

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **CHAIRMAN NORM WALLIN**, on January 28, 1993, at 3:00 p.m.

ROLL CALL

Members Present:

Rep. Norm Wallin, Chairman (R)
Rep. Ray Brandewie, Vice Chairman (R)
Rep. Ellen Bergman (R)
Rep. John Bohlinger (R)
Rep. Dave Brown (D)
Rep. Tim Dowell (D)
Rep. Dave Ewer (D)
Rep. Stella Jean Hansen (D)
Rep. Jack Herron (R)
Rep. Ed McCaffree (D)
Rep. Sheila Rice (D)
Rep. Tim Sayles (R)
Rep. Liz Smith (R)
Rep. Randy Vogel (R)
Rep. Karyl Winslow (R)
Rep. Diane Wyatt (D)

Members Excused: None.

Members Absent: None.

Staff Present: Bart Campbell, Legislative Council
Pat Bennett, Committee Secretary

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

Committee Business Summary:

Hearing: HB 185, HB 189, HB 200, HB 223, HB 230
Executive Action: SB 8, HB 156, HB 169, HB 189, HB 230

HEARING ON HOUSE BILL 200

Opening Statement by Sponsor:

REP. ELLEN BERGMAN, HD 26, Miles City, explained that HB 200 is designed to give local governing bodies more flexibility in the choices for investing reserve dollars. Interest income is an important revenue raised by local governments. In Custer County, interest income offsets the need to raise an additional 15 mills in property taxes. **REP. BERGMAN** said because the face amount

certificate has an unblemished 99 year record of safety and competitive yields she would request to have the face amount certificate added to the list of allowable investments.

Proponents' Testimony:

Kevan Bryan, Yellowstone County Treasurer, also representing the **Montana County Treasurer's Association**, stated that though they did not request this bill, the Association did vote at the annual convention last September to support it. HB 200 leaves the investment decision up to the individual Board of Commissioners, in consultation with the treasurer or finance director. **Mr. Bryan** stated it was interesting to find that local government is deemed bright enough to handle a myriad of confusing, complex and conflicting mandates, laws and administrative rulings and yet some will try to convince the Committee that because this investment is not issued or backed by the U.S. Government they would not know if it is a sound investment. He stated that even some currently authorized investments carry risks, not principle risks, but the exposure to interest rate changes that could, if sold at the wrong time, cause the county to lose money. **Mr. Bryan** concluded that local governments should be able to make their own choice and be directly accountable to the citizens whose money they hold.

Curt Almy, Certified Financial Planner, Miles City, addressed the differences between face amount certificates, short term investment pool, (STIPs), and CDs. He stated for two years he used the face amount certificates in Fallon County. There was never any problem with them. He described a face amount certificate as being a regulated security that is regulated by the Securities and Exchange Commission. The difference between a face amount certificate and a CD is the way they are backed. Face amount certificates are backed dollar for dollar. He stated it is safe, it give a competitive rate of interest and is an optional tool.

Lorna Frank, Montana Farm Bureau, stated the passage of HB 200 would give the county commissioners an option whereby they could make their own decisions on investments.

Opponents' Testimony:

John Cadby, Vice President of the Montana Bankers Association, stated that last session HB 362 was rejected in the House Business Committee and that bill was identical to HB 200. During the hearing two years ago, **REP. ROYAL JOHNSON** stated "these investments are not absolutely safe." **REP. JOHNSON** also informed the Business Committee that time the Board of Investments is trained and has expertise in investing money available to the counties through STIPs. **Robyn Young**, who at that time was Deputy Commissioner of Securities, was also at last session's hearing. **Ms. Young** testified that they were risky investments and that the Securities and Exchange Commission does

not require anything other than full disclosure. The Securities and Exchange Commission does not guarantee the investment. He noted that **Jim Penner, Board of Investments**, was present and is quite knowledgeable about investments and securities. **Mr. Cadby** said that when a proponent says that the certificates are regulated by the Securities and Exchange Commission, the Committee should also realize they regulate stocks which are a high risk investment. **Mr. Cadby** also informed the Committee that certificates tie up the money for six months to a year and he didn't think local governments would want to be tied down that tight.

Questions From Committee Members and Responses:

REP. MCCAFFREE asked **Mr. Almy** what the penalty is for early withdrawal of the certificates. **Mr. Almy** said withdrawal can take place at anytime, however, if taken out sooner the first 10% can be taken free and then anything over that carries a 2% surrender penalty. It is similar to CDs.

REP. VOGEL asked **Mr. Almy**, referring to previous testimony that the certificates are not safe, why they would be considered not safe. **Mr. Almy** referred to the track record of 99 unblemished years. He stated that an unsafe investment would not survive for 99 years. **Mr. Almy** said that these certificates are backed dollar for dollar even if the investment company went down.

REP. VOGEL asked if the certificates are an IDS plan. **Mr. Almy** said that any registered investment company can produce a base certificate.

REP. EWER asked **Mr. Almy** where the collateral is held. **Mr. Almy** replied he was not sure, but thought it was held by a trust company.

REP. EWER asked if it was a collateralized investment. **Mr. Almy** responded it is not called that, but they could make that stretch and call it such. He indicated it was 100% collateralized.

REP. EWER then asked **Mr. Almy** if he was familiar with repurchase agreements. These are agreements where, for a short period of time, a user gives an institution money and they are collateralized by government security for a period of one day. He asked **Mr. Almy** if the certificates have the same safety that repurchase agreements do. **Mr. Almy** said yes and no. Yes, in that they are dollar for dollar backed, and no, that there is not excess reserves. There is not a mandate to have excess reserves for the face amount certificates.

REP. EWER said the risks investors are usually concerned about are principle. He asked **Mr. Almy** if the county needed the money they would not get all the money back due to the prepayment penalty. **Mr. Almy** said it could happen just as it does with a CD, if money is withdrawn early from a CD there will be a

surrender charge.

REP. EWER asked Jim Penner if he could tell the Committee what the risks are and if it is appropriate that these certificates are used by local governments. Jim Penner, Investment Officer, Board of Investments, stated he was familiar with face amount certificates after having worked for IDS for six years. He read from the Federal Security Law Reports the types of investments they can do, which states:

"they can invest in qualified investments, which means investments of a kind which life insurance companies are permitted to invest in or hold under the provisions of the code of the District of Columbia as hereto for or hereafter amended and such other investments as the Commission shall by rule, regulation or order authorize qualified investments."

Mr. Penner stated that the risks regarding this type of security are substantially higher than the risk parameters in which local governments are currently allowed to invest. The Board of Investments does not use face amount certificates.

REP. VOGEL asked Mr. Penner if the STIP program has a prepayment penalty. Mr. Penner replied that STIP is a money market fund. It has a fixed dollar unit value which is the same everyday. There is a required 24-hour notice for withdrawal. What you receive is the interest earned by a pool of securities that were in for that day, approximately 3.6%.

REP. BRANDEWIE asked Mr. Almy how risky these investments are. Mr. Almy replied that IDS is a reputable firm, however, the problem is they are not the only people who may issue these certificates.

REP. BRANDEWIE then asked Mr. Almy how much more could be expected to be earned with face amount certificates. Mr. Almy responded that currently there is no advantage, STIP has a better interest rate than face amount certificates. However, that is not always the case. There have been times it has been as much as three-quarters percent but generally not more than that.

REP. EWER asked Mr. Penner if he knew where the collateral is held. Mr. Penner replied that typically in a mutual fund situation, an investment company will use a custodian bank to hold the securities. REP. EWER then asked Mr. Penner, with regard to Board STIP investment and repurchase agreements, what is the policy on holding the investments or taking collateral. Mr. Penner replied that the Board does not hold any investments or collateral. The STIP program's assets are held by Chase Bank and the repurchase agreements are fully collateralized and delivery of those securities is taken in by the Federal Reserve.

REP. VOGEL asked Mr. Penner if those assets are used to buy

bonds, and if so, has the Board ever lost any money. Mr. Penner responded the STIP portfolio was made up of approximately 115 different securities. Those are predominantly commercial papers and bankers acceptance. The commercial paper is A1 P1, which is the top rating. There is about 15% in corporate bonds, which are rated A and above. Mr. Penner indicated that there has never been a security purchased by the Board of Investments in its 22-year history that has not delivered in STIP.

Closing by Sponsor:

REP. BERGMAN thanked the members for their time and closed.

