



Local Government Interim Committee 65th Montana Legislature

SENATE MEMBERS

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

HOUSE MEMBERS

MARY ANN DUNWELL--Vice Chair
DAVE FERN
ADAM HERTZ
JEREMY TREBAS

COMMITTEE STAFF

LEANNE KURTZ, Lead Staff
K. VIRGINIA ALDRICH, Staff Attorney
JENNI CARR, Secretary

MINUTES LOG

March 14, 2018
Room 152, 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. ROGER WEBB, Chair
REP. MARY ANN DUNWELL, Vice Chair
SEN. CYDNIE (CARLIE) BOLAND
SEN. MARGARET (MARGIE) MACDONALD
REP. DAVE FERN
REP. ADAM HERTZ
REP. JEREMY TREBAS

COMMITTEE MEMBERS EXCUSED

SEN. FRED THOMAS

STAFF PRESENT

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K. VIRGINIA ALDRICH, Staff Attorney
JENNI CARR, Secretary

VISITORS' LIST([Attachment 1](#))

AGENDA([Attachment 2](#))

COMMITTEE ACTIONS

RECONVENE

- 00:00:04 Sen. Webb reconvened the meeting at 1:03pm in room 152, and told the committee he would allow for public comment on the morning's joint meeting with the Revenue and Transportation Interim Committee.
- 00:00:45 Steve Zachmann, city councilman from Baker, Montana commented about Ta Increment Finance based on the morning's agenda.

HJR 25 STUDY OF MUNICIPAL FIRE DEPARTMENTS

Report on working group discussions and recommendations - Ted Barkley, Belgrade City Manager

- 00:05:00 Mr. Barkley began his update on discussions with stateholders on revising municipal fire department statutes.

Review Regional Fire Authority (RFA) bill draft - Leanne Kurtz, Committee Staff

- 00:17:03 Ms. Kurtz explained the RFA draft, some of the language presented in it, and questions that need to be answered before proceeding. ([Exhibit 2](#)) ([Exhibit 3](#)) ([Exhibit 4](#))

Public comment

- 00:39:44 Doug Russell, City Manager of Kalispell, Montana.

Committee discussion of next steps and committee action

- 00:40:27 Rep. Hertz stated that he would like to see the exemption removed.
- 00:41:02 Rep. Fern stated that the committee should move forward with the bill, and asked if county commissioners would be the exclusive governing body in the model.
- 00:43:01 Rep. Fern asked how a surcharge would be implemented and the rationale for such a surcharge.
- 00:44:10 Rep. Dunwell asked if the board was made up of the same group as the planning committee.
- 00:45:22 Rep. Dunwell asked if it would be a representative authority board, including all of the former jurisdictions.
- 00:46:40 Rep. Dunwell asked who the elector would be.
- 00:47:58 Rep. Dunwell asked if it could be written into the legislation that any unit part of the RFA would be protected by workers' comp.
- 00:50:50 Rep. Trebas asked for clarification on the service provision considerations.
- 00:51:33 Sen. Webb asked for Mr. Barkley's opinion.
- 00:53:50 Sen. Webb asked if the committee should include emergency medical services as well as fire protection.
- 00:55:52 Rep. Dunwell asked Mr. Barkley why permissive services are preferred.

- 01:00:25 Rep. Fern asked about a provision that allows areas to withdraw themselves from the RFA.
- 01:03:45 Rep. Trebas asked for an example of how services would be split amicably.
- 01:05:31 Sen. Webb stated that Ms. Kurtz could address any concerns, and the committee could proceed with potential legislation to authorize creation of RFAs.

