

## MINUTES

### MONTANA SENATE 51st LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By Vice Chairman Bruce D. Crippen, on  
February 9, 1989, at 1;00 p.m. in Room 405, Capitol

#### ROLL CALL

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

Members Excused: None

Members Absent: None

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

Announcements/Discussion: Chairman Ethel Harding was  
sponsoring a bill in another committee at 1:00 p.m. and  
would come as soon as possible.

#### HEARING ON HOUSE BILL 79

##### Presentation and Opening Statement by Sponsor:

Representative Roger DeBruycker, house district 13,  
Choteau, Hill and Liberty Counties, stated that this  
bill is an act to authorize combination of county ferry  
and bridge funds in counties that own or operate a  
public ferry. Choteau County owns and operates 3  
ferries. There is one other in the state between  
Blaine and Fergus Counties. The Missouri River divides  
Choteau County lengthwise and the only bridge is that  
toward Denton. They have ferries at Carter, Loma and  
Vergille that operate from April 1 until October.  
This would give the county commissioners an opportunity  
to keep the ferries and bridges in good repair. I urge  
your consideration of this bill.

##### List of Testifying Proponents and What Group they Represent:

John E. Witt, Choteau County Commissioner

##### List of Testifying Opponents and What Group They Represent:

None

Testimony:

John Witt, a county commissioner said that Fergus and Blaine counties, also, have a ferry and all of them support this bill. The reason for the bill is to give flexibility with cost negotiation and budget management by combining the two funds. I urge you to vote in favor of this bill.

Questions From Committee Members: Tom Beck asked how many mills can you put into ferries. John Witt answered two mills. Bridge budgets four mills so the combined would be six mills.

Senator Pinsoneault asked if they charge to use the ferries. The ferries operate free of charge from 7 a.m. to 7 p.m. After hours the cost is \$2.00 per crossing. They run a 12 hour shift and 8 hours on Sunday. Any other time you want to cross it's a \$2.00 fee.

Closing by Sponsor: Representative DeBruycker closed with a request to pass this good bill.

DISPOSITION OF HOUSE BILL 79

Discussion: None

Amendments and Votes: None

Recommendation and Vote: Senator made a MOTION that we DO CONCUR in HB 79. The VOTE was UNANIMOUS in FAVOR of this motion. Senator Jenkins will carry HB 79 to the Senate floor.

HEARING ON SENATE BILL 332

Presentation and Opening Statement by Sponsor: Senator Richard Manning, senate district 18, Cascade County stated that SB 332 will help all the school districts in the state. This bill will allow a local government 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. Senator Manning read exhibit 1.

List of Testifying Proponents and What Group they Represent:

Earl Lamb, Great Falls Public Schools  
Alec Hansen, MT League of Cities & Towns

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Earl Lamb stated Great Falls Public Schools support SB 332. They have just been through a bond issue and have faced the problem as outlined by Mr. Manning. Mr. Lamb gave written testimony calling attention to pages 2 which is a bond repayment schedule and page 3 which describes shortfall until May taxes are collected.

Alec Hansen stated his organization supports this bill as it coordinates payment of bonds and collection of property taxes.

Questions From Committee Members: Senator Beck asked how was this handled before. Mr. Lamb stated you can register warrants or pay out of the general fund, which is allowed by law.

Senator Vaughn asked how the bonding companies feel about this bill? Mr. Lamb stated that they are very supportive of this bill. They helped prepare this bill.

Closing by Sponsor: Senator Manning explained that this is a simple way to operate this bonding and save cities and school districts a lot of problems and I would appreciate very much your passing this good bill.

DISPOSITION OF SENATE BILL 332

Discussion: None

Amendments and Votes: None

Recommendation and Vote: Senator Walker made a MOTION to DO PASS SB 332. The VOTE was UNANIMOUS in favor. MOTION CARRIED.

HEARING ON HOUSE BILL 60

Presentation and Opening Statement by Sponsor:

Representative Dan Harrington, house district 68, Butte, stated that HB 68 came out of the revenue oversight committee. This act sets up qualifications for the office of county assessor. This would be a mandated certification program. This bill gives them 24 months from the time they are elected to fulfill this obligation. He would like to have Section 7, which says the current assessors would not have to submit to this regulation, but the next elected assessors would have to qualify, put back into this bill.

List of Testifying Proponents and What Group they Represent:

Marvin Barber, Mt. Assessor Association  
Rick Hartz, Mt. Assessors, Beaverhead Co.  
Chuck Krause, Mt. Assessors Ass., Silver Bow Co.

List of Testifying Opponents and What Group They Represent:

None

Testimony: Marvin Barber stated the Montana Assessors Association asked to have the effective date of January 1, 1991. He, also, gave out an outline of the proposed proficiency qualifications, from Dr. Ken Nordvedt, Director, MDOR, Montana State University, Bozeman.

Rick Hartz, county assessor in Beaverhead Co. stated the assessors have put a lot of time and work into this criteria. There is a real property test and general office management test. There is no salary increase in any way connected with this proposal.

Senator Dale Gage stated the assessors in his area are concerned and want the effective date put back into the bill. Senator Gage hopes the assessors will get some appraisal training and education. He doesn't think it makes sense to require those already in office and who don't run next election to get this training. Those who are re-elected again will be required to take the training. He asks favorable consideration of this bill as well as the amendment.

Questions From Committee Members: Senator Beck asked about the fiscal impact of Section 5?

