MINUTES

MONTANA SENATE
59th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **CHAIRMAN JEFF MANGAN**, on January 18, 2005 at 3:00 P.M., in Room 335 Capitol.

ROLL CALL

Members Present:
Sen. Jeff Mangan, Chairman (D)
Sen. John Esp (R)
Sen. Kelly Gebhardt (R)
Sen. Kim Gillan (D)
Sen. Bob Hawks (D)
Sen. Rick Laible (R)
Sen. Lynda Moss (D)
Sen. Jerry O'Neil (R)
Sen. Jim Shockley (R)
Sen. Mike Wheat (D)

Members Excused: Sen. Carolyn Squires (D)

Members Absent: None.

Staff Present: Jennifer Kirby, Committee Secretary
Leanne Kurtz, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing & Date Posted: SB 195, 1/11/2005; SB 167, 1/11/2005
Executive Action: SB 129; SB 157; SB 175

SEN. MANGAN directed the committee's attention to the new and revised schedule.

{Tape: 1; Side: A; Approx. Time Counter: 0.9 - 1; Comments: SEN. LAIBLE tripped over and pulled the tape recorder's cord out. The tape skips.}

SEN. MANGAN noted that the committee would take executive action on three bills after the hearings. He reminded the committee that there was a room change for the next committee meeting, it would be in room 303, the Old Supreme Court. **SEN. MANGAN** mentioned that there was a lot to accomplish before transmittal and told the committee that meetings would start to run a little longer.

HEARING ON SB 195

{Tape: 1; Side: A; Approx. Time Counter: 3.0}

Opening Statement by Sponsor: **SEN. MIKE WHEAT (D), SD 32,** opened the hearing on **SB 195,** Quality growth act.

{Tape: 1; Side: A; Approx. Time Counter: 3 - 22.4}

SEN. WHEAT handed out a gray bill.

EXHIBIT(los13a01)

SEN. WHEAT told the committee that it would be easier to follow along with his testimony using the gray bill instead of the actual bill. **SEN. WHEAT** called the bill "deja vu" because the local government committee had dealt with the growth policy issue last session. **SEN. WHEAT** assured the committee that the bill does not really change the growth policy act or the amendments the committee made to the act the previous session. The bill was designed to encourage cities and counties to work together in planning their growth. **SEN. WHEAT** went over the definitions in section one. **SEN. WHEAT** directed the committee's attention to the new section three. He drew the parallels between the new section and the current growth policy. **SEN. WHEAT** noted that there was an amendment contained in section three, part iv. He went over what a growth policy must include, according to the bill.

SEN. MANGAN stopped the sponsor and asked him to slow down so the committee members could follow him.

SEN. WHEAT apologized for going too fast and for the lack of numbers on the gray bill. The sponsor stated the bill's purpose was to induce the city and county governments to sit down and

project the growth for the next twenty years. **SEN. WHEAT** read from the bill that each city must designate a quality growth area, an area which is expected to have a high level of growth. The bill also required an inventory of vacant properties within the city. **SEN. WHEAT** went over the counties' responsibilities. The counties must designate at least one quality growth area, adjacent to city limits and may designate one or more quality growth areas adjacent to rural centers. The bill encouraged cities and counties to coordinate where they wanted growth to go and encourage it in those areas. **SEN. WHEAT** explained what the bill says to do when the city and county conflict, such as engaging in mediation or binding arbitration. **SEN. WHEAT** looked at section six, which required the cities and counties to send copies of the adopted growth policies to all local governments within fifteen miles of their jurisdiction. **SEN. WHEAT** directed the committee to subsection B, which asked the governments to describe current and future public facilities. The next requirement was land use plans. It encouraged land use techniques for growth that encourage a mixture of prices. This was designed to promote the building of low income housing. **SEN. WHEAT** noted that for cities whose quality growth areas exceed the municipal boundaries, **SB 195** promotes inter-local agreements and negotiations. The next section required the public facilities planning and expenditures to be in accordance with the public growth policy, except where there are threats to public health and safety. **SEN. WHEAT** went over the final section where **SB 195** provides for the adoption of fees, caps the fee at fifty dollars and two-hundred and fifty dollars for commercial and industrial properties. **SEN. WHEAT** noted that the definitions within the bill were important. He went over them again. **SEN. WHEAT** said the key to the bill was to make cities, towns, and counties to plan their growth responsibly. **SEN. WHEAT** reserved the right to close.

