

House Bill 516

In The House

January 27, 1981	Introduced and referred to Committee on Local Government.
February 6, 1981	Fiscal note requested.
February 11, 1981	Fiscal note returned.
February 21, 1981	Committee recommend bill do pass as amended.
February 23, 1981	Bill printed and placed on members' desks.
February 24, 1981	Second reading do not pass.

1 HOUSE BILL NO. 516
 2 INTRODUCED BY Walt Whitbeck William Vincent Waldman
 3 Azraa Mitcay Mark SPILKER
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR PAYMENTS
 5 BY THE STATE OF MONTANA TO LOCAL GOVERNMENTS THAT FURNISH
 6 FIRE AND POLICE SERVICES TO STATE-OWNED BUILDINGS AND
 7 FACILITIES; AND PROVIDING AN EFFECTIVE DATE."

8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 10 Section 1. Short title. [This act] may be cited as the
 11 "State Payments for Fire and Police Services to State-Owned
 12 Property Act of 1983".
 13 Section 2. Purpose. The purpose of [this act] is to
 14 recognize and alleviate the financial burden placed on local
 15 governments that provide fire and police services to
 16 buildings and facilities owned by the state of Montana.
 17 Section 3. Definitions. As used in [this act], unless
 18 the context requires otherwise, the following definitions
 19 shall apply:
 20 (1) "Local government" means a county, city, town, or
 21 fire district incorporated or created under the laws of the
 22 state of Montana.
 23 (2) "Department" means the department of
 24 administration provided for in 2-15-1001.
 25 (3) "State agency" means a department, division,

1 bureau, or institution that operates a state-owned building
 2 or facility.
 3 Section 4. Payments to local governments for fire and
 4 police services to state-owned property. Whenever a local
 5 government provides fire and police services to state-owned
 6 property, the state shall provide for payment to the local
 7 government for the cost of such services in the manner
 8 prescribed in [this act].
 9 Section 5. Powers and duties of department. The
 10 department shall:
 11 (1) administer, interpret, and enforce the provisions
 12 of [this act];
 13 (2) establish uniform rules necessary to carry out the
 14 provisions of [this act].
 15 Section 6. Department to provide forms -- information
 16 from local governments and state agencies. The department
 17 shall prepare such forms as it finds necessary for local
 18 governments and state agencies to complete to provide all
 19 the information necessary to administer [this act]. Local
 20 governments and state agencies shall give the department all
 21 data necessary to carry out the purpose and intent of [this
 22 act].
 23 Section 7. Basis for payments. State payments to local
 24 governments for fire and police services to state-owned
 25 property located within the jurisdiction of the local

1 government shall be calculated by the local government and
2 verified by the department on the following basis:

3 (1) A taxable value or equivalent taxable value must
4 be determined for the state-owned property receiving fire
5 and police services.

6 (2) A mill levy equivalent must be applied against
7 such a value in the same manner as such a mill levy is
8 applied to a private property owner within the jurisdiction
9 of the local government.

10 (3) The mill levy equivalent that is used must include
11 only the actual expenditures for fire and police activities
12 of the local government as reported in the last annual
13 financial report filed with the department of community
14 affairs as required by law.

15 Section 8. Method of payment. The department shall, in
16 accordance with the mill levy equivalents determined under
17 [section 7], make payments semiannually to all local
18 governments that provide fire and police services to
19 state-owned buildings or facilities and that comply with the
20 provisions of [section 6]. The first payment under [this
21 act] shall be payable on November 1, 1981, and annually on
22 November 1 thereafter. The second payment under [this act]
23 shall be payable on May 1, 1982, and annually on May 1
24 thereafter.

25 Section 9. State agencies to budget for payments. Any

1 state agency that operates a state-owned building or
2 facility that receives fire and police services from a local
3 government shall budget for sufficient funds to make any
4 payments required by [this act].