Senator Hammond asked about the new Section 5 which states an assessor forfeits his office for failure to take and satisfactorily complete the assessor certification training. Mr. Harrington responded that the assessors

have put strong requirements to hold the position. There are three sections to the test personal property, real property, and a management test. The Department of Revenue does some training now. 24 months should give them at least 1 test opportunity. Senator Hammond asked of all assessors agreed to this. Mr. Hartz answered that the Assessors Association is supporting this bill, but they don't have 100% approval of all members. Of 57 assessors 35 agreed with this; they were all polled. He thinks it will raise the level of performance and the way the people view their property tax assessments. If they don't pass the test, they forfeit their job? The county commissioners will appoint someone and it can be that same person, then he could try the test again.

Senator Beck asked if there is a problem with this being an elected official forfeiting his job? Mr. Harrington responded that some elected officials have job specifications, such as the county attorney, surveyor, etc. Senator Beck responded that an elected official has a hearing process before losing his job. Senator Hammond stated there is a recall process. Vice Chairman Crippen asked Connie Erickson to research the constitutionality of the forfeit if they don't pass the test.

Senator Pinsoneault asked who sets the training. The test was presented by Dr. Kenneth L. Weaver of Mont. State University. (See Exhibit 1). Mr. Harrington responded there is a training system set up with the Dept. of Revenue and they are trying to intertwine this test with their training. They have to give assessors training every year anyway so it will not be as big a fiscal impact as it first appears.

Closing by Sponsor: Representative Harrington stated it is important to restore some power and scope to the county assessors and give them their rightful place in the system. It's important that we pass this bill.

#### DISPOSITION OF HOUSE BILL 60

Discussion: Vice Chairman Crippen asked Connie Erickson to work on putting back in the 36 months and check on constitutionality of elected officials forfeiting their position.

Amendments and Votes: None

Recommendation and Vote: None

## HEARING ON SENATE BILL 317

Presentation and Opening Statement by Sponsor: Senator Dorothy Eck, senate district 40, Bozeman stated SB 317 is an act authorizing the annexation of tracts or parcels of wholly surrounded agricultural land that are 10 acres or less in size. Cities have a problem of small little tracts that are not annexed under city government. This creates problems, the first being lost revenue, the second is providing services such as law enforcement, street repair, weed control, dog control, fire districts, and voting precincts. If it's not a part of the city, they shouldn't vote in city elections. In all probability most are taking advantage of city services already. For orderly development, it would be better to annex these lands.

Senator Eck stated that genuine agricultural lands is exempt. She suggested defining agricultural land as it is defined in Section 15-7-202 (2) for assessment purposes. That section states that the produce of the parcel earns \$1,500.00 per year. She likes this description better than the under 10 acre limitation. She even is willing to amend down to 3 or 5 acres. This is a problem that many municipalities face and is worthy of consideration.

List of Testifying Proponents and What Group they Represent:

John E. Witt, Choteau County & MACO  
Beverly Bambut, Bozeman  
Mary Vant Hull, City Commissioner, Bozeman  
Alec Hansen, League of Cities & Towns  
Earl F. P. Lane, Great Falls

List of Testifying Opponents and What Group They Represent:

Ron Delfong, Mt. Farmers Union & others  
Otto E. Benson, Missoula

Testimony: Alec Hansen stated this applies only to wholly surrounded parcels. Cities are not trying to reach out with this bill and bring people into the city. He affirmed the amendment of the definition of agricultural land as stated in 15-7-202. He said he is trying to stop recreational farmers and ranchers from using to obstruct the natural growth and development of cities.

Mary Vant Hull gave out a letter from Bozeman's Mayor in

support of SB 317. She also submitted written testimony along with a map of Bozeman, with 4 agricultural parcels indicated by red pencil. She strongly urges passage of this bill.

Ron DeYoung from the Montana Farmers Union asked him to testify in opposition to this bill. His concern was for specialty crops grown on small acreages. In Missoula's Great Northern Botanical Association and those members raise crops like strawberries, raspberries, vegetable, herbs, spices, flowers and they have 100 members. He approved the definition of \$1500 marketable goods amendment. Thank you.

Otto Benson from Missoula describes his farm. He said in 1900 that land was broken into 5 acre plots, called orchard homes and they were all sold. According to this bill they could annex all the street. His son graduated from Bozeman, came home and started a truck garden, plus started experimenting on hardy plants. They have several of these small parcel that produce different plantings. Plus other people in his area are producing agricultural goods. He believes that the city could annex whole streets in Missoula by the bill. He recommends this bill not be passed.

Questions From Committee Members: Senator Crippen asked Mary Vant Hull about the situation outlined by Mr. Benson. Under present law he is clearly exempt from city annexation. With this bill he could still be exempt provided he could show on each 5 acre plot he produced \$1500 income. She responded it would be on each piece of property.

Senator Crippen asked if the cities are prepared to provide all city services to them? This bill applies to plots surrounded by city, so city services are readily available to them. Mary Vant Hull stated the intent of this bill is to get non-agricultural land in its proper classification.

Senator Beck asked if the 10 acres were reduced to 1 acre would that solve both cities problem. M. Vant Hull answered 2 acres would be better. Senator Beck asked if these plots had to be in the city limits? M. Vant Hull answered they had to be in city limits and completely surrounded by city.

Senator Hammond asked if it bordered on a county road on 1 side could it be annexed under this bill? If the road was a common road for both city and county, it could not under this bill.

Senator Boylan stated there is a law on the books that says if anyone accepts city services, they can be annexed. Senator Crippen stated that in Billings, you can get a waiver of annexation and get city services in the county. M. Vant Hull responded that isn't for completely surrounded plots.

