MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By CHAIRMAN BILL BOHARSKI, on January 10, 1995, at 3:00 P.M.

ROLL CALL

Members Present:

Rep. William E. Boharski, Chairman (R)

Rep. Jack R. Herron, Vice Chairman (Majority) (R)

Rep. David Ewer, Vice Chairman (Minority) (D)

Rep. Chris Ahner (R)

Rep. Shiell Anderson (R)

Rep. Ellen Bergman (R)

Rep. John C. Bohlinger (R)

Rep. Matt Denny (R)

Rep. Rose Forbes (R)

Rep. Antoinette R. Hagener (D)

Rep. Bob Keenan (R)

Rep. Linda McCulloch (D)

Rep. Jeanette S. McKee (R)

Rep. Norm Mills (R)

Rep. Debbie Shea (D)

Rep. Joe Tropila (D)

Rep. Diana E. Wyatt (D)

Members Excused: Rep. Matt Brainard (R)

Members Absent: None

Staff Present: Bart Campbell, Legislative Council

Evelyn Burris, Committee Secretary

Please Note: These are summary minutes. Testimony and

discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 101; HB 103; HB 105

Executive Action: HB 61 DO PASS

HB 54 DO PASS AS AMENDED

HB 79 TABLED

HEARING ON HB 101

Opening Statement by Sponsor:

REP. GAY ANN MASOLO, HD 40, TOWNSEND said this bill helps her carry out some campaign promises which was to return some of the power to the local government. This bill would allow self-

governing local governments establish alternative methods for carrying out their functions and providing services required by the state law. The bill was developed by the Governor's Task Force to Renew Montana Government. It would empower local government and give more options and more creative ideas and ways of accomplishing things required by the state of Montana.

REP. MASOLO said there are approximately 1200 pages of state statutes governing local government. That body of law has been built up over the last 100 years. With technology changing, some of the statutes act as an impediment to local government in their desire to provide the best service at the lowest cost to taxpayers. This bill gives local government officials the tools they need to manage their affairs.

Proponents' Testimony:

Laurie Ekanger, representing the Governor's Office, stated the task force reported their recommendations and after reviewing the report, the governor said this is one he has endorsed along with a number of others. The general theme of the recommendations is returning authority and allowing some flexibility for local government. The goal of this recommendation is to get the state out of the business of how local government delivers a product and let them decide. Ms. Ekanger concluded by thanking on behalf of the governor's office, the Renew government Task Force for their work and she asked that this bill be passed.

David Ashley, Deputy Director, Department of Administration said he staffed the governor's task force during the last year. Mr. Ashley then explained what this bill does. The state's regulation of local government: 1) powers denied, labor laws are at state level and local government cannot reassert those laws; 2) powers requiring delegation, the most notorious would be the local options sales or income tax. The state does not delegate that particular power to a local government; 3) mandatory provisions, the state tells local government they must do certain things. He then referred to and quoted from line 14 to 21, Section 2 of the bill.

Alec Hansen, Montana League of Cities and Towns, expressed support for HB 101 on general principles. He said the 1972 constitution is intended to give cities the authority to manage their affairs and this has not happened. An enormous amount of time is spent in the legislature on bills that set operating hours, flexibility in submitting reports to elected officials, therefore this bill makes a very positive step in the right direction. Flexibility is needed at the local level to provide services as efficiently, economically and logically as possible and get past a lot of the restrictions that have been written into Title 7 over the years. There are 1,007 pages in that section and most of the provisions, in some way, restrict the authority of local government. He concluded by saying he did not think the intent of this bond service task force was in anyway to

subvert the right of public employees and if that is an issue the committee could address this. "We need to trust in elected local officials to make the right decision for the people they represent and we need to get away from the routine of coming to the legislature every two years with technical corrections in the local government."

Gordon Morris, Director of the Association of Counties, remarked that after reviewing this bill, while he felt the counties are not directly impacted, the bill deserves careful consideration and he urged a do pass recommendation.

Larry Fasbender, representing the City of Great Falls, asserted that a lot of what is going on in government today is reflected in what has happened in the last election and people want the government to do more and do it more efficiently. "We have been preventing local governments in Montana from accomplishing a lot of the tasks they carry out by bettering them with legislation at the state level that mandates what and how they are going to do What happens locally is people who do that are going to be held responsible. If this legislation is changed to allow them to carry out some of the functions and provide some services and alternative ways, if they don't work, they're going to be held responsible. This is a great opportunity if they do work. will be things to satisfy the public and restore some faith in government to make people aware of the fact that there are different ways of doing things. Technology has changed the way we live and the way they have to operate. City government ultimately is going to provide services as good or better than they are doing now. This is what this bill is attempting to do, to unchain local government."

Tim Magee, Finance Director, City of Great Falls stated one of his primary duties in the city is the budget and just about every time they get to a department, there is something they are prevented from doing or something they cannot do in a sufficient manner because of the preponderance of statutes, so many of which are contradictory. They have to stop, go a different direction, spend the money on the item, or waste the money on the item because they cannot do anything about it. They are asking for the ability to respond to their community and be able to function in the most efficient way possible. They are under very restricted revenue sources and they need to look for all options possible and responsiveness through this type of legislation.

Bill Verwolf, City Manger of Helena, agreed with previous testimony and said he wanted to go on record as supporting this bill for the following reasons: "This is a way of improving government and the way we operate. In many cases, there are some fairly small changes, because the body of law that governs has been built over so many years and so many details that this would free up local government to respond and clean some of the road blocks out. There is a group of people doing a very serious review of our local governments around the state, the local

governments study commissions. This gives them more flexibility and freedom as they look at what the structure of local government should be. This removes some of the impediments to what they are doing." He then encouraged the committee to support this bill.

Gloria Paladichuck, member of the Governor's Task Force to Renew Montana Government and the local government sub-committee, chaired by Great Falls City Manager, John Laughton, urged support of HB 101. Ms. Paladichuck stated that it allows self-governing local governments to establish alternative methods of providing services. The key word is "self government" and it is up to the local people, if they want to take advantage of such selfgoverning powers. When the Montana Constitution was re-written, it was the intent to provide vast self-governing powers to local governments but for some reason, the Montana legislature never quite wanted to fully sever the ties and allow full selfgoverning powers. This bill will help accomplish what was intended in the Montana constitution. It provides the flexibility needed for change. "We are in a rapidly-changing society and local governments need the flexibility to meet the new demands." She again urged a do pass recommendation.