Proponents' Testimony:

{Tape: 1; Side: A; Approx. Time Counter: 22.7 - end of tape}
{Tape: 1; Side: B; Approx. Time Counter: 0.1 - 18.2}

Tim Davis, Montana Smart Growth Coalition, thanked **SEN. WHEAT. Mr. Davis** assured the committee that the bill was to plan for growth, not against it. The bill forces cities and towns to plan for the future and insure that their infrastructure can handle growth. The bill creates a fair funding system. **SB 195** would help governments use their tax dollars more effectively. **Mr. Davis** noted that the amendments took out any mention of cluster development. It also encourages affordable housing.

Mr. Davis handed out two letters: one from University of Montana Law School Professor, John Horwich and the second from Stuart Goldberg, Northern Lights Development Company.

EXHIBIT(los13a02)
EXHIBIT(los13a03)

Mr. Davis noted that an amendment was in the works to deal with the fact that some cities and counties already established growth policies and those communities would not have to bring their growth policies into compliance with **SB 195** until five years from its inception, by which point the governments would have already had to revise their growth policies. **Mr. Davis** handed out a fact sheet, than read and explained the fact sheet.

EXHIBIT(los13a04)

SEN. MANGAN asked some of the audience to step outside if they wanted to talk during the hearing.

Mr. Davis reiterated that the bill was not anti-growth, it was designed to encourage smart growth for the future.

Sharon Haugen, Director of Planning for City of Helena, went on record speaking in favor of the bill for Helena and Lewis and Clark County. **Ms. Haugen** noted that they had some concerns about the binding arbitration but felt those could be addressed prior to executive action. **Ms. Haugen** called **SB 195** "good public policy." She felt that cities and counties needed to better plan for growth and the infrastructure required. **SB 195** would help the governments be better prepared for growth and would be better governments because of it.

Jani McCall, City of Billings, presented the testimony of **Ramona Mattix, Planner for the City of Billings.**

EXHIBIT(los13a05)

Ron Alice, Chief administrative Officer for Lewis & Clark County, went on record in support of the bill with the aforementioned amendments. **Mr. Alice** noted a salient point of the bill was that it put to paper a plan for growth effectively. He felt that the bill legitimizes the current process. **Mr. Alice** said they wanted to help their development community and citizens any way they can and **SB 195** would help do that.

Stacy Rye, Member of Missoula City Council, talked about Missoula's problems with growth. **Ms. Rye** commented that half of

Missoula's current population lives outside of the city limits from 25 years ago. **Ms. Rye** said that Missoula city limits now include some of the subdivisions that were approved 25 years ago in the county and they are having to retrofit the areas with sidewalks, roads, and other facilities. **Ms. Rye** thought that **SB 195** would help prevent Missoula's current problems from becoming a burden in future growth. She appreciated the long-range planning of the bill. **Ms. Rye** believed that the coordination of city and county would also be a benefit as the two entities develop differently and it was easy to lose perspective. **SB 195** would keep the two governments posted on what the other was doing. **Ms. Rye** noted that the city and county had different regulations and that made planning even more difficult. **Ms. Rye** expressed her concern that rapid growth in Montana was "chewing up agricultural and open spaced land at a very high rate" and that the city and county were becoming economically segregated. **Ms. Rye** was also concerned with the price of housing in the cities, which meant the suburbs were growing at an alarming rate. This requires the county to have a more extensive infrastructure. **Ms. Rye** said "I have seen agricultural and open spaced land being eaten up by subdivision after subdivision because the market has that influence but I have never seen a subdivision turned back into open space or agricultural land." **Ms. Rye** felt that **SB 195** did not undermine local authority and was in the state's best interest to protect open land and preserve economic diversity in housing.