Closing by Sponsor: Senator Eck believes that the amendment that would be equitable is defining agricultural property in Section 15-7-202 MCA. This bill is good for orderly growth of communities and orderly provision of services. I will be glad to help amend this bill.

#### DISPOSITION OF SENATE BILL 317

Discussion: Senator Walker suggest we amend from 10 acres to 2 acres and add in the definition of agricultural plots. Senator Thayer said you have to be surrounded before this law goes into effect. Senator Beck asked if the \$1500 had to be proven each year? Yes, it does. Senator Beck asked about appraisers should find these plots.

Amendments and Votes: Senator Beck made a MOTION to AMEND SB 317 to 2 acres or as defined agricultural land. The amendment CARRIED.

Recommendation and Vote: None

#### EXECUTIVE ACTION HOUSE BILL 62

Senator Boylan Made a MOTION to take HB 62 OFF the TABLE. The VOTE was UNANIMOUS in FAVOR of bringing HB 62 back before the committee.

Representative Hanson stated there are several problems around the state, one in Missoula area and one the Browning area. In her area the county commissioners and county attorney have not done anything when approached. She asked about an amendment up to \$25,000 there would only be a few districts in the whole state this bill will effect.

Senator Beck talked to the Attorney General this morning and he asked if he could force a County Attorney to investigate a matter. He answered if there is a criminal charge, he could, otherwise probably not. Senator Beck asked if there was criminal mischief in this area. Rep. Hanson answered that she didn't know, but I do know there is a huge conflict of interest. People would like to have a reporting of where their money has gone for the last 10 years.



Senator Thayer asked Representative Hanson to see if the \$25,000 amount would solve the other problems, also. She said she would. She will bring this information to Chairman Harding. Representative Hanson thanked the committee for all their time and concern.

Senator Beck suggested the committee put a sunset clause in this bill. Representative Hanson agreed with the sunset clause.

#### EXECUTIVE ACTION ON SENATE BILL 261

Discussion: Senator Vaughn stated she found that a number of counties are already doing this, just making reference to the original plat.

Recommendation and Vote: Senator Thayer made a MOTION that we DO PASS SB 261. The VOTE was UNANIMOUS in FAVOR of passing SB 261.

#### EXECUTIVE ACTION ON SENATE BILL 271

Discussion: Connie Erickson stated her research showed that a lot of the funds that went into these firemen retirement funds came from sources other than taxes. Each member pays monthly dues, insurance, interest that the fund earns, bequests. The tax levy only kicks into effect, if the fund drops below a certain percentage. She looked at records from 20 towns that use this and found that only 4 had made changes in that mill levy. The other towns had remained constant for 3 years. And of the 4 that did change 3 raised slightly, and 1 dropped to 1 mill. It increases what is in the fund, not the mills.

Senator Beck asked if the fund amounts to more than 3% of the taxable valuation then no taxes are levied. If the fund drops below 3% a town can levy millage to bring the fund up. If the total cash is less than the 1986 level they can levy to bring it up to that level as dictated by I 105.

Senator Walker stated the fund is controlled by the taxable valuation. A lot of counties are losing taxable valuation. This is an effort to keep the funds at current levels. Senator Thayer stated this would give flexibility up to the 1986 level.

Recommendation and Vote: Senator Walker MOVED that we DO PASS SB 271. The VOTE was UNANIMOUS in FAVOR of

passage of SB 271.

EXECUTIVE ACTION ON SENATE BILL 256

Discussion: Connie Erickson prepared and gave out amendments for SB 256. The amendments are in the title on Line 6, following first "fund" strike ";" and insert "AND". Still in the title on lines 6 and 7 strike ";" AND PROVIDING AN IMMEDIATE EFFECTIVE DATE". Then on page 1, line 16 following "(2)" strike "County" and insert "Budgeted county". Then on page 1, line 27 strike "must" and insert "may". On page 1, lines 18 through 21 following "fund." strike remainder of line 18 through "grants." on line 21. On Page 2, line 1 strike section 2 in its entirety.

Recommendation and Amendments: Senator Beck MOVED that the committee AMEND SB 256 as presented. The VOTE was UNANIMOUS in FAVOR of accepting these AMENDMENTS.

Recommendation and Vote: Senator Beck MOVED the committee DO PASS SB 256 AS AMENDED. The VOTE was UNANIMOUS in FAVOR of SB 256 AS AMENDED.

ADJOURNMENT

Adjournment At: 2:40 p.m.

  
SENATOR ETHEL HARDING, Chairman

EH/dh

minutes.209



SENATE STANDING COMMITTEE REPORT

February 10, 1989

MR. PRESIDENT:

We, your committee on Local Government, having had under consideration HB 79 (third reading copy -- blue), respectfully report that HB 79 be concurred in.

Sponsor: DeBruycker (Jenkins)

BE CONCURRED IN

Signed: 

Ethel H. Harding, Chairman

J.C.  
12:45 PM  
2/10/89

SENATE STANDING COMMITTEE REPORT

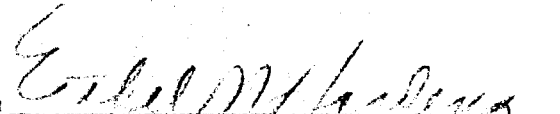
February 10, 1989

MR. PRESIDENT,

We, your committee on Local Government, having had under consideration SB 332 (first reading copy -- white), respectfully report that SB 332 do pass.

