

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By Chairman Ethel Harding, on January 31, 1989, at 1:00 p.m., room 405 of the Capitol.

ROLL CALL

Members Present: Senator Ethel Harding, Senator Bruce D. Crippen, Senator Mike Walker, Senator H.W. "Swede" Hammond, Senator R.J. "Dick" Pineseault, Senator Eleanor L. Vaughn, Senator Tom Beck, Senator Gene Thayer

Members Excused: Senator Paul F. Boylan

Members Absent: None

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

Announcements/Discussion: Senator Boylan had a bill he was sponsoring in another committee.

Senator Harding introduced Bill Burley, a former county commissioner and visitor from her district.

HEARING ON HOUSE BILL 17

Presentation and Opening Statement by Sponsor:

Representative Carolyn Squires, House District 58, Missoula, stated that HB 17 is an act to authorize cities and towns to appropriate money received from the federal or state government regardless of when the money is received. The counties have had this privilege since 1974 and this would give the same authority to cities and towns. Block grants from the federal government have the deadline of Sept. 16, March 17, and July 14. The award notifications fall 3 months after the application deadline so only the March 17 date allows for the city council to include it in the next budget. Being able to appropriate the funds when received would speed up and make operating more efficient.

List of Testifying Proponents and What Group they Represent:

Chuck Stearns, Finance Director, City of Missoula

John Lawton, Assistant City Administrator, Billings
Alec Hansen, Montana League of Cities and Towns

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Chuck Stearns stated that when this law was drafted they took a copy of the county law and inserted the municipalities into it. See Exhibit 1.

John Lawton stated that the city of Billings supports this bill. He asked for an amendment to include private foundations, as well as state and federal governments as those providing funds. In the city of Billings the City County Library has become the beneficiary of a private foundation, which is a non-profit corporation which controls and endowment trust. That trust now totals about \$125,000 and they expect to have \$250,000 within a couple of years. Their sole purpose is to grant funds to the library. If you would allow them to appropriate the funds when received it would enable expenditure without waiting.

Questions From Committee Members: Senator Crippen asked At what point in time are you certain to get in the money? Is there a problem where you think you are going to get money and you don't? Chuck Stearns stated they would take appropriate action when they receive the notification of the award. That is more a policy than a rule.

Senator Beck asked if this to give you authority to appropriate this money without having a public hearing? Would you waive the public hearing? Chuck Stearns stated this wouldn't require a public hearing. Senator Beck stated there is a hearing anytime, other than an emergency, when you spend funds.

Senator Harding asked John Lawton about how he wanted private foundations added. Do you wanted it added in the title? Or do you want it added in the text? In the text on line 12.

Alec Hanson stated the League of Cities and Counties supports this bill.

Closing by Sponsor: Representative Squires asked the committee do pass this bill.

DISPOSITION OF HOUSE BILL 17

Discussion: Senator Crippen noted there is an amendment suggested to add on page 1, Section 1, line 12, "private foundations". Senator Beck asked how much money do you get from private foundations? Do you get it very often? Do you know early enough to get it into your budget process? Senator Crippen stated without having looked at laws relating to private foundations as related to receiving money, I'm hesitant to add this to a bill. Did you present this in the House? No. This bill covers expected revenues. With a private foundation you would be looking for places to spend it and you might want to wait till the next bi-biennium to spend the funds. Senator Harding stated before we add this, we should check into the laws relating to private foundations. Connie Erickson will research this recommendation.

Amendments and Votes: None

Recommendation and Vote: None

HEARING ON SENATE BILL 22

Presentation and Opening Statement by Sponsor:

Representative Vivian Brooke, House District #56, Missoula stated that this is an act to require that the interest rate on deposited municipal money be no less than the interest rate on money from private sources; amending Section 7-6-4602, MCA. This conflicts with Section 7-6-203 which says the lending agencies shall pay on the money, interest the same as private sources.

List of Testifying Proponents and What Group they Represent:

Chuck Stearns, Finance Director, City of Missoula
John Lawton, Ass. Finance Director, City of Billings
Alec Hansen, Montana League of Cities and Towns

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Chuck Stearns stated this is a clarification issue. See Exhibit 1. I support this bill.

Alec Hansen stated the League of Cities and Towns want to go on record as supporting this bill.

