

## **Reconvene – roll call**

09:01:03 Chairwoman MacDonald reconvened the Local Government Interim Committee.

## **Regional Fire Protection Authorities**

09:03:21 Ms. Henneman began her review of the “regional map” handout, the “Fire authority bill: highlighted issues & analysis” handout, bill draft “PD 0003TH – “An act authorizing creation of regional fire protection service authorities; requiring regional fire protection service....” handout, and the “Flathead County Rural Fire District Tax Information” handout. [\(Exhibit 8\)](#) [\(Exhibit 9\)](#) [\(Exhibit 10\)](#) [\(Exhibit 11\)](#)

## **Public comment**

09:17:07 Kelly Lynch, Deputy Director for the Montana City of Leagues and Towns

19:21:01 Rich Cowger, Fire Chief in Columbus Montana

09:32:48 Julia Altemus, Montana Wood Products

09:38:44 Michael DeGrosky, DNRC

## **Questions by the committee**

09:45:35 Rep. Fern asked Ms. Henneman for her perspective regarding a solution to the yellow highlighted text.

09:47:57 Sen. Ellsworth asked Mr. Cowger if he saw it as problematic to consolidate the departments since it could raise insurance costs for homeowners. Sen. Ellsworth asked Mr. Cowger if he knew of any departments that had closed in the last four years.

09:54:27 Sen. Malek asked Ms. Altemus about the 800 acres of private forest land overlap with rural fire districts and if that changed her testimony. Sen. Malek asked Ms. Altemus if there was a benefit if the private forest lands provided their own protection. Sen. Malek asked Ms. Altemus if she could provide for the committee their current charges for fire protection, versus how much it would be if the regional fire districts paid. Sen. Malek asked Mr. DeGrosky what his suggestions were regarding section 14 and 17 of bill draft PD 0003.

10:02:24 Rep. Dunwell asked Mr. Cowger if it would be a good analogy to compare homes that are located on flood planes and therefore require that insurance.

10:07:12 Rep. Custer asked Mr. DeGrosky if the fire districts expand and whether they get charged for wildland fire protection if they are already in a district. Rep. Custer asked Mr. DeGrosky if they could figure out how many acres are still getting charged the forest fee, so they aren't getting double taxed. Rep. Custer asked Ms. Lynch if this would be a huge money generator.

**BREAK – (Reconvened at 10:30:42)**

10:14:50

**COVID Relief for Local Governments**

10:31:11 Kristin Reynolds, DOA Local Government Services, began her review of the reimbursement program update.

**Questions from the committee**

10:34:20 Rep. Dunwell asked Ms. Reynolds why only 34 of the 56 counties applied for the COVID reimbursement.

10:325:31 Sen. Malek asked Ms. Reynolds if she could give some examples of what local governments had applied for and to tell the committee what would be happening with schools as they try to address needs regarding protection of students/staff coming back.

10:36:51 Rep. Fern asked Ms. Reynolds if there would be the same type of reimbursement available to counties if the decision was made to do similar election by mail in the future.

10:37:41 Sen. Ellsworth asked Ms. Reynolds if information regarding grants for local governments would be made available and transparent to the public.

10:38:16 Chairwoman MacDonald asked for clarification regarding whether the state office of budget and planning had that information available.

10:38:37 Sen. Ellsworth asked if the same transparency was being used on the local government level and what those funds were being used for.

**Public comment**

10:39:23 Tim Burton, Montana League of Cities and Towns (MLCT)

10:42:40 Eric Bryson, MACo

**Questions from the committee**

10:45:52 Rep. Dunwell asked if either Mr. Burton or Mr. Bryson could give a status report on where they were with advocating to the federal government for the revenue losses to local governments because of COVID indirectly or directly and if those could be reimbursed. Rep. Dunwell asked what the Local Government Committee could do to spur this along.

10:52:29 Sen. Malek asked Mr. Bryson to clarify the federal department of treasury directive and whether these funds are able to be used by local government entities.

10:54:56 Sen. Esp asked Mr. Burton and Mr. Bryson how the enterprise funds were standing and if they had any delinquencies on sewer/water bills. Sen. Esp asked Mr. Burton and Mr. Bryson if they could provide written documentation of those numbers and asked if the economy recovered within a year or two whether those properties would be back on the rolls regarding appraised value as they currently stood. Sen. Esp asked Ms. Reynolds if all the rules had been written and adopted for SB 302 from last session.

#### **Local Government Data Collection Project**

11:01:33 Joe Triem, LFD, began his review of the “Data Collection Problem Statement” handout ([Exhibit 12](#))

11:13:41 Ms. Reynolds, DOA LG Services, began her review of the current data accountability ability.

#### **Public comment**

11:16:11 Tim Burton, MLCT

#### **Questions from the committee**

11:18:10 Rep. Dunwell asked Mr. Burton what needed to be done to build this analytical tool and asked how the committee could help.

