

MINUTES

**MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION
COMMITTEE ON LOCAL GOVERNMENT**

Call to Order: By CHAIRMAN TOM BECK, on January 5, 1995, at 1:00 p.m.

ROLL CALL

Members Present:

Sen. Thomas A. "Tom" Beck, Chairman (R)
Sen. Ethel M. Harding, Vice Chairman (R)
Sen. Sharon Estrada (R)
Sen. Delwyn Gage (R)
Sen. Don Hargrove (R)
Sen. Dorothy Eck (D)
Sen. John "J.D." Lynch (D)
Sen. Jeff Weldon (D)

Members Excused: none

Members Absent: none

Staff Present: Susan Fox, Legislative Council
Elaine Johnston, Committee Secretary

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

Committee Business Summary:

Hearing: SB 41
Executive Action: none

{Tape: 1; Side: A; Approx. Counter: 00; Comments: .}

The beginning of the meeting was an introduction of the members of the committee and a short orientation of the committee process.

HEARING ON SB 41

Opening Statement by Sponsor:

SEN. JEFF WELDON, SD 35, Arlee, presented SB 41. This bill concerns levying taxes for county sewer districts. Title seven gives counties the authority to levy taxes to support the local sewer districts and SB 41 concerns the assessments of the taxes. The East Missoula Sewer District is beginning to construct a new

sewer system and has found the current method of assessing taxes was not fair and created SB 41. Line 20-21 in SB 41 would allow "a fixed amount of money for each subsurface sewage disposal system or for each water or sewer connection on each lot or parcel of land". SEN. WELDON said that SB 41 would allow sewer districts an option.

SEN. WELDON introduced two letters, one from the Missoula County Attorney and one from the East Missoula Sewer Board. (EXHIBIT 1 and 2)

SEN. WELDON stated that SB 41 would allow the assessment on each hook-up rather than the assessment on the value of the property or lot. The assessment would be an option not mandatory, and would not affect the objection process to the taxes.

Proponents' Testimony: none

Opponents' Testimony: none

Informational Testimony:

Anna Miller, Department of Natural Resources, stated that SB 41 looked like the method of assessment would be a deficiency levy.

SEN. WELDON stated that Section 2302 also references money required by the District for other purposes set forth in the section. In the East Missoula matter for a feasibility study.

Ms. Miller stated that with the current method of rates and charges should take care of all the work needed to get things started in a new sewer district. She also stated that districts where some people set up and others do not would not allow the money needed for matters such as a feasibility study.

Questions From Committee Members and Responses:

SEN. WELDON confirmed SEN. ETHEL HARDING'S question that each district would be able to chose the method of payment and which payment they feel to be the most fair.

SEN. DELWYN GAGE asked if the district residents could use a combination of hook-ups as he felt the wording on line 20 (ii) allowed for only one type of hook-up. Also, he asked if the districts could use a different method for getting money for any purpose enumerated. SEN. WELDON replied that his intent was that the residents could use any combination of hook-ups and each would receive a charge. In regards to the second question, SEN. WELDON responded that 7-13-2302 would be used to obtain the money or one of the two methods in SB 41 could be used.

SEN. WELDON asked Susan Fox of the Legislative Council if the wording in line 20 (ii) needed to be clarified any further to be sure all hook-ups were covered, or if the intent is clear enough?

Susan Fox said she thought it was covered but would ask the drafter and editors to be sure it left all options open.

SEN. DOROTHY ECK stated that it looked like the same piece of property was being assessed in several different ways making the assessment procedure more difficult. She would like to discuss with assessors how they felt about this procedure. **SEN. ECK** asked **SEN. WELDON** if the East Missoula Sewer District's were still paying on their revenue bond? **SEN. WELDON** said that this was a new district and did not have any obligations as it has been a volunteer effort to this point.

SEN. ECK asked if these assessments could apply to existing sewer and water systems that do have other obligations? **SEN. WELDON** replied that it could if the Sewer District Board of Directors felt that this was a better way to asses taxes by hook-up they would request of their County Commissioners to have the tax assessed that way. He said it directly related to bond obligations and other expenses directed in 2302.

SEN. GAGE asked what would happen if the district was in two counties and the Board of Commissioners disagree on the method to be used? **SEN. WELDON** did not know but thought there may be a provision in Title seven.

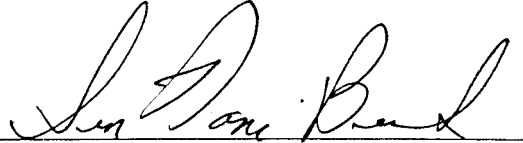
SEN. BECK asked that the bill be held until everyone was comfortable with the bill.