Alec Hansen, League of Cities and Towns, supported the bill with the amendments proposed. **Mr. Hansen** felt that the bill represented solid public policy and would help Montana avoid some of the mistakes that other states have made in planning. **Mr. Hansen** said that if they failed to plan, the cities and towns would not be doing their job. **Mr. Hansen** shared that one of their main objections to the bill had been the clause on "binding arbitration" but amendments will delete the clause and so they can support **SB 195.**

Jennifer Magic, Planning Director for Gallatin County, called **SB 195** "sound planning." She noted that this was not changing the growth policy but fine-tuning the policy. **Ms. Magic** mentioned that they agreed with many amendments that were being proposed, including: inclusion the transfer of development rights and inclusion of fees. **Ms. Magic** asked the sponsor to reconsider the inclusion of "all cities in their jurisdiction" as it would be difficult for some counties.

Judy Smith, Interim Director for homeWORD, handed out information on homeWORD, noting that they support **SB 195**'s clause on low-income housing.

EXHIBIT(los13a06)

Ms. Smith read her testimony.

EXHIBIT(los13a07)

Harold Stepper, Jefferson County Planner, strongly supported **SB 195.** He felt it would give the county the opportunity to do some long range planning. **Mr. Stepper** is the sole planner in Jefferson County and the county was in the top three fastest growing counties in Montana. **Mr. Stepper** said all he had time to do was the day to day maintenance of planning and he did not have time to do any long range planning. **SB 195** would allow the county to collect fees and then hire more staff.

Janet Ellis, Montana Audubon, supported the bill.

Ann Hedges, Montana Environmental Information Center, said she had heard the argument against **SB 195:** that it was not the state's job to get involved in this. **Ms. Hedges** argued that the legislature allocates funds every session for infrastructure around the state and the legislature should ensure that the money is spent most appropriately.

Michele Reinhart, Northern Plains & Yellowstone Valley Citizen Council, supports **SB 195** "because it would encourage good planning, efficient use of infrastructure, protect agricultural land, and encourage affordable housing."

Dave Cole came to the podium as an informational witness. **SEN. MANGAN** corrected him and told him that the chair would ask for informational witnesses in a few minutes.

Opponents' Testimony:

{Tape: 1; Side: B; Approx. Time Counter: 18.2 - 22.4}

Jim Kembel, Montana Association of Registered Land Surveyors, expressed concern with the bill as written. He noted that there had been amendments but he was not sure what they were and so he would speak to the official bill as it stood. **Mr. Kembel** read the Association's position into the record.

EXHIBIT(los13a08)

Informational Testimony:

{Tape: 1; Side: B; Approx. Time Counter: 22.4 - 27.2}

Dave Cole, Montana Department of Commerce, handed out an informational packet on the Montana Growth Policy. **Mr. Cole** read his testimony into the record.

EXHIBIT(los13a09)
EXHIBIT(los13a10)

SEN. MANGAN asked **Mr. Cole** if he had any data more recent than 2001. **Mr. Cole** answered that the packet contained the most recent information, based on the 2000 Census.

Michael Kakuk, Montana Association of Realtors and Montana Building Industries Association, clarified that MAR and MBIA have not taken a position on **SB 195** yet.

Questions from Committee Members and Responses:

{Tape: 1; Side: B; Approx. Time Counter: 27.4 - 30.3}
{Tape: 2; Side: A; Approx. Time Counter: 0.1 - 16.2}

SEN. JOHN ESP, SD 31, BIG TIMBER asked **Mr. Davis** asked if the bill contained some mechanism in the bill to ensure that the low-income provided for in **SB 195** remained affordable. **Mr. Davis** answered that the bill was not that specific. The affordable housing was merely on the primary buy. **SEN. ESP** followed up by questioning if the affordable housing was a negotiated item with the developer. **Mr. Davis** affirmed that. The developer would receive some benefits for building affordable homes.

SEN. ESP questioned **Mr. Davis** regarding the transfer of development rights. **Mr. Davis** explained the process. **Mr. Davis** described the process as another tool for local governments.

