

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION
COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By Senator Ethel Harding, on January 12,
1989, at 1:00 p.m.

ROLL CALL

Members Present: Chairman Ethel M. Harding, Vice Chairman
Bruce Crippen, Senators R. J. Pinsoneault, Tom Beck,
Eleanor Vaughn, H. W. Hammond, Mike Walker, Gene
Thayer, Paul Boylan

Members Excused: 0

Members Absent: 0

Staff Present: Connie Erickson, Legislative Council,
Dolores Harris, Committee Secretary

Announcements/Discussion: None

HEARING ON SENATE BILL 77

Presentation and Opening Statement by Sponsor: Senator
Dennis Nathe, District 10, stated that SB 77 is raising
the permissive levy for the county road funds up to 25
mills and 27 mills for the different class counties.
This is not a tax increase. It is a county
commissioner decision to allocate county funds.

List of Testifying Proponents and What Group they Represent:

Gordon Morris, Executive Director, Montana Association
of Counties
Ken Jorgensen, Cascade county road supervisor
Jack Whitaker, chairman, Cascade county commissioners
Jim Ellis, Lewis & Clark county road supervisor

List of Testifying Opponents and What Group They Represent:

Julie Hacker, Missoula County Freeholder Association

Testimony:

Gordon Morris presented exhibit 1, a copy of a page in MACO adopted policy statement for January, 1989 - 1991; exhibit 2, and exhibit 3 which are copies of pages from Montana counties budget report.

The road levy bill was enacted in 1968 and last amended in 1981. We are now looking at 1989 and we are providing road construction and maintenance in the face of increased costs by way of increased salaries and increased equipment costs, and we're doing a better job in 1989 less expensively. This proposal raises the cap and will enable county commissioners to shift budget amounts to areas of road need. Mr. Morris asks this committee for favorable consideration on SB 77.

Ken Jorgensen gave testimony in favor of SB 77. See exhibit 4.

Jack Whitaker stated the seriousness of keeping the roads in shape with personnel and equipment. Cascade county used revenue sharing funds in 1973. The equipment inventory shows that road equipment dates back to the early 70s. Some of their trucks have 200,000 miles and they repair and paint and keep using the old equipment. Cascade counties all purpose mills are down 1 mill. The rural mill is down from 32 to 30. We desperately need new road equipment.

Jim Ellis stated all the counties are in the same financial condition as Cascade. The county roads are in deplorable condition throughout the state. I hope you will take favorable action.

Julie Hacker gave testimony opposing SB 77. See exhibit 5.

Questions From Committee Members: Senator Crippen asked Gordon Morris to explain how this bill relates to I 105 and SB 71. Mr. Morris responded that the only way a levy can be increased within the current statutory limitation would be offsetting that increase with a decrease somewhere else. SB 71 which was enacted in 1977 as stated by the attorney general's opinion, indicates that the only way commissioners can increase a road levy is offset by a decrease in some other levy so that the aggregate total individual tax liability did not increase. Senator Beck asked if commissioners could accomplish the same thing with a multipurpose levy? Mr. Morris answers no, the all purpose levy is against the property in the entirety of the county. The road levy is only against the property outside the

incorporated city limits so you have an all purpose county wide budget and those levies that are assessed only against the property outside cities; these include planning, roads, and health. Senator Beck asked, if assessments decrease, can counties add more levies. In other words, is the cap a dollar amount. Mr. Morris answered, yes, the cap is a dollar amount and counties can increase mills to reach that cap. Senator Pinsonneault asked if the mill levy increase was attached to a dollar amount. Mr. Morris answered we took a look at the road levy and thought it should be viewed as comparable to the county general fund levy, and as a result we went for the same mills in the general fund levy.

Senator Beck asked if 1st class counties wanted an amendment to be excluded from this bill. Mr. Whitaker answered that 10 mills will generate about \$300,000. In some areas we are at our dollar cap. SB 77 would help commissioners with budget planning.

Senator Crippen asked Julie Hacker what her objection was to SB 77 as we're still staying within the freeze. If you have a protest because roads are taking from health or some other area, you can go to the county commissioners. Ms. Hacker responded that several years ago the legislature voted to give county commissioners \$500,000.00 unlimited bonding authority to buy road equipment and in her county it was used to finance a public golf course. Discretionary levies, although intended to serve the need, ends up with the necessary services, such as police protection, being cut. A lot of the problems are in the mechanics of government not agreeing with public wishes. She asked for legislative prioritized services.

Closing by Sponsor: Senator Nathe stated there has been good discussion. The purpose of the bill was brought out. This is merely a permissive mill levy in SB 77. I close.

DISPOSITION OF SENATE BILL 77

Discussion: None

Amendments and Votes: None

Recommendation and Vote: Senator Beck MOVED that the committee DO PASS SB 77. Senators in favor, 8; Senator Boylan opposed, 1. Motion carried.