Closing by Sponsor:

SEN. WELDON said that he would work with **Susan Fox** and the drafters to be sure all questions are addressed. **SEN. WELDON** agrees with his constituents that this is a fair way of assessment and encouraged the committee to pass it along.

ADJOURNMENT

Adjournment: 1:32 p.m.



SEN. THOMAS A. "TOM" BECK, Chair



ELAINE JOHNSTON, Secretary

TAB/ej

1

DATE 1-5-95

[illegible]

SEN:1995
wp.rollcall.man
CS-09

JAN 05 '95 10:29AM MSLA COUNTY

SENATE LOCAL GOVT. COMM.

EXHIBIT NO. 1

DATE 1-5-95

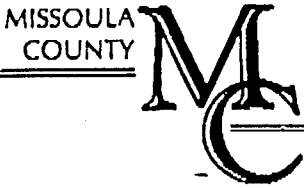
BILL NO. SB 41

P.2

ROBERT L DESCHAMPS III
COUNTY ATTORNEY
200 W BROADWAY ST
MISSOULA MT 59802-4292

(406) 523-4737

FAX # (406) 523-4803



January 5, 1995

Senator Jeff Weldon
Montana Senate
Helena MT 59620

Re: SB 41

Dear Senator Weldon:

The purpose of the requested amendment is to authorize county sewer and water districts to assess based on a per hook up or on per existing disposal system basis. The law now allows for the assessment on the basis of either land area or the taxable value of the land to be assessed. While these methods have generally been acceptable, situations can arise in which a per system or per hook up assessment is fairer.

The East Missoula Sewer District is interested in funding a feasibility study for sewer construction and believes that given the manner in which East Missoula has been developed with widely varying lot sizes and values that a per system assessment is the fairest and most equitable method of assessment in their particular circumstances.

Absent the changes proposed by this bill the per system method of assessment is not an option.

While in honesty I cannot say that such a method would be the best or most equitable in all circumstances, it would certainly seem to be an option that should be available for localities. It should be stressed that what is being proposed by this bill is a local option which provides an additional local alternative, not a mandate. The question of which method of assessment is the best or most equitable is left to the locality which can choose the method which best suits local circumstances.

Before any assessment can be imposed, using any method, the law requires, and will continue to require, that notice of the proposed assessment be mailed to every owner or purchaser of property in the district, be posted in 5 places in the district, and be published twice (MCA § 7-13-2304). The notice must state the amount of money required, the method of assessment, the area to be assessed, and the time and place of a hearing on protests to the assessment (MCA § 7-13-2306). The hearing on the protests is held by the Board of County Commissioners, not by the district board,

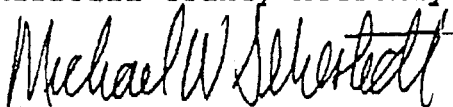
Senator Jeff Weldon
Page 2
January 5, 1995

which provides an additional check on the authority of the district board (MCA § 7-13-2307).

In summary, I would urge passage of SB 41 to provide county sewer and water districts with additional optional method of assessment.

Sincerely,

ROBERT L. DESCHAMPS III
Missoula County Attorney


Michael W. Sehestedt
Deputy County Attorney

MWS/gkm

SENATE LOCAL GOVT. COMM.

EXHIBIT NO. 2
DATE 1-5-95
BILL NO. SB 41

To: Montana State Legislature
From: East Missoula Sewer District Board
Date: Jan. 5, 1995
Re: Ref. to S.B. 41

On behalf of the East Missoula Sewer District Board, we recommend passage of SB 41 as presented.

We are sorry that none of our board members could be present for the hearing as our work schedules preclude the trip to Helena at this point.

Our board is at the point where we would like to hire an engineer to do a feasibility study on a sewerage system in East Missoula. Our next step is to ask our county commissioners for a two-year tax to fund this study. We feel that the present method of assessment is not a fair assessment for our purpose because it limits us to assessments based on either property values (we feel an individual living in a \$20,000 home contributes the same amount of cost to a sewage treatment, as an individual living in a \$100,000 home), or by the number of lots (there are some vacant lots in E. Missoula, as well as places where several lots make up one residence). In addition, a lot of our residents are on fixed incomes. By adding SB41, we are given a more appropriate method of assessment. It allows us to assess a flat rate per waste water disposal or sewer connection site to fund our study.

Thank you,

East Missoula Sewer Board

