



Local Government Interim Committee 65th Montana Legislature

SENATE MEMBERS

CYDNIE (CARLIE) BOLAND
MARGARET (MARGIE) MACDONALD
FRED THOMAS
ROGER WEBB

HOUSE MEMBERS

MARY ANN DUNWELL
DAVE FERN
ADAM HERTZ
JEREMY TREBAS

COMMITTEE STAFF

LEANNE KURTZ, Lead Staff
K. VIRGINIA ALDRICH, Staff Attorney
KATYA GROVER, Secretary

MINUTES LOG

July 14, 2017
Room 102, Capitol Building
Helena, Montana

Please note: This document is a Minutes Log and provides a notation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video record of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side menu of the home page, select Committees, then Interim. Once on the page for Interim Committees, scroll down to the appropriate committee. The written Minutes Log, along with the audio and video recordings, is listed by meeting date on the interim committee's web page. Each of the Exhibits is linked and can be viewed by clicking on the Exhibit of interest. All Exhibits are public information and may be printed.

Please contact the Legislative Services Division at 406-444-3064 for more information.

COMMITTEE MEMBERS PRESENT

SEN. CYDNIE (CARLIE) BOLAND
SEN. MARGARET (MARGIE) MACDONALD
SEN. FRED THOMAS
SEN. ROGER WEBB

REP. MARY ANN DUNWELL
REP. DAVE FERN
REP. ADAM HERTZ
REP. JEREMY TREBAS

COMMITTEE MEMBERS EXCUSED

STAFF PRESENT

LEANNE KURTZ, Lead Staff
K. VIRGINIA ALDRICH, Staff Attorney
LAURA SHERLEY, Secretary

VISITORS' LIST (Attachment 1)

AGENDA (Attachment 2)

COMMITTEE ACTIONS

The 2017-2018 Local Government Interim Committee:

- ! moved to allow proxy votes with notification to members and staff;
- ! elected Sen. Webb as Chair;
- ! elected Rep. Dunwell as Vice Chair;
- ! assigned work plan first priority to the studies HJR 25 and SJR 21, second priority to reviewing the Entitlement Share program, and third priority to looking at portions of the HJR 31 study of land use and affordable housing, the MSU Local Government Center, building codes, and tracking the HJR 18 TIF study;
- ! and adopted the work plan and selected meeting dates.

CALL TO ORDER AND ROLL CALL

00:00:02 Sen. Thomas called the meeting to order at 9:02 a.m.

INTRODUCTION OF STAFF

00:00:44 Leanne Kurtz, lead staff
00:01:15 Ginger Aldrich, staff attorney
00:02:00 Laura Sherley, committee secretary
00:02:17 The committee secretary took roll ([Attachment 3](#))

PROXY VOTE PROCEDURES

00:02:49 Ms. Kurtz ([Exhibit 1](#))

MOTION

00:03:34 Sen. MacDonald moved to allow proxy votes in the committee according to the rules and procedures adopted by Legislative Council with written notification to the chair and committee staff.

VOTE

00:03:43 Motion passed unanimously on a voice vote.

ELECTION OF CHAIR AND VICE-CHAIR

00:03:55 Sen. MacDonald nominated Sen. Webb for Chair.
00:04:15 Sen. MacDonald nominated Rep. Dunwell for Vice Chair.

MOTION

00:04:39 Sen. MacDonald moved to nominate Sen. Webb for Chair and Rep. Dunwell as Vice Chair of the 2017-2018 Local Government Interim Committee (LGIC).

VOTE

00:04:56 Motion passed unanimously on a voice vote.

INTRODUCTION OF MEMBERS

00:06:00 Sen. Webb
00:06:30 Rep. Dunwell
00:07:11 Sen. Thomas

00:07:43 Rep. Fern
00:08:29 Sen. Boland
00:08:54 Rep. Hertz
00:09:11 Sen. MacDonald
00:09:54 Rep. Trebas

COMMITTEE OVERVIEW AND ADMINISTRATIVE MATTERS -- Leanne Kurtz, lead staff
Statutory authority

00:10:35 Ms. Kurtz briefly discussed the statutory authority given to the committee in SB 151: *Create local government interim committee.*

Budget

00:11:08 Ms. Kurtz reviewed the committee budget for the 2017-2018 Interim.

