

MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By Chairman Esther Bengtson, on April 9, 1991, at 3:15 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: none

HEARING ON HB-285

Presentation and Opening Statement by Sponsor: Representative Ted Schye, District 18, said HB-285 was requested by the County Commissioners in Valley County in conjunction with their Valley County Mosquito District. If you have ever been on the high line in the summer where there are mosquitos then you know there is a real problem. The rising cost of chemicals, and other things needed to combat mosquitos in these districts has become a problem. The districts have tried to figure out how to fund the program by means other than property tax. Most districts have mill levies in place, and they can go up to 5 mills. In his area, the district actually felt the mills were not the best means to finance the program. The district approached him to carry this bill, so it could be changed. The mill system and or a fee system could be used. People in these areas are more than willing to pay this tax. The mosquitos are so bad that you can be carried away. HB-285 went through the House Local Government Committee, and was referred to House Taxation, passed that

committee, and then passed in the House. So HB-285 has already had two committee hearings, and floor action. HB-285 is a very important bill to the areas that have Mosquito Control Districts.

Proponents' Testimony: Doug Johnson, Cascade County Mosquito District, said HB-285 has been accused of being a way around I-105, but it is not a way around it. There are 11 counties that have mosquito districts that are at the 5 mill levy now (Exhibit #1). This mill has been in effect since 1947. Of the 11 counties, the highest income derived from the 5 mills is about \$26,000 and the lowest is \$686. This makes it difficult to fund a mosquito program of any size on \$686 dollars. Presently in Montana, the districts are spending less money for mosquito control in 1990 than was spent in 1981. The difference can be attributed to several things including I-105. Most of the districts are small areas, municipalities, portions or river drainage, etc. There is one county wide district in Cascade County. Cascade County is not at the 5 mill levy limit. Just the smaller districts are experiencing the difficulties of raising the funds because they are at the 5 mill limit. Some of the mosquito districts have gone so far as to have fund raising dances, fun runs, and some collect aluminum cans. These districts have used revenue sharing, Green Thumb, Neighborhood Youth Corp, and any other method to try to generate some additional assistance or funds for the program. This is just not possible to do any more. The districts see HB-285 as another method where the County Commissioners can determine that the constituents have a severe enough mosquito problem that needs extra money, and the commissioners can then assess these fees in addition to the mill levy or in lieu of the mill levy. This will be an important method of funding. A fogger is necessary for controlling mosquitos, and each district needs one. A fogger costs about \$400,000, and this single piece of equipment needs repair and maintenance. The districts need to be able to raise these funds.

Larry Lattin, Boulder Mosquito District, said he was a 25 year resident of Boulder. For 20 years he worked on the Tyler Ranch. This ranch and surrounding area has approximately 4,000 acres of hay meadow ground and the Boulder River that contribute to the high infestation of mosquitos. Boulder has a saying "There is not a single mosquito there. They are all married and have very large families!" One of the benefits of living in Boulder is the natural beauty surrounding the area. His numerous friends and family from outside the area comment about the beauty, but they also can't believe anyone could live with the damn mosquitos. The Boulder Mosquito District has a small dollar amount just over \$5,000 to control the large area plus the town of Boulder. This is just not enough money to cut it. These programs need dollars to do the job. In any control program, the cheapest method is never the best. The best always costs a lot to do the best job. Our area has found that aerial spraying plus ground fogging is

the most effective control. He support HB-285, and he urged the committee to do the same. This measure will go along towards curing the problems.

Jim Zabrocki, Custer County Mosquito District, said Miles City like Glasgow has a tremendous mosquito problem during the summer months. His main concern in supporting HB-285 is that his district needs the money. Custer County Mosquito District's total mill levy brings in about \$13,500. Of this money, 1/2 is spent on the chemicals alone, and these chemical costs are increasing exponentially every year. Without this added funding, it will come to a point that the district will not be able to afford the mosquito control. Then there could be public health effects such as Encephalitis which has occurred there in the past.

John Semple, Private Contractor, said he currently handles 9 mosquito control districts as a private contractor. The chairmen of these districts have given him the o.k. to register their districts' support, they are: Boulder, Boulder Valley, Helena, White Sulphur Springs, Whitehall, Anaconda, Craig, Three Forks, Twin Bridges, and now Butte.

Gordon Morris, Executive Director, Montana Association of Counties, said he supported HB-285.

Senator Esther Bengtson, District 49, said she had to support this bill. Her first session in the Senate was when Senator Hammond pleaded with the Senate about the need for mosquito control appropriation. She said he was very persistent, and he finally got some money. Frankly, she was just bored with the whole subject. Then this summer, she was in Fort Peck, Glasgow, and Malta. She had never experienced such large mosquitos. Everything Senator Hammond said was true, and this is certainly a worthy cause.

