

MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By Senator Esther Bengtson, on January 10, 1991,
at 1:06 p.m

ROLL CALL

Members Present:

Esther Bengtson, Chairman (D)
Eleanor Vaughn, Vice Chairman (D)
Thomas Beck (R)
Dorothy Eck (D)
H.W. Hammond (R)
Ethel Harding (R)
John Jr. Kennedy (D)
Gene Thayer (R)
Mignon Waterman (D)

Members Excused: none

Staff Present: Connie Erickson (Legislative Council).

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Announcements/Discussion:

Chairman Bengtson clarified to visitors and witness the need to
identity themselves each time they address the committee to aid
the secretary in taking accurate minutes.

The committee was going to take Executive Action on SB-25 if Cort
Harrington of the County Treasurers Association supplied the
figures of the dollars involved in this bill. These figures were
not available yet, so Executive Action will be taken at a later
date.

Discussion:

Senator Bengtson reported that Connie Erickson had drafted
amendments to SB-10 to correct the problems in language discussed
earlier. Also, the two Representatives, Bob Gould and John
Scott, along with their co-signers, have agreed to add their
names to SB-10 after the bill is amended to include Emergency
Response Equipment and drop any and all mention to Fire Service
Areas. The amendments will be heard, but no Executive action
will be taken until the questions about the bonding issue can be
addressed. Alec Hanson will get the opinion of the Bond Council
and then will confer with Senator Bengtson about this issue.
Senator Bengtson had the letter from the State Auditor's office

HEARING ON SB-35Presentation and Opening Statement by Sponsor:

Senator Weeding, from District 14, sponsored SB-35 that is a request from cities and counties to allow County Attorneys to act as the legal advisor to a Hospital District. A district is formed by referendum, and voted on by the people. The hospital board is elected officials, and so they should be allowed representation by the County Attorney, but it is not clear.

Proponents Testimony: Gordon Morris, Executive Director, (Montana Association of Counties (MACo)), representing 55 of the 56 counties spoke on behalf of SB-35. Across the state, the action of County Attorneys representing Hospital Districts is fairly common, but this would make it law that they must act as legal advisors. This bill is supported by MACo east, west, north and south, and so he recommends this bill do pass, and be placed on the Consent Calendar.

Opponents Testimony: none

Questions From Committee Members:

Senator Eck asked Mr. Morris if there could conflict of interest cases between County Commissioners or city or town? Mr. Morris stated that County Hospitals are a county entity falling under the general powers of the County Commissioners. They do not do business with municipalities, so there would never be the case where the County Attorney is representing a city or town against a hospital district. Senator Eck asked about the Conservation District (page 1, line 24). Mr. Morris stated that Conservation Districts are independent entities outside the county. There would be no conflict of interest. No overlapping authorities.

John Connors, The Attorney General's Office, County Prosecutors' Services Bureau (CPSB), which provides training and trial assistance to the county attorneys in Montana. Senator Eck's question always faces county attorneys where they are faced with representing conflicting parties in the county. What happens in those incidents if the county commissioners have a conflict with another board the county attorney recommends that the other board retain other legal counsel? The first priority of the county attorney is to represent the board of County Commissioners. This is not stated in the law, but has been generally the case. County attorneys do not want the added work, but feel it is the Legislature job to decide if these duties should be imposed upon county attorneys, and if so, then they will try to meet them the best that they can. They do not oppose the bill.

Senator Eck asked if the wording "unless legal action involves County Commissioners" was the best. Mr Connor thought "conflicts with the interests of the county" would be more precise.

Senator Beck wanted to know if this meant more work for the

county attorneys considering the liability exposure that hospitals do have? Would county attorney have the prerogative to give legal advise to hire other legal counsel with expertise in the matter? Mr. Connor said there are provisions in the law that allow county commissioners the option of obtaining outside counsel, beyond the county attorney.