Rules, Procedures, and Guidelines for Interim Committees

00:11:49 Ms. Kurtz gave an overview of the rules, procedures, and guidelines for Legislative Interim Committees (see Exhibit 1).

DRAFT WORK PLAN REVIEW -- Ms. Kurtz

Proposed work plan and study plans

00:16:10 Ms. Kurtz reviewed the interim work history of the LGIC and the committee draft work plan for the 2017-2018 Interim ([Exhibit 2](#)).

00:38:10 Rep. Fern asked for the general interim committee budget.

00:39:51 Rep. Dunwell asked why the LGIC has no agency oversight.

00:41:18 Ms. Kurtz continued her presentation (see Exhibit 2) and ([Exhibit 3](#)).

00:43:24 Sen. Thomas asked for clarification of the building codes item in the draft interim work plan.

00:46:20 Rep. Dunwell spoke on the use of fireworks in her district.

00:48:29 Ms. Kurtz continued her presentation (see Exhibit 2).

Committee questions

00:50:48 Sen. MacDonald asked that the SJR 21 study incorporate a portion of an audit report on hazmat and railroad safety.

00:52:15 Ms. Kurtz recommended that the members consider any additional study options they wish to add to the committee work plan and adopt the work plan at the end of the meeting.

00:52:48 Sen. Webb asked the members to deliver their interested study topics to the committee staff.

00:53:24 Sen. Thomas asked for clarification of the agency reports to the committee, the fire safety study topics, and the adoption of the work plan.

MONTANA LEAGUE OF CITIES AND TOWNS AND MONTANA ASSOCIATION OF COUNTIES REPRESENTATIVE REMARKS, DISCUSSION WITH MEMBERS REGARDING COMMITTEE ROLE, FUNCTION, AND STUDY TOPICS

Tim Burton, Executive Director, MLCT

Harold Blattie, Executive Director, MACo

00:57:20 Mr. Burton ([Exhibit 4](#))
01:08:15 Mr. Blattie

Committee questions

01:22:03 Rep. Fern asked Mr. Blattie for a title or labeling of his recommendations.

City representatives comment

01:23:16 Jim Smith, Helena Mayor
01:29:42 Doug Russell, Kalispell City Manager
01:32:55 Jon Engen, Missoula Mayor
01:37:02 Bob Kelly, Great Falls Mayor
01:40:23 Eric Bryson, Montana Association of Counties
01:47:37 Ed Barlett, City of Billings and County of Yellowstone
01:49:51 Dave Palmer, Chief Executive, Butte Silverbow
01:51:01 Ted Barkley, Belgrade City Manager

Public comment

01:54:41 Paul O'Loughlin, Helena ([Exhibit 5](#)) and ([Exhibit 6](#))
01:58:41 Jean Branscum, Montana Medical Association

Committee questions

02:00:15 Rep. Trebas asked for the year of the initiative to cap property tax rates. The question was referred to Mr. Blattie and Ms. Kurtz will follow-up with information.

BREAK (reconvened at 12:06 p.m.)

HJR 25 STUDY OF MUNICIPAL FIRE DEPARTMENTS

Background information and structure of statutes governing local fire protection and municipal classification

03:05:07 Ms. Kurtz gave a background on HB 534: *Revise municipal fire protection laws*, the current statutes governing local fire protection, municipal classification, and how the study pertains to the committee's work ([Exhibit 7](#)), ([Exhibit 8](#)), ([Exhibit 9](#)), and ([Exhibit 10](#)).

Study sponsor comments

03:15:34 Rep. Hertz commented on the background of HB 534 and the intended purpose of the study.

Committee questions

03:18:38 Rep. Fern asked Ms. Kurtz how many local fire entities exist in the state.

Comment from interested individuals and organizations

03:20:16 Ted Barkley, Belgrade City Manager
03:31:07 Jeff Simpson, Washington State Council of Firefighters

Committee questions

03:38:27 Sen. Webb asked Mr. Simpson if the Washington State Council of Firefighters consists of individuals from both the city council and the fire departments.
03:40:14 Rep. Hertz asked Mr. Simpson for clarification regarding the rural and city fire department consolidation.
03:41:04 Rep. Fern asked Mr. Simpson if there is a renewal time period for the fire benefit charge and if any of the Washington districts have not passed the renewal note.