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Opponents' Testimony:

Tim A. Bergstrom, a twenty-year member of the Billings Fire Department submitted his written testimony and also read his concerns to the committee members. EXHIBIT 1 He pointed out that this bill would allow local self-government entities to privatize certain services if they chose to and many required functions could be accomplished by methods other than those prescribed by current state statute. Mr. Bergstrom said he limited his comments to how this proposal might impact municipal fire departments.

Don Judge, Montana State AFL-CIO agreed with the testimony offered by Tim Bergstrom. "With this change in the Code, it is clear that local government could contract out or privatize local law enforcement services, turning over that ability to someone whose motivation is profit or not necessarily always in the public interest and public good. The concept of allowing local government more flexibility to deal with their problems is a good one but the committee should address and take a much more detailed look at just what services local government are required now to provide by law to the citizens within that local governing unit and determine if in fact there are some services that should continue to be mandated to be provided by the local government service by employees of that local government entity. This bill needs further study and perhaps an amendment in order to give local government some of what they are looking for."

Informational Testimony: None

Questions From Committee Members and Responses:

REP. DEBBIE SHEA asked David Ashley exactly what "alternative methods" mean to him. He responded, "The committee has just heard testimony from an employee of the fire department in the city of Billings (Exhibit 1) regarding a disciplinary hearing that ended before the city council could vote on whether the disciplinary action was correct and in state statute. On the police side of the acquisition, you'll also find in state statute a different procedure involving a three or five member police commission who has the same authority. Both of those are in state statute and rather than presuming at the state level that those are the best ways to handle those particular situations, this bill would give local government the authority to use either one." Mr. Ashley said they felt that hiring a hearing officer from the Attorney General's office was more efficient and the fairest way to proceed. It opens up more options for local governments to proceed with things of that nature. Mr. Ashley said before the hearing he was looking for things in terms of the police commission and it has a \$10 or \$15 per day per diem allowance for the commissioners on the board. Eventually, inflation will make those fees, which are set in statute, inappropriate. That is what causes local government to bring concerns to this committee for action. He concluded by stating this bill would take local functions and services which are best determined by how they are provided and leave it with the city councilmen and county commissioners.

REP. SHEA asked Mr. Ashley what this does for collective bargaining agreements. He responded collective bargaining agreements are one of the things under the powers denied. Collective bargaining is determined at the state level and this bill would not affect that category.

REP. DAVID EWER stated he was underwhelmed by the proponent's lack of specificity as to the value of this bill, and this is a very significant change. He said except for Mr. Ashley referring to the volunteer fire fighters he asked Mr. Alec Hanson for some examples where this would help local government. Mr. Hanson explained there are numerous places and the "general distinction between self-government and general government powers is if you have self-government powers under the constitution you are supposed to be able to do anything that is not expressly prohibited by state law. If you have general government powers you can only do those things that are specifically authorized by state law. The distinction between self-government powers and general government powers is virtually non-existent. government power does not have much meaning in Montana." Mr. Hanson continued by saying everyone of the bills brought in here the last two years essentially dealt with this issue because the legislature has written a law at one time or other that says they have to do this. He then cited examples stating five years ago there was a bill to repeal the section of law that said the city finance officer had to have the monthly finance report to the

city council on the first Monday of the month. By doing simple mathematics, one out of every seven Mondays would be the first day of the month and in this instance the first Monday of the month was New Year's Day, which is a holiday. The first Monday of the month this year was also New Year's Day which is a holiday. People were forced to comply with this law or choose to ignore it. This could be avoided if the definition of self-government powers is broadened and this is the purpose of this bill. Mr. Hanson said in going through the codes, there are hundreds of examples where if this bill were passed, a self-government empowered city could do some of these things. He then offered to provide the committee with a list of examples before executive action takes place.

REP. DAVID EWER said for the benefit of the committee it might be helpful to know which cities and counties are self-governing and how many incorporatated counties there are in Montana, and of those, how many are self governing and who are they. Mr. Hanson responded there are 128 cities and towns and 10 to 12 have self-governing powers. He mentioned Great Falls, Helena, Billings, and Sunburst and West Yellowstone are some of the small towns that have them. Some of the larger towns that do not are Missoula and Bozeman. The decision to have self-governing powers is always voted on by the people. After this current round of government review, there will be more cities and towns with self government powers.

REP. EWER encouraged Mr. Hanson to provide the examples he spoke of so the committee can better understand this bill. Mr. Hanson agreed to do this. REP. EWER said there is legitimate interest in what the state has said about key personnel issues on due process for fire fighters and if it is not the intention of the proponents to get into that area, it would be helpful to fix this bill accordingly. REP. EWER said he assumes the list of examples will not include this area. Mr. Hanson stated an important point to remember is the number of public employees other than police officers and fire fighters that do not have specific statutory protection and they are covered very effectively by the labor laws of the state of Montana, e.g., wrongful discharge, and this bill does nothing at all to affect this. As far as privatization of police and fire service, there has not been an organization that has fought more aggressively against mandates of privatization than the League of Cities with regard to garbage, contracting service, etc. Mr. Hanson said this is not the intent and he is not aware of any self-governing city at this time that has any remote intent to privatize the police or fire department.

REP. TONI HAGENER stated that in the 1974-76 local government review period they were required to have an alternative form of government put on the ballot and many opted for self-government powers. REP. HAGENER then asked how many of those actually passed. Mr. Hanson stated he was not sure he could give an accurate answer and the only one he was sure failed was in Bozeman when they put it on the ballot and it was rejected.