HEARING ON HOUSE BILL 223

Opening Statement by Sponsor:

REP. LARRY GRINDE, HD 30, Lewistown, distributed a letter from Lake County supporting HB 223. EXHIBIT 1 During the last session, the tax payments from the state to the county were accelerated. The counties have been finding it hard to meet those deadlines. HB 223 would change the deadlines for when funds are submitted to the state. REP. GRINDE also distributed letters from Dave Lewis, Budget Director and Mick Robinson, Director, Department of Revenue. EXHIBITS 2 and 3 He indicated there is a fiscal note for HB 223.

Proponents' Testimony:

Susee Spurgeon, Fergus County Treasurer, said Fergus County supports HB 223 and wanted to explain to the Committee what happened as a result of change of this legislation. In May they have tax collection, the second half of the fiscal year, real estate collection is due by May 31st. Montana law mandates that they accept postmarks of May 31st or November 30th. The majority of counties on the eve of May 31st do not close off business for May. She stated they try to get as many of those collections as they can. They are mandated to send in the state remittance by June 20th. She said there is a great deal of work involved in closing off the month. What was also mandated in the special session was to leave the books open until December 15th for the month of November and June 15th for the month of May. However, counties are still required to make the state remittance by the 20th of December and the 20th of June. This only gives five days to do the end of the month closing. She indicated this bill would eliminate the December requirement. They could not see why the state would want half of December's money in December. It is not the close of a fiscal year. In June, counties are asking that they be allowed to close out the May books on time and give the state an estimate of what has been collected between June 1 and June 15. She stated that what is collected after May 30th and November 30th is very minimal.

Gordon Morris, Executive Director, Montana Association of Counties (MACo) said MACo supports HB 223. The effort by REP. BARDANOUVE was to move the money into a different fiscal year in terms of the collection period. This is done in June, however the speed-it-up collection in December has had no reflection in the state's monetary needs.

Kevan Bryan, Yellowstone County Treasurer, Vice President of the Montana County Treasurers' Association, testified in favor of HB 223. EXHIBIT 4

Dick Michelotti, Cascade County Treasurer, speaking in favor of HB 223, stated that they keep their books open so they can get all the real estate values in order to send it to the state. The only extra money that would be sent are revenues received from motor vehicles. This amount is minute because December is a small month as far as motor vehicle revenue is concerned.

Opponents' Testimony: None.

Questions From Committee Members and Responses:

REP. VOGEL asked Mr. Bryan how many dollars, if this is changed, would be saved by Yellowstone County. Mr. Bryan replied he is not certain of the dollar amount. What it would save, most of all, is several dozen man-hours of computer programming. The interest amount is not that great. He said they send millions to the state in November and maybe only \$200,000 in December. It could save approximately \$3,000 to \$5,000.

REP. EWER asked Mr. Bryan when the counties remit to the state. Mr. Bryan replied the remittance is made by the 20th of every month. He stated the intent of the last legislature was to speed up the remittance. Some counties, such as Missoula, seemed to have large remittances in July due to June collections. The intent was to get some of that money before the end of the fiscal year rather than at the close of the fiscal year.

REP. EWER then asked Mr. Bryan if HB 223 becomes law would he still remit money in November. Mr. Bryan replied that Yellowstone County would continue to remit each month. However, the remittance in November would not include motor vehicle money collected from December 1 to the 15th along with other taxes collected the first two weeks of December.

Closing by Sponsor:

REP. GRINDE thanked the committee and closed.

HEARING ON HOUSE BILL 185Opening Statement by Sponsor:

REP. TIM WHALEN, HD 93, Billings, explained that during the last session rules were adopted to allow fees to be charged for the submission of a mandatory audit report. Fees collected are in the neighborhood of \$245,000. These audit reports have been submitted for years, but it has been only recently that the fee was tacked onto the report.

Proponents' Testimony:

Gordon Morris, Executive Director, Montana Association of Counties (MACo), stated the Single Audit Act was passed in 1991 and included the authority for the department to conduct hearings and establish a schedule of fees to pay for implementation of the administrative costs associated with the Single Audit Act. HB 185 repeals the authority to establish fees and eliminate fees. There is a fiscal note with the bill. Mr. Morris noted they have been filing audits for years and what the Department of Commerce does with them is a mystery to many people.

Art Kleingan, Blaine County Commissioner, said he has been a commissioner for 10 years and has yet to see a report sent to them by the Department of Commerce. He stated it was his opinion that this is only an asset to the state and that the counties should not be treated as a liability. He stated it was not fair because money for the schools came from OPI, not out of the mill levy, whereas the cities and counties take the money out of the tax base of the constituents in the city or county. He informed the Committee that their county is charged \$985. The fee came after the budget was already set and had no money for it. He also told the Committee that they still have not paid for it because they do not have the money. Mr. Kleingan said that it is not a service he has seen or used.

Shelly Laine, Director of Administrative Services, City of Helena, noted that two years ago the city commissioners met to develop a list of legislative priorities and among them was to oppose any administrative assessments or user fees for services that are legitimate responsibilities of the state. In 1991 the legislature imposed water quality, solid waste and audit fees totaling nearly \$31,000 which includes the \$985 fee for an audit. She stated the city did not oppose this at the time in case it was determined the service was necessary. However, they have not seen any significant improvement in the service. Ms. Laine said Alec Hansen, Executive Director, Montana League of Cities and Towns, could not be present but requested to be recorded as a proponent.

Mike Matthew, County Commissioner, Yellowstone County, stated that Yellowstone County's reason for not paying the fee was a result of the county drawing the line because of feeling they had

enough. He stated they have been rebilled and won't pay it. The county pays for the audit, submits the audit and yet never receives anything back.

Vern Petersen, Fergus County Commissioner, expressed support for HB 185. He stated they use the Department of Commerce to do the county audits. In 1986 the audit cost \$9,516, and this past audit cost \$12,324. He explained that the county's costs have risen but not the revenues. There are unexpected costs and no way of raising revenues. **Mr. Petersen** said he was told they are charged \$875 for the Department of Commerce to inspect an audit the Department did in the first place.

John Alstad, Toole County Commissioner, testified in support of HB 185.

Don Byrd, representing the Montana Association of Clerk and Recorders, urged the Committee to pass HB 185.

Bob Davis wished to be recorded as a proponent and submitted copies of his letter for each Committee member. **EXHIBIT 5**

Opponents' Testimony: None.

Informational Testimony: **CHAIRMAN WALLIN** informed the Committee that **Newell Anderson, Administrator, Local Government Assistance Division, Department of Commerce (DOC)**, was available to answer questions.

Questions From Committee Members and Responses:

REP. DAVE BROWN asked **Mr. Anderson** to give an overview of the "Single Audit Act" and explain what happens to the \$600,000 noting that the purpose for the fee is to offset the \$134,000 loan. He also asked **Mr. Anderson** to address the approach the Department would take to collect late bills. **Mr. Anderson** distributed a handout describing the "Single Audit Act," **EXHIBIT 6**, and stated that there is a significant amount of work between DOC and other state departments following up on audits. Referring to **REP. BROWN'S** question, he said that if the fees are not paid by local governments, the financial burden for the cost of this activity falls on the general fund. If someone does not pay, the Department will negotiate as long and as hard as possible. **Mr. Anderson** noted that the Department has never interrupted anyone's flow of fees.

REP. BROWN asked **Mr. Anderson** if the bill passed, what fiscal impact would it have. **Mr. Anderson** said there is a general fund impact of \$298,000 per year plus the general fund loan balance.

REP. BOHLINGER asked how the state would deal with counties who may opt to develop an independent attitude, such as Yellowstone County.

CHAIRMAN WALLIN noted that the Department of Revenue (DOR) could hold out money which is supposed to be returned to counties.

REP. VOGEL asked **Mr. Matthews** what the cost was for Yellowstone County, how many audits were done prior to this Act, and what the cost has been since the Act. **Mr. Matthews** replied that Yellowstone County contracts their audit with an independent auditing firm. It is typically bid on a three-year contract. The beginning of that three-year contract was two years ago, and costs approximately \$40,000 per year.

REP. VOGEL asked if it was the only external audit they do. **Mr. Matthews** replied that it was.

REP. MCCAFFREE asked **Mr. Anderson** if the audits were mandated by the federal government. **Mr. Anderson** said the audit performed for local government entities is a state law and the requirements are state mandates. Whenever there are federal funds exceeding a set amount for a project, there is a federal requirement that those funds be audited.

REP. MCCAFFREE asked if the federal government, because of their mandates, are participating in the cost of the audits. **Mr. Anderson** said if the federal government is participating in a specific project for a local government jurisdiction, generally the project carries with it federal money to help pay for an audit. However, if the question is whether the federal government participates with the state and local government jurisdictions because of the Single Audit Act, then the answer is no. **Mr. Anderson** said it used to be that federal agencies required program audits and dozens of audits were being done on a single entity. The Single Audit Act does away with that because it gives the DOR power to tell other state agencies that they cannot do that.

