

## **MINUTES**

### **MONTANA SENATE 53rd LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON LOCAL GOVERNMENT**

**Call to Order:** By Senator Kennedy, on February 18, 1993, at  
1:00 p.m.

#### **ROLL CALL**

##### **Members Present:**

Sen. Ed Kennedy, Chair (D)  
Sen. Sue Bartlett, Vice Chair (D)  
Sen. Dorothy Eck (D)  
Sen. Delwyn Gage (R)  
Sen. Ethel Harding (R)  
Sen. John Hertel (R)  
Sen. David Rye (R)  
Sen. Bernie Swift (R)  
Sen. Eleanor Vaughn (D)  
Sen. Mignon Waterman (D)  
Sen. Jeff Weldon (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Connie Erickson, Legislative Council  
Rosalyn Cooperman, Committee Secretary

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

##### **Committee Business Summary:**

Hearing: SB 399  
Executive Action: SB 399, SB 358, SB 364, SB 332, SB 324,  
SB 288

#### **HEARING ON SB 399**

##### **Opening Statement by Sponsor:**

Senator Dorothy Eck, Senate District 40, stated SB 399 would authorize local governments to levy one mill for economic development by a vote of the governing body. She said economic development, especially in urban areas, is important to the economy.

**Proponents' Testimony:**

Mr. Evan Barrett, Butte Local Development Corporation, distributed copies of letters in support of SB 399. (Exhibit #1) He said local development corporations are the arm of economic development for local governments. Mr. Barrett said corporations like his are funded through a mix of private and public sources. The levy for economic development has been in existence since 1975, said Mr. Barrett. He said SB 399 would change the mechanism by which the tax is enacted. Mr. Barrett said current law requires a vote of the electorate before the mill may be levied and added that planning for economic development is the only function cities and counties cannot perform without a vote of the electorate. He said the requirement for a vote in order to levy the mill has deterred cities from using this option. This levy has been used only twice since 1975, said Mr. Barrett. He said many Montana counties have tried and failed to enact this levy. Mr. Barrett concluded SB 399 would give local governments proper governing authority and would encourage local options to create growth in a community.

Mr. Gordon Morris, Montana Association of Counties, stated county commissioners are elected to make decisions on behalf of their community and added the authority of local governing bodies to levy one mill for economic development is appropriate. He said the gas tax is the one other voted taxing authority and added it is just as unpopular to voters. Mr. Morris said the passage of SB 399 and would not constitute a property tax increase. He asked the Committee to consider deleting language on line 18 which reads "not to exceed five years". He said this language would be unnecessary should SB 399 be enacted.

Mr. Alec Hansen, Montana League of Cities and Towns, stated his organization's support for SB 399. He said cities and towns have complied with I-105 and added SB 399 would give cities and towns more flexibility to pursue economic development plans.

Mr. Dave Hemion, Helena Chamber of Commerce, stated they have a partnership with the local development corporation for economic development in the City of Helena. He said the end product of SB 399 would be an expansion of tax bases and economies in Montana. Mr. Hemion concluded the state may assist with economic development but added the majority of work is done at the local level.

**Opponents' Testimony:**

Mr. Tom Hopgood, Montana Association of Realtors, stated his opposition to SB 399. He said he did not agree with Mr. Morris' comments and added that SB 399 would fall outside of I-105 and would raise taxes. He said cities and towns want to take the requirement for a vote on economic development away from the people because the electorate will usually vote against it. He

asked the Committee to review Section 15-10-401 of existing law which states, "The people of the state of Montana declare it is the policy of the State of Montana that no further property tax increases be imposed on property classes". He said SB 399 is another attempt by cities to exempt levies from I-105.

**Informational Testimony:**

None.

**Questions From Committee Members and Responses:**

Senator Gage asked Mr. Hopgood if some of his concerns regarding SB 399 would be addressed if the Committee struck the word "not" from page 2, line 15. Mr. Hopgood said he would support the deletion of "not" so the mill levy would fall within the limits of I-105.

Senator Waterman asked Mr. Hopgood if there was another section of I-105 which states the measure would be in effect until the Legislature reformed the tax system. Mr. Hopgood replied Senator Waterman was correct. Senator Waterman asked Mr. Hopgood if the Realtors Association had opposed the two major taxation reform bills introduced in another committee and asked if their actions meant the Association wanted to be exempt from taxes from both ends. Mr. Hopgood stated the Realtors Association opposed both hers and Senator Crippen's sales tax bills. Senator Waterman asked Mr. Hopgood if his organization had devised any tax reform package to be considered by the Legislature. He replied the Legislature has yet to address serious tax reform and said his organization would not support any measure to raise property taxes until tax reform occurred. Mr. Hopgood stated both tax reform packages support a tax on services which is opposed by his organization. He said his organization supports a tax on the consumption of goods.

Senator Bartlett asked Mr. Hopgood if economic growth in a community would benefit realtors. Mr. Hopgood replied it would. Senator Bartlett asked Mr. Hopgood if he was representing the Montana Taxpayers Association instead of the Realtors Association. Mr. Hopgood replied he was representing the Realtors Association.

Senator Vaughn stated the language in SB 399 was permissive and gave local governments the option of enacting one mill for economic development. She said most local governments would not automatically enact the levy without first seriously considering the public response.

Senator Bartlett asked Mr. Barrett his opinion regarding Mr. Morris' suggestion to delete the existing five year limitation on imposition of an economic development mill levy.

Senator Bartlett said she was concerned about the impact this deletion would have on the two communities which voted in the economic development levy. Mr. Barrett replied proponents of the mill levy in his community specified the levy was limited to five years. He said he supports the five year limitation but said the decision regarding the time period for which the levy is enacted should be left up to individual communities. Senator Bartlett asked Mr. Barrett if the commissioners would have the authority to extend the levy once the five year period had expired. Mr. Barrett replied the two communities which voted in the economic development mill levy would be subject to SB 399 if it was enacted into law.

Senator Weldon asked Mr. Barrett how often communities have voted for an economic development mill levy. Mr. Barrett replied Lincoln, Phillips, Gallatin, Missoula and Lewis and Clark counties have all tried to vote in such a levy.