- REP. HAGENER stated that specifically, that segment of it failed and there were quite a few others that had self-government powers that were a part of the reason it failed. She asked of those that did have self-government powers in the 1974-76 or in the 1984-86 period of time, how many have disbanded any of their emergency services. Mr. Hanson said he was not aware and there may be some small towns that have contracted with the county for law enforcement which is allowable under the law. He was not sure if any of the cities that have done this in the last twenty years have self government powers or not and it would not make any difference because the city, with general government powers, can also contract with the county for law enforcement. he is not aware of anyone that has disbanded emergency services. The trend has been the other way, to provide more emergency He said two years ago there was talk about the ambulance districts and the ability to provide those services.
- REP. LINDA MCCULLOCH asked Mr. Judge if he could tell the committee about the amendments to this bill. He responded that he had suggested that the committee may want to look at some amendments to exclude the provision of law enforcement and the provision of fire services and emergency-related services from the ability of local government to contract out those services. Mr. Judge said it is already clear that local government has other services they do contract out. There have been some disputes in communities such as Great Falls over the contracting out of garbage collection. There will be other disputes as communities look toward cutting the costs of providing public In the constitution and through the laws, there were some clear directions that state government gave local governments in terms of protecting the health and welfare of the citizens. Those are two clear areas where we think that government should be prohibited from contracting to the private sector.
- REP. JEANETTE MCKEE asked Gloria Paladichuck if the task force committee considered and talked about the concerns Mr. Judge has on the possibility of contracting out for police, fire and emergency services. Ms. Paladichuck responded yes, that it was discussed as a new way in the future and it is seen nationwide as a possibility, but that was not the intent and purpose of this bill.
- REP. MCKEE asked Ms. Paladichuck if she would be in support of the amendments that Mr. Judge talked about. She responded that it is hard for her to speak to this without seeing how the people that actually did the work and research on this feel and what the effect will be. She concluded by saying she does not want to speak on behalf of the local governments, who are suppose to benefit from this.

Closing by Sponsor:

REP. MASOLO closed by saying, "the local government committee and the governor's task force characterized Title 7 as being on the sides of war and peace and over time, the committee's desire is to reduce the title of the codes. The reason is, local officials are in the best position to manage local affairs. They would still be bound by collective bargaining. "You hear a lot about the state and federal mandates. Whether they are good or bad depends on your views, but at least we ought to give the local government the flexibility in meeting those mandates as costeffectively as possible and that is what this bill does." REP. MASOLO asked for the committee's support and for a do pass vote.

HEARING ON 103

Opening Statement by Sponsor:

REP. SAM ROSE, HD, Choteau noted REP'S. HAGENER, TROPILA and ANDERSON have all been active in local government. He stated this bill provides the fines imposed and costs assessed by a district court in criminal cases and paid into the county general fund must be used to fund the operations of the district court; and amending Section 46-18-235, MCA. He said the clerks of the district courts have the expertise and will give some insight into their needs. He then reserved the right to close.

Proponents' Testimony:

Bob Gilbert, appearing on behalf of the Clerks of District Courts Association, said HB 103 is a users' fee concept and currently the money goes into the general fund with the noted exceptions in the bill and the other part goes to the state general fund. It does not affect the fees and the distribution fees that are generated from the courts of limited jurisdiction. It only applies to the district courts in the state of Montana. The problem has been dealt with before in the legislative process and they have not arrived at a total answer, however this is an attempt to address part of the answer.

Lorraine VanAlsdohl, Clerk of District Court, Bozeman, said the purpose of the change in this bill is when they collect money for fines in criminal cases, the actual collecting process of contacting the criminal and seeing that this person does what they are supposed to do always goes through the clerk of district court's office. A lot of time is spent, postage, hours hunting them down to get them to pay the fines. Over the years they have been trying to update the codes to get the courts that do have a district court fund and the counties to get the monies they are working hard to get, be paid back into the district court fund to help fund the courts. Ms. VanAlsdohl said it does not amount to a lot of money, \$5,000 so far this year in Gallatin County. The object of bringing this forth is in a lot of courts across the

state because the judges want the money to stay in the district court, and are calling it something else. They are not fining someone, they are assessing them a fee and putting it in the library fund or miscellaneous fund but it stays in the district court fund. They thought they needed to clean up the bill and have the money stay in the district court.

Gordon Morris, Director of Association of Counties, characterized HB 103 as a housekeeping bill and from that prospective, he supports this aspect as they must from the standpoint that there are many times when bills are drafted and when working with legislative council members through shear oversights, some sections of the codes slip through and this is one of them. district court used to be funded solely out of the general fund and when they made the switch over by virtue of authorizing the district court levy in 1979, many of the statutes needed to be changed. Mr. Morris said he takes responsibility for a major change in 1985 in the language that says "or if the county has a district court fund deposited in that fund". He does not have a problem with this and feels it is appropriate but any suggestion that something other than the money staying with the district court is inappropriate and this would correct this. These are funds that are intended to stay in district court. He then urged a do pass vote.

Opponents' Testimony: None

Informational Testimony: None

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Questions From Committee Members and Responses:

REP. JOHN BOHLINGER asked Mr. Gilbert what he sees as a potential for funds that might be available for the courts if this were put into law. Mr. Gilbert said they ran quick numbers in two counties and have not had time to really get into it. In Lewis and Clark County last year it was about \$12,000 in FY 94. So far FY 95 it's \$11,000 so there is an increase. FY 94 in Gallatin county was \$14,027, and so far FY 95 is about \$5,900. It will fluctuate, but every little bit helps.

REP. ANDERSON asked Mr. Gilbert if this proposal came from the judicial unification finance committee. Mr. Gilbert responded that to his knowledge this came from the clerks of district court. Ms. VanAlsdahl verified this statement. Mr. Gilbert said with the information he has been provided, most of the money goes into the general fund, however some of the judges have taken the liberty of putting the money into different areas and the feeling of the clerks of district court is that the money generated in the district courts has led to additional work for the clerks of the court and their feeling is that money should go back into the court fund rather than the county general fund. This would offset other general fund money.

REP. JEANETTE MCKEE said she is not in disagreement with this philosophy and asked Mr. Gilbert if in essence would this enable the county to make a spending cut in their general fund, and cause them to forfeit that money to district court, which is ordinarily spent. Mr. Gilbert responded he didn't believe so and in most incidents there is a mill levy in the county and oftentimes additional county monies that have to come in at the end of the year to finance the district courts. This would eliminate the additional county fee of general fund monies that would have to come in so it would be self-generated.