DO PASS

Signed:

  
Ethel M. Harding, Chairman

J.C. 1/11/89  
2/10/89  
12:12 p.m.

SENATE STANDING COMMITTEE REPORT

February 10, 1989

MR. PRESIDENT:

We, your committee on Local Government, having had under consideration SB 271 (first reading copy -- white), respectfully report that SB 271 do pass.

DO PASS

Signed: *Ethel M. Harding*

Ethel M. Harding, Chairman

41.0  
7/11/89  
12 p.m.

SENATE STANDING COMMITTEE REPORT

February 10, 1989

MR. PRESIDENT:

We, your committee on Local Government, having had under consideration SB 261 (first reading copy -- white), respectfully report that SB 261 do pass.

DO PASS

Signed: Ethel M. Harding  
Ethel M. Harding, Chairman

4/10/89  
3/10/89  
1 38 P. 11.1

SENATE STANDING COMMITTEE REPORT

February 10, 1989

MR. PRESIDENT:

We, your committee on Local Government, having had under consideration SB 256 (first reading copy -- white), respectfully report that SB 256 be amended and as so amended do pass:

1. Title, line 6.

Following: first "FUND"

Strike: ";"

Insert: "AND"

2. Title, lines 6 AND 7.

Strike: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

3. Page 1, line 16.

Following: "(2)"

Strike: "County"

Insert: "Budgeted county"

4. Page 1, line 17.

Strike: "must"

Insert: "may"

5. Page 1, lines 18 through 21.

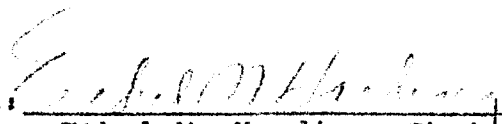
Following: "fund."

Strike: remainder of line 18 through "grants." on line 21

6. Page 2, line 1.

Strike: section 2 in its entirety

AND AS AMENDED DO PASS

Signed: 

Ethel M. Harding, Chairman

4/10/89  
12:12  
p.m.



SENATE LOCAL GOVERNMENT

EXHIBIT NO. 1

DATE 2-7-89

BILL NO. SB 332

SUMMARY OF 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.

GREAT FALLS PUBLIC SCHOOLS  
GREAT FALLS, MONTANA  
FEBRUARY 9, 1989

SENATE LOCAL GOVERNMENT

EXHIBIT NO. 2

DATE 2-9-89

BILL NO. SB 332

*noted p. 2, 2*

TESTIMONY IN SUPPORT OF  
SENATE BILL 332

The Great Falls Public Schools supports Senate Bill 332 relating to when the term of a bond commences.

Funding Bond payments (Debt Service Fund) from property taxes creates problems of cash flow to the schools due to:

1. The major portion of property tax revenue is received on November 30 and May 31 each fiscal year.
2. Bond principal and interest payments do not coincide with these dates. This is due to most bonds issues being voted on in the November General Election.
3. When payments are due before the receipt of the revenues, other district funds must be used to satisfy the claim.
4. When monies from other funds are used in this manner, the districts must curtail other activities or lose interest from potential investment of these funds.

This bill will allow districts the to set a payment schedule that can be funded from the levies established for the Debt Service Fund. This coordination of revenues to payments is needed for sound fiscal management of the schools finances.

The attached two pages represent a model bond payment schedule and a sheet indicating how revenue shortfalls affect the cash balance of the fund. The second page also indicates the potential loss of investment income when monies are diverted from other funds to cover the bond payments.

Again, the Great Falls Public Schools supports Senate Bill 332.

GREAT FALLS PUBLIC SCHOOLS  
STRUCTURE C  
PRINCIPAL PAYMENT ON MARCH 1  
=====

DEBT SERVICE SCHEDULE  
=====

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	FISCAL TOT
9/ 1/89			52,500.00	52,500.00	52,500.
3/ 1/90	100,000.00	7.500000	52,500.00	152,500.00	
9/ 1/90			48,750.00	48,750.00	201,250.
3/ 1/91	105,000.00	7.500000	48,750.00	153,750.00	
9/ 1/91			44,812.50	44,812.50	198,562.
3/ 1/92	115,000.00	7.500000	44,812.50	159,812.50	
9/ 1/92			40,500.00	40,500.00	200,312.
3/ 1/93	120,000.00	7.500000	40,500.00	160,500.00	
9/ 1/93			36,000.00	36,000.00	196,500.
3/ 1/94	130,000.00	7.500000	36,000.00	166,000.00	
9/ 1/94			31,125.00	31,125.00	197,125.0
3/ 1/95	140,000.00	7.500000	31,125.00	171,125.00	
9/ 1/95			25,875.00	25,875.00	197,000.
3/ 1/96	155,000.00	7.500000	25,875.00	180,875.00	
9/ 1/96			20,062.50	20,062.50	200,937.5
3/ 1/97	165,000.00	7.500000	20,062.50	185,062.50	
9/ 1/97			13,875.00	13,875.00	198,937.5
3/ 1/98	180,000.00	7.500000	13,875.00	193,875.00	
9/ 1/98			7,125.00	7,125.00	201,000.
3/ 1/99	190,000.00	7.500000	7,125.00	197,125.00	
9/ 1/99					197,125.0
	-----		-----	-----	
	1,400,000.00		641,250.00	2,041,250.00	
ACCRUED					
	1,400,000.00		641,250.00	2,041,250.00	
	=====		=====	=====	