REP. SMITH asked if the need for the Single Audit Act came about because of state assumed counties. **Mr. Anderson** said he did not think so. There were some independent agency activities that resulted in the Single Audit Act.

REP. SMITH asked if the state assumed counties are being asked by the state to be audited. **Mr. Anderson** replied that a good number of programs require any recipient to have an audit. It is not as a result of any individual program like the State Assumption Program.

REP. BOHLINGER asked if, during the time DOR has been doing the audits, they have discovered any discrepancies. **Mr. Anderson** explained that the Department does not do an audit under this function. He stated they manage a system of audits. The audits are done by CPAs under contract or by the state under contract within local jurisdictions. **Mr. Anderson** said the department manages the system of audits assuring that the state required entities have audits, that the audits are completed on time, and

that the audit findings are resolved.

REP. BOHLINGER then asked if the department has discovered that there is a discrepancy in the numbers being generated. Mr. Anderson said no, but they have discovered that there are places who have never done financial statements, annual reports, and don't have a uniform accounting and reporting system. There have been places that have not contracted for an audit. There are 1,400 local government jurisdictions in the state.

REP. VOGEL asked what it is they do once the audits are completed.

Mr. Anderson replied the department randomly reviews the audits to be sure they meet generally accepted accounting practices. He stated that it is possible, but not likely, that a sophisticated form of government such as Yellowstone County could get a low-ball auditor. There are low-ball audits taking place in the state that do not meet the generally accepted accounting practices.

REP. SMITH asked what has been the positive result of the Single Audit Act. Mr. Anderson replied they just started and the results have not been tabulated. However, from an information standpoint, the Department is becoming a central resource location.

REP. SMITH asked what the ultimate purpose was of the Single Audit Act. Mr. Anderson replied it is to insure uniform and sufficient auditing of all political jurisdictions in the state. It seems the debate is who gets the most benefit of this Act. Mr. Anderson said that there is as much benefit for the state as there is for local governments. There is a universal benefit for all involved.

REP. WINSLOW asked what was meant by randomly reviewing or sampling. Mr. Anderson said that it would take a staff five times as large as what there is now if they were to review every activity in every audit. This would be far too costly and unnecessary.

Closing by Sponsor:

REP. WHALEN closed the hearing on HB 185. He encouraged the Committee to sunset the fee to cover the loan that is needed to be paid back.

HEARING ON House Bill 230

Opening Statement by Sponsor:

REP. KARYL WINSLOW, HD 97, Billings, said HB 230 is a housekeeping bill. The bill would establish a long and short cash account. This would allow treasurers in their bookkeeping

processes at the end of the day to show if there is an overage or a shortage. In the past, auditors have questioned the method of how this has been handled. There is no process for how they can show this and have it be accurate. REP. WINSLOW said she was given an example of a case where employees would actually put money in a coffee can and at the end of the day after balancing the books, if there was a shortage it would be made up out of the coffee can.

Proponents' Testimony:

Kevan Bryan, Yellowstone County Treasurer, testified in favor of HB 230. EXHIBIT 7

Dick Michelotti, Cascade County Treasurer, said Cascade County supports HB 230.

Opponents' Testimony: None.

Questions From Committee Members and Responses: None.

Closing by Sponsor:

REP. WINSLOW closed the hearing on HB 230.

VICE CHAIRMAN BRANDEWIE took the chair during CHAIRMAN WALLIN'S presentation of HB 189.

HEARING ON House Bill 189

Opening Statement by Sponsor:

REP. NORM WALLIN, HD 78, Bozeman, said HB 189 would clarify the services that the Department of Commerce (DOC) provide local governments. EXHIBIT 8

Proponents' Testimony: None.

Opponents' Testimony: None.

Informational Testimony: Robb McCracken, Administrative Officer, Community Development Bureau. Department of Commerce, (DOC), was present to answer questions. He also distributed some background information. EXHIBIT 9

Questions From Committee Members and Responses:

REP. BROWN asked what is meant by "physical development." Mr. McCracken said it means the entire infrastructure development, planning the land, the water/sewer, streets, natural resources, the entire physical plant. It is an archaic term that came out of the 1930's when the state set up a State Planning Board. The legislature delegated the responsibility for physical development

planning to cities and counties and this was an obsolete provision of state law.

REP. SAYLES asked Mr. McCracken why there was not a fiscal note attached and to address the affect it would have on his county. Mr. McCracken replied there has not been a fiscal note requested because there is no fiscal impact. He stated that, regarding Missoula County, this legislation would not affect how the Department currently provides technical assistance to Missoula and other counties and municipalities in the State. The Department has existing authority in state law to provide technical assistance to local planning boards and groups. This legislation, if passed, would not affect technical assistance.

Closing by Sponsor:

REP. WALLIN thanked the committee and closed on HB 189.

EXECUTIVE ACTION ON SENATE BILL 8

Discussion: CHAIRMAN WALLIN asked what the difference in valuation is between a class four county and a class five county.

Gordon Morris, Executive Director, Montana Association of Counties, (MACo), distributed information and explained taxable valuation tables and the elected official's salary table.
EXHIBITS 10 and 11

REP. BRANDEWIE stated there are three other counties that are class four, not including Broadwater which is also going to class four. He said that if Broadwater prefers to save the money, then Teton County will have to work out their concerns.

REP. BERGMAN asked if this will move full-time commissioners to part-time. Mr. Campbell noted that current law states that commissioners in class one, two, three and four counties have to take a full annual salary. This bill will allow commissioners in a class four county to be paid on the basis of the days worked, the same as class five, six and seven counties. It is only creating an option and not making it mandatory.

Motion/Vote: REP. RAY BRANDEWIE MOVED SB 8 BE CONCURRED IN.
Motion carried 14-1 with REP. MCCAFFREE opposing and REP. SMITH absent.

CHAIRMAN WALLIN informed the Committee that REP. MIKE FOSTER would carry SB 8.

EXECUTIVE ACTION ON HOUSE BILL 156

Discussion: The Committee discussed whether or not the bill was necessary. Cities and counties are already enforcing smoking regulations. REP. DOWELL explained the need for HB 156 saying it will also give department heads direction on where smoking areas may be. Section 50-40-204, MCA, was distributed to the Committee. EXHIBIT 12

Motion/Vote: REP. BRANDEWIE MOVED HB 156 DO NOT PASS. Motion failed on a 9-6 roll call vote.

Motion/Vote: REP. BROWN MOVED HB 156 DO PASS. Motion carried 9-6.

EXECUTIVE ACTION ON HOUSE BILL 169

Discussion: The Committee discussed the suggestion for changing the \$25,000 to \$20,000 and changing the \$45,000 to \$25,000.

REP. VOGEL added there was also mention of including "emergency" in the bill but that it is not necessary. He stated that he felt the amounts should remain as they are.

Motion: REP. WYATT MOVED HB 169 DO PASS.

Motion/Vote: REP. BRANDEWIE moved to amend HB 169 on line 18, by striking \$20,000 and inserting \$10,000. Motion failed on a 13-2 vote with REPS. BRANDEWIE and BERGMAN voting in favor.

Vote: HB 169 DO PASS. Motion carried unanimously.

EXECUTIVE ACTION ON HOUSE BILL 189

Motion/Vote: REP. VOGEL MOVED HB 189 DO PASS. Motion carried unanimously.

EXECUTIVE ACTION ON HOUSE BILL 230

Motion/Vote: REP. EWER MOVED HB 230 DO PASS. Motion carried unanimously.

ADJOURNMENT

Adjournment: 8:00 p.m.



NORM WALLIN, Chairman



PAT BENNETT, Secretary

NW/pb

HOUSE OF REPRESENTATIVES

LOCAL GOVERNMENT

COMMITTEE

ROLL CALL

DATE

1/28/93

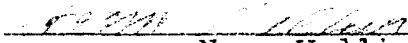
NAME	PRESENT	ABSENT	EXCUSED
REP. NORM WALLIN, CHAIRMAN	✓		
REP. RAY BRANDEWIE, VICE CHAIRMAN	✓		
REP. ELLEN BERGMAN	✓		
REP. JOHN BOHLINGER	✓		
REP. DAVE BROWN	✓		
REP. TIM DOWELL	✓		
REP. DAVID EWER	✓		
REP. STELLA JEAN HANSEN	✓		
REP. JACK HERRON	✓		
REP. ED McCAFFREE	✓		
REP. SHEILA RICE	✓		
REP. TIM SAYLES	✓		
REP. LIZ SMITH	✓		
REP. RANDY VOGEL	✓		
REP. KARYL WINSLOW	✓		
REP. DIANA WYATT	✓		

HOUSE STANDING COMMITTEE REPORT

January 29, 1993

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Mr. Speaker: We, the committee on Local Government report that
House Bill 156 (first reading copy -- white) do pass.