REP. TONI HAGENER acknowledged that Ms. VanAlsdohl wanted to give a point of technical information and she has a question as well and asked her to explain to people that are unfamiliar with court procedures, how a fine is levied and the procedures. Ms. VanAlsdohl said when a defendant is found guilty, the court does a sentence in judgment and in that sentence, they can levy a fine for a certain crime or make them pay back the costs or pay public defender fees or any given as part of his punishment and this is the fine that they might levy against someone.

REP. NORM MILLS asked Ms. VanAlsdohl if he could characterize this as a shift of revenue from the state to the district court fund thereby reducing the state revenue. Ms. VanAlsdohl responded "not state, county general." REP. MILLS questioned Line 17. Ms. VanAlsdohl explained that line 17 is addressing the offset of money in the reimbursement program they get with the felony cases. If they collect costs from a criminal, those are offset on what the state reimburses on all the felony cases. Every felony case they have in all the counties that costs their county money, and if it qualifies under the state reimbursement program, they get reimbursed for those costs. If, meanwhile, they have contacted the criminal and he has reimbursed some of those costs, that offsets what the state has to reimburse.

REP. MILLS asked if it was a false assumption that if some money is paid to the judge and he puts it into the library fund instead of to the state, "we lose." Ms. VanAlsdohl said no, that if it's listed correctly and some of them are not, it should have been listed under a non-tax revenue fund and those funds should have offset the reimbursement that they have been getting and that is the way it's supposed to be.

CHAIRMAN BOHARSKI said during Ms. VanAlsdohl's testimony she said that certain judges were depositing into other funds like the library fund and that is specifically prohibited by law. Ms. VanAlsdohl said she knows that, but they are not calling it fines, they are assessing money against a defendant but they are leaving the fine title out because if it is called a fine, they can't do that.

CHAIRMAN BOHARSKI said when the county is adopting their budget, do they allocate a certain amount of money that goes into the district court fund and that is the entire fund that the district

court operates, like their own little bank account. Ms.

VanAlsdohl responded that it depends on the size of the county, there is a certain mill. Gallatin county is 6 mills and that's what they get to run the district court, however, the automobile tax gets on top of the 6 mill. CHAIRMAN BOHARSKI asked if the county sometimes supplements that fund with additional county revenues. Ms. VanAlsdohl replied yes, they can and sometimes they are ordered to by the judge if there isn't enough money. If they get anything back it is offset by what the state gives them.

REP. MATT BRAINARD asked if the district courts are fully funded by the county to the level of the staff, is there sufficient money allocated for the court to operate on. Ms. VanAlsdohl responded that in Gallatin County it is sufficient, but they have been very fortunate. The reimbursement from the state has really helped them out and if they do have any big criminal cases that cost a lot, it does help.

REP. BRAINARD asked what kind of extra costs are incurred, e.g., public defenders, extra personnel. **Ms. VanAlsdohl** responded not extra personnel as such, but extra jury costs, extra witnesses, psychiatric charges, flying witnesses from all over the world is a heavy expense and there are unforeseen costs that do come up.

Closing by Sponsor: Sponsor closed.

HEARING ON HB 165

Opening Statement by Sponsor:

REP. JOHN BOHLINGER, HD 14, Billings, stated he is carrying this bill on behalf of his county commissioners and at the request of the Montana Association of Counties. This bill addresses some problems that exist in current law. He distributed copies to committee members and said his bill will repeal the section of existing law that has become antiquated. EXHIBIT 2 Under present law, county commissioners cannot make expenditures beyond certain budgetary limits without a vote of the people. For class one, two, three and four counties the dollar amount is \$25,000. For class five and six counties, \$15,000, and class seven counties, \$7,500. These statutory limits were put in place in 1953 and at that time could buy just about anything a county needed to continue its operation in the event of an emergency. Things have changed, cars, trucks, road working equipment and the computer system that had not been invented at that time are out of reach of the 1953 dollars. Another consideration is when this was set in statute in 1953. It was done so with the thought that the legislature was acting prudently by setting some limits. By removing this statutory limitation, they are not doing away with a prudent consideration because under statute, county commissioners can only spend money they had in reserve to pay for unforeseen contingencies. Law requires that the counties must maintain a cash reserve of 25% of their total budget. This will

not give county commissioners appropriation or taxing authority to impose on the people of the county, this gives the authority to spend what is in reserves for emergencies. By the elimination of this statutory limit, they will be showing good judgment and acting prudently. A typical election on average costs \$10,000, and a greater population will pay more.

Proponents' Testimony:

Gordon Morris, Director of the Association of Counties pointed out that if a road grader had to be replaced at the cost of \$100,000, it would have to go to a vote of the people under this provision. This was first enacted in 1929 and the provision specifying the dollar having been amended into it in 1953 makes no sense in 1994.

Charles Brooks, Billings representing the Yellowstone County Commissioners emphasized the two points that revision of statutes would not impose new taxes on citizens, it would authorize the commissioners to spend money that is either in reserve or anticipated increase in revenues. Mr. Brooks reiterated the costs for elections, etc. and urged a do pass on this bill.

Vicki Hyatt, Commissioner, Stillwater County and Executive Board of the Montana Association of Counties (MACO) spoke in support of this bill and stated there are a number of cases that come up for counties that aren't necessarily in the natural disaster, riot, or epidemic type of categories of needing a bridge or a major criminal trial, psychiatry evaluations and costs not necessarily covered that cannot be budgeted. If something is not budgeted for, it cannot be spent.

Bill Rappold, Chairman, Pondera County Commission echoed what has been said and clarified the statement Mr. Morris made by saying "you can't touch a road grader for \$100,000."

Opponents' Testimony: None

Informational Testimony: None

Questions From Committee Members and Responses:

REP. SHIELL ANDERSON asked Mr. Morris how many elections have been necessary to address the problems. He responded in his fourteen years of working in Montana county government, he has yet to see an election under this section of law. Any possible emergency that did arise in terms of having to amend the budget "hang over the heads of county commissioners" and other elected officials from the standpoint of the fact they are code and suggested they go around the necessity.