Opponents' Testimony: none

Questions From Committee Members:

Senator Thayer asked Representative Schye if HB-285 would get around I-105? Representative Schye said yes, but it is done by a fee system, not property tax. Currently in Glasgow there is a maximum of \$6/house with the mill levy of 5. People want to pay more because they know there isn't enough money.

Senator Hammond asked Representative Schye is most of the mosquito control districts are in towns? Representative Schye said most of the districts are in towns and exceed the town limits by about 1/2 mile. Senator Hammond pointed out that Exhibit 1 shows that Phillips County has a mosquito control district in the Saco area, but he knows there is one in the town

of Malta. Mr. Semple said that the Saco district is a large one, and may be the one that covers the town of Malta. Representative Schye said some people had first requested a bill that would allow the districts to be enlarged and to cover other items like larvae, but they decided against it. Senator Hammond asked how large are most districts? Mr. Semple answered that some districts are large and include some farmland, and then Cascade District covers all of Cascade County.

Senator Eck asked Mr. Morris what accounting of fees is there now because Bozeman has a fee of \$50/house for limb cutting and removal? She wanted to know if these fees can be imposed without legislation authorizing it? Mr. Morris said he would refer this to Alec Hanson of Montana League of Cities and Towns. Mr. Hanson said he was unsure, but towns assess a broad range of fees that are authorized in statute, and the Bozeman fee is probably one of them.

Closing by Sponsor: Representative Schye said everyone can laugh about the mosquito stories, but the need for HB-285 is very important to those living with the mosquito problems. The mill levy monies raised only go so far in today's market place. The rising cost of chemicals and expensive machinery needs to be covered. When asked to sponsor this his first question was can this be done with fees? The Assessors do this for T.V. districts that charge fees through law, so they could set up the mechanism with the Assessors to do this for mosquito control districts. Representative Schye said he had received letters supporting the idea of working with the Assessors and city and county local government on this joint effort to come up with a good fee system. He suggested the committee might want to change one word in the bill, Page 1, line 23 "structures". Maybe the word should be "property". He suggested that Ms. Erickson might look into what that would do to the bill. He added that mosquito carry disease, so this is a safety issue, too. He asked the committee to Concur in HB-285.

HEARING ON HB-354

Presentation and Opening Statement by Sponsor: Representative Schye, District 18, said HB-354 was also requested by the County Commissioners of Valley County. This bill deals with fire control activities. On Page 1, line 21, the county commissioners were limited to \$15,000. He would like to have the county commissioners be able to put up to 2 mills or \$15,000, whichever is higher. Glasgow had a huge grass fire of about 10 sections. With this amount of fire it takes a lot of money to fight it. Valley County tried to figure out a way to get money to do it. HB-354 is not a way around I-105 because the county commissioners are still under the limits of I-105. This bill does not exclude

them from the caps. The House put on an amendment that excluded all incorporated towns. The bill started with 1 mill and excluded incorporated cities because most of them have a volunteer fire department, and have everything in place to fight fires. This amendment excluded the incorporated cities from the 2 mills on the rest of the county that would try to raise at least \$15,000.

Proponents' Testimony: Gordon Morris, Executive Director, MACo, stood in support of HB-354.

Henry Lohr, Montana State Volunteer Firefighters Association, said the smaller areas really need HB-354. He hoped the committee would Concur in HB-354.

Alec Hanson, Montana League of Cities and Towns (MLCT), said his group supports HB-354 with the amendment. MLCT felt the amendment was critically important because it avoids the possibility of people living in the cities having to pay twice for the same service. Every city is required to have a fire department whether paid or volunteer. All cities comply with this, and then to levy an additional mill on city residents for county fire services is not fair. The sponsor and the House agreed and passed the amendment. With the amendment in the bill, MLCT supports HB-354, and encourages the committee to Concur in the bill.

Lyle Nagel, Montana State Fire Chiefs Association, and the Montana State Volunteer Firefighters Association, said HB-354 started out years ago in the early '40s as a response to the Japanese threat of burning the West with balloon fire bombs to keep the U.S. men at home. A request to increase the amount of the fund was attempted in the 1981 session, but the municipal people shot it down. Now, with the amendment on the bill, this becomes a rural issue, instead of a rural/urban issue. Cascade County is an example of a levy to the maximum, so the county would only be able to raise the \$15,000. That \$15,000 goes to help pay for over 40 pieces of fire equipment and apparatus that the county owns, and is placed in 16 fire companies in the county. What has happened is that the amount of money available is no longer enough to cover the expenses of this equipment. The 16 fire companies are actually paying 1/2 the insurance on the trucks, plus all the operation and maintenance costs. HB-354 will allow these counties to go up to 2 mills or \$15,000, and that would bring the amount in line with the needs. Then people would not have to have fund raisers to pay the county's bill.