DATED 3/ 1/89 WITH DELIVERY OF 3/ 1/89  
 BOND YEARS 8,550.000  
 AVERAGE COUPON 7.500  
 AVERAGE LIFE 6.107  
 N I C % 7.500000 % USING 100.0000000

GREAT FALLS PUBLIC SCHOOLS  
 FOREGONE INTEREST EARNINGS WITH MARCH PRINCIPAL PAYMENT

YEAR (MARCH 1)	DEBT SERVICE REQUIREMENT	TAX RECEIPTS (1)	SHORTFALL	FOREGONE INTEREST EARNINGS (2)
1990	\$152,500.00	\$100,625.00	\$51,875.00	\$778.13
1991	\$153,750.00	\$99,281.00	\$54,469.00	\$817.04
1992	\$159,812.00	\$100,156.00	\$59,656.00	\$894.84
1993	\$160,500.00	\$98,250.00	\$62,250.00	\$933.75
1994	\$166,000.00	\$98,562.00	\$67,438.00	\$1,011.57
1995	\$171,125.00	\$98,500.00	\$72,625.00	\$1,089.38
1996	\$180,875.00	\$100,468.00	\$80,407.00	\$1,206.11
1997	\$185,062.00	\$99,463.00	\$85,594.00	\$1,283.91
1998	\$193,375.00	\$100,500.00	\$93,375.00	\$1,400.63
1999	\$197,125.00	\$98,562.00	\$98,563.00	\$1,478.45
				----- \$10,893.78

(1) ASSUMES NO DELINQUENCY

(2) FROM MARCH 1 TO JUNE 1 @ 6.00%

## Local Government Center

MONTANA STATE UNIVERSITY  
Department of Political Science  
Bozeman, MT 59717

Telephone (406) 994-6894

Senator Ethel M. Harding  
Chairman, Senate Local Government Committee  
Montana State Legislature

## SENATE LOCAL GOVERNMENT

EXHIBIT NO. 1

DATE 2-9-89

BILL NO. 60

February 7, 1989

RE: H.B. 60

Dear Chairman Harding,

The Montana Assessors Association has asked that I provide testimony to your committee concerning the mandatory professional certification program contemplated in H.B. 60. I am pleased to do that with the understanding that the Local Government Center here at Montana State University does not lobby for or against public policy of any kind and I therefore provide this testimony solely as an aid to your Committee's deliberative process.

I believe the most important point that I would make for your committee's consideration is that the mandatory training set forth in the bill will, in my professional opinion, materially enhance the public accountability and competency of Montana County Assessors to perform their statutory functions in the assessment of personal property and the management of public resources. My opinion in this regard is based upon my review of all three components of their training program and my professional involvement in planning, organizing, conducting and evaluating the Public Management component. Moreover, I have compared the Montana Assessors professional certification program with comparable programs in two other states and believe that Montana's program compares favorably in terms of both rigor and cost.


Two aspects of the Montana's Assessors professional certification process are, I believe, particularly relevant with respect to public accountability and on-the-job competence. First, the detailed specification of "competency learning outcomes" as the foundation of what should be taught and learned will assure legislative oversight and departmental control over the Assessors certification curriculum. For example, in the Public Management component, the instructor is expected to teach and the Assessor/student to learn and "Know the Constitutional and statutory basis of county government in Montana". If this or any other competency learning outcome is deemed to be inappropriate or irrelevant to the statutory duties of the Assessor, those public agencies responsible for authorizing and funding the training will have a visible "paper trail" to exercise their responsibilities. This as differentiated from the typical classroom or workshop environment wherein whatever the instructor thinks is important is

what is taught in the hope that it may be relevant to the student's needs. I believe this mechanism helps assure public accountability in the expenditure of scarce training and education dollars. (A copy of the competency learning outcomes and sample questions used to structure the 1988 Assessors Public Management Program are attached hereto, for your convenient reference).

Secondly, the rigorous testing of the Assessors at the completion of each certification training component will, I believe, help assure that the knowledge acquired by the Assessor at public expense will result in improved on-the-job competence. In this regard, I can report to you that the mean score on the Public Management examination was 83% and that I do not believe that any of the Assessor/students could have passed the examination prior to the instruction. It was a difficult examination that few in any branch of local government could pass without formal instruction. I believe the examination was both a valid and reliable measure of the accomplishment of the public management learning outcomes set forth in the attachment.

I regret, Chairman Harding, that I could not be present before your committee to elaborate on these points and respond in person to your questions. A long standing prior commitment to a county commission simply could not be rescheduled. I would however be pleased to respond immediately in writing to any questions or issues related to H.B. 60 which you may wish the Local Government Center to address or research.

Sincerely,

  
Dr. Kenneth L. Weaver  
Director

c.c. Dr. Ken Nordvedt  
Director, MDOR

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## CERTIFICATION REQUIREMENTS

### MONTANA ASSESSORS ASSOCIATION

#### **General:**

To achieve certification by the Montana Assessors Association and the State of Montana an individual must satisfactorily demonstrate competence to perform the tasks of an assessor as set forth in statute and Department of Revenue directives and must meet the professional criteria established by the Association.

The fact that the typical Montana Assessor is an elected official of county government indicates that the incumbent has accepted a position of public trust and enjoys the confidence of the community he or she serves. The Association believes that the acceptance of the public trust entails an obligation to achieve competence to undertake and discharge the duties of the office. Thus, the establishment of a professional certification program for Montana Assessors represents our commitment to the citizens of Montana to serve competently.