Signed: 
Norm Wallin, Chair

Committee Vote:
Yes , No .

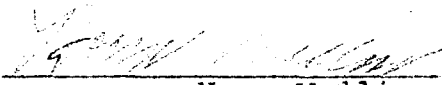
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HOUSE STANDING COMMITTEE REPORT

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Mr. Speaker: We, the committee on Local Government report that
Senate Bill 8 (first reading copy -- white) be concurred in .

Signed: 

Norm Wallin, Chair

Carried by: Rep. Foster

Committee Vote:
Yes , No .

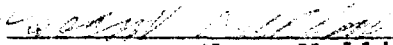

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HOUSE STANDING COMMITTEE REPORT

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Mr. Speaker: We, the committee on Local Government report that
House Bill 169 (first reading copy -- white) do pass .

Signed: 
Norm Wallin, Chair

Committee Vote:
Yes , No .


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HOUSE STANDING COMMITTEE REPORT

January 29, 1993

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Mr. Speaker: We, the committee on Local Government report that House Bill 230 (first reading copy -- white) do pass and be placed on consent calendar .

Signed: Norm Wallin
Norm Wallin, Chair

HOUSE STANDING COMMITTEE REPORT

January 29, 1993

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Mr. Speaker: We, the committee on Local Government report that House Bill 189 (first reading copy -- white) do pass and be placed on consent calendar.

Signed: _____
Norm Wallin, Chair

HOUSE OF REPRESENTATIVES

LOCAL GOVERNMENT

COMMITTEE

ROLL CALL VOTE

DATE 1/28/93 BILL NO. HB 156 NUMBER 96-9
 MOTION: Do Not Pass Failed

NAME	AYE	NO
REP. RAY BRANDEWIE, VICE CHAIRMAN	X	
REP. ELLEN BERGMAN		✓
REP. JOHN BOHLINGER	✓	
REP. DAVE BROWN	✓	
REP. TIM DOWELL		✓
REP. DAVID EWER		✓
REP. STELLA JEAN HANSEN		✓
REP. JACK HERRON		✓
REP. ED McCAFFREE	✓	
REP. SHEILA RICE		✓
REP. TIM SAYLES		✓
REP. LIZ SMITH		
REP. RANDY VOGEL	✓	
REP. KARYL WINSLOW		✓
REP. DIANA WYATT	✓	
REP NORM WALLIN, CHAIRMAN		✓

16

COUNTY COMMISSIONERS

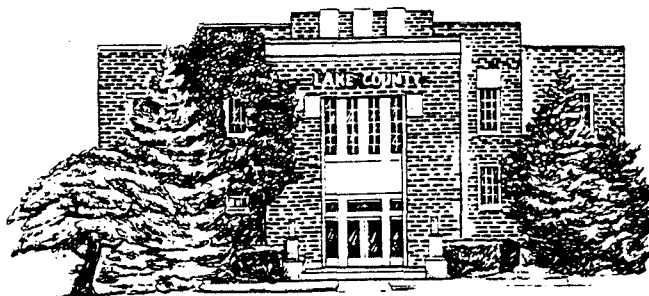
MIKE W. HUTCHIN
District One

RAY HARBIN
District Two

GERALD L. NEWGARD
District Three

TREASURER
PATRICIA J. COOK

CLERK AND RECORDER
SURVEYOR
RUTH E. HODGES



ASSESSOR
LENORE A. ROAT

SHERIFF AND CORONER
JOE GELDRICH

CLERK OF COURT
KATHERINE E. PEDERSEN

SUPERINTENDENT OF SCHOOLS
JOYCE DECKER WEGNER

COUNTY ATTORNEY
LARRY J. NISTLER

JUSTICE OF THE PEACE
CHUCK WHITSON

LAKE COUNTY

PHONE 406/883-6211 • 106 FOURTH AVENUE EAST • POLSON, MONTANA 59860

Patricia J. Cook
Lake County Treasurer
January 26, 1993

EXHIBIT 1
DATE 1-28-93
HB 223

Rep. Norm Wallin, Chairman
Local Government Committee
House of Representatives
Capitol Station
Helena, MT 59620

Grindle

Dear Representative Wallin,

I would like to enter written testimony in favor of HB-223 which would revise the remittance of state money by county treasurers.

It was a real hardship to try and remit all monies we collected up to December 15th and have the money remitted to the state by December 20th. Trying to close books during our heaviest work period and balance monies for the state funds and have them remitted to the state in just 5 days was almost impossible.

Further, this remittance requirement does not impact the fiscal revenues, just accelerates the time frame in which we have to send the money.

If we could estimate our June remittance, we could have our money sent to the state in the allotted time and the state in turn would receipt the money in time to close out the fiscal year with it. I don't think any county treasurer would have a problem with this method.

I respectfully request that you support the passage of HB-223!

Sincerely,

Patricia J. Cook

Patricia J. Cook
Lake County Treasurer

2
EXHIBIT 2
DATE 1-28-93
HB 0223

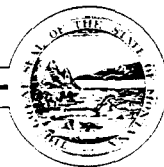
TESTIMONY HB 0223

This act revises the time that county treasurers must remit state money to the state treasurer. The June remittance will be estimated and the December remittance is eliminated. The fiscal impact of this on the state is that less interest will be earned. If we assume an interest rate of 3% there would be an interest loss of only \$6,200 per fiscal year.

The major beneficiaries of this bill will be county treasurers who will have an easier time making the transfers in compliance with state statute.

DAVE LEWIS
BUDGET DIRECTOR

(406) 444-3616



— STATE OF MONTANA —
OFFICE OF THE GOVERNOR

OFFICE OF BUDGET AND
PROGRAM PLANNING
STATE CAPITOL BUILDING
HELENA, MT 59620-0802

State of Montana

Marc Racicot, Governor

EXHIBIT

3

DATE

1-28-93

AL

HB223



Department of Revenue

Mick Robinson, Director

Room 455, Sam W. Mitchell Building

Helena, Montana 59620

January 27, 1993

Representative Larry Grinde
State Capitol
Helena, Montana 59620

Dear Representative Grinde:

Based on our review of House Bill 223, the Department of Revenue does not anticipate a negative fiscal impact from the changes presented in this bill.

As I previously indicated to you, the accounting systems present in many of the counties may not possess the needed sophistication to provide anything but an estimate of the money belonging to the state, by the June 20 date included in the statute.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Mick Robinson", followed by a horizontal line.

Mick Robinson
Director

Montana County Treasurers' Association



Testimony on HB223
House Local Government Committee
1/28/93

Mr. Chairman, members of the committee. My name is Kevan Bryan. I serve as the current Yellowstone County Treasurer, and also as the Legislative Committee Chairman and Vice President of the Montana County Treasurers' Association. I would like to thank Rep. Grinde for agreeing to carry this bill for us in this session.

HB223 looks to repair some unintentional damage caused in the waning moments of your last special session. In an effort to improve year end cash balances at the state level, two proposals were considered that had a negative impact on the counties. The bill that passed required all county treasurers send state revenues collected through December 15 and June 15 to the state treasurer's office along with November and May monies by December 20th and June 20th respectively. The other proposal, incredibly, sought to have us forward estimated collections for the months of December and June by the 20th of each of those months. We would have had to send you money that we hadn't even collected yet!

Our association attempted during the special session to argue that the December requirement would do nothing to assist in your desire to improve your year end cash position. Further, we felt that we had sufficient expertise and collection experience data to estimate June amounts rather than spend thousands of dollars collectively to ^{computer programming changes to provide for} pay for two more monthly closings. We were unable to get anyone to hear us.