EXECUTIVE ACTION ON SB 35

Senator Harding called for action on SB 35: Senator Weeding sponsored the county retirement home bill. Is there any new information. None reported. Senator Pinsoneault talked to his commissioners and they had no objection but would not use the law. If it helps another county, go ahead. Senator Thayer did talk to Rosebud commissioners and they have tried for two years to get private enterprise to build a retirement home and their feasibility studies did not show a profitable operation. Senator Vaughn talked to her county commissioners and they have no objection to this bill being available to all counties. They felt that as long as the voters in their area decided the issue it was their decision. Senator Hammond stated that it's a small percentage of the voters that pay for a bond issue. Senator Harding said that if the rent fees did not pay for the bonding the taxpayers are liable.

DISPOSITION OF SENATE BILL 35

Recommendation and Vote: Senator Vaughn moved the committee DO PASS on SB 35. Senators in favor, 7; opposed 2, Senator Hammond and Senator Boylan.

EXECUTIVE ACTION ON SENATE BILL 14

Chairman Harding called for action on SB 14: Connie Erickson drafted the requested amendment. Exhibit # 1. She read the amendment to committee.

Discussion: The amendment included specifics in the bill to read "on or before" instead of "on", would change the date for the required public hearing, and would include cities along with counties.

Recommendation and Vote: Senator Beck made a motion to incorporate these amendments into SB 14.

Senator Beck made a motion DO PASS AS AMENDED of SB 14. Senators in favor, 9; opposed 0.

ADJOURNMENT

Adjournment At: 2:10 p.m.


SENATOR ETHEL M. HARDING, Chairman

ROLL CALL

LOCAL GOVERNMENT

COMMITTEE

51th LEGISLATIVE SESSION -- 1989

Date 1-12-89

NAME	PRESENT	ABSENT	EXCUSED
Sen. Ethel Harding	X		
Sen. R.J. "Dick" Pinsoneault	X		
Sen. Tom Beck	<i>tardy</i> X		
Sen. Eleanor Vaughn	X		
Sen. H.W. "Swede" Hammond	X		
Sen. Mike Walker	X		
Sen. Gene Thayer		X <i>tardy</i> absent	
Sen. Paul Boylan	X		
Sen. Bruce D. Crippen	X		

Each day attach to minutes.

STANDING COMMITTEE REPORT

January 12, 1989

MR. PRESIDENT:

We, your committee on Local Government, having had under consideration SB 77 (first reading copy -- white), respectfully report that SB 77 do pass.

DO PASS

Signed: Ethel M. Harding

Ethel M. Harding, Chairman

1-13-89
11:00

STANDING COMMITTEE REPORT

January 12, 1989

MR. PRESIDENT:

We, your committee on Local Government, having had under consideration SB 35 (first reading copy -- white), respectfully report that SB 35 do pass.

DO PASS

Signed: Ethel M. Harding

Ethel M. Harding, Chairman

1-13-89
eg
11:00

STANDING COMMITTEE REPORT

January 12, 1989

HR. PRESIDENT:

We, your committee on Local Government, having had under consideration SB 14 (first reading copy -- white), respectfully report that SB 14 be amended and as so amended do pass:

1. Title, line 4.

Following: "ALLOWING"

Strike: "COUNTY COMMISSIONERS"

Insert: "LOCAL GOVERNMENTS"

2. Title, line 6.

Following: "AUGUST;"

Insert: "REVISING THE SCHEDULE FOR THE ADOPTION OF A FINAL BUDGET BY A COUNTY COMMISSION OR CITY COUNCIL;"

3. Title, line 6

Following: "AMENDING"

Strike: "SECTION"

Insert: "SECTIONS 7-6-2316, 7-6-2317,"

4. Title, line 6.

Following: "7-6-2321,"

Insert: "7-6-4227, 7-6-4228, AND 7-6-4232"

5. Page 1.

Following: line 9

Insert: "Section 1. Section 7-6-2316, MCA, is amended to read:

'7-6-2316. Notice of hearing on county proposed budget. (1) The board of county commissioners shall then have a notice published stating that:

(a) the board has completed its county proposed budget for the current fiscal year;

(b) the budget is open to inspection in the office of the county clerk and recorder;

(c) the board will meet ~~on the Wednesday before the second Monday in August~~ to fix the final budget and make appropriations, stating the date, time, and place of the meeting; and

(d) any taxpayer or resident of the county may appear and be heard for or against any part of the budget.

(2) The notice shall be published two times, once each week, in a newspaper of general circulation in the county.'

continued

Section 2. Section 7-6-2317, MCA, is amended to read:

'7-6-2317. Hearing on county proposed budget. (1) ~~On the Wednesday before the second Monday in August~~ At least three days prior to the adoption of the final budget, the county commissioners shall meet at the time and place designated in the notice provided for in 7-6-2316, at which time any taxpayer or resident of the county may appear and be heard for or against any part of the budget.