#### **Purpose:**

Professional competence as a Certified Montana Assessor requires that an individual possesses and be able to apply certain knowledge, skills and abilities in the daily performance of his or her duties. The purpose of the Association's certification program is to assist the Assessor in acquiring the requisite knowledge, skills and abilities through classroom instruction and to validate the achievement of competency requirements set forth by the Association and the State of Montana. Thus, all instructional programs have been designed to achieve the specific "competency learning outcomes" set forth below.

#### **Methodology:**

To assure the achievement of the purpose of certification training each unit of instruction will be organized and presented to accomplish predetermined "competency learning outcomes" (CLOs) each of which will contribute directly to the Assessors achievement of the competency requirements for certification.

All evaluation of instruction and learning will be based entirely upon the Assessor's achievement of the prescribed CLOs. Instructor selection and curricular content decisions have been determined by reference to the enclosed CLOs.



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Because professional competency requires varying degrees of subject matter mastery, the CLOs will be established at three different levels of learning achievement:

- Level 1. Knowledge      ( A general knowledge of facts, terms and definitions.)
- Level 2. Understanding ( Recognition of relationships, cause and effect and purposes.)
- Level 3. Application. ( Be able to use acquired knowledge and understanding to identify and solve problems on the job.)

All certification testing will be based upon these three levels of learning achievement and will be specified in the CLO in advance of the instruction to aid the student in setting learning priorities. ( Make sure to check each CLO for the level of learning expected).

COMPETENCY LEARNING OUTCOMES

PHASE I: Property Assessment Valuation

The Montana Certified Assessor must be able to:

1. Pass the end of course examinations following the IAAO instruction.

Phase II: Public Management

GENERAL GOVERNMENT: (8 hours)

The Montana Certified Assessor must:

1. Know the overall tax structure of Montana and how property tax fits into that structure.
2. Know the organization of county government in Montana and the general function of each department of county government.
3. Know the constitutional and statutory basis of county government in Montana.
4. Know the limitations imposed upon county officials by the Montana "Open Meeting Law".
5. Know the difference between self governing powers and general governing powers.
6. Know the classification system of Montana counties.
7. Understand the legal concept of "conflict of interest".
8. Be able to apply the Code of Ethics of the Montana Assessors Association in the conduct of all public business. (To be developed at the workshop)

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SAMPLE QUESTION:

(Select the one best answer)

The Montana "open meeting law":

- a. Does not apply to local government officials.
  - b. Requires that all meetings of public officials be noticed in a newspaper of general circulation.
  - c. Permits closed meetings of local government officials to consider matters pending in litigation.
  - d. Only applies to face to face meetings of officials conducted in public buildings.
-

**RECOMMENDED READING:**

"Montana Taxation and Expenditures", Beattie and Young.  
"Local Government in Montana", Lopach.  
"Open Meeting Law", Becker  
"Self-Interest and Political Integrity", Fleishman.

Additional readings will be provided by instructors.

**FINANCIAL MANAGEMENT:** (4 hours)

The Montana Certified Assessor must:

1. Know the several governmental fund types and their purpose.
2. Know the format and purpose of the BARS "Tax Levy Requirements Schedule".
3. Understand the county budget construction process.

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**SAMPLE QUESTION:**

(Select the one best answer)

The "Cash Reserve" item on the BARS budget form is best described as:

1. The cash carry over from the last fiscal year.
  2. An appropriation authority to be used only in an emergency.
  3. Operating cash to avoid borrowing during low cash flow periods.
  4. A reserve set aside in case the general fund budget is too small.
- 

**RECOMMENDED READINGS:**

"Introduction to Local Government Fund Accounting", Crain.  
" Budgeting As Resource Allocation And Planning", Cayer and Weschler.  
" BARS Budget Formats", Montana Department of Commerce.

Additional readings to be supplied by instructors.

PERSONNEL MANAGEMENT: (8 hours)

The Montana Certified Assessor must:

1. Know the basic requirements of the Fair Labor Standards Act.
2. Know the legal criteria for overtime exempt status and the consequences of permitting non-exempt employees to work overtime.
3. Know the responsibilities of a supervisor concerning improvement of an employee's performance.
4. Know the basic steps of "team building" in a government environment.
5. Be able to conduct hiring, evaluation and termination proceedings in conformance with the law and MDOR guidelines.

---

SAMPLE TEST QUESTION:

(Select the one best answer)

Who has the primary responsibility for an employee's performance improvement?

1. The employee.
2. The supervisor.
3. Top level management.
4. All of the above share the responsibility equally.

---

RECOMMENDED READING:

"Self-Fulfilling Prophecy: Better Management By Magic", Sandler.  
"Management Time: Who's Got The Monkey", Oncken and Wass.  
"State and Local Government Employees Under the Fair Labor Standards Act", U.S. Dept. of Labor.

Additional readings will be provided by the instructors.

COMMUNICATION: (4 hours)

The Montana Certified Assessor must:

1. Know the basic steps in preparing to deliver a public presentation.
2. Know unethical behaviors in communicating with the public.

3. Know the preferred steps in communicating with a hostile audience.
4. Be able to present a three to five minute talk about your public responsibilities to a small audience.
5. Know the elements of the communication process model.
6. Know the barriers to effective communication in a small group setting.
7. Know the requirements to interpret non-verbal communication.

---

**SAMPLE QUESTION:**

(Select the one best answer)

Which of the following is the best method for a speaker to relate to his or her audience?

1. Pick out one or two friendly faces and talk to them.
2. Try to look at each person's nose at least once.
3. Talk to the back of the room so that those people don't feel left out.
4. Sweep the room with your eyes.