5 Section 10. Optional method of providing fire and
6 police services to state-owned property. (1) A state agency
7 may provide fire and police protection to any state property
8 under its jurisdiction if such a plan meets with the
9 approval of the department.

10 (2) Under this option, the department shall determine
11 if the proposed services will be adequate and cost
12 beneficial. For such a determination, the department shall:

13 (a) consult with officials of the local government to
14 ascertain what, if any, responsibility and liability for
15 fire and police services will remain with the local
16 government. If the local government retains a part of the
17 responsibility or liability for fire and police services,
18 the payment for such partial services must be calculated
19 according to the provisions of [section 7] or according to
20 an agreement regarding payment for the services entered into
21 between the local government and the state agency.

22 (b) conduct a study to ascertain what, if any, cost
23 benefit there would be to the state if the agency provided
24 its own fire and police protection.

25 Section 11. Applicability. This act applies to taxable

LC 2319/01

- 1 years beginning after December 31, 1980.
- 2 Section 12. Effective date. This act is effective on
- 3 July 1, 1981.

-End-

STATE OF MONTANA

REQUEST NO. 319-81

FISCAL NOTE

Form BD-15

In compliance with a written request received February 6, 19 81, there is hereby submitted a Fiscal Note for House Bill No. 516 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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 to provide for payments by the State of Montana to local governments that furnish fire and police services to State owned buildings and facilities.

Assumptions:

1. The equivalent to market value of State buildings and facilities is equal to the current depreciated value as indicated on the "schedule of State properties as of July 1, 1980, as developed by the Department of Administration Insurance and Legal Services Division".
2. Equivalent of taxable value is equal to 8.55% of the market value in 1 above.
3. This taxable value includes only buildings and improvements, it does NOT include the value of the land upon which these improvements sit nor does it include State owned recreational and unimproved lands.
4. Based on the 1981 local government budgets submitted to the Department of Community Affairs the average tax levy necessary to support police and fire services (including police and fire activities, pension funds and debt retirement) is 55 mills after adjusting for the impact of adding tax exempt State properties to the total taxable value in each locality.
5. The Department of Administration will require an additional two (2) FTE's plus supporting services to administer this program.
6. The additional administrative costs will be funded with General Fund monies, the payments to local governments for police and fire services will be funded 1/3 from Federal or earmarked funds and 2/3 from the State General Fund.

Fiscal Impact:

Biennium cost of Program — \$4,561,090

Funds:


All administrative costs are General Fund, and 2/3 of local government payments are General Fund = \$3,080,697

1/3 of local government payments are earmarked or Federal Funds = \$1,480,392

Sources:

1981 Budgets from Billings, Helena, Missoula, Bozeman, Deer Lodge, Havre, Dillon, Butte — Silver Bow, Great Falls and Boulder.

Schedule of State properties as of July 1, 1980, prepared by the Department of Administration Insurance and Legal Services Division.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-11-81

Approved by Comm.
on Local Government

HOUSE BILL NO. 516

INTRODUCED BY NORDTVEDT, WALLIN, VINCENT,
WALDRON, AZZARA, METCALF, MARKS, SPILKER

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR PAYMENTS
BY THE STATE OF MONTANA TO LOCAL GOVERNMENTS THAT FURNISH
FIRE AND POLICE SERVICES TO STATE-OWNED BUILDINGS AND
FACILITIES; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Short title. [This act] may be cited as the
"State Payments for Fire and Police Services to State-Owned
Property BUILDINGS Act of 1983 1981".

Section 2. Purpose. The purpose of [this act] is to
recognize and alleviate the financial burden placed on local
governments that provide fire and police services to
buildings ~~and facilities~~ owned by the state of Montana.

Section 3. Definitions. As used in [this act], unless
the context requires otherwise, the following definitions
shall apply:

(1) "Local government" means a county, city, town, or
fire district incorporated or created under the laws of the
state of Montana.