#### Closing by Sponsor:

Senator Eck stated some communities stress economic development while others do not. She said economic development is critical to those communities who support it because the planning involves a broad sector of the community. Senator Eck stated the majority of growth in Montana will come from small business. She said SB 399 offers local governments the opportunity to take the lead in economic development. She said the majority of commissioners will not make a rash decision to levy mills for economic development because they run the risk of being voted out of office if most of the electorate disagrees. Senator Eck concluded she supported Senator Gage's suggestion to delete "not" which would require the economic development mill levy to fall within the limits of I-105.

#### EXECUTIVE ACTION ON SB 399

#### Discussion:

Senator Kennedy asked Senator Eck if she favored the suggestion to remove the five year levy period. Senator Eck replied she thought it was a good idea, however, she asked Mr. Barrett how Butte-Silver Bow would be affected. Mr. Barrett replied Butte Silver-Bow might not be able to continue its economic development mill levy if it was placed within the I-105 limit. He said he did not object to the removal of the five year levy period. Senator Bartlett replied that local governments wishing to levy one mill for economic development would have to do so annually if the five year limitation was removed.

Senator Waterman asked if the five year levy period prevented a local government from levying a mill for economic development in the future. Connie Erickson replied the language in SB 399 did

not prevent local governments from levying an additional mill for economic development in the future as long as it was done once every five years.

Senator Eck asked Senator Bartlett if a governing body had the authority to levy a mill for more than one year at a time. Senator Bartlett stated budgets are done annually, however, she added that local governments could state their intent to extend this levy for a five year period at the time of public hearings. Senator Eck replied it was for this reason she preferred the five year limitation be retained in SB 399.

Senator Gage stated it did not make sense to retain the five year levy period as long as the option for the economic development mill levy was not voted on by the people. Senator Bartlett stated she agreed with Senator Gage and added the five year period would allow local development corporations and governments some certainty about the levy.

Senator Waterman asked if county commissioners can make a future commitment for the county and then have it overturned by newly elected county commissioners. Mr. Barrett replied that newly elected county commissioners would have the authority to discontinue the mill if they so desired.

Senator Kennedy stated he would prefer to remove the five year levy period and require the levy to be considered annually.

#### **Motion/Vote:**

Senator Eck moved the five year levy period be removed from SB 399. MOTION CARRIED UNANIMOUSLY.

#### **Discussion:**

Senator Swift asked if the county commissioners would still have the authority to seek a vote of the people to override the I-105 limit if "not" was deleted so the levy would have to fall within I-105. Senator Bartlett replied a local government does not have the authority to add a mill not in their previous base. She said the emergency levy authorizations require the governing body to demonstrate to the public that they would be unable to conduct their affairs without the additional funds. Senator Bartlett added it was unlikely that such a levy would be considered an emergency since the majority of Montana's cities have conducted their affairs without an economic development levy for years.

#### **Motion:**

Senator Harding moved SB 399 be amended to remove "not" from page 2, line 10.

**Discussion:**

Connie Erickson stated other sections of law would need to be incorporated into SB 399 should the Committee decide to remove "not" from page 2, line 10. She said such a deletion would not be problematic.

Senator Harding stated a levy for economic development should remain within the limits of I-105 until a workable tax reform package is formulated.

Senator Kennedy agreed with Senator Harding and added that he would be unable to support SB 399 unless it fell within the I-105 limit.

Senator Weldon asked Connie Erickson why other sections of law would have to be amended if the Committee adopted the amendment to delete "not" from page 2, line 10. Ms. Erickson replied it would be necessary to amend I-105 to remove the exemption for the economic development levy if the Committee decided to put the levy within the limits of I-105.

Senator Kennedy noted that current law exempts the economic development mill levy from I-105 if the measure is approved by the electorate. He added that current efforts to amend SB 399 would remove the economic development levy option from the electorate but restrict it to the I-105 limit. Mr. Barrett stated he would prefer the Committee kill SB 399 than put it back under the I-105 cap. He stated that either option was painful and unlikely to be productive for providing economic development.

Mr. Morris stated that when he testified this levy would be within the limits of I-105, he assumed the Committee would place the levy within the limit if the requirement to vote on doing so was taken away from the electorate. He said the county would have to include the economic development mill levy in the calculations for the limit for the present year, not the original 1986 limit.

Senator Weldon asked Mr. Morris if he knew the value of one mill in Missoula County. Mr. Morris replied one mill would be approximately \$125,000 for Missoula County, but added that number would vary between counties.

Senator Rye stated, if enacted, SB 399 would go against the current wishes of the electorate. He said economic development naturally occurs when taxes are low and the structure is friendly to business expansion. Senator Rye said government does not create economic development but excessive government prevents it.

**Motion:**

Senator Rye made a substitute motion to DO NOT PASS SB 399.

**Discussion:**

Senator Gage suggested the Committee amend SB 399 to permit the economic development levy to fall outside the I-105 limit if the electorate voted for the levy but require it to fall within the I-105 limit if the electorate did not vote for the levy. Senator Weldon agreed and stated Senator Gage's suggestion would give communities an option to pursue mills for economic development.

Connie Erickson stated if the Committee decided to remove the I-105 exemption, they could also list exceptions to the exemption, i.e. the levy would be exempt from the I-105 limit if it had been approved by the electorate. She stated this would protect those communities who voted for the economic development levy.

Senator Rye withdrew his substitute motion to DO NOT PASS SB 399.

Senator Waterman asked if it would be possible to continue current law which places the levy outside I-105 if it is approved by the electorate but also permit commissioners to impose an economic development levy as they budget which must fall within I-105.

**Motion:**

Senator Waterman moved the Committee amend SB 399 to specify the conditions under which the economic development levy would be required to fall within the I-105 limit.

**Discussion:**

Connie Erickson stated the economic development levy would then be an option to be voted on by the electorate or imposed by the governing body. She said the levy would fall outside the I-105 limit if the measure was voted on while the levy would be required to fall within the I-105 limit if the levy was imposed.

Senator Bartlett stated the five year limit should be restored for those levies voted on and approved by the electorate.

Senator Rye asked Senator Waterman to repeat her motion. Senator Gage replied current statute would pertain to the levy which could fall outside the cap while the motion would state that the governing body could impose an economic development levy but it must fall within the cap.