Questions From Committee Members: Senator Beck asked why not get rid of this old section? This is in the municipal part of the law. Senator Thayer asked about the two different sections what they refer to. Senator Crippen answered that 7-6-4602 is deposit investment of municipal money. Senator Thayer stated it looks as though 7-6-203 is what the cities and towns follow. We have 2 conflicting statutes on the books. Rep. Brook stated that Section 7-6-4602 outlines the duties of the treasurer. The two sections are; one, persons depositing and investing public money, and the second is deposit and investment of municipal money. This bill coordinates the two statutes.

Closing by Sponsor: Representative Brooke stated the House committee on Local Government didn't have any objections to this bill. I hope you will give this bill a positive consideration.

DISPOSITION OF HOUSE BILL 22

Discussion: None

Amendments and Votes: None

Recommendation and Vote: Senator Beck MOVED that we DO CONCUR in HOUSE BILL 22. The vote was UNANIMOUS in FAVOR of HB 22.

HEARING ON HOUSE BILL 23

Presentation and Opening Statement by Sponsor:

Representative Vivian Brooke, House District 56, Missoula, stated HB 23 is an act to allow the mailing of municipal notices to 200 or more electors or residents at bulk rates. Presently, the law reads that only mailings that go to all electors are allowed the bulk rate mailings. This came to their attention because a sewer hearing in Missoula which amounted to about 10,000 mailings, which was not all the electors of Missoula. So the city was not able to send out those notices at bulk rate.

List of Testifying Proponents and What Group they Represent:

Chuck Stearns, Finance Officer, City of Missoula
John Lawton, Asst. Finance Director, City of Billings

Alec Hanson, Montana League of Cities and Towns

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Chuck Stearns handed out an example of the notice they tried to send in bulk rate mailing. See Exhibit 1. There are other times cities do large mailings, such as SIDs. Tax statements or anything that has individual information on it, could not be bulk mailing. This is not a threat to first class mailings.

Questions From Committee Members: None

Closing by Sponsor: Representative Brooke urged the committee to give positive approval to HB 23.

DISPOSITION OF HOUSE BILL 23

Discussion: None

Amendments and Votes: None

Recommendation and Vote: Senator Pinsonneault MOVED that we DO CONCUR in HB 23. The VOTE was UNANIMOUS in FAVOR of HB 23.

HEARING ON HOUSE BILL 24

Presentation and Opening Statement by Sponsor:

Representative Vivian Brooke, House District 56, Missoula, stated HB 24 is an act allowing a city clerk to send a designee to park board meetings. This is a simple wording change amending Section 7-16-4209, MCA.

List of Testifying Proponents and What Group they Represent:

Chuck Stearns, Finance Officer, City of Missoula
John Lawton, Asst. Finance Office, City of Billings
Alec Hansen, Montana League of Cities and Towns

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Chuck Stearns stated he would like to be free to designate someone else to attend park board meetings, when he is busy.

Questions From Committee Members: Senator Crippen stated that the law says in the absence of the clerk someone will keep the minutes. Looks as though the law provides for the clerk's absence. Chuck Stearns stated that in his absence, the deputy clerk attends. This bill will create a permanent designee.

Senator Vaughn asked if this is the only committee that specifically says the city clerk must attend? Chuck Stearns stated that this is the only one that he is aware of. The other requirement for his attendance is that he is the ex-officio clerk of the district court.

Senator Crippen stated that they had not changed the duties. So is it still your intention to keep the duties that are required by law? Mr. Stearns said the fiduciary duties of the clerk shall remain with the central clerk for accountability.

Closing by Sponsor: Representative Brooke closed with a request for a favorable vote from this committee.

DISPOSITION OF HOUSE BILL 24

Discussion: None

Amendments and Votes: None

Recommendation and Vote: Senator Vaughn MOVED that this committee DO CONCUR in HB 24. The VOTE was UNANIMOUS in FAVOR of HB 24.

EXECUTIVE ACTION SENATE BILL 35

Senator Harding called on Senator Weeding, sponsor of SB 35, to explain the amendment. First, it would require a vote of the people to purchase, lease or build a retirement home. On page 2, line 3 insert, a county may not purchase, lease or construct a retirement home without the approval of a majority of the electors voting at an election provided by law. You have heard the amendment. Senator Pinsonneault MOVED the AMENDMENT be ACCEPTED. The VOTE for the ACCEPTANCE of the AMENDMENT was UNANIMOUS.