(2) The hearing shall be continued from day to day and shall be concluded and the budget approved and adopted on or before the second Monday in August, before the fixing of the tax levies by the board. '"

Renumber: subsequent sections

6. Page 2.

Following: line 1

Insert: "Section 4. Section 7-6-4227, MCA, is amended to read:

'7-6-4227. Notice of hearing on preliminary budget. (1) The council shall then cause a notice to be published stating that:

(a) the council has completed its preliminary municipal budget for the current fiscal year;

(b) the budget has been placed on file and is open to inspection in the office of the clerk of the municipality;

(c) the council will meet ~~on the Wednesday immediately preceding the second Monday in August~~ for the purpose of fixing the final budget and making appropriations, designating the date, time, and place when and where such meeting will be held; and

(d) any taxpayer or resident may appear at the meeting and be heard for or against any part of the budget.

(2) The notice shall be published at least one time in the official newspaper of the municipality or, if there is none, then in a newspaper of general circulation in the county in which the municipality is situated.'

Section 5. Section 7-6-4228, MCA, is amended to read:

'7-6-4228. Hearing on preliminary budget. (1) ~~On the Wednesday preceding the second Monday in August~~ At least three days prior to the adoption of the final budget, the council shall meet at the time and place designated in the notice provided in 7-6-4227, at which time any taxpayer or resident may appear and be heard for or against any part of the budget. The council may call in the official in charge of an office, department, service, or institution, at the time the estimates for their respective offices are under consideration, for examination concerning the estimates. The official shall be called in by the council, upon the request

continued

The official shall be called in by the council, upon the request of a taxpayer or resident, for questioning upon the estimates either by the council, taxpayer, or resident.

(2) The hearing shall be continued from day to day and shall be concluded and the budget finally approved and adopted on or before the second Monday in August, prior to the fixing of the tax levies by the council.'

Section 6. Section 7-6-4232, MCA, is amended to read:

7-6-4232. Fixing of tax levy. (1) On or before the second Monday in August and after the approval and adoption of the final budget, the council shall fix the tax levy for each fund at a rate, not exceeding limits prescribed by law, which will raise the amount set out in the budget as the amount necessary to be raised by tax levy for that fund during the current fiscal year. The taxable valuation of the city for the current fiscal year shall be the basis for determining the amount of the tax levy for each fund, and each tax levy shall be at a rate no higher than is required on that basis, without including any amount for anticipated tax delinquency, to raise the amount set out in the budget.

(2) If the council considers that a levy made for a bond sinking or interest fund will not provide a sufficient amount to pay all bond principal and interest becoming due during the current fiscal year or within 6 months after the current fiscal year because of anticipated tax delinquency, the council may fix the levy at a rate it considers necessary to raise the amount for making the payments of principal and interest over and above the anticipated tax delinquency.

(3) Each levy shall be made in the manner provided by 15-10-201."

Remember: subsequent sections

AND AS SO AMENDED DO PASS

Signed: Bruce D. Crippen
Bruce D. Crippen, Vice Chairman

Y.C.
11/16/89
9:10 A.M.

BASIC PHILOSOPHY

TRANSPORTATION

It shall be the policy of the Montana Association of Counties to:

- 1) Promote, offer suggestions and new ideas, investigate methods and research costs of providing improved and economical transportation for the public.
- 2) Coordinate transportation planning for all units of local government below the state level.
- 3) Consciously use and plan county roads as tools to encourage proper land use. The location of roads is a major factor in the pattern of controlled land development. Carefully planned road locations and reconstruction may promote proper land use.
- 4) Encourage improvements in signing, reconstruction and new construction based on a thorough study of available information. Efforts should be directed to develop a road and sign inventory using a uniform system.
- 5) Urge legislation or policy aimed at placing disposition of road funds at the county level.
- 6) Work with individual counties to develop road standards applicable to the county situation.
- 7) Pursue the development of planning, design, construction and specifications manuals for county government and seek state or federal funding for the project.
- 8) Obtain a permissive levy for county roads to allow county government to meet their transportation obligation to the citizens and to pursue other alternatives to funding roads.
- 9) Work with the Department of Highways on the maintenance responsibilities of unclassified roads.
- 10) Seek legislation to require state maintenance of all secondary roads that were completely paved by counties prior to 1977.
- 11) Seek legislation to broaden tax levy authority under MCA 7-14-2502 to allow a maximum bridge levy of 8 mills.
- 12) Seek legislation to secure state and federal assistance in the construction and maintenance of roads used for recreational purposes or for access to public lands while granting counties greater discretion in determining road status and funding priorities.

INFRASTRUCTURE FUND

Montana Counties support legislation that would create a State Infrastructure Fund designed to address the needs of Montana as they are were identified in the Governor's Infrastructure Task Force Report, as submitted to the 1985 Legislature, and by local communities.