SJR21 STUDY OF EMS AND VOLUNTEER FIREFIGHTER SYSTEMS

Study resolution review, progress, compilation of incentive proposals - Ms. Kurtz

- 01:06:19 Ms. Kurtz reviewed the SJR21 study. ([Exhibit 5](#))

Programs in Cut Bank, Red Lodge - Jim DeTienne, Section Supervisor, DPHHS EMS and Trauma Systems

- 01:13:42 Mr. DeTienne introduced Amie Allison, and Ruth Bilyeu to share their testimonies.
- 01:14:34 Amie Allison, Glacier County EMS, gave her presentation on EMS 3.0. ([Exhibit 6](#)) ([Exhibit 7](#))
- 01:24:24 Ruth Bilyeu, Red Lodge fire rescue, shared her experiences with community health services.
- 01:33:38 Rep. Fern asked Ms. Bilyeu about start-up costs and what annual costs might be.
- 01:38:55 Sen. Webb asked how long the program would be in place.
- 01:39:46 Sen. MacDonald asked for clarification on Texas's program and funding.
- 01:41:19 Rep. Fern asked for clarification on Kalispell's business model and if the service would be sustainable.
- 01:43:06 Rep. Dunwell asked what kind of response the programs have received from medical personnel.

Statutory approaches in Montana and other states - Mr. DeTienne

- 01:47:14 Mr. DeTienne gave his presentation on Community Health EMS and SB 104. ([Exhibit 8](#)) ([Exhibit 9](#))

Public comment

- 02:06:11 Don Whalen, manager of ambulance services in Missoula.
- 02:09:04 Clint Loss, president of the Montana EMS association.

Committee discussion

- 02:10:14 Rep. Trebas asked if the federal congressional delegation has been consulted.
- 02:10:40 Rep. Fern stated support for the proposed bill.

Motion

- 02:11:38 Sen. MacDonald moved to bring back something like SB 104, including new information heard during the meeting.

Discussion on the motion

- 02:12:33 Rep. Fern asked if cleaning up the code would be required as part of the motion.

Vote

- 02:13:51 The motion passed unanimously on a voice vote.

BREAK (reconvene at 3:25)

02:27:51 Sen. Webb reconvened the meeting.

Workers' Compensation for Volunteer Firefighters

02:28:06 Ms. Kurtz reviewed workers' compensation bill history. (See Exhibit 5)

Public comment

02:31:58 Leonard Lundby, Montana Fire Alliance, Chief of Manchester Volunteer Fire Department.

Questions from the committee

02:37:22 Rep. Fern suggested a fee on fireworks that could pay for workers' comp.

02:40:36 Sen. Webb asked how 75% of firefighters are funding their workers' comp.

02:44:47 Sen. Boland asked if other EMS services are required by law to have workers' comp.

02:45:26 Chris Hindoién, independent insurance agent, marketing representative for VFIS products, provided comment.

02:47:20 Rep. Fern stated mandated insurance isn't a problem if there is a fund set aside to assist.

02:48:33 Harold Blattie, Montana Association of Counties (MACo) stated that workers' comp is required for all employees, not volunteers.

02:53:08 Sen. Boland asked Mr. Lundby how many volunteers are in his department.

02:55:09 Rep. Hertz asked how many districts realistically can't afford the coverage, and how many refuse to cover their volunteers despite the fact that they can afford to.

02:57:37 Rep. Dunwell asked for Mr. Lundby's opinion on smaller departments joining a larger Regional Fire Authority.

03:00:37 Sen. MacDonald asked Mr. Blattie for his opinion on a permissive levy regarding workers' comp.

03:06:38 Ms. Kurtz asked for clarification on whether the committee wanted to see legislation by the July 2018 meeting.

03:07:36 Rep. Dunwell requested two different bill drafts.

LOCAL AUTHORITY TO RESTRICT FIREWORKS

Review local authority - Ginger Aldrich, staff attorney

03:09:46 Ms. Aldrich reviewed statutes governing municipal and county authority to regulate fireworks. ([Exhibit 10](#)) ([Exhibit 11](#))

SB 44 (2015) legislative history

03:15:45 Mr. Blattie, MACo, gave presentation on fireworks ban regulations. ([Exhibit 12](#))

Public comment

03:22:00 Mr. Lundby, Montana Fire Alliance.