Senator Hammond believes that retirement homes are not an activity for the county to get into. Senator Thayer

states private enterprise should be building these homes. Senator Vaughn stated that voters wouldn't vote for this kind of debt if there was a possibility that private enterprise would do it. Senator Hammond stated it depends on what your tax base is. In Phillips County you have the Pipeline, the coal basin, the railroads and about 200 property owners. They will pay the bill and that's only about 200 property owners, and you don't have to own anything to vote.

Senator Hammond made a MOTION to TABLE SENATE BILL 35 AS AMENDED. Eight senators voted for the motion. Senator Vaughn voted against tabling SB 35. MOTION CARRIED to TABLE SB 35.

EXECUTIVE ACTION ON SENATE BILL 44

Senator Beck made a MOTION to TABLE SENATE BILL 44. The VOTE was UNANIMOUS to TABLE SB 44.

EXECUTIVE ACTION ON SENATE BILL 142

Senator Pinsonneault stated he had problems with SB 142. They are trying to force commissioners to pay for over expenditures. Senator Harding stated that the clerk and recorders are responsible according to an antiquated law, but this bill doesn't really deal with that. Now the commissioners and the clerk and recorders are responsible. The clerk and recorders wanted to strike themselves out of being responsible.

Senator Pinsonneault MOVED we TABLE SB 142. Seven senators voted to TABLE SB 142; two senators, Ethel Harding and Eleanor Vaughn voted against. MOTION CARRIED to TABLE SB 142.

DISCUSSION OF HOUSE BILL 62

Senator Pinsonneault inquired of attorney, John French, and he stated that there is an abuse so he would reluctantly withdraw his objection. Senator Beck asked Connie Erickson if there is a law that triggers an audit of different districts, such as fire districts, or cemetery districts? The Department of Commerce audited them and did not see anything.

After discussion, Senator Hammond made a MOTION to AMEND HB 62 to say that cemeteries with an operating budget under \$25,000 would be exempt from audit requirements. The VOTE on the MOTION was UNANIMOUS in FAVOR of AMENDING HB 62. (Line 14, page 4)

Senator Thayer why does this require an audit by the state? Can the local people have the option of an independent audit? After discussion, Senator Thayer made a MOTION TO AMEND HB 62 by striking the words, "by the department" in three places (page 2, (5) line 18; page 3, line 15; page 4, line 22). Connie will research whether or not we can amend for all the districts or not.

Connie Erickson stated there already is a provision in the audit law allowing private audits. Then the state auditors review the private audit. Connie Erickson will research these amendments. Senator Mike Walker stated it was the county commissioners job to manage these districts and for the state to mandate an audit is ridiculous.

Connie Erickson will do some research and we will bring this bill back on Thursday.

ADJOURNMENT

Adjournment At: 2:20 p.m.

SENATOR ETHEL HARDING, Chairman

EH/dh

minutes.131

Senator Thayer why does this require an audit by the state? Can the local people have the option of an independent audit? After discussion, Senator Thayer made a MOTION TO AMEND HB 62 by striking the words, "by the department" in three places (page 2, (5) line 18; page 3, line 15; page 4, line 22). Connie will research whether or not we can amend for all the districts or not.

Connie Erickson stated there already is a provision in the audit law allowing private audits. Then the state auditors review the private audit. Connie Erickson will research these amendments. Senator Mike Walker stated it was the county commissioners job to manage these districts and for the state to mandate an audit is ridiculous.

Connie Erickson will do some research and we will bring this bill back on Thursday.

ADJOURNMENT

Adjournment At: 2:20 p.m.


SENATOR ETHEL HARDING, Chairman

EH/dh

minutes.131

ROLL CALL

LOCAL GOVERNMENT

COMMITTEE

51th LEGISLATIVE SESSION -- 1989

Date _____

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

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

February 1, 1989

MR. PRESIDENT:

We, your committee on Local Government, having had under consideration HB 22 (third reading copy -- blue), respectfully report that HB 22 be concurred in.

Sponsor: Brooke (Walker)

BE CONCURRED IN

Signed: 

Ethel M. Harding, Chairman

41.0
2/1/89
10:55
6.

SENATE STANDING COMMITTEE REPORT

February 1, 1989

MR. PRESIDENT:

We, your committee on Local Government, having had under consideration HB 23 (third reading copy -- blue), respectfully report that HB 23 be concurred in.

Sponsor: Brooke (Vaughn)

BE CONCURRED IN

Signed: 

Ethel M. Harding, Chairman

11.c.
2/1/89
10:55
a.m.