SENATE LOCAL GOVERNMENT

EXHIBIT NO. 2

DATE 1-12-89

BILL NO. 77

FY 1989 COUNTY ROAD FUND BUDGETS

BUDGETED PROPERTY TAX REQUIREMENTS

COUNTY	COUNTY ONLY POPULATION	COUNTY ONLY MILL VALUE	TOTAL BUDGETED EXPENDITURES	TOTAL NON-TAX REVENUES	PROPERTY TAX REVENUE	FY 88-89 MILL LEVY	PER CAPITA LEVY	BUDGETED CAS RESERVE
BEAVERHEAD	4,050	\$11,188	\$550,533	\$261,500	\$145,447	13.000	\$35.91	\$31,000
RIG HORN	7,720	\$102,463	\$1,445,034	\$126,500	\$930,056	9.077	\$120.47	\$289,000
BLAINE	4,330	\$28,861	\$819,577	\$130,001	\$429,800	14.892	\$99.26	\$100,000
BROADWATER	1,480	\$9,692	\$247,209	\$99,131	\$52,095	5.375	\$35.20	\$81,571
CARBON	4,650	\$21,605	\$527,940	\$183,800	\$258,144	11.948	\$55.51	\$175,980
CARTER	1,170	\$4,811	\$327,000	\$98,577	\$86,598	18.000	\$74.02	\$148,890
CASCADE	20,270	\$35,723	\$1,242,356	\$581,381	\$535,845	15.000	\$26.44	\$117,300
CHOUTEAU	3,250	\$23,570	\$911,524	\$191,600	\$353,550	15.000	\$108.78	\$125,000
CUSTER	3,630	\$7,803	\$340,551	\$90,935	\$161,658	20.717	\$44.53	\$44,071
DANIELS	1,220	\$5,459	\$325,862	\$71,603	\$98,259	17.999	\$80.54	\$77,840
DAWSON	5,370	\$15,537	\$520,162	\$260,910	\$233,060	15.000	\$43.40	\$77,840
DEER LODGE	10,700	\$8,680	\$442,506	\$0	\$0	0.000	\$0.00	\$0
FALLON	1,210	\$68,358	\$1,423,101	\$76,585	\$399,139	5.839	\$329.87	\$368,270
FERGUS	4,950	\$14,604	\$531,138	\$290,149	\$219,045	14.999	\$44.25	\$76,720
FLATHEAD	38,260	\$59,704	\$2,960,055	\$1,795,400	\$865,709	14.500	\$22.63	\$592,340
GALLATIN	17,330	\$35,803	\$1,042,148	\$427,133	\$483,705	13.510	\$27.91	\$224,410
GARFIELD	1,250	\$6,267	\$263,500	\$105,750	\$112,801	17.999	\$90.24	\$76,130
GLACIER	6,170	\$29,380	\$768,800	\$142,175	\$440,685	14.999	\$71.42	\$153,760
GOLDEN VALLEY	610	\$4,526	\$144,000	\$15,435	\$81,468	18.000	\$133.55	\$48,000
GRANITE	1,030	\$6,076	\$259,031	\$117,082	\$109,368	18.000	\$106.18	\$86,340
HILL	6,970	\$28,580	\$748,480	\$163,515	\$428,700	15.000	\$61.51	\$227,000
JEFFERSON	5,520	\$18,927	\$552,930	\$204,503	\$240,181	12.690	\$43.51	\$182,466
JUDITH BASIN	1,780	\$7,841	\$391,576	\$250,650	\$174,360	22.237	\$97.96	\$0
LAKE	14,730	\$25,427	\$995,000	\$306,417	\$381,139	14.990	\$25.88	\$303,940
LEWIS & CLARK	19,700	\$28,108	\$915,554	\$462,800	\$404,502	14.391	\$20.53	\$136,000
LIBERTY	1,290	\$13,118	\$538,749	\$158,476	\$188,375	14.360	\$146.03	\$25,000
LINCOLN	13,470	\$31,505	\$1,879,855	\$1,555,622	\$0	0.000	\$0.00	\$0
MADISON	3,830	\$14,525	\$361,091	\$64,566	\$152,655	10.510	\$39.86	\$48,524
MCCONE	1,670	\$7,776	\$314,729	\$188,350	\$139,962	17.999	\$83.81	\$82,150
PEARLER	890	\$7,200	\$265,817	\$74,645	\$128,805	17.890	\$144.72	\$28,000
MINERAL	2,390	\$7,762	\$246,513	\$179,673	\$0	0.000	\$0.00	\$0
MISSOULA	43,740	\$69,129	\$2,299,360	\$1,125,702	\$956,316	13.634	\$21.86	\$220,796

