

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By CHAIRMAN NORM WALLIN, on February 4, 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 301; HB 302; HB 306; HB 303
Executive Action: HB 302, HB 226; HB 299; HB 295; HB 301;
HB 303, HB 306
Discussion: HB 389

HEARING ON HOUSE BILL 301

Opening Statement by Sponsor:

REP. DIANA WYATT, HD. 37, Great Falls, explained that HB 301 is an act increasing the maximum penalties for violations of municipal or local government ordinances from \$500 to \$1,000. The elected officials who represent municipalities can apply the fine. Some examples would be street vendors who are

inappropriately located, animal ordinances, littering, spitting on the street, cruelty to animals, disorderly conduct, etc.

Proponents' Testimony:

Shelley Laine, Director, Administrative Services, City of Helena, testified in favor of HB 301. The bill would allow the city judge to make the punishment fit the crime and would also help to raise additional revenues.

Alec Hansen, Executive Director, Montana League of Cities and Towns, said this bill was one of many worked on by a committee during the interim to identify inconsistencies, conflicts and problems with Title 7.

Opponents' Testimony: None.

Questions From Committee Members and Responses:

REP. VOGEL asked **REP. WYATT** what the problem has been. **REP. WYATT** replied there was not any one problem cited by the cities. When the Local Government Center and the League of Cities and Towns discussed financial concerns, it was concluded that they would come to the legislature to request flexibility with their fines. As costs have risen, they realized this was one possible way of raising revenue.

REP. BERGMAN asked **REP. WYATT** if the fine money stays within the city. **REP. WYATT** said it did.

CHAIRMAN WALLIN asked how it was determined whether it goes to district court or justice court. **Mr. Hansen** responded that the examples given by **REP. WYATT** are misdemeanors and would go to city court. There have not been a lot of ordinance violations. Most of the people who violate the law in this state violate state law. If someone arrested for a city ordinance violation goes to the county jail then the city pays the cost. This will raise just a little bit of money.

REP. SMITH asked when the initial fine was set. **Mr. Hansen** said the statute has not been amended since 1970.

REP. SAYLES asked **REP. WYATT** to address the reason for raising this fine. **REP. WYATT** replied that overall during her time as a representative the legislature has, out of necessity, continued to pass responsibility for paying some things that are legislated to local governments. She stated she sees this as a just way, because these violators have committed some act which part of society does not support. It is time to give the flexibility to change the amount of fine which has not been changed for over twenty years.

Mr. Hansen asked **CHAIRMAN WALLIN** for permission to have Paul Louie, Bozeman City Attorney, speak about the EPA mandating

penalties on violations of certain ordinances. CHAIRMAN WALLIN approved.

Paul Louie, Bozeman City Attorney, said there are times the city receives mandates from the federal government and one of the mandates is for the pretreatment of water systems. The city is to have in place a penalty for criminal and civil fines of \$1,000. He stated he worked on the Title 7 Revision Committee last summer and one of the recommendations was to increase the penalty from \$500 to \$1,000 in order to meet some of the federal mandates. If federal mandates are not met, there is a potential for losing some of the federal funding.

Closing by Sponsor:

REP. WYATT thanked the committee and closed on HB 301.

HEARING ON HOUSE BILL 302

Opening Statement by Sponsor:

REP. DIANA WYATT, HD 37, Great Falls, explained that the Committee previously had a similar bill introduced by REP. EWER. She suggested that if anyone wished to testify, they could, but recommended tabling the bill since the Committee has already accomplished what the bill set out to do.

EXECUTIVE ACTION ON HOUSE BILL 302

Motion/Vote: REP. VOGEL MOVED TO TABLE HB 302. Motion carried unanimously.

HEARING ON HOUSE BILL 306

Opening Statement by Sponsor:

REP. ED MCCAFFREE, HD 27, Forsyth, noted that HB 306 amends the law for payment into the Treasurer's Association. It takes the language out of current law which requires treasurers to obtain permission from the commissioners before joining the Treasurer's Association. At the present time, Clerks of Court, Clerk and Records and the County Superintendents of Schools do not need to have the approval of the commissioners to belong to their respective associations.