Opponents' Testimony: none

Questions From Committee Members:

Senator Vaughn asked Mr. Morris what happens in rural fire districts when the cities and towns are excluded from helping pay, are the rural districts assessed the extra 2 mills, too? Mr Morris said that she was talking about 2 different sections of law. HB-354 deals with the section of law concerning rural fire control areas. In contrast is the section that deals with fire districts. Some sections of the state, like Missoula, has the rural part of the county organized into several rural fire districts. The commissioners don't use this rural fire area law. Then in the eastern side of the state, most of the rural fire protection is done under this bill, HB-354, as opposed to creating a fire district with elected trustees. So these are separate issues, and they are not independent taxing entities.

Senator Hammond asked Representative Schye about rural ranchers with pumps on their trucks, are these rural fire areas in that much trouble? Representative Schye said the big problem is that the large farms are going into the CRP where people don't live there anymore. With the advent of the CRP in the eastern part of the state, there could be problems with paying for fire control in these CRP areas.

Senator Bengtson added that she thought we had covered all the bases with the rural fire districts and rural fire areas. There are areas in the state that do not have rural fire districts or fire areas. She asked the question why don't these people in these areas form a fire district or fire area? Representative Schye said some places have, but in many areas there are not enough people to form a district and raise enough money to operate it. His county has millions of acres, but few people.

Senator Hammond said he understood this bill would make a difference. He asked Representative Schye if this was permissive to allow the county commissioners to determine whether or not they will assess this mill? Representative Schye said yes it was, and the commissioners would not have to use the full 2 mills. He added that the bill leaves the \$15,000 in the bill because some small communities could not raise \$15,000 by assessing the full 2 mills.

Closing by Sponsor: Representative Schye had no closing remarks.

EXECUTIVE ACTION ON HB-354

Motion: Senator Eck moved to Concur in HB-354. The motion passed unanimously. Senator Eck will carry HB-354.

EXECUTIVE ACTION ON HB-285

Motion: Senator Hammond moved to Concur in HB-285.

Discussion: Senator Eck asked Ms. Erickson on Page 1, line 23, if the word "structure" should be changed to "property" as Representative Schye pointed out? Ms. Erickson said she thought the original bill just put fees on the structures, and that is why the word was in the bill. When the House amended, they added the two additional fees on the property that does not contain a dwelling. So technically, structures does not really fit the bill. Senator Eck moved to strike "structure" and insert "property".

Senator Hammond said he would worry about that. Senator Bengtson agreed. Senator Hammond said that the correspondence supporting this bill is based on the fact that the fee will be on structures, and so they are in favor of the bill. Senator Eck said she agreed that we could live with this. This part is the levy part that refers just to structures. Senator Eck withdrew her motion.

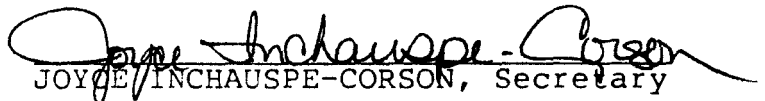
Votes: The motion to Concur in HB-285 passed unanimously. Senator Hammond will carry HB-285.

ADJOURNMENT

Adjournment At: 3:50 p.m.



ESTHER BENGTSON, Chairman



JOYCE INCHAUSPE-CORSON, Secretary

EB/jic

DATE April 9, 1991

COMMITTEE ON Senate Local Government

VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretary)

Local Funding Problems

Substantial funding problems exist for county mosquito control districts. Statewide, less money was spent for mosquito control in 1990 than in 1981 (\$475,000 vs. \$484,000) even though four additional programs were formed. Peak spending of \$582,000 occurred in 1984-5. Historically funding has been low in rural areas in Montana and low in Montana compared to more populated states. Contributing reasons include:

- 1) In Montana the property tax mill cap for mosquito control is 5; in Florida and California the cap is 10 and in Utah the cap is 20.
- 2) Montana does not have State revenue sharing for mosquito control (N.C., N.J., CA, FL, N.Y. e.g. do).
- 3) Montana statutes do not include the authority to exceed the mill cap with a vote of the electors (Utah laws do).
- 4) Montana statutes do not provide the authority for emergency funding for mosquito control per se nor the authority to levy standby charges for emergencies (CA does).

Increased operating costs since 1981 along with frozen or reduced funding levels over the period prevent mosquito control districts from providing the same level of service as could be provided 10 years ago. (The effect has been mitigated by joint bid letting for pesticides, implementation of programs that avoid duplication of effort between counties - ULV equipment and cholinesterase monitoring, mosquitofish planting programs, etc.).