Senator Harding withdrew her motion to remove "not" from page 2, line 10.

**Vote:**

Senator Waterman's motion (Exhibit #2) to amend SB 399 CARRIED UNANIMOUSLY.

**Motion:**

Senator Eck moved SB 399 DO PASS AS AMENDED.

**Discussion:**

Senator Gage stated SB 399 as amended might not be necessary because the one option where the levy can fall outside the I-105 limit exists in current legislation while the other option to impose the levy is already authorized as long as it falls within the I-105 limit.

Senator Bartlett asked Mr. Morris if other sections of code authorized governing bodies to levy mills for economic development. Mr. Morris replied the authority to levy mills for economic development existed in only one section of law. Mr. Barrett stated Senator Gage's arguments were accurate in part but added the amendment is still necessary because it would specify for what purposes the money could be used.

Senator Eck stated she would not withdraw her motion because she believes SB 399 extends an option to counties wishing to pursue economic development.

Senator Gage stated his support for SB 399 as amended and added local levies do not just benefit a single community. Senator Gage stated everyone in Montana benefits from the money derived from statewide levies.

**Vote:**

Motion to DO PASS SB 399 AS AMENDED carried nine votes to two with Senators Rye and Swift voting NO.

**EXECUTIVE ACTION ON SB 358**

**Motion/Vote:**

Senator Eck moved SB 358 DO PASS. MOTION CARRIED UNANIMOUSLY.



**EXECUTIVE ACTION ON SB 364****Discussion:**

Senator Rye stated the City of Billings had some concerns regarding the wording of SB 364 and asked the Committee to hear from Mr. Dennis Flick of Billings.

Mr. Flick stated he was concerned that SB 364 in its current form might exempt "boarding houses" from zoning restrictions. He said Billings would be unable to regulate these houses on other regulation violations.

Senator Weldon asked Mr. Flick if governing bodies in cities are authorized to enforce other regulations to limit the disruption of "boarding houses" and other multi-person dwelling units. Senator Eck stated in most areas, parking regulations are separate from zoning requirements. She said SB 364 would increase the number of unrelated persons able to live in the same housing unit and would not restrict cities' ability to enforce other safety regulations and city ordinances.

Senator Weldon stated he preferred SB 364 as written because it would allow more people to share housing but would also give cities the authority to regulate living arrangements based on safety concerns.

Senator Rye stated he would have Mr. Flick testify during the House hearing and asked the Committee to pass SB 364.

**Motion/Vote:**

Senator Rye moved SB 364 DO PASS. MOTION CARRIED UNANIMOUSLY.

**EXECUTIVE ACTION ON SB 332****Discussion:**

Senator Weldon stated he and Connie Erickson had been working on amendments to address the concerns of SB 332's proponents. Connie Erickson stated the amendments to SB 332, as desired by Senator Weldon, would give the governing bodies within an urban transportation district the option of making the urban transportation board either elected or appointed. She said if the governing body would opt to make the board elected, the number of board members would be increased from three to five. If the governing board would instead opt to appoint board members, Ms. Erickson said, the number of board members would be left up to the discretion of the governing board. She said the terms of office for the board members would be disrupted if the

number of elected board members was increased to five. Ms. Erickson noted the current three member elected board has one four year and two two year terms. Ms. Erickson stated she and Senator Weldon reviewed provisions for terms of office for other district boards including fire districts, whose members are initially appointed then elected to three year terms. She concluded the Committee should decide the composition of the urban transportation board before taking executive action on SB 332.

Senator Waterman stated she would prefer to allow governing bodies in urban transportation districts to decide the board's composition.

Senator Bartlett asked Senator Waterman how her suggestion would affect existing urban transportation boards. Senator Waterman replied the board would be required to set out their rules. Senator Bartlett stated it might be more desirable to require the governing structure of the district to include more people in their decision making process.

Senator Weldon stated the composition of the urban transportation board in Missoula is an important issue because of the high levels of pollution in the area. He said many of the pollution problems in his area could be solved if the city and county were given more authority to address the issue. Senator Weldon said the intent of his amendments would be to give county and city governments the authority to create and organize urban transportation boards. He said this would be a change in policy because existing boards are self-regulating. Senator Weldon agreed the organizational detail should be left up to local governing bodies. Senator Kennedy asked Connie Erickson to prepare an amendment to that effect.

Connie Erickson stated she believed the Committee supported the following amendments to SB 332. First, governing bodies in urban transportation districts would be given the option of creating an elected or appointed transportation board. Second, the governing body of the city and county would be given the authority to determine the composition and rules of the board.

Senator Kennedy said he supported this option because it would give local governments the flexibility to organize an effective transportation board.

Senator Eck asked if transportation boards had the authority to enact levies. Connie Erickson replied statute gives transportation boards taxing authority because the county commissioners must levy the amount of money deemed necessary by the transportation board for its operation.

Senator Weldon stated another option would be to make this taxing authority not final, however, he preferred to give local governing bodies the authority to determine the composition of

the transportation board. Senator Weldon asked that his notes on SB 332 be entered into the record. (Exhibit #3)

**Motion/Vote:**

Senator Waterman moved the Committee adopt the suggested amendments to SB 332. MOTION CARRIED UNANIMOUSLY.

**Motion/Vote:**

Senator Weldon moved SB 332 DO PASS AS AMENDED. MOTION CARRIED UNANIMOUSLY.

**EXECUTIVE ACTION ON SB 324**

**Motion:**

Senator Eck moved the Committee adopt the amendments offered to SB 324. (Exhibit #4)

**Discussion:**

Senator Eck stated the amendments offered to SB 324 would require cities which annex wholly surrounded industrial properties to reimburse the county road fund at a decreasing percentage rate for a period of five years. She said this would address concerns of opponents to SB 324 who feared they would lose revenue.

Senator Weldon stated he was still concerned about the impact SB 324 would have on rural fire districts. Senator Eck replied she would be willing to revise her amendment to include rural fire districts in the reimbursement scheme.

Senator Swift stated he appreciated Senator Eck's attempt to address lost revenue by the county, however, he said he did not think SB 324 or its amendments would address the problem of an inadequate tax base for cities.

