

SENATE BILL 210

IN THE SENATE

January 23, 1979	Introduced and referred to Committee on State Administration.
January 24, 1979	Fiscal note requested.
January 26, 1979	Fiscal note returned.
February 12, 1979	Committee recommend bill, do not pass.

1 *Senators* BILL NO. *210*
 2 INTRODUCED BY *Norman Hager, Jackie Thompson*

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 4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING LOCAL
 5 GOVERNMENT UNITS TO CHARGE THE STATE FOR SERVICES SUPPLIED
 6 FOR THE BENEFIT OF THE STATE."

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 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Purpose. It is found that local
 10 governments, both city and county, are providing certain
 11 essential governmental services to state government. The
 12 provision of such services is an expense which is
 13 increasingly difficult for local governments to bear without
 14 decreasing both the quantity and quality of essential
 15 services performed on behalf of all citizens. It is the
 16 intent of the legislature that local government have a means
 17 of defraying the cost of providing essential services to the
 18 state by charging for actual services provided.

19 Section 2. Definitions. As used in [this act], unless
 20 the context clearly indicates otherwise, the following
 21 definitions apply:

- 22 (1) "Local government unit" means any city, town, or
 23 county within the state.
 24 (2) "Essential services" means the provision of
 25 garbage and refuse collection and disposal; sewer services;

1 street, road, highway, and bridge repair; snow removal; fire
 2 protection; police protection; street cleaning; and
 3 improvements made by any authorized special improvement
 4 district.

5 (3) "State" means the state of Montana or any office,
 6 department, agency, authority, commission, board,
 7 institution, hospital, college, university, or other
 8 instrumentality thereof.

9 (4) "Department" means the department of
 10 administration provided for in 2-15-1001.

11 Section 3. Charges against state for essential
 12 services. Any local government unit may charge the state for
 13 essential services provided to the state by the local
 14 government unit from which the state receives a direct
 15 benefit.

16 Section 4. Resolution of intent. Any local government
 17 unit choosing to exercise the powers conferred by [section
 18 3] shall first pass a resolution declaring its intent to do
 19 so. In the resolution, the local government unit shall list
 20 the real property owned by the state within its boundaries.

21 Section 5. Presumption of benefit to state. Whenever a
 22 local government unit operates a police department or fire
 23 department that would respond to property owned by the state
 24 for any calls, it is presumed that the state receives the
 25 benefit of police and fire protection therefrom.

1 Section 6. Contract with state. Within a reasonable
 2 time following final passage of the resolution of intent,
 3 the local government unit shall cause a certified copy of
 4 the resolution to be mailed by registered or certified mail
 5 to the department. As soon thereafter as practicable, the
 6 department shall execute a contract with the local
 7 government unit providing for payment to the local
 8 government unit for essential services which are provided.
 9 No contract may be for a period longer than 5 years. The
 10 contract must provide for annual or more frequent payments
 11 and for the provision of essential services only in the same
 12 manner and at costs not to exceed the pro rata costs as
 13 those services are generally provided to residents of the
 14 local government unit.

15 Section 7. Rate resolution in absence of contract. (1)
 16 If, within 90 days of the receipt by the department of the
 17 resolution of intent, no contract agreeable to both the
 18 department and the local government unit has been executed,
 19 the local government unit may by resolution establish rates
 20 to be charged for the provision of each essential service to
 21 the state. The rates may not exceed the estimated cost of
 22 provision of the essential service as assessed against or
 23 attributed to taxable property within the local government
 24 unit boundary of like value and nature.

25 (2) Within a reasonable time following final passage

1 of the rate resolution, the local government unit shall
 2 cause a certified copy of the resolution establishing rates
 3 to be mailed by registered or certified mail to the
 4 department.

5 Section 8. Assessment rate binding upon state. The
 6 local government unit must supply the department with data
 7 explaining how any particular assessment was determined, as
 8 well as data justifying the assessment rate. The decision of
 9 the local government unit as to any assessment for a
 10 particular service, in the absence of an abuse of
 11 discretion, is binding upon the state.

12 Section 9. Objection to assessment rate --
 13 disposition. (1) The department has 30 days to object in
 14 writing to any local government assessment it considers
 15 objectionable or disputable. If a written objection is filed
 16 with the local government, representatives of the local
 17 government shall meet with department representatives within
 18 20 days of receiving the written objections to hear and
 19 discuss any objections.

20 (2) The local government shall issue its final
 21 decision regarding the particular assessment within 10 days
 22 of this meeting. The department shall pay the amount
 23 assessed annually on or before June 30.

24 Section 10. Review of local government decision. The
 25 decision of a local government unit may be reviewed by the

1 district court of the county where the local government unit
2 is located. The petition for review must be filed within 30
3 days after the receipt of the resolution establishing the
4 rates by the department. When applicable, the provisions of
5 Title 2, chapter 4, part 7, apply to review under this
6 section.

7 Section 11. Collection of assessment. If, after the
8 resolution establishing the rates to be charged has been
9 enacted and approved by a court of competent jurisdiction or
10 the time for review thereof has passed, the state does not
11 make the annual payment, the local government unit may sue
12 the state to collect the payment.

13 Section 12. Severability. If a part of this act is
14 invalid, all valid parts that are severable from the invalid
15 part remain in effect. If a part of this act is invalid in
16 one or more of its applications, the part remains in effect
17 in all valid applications that are severable from the
18 invalid applications.

-End-

STATE OF MONTANA

Request No. 92-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 24, 1979, there is hereby submitted a Fiscal Note for Senate Bill 210 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION

An act authorizing local government units to charge the state for services supplied for the benefit of the state.

ASSUMPTIONS

1. Appraised value of all state buildings is 56% of total current market value.
2. The average current mill levy for applicable services is 30 mills.
3. The Department of Administration will need an additional two FTE positions to administer the act.
4. The additional administrative costs would be funded with General Fund monies; the payments to local governments would be one-third from other funds and two-thirds from the State General Fund.

FISCAL IMPACT

Current market value of all state buildings	\$347,595,000
x .56 to arrive at appraised value	x.56
Estimated appraised value	194,653,200
x .0855 to arrive at taxable value	x.0855
Estimated taxable value	16,642,848
x Estimated mill levy for services (30 mills)	x.030
Estimated payment by state to local governments	499,285
Add: Additional administrative costs	50,000
Total additional cost per year of proposed legislation	<u>\$ 549,285</u>

FUND INFORMATION

General Fund	\$383,023
Other Funds	166,262
Total	<u>\$549,285</u>

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 BUDGET DIRECTOR
 Office of Budget and Program Planning
 Date: 1/26/79