FY 1989 COUNTY ROAD FUND BUDGETS

BUDGETED PROPERTY TAX REQUIREMENTS

COUNTY	COUNTY ONLY POPULATION	COUNTY ONLY MILL VALUE	TOTAL BUDGETED EXPENDITURES	TOTAL NON-TAX REVENUES	PROPERTY TAX REVENUE	FY 88-89 MILL LEVY	PER CAPITA LEVY	BUDGETED CASH RESERVE
MUSSELSHELL	1,790	\$12,444	\$201,218	\$78,892	\$118,332	9.509	\$66.11	\$50,780
PARK	6,290	\$12,354	\$409,280	\$187,306	\$143,804	11.640	\$22.86	\$55,200
PETROLEUM	380	\$2,896	\$167,400	\$109,000	\$8,688	3.000	\$22.86	\$18,107
PHILLIPS	2,570	\$30,377	\$937,000	\$212,160	\$455,655	15.000	\$177.30	\$293,896
PONDARA	3,150	\$14,701	\$506,088	\$148,050	\$220,515	15.000	\$70.00	\$70,000
PONDER RIVER	1,690	\$16,764	\$434,770	\$79,795	\$97,820	5.839	\$57.88	\$122,542
POWELL	2,850	\$8,502	\$507,645	\$232,267	\$127,530	15.000	\$44.75	\$103,143
PRAIRIE	730	\$3,779	\$213,500	\$68,150	\$52,910	14.001	\$72.48	\$70,320
RAVALLI	19,110	\$22,612	\$900,060	\$416,245	\$284,464	12.580	\$14.89	\$210,000
RICHLAND	5,710	\$60,620	\$2,308,989	\$329,945	\$909,285	15.000	\$159.24	\$25,000
ROOSEVELT	5,250	\$40,882	\$1,248,901	\$92,650	\$613,228	15.000	\$116.81	\$416,300
ROSEBUD	9,660	\$212,457	\$1,527,329	\$241,625	\$697,920	3.285	\$72.25	\$485,199
SANDERS	5,610	\$27,363	\$983,993	\$484,750	\$426,877	15.601	\$76.09	\$76,682
SHERIDAN	2,130	\$36,212	\$1,080,000	\$216,350	\$434,674	12.004	\$204.07	\$191,500
SILVER BOW	34,000	\$37,454	\$1,597,797	\$1,021,189	\$346,381	9.248	\$10.19	\$129,163
STILLWATER	4,610	\$16,102	\$415,792	\$108,796	\$289,836	18.000	\$62.87	\$89,331
SWEET GRASS	1,580	\$5,275	\$156,054	\$64,364	\$94,954	18.001	\$60.10	\$31,042
TETON	3,540	\$13,592	\$440,000	\$125,207	\$250,501	18.430	\$70.76	\$26,842
TOOLE	1,760	\$27,382	\$586,800	\$65,500	\$246,429	9.000	\$140.02	\$195,218
TREASURE	500	\$4,174	\$169,203	\$20,270	\$92,127	22.072	\$184.25	\$53,378
VALLEY	4,320	\$25,689	\$800,000	\$381,650	\$385,341	15.000	\$89.20	\$247,001
WEATLAND	910	\$6,615	\$244,000	\$28,330	\$119,067	18.000	\$130.84	\$61,000
WIBAUX	650	\$16,238	\$590,761	\$150,001	\$227,329	14.000	\$349.74	\$20,000
YELLOWSTONE	32,240	\$81,893	\$2,213,683	\$1,007,495	\$1,228,395	15.000	\$38.10	\$840,819
TOTAL	405,660	\$1,496,375	\$43,241,944	\$15,670,553	\$17,063,489	11.403	\$42.06	7,953,035
FY 88 TOTAL	405,660	\$1,530,173	\$43,672,144	\$15,943,865	\$17,162,487	11.216	\$42.31	7,585,546

County Roads

% CHANGE -2.3% -1.0% -1.7% -0.6% 1.6% -0.6% 4.6%

FY 1989 COUNTY ROAD FUND BUDGETS
 BUDGETED EXPENDITURES BY FUNCTION

COUNTY	COUNTY ROAD MILEAGE	GENERAL GOVERNMENTAL	PUBLIC WORKS	DEBT SERVICE	TOTAL BUDGETED EXPENDITURES	EXPENDITURES PER MILE	(7)
BEAVERHEAD	1,552	\$0	\$550,533	\$0	\$550,533	\$355	40
BIG HORN	1,525	\$0	\$1,445,034	\$0	\$1,445,034	\$947	11
BLAINE	2,062	\$0	\$819,577	\$0	\$819,577	\$398	33
BROADWATER	813	\$1,000	\$246,209	\$0	\$247,209	\$304	45
CARBON	858	\$0	\$527,940	\$0	\$527,940	\$616	22
CARTER	838	\$6,000	\$321,000	\$0	\$327,000	\$390	35
CASCADE	1,594	\$0	\$1,242,356	\$0	\$1,242,356	\$779	13
CHOUTEAU	2,803	\$0	\$911,524	\$0	\$911,524	\$325	43
CUSTER	922	\$0	\$340,551	\$0	\$340,551	\$369	38
DANIELS	974	\$4,366	\$321,246	\$250	\$325,862	\$335	42
DAWSON	1,396	\$350	\$519,257	\$555	\$520,162	\$373	37
DEER LODGE	314	\$0	\$442,506	\$0	\$442,506	\$1,409	6
FALLON	810	\$0	\$1,423,101	\$0	\$1,423,101	\$1,757	44
FERGUS	1,673	\$0	\$531,138	\$0	\$531,138	\$318	9
FLATHEAD	2,064	\$0	\$2,960,055	\$0	\$2,960,055	\$1,434	4
GALLATIN	1,395	\$31,711	\$1,010,437	\$0	\$1,042,148	\$747	16
GARFIELD	1,165	\$0	\$263,500	\$0	\$263,500	\$226	54
GLACIER	997	\$0	\$768,800	\$0	\$768,800	\$771	14
GOLDEN VALLEY	641	\$0	\$144,000	\$0	\$144,000	\$225	55
GRANITE	654	\$0	\$259,031	\$0	\$259,031	\$396	34
HILL	3,256	\$0	\$748,280	\$200	\$748,480	\$230	1
JEFFERSON	837	\$0	\$552,930	\$0	\$552,930	\$661	21
JUDITH BASIN	1,121	\$0	\$391,576	\$0	\$391,576	\$349	41
LAKE	1,140	\$26,000	\$969,000	\$0	\$995,000	\$873	12
LENIS & CLARK	1,334	\$0	\$915,554	\$0	\$915,554	\$686	19
LIBERTY	1,298	\$0	\$538,749	\$0	\$538,749	\$415	31
LINCOLN	1,795	\$0	\$1,879,855	\$0	\$1,879,855	\$1,047	9
MADISON	1,218	\$0	\$361,091	\$0	\$361,091	\$296	46
MCCONE	1,555	\$0	\$314,729	\$0	\$314,729	\$202	56
MEADHER	730	\$0	\$265,817	\$0	\$265,817	\$364	39
MINERAL	895	\$2,300	\$244,213	\$0	\$246,513	\$275	49
MISSOULA	1,510	\$0	\$2,299,360	\$0	\$2,299,360	\$1,523	4