**Motion:**

Senator Eck made a substitute motion to include rural fire districts in her original motion.

**Discussion:**

Senator Eck stated SB 324 pertains only to wholly surrounded industrial areas. She noted that a few rural fire districts have

become incredibly powerful in the last few years and have successfully defeated attempts to annex wholly surrounded industrial properties well within the city limits to protect their own interests.

Connie Erickson stated she drafted a bill for Representative Toole which would address lost revenue to a rural fire district as a result of property annexation. She said she was unaware if the bill had been introduced or passed. Mr. Hansen stated the bill had been heard recently in House Local Government and tabled. He added the bill applied to all kinds of annexations, not just wholly surrounded industrial property.

Senator Gage asked Senator Eck if she intended to include the property in subsection 2 of SB 324 in her revised amendment so properties identified in subsections 1 and 2 would receive reimbursements for lost revenue. Senator Waterman agreed and asked if golf courses would also be entitled to receive reimbursements for lost revenue if their property were annexed.

Senator Rye stated the golf course to which Senator Waterman had referred is in his Senate district. He said for years the golf course has chosen not to be part of the city and not to receive any city services. Senator Rye added that the city, in turn, has made it clear that they will not respond to any fire on the golf course's grounds. He said the golf course should have the option to remain outside the city limits if they choose to not receive any city services.

Senator Gage again asked Senator Eck if she intended to include the property in subsection 2 of SB 324 in her revised amendment. Senator Eck replied she would include property identified in subsection 2 in her revised amendment.

**Motion/Vote:**

Senator Eck moved her substitute motion to include all property identified in subsection 2 of SB 324. MOTION CARRIED UNANIMOUSLY.

**Motion:**

Senator Eck moved SB 324 DO PASS AS AMENDED.

**Discussion:**

Senator Hertel stated industrial properties in some cities existed long before the city grew to its current size. He said it would be unfair to penalize these properties based solely on their location within an area.

Senator Rye stated he agreed with Senator Hertel's comments and added that industrial properties which do not opt to use city services should not have to pay city taxes.

Senator Waterman asked if wholly surrounded industrial properties are subject to Special Improvement Districts (SIDs) taxes on roads near or on their property. Senator Bartlett replied they would if the property fell within the SID.

Senator Eck stated these properties do use city services but do not have to pay for it. She said the city is the entity which maintains the roads and responds to emergencies in their incorporated area even though the contribution to receive such services is extremely uneven.

Senator Swift stated industrial properties contribute to the city's tax base by hiring employees who live in the city and patronize city businesses.

**Vote:**

Senator Eck's motion to DO PASS SB 324 AS AMENDED FAILED THREE VOTES TO EIGHT by roll call vote.

**Motion/Vote:**

Senator Gage moved SB 324 DO NOT PASS by a reverse of the roll call vote. MOTION CARRIED UNANIMOUSLY. Senator Gage will carry the adverse Committee report.

**EXECUTIVE ACTION ON SB 288**

**Discussion:**

Connie Erickson stated the amendments offered to SB 288 return the bill to its original intent.

**Motion/Vote:**

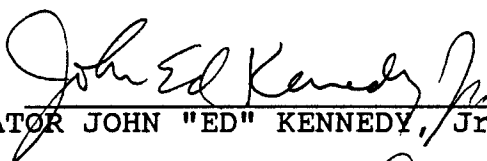
Senator Rye moved the Committee accept the amendments offered to SB 288. MOTION CARRIED UNANIMOUSLY.

**Motion/Vote:**

Senator Rye moved SB 288 DO PASS AS AMENDED. MOTION CARRIED UNANIMOUSLY.

ADJOURNMENT

Adjournment: 2:55 p.m.

  
SENATOR JOHN "ED" KENNEDY, Jr., Chair

  
ROSALYN COOPERMAN, Secretary

JEK/rlc

# ROLL CALL

SENATE COMMITTEE Local Government

DATE 2-18-93

NAME	PRESENT	ABSENT	EXCUSED
Senator John "Ed" Kennedy	✓		
Senator Sue Bartlett	✓		
Senator Dorothy Eck	✓		
Senator Delwyn Gage	✓		
Senator Ethel Harding	✓		
Senator John Hertel	✓		
Senator David Rye	✓		
Senator Bernie Swift	✓		
Senator Mignon Waterman	✓		
Senator Jeff Weldon	✓		
Senator Eleanor Vaughn	✓		

ADVERSE

SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
February 18, 1993

MR. PRESIDENT:

We, your committee on Local Government having had under consideration Senate Bill No. 324 (first reading copy -- white), respectfully report that Senate Bill No. 324 do not pass.

Signed: John Ed Kennedy Jr  
Senator John "Ed" Kennedy, Jr., Chair

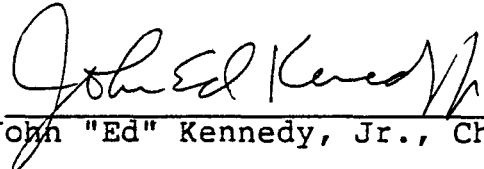


SENATE STANDING COMMITTEE REPORT

Page 1 of 6  
February 19, 1993

MR. PRESIDENT:

We, your committee on Local Government having had under consideration Senate Bill No. 288 (first reading copy -- white), respectfully report that Senate Bill No. 288 be amended as follows and as so amended do pass.