BROADWATER COUNTY

Board of County Commissioners

406-266-3443

P. O. Box 489

TOWNSEND, MONTANA 59644

EXHIBIT # 5
DATE Jan 28 93
#B # 185



Mr. Chairman, Members of the Committee:

For the record, my name is Bob Davis, I am the chairman of the Broadwater County Commission. I rise in support of House Bill 185. House Bill 185 would eliminate the fee for filing financial reports by local government entities. The last session of the legislature passed the statute for the Department of Commerce which created these fees. At the present time our county is paying thousands of dollars for our annual audit performed by auditors approved by the Department of Commerce. We are paying an annual fee of \$1500. to the Department for helping in preparing reports, and now they want to charge us a fee to enable them to again review the work of their people. Is this just more government control, creating more state jobs? The cost to our county government for the filling of the annual report is approximately \$1,000 not to speak of what the city and schools and other districts in our county are having to pay. In these tight budget times, I believe that eliminating this fee would be a positive move toward local governments.

For these reasons I urge you to give favorable consideration to House Bill 185.

Thank you for your time and consideration.

MONTANA SINGLE AUDIT ACTFEDERAL SINGLE AUDIT ACT BACKGROUND

The State of Montana receives over a billion dollars biennially in federal assistance moneys. Federal agencies require audits as a means of fiscal verification and compliance in the use of these funds.

Historically all grants were audited individually, but several federal studies found this approach ineffective. A more efficient approach changed the focus of audits from the individual grants to the grant recipient. The federal Single Audit Act of 1984 implemented this approach. The purposes of this federal Act are:

- * to improve the financial management and accountability of state and local governments with respect to federal financial assistance;
- * to establish uniform requirements for audits of federal financial assistance provided to state and local governments;
- * to promote the efficient and effective use of audit resources; and
- * to assure that federal departments and agencies, to the maximum extent practical, rely upon audit work performed for the recipient.

MONTANA SINGLE AUDIT BACKGROUND

Much like the purposes of the federal Single Audit Act, the Montana Single Audit Act as enacted by the 1991 Montana Legislature is intended to:

- * Fully implement the federal Single Audit Act in Montana.
- * Promote uniform accountability, financial reporting, and audit requirements for all Montana local governments, including those receiving federal and state funds.
- * Create a single office within state government to receive local government financial reports (except school districts); ensure that all local governments are audited as required by the federal Single Audit Act and the Montana Single Audit Act; and review local government audit reports and the local government responses to audit findings so as to ensure compliance with applicable federal and state laws and regulations for funds received and disbursed.
- * Promote the efficient and effective use of audit resources.
- * Assure that State departments and agencies, to the maximum extent practical, rely upon audit work performed for the local government.

APPLICABILITY

- * Annual Financial Reports - Every Montana local government entity, except school districts, must file an annual financial report with the Department of Commerce.
- * Audits - Every Montana local government entity, including school districts, that has total annual revenues or financial assistance in excess of \$200,000, or federal financial assistance in excess of \$25,000, is subject to

MONTANA SINGLE AUDIT ACT FUNDING - cont.

first of five annual payments of \$34,915 each to repay a state general fund loan that provided start-up funding for the program during FY92. To put these fees in perspective, local governments in Montana had total revenues of over \$1.34 billion, including federal financial assistance of over \$129 million, during FY92. These revenues are based on FY92 annual financial reports received through 1/25/93 by the Department of Commerce, and school district revenue data provided by the Office of Public Instruction. Over 300 annual financial reports due the Department are either delinquent or not yet due as of this date. Therefore, total local government revenues are actually higher than the above amounts by an unknown amount. In addition, for FY92 county governments collected over \$155 million that was remitted to the State, including state equalization moneys for school districts.

MONTANA SINGLE AUDIT ACT BENEFITS

Compliance on a statewide basis with federal and state regulations, including those relating to the use of financial assistance and audits.

Central coordination of audit work and testing required, and monitoring of quality and timeliness of work performed.

Establishes and maintains a system to monitor audit findings, refer findings to appropriate state agencies, and ensure that appropriate corrective action is taken.

Provides central source of financial and audit information for public, private, and government use.

Maximizes the efficient use of state and local government resources.

Minimizes the duplication of audits by external or internal auditors and federal or state auditors.

CONCLUSION

Auditing is a legitimate documentation of fiscal integrity. The Montana Single Audit Act is an important element that insures that local governments are utilizing both federal and state financial assistance, as well as local revenues such as property taxes, assessments, and charges for services, in accordance with applicable laws and regulations. It enables the State to meet the requirements of Article VIII, Section 12, of the Montana Constitution, which states that,

"The legislature shall by law insure strict accountability of all revenue received and money spent by the state and counties, cities, towns, and all other local government entities."

The Act insures that the State of Montana and its agencies meet their responsibilities to the federal government, and most importantly to the taxpayers.

Testimony on HB230
House Local Government Committee

EXHIBIT 2
DATE 1-28-92
HB230

Mr. Chairman, members of the committee. My name is Kevan Bryan. I serve as the current Yellowstone County Treasurer, and also as the Legislative Committee Chairman and Vice President of the Montana County Treasurers' Association.

I would like to thank Representative Winslow for agreeing to carry this bill for us in this session. *The committee for hearing 3 bills since they for us some nice ^{idea} and we supported all 3 to boot despite our sometimes reputation as local govt of opposing everything that you do here.* This bill seeks to allow local governing bodies, i.e. city councils, county commissions etc. the authority to establish "cash over and short" accounts to assist in the efficient collecting and receipting of monies by local governmental units. I would like to give you some background information, then explain to you how this legislation corrects the current problem.

Currently, Montana law is silent as to how to account for immaterial differences between daily receipts and actual monies collected. Therefore, there is no uniform method of accounting for these small differences. Auditors, including those in the State Department of Commerce recognize that such an account is in keeping with sound and proper accounting practice, but since it is not expressly allowed in statute, many are split or unsure as to whether such an account can be established and used.

This has caused a wide variety of methods of dealing with this problem to develop. Some have established such an account with their auditors' blessing, while others go to great extremes to balance to the penny, even when millions of dollars are involved. This ranges from using petty cash generated by small fees such as photocopying, to actually charging employees for the shortage.

There is a small county in the Northeast that makes their employees kick in \$20.00 upon being hired to fund their shortage fund. If it runs low, everyone pays. A county with over 10,000 in population is forced to fly by the seat of its pants, so to speak. If there is a shortage of \$10.00 for the day, everyone pitches in. This is due to the fact that their Board of Commissioners ^{does not feel comfortable} ~~will not~~ establishing such an account because state law does not expressly allow it.

Let's use an example to demonstrate how this legislation will correct current practice. An employee in a county treasurer's office is balancing daily motor vehicle receipts totalling \$10,000 and is \$4.00 short. After double checking all items for accuracy, the shortage remains. Unknown to the employee, the office gave out a \$5.00 bill instead of a \$1.00 bill while making change. Currently, the office can invest much more than \$4.00 in staff time to continue to look for the error, it can cover the \$4.00 with money received for some other service, such as making photocopies, can actually make the employee personally reimburse the office, or can "plug", if you will, the difference elsewhere.

Now the office will be able to account for the shortage on the books, thus reducing wasted time and leaving a superior audit trail. This process is followed by most businesses, especially in the banking area.

This account would be established in a way agreed upon by local governing bodies and their auditors. Generally accepted accounting principles would prevent an overly lenient practice from being established. Booked detail of these averages and shortages can then prove to be a valuable piece of information for management and auditors alike.

EXHIBIT 7
DATE 1-28-93
WB 230

OPENING STATEMENT ON HB 189
DEPARTMENT OF COMMERCE HOUSE KEEPING BILL
REP. WALLIN, 1/28/93

1. I AM SPONSORING HB 189, A HOUSE KEEPING BILL FOR THE DEPARTMENT OF COMMERCE.

2. THIS BILL CLARIFIES SERVICES THAT THE DEPARTMENT PROVIDES TO LOCAL GOVERNMENTS. IT IS APPROPRIATE THAT IT BE HEARD IN THIS COMMITTEE.

3. THE BILL DOES TWO SIMPLE THINGS:

* IT DELETES AN OLD, OUT OF DATE REQUIREMENT THAT STATES THAT THE DEPARTMENT SHOULD DEVELOP A COMPREHENSIVE PLAN FOR THE PHYSICAL DEVELOPMENT OF THE STATE.....THIS OUT OF DATE PROVISION WAS POINTED OUT TO THE DEPARTMENT BY THE LEGISLATIVE AUDITOR.

* IT ALSO CLARIFIES THAT WHEN THE DEPARTMENT PROVIDES TECHNICAL ASSISTANCE TO LOCAL GOVERNMENTS IT SHOULD PAY PARTICULAR ATTENTION TO THE PLANNING AND FINANCING OF PUBLIC FACILITIES.

4. A REPRESENTATIVE OF THE DEPARTMENT OF COMMERCE IS HERE TO PROVIDE FURTHER DETAILS AND TO ANSWER QUESTIONS ABOUT THE BILL.