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**RECOMMENDED READINGS:**

"Effective Communication and Public Speaking", Tooley.  
"Effective Communication", Sharpe  
"Group Communication", Sharpe

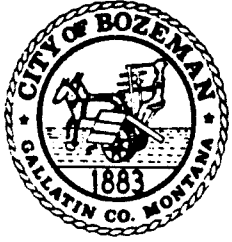
Additional reading to be provided by the instructors.

**Phase III: Continuing Professional Education**

The Montana Certified Assessor must:

1. Know recent changes in state law effecting personal property assessment.
2. Be able to apply new directives from the Department of Revenue to the accomplishment of the duties of the Assessor's Office.

(Instruction, readings and questions to be provided by MDOR).



**THE CITY OF BOZEMAN**

411 E. MAIN ST. P.O. BOX 640 PHONE (406) 586-3321  
BOZEMAN, MONTANA 59771-0640

February 8, 1989

Senator Ethel M. Harding  
Chairperson  
Local Government Committee  
Capitol Station  
Helena, Montana 59620

SENATE LOCAL GOVERNMENT  
EXHIBIT NO. 1  
DATE 2-9-89  
BILL NO. SB 317

Dear Senator Harding:

Please accept this as a letter of support for Senator Eck's SB317, making agricultural parcels of land less than ten acres, and completely surrounded by a city or town, eligible for annexation.

City services completely envelope this type of parcel, and all advantages of city services are given these parcels. The city's police, fire, street and utility services are usually readily available to these parcels.

Maybe most important is the confusion caused when emergency services are required. In those instances, City police and fire are called, and transfers must be made to connect those calls with the sheriff's office and/or rural districts so the emergency is accommodated by the proper agency. Precious time can be lost; and potential for false arrests if we unknowing enter another jurisdiction in the field can create unnecessary liability to the entities, both city and county.

Usually the only person who has a clear definition of city boundaries in these instances are the city and county officials; and the public is confused.

Thanks for the positive consideration.

Sincerely,

ALFRED M. STIFF  
Mayor

AMS:rs

GEORGE R. TATE

Chief of Police

JOHN L. SMITH

Assistant Chief

CITY OF BOZEMAN

34 NORTH ROUSE • BOX 640  
STATE OF MONTANA 59715

RADIO KOA 404

TELETYPE BZ

AREA CODE 406

586-3311



# Police Department

DATE: Feb. 8, 1989

TO: Jim Wysocki

FROM: Larry Smith  
Assistant Chief

RE: NON-ANNEXED PROPERTIES

---

Areas within the city boundary not annexed by the city, create a law enforcement problem. In many cases when an emergency arises in the non-annexed area, local police are the closest law enforcement agency, yet they cannot respond due to lack of jurisdiction in a non-annexed area which is adjacent to the city. This in certain situations could create a life threatening situation. Also when you have an area within the city boundary not annexed, it is very hard for law enforcement to know that the area is out without a city map in hand to refer to. On occasion a person living in a non-annexed area within the city has attempted to use city services, and they do not pay through taxes, etc., for the services. Examples, animal problems, parking, fire calls.

SENATE LOCAL GOVERNMENT

EXHIBIT NO. 2

DATE 2-9-91

BILL NO. SB 317

416 E. Story  
Bozeman MT 59715  
Feb. 9, 1989

Dear Members of the Senate Local Government Committee,

A real burr under our saddle is that we have a few bits and pieces of land within the boundaries of the city which are somehow not legally part of the city. Not really agricultural, they call themselves agriculture although they only have a horse or two, or a large-ish garden.

They cause problems because we often HAVE to provide services just because of the layout of the land. They causes problems between city and county jurisdiction. They cause problems with various city services and who should provide them. It causes problems because city employees have to try to memorize these peculiar boundaries, an impossible task.

And it causes problems because this is just another group -- albeit a small one -- that gets a free ride on the backs of the other taxpayers. It's not deserved.

I'm talking about small areas which aren't agricultural by any stretch of the imagination; yet, they get away with it because the term isn't defined.

Please help us eliminate this burr under the saddle. Pass SB 317, please.