Signed:   
Senator John "Ed" Kennedy, Jr., Chair

That such amendments read:

1. Title, line 9.  
Following: "SECTIONS"  
Insert: "2-6-201,"

2. Title, line 10.  
Following: line 9  
Insert: "7-4-2221, 7-4-2222, 7-4-2223, 7-4-2612, 7-4-2613, 7-5-2131,"  
Strike: "15-1-104,"  
Strike: "20-9-215,"  
Insert: "22-3-201, 22-3-202, 22-3-203,"

3. Page 3, line 24.  
Strike: line 24 in its entirety

4. Page 4, line 10.  
Strike: "periodically"  
Insert: "twice a year"

5. Page 5, line 24.  
Following: line 23  
Insert: "Section 5. Section 2-6-201, MCA, is amended to read:  
"2-6-201. Purpose. The purpose of this part is to create an effective records management program for executive branch agencies of the state of Montana and political subdivisions by establishing guidelines and procedures for the efficient and economical control of the creation, utilization, maintenance, and preservation of state and local records.""  
Renumber: subsequent sections

6. Page 6, line 24.  
Following: line 23  
Insert: "Section 7. Section 7-4-2221, MCA, is amended to read:  
"7-4-2221. Manner of keeping records and storing documents.  
(+) Whenever any officer of any county is required or authorized by law to record, copy, file, recopy, or replace any document,

plat, paper, written instrument, or book on file or of record in his the officer's office, ~~he the officer~~ may do so by photostatic, microphotographic, microfilm photographic, micrographic, electronic, or other mechanical process which that produces a clear, accurate, and permanent copy or reproduction of the original document, plat, paper, written instrument, or record in accordance with standards not less than those now approved for permanent records by the national bureau of standards.

~~(2) Nothing in 7-4-2613 shall be construed as preventing the recording or photographing or copying of such instruments separately upon a single or loose page or pages of a book if such page or pages shall immediately become a part of such book or volume which, when completed, shall be firmly bound and the pages thereof securely locked or sealed into the volume."~~

Section 8. Section 7-4-2222, MCA, is amended to read:

"7-4-2222. Substitution of reproduction for original document. (1) Any such document, plat, paper, written instrument, or book reproduced as provided in 7-4-2221(1), ~~the original of which is not less than 10 years old,~~ can be disposed of or destroyed only upon order of the district or probate court having jurisdiction, and the reproductions may be substituted therefor as public records.

(2) ~~The photostatic, microphotographic, or microfilmed copy of any such record destroyed or disposed of as herein authorized in this section or a certified copy thereof shall be is~~ admissible as evidence in any court or proceeding and shall have has the same force and effect as though the original record had been produced and proved.

(3) ~~It shall be is~~ the duty of the custodian of ~~such the~~ records to prepare enlarged typed or photographic copies of the records whenever their production is required by law."

Section 9. Section 7-4-2223, MCA, is amended to read:

"7-4-2223. Duplicate records -- safe storage of one copy.

(1) Whenever any record or document is copied or reproduced by ~~microphotographic, microfilm, or other mechanical process as provided in 7-4-2221, it shall must~~ be made in duplicate.

(2) ~~The custodian thereof of the record or document shall place one the master copy, the contents thereof of the copy being first duly identified and indexed, in a fireproof vault or fireproof storage place. He The custodian shall retain the other copy in his the office with suitable equipment for displaying such record by projection to not less than its original size or for preparing copies of the record reproducing the record or document for persons entitled thereto to the record or document."~~

Section 10. Section 7-4-2612, MCA, is amended to read:

"7-4-2612. Books for recording documents. The county clerk, as ex officio recorder, must shall procure such books or other recording materials for records as that the business of his the office requires, but orders for the same books or materials must first be obtained from the board of county commissioners."

Section 11. Section 7-4-2613, MCA, is amended to read:

"7-4-2613. Documents subject to recording. The county clerk must shall, upon payment of his the appropriate fees for the same, record, photograph, or correctly copy, separately, in large and well-bound or to be bound separate books, either in a fair hand or by printing, typewriting, or photographic, micrographic, or electronic process or by the use of prepared blank forms:

(1) deeds, grants, transfers, certified copies of final judgments or decrees partitioning or affecting the title or possession of real property any part of which is situated in the county, contracts to sell or convey real estate and mortgages of real estate, releases of mortgages, powers of attorney to convey real estate, leases which have been acknowledged or proved, and abstracts of such the instruments which that have been acknowledged or proved;

(2) notices of buyer's interest in real property, notwithstanding any other requirement of law or rule relating to eligibility for recording of the deed, contract for deed, or other document relating to the notice of buyer's interest; however, if the instrument of conveyance underlying a notice of buyer's interest would be unrecordable, the clerk and recorder shall notify the buyer by certified mail that the underlying instrument is unrecordable and may be void;

(3) a document on a form provided by the department of revenue certifying that the holder of a nonprobate interest in real property is deceased and that his the deceased's interest is terminated. A nonprobate interest in real property is a joint tenancy interest, a life estate interest, or any other interest not requiring probate. The document may be on the form used by the department of revenue for responding to the application for determination of inheritance or estate tax. It ~~shall~~ must contain:

(a) a statement that the holder of the nonprobate interest has died and that his the deceased's interest in the property is terminated;

(b) a certification by the county treasurer that the inheritance or estate tax, if any tax was due, has been paid or that no inheritance or estate tax was due;

(c) a description of the property;

(4) certificates of births and deaths;

(5) wills devising real estate admitted to probate;

- (6) official bonds;
- (7) transcripts of judgments ~~which~~ that by law are made liens upon real estate;
- (8) instruments describing or relating to the individual property of married persons;
- (9) all orders and decrees made by the district court in probate matters affecting real estate and ~~which~~ that are required to be recorded;
- (10) notice of preemption claims;
- (11) notice and declaration of water rights;
- (12) assignments for the benefit of creditors;
- (13) affidavits of annual work done on mining claims;
- (14) notices of mining locations and declaratory statements;
- (15) estrays and lost property;
- (16) a book containing appraisement of state lands; and
- (17) ~~such~~ other writings as that are required or permitted by law to be recorded."

Section 12. Section 7-5-2131, MCA, is amended to read:  
"7-5-2131. Records to be available to public. The books, records, and accounts must be kept at the office of the clerk, and must be open at all times for public inspection free of charge."