<hb189wallin,robb, 1/26/93, rev>

DEPARTMENT OF COMMERCE
LOCAL GOVERNMENT ASSISTANCE DIVISION

EXHIBIT 9
DATE 1-28-93
HB 189



1424 9TH AVENUE

STATE OF MONTANA

(406) 444-3757

HELENA, MONTANA 59620-0522

DEPARTMENT OF COMMERCE COMMENTS ON
HOUSE BILL 189

State Comprehensive Plan Requirement

This bill would clarify the Department of Commerce's (DOC's) responsibilities in regard to state planning and community development.

In its audit for the 1990 - 1991 biennium, the Office of the Legislative Auditor cited DOC's failure to comply with a statutory requirement in DOC's enabling legislation to "develop and adopt a comprehensive plan for the physical development of the state"... (90-1-102, (1) MCA.)

This wording was first incorporated in the original legislation which created the Montana State Planning Board in 1935. The language was derived from model language published by the federal Public Works Administration. That model language was adapted from the "Standard City Planning Enabling Act" published by the U.S. Department of Commerce in 1928 which directed city planning commissions to "make and adopt a master plan for the physical development of the municipality."

Forty-three states, including Montana, established state planning boards to administer public works projects during the Depression. This language has been carried forward in subsequent amendments to Montana's state planning legislation, including the 1967 law which abolished the State Planning Board and replaced it with the Department of Planning and Economic Development (now Commerce).

DOC considers the requirement to "develop and adopt a comprehensive plan for the physical development of the state" out of date since the authority to adopt comprehensive plans for guiding land use development was delegated by the Legislature to municipalities in 1957 and to county governments in 1971. As of 1991, 44 municipalities and 36 counties had developed and adopted comprehensive plans for the physical development of their jurisdictions.

DOC believes that the Department's proper role is to support and assist local government efforts in local comprehensive planning and land use regulation, rather than to plan for them from the state level.

Public Facilities Technical Assistance

This amendment would clarify the Department of Commerce's (DOC's) responsibilities for providing technical assistance to local governments regarding the planning and financing of public facilities, such as water systems, sewer systems, solid waste systems, and other infrastructure.

Under 90-1-103(3) MCA, DOC has the responsibility to provide technical assistance regarding financing needs of local governments. This is the general statutory authority for our assistance to local governments on planning and financing public facilities. However, DOC suggests that a specific statutory reference to planning and financing of public facilities needs to be made to recognize the DOC's role in this area. This clarification is in response to the many requests we have received over many years from local governments in the area of public facility planning and financing. For example, in a survey of all cities and towns in Montana, 70% of municipal officials said that they needed additional technical help assembling financing packages to repair worn out community facilities. In response, DOC has published handbooks on how to package different sources of funds for local public facilities and has sponsored regional interagency funding workshops.

For nine years, DOC has coordinated and provided staff support for a committee of the primary government and private organizations that are involved in water and sewer finance, technical assistance, and regulation in order to coordinate state/federal financing of local projects.

DOC has created a computerized database to assist local government officials, engineers, and consultants in tracking down funding options for financing various public facilities. This database has helped local officials to locate funding for projects which would have been very difficult to finance without such a systematic information system.

Working with EPA and other agencies, DOC has analyzed statewide problems with financing local government facilities and made recommendations to improve state and federal funding programs and procedures. In addition, DOC administers the federally-funded Community Development Block Grant Program which provides over \$2.5 million per year for public facilities. DOC also administers the new Treasure State Endowment Program for funding public facilities projects.

In summary, at the request of local government officials, DOC has been providing many forms of technical assistance to enable local governments to obtain funding for public facilities and to establish cost-efficient planning techniques. HB 189 would simply clarify that one of our roles in providing technical assistance is to pay particular attention to the planning and financing of public facilities.

ELECTED OFFICIALS SALARIES FOR FY'92

EXHIBIT

10

1-28-93

SB 8

COUNTY	CLASS	SALARY DATE
BEAVERHEAD	4	\$20,673.00
BIG HORN	1b	\$23,865.33
BLAINE	3	\$20,995.87
BROADWATER	4	\$20,332.00
CARBON	3	\$20,985.45
CARTER	6	\$17,242.50
CASCADE	1A	\$32,768.88
CHOUTEAU	3	\$22,990.50
CUSTER	4	\$23,670.00
DANIELS	6	\$18,230.00
DAWSON	3	\$22,058.35
A-DEER LODGE	5	\$20,760.00
FALLON	1b	\$21,513.30
FERGUS	3	\$22,277.06
FLATHEAD	1A	\$26,797.00
GALLATIN	1a	\$25,839.56
GARFIELD	6	\$17,099.00
GLACIER	2	\$26,212.00
GOLDEN VALLEY	6	\$16,458.00
GRANITE	6	\$17,169.00
HILL	2	\$24,088.50
JEFFERSON	2	\$25,793.00
JUDITH BASIN	5	\$18,228.00
LAKE	2	\$24,664.00
LEWIS & CLARK	1A	\$28,264.16
LIBERTY	5	\$20,184.00
LINCOLN	2	\$23,832.91
MADISON	3	\$21,759.15
McCONE	6	\$18,228.00
MEAGHER	6	\$16,883.00
MINERAL	6	\$18,332.00
MISSOULA	1A	\$39,444.00
MUSSELSHELL	5	\$20,328.48
PARK	3	\$21,456.00
PETROLEUM	7	\$15,889.20
PHILLIPS	2	\$21,167.39
PONDERA	3	\$20,515.00
POWDER RIVER	5	\$21,580.00
POWELL	5	\$20,556.00
PRAIRIE	6	\$16,264.00
RAVALLI	2	\$22,796.00

RICHLAND	2	\$21,113.00
ROOSEVELT	2	\$20,987.00
ROSEBUD	1B	\$26,051.00
SANDERS	3	\$20,694.00
SHERIDAN	2	\$21,723.00
STILLWATER	3	\$20,523.00
SWEET GRASS	6	\$17,445.00
TETON	4	\$20,502.00
TOOLE	2	\$22,505.00
TREASURE	6	\$17,127.00
VALLEY	2	\$20,659.20
WHEATLAND	6	\$16,734.94
WIBAUX	4	\$24,000.00
YELLOWSTONE	1A	\$35,000.00
BUTTE-SILVER ROW	1A	\$28,830.00

(g) hazardous areas.

(2) An agency head shall establish at least one "designated smoking area" in each building, except in those areas listed in subsection (1), suited by architectural design and functional purpose to be used as a smoking area.

(a) An agency head may designate a smoking area in a cafeteria. The size of the area must be determined by an estimate of the number of smoking and nonsmoking patrons served.

(b) An agency head may designate a corridor, lobby, or restroom as a smoking area when it is not possible to designate another smoking area.

(3) In establishing designated smoking areas, as provided in subsection (2), an agency head shall consider:

(a) the number of smokers and nonsmokers in the agency;

(b) the building ventilation system;

(c) the availability of space; and

(d) the protection of nonsmokers from involuntary exposure to smoke.

(4) Agencies in multitenant buildings are encouraged to work together to identify designated smoking areas.

History: En. Sec. 3, Ch. 539, L. 1991.

Compiler's Comments

Effective Date: Section 8, Ch. 539, L. 1991, provided: "[This act] is effective May 1, 1991."

50-40-205. Signing — smoking receptacles. (1) The department shall place signs near each entrance to a building stating that the building is smoke-free.

(2) An agency head shall place signs stating where the designated smoking areas are located.

(3) An agency head is responsible for providing adequate ash trays or receptacles in the designated smoking areas.

(4) In buildings of historical significance, the department shall place signs that are aesthetically pleasing and that fit the architectural style of the building.

History: En. Sec. 4, Ch. 539, L. 1991.

Compiler's Comments

Effective Date: Section 8, Ch. 539, L. 1991, provided: "[This act] is effective May 1, 1991."

CHAPTER 41

LAETRILE

Part 1 — General Provisions

50-41-101. Laetrile defined.

50-41-102. Laetrile authorized.

50-41-103. Hospital may not interfere.

50-41-104. Health care facility liability.

Part 2

EXHIBIT 12
DATE 1-28-93
HB 156

Government Offices and Work Areas

50-40-201. Reservation of smoking and nonsmoking areas in work areas in local government buildings. In offices and work areas in buildings maintained by a political subdivision, except a school or community college facility designated as tobacco-free by the board of trustees of the school district or community college district, in which seven or more employees of the political subdivision are employed, the manager or person in charge of the work area shall arrange nonsmoking and smoking areas in a convenient area.