SENATE STANDING COMMITTEE REPORT

February 1, 1989

MR. PRESIDENT,

We, your committee on Local Government, having had under consideration HB 24 (third reading copy -- blue), respectfully report that HB 24 be concurred in.

Sponsor: Brooke (Pinsonneault)

BE CONCURRED IN

Signed:


Ethel M. Harding, Chairman

AB ~~1~~



FINANCE/CITY CLERK OFFICE

201 W. SPRUCE • MISSOULA, MT 59802-4297 • (406) 721-4700

FINANCE AND DEBT MANAGEMENT
BUDGET AND ANALYSIS
ACCOUNTING
CITY CLERK
UTILITY BILLING
RISK MANAGEMENT

**CITY OF MISSOULA
CHUCK STEARNS TESTIMONY ON HOUSE BILL #17**

The City of Missoula supports House Bill #17 in order to give cities the same budget flexibility for appropriating federal and state funds, especially grants, that are received during the middle of the year, after the City Council has adopted the budget.

Counties in Montana have had this ability since 1974 and it is codified as Section 7-6-2218 MCA, a copy of which appears on the back of this sheet. While it has been interpreted by the Department of Commerce that this law should also apply to cities, it is not in the Administrative Rules of Montana. In order to prevent possible audit opinions, we prefer that explicit authority be granted to cities, as it has been granted to counties.

A specific example where this authority would be most helpful is in the area of Community Development Block Grants from the U.S. Government. Currently there are three grant application deadlines each year: September 16th; March 17th; and July 14th. The award notifications usually follow three months after the application deadline, so only the March 17th date allows for the City Council to include it in the next budget. Being able to appropriate and expend the money soon after the grant is awarded would speed up governmental processes and be more efficient.

The City of Missoula appreciates your consideration of this bill and Representative Squires efforts on the behalf of cities.

SENATE LOCAL GOVERNMENT

EXHIBIT NO. 1
DATE 1-21-1989
BILL NO. #AB 17

7-6-2216. Repealed. Sec. 1, Ch. 135, L. 1979.

History: En. Sec. 4339, Pol. C. 1895; re-en. Sec. 2984, Rev. C. 1907; re-en. Sec. 4748, R.C.M. 1921; re-en. Sec. 4748, R.C.M. 1935; R.C.M. 1947, 16-2426.

7-6-2217. Administration of relief received from federal agencies.

In any county where aid is received from the reconstruction finance corporation or any other similar agencies, the county commissioners of such county shall be authorized to employ the necessary help and incur such expenses as are necessary in the administration of such relief; and in so doing the board may appropriate such funds as are necessary from the general fund of said county. Such appropriation shall be held and deemed legal and valid notwithstanding the provisions of the budget act.

History: En. Sec. 1, Ch. 44, L. 1933; re-en. Sec. 4520.1, R.C.M. 1935; R.C.M. 1947, 16-1162.

7-6-2218. Appropriation of state and federal money by county. (1)

The board of county commissioners of any county in Montana shall have the power and authority to appropriate, by formal resolution, money received from the federal or state government, regardless of the time the money is received. The expenditure of said funds shall be according to federal requirements specified in the federal act or state requirements specified in the state legislation. The money appropriated under this section may include federal revenue sharing funds granted to Montana conservation districts organized under Title 76, chapter 15.

(2) The resolution shall state the source of the money, the expenditure program for the funds, and the effective date of the appropriation.

(3) (a) Subject to restrictions in federal or state law granting federal or state funds, in addition to appropriations for county use, an appropriation may be made under this section to the following entities for that entity's governmental purpose:

(i) utility districts authorized in Title 7, chapter 13;

(ii) fire services authorized in Title 7, chapter 33.

(b) If the entity receiving an appropriation under subsection (3)(a) provides a service that is less than countywide, the appropriation resolution shall require that the entity repay the county the amount of the appropriation. The appropriation resolution may provide any method of repayment, except that full repayment must be made within 5 years of the date of the appropriation resolution. The appropriation resolution may require that interest be paid on the appropriation.

History: En. 16-1185 by Sec. 1, Ch. 70, L. 1974; amd. Sec. 1, Ch. 75, L. 1975; R.C.M. 1947, 16-1185; amd. Sec. 1, Ch. 19, L. 1983.

7-6-2219. Authorization to establish capital improvement fund.