11:20:31 Rep. Fern asked if the committee could get an idea of when it could be expected to see a functioning data system regarding how COVID has slowed things down.

#### **LUNCH – (Reconvened at 13:00:52)**

11:23:07

#### **SJ 3 - Alternative On-site Systems Study**

13:03:28 Tim Davis, DEQ, began his review of the “DEQ Comprehensive Rule Update” handout. ([Exhibit 13](#))

13:10:10 Ms. Henneman began her review of the bill draft PD0008 “An Act requiring the department of environmental quality to review experimental wastewater systems and propose for adoption those systems...” handout. ([Exhibit 14](#))

#### **Public comment**

13:14:08 Abigail St. Lawrence, Montana Building Industry Association

13:17:00 Sam Sill, Montana Association of Realtors  
13:19:30 Tim Davis, DEQ  
13:22:42 Tim Burton, Montana City of Leagues and Towns

#### Questions from the committee

13:23:32 Sen. Ellsworth stated the language in the bill ensures the quality and maintenance of the systems.

13:28:25 Rep. Fern asked Mr. Davis about the administrative review process, how long that would take until a completed review is available to the consumer, and that if they didn't do it would it be violating the law.

13:34:37 Sen. Ellsworth asked if they could include the language "with public comment".

13:36:14 Sen. Malek asked Mr. Davis asked about the subdivision locations regarding the 50% increase in June subdivision applications. Sen. Malek asked about counties and the approval process through the subdivision review.

13:40:29 Sen. Esp asked Mr. Davis if they changed the language to "every other year" on line four, whether the department could more easily meet the requirements.

13:41:16 Rep. Fern asked Mr. Davis why the entire process had to be done over again when other states have already shown results.

13:43:46 Rep. Dunwell asked Mr. Davis if in addition to the proposed change line on page 4 line 8, what other parts of the bill cause issues, if not the entire bill. Rep. Dunwell asked Mr. Burton if he opposed or supported the bill.

13:48:16 Sen. Esp asked Mr. Davis how long it generally takes in a day and age where a pandemic is not a variable from the time the changes are proposed to the time of adoption does.

13:51:24 Sen. Malek asked Mr. Kallenbach about a third-party view that he did not feel was credible and to elaborate on that.

#### **SJ 3 - Replacement of Failing/Aging On-site Systems**

13:54:55 Ed Lieser began his review of the Flathead Basin Commission's On-Site Wastewater Treatment Committee Findings and Recommendations slideshow. (is this an exhibit?) – no, he did not provide copies of the slideshow for committee members

14:16:07 Ms. Henneman, Rep. Dunwell and Rep. Fern reviewed the draft letter to Dir. John Tubbs handout. **(Exhibit 15)**

#### Public comment

14:20:43 Sam Sill, Montana Association of Realtors  
14:22:44 Tim Burton, Montana City of Leagues and Towns  
14:23:21 Tom Kallenbach, Eliminite Systems Bozeman Montana

#### Questions from the committee

14:24:38 Rep. Fern asked Mr. Lieser for clarification regarding what a failed system is.  
14:27:46 Sen. Malek asked if it was possible to include plans for people to get involved with the municipal sewer system.  
14:29:17 Sen. Ellsworth suggested removing “older” and replace with “failing” systems and then removing the remaining part of the paragraph.  
14:30:15 Rep. Dunwell asked Mr. Lieser about the list of policy solutions and if the committee were to tackle two, which would he suggest those be.  
14:35:22 Rep. Fern asked what the approximate costs were for mapping, if they could explain how they were going to present the mapping project to the county health department, and how they expect to get results from the mapping to then present to the health department in Flathead County.  
14:38:02 Sen. Esp asked Mr. Davis if he believed they could discuss the experimental systems bill in the next few days with him to work on the language.

#### **SJ 3 - Review of Draft Final Report**

14:39:35 Ms. Henneman began her review on the “Draft Report SJ 3: Study of Alternative on-site wastewater systems” handout. [\(Exhibit 16\)](#)

#### Questions from the committee

14:42:35 Sen. Esp suggested differentiating between what a “component” and a “system” was.

#### Public Comment

14:43:58 None

#### **Public comment\* on any other topic within the committee’s jurisdiction**

14:44:18 None

BREAK – (Reconvened at 14:57:30)

14:44:39

#### **Committee discussion and questions**

14:57:36 Ms. Henneman reviewed the draft letter language changes and the committee discussed.

Motion

15:02:41 Sen. Ellsworth made a motion to send the letter from the Local Government Interim Committee with the omission of “older” in the third sentence and taking out the last paragraph.

Vote

15:04:20 The motion to put out the draft letter from the Local Government Interim committee passed on a voice vote with Sen. Malek voting no.

**Committee work session**

15:04:56 Chairwoman MacDonald reviewed PD3TH – Regional Fire Protection Authorities and asked for a motion to adopt or to adopt with a proposed change.