Senator Harding asked Mr. Morris to give his opinion as to how the county commissioners in the state feel about the extra workload for the county attorneys. Mr. Morris stated that there are only 24 Hospital Districts are in Montana. They occur in small rural counties, and some like Choteau, have 2 districts. They provide hospital service were there is no private service available. It is relatively isolated, and the problems that hospital districts are facing are primarily related to issues of budgetary and civil matters that are of concern to the hospital board. Would this increase the county attorneys budget as part of the county general fund? County Attorneys could make the case for more funds if they felt there would be significant increase in the workload. The commission in those locations would be wise to increase funds, but Mr. Morris did not feel this would be the case. Hospital Districts right now are pleading for legal assistance, and as public bodies, they should be able to turn to the county attorney for the purpose of the first request. Then, as Mr. Connor stated, possibly be directed to seek other counsel with legal expertise concerning the issue. County Attorneys will not be involved in malpractice suits because those matters involve insurance companies, and the insurance company will provide the legal counsel in those cases. The local political climate, the local financial considerations, and the local administration of the hospital are the matters that would be covered in this legislation.

Closing by Sponsor: Senator Weeding closed by stating that this bill was requested by County Commissioners in his district, and they are not concerned with overloading their county attorneys or overruns in the budget. His personal experience is that county attorneys are providing this service in most areas, but the service should be available to all hospital districts. Senator Weeding asked for a do pass on this bill, and would agree to having it placed on the Consent Calendar if unanimous.

EXECUTIVE ACTION ON SB-35

Motion: Senator Thayer moved that the motion do pass.

Discussion: Senator Harding thought if she had a hospital district she would certainly need to call the county attorney. Senator Beck, whose district does have a hospital district, did not have any problem. Mr Connor said most county attorneys are already providing this service to hospital districts.

SENATE LOCAL GOVERNMENT COMMITTEE

January 10, 1991

Page 5 of 5

Recommendation and Vote:

The voice vote was unanimous, and recorded as a Roll Call Vote. There were no objections to placing it on the Senate Consent Calendar.

ADJOURNMENT

Adjournment At: 2:10 p.m.


ESTHER BENGTON, Chairman


JOYCE INCHAUSPE-CORSON, Secretary

EB/jic

Amendments to Senate Bill No. 10
First Reading Copy

Requested by Sen. Bengston
For the Committee on Local Government

Prepared by Connie Erickson
January 9, 1991

1. Title, line 5.
Strike: "AND FIRE SERVICE AREAS"

2. Title, line 6.
Following: "FIRE"
Insert: "AND EMERGENCY RESPONSE"

3. Title, line 7.
Following: "AMENDING"
Strike: "SECTIONS"
Insert: "SECTION"
Strike: "AND 7-33-2404"

4. Page 1, line 17.
Following: "apparatus"
Insert: ", including emergency response apparatus,"

5. Page 2, line 12.
Following: "by"
Strike: "school districts"
Insert: "counties"
Following: "Title"
Strike: "20"
Insert: "7"

6. Page 2, line 13.
Following: "chapter"
Strike: "9"
Insert: "7"
Following: "part"
Strike: "4"
Insert: "22"

7. Page 2.
Following: line 13
Strike: section 2 in its entirety



LEGISLATIVE AUDITOR:
SCOTT A. SEACAT

LEGAL COUNSEL:
JOHN W. NORTHEY

STATE OF MONTANA

Office of the Legislative Auditor

STATE CAPITOL
HELENA, MONTANA 59620
406/444-3122

SENATE LOCAL GOVT. COMM.

EXH. NO. 2

DATE 1-10-91

BILL NO. SB-10

DEPUTY LEGISLATIVE AUDITORS:

MARY BRYSON
Operations and EDP Audit

JAMES GILLET
Financial-Compliance Audit

JIM PELLEGRINI
Performance Audit

January 10, 1991

Senator Esther Bengtson
Senate Chambers
State Capitol
Helena, MT 59620

Rm 442

Dear Senator Bengtson:

As you requested, we are providing the attached information regarding taxable value of property in a sample of fire districts and the amounts of allowable bond issuance for those districts as proposed in Senate Bill #10.

If you have questions or need additional assistance, please contact me.