EXHIBIT NO. 3

DATE 1-12-89

BILL NO. 77

FY 1989 COUNTY ROAD FUND BUDGETS

BUDGETED EXPENDITURES BY FUNCTION

COUNTY	COUNTY ROAD MILEAGE	GENERAL GOVERNMENTAL	PUBLIC WORKS	DEBT. SERVICE	TOTAL BUDGETED EXPENDITURES	EXPENDITURES PER MILE	(2)	(7)
MUSSELSHELL	709	\$250	\$200,968	\$0	\$201,218	\$284	47	47
PARK	869	\$0	\$409,280	\$0	\$409,280	\$471	39	26
PETROLEUM	661	\$800	\$165,600	\$0	\$167,400	\$253	48	52
PHILLIPS	1,859	\$0	\$937,000	\$0	\$937,000	\$504	6	24
PONDERA	1,224	\$0	\$505,088	\$0	\$505,088	\$413	25	32
POWDER RIVER	1,030	\$0	\$434,770	\$0	\$434,770	\$422	32	30
PONELL	970	\$0	\$507,645	\$0	\$507,645	\$523	36	23
PRAIRIE	800	\$3,060	\$210,440	\$0	\$213,500	\$267	45	50
RAVALLI	1,311	\$0	\$900,060	\$0	\$900,060	\$687	23	18
RICHLAND	1,248	\$2,500	\$2,306,489	\$0	\$2,308,989	\$1,850	25	2
ROOSEVELT	1,640	\$0	\$1,248,901	\$0	\$1,248,901	\$762	10	15
ROSEBUD	1,456	\$0	\$1,527,329	\$0	\$1,527,329	\$1,049	18	8
SANDERS	1,472	\$0	\$983,993	\$0	\$983,993	\$668	17	20
SHERIDAN	1,454	\$0	\$1,080,000	\$0	\$1,080,000	\$743	19	17
SILVER BOW	636	\$0	\$1,597,797	\$0	\$1,597,797	\$2,512	51	1
STILLWATER	981	\$750	\$415,042	\$0	\$415,792	\$424	34	29
SWEET GRASS	606	\$0	\$156,054	\$0	\$156,054	\$258	52	51
TETON	1,557	\$0	\$440,000	\$0	\$440,000	\$283	12	48
TOOLE	1,204	\$0	\$585,800	\$0	\$585,800	\$487	28	25
TREASURE	377	\$7,725	\$161,478	\$0	\$169,203	\$449	55	27
VALLEY	2,120	\$0	\$800,000	\$0	\$800,000	\$377	3	36
WHEATLAND	558	\$0	\$244,000	\$0	\$244,000	\$437	54	28
WIBAUX	588	\$0	\$589,761	\$1,000	\$590,761	\$1,005	53	10
YELLOWSTONE	1,702	\$0	\$2,213,683	\$0	\$2,213,683	\$1,301	8	7
TOTAL	68,772	\$65,812	\$43,153,127	\$2,005	\$43,241,944	\$629		
FY 88 TOTAL		\$48,848	\$43,545,517	\$77,779	\$43,672,144	\$635		
% CHANGE		43.7%	-0.9%	-3779.3%	-1.0%	-1.0%		

SENATE LOCAL GOVERNMENT

EXHIBIT NO. 4

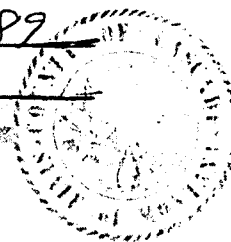
DATE 1-12-89

BILL NO. 77

Cascade County

State of Montana

TELEPHONE: (406) 761-6700



Great Falls, Montana 59401

January 12, 1989

Chairperson and Members of Senate Local Government Committee

I am Ken Jorgensen, Road Supervisor of Cascade County and I am in support of Senate Bill 77.

A little background information, Cascade County maintains 1,600 miles of county roads and has the following sources of funding; Mill Levy, License Fees, and Gas Tax.