The governing body of any county in Montana may establish a capital improvement fund for the replacement and acquisition of property, plant, equipment costing in excess of \$5,000 with a life expectancy of 5 years or more, provided a capital improvement program has been formally adopted by said governing body.

History: En. 16-1186 by Sec. 1, Ch. 54, L. 1975; R.C.M. 1947, 16-1186.

7-6-2220. Levy for capital improvement fund. Money for the capital improvement fund is to be derived from the multiple levies authorized

SB 22
1/31/89

within or coextensive with the limits of the county or in the event the functional limits of a political subdivision lie in more than one county, that subdivision is hereby:

- (a) authorized to make request of the United States for payments of such sums in lieu of taxes as the United States may agree to pay; and
- (b) empowered to enter into agreements with the United States for the performance by the subdivision of services for the benefit of a project and for payment by the United States to the subdivision, in one or more installments, of such sums in lieu of taxes.

(2) The amount of such payment may be based upon the cost of performing such services during the period of the agreement, after taking into consideration the benefits to be derived by the subdivision from the project, but not be in excess of the taxes which would result to the political subdivision for the period if the real property of the project within the political subdivision were taxable. Whenever any payment is received by a subdivision in an agreement entered into pursuant to this section, the governing body of such subdivision shall issue a receipt for such payment.

History: En. Sec. 8, Ch. 59, L. 1939; R.C.M. 1947, 84-5513.

6-108. Disposition of in-lieu payments by subdivisions. All money deposited by a political subdivision pursuant to 7-6-106 or under 7-6-107 shall be deposited in such fund or funds or items of a fund or funds as may be designated in the agreement. If the agreement does not make such designation, the money received shall be deposited in such fund or funds or items of a fund or funds as the governing body of such subdivision shall by appropriate resolution direct.

History: En. Sec. 9, Ch. 59, L. 1939; R.C.M. 1947, 84-5514.

6-109. Requirement to provide services in absence of agreement. No provision of this part shall be construed to relieve any political subdivision of this state, in the absence of an agreement for payment of sums in lieu of taxes by the United States as provided in this part, of the duty of providing for the benefit of a project all services which the subdivision usually furnishes for property in and persons residing within the subdivision in payment of sums in lieu of taxes.

History: En. Sec. 10, Ch. 59, L. 1939; R.C.M. 1947, 84-5515.

Part 2

Deposit and Investment of Public Money

Cross-References

Investment of county money in warrants, ch. 6, part 27.
Deposit and investment of municipal money, ch. 6, part 46.

Unified investment program, Title 17, ch. 6, part 2.
Montana Health Facility Authority bonds — legal investment, 90-7-113.

6-201. Deposit of public funds in financial institutions. (1) As provided in 7-6-202, 7-6-206(3), or 7-6-2701, it shall be the duty of county and city treasurers and town clerks to deposit all public money in possession and under their control in any solvent banks, building and loan associations, savings and loan associations, or credit unions located in

the county, city, or town of which such treasurer is an officer, subject to national supervision or state examination as the local governing body may designate, and no other.

(2) Said local governing body is hereby authorized to deposit such public money not necessary for immediate use by such county, city, or town in a savings or time deposit with any bank, building and loan association, savings and loan association, or credit union authorized above or in a repurchase agreement as authorized in 7-6-213.

(3) The treasurer or town clerk shall take from such bank, building and loan association, savings and loan association, or credit union such security as the local governing body may prescribe, approve, and deem fully sufficient and necessary to insure the safety and prompt payment of all such deposits, together with the interest on any time or savings deposits.

(4) All such deposits shall be subject to withdrawal by the treasurer or town clerk in such amounts as may be necessary from time to time. No deposit of funds shall be made or permitted to remain in any bank, building and loan association, savings and loan association, or credit union until the security for such deposits shall have been first approved by the local governing body and delivered to the treasurer or town clerk.