The impact of CI 105 on mosquito control district funding was increased when several programs relied on cash reserves or external contracts instead of a mill levy during the index year specified by CI 105. As a result, substantially less than historical levels of support are available to a number of districts. Examples follow:

Community/District	1984 Budget level	1989 Budget level
Glasgow	\$35,950	\$14,000
Kalispell	\$29,981	\$10,000
Livingston	\$ 8,900	\$ 3,500

Columbus, Columbia Falls, Edgar (dissolved) and Sunburst have mill levies of 0.

DISTRICT	Year Formed	Approx. Budget	(Yr)	Mill Levy	Budget (1984-5)	** Budgets from Mill Levy			Mill Cap
						(1936)	(1933)	(1989)	
Anaconda W. Valley	1975	4,000	(81)		4,000	3,500	3,939	3,520	5.0
Blaine Co. (area)	1971	22,710	(78)	5.00	25,000	25,000	(25,000)	(25,000)	5.0
Boulder (area)	1974	5,500	(81)	5.00	6,100	5,100			5.0
Boulder Valley (area)	1974	1,200	(81)	5.00	1,200	1,000			5.0
Cascade Co.	1969	233,000	(81)	2.26	290,000	273,000	273,000	235,000	2.78
Columbia Falls (area)	1980	3,200	(81)	1.00	1,000	0	0	0	0
Columbus (area)	1976	1,300	(76)		1,134	0	0	0	0
Craig (area)	1983	1,800	(83)		1,800	3,537	2,665	3,468	4.39
Edgar	1980	400	(81)		500	0	0	0	0
Glasgow (area)	1963	27,000	(81)	5.00	35,950	*14,500	*12,500	*14,500	2.79
Hardin (area)	1975	8,500	(78)	1.25	8,500				
Helena Valley	1975	32,500	(81)	4.40	43,000	46,000	45,168	45,168	4.00
Kalispell (area)	1957	19,425	(75)	0.45	29,981	10,000	10,000	10,000	0.36
Livingston (area)	1972	10,000	(75)	0.23	8,900	3,500	5,000	3,500	0.25
Lolo (area)	1978	6,500	(81)	5.00	7,200	8,000	10,500	10,500	5.0
Miles City (area)	1966	10,000	(81)	1.00	16,800	17,000	17,000	17,000	2.0
Nashua	1984	1,300	(84)		1,300	2,473	1,530	686	5.0
Phillips Co. (Saco area)	1962	6,500	(81)	5.00	6,500	7,500	7,500	7,500	5.0
Shelby (area)	1968	13,325	(81)	3.74	13,350	10,590	10,592	10,590 11,200	1.0
Somers (area)	1960	2,455	(81)	2.12	9,710	7,568	7,568	7,568	1.64
Sunburst	pre-74	2,100	(81)	5.00	2,100	0	0	0	0
Three Forks (area)	1980	35,000	(84)		35,000	22,000			
Townsend (area)	1958	11,500	(81)	5.00	7,985			6,500	5.0
Whitehall (area)	1974	7,500	(81)	5.00	7,500	13,000			5.0
White Sulphur Sp (area)	1972	4,400	(81)	5.00	4,400	4,000	4,484	4,000	5.0
Wolf Point (area)	1969	13,000	(81)	5.00	13,000	(29,000)	29,000	26,441	5.0
		484,115			582,410			475,511	

* Excludes contracts of \$13,000-21,000

** Excludes diminishing cash reserves

ROLL CALL VOTE

SENATE COMMITTEE SENATE LOCAL GOVERNMENT

Date 4-9-91 Bill No. HB-285 Time 3:40

NAME	YES	NO
SENATOR BECK	X	
SENATOR BENGTON	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

ESTHER BENGTON
Chairman

Motion: move to Concure HB-285
Senator Hammond will carry

ROLL CALL VOTE

SENATE COMMITTEE SENATE LOCAL GOVERNMENT

Date 4-8-91 Bill No. HB-354 Time 3:48pm

NAME	YES	NO
SENATOR BECK	X	
SENATOR BENGTON	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

ESTHER BENGTON
Chairman

ROLL CALL

SENATE LOCAL GOVERNMENT COMMITTEE

DATE 4-9-91

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		

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 11, 1991

MR. PRESIDENT:

We, your committee on Local Government, having had under consideration House Bill No. 285 (third reading copy) do hereby respectfully report that House Bill No. 285 be committed to

Signed: *[Signature]*
Ruthen C. Wootton, Chairman

LB 4/9/91
Amd. Coord.

4/9/91
Sec. of Senate

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 11, 1991

MR. PRESIDENT:

We, your committee on Local Government having had under consideration House Bill No. 354 (third reading copy - blue), respectfully report that House Bill No. 354 be concurred in.

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

LB 4/9/91
Amd. Coord.

LB 4/9 4:12
Sec. of Senate