Renumber: subsequent sections

7. Page 6, line 25.

Strike: "old"

Strike: "(1)"

8. Page 7, line 1.

Following: "with the"

Insert: "written"

9. Page 7, lines 4 through 6.

Following: "destroy" on line 4

Strike: remainder of line 4 through "permanent" on line 6

Following: "records" on line 6

Insert: "that have met the retention period, as contained in the local government records retention and disposition schedules, and that are no longer needed by the office"

10. Page 7, lines 7 through 21.

Strike: subsection (2) in its entirety

11. Page 7, lines 23 and 24.

Strike: "old" on line 23

Following: "." on line 23

Strike: remainder of line 23 through "upon" on line 24

Insert: "Upon"

12. Page 7, line 25.

Following: "the"

Insert: "written"

13. Page 8, lines 3 through 5.

Following: "destroy" on line 3

Strike: remainder of line 3 through "permanent" on line 5

Following: "records" on line 5

Insert: "that have met the retention period, as contained in the  
local government records retention and disposition  
schedules, and that are no longer needed by the office"

14. Page 8, line 12 through page 9, line 1.

Strike: subsection (2) in its entirety

15. Page 9, lines 2 through 8.

Strike: section 8 in its entirety

Renumber: subsequent sections

16. Page 9, line 10.

Strike: "old"

Following: "by"

Insert: "school"

17. Page 9, lines 11 through 15.

Strike: line 11 through "upon" on line 15

Insert: "Upon"

18. Page 9, line 16.

Following: "with the"

Insert: "written"

19. Page 9, lines 18 and 19.

Following: "[Section 3]" on line 18

Strike: remainder of line 18 through "years" on line 19

Insert: ", a school officer may destroy records that have met the  
retention period, as contained in the local government  
records retention and disposition schedules, and that are no  
longer needed by the office"

20. Page 9, lines 20 through 23.

Following: "(2)" on line 20

Strike: remainder of line 20 through "the" on line 23

Insert: "Student"

Following: "kept"

Insert: ", and employment records must be kept for 10 years after termination"

21. Page 9, line 24 through page 10, line 5.

Strike: section 10 in its entirety

Insert: "Section 16. Section 22-3-201, MCA, is amended to read:

"22-3-201. Public policy. The legislature declares that it is the public policy of the state of Montana that noncurrent records of permanent value to the state and to local governments should be preserved and protected; that the operations of state government should be made more efficient, more effective, and more economical through current records management; and that to the end that the people may receive maximum benefit from a knowledge of state and local government affairs, the state and local governments should preserve its noncurrent records of permanent value for study and research."

Section 17. Section 22-3-202, MCA, is amended to read:

"22-3-202. Archives created -- appointment, duties, and compensation of archivist. There is a state archives in the Montana historical society for the preservation of noncurrent records of permanent value to the state and local governments and for records management. The director of the Montana historical society shall appoint a state archivist, who serves at the pleasure of the director, define his the archivist's duties, and fix his the archivist's compensation with the approval of the board of trustees of the Montana historical society."

Section 18. Section 22-3-203, MCA, is amended to read:

"22-3-203. Preservation of noncurrent records of permanent value. The state archivist shall preserve noncurrent records of permanent value to the state and is responsible for the ultimate preservation of local government records of permanent value. Upon request, he the archivist shall assist and advise in the establishment of records management programs in the executive, legislative, and judicial branches of state government and in local governments, with due regard to the functions of the officers and agencies involved.""

Renumber: subsequent sections

-END-

SENATE STANDING COMMITTEE REPORT

Page 1 of 2  
February 20, 1993

MR. PRESIDENT:

We, your committee on Local Government having had under consideration Senate Bill No. 332 (first reading copy -- white), respectfully report that Senate Bill No. 332 be amended as follows and as so amended do pass.

Signed: John Ed Kennedy Jr.  
Senator John "Ed" Kennedy, Jr., Chair

That such amendments read:

1. Title, lines 4 through 8.

Following: "AN ACT"

Strike: lines 4 through 8 in their entirety

Insert: "REVISING THE URBAN TRANSPORTATION DISTRICT LAWS;  
ALLOWING FOR THE APPOINTMENT OF A TRANSPORTATION DISTRICT BOARD; ALLOWING LOCAL GOVERNING BODIES TO DETERMINE THE NUMBER OF BOARD MEMBERS, THE TERM OF OFFICE, THE SELECTION OF INITIAL MEMBERS, AND THE PROCEDURE FOR FILLING VACANCIES; AMENDING SECTIONS 7-14-212 AND 7-14-214, MCA; AND REPEALING SECTIONS 7-14-213, 7-14-215, 7-14-216, and 7-14-217, MCA."

2. Pages 1 through 5.

Strike: everything following the enacting clause

Insert: "Section 1. Section 7-14-212, MCA, is amended to read:

"7-14-212. District to be governed by ~~elected~~ transportation board. (1) The district shall must be governed by a transportation board. The board shall consist of three members. After expiration of the term of the individuals appointed to the initial board, the board members shall be elected The commissioners and the governing bodies of each city or town included or partially included in the district shall determine if the board is to be elected or appointed.

(2) The commissioners and the governing body by resolution shall:

(a) determine the number of board members;

(b) set the term of office;

(c) determine the makeup of the board with respect to the number of appointed members that will represent each county, city, or town;

(d) establish a procedure for selecting the initial members of an elected board. The initial members shall serve until the first county general election after their appointment.

(e) determine the number of candidates for an elected board whose names must be placed on the ballot in the county general election, based on the results of the primary election; and  
(f) establish a procedure for filling vacancies on the board, including a provision for public notice."

Section 2. Section 7-14-214, MCA, is amended to read:

"7-14-214. Election of members of transportation board. ~~(1)~~  
Any registered elector in the district may file a petition of candidacy with the election administrator of the county where the district is located. ~~No~~ A filing fee ~~shall~~ may not be required. All candidates shall file a nonpartisan petition for candidacy containing the signatures of not less than 25 registered electors of the district. Except for the number of petition signers required, the petition shall be filed as provided in 13-14-113.

~~(2) The names of the six candidates receiving the highest number of votes in the primary election shall be placed on the ballots in the county general election."~~

NEW SECTION. Section 3. Repealer. Sections 7-14-213, 7-14-215, 7-14-216, and 7-14-217, MCA, are repealed."

-END-



SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
February 18, 1993

MR. PRESIDENT:

We, your committee on Local Government having had under consideration Senate Bill No. 358 (first reading copy -- white), respectfully report that Senate Bill No. 358 do pass.

Signed: John Ed Kennedy Jr  
Senator John "Ed" Kennedy, Jr., Chair

SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
February 18, 1993

MR. PRESIDENT:

We, your committee on Local Government having had under consideration Senate Bill No. 364 (first reading copy -- white), respectfully report that Senate Bill No. 364 do pass.