Proponents' Testimony:

Cort Harrington, representing the Montana County Treasurers' Association, explained that the bill would make the language of the statute authorizing membership in the County Treasurer's

Association consistent with the language authorizing membership in the Montana Clerk And Recorder's Association and also the Montana Clerk's of the District Court. It places the discretion of whether to join the association with the county treasurer rather than with the board of county commissioners. Mr. Harrington explained a situation where there was a dispute and the county commissioners would no longer permit the treasurer to be a member. They have annual conventions where a great deal of information is exchanged which is very helpful for new treasurers.

Opponents' Testimony: None.

Questions From Committee Members and Responses:

REP. EWER questioned Mr. Harrington about the current law which states that association members are to meet once a year and that the county pays "the portion of expenses and charges against each county." He asked if this association is supported with tax dollars and who established the rate. Mr. Harrington replied it is supported with tax dollars. The association sets the dues based on the size of the county. Each treasurer at the annual convention has the opportunity to vote on a dues increase. For the last six years there has not been a dues increase.

Closing by Sponsor:

REP. MCCAFFREE said he has always felt that there are advantages to the treasurers attending these annual meetings. They receive input on keeping the county current and updates of laws which have been changed. It is a worthwhile expenditure.

HEARING ON HOUSE BILL 303

Opening Statement by Sponsor:

REP. SHEILA RICE, HD 36, Great Falls, said HB 303 is a change in the law which currently provides for tax increment financing in Montana. With tax increment financing the community forgoes short-term tax revenue but receives economic development including permanent jobs, and all the economic benefits of a multi-million dollar payroll. Tax increment financing is a classic case of foregoing a short-term benefit for a long-term gain that increases the pie for everyone. REP. RICE noted that it is very logical in Montana where we value our clean air and water that we do allow tax increment financing for pollution abatement construction.

Proponents' Testimony:

Janet Seagrave, Executive Director, High Plains Development Authority, Inc. (HPDA), Great Falls, stated Great Falls has initiated a concentrated effort to attract new manufacturing to

stimulate the economy. She said that after working with a major manufacturer who came into the area in the last couple of years, one of the discoveries made was that there was not a mechanism to assist the company with pollution abatement equipment. When revenue bonds were retired by 1986, most states enacted a program to help corporations pay for pollution abatement. This is one program in which tax revenue can be utilized to help with public infrastructure cost. Ms. Seagrave said she believes pollution abatement equipment should be part of the consideration in helping to provide a safeguard. In the case of the American Ethanol Corporation whom HPDA is currently working with, the cost for pollution abatement and control equipment is roughly \$5 million. Without having any type of a structured system with project cost it has to go into the capital outlay for the plant. She informed the Committee that this plant will put a tremendous amount of new tax revenues into the community. This company has helped reduce everyone's taxes by \$13. Other communities, such as Missoula, would benefit from this as well.

Larry Fasbender, representing the City of Great Falls, testified in favor of HB 303. He pointed out that the American Ethanol Corporation has been a great economic benefit to the community. Anything that can be done to encourage this development should be done. The money that will be raised in additional tax dollars will exceed any amount needed to pay off the bonds.

Alec Hansen, Executive Director, Montana League of Cities and Towns, said this is the best economic development program Montana has at the present time. This program has helped in revitalizing downtown Billings. It is also being used extensively in Butte, Kalispell, Helena, and Missoula. Several years ago the legislature developed the tax increment law to provide for the financing of industrial facilities and the inclusion of pollution abatement equipment is just an extension of this law.

Opponents' Testimony: None.

Questions From Committee Members and Responses:

REP. VOGEL asked Mr. Hansen if a coker plant is considered pollution abatement equipment if it reduces the sulfur dioxide. Mr. Hansen answered possibly.