REP. DAVID EWER asked Mr. Morris if he was familiar with the limitation for emergency budgets for municipalities. Mr. Morris responded he is not but should be in terms of what the

municipalities section looks like compared to theirs but he guessed it was probably very similar. REP. EWER stated it is not terribly similar because it does not require a vote. He said one point he would like to make to the committee is in Title 7, there are a lot of parallel statutes as far as mission and yet there is not the same language. The emergency budget was amended and for municipalities, they don't have to go to a vote, but there is a limitation and that's one thing he finds very troubling about Title 7, dealing with counties and municipalities. REP. EWER reserved additional comments to executive action.

CHAIRMAN BOHARSKI stated that assuming an amount of money was needed, for example \$100,000, to buy a used road grader, subject to the provisions of HB 105, and the money was spent out of the reserve funds and it would now become part of that year's general The following year, when a budget is adopted, would that become part of the base or would that amount again be subject to the budget adopted, assuming they exceeded the provision of HB 105. Mr. Morris said that the reserve fund reference is probably inappropriate and they would be better off thinking of this not in terms of reserve fund, but the fact that every fund has a budgeted reserve for the general fund. Every year they are authorized to budget up to the maximum of 25% of the total amount to be appropriated by way of expenditures in the general fund, an amount by way of cash reserve. In Yellowstone County with a general fund budget of \$9 million this past fiscal year, they have a reserve in excess of \$750,000 available cash for the unforeseen contingencies and more importantly for cash flow That money could then be used to fund unforeseen circumstances. The next fiscal year, they would start with less cash available for reappropriation. Over time they would have to try and build back up by virtue of savings within the various expenditure categories. It is a cash reserve in terms of all of the several funds, road, district court, general fund, etc.

Closing by Sponsor:

The sponsor closed by saying he recalled no special elections to accommodate a county in time of emergency or crises and this tells him that counties are resolving the problem in some way other than that which is provided in law. "That is not what we want our counties to do and certainly not what we want state government to do," therefore he urged the committee to vote in favor of this bill.

CHAIRMAN BOHARSKI announced the procedures allowed to discuss a bill and said they need a motion on the bill to do pass or do not pass. He would prefer not to table a bill until people have had a chance to discuss it. Once a motion is made the committee can discuss the bill at that point and amend the bill. Discussion is between members of the committee, technical information can be asked of members of the audience as long as no member of the committee objects.

EXECUTIVE ACTION ON HB 61

Motion/Vote: REP. MILLS MOVED HB 61 DO PASS. Motion carried unanimously.

EXECUTIVE ACTION ON HB 54

Motion/Vote: REP. ANDERSON MOVED HB 54 DO PASS AS AMENDED. Motion
carried 17-1 with REP. WYATT voting no.

EXECUTIVE ACTION ON HB 79

Motion: REP. JOHN BOHLINGER MOVED HB 79 BE TABLED. HE THEN MOVED HB 79 DO NOT PASS.

<u>Discussion</u>: REP. EWER asked REP. BOHLINGER to consider making a do not pass motion so there might be some discussion, since it is not a debatable motion.

- REP. ELLEN BERGMAN asked if the only due course a county commissioner would have to get rid of a county treasurer for not showing up for work would be a recall or is there a simpler way of doing it. Bart Campbell responded no and explained that because it's an elected official, the recall is the only recourse at this point in time. REP. BERGMAN said the reason for this bill is to simplify the problem of the county commissioners being left with the problem if another elected official is not doing their job.
- REP. MATT BRAINARD said this bill as proposed makes two county commissioners judge, jury and executioner. In talking, this is unpopular in the county commissioner's office and he doesn't think this bill does justice to the problem. "If you have to remove somebody that has been elected by the vote of two people, two out of three is not sufficient. You would need a panel of all the elected members of the county."
- REP. NORM MILLS stated he doesn't feel it is appropriate to give one elected official, elected by the same people as the other elected official, the right to remove him or her from office. That should be a function of a third party, appointed by the state or by recall. Since the state does not provide anything else but recall, he believed they should leave it to that. It should not be a prerogative of somebody he elected to an office as a voter to take somebody else he also elected to office as a voter and throw them out.
- REP. JEANETTE MCKEE said in response to REP. BERGMAN that occasionally there is a problem but this bill is not the way to solve it as it causes a lot more problems. Perhaps in the future they can look at some other way because the county commissioners totally disagree with the manner of this bill.

REP. BOHLINGER said in reference to his do not pass motion, under present law there are opportunities to deal with incompetencies: the recall process and election process and he shared the same concerns as **REP. MILLS** and **REP. BRAINARD** and urged a do not pass.

CHAIRMAN BOHARSKI stated there are two things covering this bill and it seems strange they are in the bill. He felt there would be a problem with the appointed people, that they would have to go through the recall process because they wouldn't get to vote on them. If someone gets appointed to the parks board, how do they get rid of them. He was inclined to agree with the other's concerns.

REP. HAGENER stated that as a former county commissioner, she sympathized with the concern of not being able to take immediate action against someone that is not performing their duties. She is very uncomfortable with the bill in its present form and it wouldn't solve the problem.

REP. JOE TROPILA stated he realizes that Toole County has a problem but does not think this is the vehicle to settle 55 other counties. He suggested that **Mr. Morris** talk to Toole County and check on the errors of omissions insurance. The treasurer has to be covered.

Motion/Vote: REP. MILLS MOVED A SUBSTITUTE MOTION TO TABLE HB 79 Motion carried unanimously.

ADJOURNMENT

Adjournment: The meeting adjourned at 5:00 P.M.

WILLIAM BOHARSKI, Chairman

WB/eb

HOUSE OF REPRESENTATIVES

Local Government

ROLL CALL

DATE 1-10-95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Bill Boharski, Chairman	-		
Rep. Jack Herron, Vice Chairman, Majority	V.		
Rep. David Ewer, Vice Chairman, Minority	V		
Rep. Chris Ahner	~		
Rep. Shiell Anderson	~		,
Rep. Ellen Bergman	~		
Rep. John Bohlinger	V		
Rep. Matt Brainard			<u> </u>
Rep. Matt Denny	~		
Rep. Rose Forbes	·		
Rep. Toni Hagener	L		
Rep. Bob Keenan			
Rep. Linda McCulloch			
Rep. Jeanette McKee	/		
Rep. Norm Mills	~		
Rep. Debbie Shea	<u></u>		
Rep. Joe Tropila	V		
Rep. Diana Wyatt			



HOUSE STANDING COMMITTEE REPORT

January 11, 1995 Page 1 of 1

Mr. Speaker: We, the committee on Local Government report that House Bill 61 (first reading copy -- white) do pass.