Sincerely,

*Mary Vant Hull*

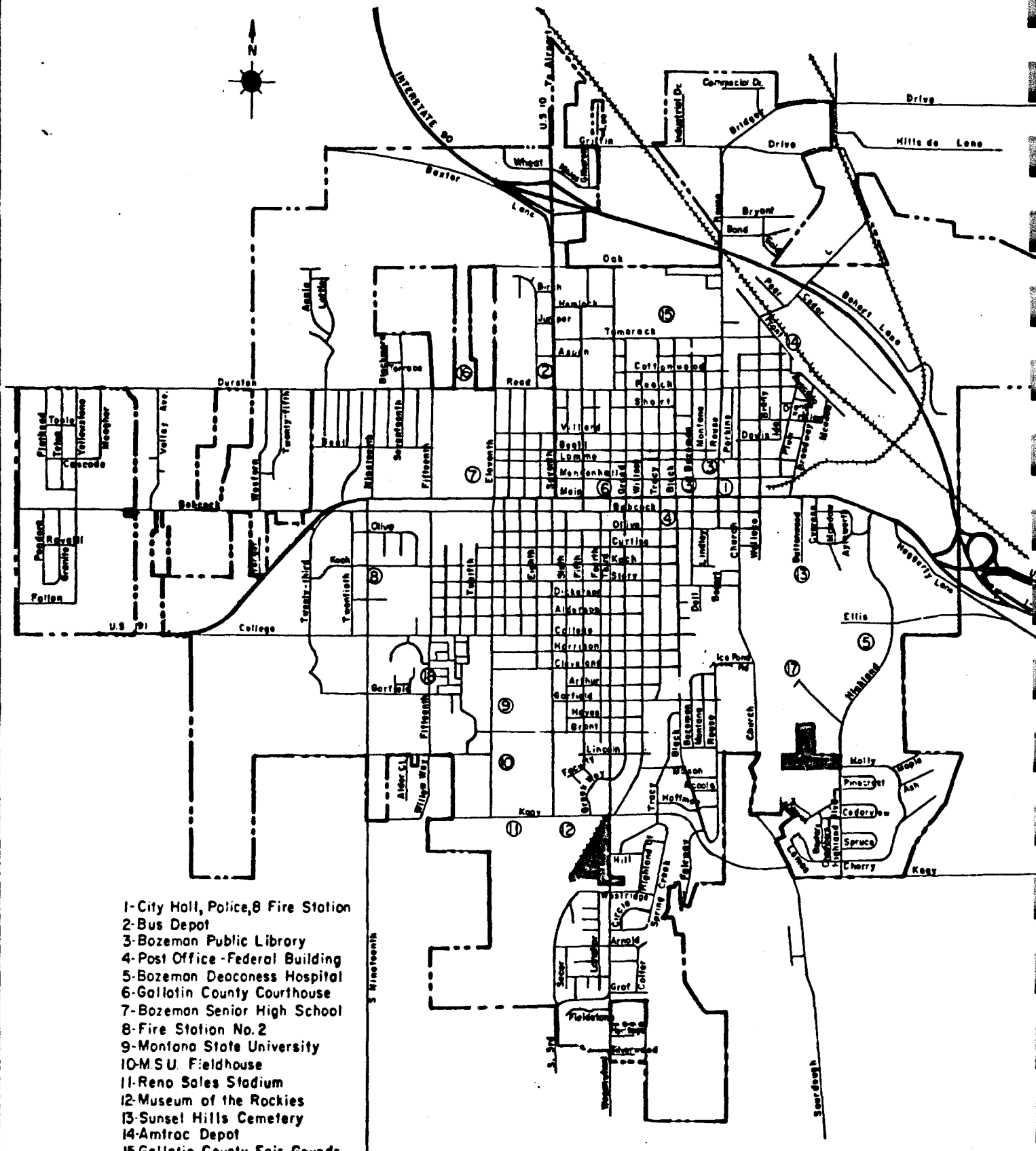
Mary Vant Hull  
Bozeman City Commissioner

*Enclosed is a map showing most of these areas. •*



# CITY OF BOZEMAN MONTANA

Revised: October, 1980  
October 1988



- 1-City Hall, Police, 8 Fire Station
- 2-Bus Depot
- 3-Bozeman Public Library
- 4-Post Office -Federal Building
- 5-Bozeman Deaconess Hospital
- 6-Gallatin County Courthouse
- 7-Bozeman Senior High School
- 8-Fire Station No. 2
- 9-Montana State University
- 10-M.S.U. Fieldhouse
- 11-Reno Sales Stadium
- 12-Museum of the Rockies
- 13-Sunset Hills Cemetery
- 14-Amtrac Depot
- 15-Gallatin County Fair Grounds
- 16-Gallatin County Rest Home
- 17-Hillcrest Home
- 18-MSU Student Housing

June Heaphy  
2637 South Third  
Missoula, MT 59801

SB 317  
2/9/89

February 8, 1989

To all It May Concern,

Re: Senate Bill #317

I own 9 acres of land situated in the Orchard Homes area of Missoula. This property has been owned by my family for over 50 years. This land has been and will continue to be used for agricultural purposes.

The cost to get City sewer and water connections to this property would be prohibitive, so a housing development would be out of the question.

I am a widow and a Senior Citizen and live in a nice home my husband and I built in 1959. I have lived in this area since 1926 - 53 years!

Passage of Senate Bill #317, with additional taxes, being much farther away from fire protection than at present with our Rural Fire Dept. Could possibly make home insurance more costly, it would no doubt force many Senior Citizens to give up our homes and our way of life!

Please defeat Senate Bill #317

Sincerely,

June Heaphy

en

February 8, 1989

To Senator Mike Halligan

I understand you are a sponsor of SB 317 which would allow cities to annex farmland.

I farm in your Senate District near the city of Missoula. Annexation of any of the land farmed would require major changes in this operation. I do not believe I could continue to produce and ~~not~~ make a living under city ordinances.

I am unable to attend the hearing for this bill. Please write to let me know your intent of this legislation.

Sincerely,

Bruce A. Benson  
2418 So. 7<sup>th</sup> W  
Missoula, Montana  
59801

SENATE LOCAL GOVERNMENT

EXHIBIT NO. 1

DATE 2-9-89

BILL NO. SB 256

We, your committee on Local Government, having had under consideration SB 256 (first reading copy -- white), respectfully report that SB 256 be amended and as so amended do pass:

1. Title, line 6.

Following: first "FUND"

Strike: ";"

Insert: "AND"

2. Title, lines 6 AND 7.

Strike: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

3. Page 1, line 16.

Following: "(2)"

Strike: "County"

Insert: "Budgeted county"

4. Page 1, line 17.

Strike: "must"

Insert: "may"

5. Page 1, lines 18 through 21.

Following: "fund."

Strike: remainder of line 18 through "grants." on line 21

6. Page 2, line 1.

Strike: section 2 in its entirety