Committee discussion

03:23:44 Rep. Dunwell asked Mr. Blattie for clarification on stage 1 and stage 2 fire restrictions, and why fireworks are not included.

03:25:06 Rep. Dunwell asked if state regulation would be more appropriate than county

- regulation.
- 03:28:28 Rep. Trebas asked what implications there may be for counties if they restricted fireworks under current law.
- 03:31:14 Rep. Fern stated that a county should be able to have emergency restrictions when there is an extreme fire danger.

Motion

- 03:36:43 Rep. Dunwell moved to request a bill draft that resembles SB44.

Discussion on the motion

- 03:38:21 The committee discussed the motion.

Vote

- 03:39:47 The motion failed on a voice vote, 6-1, with Sen. Boland, Sen. MacDonald, Sen. Webb, Rep. Fern, Rep. Hertz, Rep. Trebas voting 'no' and Rep. Dunwell voting 'yes'. Sen. Thomas was excused.

REGULATORY BASIS FOR ACCOUNTING FOR LOCAL GOVERNMENTS

Description of the issue - Kim Smith and Chet McLean, Department of Administration

Local Government Services

- 03:40:36 Ms. Smith began the presentation on Local Government Accounting. ([Exhibit 13](#))
- 03:51:37 Mr. McLean continued the presentation.

Public comment

- 04:00:46 Mr. Blattie, MACo.
- 04:01:33 Elaine Mitchel, Cutbank, MT. ([Exhibit 14](#))
- 04:02:46 Kelly Lynch, Montana League of Cities and Towns (MLCT).
- 04:03:25 Susan Nicosia, city manager for Columbia Falls, MT.

Committee discussion

- 04:08:18 Rep. Dunwell asked if the legislation would increase compliance.
- 04:11:03 Rep. Trebas asked for clarification on the lack of pension information.
- 04:15:00 Sen. Webb asked what would happen if the population threshold was raised from 2500 to 5000.
- 04:16:22 Rep. Fern asked if the committee should be considering aggregate budgets rather than population.
- 04:20:49 Rep. Dunwell asked if there was a clear definition of the process.
- 04:21:47 Rep. Dunwell asked for input from the MLCT and MACo.
- 04:25:16 Rep. Fern asked Ms. Nicosia for her opinion on the suggested raise of the threshold.
- 04:32:15 Rep. Dunwell suggested giving all local government entities this reporting option.

Motion

- 04:33:24 Rep. Dunwell moved to have a bill drafted for the committee's consideration amending portions of statutes that apply to GAAP reporting as suggested by the department of administration.

Discussion on the motion

04:34:05 The committee discussed the motion.

Vote

04:36:14 The motion passed unanimously on a voice vote.

PUBLIC COMMENT ON ANY MATTER WITHIN LGIC'S SUBJECT MATTER JURISDICTION

No comment.

RECESS (Meeting recessed at 5:53pm)

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MINUTES LOG

March 15th, 2018
Room 152, Capitol Building
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VISITORS' LIST([Attachment 4](#))

AGENDA(See Attachment 2)

COMMITTEE ACTIONS

CALL TO ORDER AND ROLL CALL

00:00:03 Sen. Webb called the meeting to order. The committee secretary took roll.
([Attachment 5](#))

ENTITLEMENT SHARE

Draft letter requesting that origins of Entitlement Share be included in legislator training
- Leanne Kurtz, committee staff

00:01:02 Ms. Kurtz presented the draft letter regarding Entitlement Share training for legislators. ([Exhibit 15](#))

Public comment

00:02:00 Tim Burton, Montana League of Cities and Towns (MLCT).

00:02:29 Harold Blattie, executive director, Montana Association of Counties (MACo).

Motion

00:03:00 Rep. Dunwell moved to provide the letter requesting training for new legislators on the Entitlement Share.

Discussion on the motion

00:03:10 The committee discussed the motion.