History: En. Sec. 4367, Pol. C. 1895; amd. Sec. 1, Ch. 5, L. 1903; amd. Sec. 3003, Rev. C. 1907; amd. Sec. 1, Ch. 88, L. 1913; re-en. Sec. 4767, R.C.M. 1921; Cal. Pol. C. Sec. 4161; amd. Sec. 1, Ch. 89, L. 1923; amd. Sec. 1, Ch. 137, L. 1925; amd. Sec. 1, Ch. 134, L. 1927; amd. Sec. 1, Ch. 49, L. 1929; amd. Sec. 1, Ch. 23, Ex. L. 1933; re-en. Sec. 4767, R.C.M. 1935; amd. Sec. 1, Ch. 50, L. 1957; amd. Sec. 1, Ch. 66, L. 1961; amd. Sec. 1, Ch. 40, L. 1963; amd. Sec. 1, Ch. 32, L. 1965; amd. Sec. 1, Ch. 258, L. 1969; amd. Sec. 1, Ch. 499, L. 1973; amd. Sec. 1, Ch. 43, L. 1974; amd. Sec. 106, Ch. 348, L. 1974; amd. Sec. 1, Ch. 160, L. 1975; amd. Sec. 28, Ch. 213, L. 1975; amd. Sec. 2, Ch. 304; L. 1975; amd. Sec. 1, Ch. 539, L. 1975; R.C.M. 1947, 16-2618(part); amd. Sec. 2, Ch. 329, L. 1981; amd. Sec. 1, Ch. 421, L. 1985.

Cross-References

Deposit security, 7-6-207, 17-6-103.

Functions of State Banking Board, Title 32, ch. 1, part 2.

7-6-202. Investment of public money in direct obligations of the United States. Said local governing body is hereby authorized to invest such public money not necessary for immediate use by such county, city, or town in direct obligations of the United States government and securities issued by agencies of the United States.

History: En. Sec. 4367, Pol. C. 1895; amd. Sec. 1, Ch. 5, L. 1903; amd. Sec. 3003, Rev. C. 1907; amd. Sec. 1, Ch. 88, L. 1913; re-en. Sec. 4767, R.C.M. 1921; Cal. Pol. C. Sec. 4161; amd. Sec. 1, Ch. 89, L. 1923; amd. Sec. 1, Ch. 137, L. 1925; amd. Sec. 1, Ch. 134, L. 1927; amd. Sec. 1, Ch. 49, L. 1929; amd. Sec. 1, Ch. 23, Ex. L. 1933; re-en. Sec. 4767, R.C.M. 1935; amd. Sec. 1, Ch. 50, L. 1957; amd. Sec. 1, Ch. 66, L. 1961; amd. Sec. 1, Ch. 40, L. 1963; amd. Sec. 1, Ch. 32, L. 1965; amd. Sec. 1, Ch. 258, L. 1969; amd. Sec. 1, Ch. 499, L. 1973; amd. Sec. 1, Ch. 43, L. 1974; amd. Sec. 106, Ch. 348, L. 1974; amd. Sec. 1, Ch. 160, L. 1975; amd. Sec. 28, Ch. 213, L. 1975; amd. Sec. 2, Ch. 304; L. 1975; amd. Sec. 1, Ch. 539, L. 1975; R.C.M. 1947, 16-2618(part); amd. Sec. 1, Ch. 620, L. 1985.

7-6-203. Interest rates on deposits of public money. (1) The bank, building and loan association, savings and loan association, or credit union in which the money is deposited shall pay on the money no less than the rate of interest as is paid on money from private sources on the same terms.

(2) Refusal of any bank, building and loan association, savings and loan association, or credit union to pay said interest rate shall constitute a waiver

7-6-108

LOCAL GOVERNMENT

336

are within or coextensive with the limits of the county or in the event the jurisdictional limits of a political subdivision lie in more than one county, that subdivision is hereby:

(a) authorized to make request of the United States for payments of such sums in lieu of taxes as the United States may agree to pay; and

(b) empowered to enter into agreements with the United States for the performance by the subdivision of services for the benefit of a project and for the payment by the United States to the subdivision, in one or more installments, of such sums in lieu of taxes.

(2) The amount of such payment may be based upon the cost of performing such services during the period of the agreement, after taking into consideration the benefits to be derived by the subdivision from the project, but shall not be in excess of the taxes which would result to the political subdivision for the period if the real property of the project within the political subdivision were taxable. Whenever any payment is received by a subdivision under an agreement entered into pursuant to this section, the governing body of such subdivision shall issue a receipt for such payment.

History: En. Sec. 8, Ch. 59, L. 1939; R.C.M. 1947, 84-5513.

7-6-108. Disposition of in-lieu payments by subdivisions. All money received by a political subdivision pursuant to 7-6-106 or under 7-6-107 shall be deposited in such fund or funds or items of a fund or funds as may be designated in the agreement. If the agreement does not make such designation, the money received shall be deposited in such fund or funds or items of a fund or funds as the governing body of such subdivision shall by appropriate resolution direct.

