Senate Taxation
SENATE TAXATION
EXHIBIT NO. 7
DATE 3-15-07
BILL NO. SB-550

Mr. Chairman and members of the committee:

My name is Scott Seilstad and I was elected to the Fergus County government review study commission in the fall of 2004. I served as chairman of that commission.

I want to thank you for taking the time to listen to my testimony on Senate Bill 550. This Bill attempts to make needed changes to study commission laws. Up until 1999, the law provided that every ten years the local government had put before the people the question to study their form of government. If the voters voted to study their local government an election for a study commission was held. The local government was mandated by law to fund the study commission and the law provided the local government up to one mill in taxes to do so. In 1999 Senate Bill 184 which was called the "big bill" removed all reference to property tax mills. There were over 130 sections of law that were amended by this bill. Laws concerning government review study commissions were no exception.

The mandate to fund study commissions and the authorization to levy up to one mill was contained in 7-3-184 MCA. Under senate bill 184 the mandatory word "shall" was changed to "may" and language about the one mill was deleted. These changes had the effect of giving discretion of funding the study to the local government. In 2001 HB 124 was passed and made some corrections with what had been implemented two years before with SB 184. It was unfortunate that the laws concerning study commissions were not addressed at this time, but they weren't. No legislation was passed in 2003 or 2005 to address funding of study commissions.

During this last cycle for government review study commissions, many local governments refused to provide funding for the study. This was in part because they had to put two questions before the people. One question was whether the people wanted to study their local government. The other question was whether or not they wanted to pose a tax on themselves to fund the study. In almost every case in which the people chose to study local government, they also voted against providing any funding for that study. Fergus County was one of those counties in which this happened. When the local government study commission submitted their budget, as required by law, to the county commissioners, it was turned down with the reason that the people did not want to fund the study. Those of us on the study commission were caught between a rock and a hard place. We needed funds to educate people on possible changes to the local government and at the same time were refused the funds to educate the people. As I talked to others across the state, I found that many other counties had the same problem with funding.

Article XI section 9 (c) clearly puts the responsibility of local government review on the local government and requires the legislature to pass laws to make this happen. The legislature did this in 1983, and passed section 7-3-171 through 7-3-193 as a mechanism for local government review as required by the Montana constitution. It wasn't until 1999 that the funding for local government study commissions came under attack.

The question to study local government or not will come up again, across the state in 2014. I hope those that get elected to facilitate the study will have the 2007 Legislature to thank for having the foresight and courage to pass legislation that gives them the tools and funding to do the people's business. This problem needs to be fixed and I have the confidence you are the ones to fix it.

Thank you again for listening to my concerns on this important issue,

Scott Seilstad, Fergus County Study Commission Chairman

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