Vote

00:04:30 The motion passed unanimously on a voice vote.

Entitlement Share payments - Susan Nicosia, Columbia Falls City Manager; Ed Caplis, Department of Revenue; Bob Story, Montana Taxpayers Association

00:05:12 Mr. Caplis began the presentation on Entitlement Share payments. ([Exhibit 16](#))
([Exhibit 17](#))

00:22:40 Ms. Nicosia added input to the presentation.

00:30:20 Mr. Story added to the presentation. ([Exhibit 18](#))

00:42:38 Sen. MacDonald asked if there's been an attempt to factor in an assessment.

00:44:28 Rep. Dunwell asked Mr. Story what local governments had to do in 2012/2013 when the state withheld the growth rate.

00:46:08 Rep. Fern asked about the bigger picture.

00:49:27 Sen. MacDonald asked for clarification on school block grants.

00:57:25 Rep. Dunwell asked what statute improvement can insure Entitlement Share stays whole and prevents the state from using funds intended for local governments.

01:04:26 Sen. Webb asked if there were sources available to back-fill funds.

Public comment

01:07:14 Mr. Burton, MLCT.
01:10:50 Mr. Blattie, MACo. ([Exhibit 19](#))

TOURISM IMPACTS ON GATEWAY COMMUNITIES

Introduction of the issue - Harold Blattie, Montana Association of Counties

01:15:26 Mr. Blattie began his presentation on the impacts of tourism in the state.

Park County perspective - Erica Stricland, Park County Finance Director; Bill Berg, Park County Commissioner; Park County city and town representatives

01:18:23 Mr. Berg introduced the panel, and began his presentation on Park County's tourism economy.
01:22:53 Scott Hamilton, Park County Sheriff's office, began his testimony.
01:25:26 Mike Kardoes, Livingston city manager, shared testimony of the infrastructure of Livingston and Park County.
01:33:42 Rep. Fern asked if a local tax would be an either-or situation for municipalities or counties.
01:36:18 Rep. Trebas asked Mr. Story for history on local option tax for resort communities.
01:38:17 Rep. Dunwell asked how electronic booking of travel entities works and how taxes are collected.
01:40:39 Lesley Feigel, executive director, Livingston Chamber of Commerce, gave input on the lodging taxes.
01:42:10 Rep. Trebas asked about tailoring local option tax.
01:44:58 Rep. Fern asked what expected revenues could be used for, limiting taxes to municipal services.
01:47:39 Rep. Dunwell asked if emergency services could be provided workers' comp through the extra funds a tax would provide.
01:49:47 Sen. Webb asked if the local option fuel tax was being utilized in Park County.
01:51:10 Sen. Boland asked what kind of support the city is getting from the community.

Public comment

01:55:02 Debbie Purvis, president of Cooke City water district.
01:57:38 Troy Wilson, fire chief in Cooke City.
02:00:09 Erica Stricland, Park County finance director. ([Exhibit 20](#)) ([Exhibit 21](#))
02:01:25 Mr. Blattie, MACo.
02:05:33 Mr. Burton, MLCT.

Received written public comment from Laurie Bishop, Montana House Representative. ([Exhibit 22](#))

Committee discussion

02:07:57 Rep. Fern asked Mr. Blattie how he personally envisions a local option tax carved out to specific areas.

BREAK (reconvene at 10:25)

02:27:46 Sen. Webb brought the meeting back to order.

LOCAL GOVERNMENT SINGLE AUDIT ACT

Review of the issue - Rep. Dunwell, James Nelson

- 02:28:33 Rep. Dunwell addressed Montana's Single Audit Act.
02:29:25 James Nelson, former justice of the Supreme Court, reviewed Montana's constitution in relation to the Single Audit Act. ([Exhibit 23](#))

Public comment

- 02:44:42 Elaine Mitchell, Cut Bank, Montana.