History: En. Sec. 9, Ch. 59, L. 1939; R.C.M. 1947, 84-5514.

7-6-109. Requirement to provide services in absence of agreement. No provision of this part shall be construed to relieve any political subdivision of this state, in the absence of an agreement for payment of sums in lieu of taxes by the United States as provided in this part, of the duty of furnishing for the benefit of a project all services which the subdivision usually furnishes for property in and persons residing within the subdivision without a payment of sums in lieu of taxes.

History: En. Sec. 10, Ch. 59, L. 1939; R.C.M. 1947, 84-5515.

Part 2

Deposit and Investment of Public Money

Cross-References
Investment of county money in warrants, part 7, ch. 6, part 27.
Deposit and investment of municipal money, part 7, ch. 6, part 46.

Unified investment program, Title 17, ch. 6, part 2.

Montana Health Facility Authority bonds — legal investment, 90-7-113.

7-6-201. Deposit of public funds in financial institutions. (1) Except as provided in 7-6-202, 7-6-206(3), or 7-6-2701, it shall be the duty of county and city treasurers and town clerks to deposit all public money in their possession and under their control in any solvent banks, building and loan associations, savings and loan associations, or credit unions located in

337

FINANCIAL ADMINISTRATION AND TAXATION

7-6-203

the county, city, or town of which such treasurer is an officer, subject to national supervision or state examination as the local governing body may designate, and no other.

(2) Said local governing body is hereby authorized to deposit such public money not necessary for immediate use by such county, city, or town in a savings or time deposit with any bank, building and loan association, savings and loan association, or credit union authorized above or in a repurchase agreement as authorized in 7-6-213.

(3) The treasurer or town clerk shall take from such bank, building and loan association, savings and loan association, or credit union such security as the local governing body may prescribe, approve, and deem fully sufficient and necessary to insure the safety and prompt payment of all such deposits together with the interest on any time or savings deposits.

(4) All such deposits shall be subject to withdrawal by the treasurer or town clerk in such amounts as may be necessary from time to time. No deposit of funds shall be made or permitted to remain in any bank, building and loan association, savings and loan association, or credit union until the security for such deposits shall have been first approved by the local governing body and delivered to the treasurer or town clerk.

History: En. Sec. 4367, Pol. C. 1895; amd. Sec. 1, Ch. 5, L. 1903; amd. Sec. 3003, Rev. C. 1907; amd. Sec. 1, Ch. 88, L. 1913; re-en. Sec. 4767, R.C.M. 1921; Cal. Pol. C. Sec. 4161; amd. Sec. 1, Ch. 89, L. 1923; amd. Sec. 1, Ch. 137, L. 1925; amd. Sec. 1, Ch. 134, L. 1927; amd. Sec. 1, Ch. 49, L. 1929; amd. Sec. 1, Ch. 23, Ex. L. 1933; re-en. Sec. 4767, R.C.M. 1935; amd. Sec. 1, Ch. 50, L. 1957; amd. Sec. 1, Ch. 66, L. 1961; amd. Sec. 1, Ch. 40, L. 1963; amd. Sec. 1, Ch. 32, L. 1965; amd. Sec. 1, Ch. 258, L. 1969; amd. Sec. 1, Ch. 499, L. 1973; amd. Sec. 1, Ch. 43, L. 1974; amd. Sec. 106, Ch. 348, L. 1974; amd. Sec. 1, Ch. 160, L. 1975; amd. Sec. 28, Ch. 213, L. 1975; amd. Sec. 2, Ch. 304, L. 1975; amd. Sec. 1, Ch. 539, L. 1975; R.C.M. 1947, 16-2618(part); amd. Sec. 2, Ch. 329, L. 1981; amd. Sec. 1, Ch. 421, L. 1985.

Cross-References
Deposit security, 7-6-207, 17-6-103.

Functions of State Banking Board, Title 32, ch. 1, part 2.

7-6-202. Investment of public money in direct obligations of the United States. Said local governing body is hereby authorized to invest such public money not necessary for immediate use by such county, city, or town in direct obligations of the United States government and securities issued by agencies of the United States.