History: En. Sec. 1, Ch. 505, L. 1985; amd. Sec. 1, Ch. 466, L. 1989; amd. Sec. 6, Ch. 539, L. 1991.

Compiler's Comments

1991 Amendment: In two places, before reference to political subdivision, deleted ref-

erence to state; and made minor changes in style. Amendment effective May 1, 1991.

50-40-202. Public policy. In recognition of the increased health hazards of passive smoke on the nonsmoker, it is the declared public policy of the state of Montana that all buildings maintained by the state are to be smoke-free.

History: En. Sec. 1, Ch. 539, L. 1991.

Compiler's Comments

Effective Date: Section 8, Ch. 539, L. 1991, provided: "[This act] is effective May 1, 1991."

50-40-203. Definitions. As used in 50-40-202 through 50-40-205, the following definitions apply:

(1) "Agency head" means a director, commissioner, or constitutional officer in charge of an executive, legislative, or judicial branch agency or of an agency of the Montana university system.

(2) "Department" means the department of administration provided for in Title 2, chapter 15, part 10.

(3) "Smoking" means any lighted cigar, cigarette, or pipe or any other lighted tobacco product.

History: En. Sec. 2, Ch. 539, L. 1991.

Compiler's Comments

Effective Date: Section 8, Ch. 539, L. 1991, provided: "[This act] is effective May 1, 1991."

50-40-204. Smoke-free buildings — designated smoking areas. (1) In buildings maintained by the state, smoking is prohibited in the following areas:

- (a) general office space;
- (b) auditoriums, classrooms, and conference rooms;
- (c) elevators;
- (d) corridors, lobbies, restrooms, and stairways, except as provided in subsections (2)(b) and (4);
- (e) medical care facilities;
- (f) libraries; and

	CUMULATIVE			OIL PRODUCTION			GAS PRODUCTION			PROPERTY	VALUATION
BEAVERHEAD	8,424	15,922,182	1,317,400	45,000	0	0	0	0	955,331	18,239,913	
BIG HORN	11,337	26,681,354	1,430,997	146,583	505,894	56,767	67,039,882	1,600,881	97,462,358		
BLAINE	6,728	13,578,733	753,626	41,656	2,642,211	7,351,003	0	814,724	25,181,953		
BROADWATER	3,318	14,226,141	501,877	0	0	0	0	853,568	15,581,586		
CARBON	8,080	17,903,295	1,276,598	60,805	1,313,558	7,300,665	0	1,074,198	28,929,117		
CARTER	1,503	7,357,487	551,781	18,959	0	0	0	441,449	8,369,676		
CASCADE	77,691	95,846,935	7,598,381	0	0	0	0	5,750,816	109,196,111		
CHOUTEAU	5,452	25,358,491	1,341,399	52,887	776,332	9,108	0	1,521,509	29,059,726		
CUSTER	11,697	14,584,111	2,372,788	51,703	0	148,672	0	875,047	18,032,321		
DANIELS	2,266	6,340,890	700,970	18,086	0	1,278,666	0	380,453	8,719,065		
DAWSON	9,505	18,257,665	2,033,643	64,543	610,771	2,932,759	0	1,095,460	24,994,841		
DEER LODGE	10,278	8,745,571	1,072,167	0	0	0	0	524,734	10,342,472		
FALLON	3,103	10,278,478	675,014	43,691	7,913,173	49,611,407	2,081,071	616,709	71,219,543		
FERGUS	12,083	21,636,495	2,767,555	392,601	36,407	0	0	1,298,190	26,131,248		
FLATHEAD	59,218	99,230,239	6,724,006	0	0	0	0	5,953,814	111,908,059		
GALLATIN	50,463	80,995,369	7,641,526	0	0	0	0	4,859,722	93,496,617		
GARFIELD	1,589	5,393,469	508,948	52,247	445,221	0	0	323,608	6,723,493		
GLACIER	12,121	19,630,260	1,135,011	63,811	640,937	13,638,856	0	1,177,816	36,286,691		
GOLDEN VALLEY	912	5,153,869	207,151	12,178	76,812	0	0	309,232	5,759,342		
GRANITE	2,548	7,655,867	558,783	82,673	0	0	0	459,352	8,756,675		
HILL	17,654	29,941,411	2,445,452	117,207	2,368,221	757,117	0	1,796,485	37,425,893		
JEFFERSON	7,939	23,337,140	3,162,139	1,601,793	0	0	0	1,400,228	29,501,300		
JUDITH BASIN	2,282	8,952,652	575,303	34,721	0	0	0	537,159	10,099,835		
LAKE	21,041	31,437,674	1,890,654	86,311	0	0	0	1,886,260	35,300,899		
LEWIS & CLARK	47,495	65,976,000	5,215,975	0	0	0	0	3,958,560	75,150,535		
LIBERTY	2,295	9,514,340	502,627	135,302	54,014	0	0	570,860	10,777,143		
LINCOLN	17,481	27,564,167	686,787	111,293	0	0	0	1,653,850	30,016,097		
MADISON	5,989	20,791,629	974,096	0	0	0	0	1,247,498	23,013,223		
McCONE	2,276	7,802,406	249,811	41,031	578,761	0	0	468,144	9,138,153		
MEAGHER	1,819	8,154,786	299,352	0	0	0	0	489,287	8,943,425		
MINERAL	3,315	8,080,300	322,797	21,969	0	0	0	484,818	8,909,884		
MISSOULA	78,687	124,278,000	13,505,312	0	0	0	0	7,456,680	145,239,992		
MUSSELSHELL	4,106	6,878,628	662,961	41,761	5,686,535	25,916	65,327	412,718	13,773,846		
NORFOLK	14,562	24,322,663	1,531,909	0	0	0	0	1,459,360	27,313,932		
ORLEANS	519	1,904,786	144,789	17,094	4,165	357,299	0	114,287	2,542,420		
PHILLIPS	5,163	20,295,327	688,233	9,230	1,523,130	10,812,943	0	1,217,720	34,346,583		
PONDERA	6,433	14,988,037	927,119	62,875	12,651	2,945,675	0	899,282	19,835,639		
POWDER RIVER	2,090	6,368,160	548,308	66,609	5,621,359	0	0	382,090	12,986,526		
POWELL	6,620	12,458,281	801,537	1,029	0	0	0	747,497	14,008,344		
PRAIRIE	1,383	4,358,142	457,558	10,853	1,013,433	481,022	0	261,489	6,582,497		
RAVALLI	25,010	32,043,712	2,691,154	0	0	0	0	1,922,623	36,657,489		
RICHLAND	10,716	21,745,758	3,739,641	114,020	3,735,464	279,637	1,173,533	1,304,745	32,092,798		
ROOSEVELT	10,999	24,801,194	1,172,540	78,019	15,108,914	130,511	0	1,488,072	42,779,250		
ROSEBUD	10,505	182,844,896	1,413,163	66,274	13,662	21,313	57,946,559	10,950,531	253,256,398		
SANDERS	8,669	24,882,163	575,751	35,388	0	0	0	1,492,930	26,986,232		
SHERIDAN	4,732	12,018,055	329,721	3,393	20,252,196	36,831	0	721,083	33,361,279		
SILVER BOW	33,941	50,333,573	6,326,642	0	0	0	0	3,020,014	59,680,229		
STILLWATER	6,536	19,753,669	860,395	67,627	767	262,635	0	1,185,220	22,130,313		
SWEET GRASS	3,154	8,288,052	529,762	31,976	0	0	0	497,283	9,347,073		
TETON	6,271	15,427,359	1,112,768	60,762	43,509	1,119,913	0	925,642	18,689,953		
TOOLE	5,046	17,683,716	834,333	48,773	2,545,834	9,746,826	0	1,061,023	31,920,505		
TREASURE	874	4,983,890	234,928	14,791	0	0	0	299,033	5,532,642		
VALLEY	8,239	25,737,184	1,587,519	30,721	3,455,120	0	0	1,544,231	32,354,775		
WHEATLAND	2,246	7,781,042	134,832	12,051	0	0	0	466,863	8,394,788		
WIBAUX	1,191	4,073,266	561,233	15,469	435,316	9,784,839	0	244,396	15,114,519		
YELLOWSTONE	113,419	192,471,546	11,507,821	1,747,537	0	0	0	11,548,293	217,275,197		
TOTAL	799,013	1,617,050,505	110,374,551	5,833,302	77,412,467	118,890,380	128,306,372	97,002,868	2,154,870,445		
FY 92 TOTAL	799,013	1,585,087,214	110,374,551	5,660,823	77,249,437	147,410,349	118,384,071	95,105,233	2,139,406,980		
% CHANGE	0.0%	2.0%	0.0%	3.0%	0.2%	-24.0%	7.7%	2.0%	0.7%		

