closing by Sponsor: Sen. Manning closed.

DISPOSITION OF SENATE BILL 332

Motion: Rep. Dave Brown moved that SB 332 BE CONCURRED IN.
Seconded by Rep. Rehberg.

Discussion: Rep. Good stated that Bruce MacKensie from D A Davidson has been trying to reach her but she has been unable to contact him.

Amendments, Discussion, and Votes: None

Recommendation and Vote: The motion that SB 332 BE CONCURRED IN CARRIED unanimously. Rep. Harrington will carry the bill on the House floor.

ADJOURNMENT

Adjournment At: 4:35 p.m.

Paula G. Darko
REP. PAULA DARKO, Chairman

PD/td

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DAILY ROLL CALL

LOCAL GOVERNMENT

COMMITTEE

DATE 3/7/89

NAME	PRESENT	ABSENT	EXCUSED
BROOKE, VIVIAN	X		
BROWN, DAVE	X <i>Handy</i>		
BROWN, JAN	X		
DARKO, PAULA	X		
GOOD, SUSAN	X		
GOULD, BUDD	X		
GUTHRIE, BERT	X		
HANSEN, STELLA JEAN	X		
HOFFMAN, ROBERT	X		
JOHNSON, JOHN	X		
McDONOUGH, MARY	X		
NELSON, THOMAS	X		
REHBERG, DENNIS	X		
STICKNEY, JESSICA	X		
WALLIN, NORM	X		
WYATT, DIANA	X		

STANDING COMMITTEE REPORT

March 7, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Local Government report that SENATE BILL 249 (third reading copy -- blue) be concurred in as amended .

Signed: _____
Paula Darko, Chairman

[REP. GOOD WILL CARRY THIS BILL ON THE HOUSE FLOOR]

And, that such amendment read:

1. Page 3, line 8.
Strike: "this"
Insert: "his"

STANDING COMMITTEE REPORT

March 7, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Local Government report that SENATE BILL 252 (third reading copy -- blue) be NOT concurred in.

Signed: _____
Paula Darko, Chairman

[REP. DARKO WILL DELIVER THE COMMITTEE REPORT ON THE HOUSE FLOOR]

STANDING COMMITTEE REPORT

March 7, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Local Government report that SENATE BILL 271 (third reading copy -- blue) be concurred in.

Signed: _____
Paula Darko, Chairman

[REP. DAVE BROWN WILL CARRY THIS BILL ON THE HOUSE FLOOR]

2/22/89

STANDING COMMITTEE REPORT

March 7, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Local Government report that SENATE BILL 332 (third reading copy -- blue) be concurred in.

Signed: _____
Paula Darko, Chairman

[REP. HARRINGTON WILL CARRY THIS BILL ON THE HOUSE FLOOR]

SB119

DATE 3/7/89
SB 119

Department of Health Testimony

"An act to allow the Department of Health and Environmental Sciences to pay a county more than \$1.00 per vehicle licensed in the county if the county needs it for junk vehicle collection; clarifying the meaning of motor vehicle; amending Section 75-19-534, MCA; and providing a July 1, 1989 effective date."

History

In 1973 legislation was passed establishing the State Junk Vehicle Program. This legislation requires each county to develop a program to control, collect and store junk vehicles for its residents. The State Department of Health & Environmental Sciences is given the authority to review and approve the County Junk Vehicle Program budgets. Counties are eligible to receive up to one dollar per vehicle under 8001 pounds registered in their county.

This legislation was amended by the 1975 legislature to allow counties with less the 5,000 vehicles registered to receive annual junk vehicle grants of up to \$5,000.

Funding Shortfalls

A portion of the counties in the state produce more junk vehicles yearly than can be collected with their annual junk vehicle grant. These counties experience the problem of citizens requesting more junk vehicle collection service than their annual budget can provide.

Other counties occasionally get requests to remove junk vehicles from difficult terrain such as river banks or heavily forested areas. The costs to remove junk vehicles from these locations is increased due to the special equipment or additional labor required.

