

House Bill 792

In The House

February 16, 1981	Introduced and referred to Committee on State Administration.
February 17, 1981	Fiscal note requested.
February 20, 1981	Committee recommend bill do pass.
February 21, 1981	Fiscal note returned.  Bill printed and placed on members' desks.
February 23, 1981	Second reading do pass.
February 24, 1981	Considered correctly engrossed.
February 25, 1981	Third reading passed.

In The Senate

March 3, 1981	Introduced and referred to Committee on State Administration.
March 25, 1981	Committee recommend bill concurred.
March 26, 1981	Motion pass consideration.
March 27, 1981	Second reading indefinitely postponed as amended.

In The House

March 28, 1981	Returned from Senate indefinitely postponed.
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1 *Meyer* HOUSE BILL NO. 792  
 2 INTRODUCED BY *Menaker Daily Lambert Kendrick*  
 3 *Jan Brown Harrington Lufkin Richard E. Hermann*  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A METHOD FOR

5 RELIEVING SEVERE ECONOMIC IMPACTS TO COMMUNITIES RESULTING  
 6 FROM MAJOR INDUSTRIAL PLANT CLOSURES; PROVIDING THAT THE  
 7 GOVERNOR MAY DECLARE SEVERE LOCAL ECONOMIC IMPACTS;  
 8 PROVIDING FOR LOCAL COMMITTEES FOR DISBURSEMENT OF FUNDS AND  
 9 FOR REPORTS TO THE LEGISLATURE."

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 11 WHEREAS, individual industrial plant closures that  
 12 cause unemployment for a substantial portion of a local  
 13 government's work force is a misfortune for the individuals  
 14 who have lost their means of livelihood, local businesses  
 15 dependent upon the patronage of those individuals, and a  
 16 local government dependent upon the wage earner and the  
 17 closed plant for its tax base, for the payment of its  
 18 existing indebtedness, and for its very viability; and such  
 19 a plant closure is a misfortune for the state by degrading  
 20 our quality of life, which is dependent upon a thriving  
 21 labor force and business community; and

22 WHEREAS, the solution to this series of misfortunes is  
 23 a public purpose which requires timely short-term emergency  
 24 financial help for the individuals, businesses, and local  
 25 governments involved; and

1 WHEREAS, an individual industrial plant closure creates  
 2 a misfortune in a geographically limited area and by its  
 3 unique nature is a possibility anywhere and anytime  
 4 statewide and thus is not amenable to ad hoc legislative  
 5 action because of delay, expense, and the constitutional  
 6 prohibition against local or special legislation; and

7 WHEREAS, except in the most general terms, it is  
 8 unfortunately not possible to realistically foresee special  
 9 problems and thus to legislatively define effective  
 10 solutions capable of covering the exigencies involved; and

11 WHEREAS, in the spirit of delegating the means to solve  
 12 local problems by persons intimately concerned with the  
 13 community, its problems and its strong points, and who are  
 14 aware, as a bureaucracy cannot be, of the community's  
 15 potential, the legislature considers it in the best interest  
 16 of the state to grant the local economic impact committees  
 17 created herein the latitude to locally forge a solution to  
 18 their local problems with the financial means granted them  
 19 by the state.

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 21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 22 Section 1. Purpose. The purpose of [this act] is to  
 23 provide a mechanism for the speedy and effective allocation  
 24 of state funds to prevent economic disaster to a community  
 25 when a primary industrial facility in the community ceases

1 operations.

2 Section 2. Definition of industrial plant. As used in  
3 [this act] "industrial plant" means a business facility  
4 engaged in the production of materials, the processing of  
5 materials to a substantially altered or treated state, or  
6 other primary industrial operation for the creation of  
7 commercial products or materials, including chemicals.

8 Section 3. Declaration of severe local economic  
9 impact. Within 1 year after the closure of an industrial  
10 plant within the state of Montana, the local governing body  
11 of the county or municipality where the plant is located may  
12 petition the governor to have him declare the local  
13 government severely economically impacted. The governor  
14 shall declare the local government severely economically  
15 impacted if he finds that:

16 (1) the local government lost 10% or more of the  
17 employment opportunities in the community due to the plant  
18 closure; or

19 (2) the plant that closed constituted 20% or more of  
20 the taxable valuation of the local government.

21 Section 4. Declaration of secondary economic impacts.  
22 If the governor finds that the petitioning local government  
23 qualifies as severely economically impacted, he shall cause  
24 notice to be sent to every local government contiguous to  
25 the petitioning local government and to any other local

1 government he considers necessary to solicit secondary  
2 economic impact petitions. If there has been a substantial  
3 economic impact on a local government submitting a petition  
4 for declaration of secondary economic impact because of the  
5 plant closure in a contiguous county or if another local  
6 government has had a substantial economic impact related in  
7 some definable manner to the plant closure, the governor may  
8 declare those local governments as secondarily economically  
9 impacted and include them in the declaration of economic  
10 impact.