Sincerely,

Jim Pellegrini

Jim Pellegrini
Deputy Legislative Auditor
Performance Audits

DG/v/t5.1tr

Attachment

FIRE DISTRICT AND FIRE SERVICE AREA BOND ISSUANCE

Legislative Request #91L-07

January 10, 1991

INTRODUCTION

Senate Bill # 10 currently before the 1991 Legislature proposes allowing fire districts and fire service areas to sell bonds to provide funds for the purchase and maintenance of fire equipment and facilities. The bill would allow bond issuance up to a maximum amount not to exceed 18% of the taxable value of the property in the fire district or the fire service area.

EXAMPLES OF BOND ISSUANCE LIMITS

The following are examples of bond issuance limits that would result from application of the 18 percent maximum for a sample of fire districts.

<u>County/Fire District</u>	<u>Taxable Value of Property (1990 Tax Year)</u>	<u>Maximum Bond Amount</u>
BEAVERHEAD		
Lima	\$ 993,514	\$ 178,833
Dillon	6,523,162	1,174,169
Wisdom	1,691,901	304,542
DEER LODGE		
Opportunity	861,512	155,072
West Valley	886,807	159,625
Joint	264,820	47,668
Anaconda	4,330,249	779,445
Lost Creek	379,125	68,243
JEFFERSON		
Basin	248,214	44,679
Jefferson Valley	3,914,884	704,679
Jefferson River	250,868	45,156
Boulder	1,094,520	197,014
Elk Park	284,523	51,214
Montana City	5,777,384	1,039,929

LEWIS AND CLARK

East Valley	2,345,913	422,264
West Valley	5,888,018	1,059,843
Lincoln	1,120,321	201,658
Canyon Creek	473,976	85,315
Augusta	500,372	90,067
Birdseye	689,829	124,169
Eastgate	902,930	162,527
Kenwood	1,233,174	221,971
Baxendale	837,244	150,704
Marysville	41,262	7,427

LIBERTY

Joplin	2,228,065	401,052
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MCCONE

Brockway	28,669	5,160
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MISSOULA

Clinton Rural	1,072,300	193,014
Missoula Rural	29,847,751	5,372,595
Arlee/Jocko	435,466	78,384
Florence	544,079	97,934
East Missoula	1,148,396	206,711
Frenchtown	15,317,885	2,757,219
Seeley Lake	1,866,520	335,974
Petty Creek	156,666	28,200

ROSEBUD

Colstrip	2,082,327	374,819
Ashland	687,638	123,775
West Rosebud	736,453	132,562

SILVER BOW

Urban Services	40,632,361	7,313,825
Melrose	235,392	42,371

YELLOWSTONE

Broadview #3	512,556	92,260
Laurel #5	556,415	100,155
Laurel #7	5,561,214	1,001,019
Warden #4	270,617	48,711
Billings Urban	5,992,100	1,078,578

PAX# 444-4105

SENATE LOCAL GOVT. COMM.

EXHIBIT NO.

4

DATE

Jan. 8, 1991

1-10-91

BILL NO.

SB-10

To: Chairperson, of Senate Local Government Committee:

I am unable to testify in person in favor of Senate Bill #10. The Montana Fire Chiefs Association urges Committee Support of this Bill. Rural Fire Districts and Fire Service Areas are in need of other avenues of funding equipment and facilities in order to accomplish their valuable service mission to Montana's citizenry.

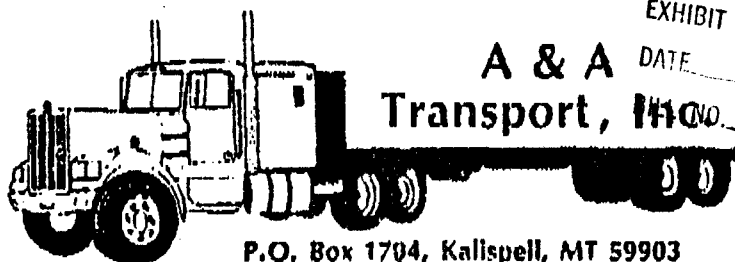
Thanks for your consideration,

Duane Larson

Lobbyist for Mt. Fire Chiefs Assn.