SEN. ESP wanted to know if the local governments would market the transfer of development rights. **Mr. Davis** deferred to **Ms. Magic. Ms. Magic** told the committee that they were working on this in Gallatin County. In her county, the transfer of development credits was a voluntary program and there are four zoning districts within the county allowed the use of "TDRs" (Transfer Development Credits). The program basically allowed developers to take the developments rights on one property and transfer them to develop a different property, potentially protecting one area and increasing the population density in another area.

SENATOR ESP directed a question at **Ms. Haugen,** asking if it was legal for the state to mandate binding arbitration on a self governing local body. **Ms. Haugen** said she was not an attorney but she had talked to the city attorney. He felt that this would be a unlawful delegation of legislative authority. **Ms. Haugen** was concerned that the bill would take away too much of the city's authority.

SEN. ESP questioned **Mr. Stepper** about how the fees collected through **SB 195** would help Jefferson County. **Mr. Stepper** answered that potentially Jefferson County could become a high growth county and could than implement the fees to help them.

SEN. MANGAN expressed his appreciation for **SEN. ESP**'s "tenacity."

SEN. BOB HAWKS, SD 33, BOZEMAN asked **Mr. Cole** about how cities are having trouble annexing areas. **Mr. Cole** explained that annexation has not been addressed by government and it needs to be looked at, to make it easier for communities to grow. **Mr. Cole's** concern was that it would become very difficult in the future to construct low-income housing. **Mr. Cole** felt that it was important to help cities get ahead of the curve.

SEN. KIM GILLAN, SD 24, BILLINGS asked **SEN. WHEAT** for clarification on the definition of a "quality growth area," reasoning that if the area was being used for both residential and commercial growth, why **SB 195** used only residential density to determine the density of an area and not the commercial density. **SEN. WHEAT** referred the question to **Mr. Davis. Mr. Davis** answered that the goal was to project twenty years of growth, based on census data. Residential density was the easiest way to project the area's growth. **SEN. GILLAN** was concerned that business development might be higher and so a criteria was needed that was based on both residential and commercial density. **Mr. Davis** said that residential density is the projection tool but promised to take a look at the bill and see if commercial density could be taken into account.

SEN. HAWKS asked **Mr. Davis** if the bill precluded the use of other projection tools besides residential density. **Mr. Davis** answered that communities could use the more complex formulas to better project their growth.

SEN. ESP questioned **SEN. WHEAT** if he was willing to work with the county of Gallatin's concern of including all cities within the county. **SEN. WHEAT** said that he was willing to work with anybody on encouraging good planning and growth for the future.

SEN. ESP extended an invitation to **Ms. Rye** and anyone else that wanted, to come and see an area that was a subdivision and has been successfully turned back into open space.

SEN. MANGAN wanted **Mr. Davis** to go over the fee mechanism. **Mr. Davis** referred to Section three, roman numeral eight. The fee allows local governments to assess a reasonable fee on top of subdivision fees, to provide funding for **SB 195**. It is capped at fifty dollars for residential and 250 dollars for commercial properties. **Mr. Davis** noted that the people assessed the fee are the same ones who would most benefit from the designation of growth areas and long-term planning.

SEN. MANGAN asked **SEN. WHEAT** to address the incentives for cluster development that were removed from **SB 195** in his closing. **SEN. WHEAT** preferred to have **Mr. Davis** address it. **Mr. Davis** answered that cluster development was removed from **SB 195** to better focus the bill on growth planning. **Mr. Davis** said that the cluster development was originally included to give that option to developers but since it did not mandate anything, it was removed from **SB 195**. The cluster development law remained in effect.

SEN. MANGAN directed **Ms. Magic** to get information on transferring development credits to **SEN. ESP**. He also commanded the proponents to get the committee information on which counties do or do not have growth plans, which are the high growth counties and which counties are projected to be high growth.