History: En. Sec. 4367, Pol. C. 1895; amd. Sec. 1, Ch. 5, L. 1903; amd. Sec. 3003, Rev. C. 1907; amd. Sec. 1, Ch. 88, L. 1913; re-en. Sec. 4767, R.C.M. 1921; Cal. Pol. C. Sec. 4161; amd. Sec. 1, Ch. 89, L. 1923; amd. Sec. 1, Ch. 137, L. 1925; amd. Sec. 1, Ch. 134, L. 1927; amd. Sec. 1, Ch. 49, L. 1929; amd. Sec. 1, Ch. 23, Ex. L. 1933; re-en. Sec. 4767, R.C.M. 1935; amd. Sec. 1, Ch. 50, L. 1957; amd. Sec. 1, Ch. 66, L. 1961; amd. Sec. 1, Ch. 40, L. 1963; amd. Sec. 1, Ch. 32, L. 1965; amd. Sec. 1, Ch. 258, L. 1969; amd. Sec. 1, Ch. 499, L. 1973; amd. Sec. 1, Ch. 43, L. 1974; amd. Sec. 106, Ch. 348, L. 1974; amd. Sec. 1, Ch. 160, L. 1975; amd. Sec. 28, Ch. 213, L. 1975; amd. Sec. 2, Ch. 304, L. 1975; amd. Sec. 1, Ch. 539, L. 1975; R.C.M. 1947, 16-2618(part); amd. Sec. 1, Ch. 620, L. 1985.

7-6-203. Interest rates on deposits of public money. (1) The bank, building and loan association, savings and loan association, or credit union in which the money is deposited shall pay on the money no less than the rate of interest as is paid on money from private sources on the same terms.

(2) Refusal of any bank, building and loan association, savings and loan association, or credit union to pay said interest rate shall constitute a waiver

Exhibit no. 1

1/31/89

HB 23

50 35
1/31/89



Montana Association of Homes for the Aging
P.O. Box 5774 • Helena, MT 59604 • (406) 443-1185

January 10, 1989

Senator Ethel Harding, Chairman
Senate Local Government Committee
State Capitol
Helena, MT 59620

Dear Senator *Ethel* Harding:

The Montana Association of Homes for the Aging represents the nonprofit philosophy in nursing and retirement homes in several Montana counties. As such, we are vitally interested in any legislation that deals with care for the elderly.

Some members of MontAHA's legislative committee have expressed concern regarding the use of the word "beds" in SB 35 — "authorizing counties to own and operate retirement homes." "Beds" is a term closely associated to the licensing of nursing and personal care homes rather than retirement homes. It is our understanding that Senator Weeding and the proponents of SB 35 have no interest in doing more than authorizing counties to own and operate retirement homes. For that reason, we have no problem with the bill; we simply (and respectfully) suggest that the wording be changed to "apartments" or "independent living units."

Incidentally, Senator Weeding and Gordon Morris, Executive Director of the Montana Association of Counties, both stressed the limit of "50 beds" as a concession to the private sector, stating that investors would probably consider anything less than 100 "beds" as just not cost-effective. The truth is, MontAHA has member homes with as few as 41 "independent living units" but perhaps the key is in emphasis: our focus is on quality care rather than profit and that makes our perspective unique.

I apologize for not bringing this to your attention earlier. Because the hearing occurred just four hours after I took over management of the association, I didn't feel like I had the grounds for saying anything! However, I did report to my committee and am now expressing their wishes. If you have any questions, please call me at 443-1185.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jean D. Johnson". The signature is written in dark ink and is positioned above the printed name.

Jean D. Johnson
Executive Director

Amendments to Senate Bill No. 35
Reading Copy

For the Committee on Senate Local Government

Prepared by Connie Erickson
January 31, 1989

1. Title, line 6.

Strike: "AND"

2. Title, line 8.

Following: "TENANTS"

Insert: "; AND REQUIRING VOTER APPROVAL FOR A COUNTY TO PURCHASE,
LEASE, OR CONSTRUCT A RETIREMENT HOME"

3. Page 2.

Following: Line 3

Insert: "(3) A county may not purchase, lease, or construct a
retirement home without the approval of a majority of the
electors of the county voting at an election to be provided
by law."

COMMITTEE ON

DATE January 31, 198
Local Government

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Opp
Chuck Stearns	City of Missoula	HB 17, HB 22, 23, 24	✓	
John Lawton	City of Billings	22, 23, 24 HR 17	✓	
Alec Hensen	MLCT	HB 17 22, 23, 24	✓	

(Please leave prepared statement with Secretary)