Counties Request Assistance

In the past, a number of counties have requested supplemental junk vehicle funds for additional junk vehicle collection or special clean up projects. During a meeting last spring with the county junk vehicle directors from throughout the state, this problem was raised by several counties including Lincoln, Madison and Roosevelt. However, the present law prohibits the department from approving county junk vehicle grants over the one dollar per vehicle registered ceiling.

Supplemental Funds Available

County junk vehicle programs typically spend 85% to 95% of their annual junk vehicle grants. The remaining balance of these funds could be made

available to fund requests from counties for supplemental collection projects. It is anticipated that 25 to 30 thousand dollars may be available annually for these projects. However, this revenue is contingent on the proposed junk vehicle fee increase, HB111.

Funding Criteria

If SB119 is enacted, counties would apply to the Department for supplemental vehicle collection funding. The counties would have to demonstrate that (1) Their current collection program is cost effective, (2) additional junk vehicles could be collected with supplemental funds and (3) these additional funds would be used exclusively for vehicle collection and not for program administration.

If additional funds were available, these requests would be considered on a project by project basis.

Motor Vehicle Clarified

The terminology of "motor vehicle" is being changed to coincide with the language used in MCA 61-3-508, dealing with junk vehicle fee assessments.

The department urges your consideration and passage of SB119.

CITY/TOWN

2

FIRE

FIRE

POLICE

TAXABLE
VALUATION1988
FIRE

3/7/89

Form 11

Form 12

Form 14

SB 271

x

Move

CITY/TOWN	TAXABLE VALUATION	1988 FIRE
ALBERTON	169,294	254
BAINVILLE	212,853	389
BAKER	1,966,963	2,950
BEARCREEK		
BELGRADE	2,802,256	4,283
BELT	329,524	454
BIG SANDY	701,569	1,052
BIG TIMBER	1,320,437	1,981
BOULDER	672,833	1,089
BRIDGER	627,581	941
BROADUS	715,385	1,073
BROADVIEW		
BROCKTON	87,538	151
BROWNING	367,214	551
CASCADE	505,486	788
CHESTER	825,187	1,288
CHINOOK	1,324,472	1,987
CHOTEAU	1,681,672	2,588
CIRCLE	918,585	1,388
CLYDE PARK	181,728	273
COLUMBIA FALLS	3,339,149	5,009
COLUMBUS	1,753,412	2,680
CONRAD	2,819,428	4,229
CULBERTSON	734,468	1,102
CUT BANK	3,526,890	5,289
DARBY	493,860	741
DEER LODGE	2,547,304	3,821
DENTON	279,894	420
DILLON	3,438,001	5,158
DODSON	106,223	159
DRUMMOND	291,757	438
DUTTON	301,734	451
EAST HELENA	3,481,268	5,221
EKALAKA	307,519	461
ENNIS	921,566	1,387
EUREKA	841,223	1,268
FAIRFIELD	630,466	946
FAIRVIEW	749,881	1,125
FLAXVILLE		
FORSYTH	2,415,426	3,623
FORT BENTON	1,469,584	2,204
FORT PECK		
FROID	225,251	338
FROMBERG	331,230	497
GERALDINE	258,103	385
GLASGOW	3,983,674	5,978
GRASS RANGE	68,016	102
HAMILTON	3,831,158	5,747
HARDIN	3,188,134	4,788
HARLEM	693,365	1,040
HARLOWTON	720,043	1,080