Signed: Wm E Beharski

Bill Boharski, Chair



HOUSE STANDING COMMITTEE REPORT

· January 11, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Local Government report that House Bill 54 (first

reading copy -- white) do pass as amended.

Signed: Um E Boharski

Bill Boharski, Chair

And, that such amendments read:

1. Title, line 4.

Following: "ESTABLISHED"

Insert: "SEPARATELY OR JOINTLY"

2. Title, lines 5 and 6.

Following: "SUBDIVISIONS" on line 5

Strike: "ARE" through "COVERAGE" on line 6

Insert: "MAY OBTAIN EXCESS INSURANCE WITHOUT PROCEEDING UNDER THE PROVISIONS OF SECTION 33-2-302(2) THROUGH (4) OF THE SURPLUS LINES INSURANCE LAW"

3. Page 1, line 14. Following: "insurance"

Insert: "separately or jointly"

4. Page 1, lines 14 through 16. Following: "section"

Strike: "are"on line 14 through "coverage" on line 16.

Insert: "may obtain excess coverage from a surplus lines insurer

without proceeding under the provisions of 33-2-302(2)

through (4)"

-END-

Committee Vote:

Yes 17, No 1.

REP. WYAtt

COMMITTEE PROXY

Date 10 /40 95
I request to be excused from the hoce Concurrent.
Committee meeting this date because of other commitments. I
desire to leave my proxy vote with
Indicate Bill Number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment

HOUSE BILL/AMENDMENT	AYE	NO	. 81	ENATE	BILL/AMENDMENT	AYE	NO
6/1	V						
61 54	W						
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TABLE	V				·		
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Rep. noh Number (Signature)

NOTE FOR ME ON LOCAL GOUT.

VOTE FOR ME ON LOCAL GOUT.

KILL # 29 - TABLE OR DONOT PASS

KILL # 29 - TABLE OR DONOT PASS

DO. PASS ON 54 UNLESS SOME TING

AWFAL COMES UP

DO PASS ON 61

Met Benjumed

EXHIBI:	T	
DATE_	1-10-	95
HB	101	

House Bill 101

Tim A. Bergstrom
726 Avenue F
Billings, Montana
20 Year member Billings Fire Department

HB 101 would provide flexibility for local self-government units to satisfy state requirements for mandated services.

Local self-government entities could privatize certain services if it chose to, and many required functions could be accomplished by methods other than those prescribed by current state statute.

While this proposal seems like it will establish more autonomy for local self-government units, which may be a popular notion, I think there are other considerations involved that might not be in the best interest of the citizens if HB 101 is enacted.

I will limit my comments to how this proposal might impact municipal fire departments; because that's what I know. I do not profess to be an expert on <u>Title 7</u>, <u>Local Government</u> in its entirety.

Let's assume that this bill is enacted, and a self-government entity elects to privatize its municipal fire department. There are arguments whether privatization results in higher, or lower cost to local government. However, that is not my concern as it relates to HB 101.

Montana's municipal fire fighters and their employers are bound by statute to submit to binding arbitration to avert strikes in cases of collective bargaining disputes that result in impasse. In effect, no matter what the dispute involves, the citizens can rely on the fact that the delivery of emergency services provided by the fire department will remain constant.

If a self-government unit chose to, by adoption of an ordinance, privatize its fire department, the delivery of uninterrupted emergency services could no longer be guaranteed to the citizens. Employees of private industry have the right to organize for purposes of collective bargaining, and also have the right to strike. That right is contained in the National Labor Relations Act. I think this is a very important issue for the committee to consider as it deliberates the merits of HB 101.

You'll notice on lines 21 through 24, on page 1, of the bill that any mandated <u>function</u> that is provided by an employee of the self-government entity may also be accomplished by alternative methods simply by passing an ordinance or modifying the local government charter.

Title 7, Chapter 33, Part 41, M.C.A., mandates that all cities shall have a fire department, and how it shall be organized, managed, and controlled. This is the Municipal Fire Departments section of Montana Codes.

Specific functions by various city employees are found in the Municipal Fire Department statutes; functions that could be provided by alternative methods simply by a self-government unit's adoption of an ordinance. One of these functions impacts the suspension procedure for fire fighters found in 7-33-4124 M.C.A.

The legislature - in recognizing due process rights of workers - adopted a procedure that allows a city manager to suspend a fire fighter, but provides that the city council or commission shall conduct a hearing on the charges against a fire fighter, and by majority vote, either substantiate the charge and recommend temporary or permanent suspension, or find the charges to be without merit and reinstate the fire fighter.

This provision, which is a mandated function of employees of local government, affords due process to fire fighters.

Under the provisions of <u>HB 101</u>, a self-government entity could elect to place the authority to suspend fire fighters in a single person's hands; thereby absolving itself from the requirement that a charged employee be given a hearing before the city council or commission, and the opportunity to present a reasonable explanation for the charges against him.

I thank the committee for the opportunity to address this legislation, and hope that some of the negative impacts of enactment of \underline{HB} 101 will have on Montanans will be given adequate consideration. Thank you.

369

FINANCIAL ADMINISTRATION AND TAXATION

ay appeal therefrom to the district court for such county by filing with the rved upon the county clerk and recorder of the county as the clerk of the rk of the court a verified petition, a copy of which has theretofore been ard of county commissioners. The petition shall set forth in detail the the county feeling aggrieved by the order issued pursuant to 7-6-2342(4) jections of the petitioner to the order, giving reasons why the emergency es not exist.

ing of the petition operates to suspend the emergency order and the (2) Until final determination of the matter by the court, the service and thority to make any expenditure or incur any liability thereunder.