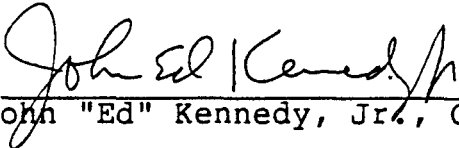
Signed: John Ed Kennedy Jr.  
Senator John "Ed" Kennedy, Jr., Chair

SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
February 19, 1993

MR. PRESIDENT:

We, your committee on Local Government having had under consideration Senate Bill No. 399 (first reading copy -- white), respectfully report that Senate Bill No. 399 be amended as follows and as so amended do pass.

Signed:   
Senator John "Ed" Kennedy, Jr., Chair

That such amendments read:

1. Title, line 6.

Following: ";

Insert: "SUBJECTING THE LEVY TO THE PROVISIONS OF TITLE 15,  
CHAPTER 10, PART 4, UNDER CERTAIN CIRCUMSTANCES;"

2. Page 1, line 14 through line 18.

Strike: "The" on line 14 through "years." on line 18

Insert: "The governing body of a city, county, or town is authorized to levy up to 1 mill upon the taxable value of all the property in the city, county, or town subject to taxation for the purpose of economic development. The governing body may:

(a) submit the question of the mill levy to the qualified voters voting in a city, county, or town election; or  
(b) approve the mill levy by a vote of the governing body."

3. Page 2, line 8 through line 10.

Strike: "The" on line 8 through "(1)," on line 10

Insert: "A tax authorized by a vote of the electorate, as provided in subsection (1)(a), may be levied for a period not to exceed 5 years and"

-END-

DATE 18 February 1993

SENATE COMMITTEE ON Local Government

BILLS BEING HEARD TODAY: SB 399 - ECK

Name	Representing	Bill No.	Check One	
			Support	Oppose
DAVID HEMION	HELENA CHAMBER	SB 399	✓	
Gordon Morris	MACO	399	✓	
Alec Hansen	MLCT			

## VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

## ROLL CALL VOTE

SENATE COMMITTEE Local Government BILL NO. SB 324

DATE 2-18-93 TIME 1:00 A.M. (P.M.)

NAME \_\_\_\_\_

YES

NO

Senator David Rye		✓
Senator Bernie Swift		✓
Senator Mignon Waterman	✓	
Senator Jeff Weldon		✓
Senator Eleanor Vaughn		✓
Senator Dorothy Eck	✓	
Senator Delwyn Gage		✓
Senator Ethel Harding		✓
Senator John Hertel		✓
Senator Sue Bartlett		✓
Senator Ed Kennedy	✓	
Motion failed 8 votes to 3		

Rosalyn Cooperman  
SECRETARY

Sen. John "Ed" Kennedy  
CHAIR

MOTION: Senator Eck moved SB 324 Do Pass as Amended



SENATE LOCAL GOVERNMENT

EXHIBIT NO. 1DATE 2-18-93BILL NO. SB 399**MEMORANDUM****DATE:** February 17, 1993**TO:** Senate Local Government Committee  
State Capitol  
Helena, MT**FROM:** Ronald L. Klaphake, President  
Missoula Economic Development Corporation  
Missoula, MT**RE:** SB 399

Missoula Economic Development Corporation (MEDC) strongly supports Senate Bill 399.

Holding elections costs money. Why not allow local units of government authority to support economic development directly? Local governments need and want to enhance their tax base and provide jobs by encouraging responsible development. It only make sense to give them the right to make that decision.

Recommend SB 399 to pass.

RLK:smw

# ANACONDA

LOCAL DEVELOPMENT CORPORATION

P.O. BOX 842  
ANACONDA,  
MONTANA 59711  
TELEPHONE (406) 563-5538

February 17, 1993

Senator Ed Kennedy, Chairman  
Local Government Committee  
Room 405  
State Capitol  
Helena, MT 59601

Dear Senator Kennedy and Committee Members:

I would like to take this means to support Senate Bill 399.

The \$8700.00 which could be generated from a 1 mill would be helpful in many projects and would show local support here in Deer Lodge County. The expense of running a local levy vote cannot be justified in our tight economic times and thus we have not sought these funds.

We would support the measure which would allow our Commissioners to levy this mill without the expense of an election.

Sincerely,



James H. Davison  
Executive Director/Manager

JHD:ja

*Senate Local  
Government*

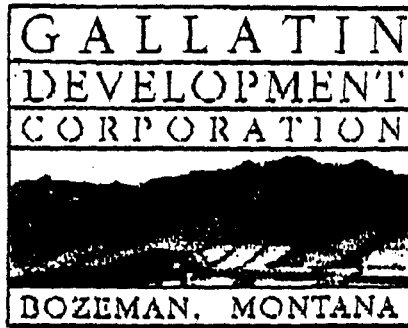


Exhibit # 1  
2-18-93  
SB-399

*Green  
723-0040*

**RE SB 399  
SENATE LOCAL GOVERNMENT COMMITTEE**

**Senator Kennedy  
Members of the Senate Local Government Committee**

**Effective economic development is possible only when there is a strong local organization to provide the necessary linkage between businesses and communities.**

**Local governments need maximum flexibility in raising the needed dollars to leverage those private dollars which are assisting local economic development organizations throughout Montana.**

**SB 399 provides that flexibility and we urge you to support it.**



Amendments to Senate Bill No. 399  
First Reading Copy

Requested by Senator Waterman  
For the Committee on Local Government

Prepared by Connie Erickson  
February 18, 1993

SENATE LOCAL GOVERNMENT

EXHIBIT NO. 2

DATE 2-18-93

BILL NO. SB 399

1. Title, line 6.

Following: ";"

Insert: "SUBJECTING THE LEVY TO THE PROVISIONS OF TITLE 15,  
CHAPTER 10, PART 4, UNDER CERTAIN CIRCUMSTANCES;"

2. Page 1, line 14 through line 18.

Strike: "The" on line 14 through "years." on line 18

Insert: "The governing body of a city, county, or town is  
authorized to levy up to 1 mill upon the taxable value of  
all the property in the city, county, or town subject to  
taxation for the purpose of economic development. The  
governing body may:

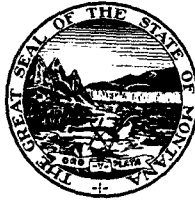
(a) submit the question of the mill levy to the  
qualified voters voting in a city, county, or town election; or  
(b) approve the mill levy by a vote of the governing  
body."