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

(3) ~~"State--agency"--means--a--department,--division,--
bureau,--or--institution--that--operates--a--state--owned--building
or--facility.~~ "STATE-OWNED BUILDING" MEANS A STRUCTURE OWNED
BY THE STATE OF MONTANA INTENDED FOR HUMAN HABITATION AS A
DWELLING, OFFICE, OR SCHOOL HAVING AN AREA OF 2,000 OR MORE
SQUARE FEET.

Section 4. Payments to local governments for fire and
police services to state-owned property. Whenever a local
government provides fire and police services to state-owned
property BUILDING, the state shall provide for payment to
the local government for the cost of such services in the
manner prescribed in [this act].

Section 5. Powers and duties of department. The
department shall:

(1) administer, interpret, and enforce the provisions
of [this act];

(2) establish uniform rules necessary to carry out the
provisions of [this act].

Section 6. Department to provide forms -- information
from local governments and state agencies. The department
shall prepare such forms as it finds necessary for local
governments and state agencies to complete to provide all
the information necessary to administer [this act]. Local
governments and state agencies shall give the department all
data necessary to carry out the purpose and intent of [this

1 act].

2 Section 7. Basis for payments. State payments to local
3 governments for fire and police services to state-owned
4 property BUILDING located within the jurisdiction of the
5 local government shall be calculated by the local government
6 and verified by the department on the following basis:

7 (1) A taxable value or equivalent taxable value must
8 be determined for the state-owned property BUILDING
9 receiving fire and police services.

10 (2) A mill levy equivalent must be applied against
11 such a value in the same manner as such a mill levy is
12 applied to a private property owner within the jurisdiction
13 of the local government.

14 (3) The mill levy equivalent that is used must include
15 only the actual expenditures for fire and police activities
16 of the local government as reported in the last annual
17 financial report filed with the department of community
18 affairs as required by law.

19 Section 8. Method of payment. (1) The department
20 shall, in accordance with the mill levy equivalents
21 determined under [section 7], make payments semiannually to
22 all local governments that provide fire and police services
23 to state-owned buildings or facilities and that comply with
24 the provisions of [section 6]. IF THE APPROPRIATION FOR THE
25 IMPLEMENTATION OF [THIS ACT] IS INSUFFICIENT FOR THE FULL

1 PAYMENTS DETERMINED UNDER [SECTION 7] THE DEPARTMENT SHALL
2 REDUCE ALL PAYMENTS PROPORTIONATELY.

3 (2) The first payment under [this act] shall be
4 payable on November 1, 1981, and annually on November 1
5 thereafter. The second payment under [this act] shall be
6 payable on May 1, 1982, and annually on May 1 thereafter.

7 ~~Section 9. State agencies to budget for payments. Any~~
8 ~~state agency that operates a state-owned building or~~
9 ~~facility that receives fire and police services from a local~~
10 ~~government shall budget for sufficient funds to make any~~
11 ~~payments required by [this act].~~

12 Section 9. Optional method of providing fire and
13 police services to state-owned property. (1) A state agency
14 may provide fire and police protection to any state property
15 STATE-OWNED BUILDING under its jurisdiction if such a plan
16 meets with the approval of the department.

17 (2) Under this option, the department shall determine
18 if the proposed services will be adequate and cost
19 beneficial. For such a determination, the department shall:

20 (a) consult with officials of the local government to
21 ascertain what, if any, responsibility and liability for
22 fire and police services will remain with the local
23 government. If the local government retains a part of the
24 responsibility or liability for fire and police services,
25 the payment for such partial services must be calculated

1 according to the provisions of [section 7] or according to
2 an agreement regarding payment for the services entered into
3 between the local government and the state agency.

4 (b) conduct a study to ascertain what, if any, cost
5 benefit there would be to the state if the agency provided
6 its own fire and police protection.

7 Section 10. Applicability. This act applies to taxable
8 years beginning after December 31, 1980.

9 Section 11. Effective date. This act is effective on
10 July 1, 1981.

-End-