HINGHAM	200,852	301
HOBSON	184,961	277
HOT SPRINGS	299,753	450
HYSHAM	262,105	393
ISMAY	33,356	100
JOLIET	482,930	724
JORDON	345,095	518
JUDITH GAP	98,409	148
KEVIN	92,000	138
LAUREL	5,940,473	8,911
LAVINA	126,894	190
LIBBY	3,220,277	4,830
LIMA		
LODGE GRASS	191,574	287
MALTA	2,521,976	3,783
MANHATTAN	910,803	1,366
MEDICINE LAKE	262,229	393
MELSTONE	146,072	
MOORE	204,420	307
NASHUA	306,106	459
NEIHART		
OPHEIM	136,501	205
OUTLOOK		
PHILIPSBURG	599,189	899
PINESDALE	140,368	211
PLAINS	869,284	1,304
PLENTYWOOD	2,440,144	3,660
PLEVNA	99,667	150
POLSON	3,307,319	4,961
POPLAR	608,388	913
RED LODGE	2,540,722	
REXFORD	59,732	100
RICHEY	235,847	354
RONAN	1,354,930	2,032
ROUNDUP	1,686,621	2,530
RYEGATE	200,428	301
SACO	189,580	284
ST IGNATIUS	328,071	492
SCOBAY	1,233,289	1,850
SHELBY	2,583,085	3,875
SHERIDAN	639,709	960
SIDNEY	5,943,801	8,916
STANFORD	396,211	594
STEVENSVILLE	1,106,252	1,659
SUNBURST	301,902	453
SUPERIOR	836,511	1,255
TERRY	648,097	972
THOMPSON FALLS	1,101,643	1,652
THREE FORKS	1,008,408	1,513

CITY/TOWN

FIRE
Form 11

FIRE
Form 12

POLICE
Form 14

TAXABLE
VALUATION

1988
FIRE

CITY/TOWN	FIRE Form 11	FIRE Form 12	POLICE Form 14	TAXABLE VALUATION	1988 FIRE
TOWNSEND				1,455,818	2,184
TROY				731,650	1,097
TWIN BRIDGES				496,813	747
VALIER				531,404	797
VIRGINIA CITY				210,210	315
WALKERVILLE				219,258	327
WESTBY				135,441	203
WEST YELLOWSTONE				1,725,120	2,588
WHITEFISH				5,936,119	8,907
WHITEHALL				846,692	1,277
WHITE SULPHUR SPRINGS				807,973	1,212
WIBAUX				529,844	795
WINIFRED				89,203	137
WINNETT				102,456	154
WOLF POINT				2,289,238	3,434
TOTALS					178,565

Valbyespedtgi. FPPENS

MONTANA STATE VOLUNTEER
FIREFIGHTERS ASSOCIATION INC.
LYLE P. NAGEL, LOBBYIST

3
3/7/89
SB 271

TESTIMONY SUPPORTING SB 271

This bill is the result of a resolution passed at our 1988 convention. Because of the limits set in 19-11-503, the amount of the Relief Association Pension Fund limit is determined by the taxable value of the property in the city or town. As property values decrease, so does the limit of the fund. This fund is the basis for funding the pensions of volunteer firefighters in 2nd and 3rd class cities and towns.

The purpose of this bill is to raise the limit of the fund to help compensate for the decrease in the taxable value of many small towns and the increase of firefighters meeting retirement qualifications.

This bill does not permit an increase in the maximum amount of pension that can be paid. 19-11-602, 19-11-604 and 19-11-606 determine the maximum pension that can be paid for regular pension (\$150.00), disability (\$125.00) or retirement prior to July 1, 1973 (\$75.00) per month.

There is presently a limit on the mill levy that can be used to establish the pension relief fund. This limit is set at a maximum of 4 mills if the all purpose levy is used by the town. There is no provision in this bill to change 19-11-504 to change that limit.

Each Relief Association receives from state insurance fund as amount equal to 1&1/2% of the taxable value of the town. The rest of the money needed to pay pensions must come from earnings of the fund and a mill levy. In some cases part of the fund has had to be used to pay the pensions thereby reducing the amount of the fund and its earning potential for future years.

SOME EXAMPLES OF THE AMOUNT OF PENSION PAID

Townsend: Full pension \$400.00 per year, some partial pensions paying less for a total of \$1800.00 annually. 1988 income from the state: \$2184.00

Libby: Pensions vary from \$75.00 to \$35.00 per month depending on type of service. Total paid out: \$19000.00. 1988 income from state: \$4830.00. 2 mill levy: \$6088.00. As you can see, this required use of the fund itself. Either an increase in the mill levy or a reduction in the amount of pension will be required at this rate.