Closing by Sponsor:

{Tape: 2; Side: A; Approx. Time Counter: 16.2 - 18.7}

SEN. WHEAT promised that he would get any and all information that the committee needs. **SEN. WHEAT** said the proponents really brought out what the bill was all about. He described it as a "sensible growth management" bill. He gave the example of Missoula, where people that can not develop within the city instead develop and subdivide one to five acre lots in the suburbs. **SEN. WHEAT** maintained that after that the property is almost limited from ever being further subdivided. **SEN. WHEAT** called the bill "solid public policy." **SEN. WHEAT** noted that the bill does not give new regulatory powers, it allows the market to provide incentives, and it helps communities plan for the long-term.

The committee took a five minute recess.

HEARING ON SB 167

Opening Statement by Sponsor: **SEN. JEFF MANGAN (D), SD 12,** opened the hearing on **SB 167,** Technology districts -- tax increment financing.

{Tape: 2; Side: A; Approx. Time Counter: 19.2 - 22.5}

SEN. MANGAN explained the origin of **SB 167** was from the Great Falls Development Authority. It seeks to create a new Tax Increment Finance District (TIF). **SEN. MANGAN** informed the committee that current TIF districts include: Urban Renewal, Industrial, and Aerospace. The goal of the bill is to create a new TIF and put a new definition of technology in the code. **SEN. MANGAN** said that there is still more work that he needed to do and the committee needed to work on a definition of technology as he felt that the definition was too broad. **SEN. MANGAN** pointed out that the chairman of the tax committee, **SEN. ELLIOT,** had joined the committee to offer some of his own amendments. **SEN. MANGAN** was unsure of wether he would agree with the amendments and was waiting to hear his testimony. **SEN. MANGAN** told the committee that he had several witnesses that were well-versed on the issue to testify for the committee. **SEN. MANGAN** reserved the right to close.

Proponents' Testimony:

{Tape: 2; Side: A; Approx. Time Counter: 22.5 - 30.3}
{Tape: 2; Side: B; Approx. Time Counter: 0.0 - 9.2}

John Kramer, President of Great Falls Development Corporation, said that tax increment finance is when a city utilized property tax within an area to further develop the public facilities in that area. **Mr. Kramer** said that cities get a majority of their funds from property taxes and that many cities were already at their limit for levies. He felt that in order to get more funding from property taxes, cities would have to take it away from public services, such as police or fire. **Mr. Kramer** explained that cities turn to tax increment financing to make the projects pay for themselves. **Mr. Kramer** mentioned that there were many misconceptions that cities and citizens lose something when they employ the use of a TIF. **Mr. Kramer** compared that idea to "counting the meat in your freezer before you go hunting. You don't have anything to lose." He contended that when it came to technology parks, the cities needed the infrastructure before any businesses would locate there. The question was who would pay for the infrastructure. If the cities had to pay for the infrastructure out of their general fund, it would force them to

reduce their property tax monies for other necessities. If the monetary burden is placed on the developed property, through tax increment financing, it does not hurt the current tax payers. **Mr. Kramer** talked about the definition of technology. **Mr. Kramer** considered technology companies to be companies that are developing new technology. He noted that many of these companies are not associated with universities. **Mr. Kramer** explained that these companies were not locating in Montana because they could not make money on a move. **Mr. Kramer** said they need TIF district to make it worth while for the companies and attract the type of technology companies that they wanted. **Mr. Kramer** said that there was a surplus of labor in Montana with computer backgrounds. **Mr. Kramer** told the committee about a Great Falls' experience with a technology company called Sunteen. They located where they had the infrastructure they needed, which was next to the hospital and community college. Great Falls used city money to attract the medical technology company. The city benefited from the company relocating to Great Falls because there were higher wages for their citizens. Technology jobs pay more than any other sector. **Mr. Kramer** commented on the fiscal note. He directed the committee to the second page. He said that the note failed to take into account that the companies generated wealth for Montana through corporate income taxes and personal income taxes. **Mr. Kramer** cited that as the reason that cities and counties were willing to use TIF districts. **Mr. Kramer** asserted that the return on a TIF district is usually ten times the investment.

Mr. Kramer handed out information on the current status of TIFs.