- 03:43:36 Sen. Macdonald asked Mr. Simpson how the Washington State Council of Firefighters handled consolidating the volunteer and professional firefighters and what challenges they saw.
- 03:47:32 Sen. Boland asked Mr. Simpson if Washington's RFA are still volunteer or paid positions and what the ratio is between volunteer and paid positions.
- 03:49:16 Rep. Dunwell asked Mr. Simpson for preventative mechanisms to prevent a fire department from turning into a strictly volunteer department. Mr. Simpson will follow-up with information.
- 03:52:21 Rep. Fern asked for the background behind the classification numbers, when they were established, how often they change, and if they are still relevant. The question was referred to Mr. Barkley and Ms. Kurtz (see Exhibit 10).

Comment from interested individuals and organizations continued:

- 03:54:38 Tim Burton, Montana League of Cities and Towns
- 03:59:36 Ron Lindroth, Central Valley Fire District Chief
- 04:05:11 Ron Alles, Helena City Manager
- 04:07:56 Doug Russell, Kalispell City Manager

Committee questions

- 04:10:31 Sen. Thomas asked Mr. Russell if the city of Kalispell needs any guidance from the state regarding fire services.
- 04:13:07 Sen. Thomas asked Mr. Lindroth how much land is part of the Central Valley Fire District, if they offer paid firefighter positions, and if they need any guidance from the state regarding fire services.
- 04:15:50 Sen. Thomas asked Mr. Lindroth for clarification of the firefighter coverage rating and the Insurance Services Office (ISO).

Proposed study plan

- 04:19:44 Mr. Kurtz reviewed the proposed study plan.

Committee questions

- 04:21:09 Sen. Thomas asked why the state should be involved in the issue of hiring career firefighters. Ms. Kurtz will follow-up with this information.
- 04:22:23 Sen. Boland asked Sen. Thomas if he sees an issue retaining volunteer firefighters in his district.
- 04:24:54 Rep. Fern asked if there is an issue finding and retaining volunteer firefighters. The question was referred to Mr. Lindroth.

SJR 21 STUDY OF VOLUNTEER FIRE DEPARTMENTS AND EMS SYSTEMS

Background information on development of resolution

- 04:30:59 Mr. Kurtz gave an overview of SJR 21: *Interim study of EMS and volunteer firefighters*, a background on the resolution, and a summary of the recommendations from previous EMS and volunteer firefighter studies ([Exhibit 11](#)), ([Exhibit 12](#)), and ([Exhibit 13](#)).

Committee questions

- 04:39:47 Sen. Boland asked if there are any funds left in the 2009 grant. The question was referred to Mike Tooley, Department of Transportation Director.
- 04:40:57 Sen. Boland asked Mr. Tooley for a budget sheet of expenses since the 2009 grant fund. Mr. Tooley will follow up with information.

- 04:41:28 Rep. Dunwell asked Mr. Tooley how many volunteer fire departments are on the grant fund waiting list. Mr. Tooley will follow up with information.
- 04:42:29 Rep. Dunwell asked Mr. Tooley if there are volunteer departments or organizations that are too busy to apply for grants.
- 04:43:11 Sen. Thomas commented on the similarity between HJR 25 and SJR 21 and recommended that they be combined in the work plan.

Comment from interested individuals and organizations

- 04:44:29 Leonard Lundby, Montana Fire Alliance
- 04:51:29 Clint Loss, Montana EMS Association President

Committee questions

- 04:53:07 Rep. Fern asked Ms. Kurtz for the total number of volunteer firefighters in the state and the workers compensation cost for each firefighter. The question was referred to Mr. Lundby.
- 04:56:29 Sen. Thomas asked Mr. Lundby if most districts get their volunteer firefighters from the career firefighter retirement system.
- 05:01:46 Rep. Dunwell asked Mr. Loss if volunteer firefighters are ever covered under the Department of Natural Resources and Conservation (DNRC) workers compensation if the department needs to utilize the volunteers for a large fire.
- 05:04:09 Rep. Dunwell asked if workers compensation would be easier to attain for volunteer firefighters if the state adopted a type of fire organization/authority.
- 05:05:16 Sen. Thomas asked that the committee receive the workers compensation data from the firefighters retirement system.
- 05:05:58 Ms. Kurtz commented on the DNRC county Co-Op program and its requirement that firefighters have workers compensation coverage.