CHAIRMAN WALLIN asked Ms. Seagrave if this equipment is similar to what is put on smokestacks. Ms. Seagrave said it would be for scrubbers, and for filtration equipment.

CHAIRMAN WALLIN asked if it only deals with an industrial park area. Ms. Seagrave said that under the Industrial Tax Increment District you can designate an area as a tax increment district no matter where it is. In the case of American Ethanol Corporation, this is a piece of property which is being annexed into the city of Great Falls. This will be the first tax increment district in the state of Montana.

REP. SAYLES asked if the company who applies for this has to pay. Ms. Seagrave replied it comes out of their tax dollars. The bonds are retired from tax dollars. It has been calculated that for the Ethanol Plant alone over \$3 million in taxes will be generated annually. The tax increment financing bond payment will be approximately \$1 million per year, leaving approximately \$2 million that will go into the community as tax revenue.

Closing by Sponsor:

REP. RICE closed on HB 299 noting that Montana is one of the few states that do not include pollution abatement control equipment in its tax increment financing statutes. It may have just been an oversight when it was created in 1986.

DISCUSSION ON COMMITTEE BILL

Informational Testimony:

REP. EWER informed the Committee that people from Billings and Yellowstone County have asked for a Committee bill. The issue relates to county port authorities or airport authorities. It will affect primarily Billings and Missoula. The law was changed during the last session and has created ambiguity as to whether or not the county officials need to keep approving the budget for the authority, once the authority has used its authorization, which they can do under current law, to sell bonds or to enter into debt service. The fundamental issue is there is no way for these authorities, which under current law seem to have clear authority to borrow money, to act without the permission of the county commissioners. As a result the authorities are shut out of a bond market. Referring to his experience at the Board of Investments, REP. EWER said the board saw this as a problem. The board asked the attorney general for an opinion and he responded that the present law contradicts itself.

Questions From Committee Members and Responses:

REP. MCCAFFREE asked if the port or airport authorities are requesting authority to sell bonds. REP. EWER replied they have a two-mill levy and there is a statute which allows them to borrow against the mill levy. However, as a result of the last session, the law also states that this borrowing must be approved by the local governing entity, the county commissioners.

REP. MCCAFFREE asked REP. VOGEL if they have bonding authority under this port authority. REP. VOGEL replied it does have bonding authority, however, must also to get the approval of the county commissioners and the feeling is no one wants to enter into a bonding agreement because it hinges on approval of the commissioners. What happens if they don't approve?

REP. EWER said Gordon Morris, Executive Director, Montana Association of Counties (MACO), also wished to be added as a

proponent.

REP. BOHLINGER explained that economic development is the reason they asked for port authority and the authority to bond some indebtedness. It is a tool for economic development within a county. He stated that Billings feels it will attract more business to the community.

Mr. Morris said he spoke with a bond counsel and it is true that the sale of bonds is jeopardized from the standpoint of having to get approval annually.

REP. MCCAFFREE asked REP. VOGEL if the two-mill authority is a county-wide or district mill levy. REP. VOGEL asked Mr. Hickes to respond to REP. MCCAFFREE'S question.

Mr. Hickes, representing the trade-port authority in Billings, said the trade-port authority was created in 1989 and has been assessing two-mills since that time, each mill usually serves \$170,000 times 3.5 years.

REP. BROWN said he is on the Butte-Silver Bow Port Authority Council and stated they have not had any problems and asked what problems other authorities have had.

Mr. Campbell, Legislative Council, explained that the problem has been that if the port authority wants to do bonds and guarantee payment by using part of the mill levy, and it is a 15-year commitment there is a conflict in the law where it says that every year approval must be secured from the county commission. This is what makes the bonding people uneasy.

EXECUTIVE ACTION ON COMMITTEE BILL

Discussion: CHAIRMAN WALLIN appointed a subcommittee consisting of REPS. EWER, VOGEL, AND SAYLES.