EXHIBIT(los13a11)

Jani McCall, City of Billings and Deaconess Billings Clinic, stood in support for **SB 167. Ms. McCall** believed that TIFs were good tools. Billings is investing in technology for the future. **Ms. McCall** told the committee that Deaconess Billings was the largest employer in Yellowstone County. **Ms. McCall** noted that Billings did have a medical research center and both the clinic and the city were a part of Celebrate Billings, which is focused on economic development in the area. **Ms. McCall** felt that **SB 167** was a tool that will help her community move to the next level.

SEN. JIM ELLIOTT, SD 7, TROUT CREEK, handed out a proposed amendment and some data on TIFs.

EXHIBIT(los13a12)
EXHIBIT(los13a13)

SEN. ELLIOT expressed his support for **SB 167.** He noted that the fiscal note showed a benefit for schools and communities, as well as the state's general fund. **SEN. ELLIOT**'s concern was that currently, TIF districts use school mills, transportation mills for the financing. **SEN. ELLIOT** felt that was like "allowing [him] to spend **SEN. WHEAT's** money." They did not have to ask permission from the state or the school districts to do that. **SEN. ELLIOT** commented that he would "never spend **SEN. LAIBLE'S** money." **SEN. ELLIOT** directed the committee to the study he handed out. He explained what the chart meant. **SEN. ELLIOT** summarized that the chart showed the money that was taken away from levies and schools to fund TIF districts. **SEN. ELLIOT** maintained that the amendment restricted that practice and was a necessary addition to the bill. He said that, with the amendment, local governments could only use the mills associated with the city or county. He noted that the University's mill levy was already prohibited from being used. **SEN. ELLIOT** declared that it would be "a wise decision to sequester these monies, these tax dollars, from use by the TIF districts." **SEN. ELLIOT** commented that the amendment would not affect current TIFs. **SEN. ELLIOT** noted that **Judy Paynter, Governor's Budget Office,** was present at the hearing to answer any questions.

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses:

{Tape: 2; Side: B; Approx. Time Counter: 9.2 - 26.9}

SEN. JOHN ESP, SD 31, BIG TIMBER needed clarification about the amendments. He received two of the same amendments. **SEN. ELLIOT** said that there were three amendments on the same paper; one amendment to the title, one on page 4, line 14 and one on page 8, line 16.

SEN. KELLY GEBHARDT, SD 23, ROUNDUP wanted to know how the six million applied in the bill. **SEN. ELLIOT** told him that the six million does not apply, that was university funding and it was off limits to TIFs. **SEN. ELLIOT** believed that the tech mills were eligible for financing. **SEN. ELLIOT** said they were addressing the statewide mills.

SEN. JIM SHOCKLEY, SD 45, VICTOR asked **Mr. Kramer** how industrial parks had worked out. **Mr. Kramer** answered that in Great Falls and their area, they did not have industrial parks. There were some

industrial areas but no parks. He noted that the growth was in technology. **SEN. SHOCKLEY** wanted to know if there were any industrial parks around the state. **Mr. Kramer** referred the question to **Ms. Paynter**. She said that there were two industrial districts, one in Butte and one in Missoula. She believed that the park in Missoula was no longer in existence. **Ms. Paynter** noted that most of the TIFs in the state were not industrial TIFs.

SEN. RICK LAIBLE, SD 44, VICTOR questioned **Mr. Kramer** as to if they were segregating money out of the mills for an area that is designated a TIF, and using the money to invest back into the TIF. **Mr. Kramer** answered that TIF only applied to new property, new districts. He explained that if a developer develops a property within an established TIFF, the property taxes and money stayed in the TIF to defray the cost that was associated with developing the TIF in the first place.

SEN. LYNDA MOSS, SD 26, BILLINGS wanted to know how technology development would affect the infrastructure of communities. **Mr. Kramer** explained that technology companies will relocate to Montana because of the state's labor surplus. But in order to locate in Montana, they need some infrastructure. **Mr. Kramer** said that the only way that the companies will consider Montana is if the state already has the infrastructure or has committed to getting it.