In 1967 the State Legislature allowed an increase in the number of mills from 10 - 12 mills, then in 1981 an increase from 12 - 15 mills. The value of the mill in 1979 was 33,857, in 1989 the value is 35,723.

Mills levied for rural road purposes are only levied on properties outside of incorporated cities and towns.

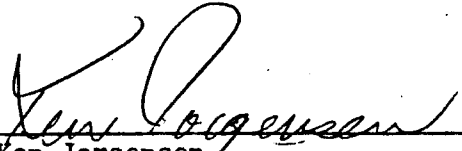
License Fees - In 1975 the State Legislature in an attempt to help cities, increased the cities share of license fees from 25% to 50% - resulting in a loss of \$ 100,000 annually to the Cascade County road department.

Gas Tax - In 1975 the Legislature attempted to offset this loss by passing an increase in gas tax that increased our share of gas tax by \$ 50,000, thus leaving a net annual loss of \$ 50,000. Cascade County receives gas tax monies in the amount of \$ 234,000 annually.

Because of our inability under statutory laws to increase our mill levy, license fees, gas tax, we have been forced to reduce personnel and have not been able to replace aging equipment.

As you know one of the major industries in Montana is Agriculture, and the bloodline of that industry are the rural roads. The rural road system is underfunded at the present time and less than able to provide the services that maintain the county roads in a safe and adequate manner.

I therefore ask support of this committee to allow the counties the ability to increase the mill levy so as to provide those essential services


Ken Jorgensen

Julie Haaker
Miss. Co. Freeholders
SB 77

Missoula County Freeholders Association wishes to go on record in strong opposition to Senate Bill 77.

SENATE LOCAL GOVERNMENT

EXHIBIT NO. 5

DATE 1-12-89

BILL NO. 77

We are early into the session and we already observe government working for government and we are wondering who cares about the taxpayer and if anybody is taking him into consideration and working for him. Since the inception and passage of I-105 we have listened to a parade of government officials complaining about the lack of funds, berating the electorate who voted for the measure, and declaring the freeze is creating all kinds of havoc out in the hinterlands of the state. We inquired in our county after an article appeared in the paper about all the people who wanted more services and were informed that there had been a few calls to general services, that's all. The fact is that government officials will find a way to spend as much money as they can get. Some county governments far exceed their legislatively mandated duties and make the choice to fund all the discretionary ones, too. We believe that when the people passed I-105 they asked for less government.

In Missoula County, we find that the road department is contributing to its own problems. In Potomac, they graded the roads and removed all the fines into the barrow pit or the fenceline. In Nonemile the residents requested a permanent fund be established to ~~at~~ control the road and what they got was a short stretch paved and the rest of the folks eat dirt. The people had a plan but the officials refused to cooperate.

Additionally, we believe that state and local governments are destroying the tax base by creative funding such as tax-increment districts, taking property off the tax rolls by agencies such as park districts and housing authorities, resulting in a larger burden for the remaining freeholders. Missoula's housing authority just took 31 more houses off. We suggest that you ammend the bill and strike out 25 mils for first-class counties and leave it at 15. We do not speak for second and third class counties. If those people wish to pay 25 mils, that's ok with us.

We also believe that you could solve some of the county budget problems if you got rid of the ear-marked funds and legislatively prioritized essential services. giving people a guarantee that they will have road services and general government, and law enforcement.

Please ammend this bill or kill it and let the people's initiative stand for the people.

Missoula County Freeholders

x x x

Amendments to Senate Bill No. 14
First Reading Copy

For the Committee on Local Government

Prepared by Connie Erickson
January 11, 1989

SENATE LOCAL GOVERNMENT
EXHIBIT NO. 1
DATE 1-12-89
BILL NO. SB 14

1. Title, line 4.
Following: "ALLOWING"
Strike: "COUNTY COMMISSIONERS"
Insert: "LOCAL GOVERNMENTS"

2. Title, line 6.
Following: "AUGUST;"
Insert: "REVISING THE SCHEDULE FOR THE ADOPTION OF A FINAL BUDGET
BY A COUNTY COMMISSION OR CITY COUNCIL;"

3. Title, line 6
Following: "AMENDING"
Strike: "SECTION"
Insert: "SECTIONS 7-6-2316, 7-6-2317,"

4. Title, line 6.
Following: "7-6-2321,"
Insert: "7-6-4227, 7-6-4228, AND 7-6-4232"

5. Page 1.
Following: line 9
Insert: "Section 1. Section 7-6-2316, MCA, is amended to read:
'7-6-2316. Notice of hearing on county proposed budget. (1)
The board of county commissioners shall then have a notice
published stating that:
(a) the board has completed its county proposed budget for
the current fiscal year;
(b) the budget is open to inspection in the office of the
county clerk and recorder;
(c) the board will meet ~~on the Wednesday before the second
Monday in August~~ to fix the final budget and make appropriations,
stating the date, time, and place of the meeting; and
(d) any taxpayer or resident of the county may appear and
be heard for or against any part of the budget.
(2) The notice shall be published two times, once each
week, in a newspaper of general circulation in the county.'

