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To: Land Use / Environmental Trends Subcommittee
Fr: Howard Gipe, Flathead County Commissioner, Chairman, Montana Association of Counties Land Use Planning Committee
Re: Funding for Development and Implementation of Growth Policies
Date: May 4, 2000

There is no question that local governments require additional funding to develop and implement growth policies and to engage in meaningful long-term planning activities. The rapid growth counties in Montana are overwhelmed with the demands of subdivision review and administering zoning ordinances. Long-term planning has been limited because counties do not have the financial resources to plan for the future while they must react to growth pressures under short statutory time limits for subdivision review. The year-long study of the Environmental Quality Council documents this problem. Lack of predictable growth policies has put serious pressure on developers who need predictability, on citizens who feel their quality of life is at risk, and on local elected officials who are being subjected to an endless barrage of litigation.

Equally important, the non-growth or negative growth counties are under pressure because their declining tax base has reduced their resources to engage in critically necessary long-term economic development planning and implementation.

While Senate Bill 97 does not mandate that growth policies must be developed, the work of the Environmental Quality Council concludes with the recommendation that local governments engage in the development and implementation of growth policies because planned growth is cost effective and unplanned growth places costly demands on infrastructure and the environment. SB 97 does impose numerous new requirements for growth policies if they are developed. It takes money to implement these new requirements. The same legislature that passed SB 97 significantly reduced local government revenues. Counties have made every effort to develop growth policies as recommended by the Environmental Quality Council. They are going to need financial assistance to complete the job.

We request your support for legislation to fund the development and implementation of growth policies for counties, cities and towns as a permanent appropriation because planning is an on-going process. After the plan is developed, it must be implemented, land use changes must be tracked and policies need continual scrutiny and updating.

Furthermore, we support expanding the authorization to use county land planning funds for development of subdivision or zoning regulations. The EQC Final Report of January 1999 clearly describes the extent of subdivision and zoning activity in growing counties. These activities have deterred planning efforts because local governments do not have the resources to administer subdivision review, zoning regulations and planning activities.

We would oppose legislation to eliminate the automatic allocation of planning funds to counties under 90-1-108, MCA. Under this statute, all counties receive an automatic

distribution of at least \$3000 for planning activities. While this revenue is a pittance of the cost of growth policies, it is an entitlement under current law. If this entitlement is replaced by a program to pay for grants to counties, the smaller counties in Montana, which have no grant writing capacity on staff, would have to hire grant writers. The cost of writing a grant would further reduce the revenue available to develop and implement growth policies and planning activities.

In answer to the inevitable question about the preferred source of revenue to fund local government planning activities, we would support an appropriation from bed tax revenue for the following reasons:

- The revenue from this tax has doubled in just 10 years and is likely to continue to provide increased revenue. Appropriating a portion of this revenue to counties would not reduce the revenue for current programs from the previous biennium.
- There is a rational nexus between tourism promotion and local government impacts. Tourists provide multiple impacts on county services including roads, law enforcement, search and rescue operations, emergency dispatch, ambulance services, solid waster disposal and sewer and water systems.
- Legislation to provide a temporary, one-time allocation is unacceptable since planning is an on-going continuous process. Short-term planning based on available dollars is much less desirable than long-term, on-going planning programs.
- General fund revenue is less desirable because it is a less stable, predictable source of revenue and the legislature has a long history of revoking general fund appropriations to local governments.

In conclusion, we appreciate the substantive work of the Environmental Quality Council has conducted in the arena of planning for growth in Montana. Changing the emphasis from reacting to development as it occurs to emphasis on proactive efforts to plan ahead for quality growth patterns, is an important achievement. We stand willing to work with the Council to secure a legislative appropriation to assure that the work of the Council will not gather dust on some bookshelf, but will be implemented by local governments as intended.