SEN. MICHAEL WHEAT, SD 32, BOZEMAN asked **Mr. Kramer** how TIFs would compete against the University systems and the University's development of technology. He further wanted to know how it would affect Montana State University's Tech Park. **Mr. Kramer** declared that not all research was done by Universities, a lot of research and development is done in the private sector. When looking specifically at the Tech Park adjoining Montana State University in Bozeman, the companies would be leasing the property from a non-profit, the university. The companies would be responsible for property taxes. Those property taxes could be collected to pay for the improvement of infrastructure in that district.

SEN. HAWKS questioned the sponsor as to why a new definition was needed for a TIF. **SEN. MANGAN** explained that currently, TIFs could only be used for certain projects. Any projects that fell outside the TIF definition could not become a district.

SEN. HAWKS asked **SEN. MANGAN** if the amendment proposed by **SEN. ELLIOT** affected all TIFs from the present time. **SEN. MANGAN** said he had not been given the opportunity to look critically at the amendment but he assumed it would only effect the TIFs that were covered under **SB 167.**

SEN. ELLIOT clarified that his amendment would effect all TIFs, from January 1st, 2005.

Closing by Sponsor:

{Tape: 2; Side: B; Approx. Time Counter: 26.9 - 30.3}
{Tape: 3; Side: A; Approx. Time Counter: 0.1 - 1.7}

SEN. MANGAN thanked **SEN. ELLIOT** for taking an interest in the bill. He talked about economic development. **SEN. MANGAN** called Montana's current system a little antiquated. He felt the key was to attract new businesses to Montana, businesses that were primary sector jobs. **SEN. MANGAN** said that current TIFs were very limited in their definition and needed to be changed to reflect the growing economy. **SEN. MANGAN** contended that TIFs that would work for Montana need to be defined and utilized. **SEN . MANGAN** warned that they "did need to put sideboards on technology" to ensure that the TIFs are implemented correctly. **SEN. MANGAN** noted that Montana did need to attract companies and jobs, and TIFs were an important tool for that.

EXECUTIVE ACTION ON SB 129

{Tape: 3; Side: A; Approx. Time Counter: 2.6 - 5.2}

Motion: **SEN. WHEAT moved that SB 129 DO PASS.**
Discussion: **SEN. MANGAN** asked **SEN. ESP** if he had satisfied the concerns he had regarding the bill. **SEN. ESP** said that he looked into the matter and that the problems from the 2001 legislature about the Library Bill were no longer a concern. **SEN. MANGAN** expressed his appreciation for **SEN. ESP**'s tracking down of the issues. **SEN. WHEAT** wanted to know if **SEN. ESP** was completely satisfied with the bill. **SEN. ESP** affirmed that he was.

Motion: **SEN. WHEAT moved that SB 129 BE AMENDED.**
EXHIBIT(los13a14)

Vote: **Motion carried unanimously by voice vote.**

Motion/Vote: **SEN. WHEAT moved that SB 129 DO PASS AS AMENDED. Motion carried unanimously by voice vote. SEN. SQUIRES voting Aye by Proxy.**

EXECUTIVE ACTION ON SB 157

{Tape: 3; Side: A; Approx. Time Counter: 5.2 - 6.6}

Motion: **SEN. O'NEIL moved that SB 157 DO PASS.**

Substitute Motion/Vote: SEN. ESP made a substitute motion that SB 157 BE TABLED. Substitute motion carried 10-1 with SEN. O'NEIL voting no by voice vote. SEN. SQUIRES voting Aye by Proxy.

EXECUTIVE ACTION ON SB 175

{Tape: 3; Side: A; Approx. Time Counter: 6.6 - 7.5}

Motion/Vote: SEN. ESP moved that SB 175 DO PASS. Motion carried unanimously by voice vote. SEN. SQUIRES votes Aye by Proxy.

SEN. MANGAN reminded the committee of a room change for the upcoming meeting.

ADJOURNMENT

Adjournment: 5:16 A.M.

_____
SEN. JEFF MANGAN, Chairman

_____
JENNIFER KIRBY, Secretary

JM/jk

Additional Exhibits:

EXHIBIT(los13aad0.TIF)