Committee discussion

- 02:47:40 Rep. Fern asked Mr. Blattie for feedback on the two recommendations made by Mr. Nelson.
02:50:47 Rep. Trebas asked about liabilities, negative cash balances, and school district funding.
02:55:44 Rep. Dunwell asked for clarification that the public entity is on the state level.
02:59:27 Rep. Dunwell asked if there was any training available to local governments.
03:05:55 Sen. Webb asked where the responsibility lies.
03:10:23 Eric Bryson, Montana Association of Counties, gave input.
03:13:11 Rep. Dunwell asked for consensus from the committee that staff could work on a bill draft before the next meeting.
03:13:37 Sen. MacDonald supports a bill draft.
03:14:22 Rep. Fern asked if its being suggested that the drafts address both issues put forth before the committee.
03:15:55 Rep. Fern suggests going forward with both issues.
03:16:08 Sen. Boland asked for the county's side of the story, as well as input from the Department of Revenue.
03:17:09 Sen. Webb requested 3 drafts.
03:18:49 Sen. MacDonald asked that the counties be notified of this meeting so that they may bring forth public comment at the July meeting.
03:25:57 Sen. Webb asked if Titles 7 and 15 should have their language cleaned up.
03:28:14 Rep. Dunwell asked Mr. Nelson for his thoughts.
03:29:25 Sen. Boland asked if the committee could get a response from counties.

Motion

- 03:32:09 Rep. Fern moved to send a letter to Glacier County, and to delegate responsibilities to the Chair and Vice Chair to examine the consistency of the Single Audit System and its implementation regarding items discussed today, and also to examine deficits in sections 7 and 15 as to subject matter discussed today. ([Exhibit 24](#))

Discussion of the motion

- 03:32:58 The committee discussed the motion.

Vote

- 03:33:41 The motion passed unanimously on a voice vote.

BREAK

- 03:48:22 Sen. Webb brought the committee back to order.

LAND USE AND HOUSING: URBAN SUBDIVISION REVIEW PROCESS

Introduction - Rep. Hertz

03:48:42 Rep. Hertz introduced the housing panel.

Panel discussion - Sheila Rice, Montana Housing Coalition; Derek "DJ" Smith, Missoula Organization of Realtors; Erin Pehan, City of Missoula Office of Housing and Community Development; Tim Davis, Department of Environmental Quality (by phone)

03:50:06 Mr. Davis began the presentation.

03:55:02 Rep. Dunwell asked for clarification on removing duplications and whether the local entity would have the capacity to have a clean and healthful environment.

03:58:20 Mr. Smith began discussion on the issue of affordability in Montana and specifically in Missoula.

04:02:45 Ms. Pehan continued the presentation on housing in Missoula.

04:10:33 Ms. Rice gave a statewide perspective of housing costs.

Public comment

04:19:37 Don Stirhan, Billings, Montana, president of Montana Plains Equity Group.

Committee questions

04:22:54 Rep. Hertz asked for clarification on a state housing tax credit and where it would come from.

04:23:54 Sen. MacDonald asked for more information on the Housing Trust Fund.

04:25:31 Rep. Dunwell asked how it could be assured that a state housing tax credit would reach the goal.

04:29:13 Rep. Fern asked if municipalities are underutilizing TIFs and TEDDs in participating in a strategy of lowering the cost of loan acquisition to provide affordable housing.

04:30:42 Rep. Hertz asked if the Board of Housing has a clear mandate of the goal.

Committee discussion and work plan

04:40:22 The committee decided the final interim committee meeting will be scheduled for July 11th and 12th, 2018.

04:40:39 Rep. Dunwell asked that a bill be drafted that targets lower income housing.

04:41:40 Committee discussion.

PUBLIC COMMENT ON ANY MATTER WITHIN LGIC'S SUBJECT MATTER JURISDICTION

04:45:55 Stuart Dogget, Montana Lodging and Hospitality Association.

ADJOURNMENT

04:49:08 With no further business before the committee, Sen. Webb adjourned the meeting at 12:50pm.