Comment from interested individuals and organizations continued

- 05:07:12 Jean Branscum, Montana Medical Association
- 05:14:32 Bob Story, Helena
- 05:18:39 Mike Tooley, Montana Department of Transportation Director

HJR 18 STUDY OF TAX INCREMENT FINANCE

Update on Revenue and Transportation Interim Committee (RTIC) study options -- Megan Moore, RTIC Staff

- 05:20:32 Ms. Moore gave an update on the RTIC assigned study HJR 18 work plan ([Exhibit 14](#)).

Committee questions

- 05:23:41 Sen. MacDonald asked if the RTIC reports will also discuss job creation in the state's tax increment districts.

Public comment

- 05:25:49 Tim Burton, Montana League of Cities and Towns
- 05:29:07 Bob Story, Montana Taxpayers Association
- 05:31:43 Abigail St. Lawrence, Montana Building Industry Association
- 05:32:46 Eric Bryson, Montana Association of Counties
- 05:34:06 Glenn Oppel, Montana Association of Realtors
- 05:34:35 Bridger Mahlem, Montana Chamber of Commerce

PUBLIC COMMENT ON ANY ITEM IN LGIC'S SUBJECT MATTER JURISDICTION

05:35:43 Bob Story, Montana Taxpayers Association

WORK PLAN AMENDMENTS, ADOPTION

05:41:13 Ms. Kurtz reviewed the study options the committee members discussed and recommended that the members prioritize the studies (see Exhibit 3).

Committee questions and discussion

05:42:47 Sen. Thomas recommended prioritizing HJR 25 and SJR 21 studies and also the Entitlement Share review. Sen. Thomas also spoke to the HJR 18 TIF study.

05:46:03 Sen. MacDonald also recommended prioritizing the Entitlement Share review.

05:48:36 Rep. Hertz advocated prioritizing the Land Use and Housing HJR 31: *Interim study of land use regulations and workforce housing* study.

05:49:29 Rep. Dunwell also recommended prioritizing the Entitlement Share review as well as the cost shifting issue.

05:51:51 Rep. Fern asked the members for clarification of the Entitlement Share review.

05:52:42 Rep. Fern commented on HJR 31 and recommended prioritizing the study.

MOTION

05:53:39 Sen. Thomas moved to assign work plan first priority to the studies HJR 25 and SJR 21, second priority to reviewing the Entitlement Share program, and third priority to looking at portions of the HJR 31 study of land use and affordable housing, the MSU Local Government Center, building codes, and tracking the HJR 18 TIF study.

DISCUSSION ON THE MOTION

05:55:14 Rep. Dunwell asked if the hazmat response and railroad safety will be included in the SJR 21 study.

05:56:17 Sen. MacDonald asked if the TIFs study would be collaborating continuously with RTIC and continuing to receive public comment.

05:58:16 Rep. Dunwell suggested that the study be titled Local Government Revenue rather than Entitlement Share.

FRIENDLY AMENDMENT

06:00:14 Sen. MacDonald made a friendly amendment to add the Montana Association of Counties County Budget training to the work plan.

DISCUSSION ON THE MOTION

06:00:59 Ms. Kurtz commented on the work by RTIC last interim regarding local revenue sources.

VOTE

06:01:33 The motion passed on an unanimous voice vote.

NEXT MEETING DATE

06:01:42 Ms. Kurtz requested that the committee decide on interim meeting dates.

Committee discussion

- 06:02:30 Committee discussion on interim meeting dates.
- 06:04:14 Rep. Fern asked the committee when they would hold the Entitlement Share discussion.
- 06:05:09 Rep. Dunwell asked that the Entitlement Share discussion be held early in the interim.
- 06:05:43 Eric Bryson, Montana Association of Counties
- 06:06:18 Committee discussion on interim meeting dates.

ADJOURNMENT

- 06:08:17 With no further business before the committee, Sen. Webb adjourned the meeting at 3:10 p.m.

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