Conrad: Pays \$75.00 per month to 18 retirees for an amount of \$16,200.00. Income from the state: \$4229.00. They have 7 more firefighters due to retire/in the next 4 years. As you can see, this will drastically change the amount of pension for all retirees at the present level.

SUMMARY OF SB 332

4
3/7/89
SB 332

Summary of Current Law

Current Montana law governing the issuance and sale of municipal bonds states that the bonds are payable "in annual installments". The Attorney General has interpreted this provision to mean that the first principal payment on a bond issue must take place within twelve months of the date of issuance of the bonds.

Current Montana law governing the levy and collection of property taxes provides that a local government certifies the annual property tax levy no later than mid-August and collects the taxes in two annual installments. The first installment is due November 30 and the second installment is due May 31.

Effect of Current Law

Most general obligation bond issues in Montana are passed at general elections which take place every other November. Typically, the bonds are then sold in winter or early spring so that funds are in hand to begin construction projects at the start of the construction season.

Because principal and interest on the bonds affected by SB 332 are payable from property taxes or assessments, the timing of the payments on the bonds must follow the periods during which the local government collects property taxes and assessments. Specifically, principal payment dates on the bonds (which occur annually) must follow the second, or May tax collection period so that adequate funds are available to fully meet principal payment obligations. Yet the Attorney General's interpretation of current Montana law requires that the first principal installment of a bond issue be paid within twelve months of the date of issuance. As a result, bonds which are sold in February or March are effectively required to include a first principal and interest payment date of July 1 or August 1 of the same calendar year. Unfortunately, however, the local government issuing the bonds will not collect property taxes from the debt service tax levy until the succeeding November. Consequently, to meet the first bond payment obligation, the local government must either draw down cash reserves or increase the size of the bond issue to include an amount equal to the anticipated initial payment. Neither of these alternatives is very efficient or cost-effective for the local government.

Effect of SB 332

SB 332 allows a local government to pay the first principal installment on its bonds within two years of the date of issuance of the bonds. The bill also clarifies that for purposes of determining

whether the term of a bond issue complies with statutory restrictions, the term of the issue commences on July 1 of the fiscal year in which the local government first levies taxes or assessments to pay principal and interest on the bonds.

Benefits of SB 332

SB 332 properly amends the current situation, whereby Montana local governments are forced to make bond payments secured by tax receipts before those tax receipts are practically or legally available. If SB 332 is passed a local government will be allowed to sell bonds in February or March, institute a debt service levy in August, collect the first half of the levy in November, pay interest on the bonds January 1, collect the second half of the levy in May, and pay principal and interest on the bonds on July 1. In other words, SB 332 simply allows Montana local governments to establish bond payment dates that logically correspond with Montana property tax collections.

VISITORS' REGISTER

Local Government

COMMITTEE

BILL NO. SB 249

DATE 3/7/89

SPONSOR Hay

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Bill Chiesa	Billings	✓	
Tom Tuckner	Billings	✓	
SAM YEWUSIAK	MISSOULA	✓	
DALE MAHLUM	MISSOULA	✓	
Bob Cartwright	Kalispell	✓	
HS HANSON	SELF	✓	
STEVE CHRISTIAN	WHITFIELD	✓	
Scott Turner	Yellowstone County	✓	
Norm Morris	MACO	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

Local Government

COMMITTEE

BILL NO. SB 252

DATE 3/7/89

SPONSOR Hedding

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
SAM YEWUSIAK	MISSOULA		✓
Bob Cartwright	Kalispell		✓
Bill Chiesa	Billings		✓
Tom Tucker	Billings		✓
DALE MAHLUM	MISSOULA		✓
STEVE CHRISTAP	WHITEFISH		✓
Gordon Morris	MALCO	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