JOHN ALTENBURG

Home Ph. 257-7383



P.O. Box 1704, Kalispell, MT 59903
Phone 752-4285

SENATE LOCAL GOVT. COMM.

EXHIBIT NO. 5DATE 1-10-91INVO. NO. SB-10

FACSIMILE COVER SHEET

Our Fax# 406-756-8603

Date: 1/5/91Time: 11:10TO: CHAIRPERSON, SENATE LOCAL GOVERNMENT COMMITTEE,FIRM NAME: MT STATE LEGISLATUREFAX NUMBER: 406-444-4105FROM: M DUANE LARSON, MT. FIRE CHIEFS ASSN.TOTAL NUMBER OF PAGES (including this page): TWOCOMMENTS: IF POSSIBLE PLEASE DELIVER FAX
TO 1:00 P.M. COMMITTEE HEARING ON
S.B. 10

IF YOU DO NOT RECEIVED ALL PAGES, PLEASE CALL: 1-406-752-4285

MISSOULA
COUNTYBOARD OF COUNTY COMMISSIONERS
MISSOULA COUNTY COURTHOUSE
MISSOULA, MONTANA 59802

(406) 721-5700

BCC-91-005
January 7, 1991

SENATE LOCAL GOVT. COMM.

EXHIBIT NO. 6DATE 1-10-91BILL NO. SB-10

Esther Bengston
Chairman, Local Government Committee
Montana State Senate
Capitol Station
Helena, MT 59620

Dear Senator Bengston,

We are writing in support of SB 10, which would allow fire districts and fire service areas to issue bonds valued at up to 18% of the taxable value of the district for use in procuring fire equipment and facilities.

Passage of this bill would allow fire districts and fire service areas to replace outdated equipment with a reasonable funding source and permit them to continue their life-saving work with full capabilities in light of the dismal effects that I-105 brought to local taxing jurisdictions.

Thank you for your consideration, and if you have any further questions, please contact Bruce Suenram, Missoula Rural Fire Chief Executive Officer at 2521 South Avenue West. His phone number is 549-6172.

Sincerely,

BOARD OF COUNTY COMMISSIONERS


Ann Mary Dussault, Chair
Janet Stevens, Commissioner
Barbara Evans, Commissioner

BCC/SS:ss
cc: Bruce Suenram

DATE 1-10-91

COMMITTEE ON SENATE LOCAL GOVERNMENT

VISITORS' REGISTER

[illegible]

131 - - - - - (same prepared statement with Secretary)

STANDING COMMITTEE REPORT

Page 1 of 1
January 10, 1991

MR. PRESIDENT:

We, your committee on Local Government having had under consideration Senate Bill No. 35 (first reading copy -- white), respectfully report that Senate Bill No. 35 do pass and unanimously recommend that it be placed on the Consent Calendar.

Signed: Esther G. Bengtson
Esther G. Bengtson, Chairman

Jan 1-11-91
Pres. Coord.
SP, 1-11-91 9:45
Sec. of the Senate

ROLL CALL

SENATE LOCAL GOVERNMENT COMMITTEE

DATE 1-10-91

52 LEGISLATIVE SESSION _____

NAME	PRESENT	ABSENT	EXCUSED
Senator Beck	X		
Senator Bengtson	X		
Senator Eck	X		
Senator Hammond	X		
Senator Harding	X		
Senator Kennedy	X		
Senator Thayer	X		
Senator Vaughn	X		
Senator Waterman	X		

Each day attach to minutes.

ROLL CALL VOTE

SENATE COMMITTEE LOCAL GOVERNMENT

Date January 10, 1991 Bill No. 35 Time 1:50 p.m.

NAME	YES	NO
Senator Beck	X	
Senator Bengtson	X	
Senator Eck	X	
Senator Hammond	X	
Senator Harding	X	
Senator Kennedy	X	
Senator Thayer	X	
Senator Vaughn	X	
Senator Waterman	X	

Joyce Inchauspe-Corson
Secretary

Senator Esther Bengtson
Chairman

Motion: _____