Motion/Vote: REP. BRANDEWIE moved to draft a committee bill to address the problems discussed regarding the port and airport authorities. Motion carried unanimously.

EXECUTIVE ACTION ON HOUSE BILL 226

Motion: REP. BRANDEWIE MOVED THAT HB 226 DO PASS.

Discussion: REP. SAYLES distributed a proposed amendment for HB 226. EXHIBIT 1 The Committee discussed the amendment. Mr. Campbell informed the Committee that if they adopted the amendment, changes would need to be made in other statutes dealing with electors.

Motion/Vote: REP. SAYLES moved to adopt the amendment. Motion failed 11-5 with REPS. BERGMAN, BROWN, DOWELL, EWER, HANSEN, HERRON, MCCAFFREE, RICE, VOGEL, WINSLOW, AND WYATT opposing.

Motion/Vote: REP. HANSEN MADE A SUBSTITUTE MOTION THAT HB 226 DO NOT PASS. Motion carried on a roll call vote 13-3.

Motion/Vote: REP. VOGEL MOVED TO TABLE HB 226. Motion carried unanimously.

EXECUTIVE ACTION ON HOUSE BILL 299

Motion/Vote: REP. EWER MOVED THAT HB 299 DO PASS. Motion carried 15-1 with REP. WINSLOW opposing.

EXECUTIVE ACTION ON HOUSE BILL 295

Motion: REP. WYATT MOVED THAT HB 295 DO NOT PASS.

Discussion: REP. WYATT explained that she was opposed to the bill because it would be poor policy to differentiate from statewide law. REP. WYATT stated that she felt it should be only 25 miles per hour through Neihart, but she felt they could accomplish this through the study.

REP. VOGEL said that he felt the 45 to 50 foot width of the road was sufficient enough for them to cross without problems.

REP. DOWELL said that there was also testimony that cars park along the road, thus narrowing the road. The concern was that the traffic still goes through very quickly. He reminded the Committee that while Mr. Barnard said in his testimony that the department would do the study right away, REP. FOSTER in his closing informed the Committee that the department told the Committee the same thing last session and it just never happened. The people would not have come forward if there was a process that worked.

REP. BERGMAN asked if the Committee passed the bill would this open the door for others to make changes in speed limits.

CHAIRMAN WALLIN said he did not think it would. The department receives those requests anyway.

Motion: REP. DOWELL MADE A SUBSTITUTE MOTION THAT HB 295 DO PASS.

Motion/Vote: REP. DOWELL moved to adopt an amendment to include an immediate effective date. Motion carried 15-1 with REP. BROWN opposing.

Motion/Vote: MOTION WAS MADE THAT HB 295 DO PASS AS AMENDED. Motion failed 8-6 with REPS. SAYLES, WINSLOW, DOWELL, SMITH, MCCAFFREE, AND BRANDEWIE voting in favor.

Motion/Vote: REP. BROWN MADE A SUBSTITUTE MOTION TO TABLE HB 295. Motion carried unanimously.

EXECUTIVE ACTION ON HOUSE BILL 301

Motion/Vote: REP. WYATT MOVED THAT HB 301 DO PASS. Motion carried 15-1 with REP. BROWN opposing.

EXECUTIVE ACTION ON HOUSE BILL 306

Motion/Vote: REP. MCCAFFREE MOVED THAT HB 306 DO PASS. Motion carried 14-2 with REPS. SMITH and EWER opposing.

EXECUTIVE ACTION ON HOUSE BILL 303

Motion/Vote: REP. EWER MOVED THAT HB 303 DO PASS. Motion carried unanimously.

CHAIRMAN WALLIN announced that at the request of REP. QUILICI, the Committee will hold HB 389 until after transmittal.

ADJOURNMENT

Adjournment: 5:30 p.m.