Section 2. Section 7-6-2317, MCA, is amended to read:
'7-6-2317. Hearing on county proposed budget. (1) ~~On the
Wednesday before the second Monday in August~~ At least three days
prior to the adoption of the final budget, the county

commissioners shall meet at the time and place designated in the notice provided for in 7-6-2316, at which time any taxpayer or resident of the county may appear and be heard for or against any part of the budget.

(2) The hearing shall be continued from day to day and shall be concluded and the budget approved and adopted on or before the second Monday in August, before the fixing of the tax levies by the board.'"

Renumber: subsequent sections

6. Page 2.

Following: line 1

Insert: "Section 4. Section 7-6-4227, MCA, is amended to read:

'7-6-4227. Notice of hearing on preliminary budget. (1) The council shall then cause a notice to be published stating that:

(a) the council has completed its preliminary municipal budget for the current fiscal year;

(b) the budget has been placed on file and is open to inspection in the office of the clerk of the municipality;

(c) the council will meet ~~on the Wednesday immediately preceding the second Monday in August~~ for the purpose of fixing the final budget and making appropriations, designating the date, time, and place when and where such meeting will be held; and

(d) any taxpayer or resident may appear at the meeting and be heard for or against any part of the budget.

(2) The notice shall be published at least one time in the official newspaper of the municipality or, if there is none, then in a newspaper of general circulation in the county in which the municipality is situated.'

Section 5. Section 7-6-4228, MCA, is amended to read:

'7-6-4228. Hearing on preliminary budget. (1) ~~On the Wednesday preceding the second Monday in August~~ At least three days prior to the adoption of the final budget, the council shall meet at the time and place designated in the notice provided in 7-6-4227, at which time any taxpayer or resident may appear and be heard for or against any part of the budget. The council may call in the official in charge of an office, department, service, or institution, at the time the estimates for their respective offices are under consideration, for examination concerning the estimates. The official shall be called in by the council, upon the request of a taxpayer or resident, for questioning upon the estimates either by the council, taxpayer, or resident.

(2) The hearing shall be continued from day to day and shall be concluded and the budget finally approved and adopted on or before the second Monday in August, prior to the fixing of the tax levies by the council.'

Section 6. Section 7-6-4232, MCA, is amended to read:

7-6-4232. Fixing of tax levy. (1) On or before the second Monday in August and after the approval and adoption of the final budget, the council shall fix the tax levy for each fund at a

rate, not exceeding limits prescribed by law, which will raise the amount set out in the budget as the amount necessary to be raised by tax levy for that fund during the current fiscal year. The taxable valuation of the city for the current fiscal year shall be the basis for determining the amount of the tax levy for each fund, and each tax levy shall be at a rate no higher than is required on that basis, without including any amount for anticipated tax delinquency, to raise the amount set out in the budget.

(2) If the council considers that a levy made for a bond sinking or interest fund will not provide a sufficient amount to pay all bond principal and interest becoming due during the current fiscal year or within 6 months after the current fiscal year because of anticipated tax delinquency, the council may fix the levy at a rate it considers necessary to raise the amount for making the payments of principal and interest over and above the anticipated tax delinquency.

(3) Each levy shall be made in the manner provided by 15-10-201.'"

Renumber: subsequent sections

CLERICAL

5 Bill No. 14

Date: 1/16/89

Time: 4:15 pm

PMC

(Legislative Council Staff)

Local Gov't
 S / H - Standing Committee
E. M. [Signature]
(Chairman)

S / H Committee of the Whole

(Sponsor)

In accordance with the Rules of the Montana Legislature, the following clerical errors may be corrected:

- 1. Amendment #4: Insert: "... AND 7-6-4232,"
^
- 2. Amendment #5: Insert: "... is amended to read:
7-6-2316.
at end of section in subsection (2): "... circulation in the
county."
"Section 2... is amended to read:
7-6-2317 at end of Section 2: "... by the board."
- 3. Amendment #6: Insert: "... 7-6-4227, and at end of section:
"... is situated."
"... 7-6-4228...
First line of page 3, delete "The" through "request" (confirm to code)
At end of subsection (2): "... by the council."
"Section 6... 7-6-4232..."
At end of section 6: "... 15-10-201."

#5, Section 2, and #6, section 5
(three) 3 days
#6, sec 6 2 * from (1) (not in code)

An objection to these corrections may be registered by the Secretary of the Senate, the Chief Clerk of the House, or the sponsor by filing the objection in writing within 24 hours after receipt of this notice.

COMMITTEE ON

Local Government

DATE

Jan 2 1988

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Rob Morris	Mslc Chamber	77		
Gordon Morris	MALCo.	77	✓	
Julie Hacker	Molc Co. Freeholder Assoc	77		X
Al Hansen	Lewis & Clark Co.	77		
Jack Whitaker	Cascade Co.	77	✓	
Ken Jorgensen	Cascade Co	77	✓	
Jim Ellis	LXC County	77	✓	
Dorothy Traylor	Molc Co. Freeholder	77		X
Jack Traylor	" " "	77		X

(Please leave prepared statement with Secretary)