Motion

15:05:43 Rep. Custer made a motion to remove section 17E in PD3TH and to then move the bill forward.

Questions and discussion from the committee

15:06:31 Sen. Esp stated it would be unlikely the board would vote to detract property from their authority.

15:07:13 Sen. Ellsworth suggested asking the insurance commissioner to come in to fill in the gap to see if it’s relevant or not.

15:08:27 Rep. Dunwell stated concern with section 17 and suggested moving forward with the bill minus said section.

15:09:33 Sen. Esp asked Ms. Henneman about page 14, line one, and what was “personal property” as described there.

15:10:38 Chairwoman MacDonald asked Rep. Dunwell if she would be comfortable adding that suggestion to her motion.

Vote

15:11:53 Motion to remove section 17 of PD3TH and move the bill forward has passed 7-3 with Rep. Webb (by proxy), Sen. Ellsworth and Sen. Esp voting no. ([Attachment 3](#))

**Committee work session (continued)**

15:12:39 Chairwoman MacDonald began discussion on bill draft PD 0008, a review of experimental systems.

### Motion

15:14:28 Sen. Ellsworth made a motion to move forward with version two of PD 0008, and to have Ms. Henneman work on the language.

### Vote

15:15:05 The vote to move forward with version two of PD8 with amendments made by Ms. Henneman passed unanimously on a voice vote.

### Questions from the committee

15:15:30 Sen. Malek asked how the phone call would be arraigned between the local government interim committee and DEQ.

15:15:40 Chairwoman MacDonald asked for a show of hands of those committee members who wanted to participate in the call and stated she would appoint a subcommittee consisting of Sen. Ellsworth, Sen. Esp, Sen. Malek and Rep. Dunwell.

### **Committee work session (continued)**

15:16:46 Chairwoman MacDonald reviewed bill draft PD 0009, reauthorize funding for multifamily coal trust homes program.

15:17:00 Rep. Fern discussed the amendments made to bill draft PD 0009.

15:18:03 Ms. Henneman reviewed the amendments to bill draft PD 0009.

15:21:13 Sen. Ellsworth asked Ms. Henneman if the admin fee is yearly or a one-time fee.

15:23:07 Rep. Fern suggested that eligible applicants for the coal trust fund could be rehabilitation projects that were already tax exempt.

15:24:38 Rep. Dunwell asked Rep. Fern if projects or entities that were already tax exempt from paying property taxes would not remit annual payments in lieu of taxes.

15:25:58 Chairwoman MacDonald stated in lieu of taxes has always referenced property that wasn't taxable.

15:27:18 Rep. Custer asked how many housing properties they have and what kind of money they are discussing.

15:27:57 Sen. Ellsworth stated another incentive might not need to be there since it's so well subscribed.

### Motion

15:28:19 Rep. Fern made a motion to exclude the red print, lines 17-20 on page 2 of bill draft PD 0009, and to move forward.

#### Discussion from the committee

15:28:30 Rep. Dunwell suggested increasing the \$35 million to \$45 million on bill draft PD 0009.

15:31:07 Sen. Malek stated compromising at \$30 million was good for the committee.

15:31:59 Rep. Custer suggested looking at the program in two years, so a sunset isn't put into place.

#### Vote

15:33:03 The motion to pass bill draft PD 0009, minus lines 17-20 on page two passed 6-4 on a roll call vote, with Rep. Runningwolf and Rep. Webb voting no by proxy. [\(Attachment 4\)](#)

#### **Committee work session (continued)**

15:34:34 Chairwoman MacDonald reviewed bill draft PD 0004, an act providing for workforce housing tax credits.

15:35:19 Ms. Hennemen reviewed materials emailed to the committee regarding other states results/impacts of the program.

#### Motion

15:37:21 Rep. Fern made a motion to approve bill draft PD 0004.

#### Discussion by the committee

15:37:55 Sen. Malek stated concern with lines 21 and 22 on page one of bill draft PD 0004, regarding a sunset and asked how long the tax credit would last.

#### Vote

15:43:24 Motion to move bill draft PD 0004 forward fails 5-5 on a roll call vote, with Rep. Runningwolf and Rep. Webb voting no by proxy. [\(Attachment 5\)](#)

#### **Committee work session (continued)**



- 15:44:46 Ms. Henneman gave an overview of the bills previously discussed in the work session and items moving forward.
- 15:49:03 Rep. Dunwell stated policy fixes had not been discussed regarding wastewater contamination issues.
- 15:52:32 Rep. Custer stated the commission was going to go to the League and MACo to not duplicate findings regarding these issues.
- 15:53:54 Rep. Fern stated the importance of the mapping or a letter going out to DNRC regarding a grant.
- 15:57:04 Ms. Henneman reviewed the Local Data Collection Project and directives for staff for the committee.

### **Adjournment**

- 16:08:07 Chairwoman MacDonald adjourned the Local Government Interim Committee.