NORM WALLIN, Chairman


PAT BENNETT, Secretary

NW/pb

HOUSE OF REPRESENTATIVES

LOCAL GOVERNMENT

COMMITTEE

ROLL CALL

DATE

2/4/93

NAME	PRESENT	ABSENT	EXCUSED
REP. NORM WALLIN, CHAIRMAN	✓		
REP. RAY BRANDEWIE, VICE CHAIRMAN	✓		
REP. ELLEN BERGMAN	✓		
REP. JOHN BOHLINGER	✓		
REP. DAVE BROWN	✓		1
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

February 5, 1993

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Mr. Speaker: We, the committee on Local Government report that House Bill 299 (first reading copy -- white) do pass.

Signed:

Norm Wallin, Chair

Committee Vote:
Yes / 4, No / 1 .

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HOUSE STANDING COMMITTEE REPORT

February 5, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Local Government report that House Bill 301 (first reading copy -- white) do pass .

Signed: *Norm Wallin*
Norm Wallin, Chair

Committee Vote:

HOUSE OF REPRESENTATIVES

LOCAL GOVERNMENT COMMITTEE

ROLL CALL VOTE

DATE 2/4/93 BILL NO. HB 226 NUMBER

MOTION: Rep. Hansen - substitute motion
do not pass. Motion passed 13-3.


NAME	AYE	NO
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	✓	
REP. NORM WALLIN, CHAIRMAN		✓

HOUSE STANDING COMMITTEE REPORT

February 5, 1993

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Mr. Speaker: We, the committee on Local Government report that House Bill 299 (first reading copy -- white) do pass.

Signed: 

Norm Wallin, Chair

HOUSE STANDING COMMITTEE REPORT

February 5, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Local Government report that
House Bill 303 (first reading copy -- white) do pass .

Signed: *Norm Wallin*
Norm Wallin, Chair

Committee Vote:
Yes 10 No 2

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HOUSE STANDING COMMITTEE REPORT

February 5, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Local Government report that House Bill 306 (first reading copy -- white) do pass.

Signed: *Norm Wallin*
Norm Wallin, Chair

3/2/93

Committee Vote:
Yes ☒ No ☐

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HOUSE STANDING COMMITTEE REPORT

February 5, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Local Government report that House Bill 301 (first reading copy -- white) do pass .

Signed: *Norm Wallin*
Norm Wallin, Chair

Committee Vote:
Yes / 5 , No / 1 .

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HOUSE OF REPRESENTATIVES

LOCAL GOVERNMENT

COMMITTEE

ROLL CALL VOTE

DATE 2/4/93 BILL NO. HB 226 NUMBER

MOTION: Rep. Hansen - substitute motion
do not pass. Motion passed 13-3.

NAME	AYE	NO
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	✓	
REP. NORM WALLIN, CHAIRMAN		✓

EXHIBIT 1
DATE 2-4-93
HB 226

Amendments to House Bill No. 226

Requested by Representative Sayles
For the House Committee on Local Government

Prepared by Susan Lenard
February 4, 1993

1. Line 15.

Strike: "for the governing body"

2. Line 16.

Following: "town"

Insert: "and is eligible to stand for election to the governing
body."

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Local Government COMMITTEE BILL NO. H/B 306
DATE 2/4/93 SPONSOR(S) Rep. McCaffree
PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<i>Carl Harrington</i>	<i>County Treasurer Ass</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Local Government COMMITTEE BILL NO. HB302
DATE 2/4/93 SPONSOR(S) Rep. Wyatt
PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Shelly Laine	City of Helena	✓	

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

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Local Government COMMITTEE BILL NO. HB 301
DATE 2/4/93 SPONSOR(S) Rep. Wyatt

PLEASE PRINT

PLEASE PRINT

[illegible]

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

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Local Government COMMITTEE BILL NO. HB303
DATE 2/4/93 SPONSOR(S) Rep. Sheila Rice
PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<i>Joe Sugar, P.O. Box 2568, Great Falls, MT 59403</i>	<i>HPDA, Inc</i>	<i>X</i>	
<i>Larry Fashbender</i>	<i>City of Gt. Falls</i>	<i>X</i>	

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