DATE 1-28-93
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FY 3 ESTIMATED COUNTY PROPERTY VALUE	MOTOR VEHICLES 3/4 TON OR LESS	MOTOR VEHICLES 3/4 TO 1 TON	NEW & INTERIM PRODUCTION	EXEMPT PRODUCTION	EXEMPT COAL PRODUCTION	REPLACEMENT VALUE OF PERS. PROPERTY	CLASSIFICATION TOTAL TAXABLE VALUATION	COUNTY CLASS
1 22,182	1,317,400	45,000	0	0	0	955,331	18,239,913	4
2 81,354	1,430,997	146,583	505,894	56,767	67,039,882	1,600,881	97,462,358	1B
15,578,733	753,626	41,656	2,642,211	7,351,003	0	814,724	25,181,953	3
14,226,141	501,877	0	0	0	0	853,568	15,581,586	4
17 903,295	1,276,596	60,805	1,313,558	7,300,665	0	1,074,198	28,929,117	3
57,487	551,781	18,959	0	0	0	441,449	8,369,676	6
9 46,935	7,598,391	0	0	0	0	5,750,816	109,196,14	1A
25,358,491	1,341,399	52,887	776,332	9,108	0	1,521,509	29,059,726	3
14,584,111	2,372,788	51,703	0	148,672	0	875,047	18,032,321	4
140,890	700,970	18,086	0	1,278,666	0	380,453	8,719,065	6
1 57,665	2,033,643	64,543	610,771	2,932,759	0	1,095,460	24,994,841	3
45,571	1,072,167	0	0	0	0	524,734	10,342,472	5
10,278,478	675,014	43,691	7,913,173	49,611,407	2,081,071	616,709	71,219,543	1B
21,636,495	2,767,555	392,601	36,407	0	0	1,298,190	26,131,248	3
9 30,239	6,724,006	0	0	0	0	5,953,814	111,908,059	1A
8 95,369	7,641,526	0	0	0	0	4,859,722	93,496,617	1A
93,469	508,948	52,247	445,221	0	0	323,608	6,723,493	6
19,630,260	1,135,011	63,811	640,937	13,638,856	0	1,177,816	36,286,691	2
5,153,869	207,151	12,178	76,912	0	0	309,232	5,759,342	6
55,867	558,783	82,673	0	0	0	459,352	8,756,675	6
2 41,411	2,445,452	117,207	2,368,221	757,117	0	1,796,485	37,425,893	2
20,537,140	3,162,139	1,601,793	0	0	0	1,400,228	29,501,300	2
8,952,652	575,303	34,721	0	0	0	537,159	10,099,835	5
31 137,674	1,890,654	86,311	0	0	0	1,886,260	35,300,899	2
6 76,000	5,215,975	0	0	0	0	3,958,560	75,150,535	1A
14,340	502,627	135,302	54,014	0	0	570,860	10,777,143	5
27,564,167	686,787	111,293	0	0	0	1,653,850	30,016,097	2
20,791,629	974,096	0	0	0	0	1,247,498	23,013,223	3
7 102,406	249,811	41,031	576,761	0	0	468,144	9,138,153	6
54,786	299,352	0	0	0	0	489,287	8,943,425	6
80,300	322,797	21,969	0	0	0	484,818	8,909,884	6
124,278,000	13,505,312	0	0	0	0	7,456,680	145,239,992	1A
6,878,628	662,961	41,761	5,686,535	25,916	65,327	412,718	13,773,846	5
2 22,663	1,531,909	0	0	0	0	1,459,360	27,313,932	3
104,786	144,789	17,094	4,165	357,299	0	114,287	2,542,420	7
20,295,327	688,233	9,230	1,523,130	10,612,943	0	1,217,720	34,346,583	2
14,988,037	927,119	62,875	12,651	2,945,675	0	899,282	19,835,639	3
6 168,160	548,308	66,609	5,621,359	0	0	382,090	12,986,526	5
1 58,281	801,537	1,029	0	0	0	747,497	14,008,344	5
58,142	457,558	10,853	1,013,433	481,022	0	261,489	6,582,497	6
3 43,712	2,691,154	0	0	0	0	1,922,623	36,657,489	2
21,745,758	3,739,641	114,020	3,735,464	279,637	1,173,533	1,304,745	32,092,798	2
1 01,194	1,172,540	78,019	15,108,914	130,511	0	1,488,072	42,779,250	2
9 44,896	1,413,163	66,274	13,662	21,313	57,946,559	10,950,531	253,256,398	1B
2 82,163	575,751	35,388	0	0	0	1,492,930	26,986,232	3
12,018,055	329,721	3,393	20,252,196	36,831	0	721,083	33,361,279	2
50,333,573	6,326,642	0	0	0	0	3,020,014	59,680,229	1A
1 53,669	860,395	67,627	767	262,635	0	1,185,220	22,130,313	3
1 88,052	529,762	31,976	0	0	0	497,283	9,347,073	6
1 27,359	1,112,768	60,762	43,509	1,119,913	0	925,642	18,689,953	4
17,583,716	834,333	48,773	2,545,834	9,746,826	0	1,061,023	31,920,505	2
4 983,890	234,928	14,791	0	0	0	299,033	5,532,642	6
2 37,184	1,587,519	30,721	3,455,120	0	0	1,544,231	32,354,775	2
81,042	134,832	12,051	0	0	0	466,863	8,394,788	6
73,266	561,233	15,469	435,316	9,784,839	0	244,396	15,114,519	4
92,471,546	11,507,821	1,747,537	0	0	0	11,548,293	217,275,197	1A
1 50,505	110,374,551	5,833,302	77,412,467	118,890,380	128,306,372	97,002,868	2,154,870,445	
535,087,214	110,374,551	5,660,823	77,249,437	147,410,349	118,384,071	95,105,233	2,139,406,980	
2.0%	0.0%	3.0%	0.2%	-24.0%	7.7%	2.0%	0.7%	

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HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Local Government COMMITTEE BILL NO. HB 200
DATE 1/28/92 SPONSOR(S) Rep Bergman

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Curtis Almy / Miles City	Self	X	
Gordon Morris	MHC		
John Coady	MBA		✓
Bill Leason	MBA		✓
Ed Jernigan	MBA		✓
Chris Field	Self	✓	
Joseph Marks	Self	✓	
Lorna Frank	NH. Farm Bureau	✓	
Kewan Bryan	Mont. City Treas - Yellowstone City	X	
Victor Michels	Cascade County Treas	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Local Government COMMITTEE BILL NO. HB 223
DATE 1/28/93 SPONSOR(S) Rep Grinde

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Susan Spurgeon	MT & Idex Assoc	✓	
Gordon Morris	MHC	✓	
Kevan Boyan	MTA City Treas - Yellowstone Co	✓	
Dick Michel	Ascadie County Treas	✓	
Arthur Kleinjau	Blaine Co Comm	✓	
JOHN ALSTAD	TOOLE CO COMM	✓	

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HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Local Government COMMITTEE BILL NO. HB 230
DATE 1/28/93 SPONSOR(S) Rep Winslow

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Leslie Spurgeon	MT Co Treas Assoc	✓	
Gordon Morris	MACo	✓	
Kara Buys	MTa Co Treas. Assoc - Yellowstone Co	✓	
Dick McBeth	Cascade County Treas	✓	

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HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Local Government COMMITTEE BILL NO. HB 189
DATE 1/28/93 SPONSOR(S) Rep. Wallin

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Robb McCracken, Helena	Montana Dept. Commerce	X	

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HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Local Government COMMITTEE BILL NO. HB185
DATE 1/28/93 SPONSOR(S) Rep Whalen

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Bob Davis	Broadwater County	X	
Helen Tafts	Montana Society of CPAs	undecided	
Newell Anderson		Stable Inform	
Lon Boyd	MT ASSOC CLERK & RECORDERS	X	
Arthur Kleinjan	Blaine Co Comm	X	
JOHN ALSTAD	TOOLE CO COMM	X	
Alice Kleinjan	Blaine Co	X	
Sue Spengeman	MT Co Treas Assoc	✓	
Gordon Morris	MTAG	✓	
Robb McCracken	MT. Dept. Commerce	—	—
Vernor Petersen	Fergus County	✓	
Shelly Ann Laine	City of Helena	✓	

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ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.