(3) Upon the filing of the petition, the court shall immediately fix a time t the hearing the court shall hear the matter de novo and may take such stimony as it considers necessary. The court's proceedings shall be summary id informal, and its determination as to whether an emergency such as is ntemplated within the meaning and provisions of this part exists or not and r hearing the petition, which time shall be at the earliest convenient time. hether the expenditure authorized by the order is excessive or not is final.

History: En. Sec. 6, Ch. 148, L. 1929; re-en. Sec. 4613.6, R.C.M. 1935; amd. Sec. 2, Ch. 10, L. 1943; amd. Sec. 1, Ch. 159, L. 1953; amd. Sec. 1, Ch. 148, L. 1955; amd. Sec. 1, Ch. 4, L. 1963; R.C.M. 1947, 16-1907(part); amd. Sec. 11, Ch. 252, L. 1979.

ross-References

Verification of pleadings, 25-4-203.

Pleadings — generally, M.R.Civ.P. (see Title 25, ch. 20).

absections (1)(a), (1)(b), and (1)(c) is first authorized by a majority of the ectors of the county, voting at a general or special election, the aggregate stal of all expenditures made or liabilities incurred in any fiscal year to meet 7-6-2344. Limitation on amount of emergency expenditures and abilities - election. (1) Unless the excess above the sums listed in mergencies, other than those caused by fire, flood, explosion, earthquake, pidemic, riot, or insurrection, may not exceed:

- (a) \$25,000 in counties of class 1, 2, 3, or 4;
 - \$15,000 in counties of class 5 or 6; and
 - \$7,500 in counties of class 7.
- nitted in the following form, inserting in the ballot the amount of the excess The question of authorizing the excess expenditures shall be subproposed to be authorized and a description of the emergency to be met:

Shall the board of county commissioners of County, Montana, be uthorized to make additional expenditures and incur additional liabilities in he amount of \$.... over and above the sum of \$.... to meet an emergency caused

YES

o Z

ountd be amduced by a mill levy enual to the difference etween the mills levied in that year and the maximum mill love authorized n any one year to be paid from the county poor fund may not exceed the (3) The total of all emergency budgets and appropriations made therein

by law to be made for such fund, computed against the taxable value of the property subject to such levy as shown by the last completed assessment roll of the county.

History: En. Sec. 6, Ch. 148, L. 1929; re-en. Sec. 4613.6, R.C.M. 1935; amd. Sec. 2, Ch. 170, L. 1943; amd. Sec. 1, Ch. 169, L. 1953; amd. Sec. 1, Ch. 148, L. 1955; amd. Sec. 1, Ch. 194, L. 1963; R.C.M. 1947, 16-1907(part); amd. Sec. 12, Ch. 252, L. 1979; amd. Sec. 387, Ch. 571, L. 1979.

Cross-References

Classification of counties, 7-1-2111.

7-6-2345. Use of emergency warrants. (1) All emergency expenditures shall be made by the issuance of emergency warrants drawn against the fund or funds properly chargeable with such expenditures. The county treasurer is authorized and directed to pay such emergency warrants with any money in such fund or funds available for such purpose. If at any time there shall not be sufficient money available in such fund or funds to pay such warrants, then such warrants shall be registered, bear interest, and be called in for payment in the manner provided by law for other county warrants.

emergency warrants issued during the preceding fiscal year. Subject to the provisions of subsection (3), the county commissioners shall, in their tax levies, include a levy for each fund sufficient to raise an amount equal to the total amount of such warrants, if there be any, remaining unpaid at the close (2) The county clerk and recorder shall include in his annual tabulation to be submitted to the board of county commissioners the total amount of of such preceding fiscal year because of insufficient money in such fund to pay the same.

(3) (a) No levy shall be made for any fund in excess of the levy authorized by law to be made therefor.

rants at any election as provided by law, and if at any such election the issuing (b) The board may submit the question of funding such emergency warof such funding bonds be authorized, it shall not then be necessary for any levy to be made for the purpose of paying such emergency warrants.

History: En. Sec. 6, Ch. 148, L. 1929; re-en. Sec. 4613.6, R.C.M. 1935; amd. Sec. 2, Ch. 170, L. 1943; amd. Sec. 1, Ch. 159, L. 1953; amd. Sec. 1, Ch. 148, L. 1955; amd. Sec. 1, Ch. 1944, L. 1963; R.C.M. 1947, 16-1907(6), (7).

7-6-2346 and 7-6-2347 reserved.

tion for bonds. (1) With respect to tax and fee money, the proposed budget of and the number of mills to be assessed by any board, commission, or other governing entity, except a board of trustees of a public library and an airport authority, appointed by a local government are subject to approval by that 7-6-2348. Budgets of appointed boards and commissions - exemplocal government.

authority created under Title 7, chapter 14, part 11, issues bonds and pledges to the payment of the bonds, taxes, revenue, or fees in accordance with the statutes authorizing the issuance of the bonds, the taxes, revenue, or fees and the levy or appropriation of the taxes, revenue, or fees are not subject to (2) If a board, commission, or other governing entity, other than a port approval by the local government appointing the board, commission, or

Ch. 1 199 hd. S L. 19 , С governing entity.

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f the county feeling aggrieved by the order issued pursuant to 7-6-2342(4) nay appeal therefrom to the district court for such county by filing with the erved upon the county clerk and recorder of the county as the clerk of the erk of the court a verified petition, a copy of which has theretofore been oard of county commissioners. The petition shall set forth in detail the bjections of the petitioner to the order, giving reasons why the emergency

- (2) Until final determination of the matter by the court, the service and iling of the petition operates to suspend the emergency order and the uthority to make any expenditure or incur any liability thereunder.
- (3) Upon the filing of the petition, the court shall immediately fix a time ind informal, and its determination as to whether an emergency such as is estimony as it considers necessary. The court's proceedings shall be summary or hearing the petition, which time shall be at the earliest convenient time. It the hearing the court shall hear the matter de novo and may take such ontemplated within the meaning and provisions of this part exists or not and whether the expenditure authorized by the order is excessive or not is final.