3. Page 2, line 8 through line 10.

Strike: "The" on line 8 through "(1)," on line 10

Insert: "A tax authorized by a vote of the electorate, as  
provided in subsection (1)(a), may be levied for a period  
not to exceed 5 years and"

# MONTANA STATE SENATE



SENATOR JEFF WELDON

HELENA ADDRESS:  
CAPITOL STATION  
HELENA, MONTANA 59620  
PHONE: 444-4800

HOME ADDRESS:  
24460 DONEY ROAD  
ARLEE, MONTANA 59821  
PHONE: (406) 726-3804

SENATE LOCAL GOVERNMENT

EXHIBIT NO. 3

DATE 2-18-9

BILL NO. SB 332

COMMITTEES:  
LOCAL GOVERNMENT  
NATURAL RESOURCES  
STATE ADMINISTRATION,  
VICE-CHAIRMAN

Feb. 19, 93

To: Rosalyn Cooperman, Rm 442

Re: SB 332

I surveyed each member of the Local Gov't Committee to make sure each agreed that the draft prepared by Connie was in agreement w/ the conceptual amendment we adopted yesterday. Each agreed it was ok.

Please let Connie know and pass out Committee Report on SB 332.

Also, Please add this material to the record.

Thank you,

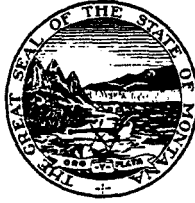
Jeff

# MONTANA STATE SENATE

SENATOR JEFF WELDON

HELENA ADDRESS:  
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HELENA, MONTANA 59620  
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COMMITTEES:  
LOCAL GOVERNMENT  
NATURAL RESOURCES  
STATE ADMINISTRATION,  
VICE-CHAIRMAN

## Memorandum

**Date:** February 19, 1993

**To:** Members of the Senate Local Government Committee

**From:** Senator Jeff Weldon

**Re:** SB 332, Revising the Urban Transportation District Laws

*Attached please find a copy of the bill that will be presented on Second Reading. Essentially, it's a substitute bill that delivers to the local governing bodies the authority to design the board, including whether the board will be appointed or elected.*

*I am comfortable with this version, which is the effect of our amendment.*

*Please let me know if you have questions or concerns.*

*Thanks.*

*Each Member  
agreed that  
this draft  
reflects amendments  
taken in committee*

*Weldon  
2/19*

*File Copy*

Amendments to Senate Bill No. 332  
First Reading Copy

Requested by Senator Weldon  
For the Committee on Local Government

Prepared by Connie Erickson  
February 19, 1993

1. Title, lines 4 through 8.

Following: "'AN ACT"

Strike: lines 4 through 8 in their entirety

Insert: "REVISING THE URBAN TRANSPORTATION DISTRICT LAWS;  
ALLOWING FOR THE APPOINTMENT OF A TRANSPORTATION DISTRICT  
BOARD; ALLOWING LOCAL GOVERNING BODIES TO DETERMINE THE  
NUMBER OF BOARD MEMBERS, THE TERM OF OFFICE, THE SELECTION  
OF INITIAL MEMBERS, AND THE PROCEDURE FOR FILLING VACANCIES;  
AMENDING SECTION 7-14-212 AND 7-14-214, MCA; AND REPEALING  
SECTIONS 7-14-215, 7-14-216, AND 7-14-217, MCA; repealing  
sections 7-14-213, 7-14-215, 7-14-216, and 7-14-217, MCA."

2. Pages 1 through 5.

Strike: everything following the enacting clause

Insert: "Section 1. Section 7-14-212, MCA, is amended to read:

"7-14-212. District to be governed by elected  
transportation board. (1) The district shall must be governed by  
a transportation board. The board shall consist of three members.  
After expiration of the term of the individuals appointed to the  
initial board, the board members shall be elected The  
commissioners and the governing bodies of each city included or  
partially included in the district shall determine if the board  
is to be elected or appointed.

(2) The commissioners and the governing body by resolution  
shall:

(a) determine the number of board members;

(b) set the term of office;

(c) determine the make-up of the board with respect to the  
number of appointed members that will represent each county,  
city, or town;

(d) establish a procedure for selecting the initial members  
of an elected board. The initial members shall serve until the  
first county general election after their appointment.

(e) determine the number of candidates for an elected board  
whose names must be placed on the ballot in the county general  
election based on the results of the primary election; and

(f) establish a procedure for filling vacancies on the  
board, including a provision for public notice."

Section 2. Section 7-14-214, MCA, is amended to read:

"7-14-214. Election of members of transportation board. ~~(1)~~

Any registered elector in the district may file a petition of candidacy with the election administrator of the county where the district is located. ~~No~~ A filing fee shall may not be required. All candidates shall file a nonpartisan petition for candidacy containing the signatures of not less than 25 registered electors of the district. Except for the number of petition signers required, the petition shall be filed as provided in 13-14-113.

~~(2) The names of the six candidates receiving the highest number of votes in the primary election shall be placed on the ballots in the county general election."~~

NEW SECTION. Section 3. {standard} Repealer. Sections 7-14-213, 7-14-215, 7-14-216, and 7-14-217, MCA, are repealed.

NEW SECTION. Section 2. When a city or town annexes mining, smelting, refining, transportation or any industrial or manufacturing property under the provisions of this part, it shall reimburse revenues lost to the county road fund according to the following schedule:

*or to rural fire district*

- (1) 100% of lost revenue in the first year;
- (2) 80% of lost revenue in the second year;
- (3) 60% of lost revenue in the third year;
- (4) 40% of lost revenue in the fourth year;
- (5) 20% of lost revenue in the fifth year.

SENATE LOCAL GOVERNMENT

EXHIBIT NO. 4

DATE 2-18-93

BILL NO. SB 324

*and include pub 2*