11 Section 5. Appointment of local economic impact  
12 committees. Upon declaration of economic impact, each local  
13 government named in the declaration shall, through its local  
14 governing body, appoint a local economic impact committee.  
15 Each committee shall consist of one representative of the  
16 local government, one representative of local labor, and one  
17 representative of local business.

18 Section 6. Joint meeting of committees -- allocation  
19 of funds. Within 30 days of the declaration of economic  
20 impact, all of the local economic impact committees shall  
21 hold a joint meeting in Helena. The joint committee shall be  
22 chaired by a person appointed by the governor. The chairman  
23 may not be a person on a local impact committee or from one  
24 of the impacted local governments. The joint committee shall  
25 determine the allocations to local committees of any funds

1 appropriated for the implementation of [this act].

2 Section 7. Powers of local economic impact committees.

3 Subject to the provisions of this section and [section 8],  
4 each local economic impact committee may expend, loan, or  
5 invest funds allocated to it by the joint committee. The  
6 funds shall be used for any purpose the local economic  
7 impact committee considers appropriate to alleviate the  
8 economic impact on the community. The use may include:

9 (1) grants, loans, or loan guarantees:

10 (a) to the local government for industrial  
11 construction or reconstruction;

12 (b) to provide training for members of the local labor  
13 force;

14 (c) to local school districts; and

15 (d) for the creation of a continuing loan fund for  
16 business loans;

17 (2) grants to the county poor fund for public  
18 assistance purposes.

19 Section 8. Guidelines for fund use. The disbursement of  
20 funds must be in accordance with guidelines adopted by each  
21 local economic impact committee, based upon the following  
22 factors:

23 (1) the long-term benefits to the economic climate of  
24 the local government;

25 (2) alleviation of immediate suffering by the

1 residents of the local community; and

2 (3) maintenance of the vitality of the local  
3 government and school districts affected by the economic  
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5 Section 9. Reporting of fund uses. The allocation  
6 formula of the joint committee and the use of the allocated  
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8 reported to the department of administration and the  
9 legislative audit committee. The legislative auditor shall  
10 report to the legislature each session following the  
11 expenditure of economic impact funds under [this act]. The  
12 report shall detail the expenditures and their use and what  
13 beneficial consequences such expenditures had upon the  
14 affected local government. The report may suggest  
15 improvements in [this act] and its administration.

-End-

HB 792

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STATE OF MONTANA

REQUEST NO. 406-81

FISCAL NOTE

Form BD-15

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In compliance with a written request received February 17, 19 81, there is hereby submitted a Fiscal Note for House Bill 792 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.

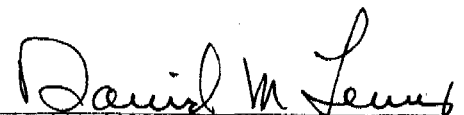
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Description of Proposed Legislation

House Bill 792 provides a method for relieving severe economic impacts to communities resulting from major industrial plant closures.

Fiscal Impact

Due to the fact that the proposal merely provides a mechanism to aid communities and it does not allocate any money for that purpose, it is impossible to compute the amount needed under the terms of the bill. It is estimated that the functions to be performed by the Governor, the Department of Administration, and Legislative Auditor can be performed by existing staffs and budgets. Therefore, the only cost to the state, under the terms of this bill, would be those amounts appropriated for its purposes.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/20/81

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Approved by Committee  
on State Administration

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 2 INTRODUCED BY *Menaker, Dault, Lambert, Kendrick,*  
 3 *Jane Brown, Harrington, Lufkin, Richard E. Marmorek,*  
 4 *Fuller*

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 13 government's work force is a misfortune for the individuals  
 14 who have lost their means of livelihood, local businesses  
 15 dependent upon the patronage of those individuals, and a  
 16 local government dependent upon the wage earner and the  
 17 closed plant for its tax base, for the payment of its  
 18 existing indebtedness, and for its very viability; and such  
 19 a plant closure is a misfortune for the state by degrading  
 20 our quality of life, which is dependent upon a thriving  
 21 labor force and business community; and

22 WHEREAS, the solution to this series of misfortunes is  
 23 a public purpose which requires timely short-term emergency  
 24 financial help for the individuals, businesses, and local  
 25 governments involved; and

1 WHEREAS, an individual industrial plant closure creates  
 2 a misfortune in a geographically limited area and by its  
 3 unique nature is a possibility anywhere and anytime  
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 5 action because of delay, expense, and the constitutional  
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