History: En. Sec. 6, Ch. 148, L. 1929; re-en. Sec. 4613.6, R.C.M. 1935; amd. Sec. 2, Ch. 70, L. 1943; amd. Sec. 1, Ch. 159, L. 1953; amd. Sec. 1, Ch. 148, L. 1955; amd. Sec. 1, Ch. 94, L. 1963; R.C.M. 1947, 16-1907(part); amd. Sec. 11, Ch. 252, L. 1979.

Verification of pleadings, 25-4-203.

Pleadings — generally, M.R.Civ.P. (see Title 25, ch. 20).

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- (a) \$25,000 in counties of class 1, 2, 3, or 4;
 - \$15,000 in counties of class 5 or 6; and
 - \$7,500 in counties of class 7. <u>છ</u>
- The question of authorizing the excess expenditures shall be subnitted in the following form, inserting in the ballot the amount of the excess proposed to be authorized and a description of the emergency to be met:

Shall the board of county commissioners of County, Montana, be uthorized to make additional expenditures and incur additional liabilities in he amount of \$.... over and above the sum of \$.... to meet an emergency caused

- □ YES
- 0 Z
- (3) The total of all emergency budgets and appropriations made therein n any one year to be paid from the county poor fund may not exceed the unount which would be produced by a mill levy equal to the difference estween the mills levied in that year and ? maximum raill lovy authorized

by law to be made for such fund, computed against the taxable value of the property subject to such levy as shown by the last completed assessment roll of the county.

History: En. Sec. 6, Ch. 148, L. 1929; re-en. Sec. 4613.6, R.C.M. 1935; amd. Sec. 2, Ch. 170, L. 1943; amd. Sec. 1, Ch. 169, L. 1953; amd. Sec. 1, Ch. 148, L. 1955; amd. Sec. 1, Ch. 194, L. 1963; R.C.M. 1947, 16-1907(part); amd. Sec. 12, Ch. 252, L. 1979; amd. Sec. 387, Ch.

Cross-References

Classification of counties, 7-1-2111.

or funds properly chargeable with such expenditures. The county treasurer 7-6-2345. Use of emergency warrants. (1) All emergency expenditures shall be made by the issuance of emergency warrants drawn against the fund is authorized and directed to pay such emergency warrants with any money in such fund or funds available for such purpose. If at any time there shall then such warrants shall be registered, bear interest, and be called in for not be sufficient money available in such fund or funds to pay such warrants, payment in the manner provided by law for other county warrants.

- provisions of subsection (3), the county commissioners shall, in their tax levies, include a levy for each fund sufficient to raise an amount equal to the emergency warrants issued during the preceding fiscal year. Subject to the total amount of such warrants, if there be any, remaining unpaid at the close of such preceding fiscal year because of insufficient money in such fund to pay to be submitted to the board of county commissioners the total amount of (2) The county clerk and recorder shall include in his annual tabulation
- (3) (a) No levy shall be made for any fund in excess of the levy authorized by law to be made therefor.
- rants at any election as provided by law, and if at any such election the issuing of such funding bonds be authorized, it shall not then be necessary for any (b) The board may submit the question of funding such emergency warlevy to be made for the purpose of paying such emergency warrants.

History: En. Sec. 6, Ch. 148, L. 1929; re-en. Sec. 4613.6, R.C.M. 1935; amd. Sec. 2, Ch. 170, L. 1943; amd. Sec. 1, Ch. 159, L. 1953; amd. Sec. 1, Ch. 159, L. 1953; amd. Sec. 1, Ch. 194, L. 1963; R.C.M. 1947, 16-1907(6), (7).

7-6-2346 and 7-6-2347 reserved.

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authority created under Title 7, chapter 14, part 11, issues bonds and pledges to the payment of the bonds, taxes, revenue, or fees in accordance with the the levy or appropriation of the taxes, revenue, or fees are not subject to (2) If a board, commission, or other governing entity, other than a port statutes authorizing the issuance of the bonds, the taxes, revenue, or fees and approval by the local government appointing the board, commission, or governing entity.

History: Fn. Sec. 1, Ch. 347, L. 1991; amd. Sec. 1, Ch. 169 1., 1993.

HOUSE OF REPRESENTATIVES

Local Government - COMMITTEE				
WITNESS STATEMENT PLEASE PRINT #B #103				
PLEASE PRINT				
NAME LORRAINE VAN Ausdol BUDGET				
ADDRESS 3073 McT/hattan Rd - Bozeman DATE 1-10-95				
WHOM DO YOU REPRESENT? Clerk's of District Court				
SUPPORT X OPPOSE AMEND				
COMMENTS: General House Keeping to Deposit				
Funds into District Court Fund rather				
Than General Fund				

HR:1993 CS16

HOUSE OF REPRESENTATIVES VISITOR REGISTER

. 	- August -	,	
DOCAL SOUSAN MENT	COMMITTEE BILL NO	· 118	
DATE $1-10-95$ SPONSOR(S)		48.	103
PLEASE PRINT P		EASE P	RINT
NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Bob Gilbert	MT. Clerk at Disti Courts ASSN	103	
Charles R. BROOKS	Vellowstone county	105	
Bill Rappell	Jorden County		1
Causi Elango	Coovernors Office	101	
Larry Tasbeada	City of St. Falls	101	
Tom Foley	AFSCME		101
Mona Nu Hinox	Carlon Co.	101	
(Jeck Hatt)	St. 1/ water 6	101	
TIM BERGSTROM	BILLINGS FIRE FIGHTERS		101
Gloria Paladichuk	GOVERNOR'S Task Force	101	
VERN ERICKSON	MTSTate Filemans assoc		101
Gordon Maris	MACO	103	
Colly Cashely	Dep Y og Adnu.	~	
PLEASE LEAVE PREPARED TESTIMONY	AFSCME WITH SECRETARY. WITHESS STA	TEMENT F	/ <i>D</i> /

ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES VISITOR REGISTER

	COMMITTEE BILL	NO. 143 1	01		
PLEASE PRINT PLEASE PRINT PLEASE PRINT					
NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE		
Tun Mage	Coty & brent Full	101			
Alec Hansen	Longin of Coting	101	·		
Bill Verwolf	City of Helene	101			
Don Judge	MT STATE AFL-CFO		101		
Chis Paccot	MBIA				

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