

LOCAL GOVERNMENT INTERIM COMMITTEE:

2025-2026 WORKPLAN

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Local Government Interim Committee

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LGIC 2025-2026 WORKPLAN

INTRODUCTION AND PURPOSE

The work plan provides guidance for the next 15 months and serves as a blueprint for the interim. The purpose of the work plan is to outline the studies and topics the Local Government Interim Committee (LGIC) may investigate and possible approaches the committee may take to meet its goals. The work plan is intended to be a living document, subject to modification during the interim as questions arise and committee decisions are made.

The work plan includes:

- LGIC background and duties
- Description of draft study topics and plans to address those topics
- Draft committee meeting schedule

COMMITTEE PROCEDURES AND PUBLIC PARTICIPATION

The LGIC operates under the Rules, Procedures, and Guidelines for Interim Committees adopted by the Legislative Council. As required by law, 10-day advance public notice will be given for all meetings and the public will be given an opportunity to comment on any matter that is within the jurisdiction of the committee. The Presiding Officer may establish time limits for public comment, if necessary. Interested persons may be added to the mailing list and sign up for electronic meeting notifications on the LGIC website. Agendas, memos, links and other information can be found on the LGIC website:

<https://committees.legmt.gov/#/nonStandingCommittees/20>

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LGIC BACKGROUND

HISTORY

From 2001 to 2017, the Education and Local Government Interim Committee covered local topics until [Senate Bill 151](#) established the independent LGIC in 2017.

Prior to 2001, local government issues were usually addressed in other interim committees. However, the 1999 Legislature enacted [Senate Bill 184](#) establishing and providing funding for a Local Government Funding and Structure Committee (LGFSC) to study the best methods of allocating resources between the state and local governments.

The LGFSC produced a bill draft for the 2001 session later known as “The Big Bill”. [House Bill 124](#) created an entitlement share program whose aim was to:

- simplify billing, collection, accounting, distribution, and reporting of all revenue;
- de-earmark revenue and eliminate expenditure mandates for local governments; and
- create a rational dependable, stable funding structure for cities and counties.

The LGFSC also recommended the creation of a State and Local Government Relationship Committee comprised of legislators, representatives from local governments, K-12 education system, the Department of Commerce, and the Department of Revenue. Ultimately, this specific committee was not created, but [Senate Bill 10](#) passed in 2001 creating an Education and Local Government Committee whose duties and goals were similar to the earlier LGFSC but with a legislator-only membership similar to other interim committees.

The Education and Local Government Committee attempted to tackle both policy areas until 2017. However, education and local government topics are often complicated and complex, ultimately warranting the creation of two independent committees.

STATUTORY AUTHORITY AND DUTIES

The LGIC draws its statutory authority from one source: 5-5-232, MCA.

5-5-232. Local government committee. There is a local government committee. The committee is treated as an interim committee for the purposes of 5-5-211 through 5-5-214. The local government committee shall:

- (1) act as a liaison with local governments;
- (2) promote and strengthen local government through recognition of the principle that strong communities with effective, democratic governmental institutions are one of the best assurances of a strong Montana;
- (3) bring together representatives of state and local government for consideration of common problems;
- (4) provide a forum for discussing state oversight of local functions, realistic local autonomy, and intergovernmental cooperation;
- (5) identify and promote the most desirable allocation of state and local government functions, responsibilities, and revenue;

- (6) promote concise, consistent, and uniform regulation for local government;
- (7) coordinate and simplify laws, rules, and administrative practices in order to achieve more orderly and less competitive fiscal and administrative relationships between and among state and local governments;
- (8) review state mandates to local governments that are subject to 1-2-112 and 1-2-114 through 1-2-116;
- (9) make recommendations to the legislature, executive branch agencies, and local governing bodies concerning:
 - (a) changes in statutes, rules, ordinances, and resolutions that will provide concise, consistent, and uniform guidance and regulations for local government;
 - (b) changes in tax laws that will achieve more orderly and less competitive fiscal relationships between levels of government;
 - (c) methods of coordinating and simplifying competitive practices to achieve more orderly administrative relationships among levels of government; and
- (d) training programs and technical assistance for local government officers and employees that will promote effectiveness and efficiency in local government;
- (10) conduct interim studies as assigned pursuant to 5-5-217; and
- (11) report its activities, findings, recommendations, and any proposed legislation as provided in 5-11-210

REVIEW OF LOCAL UNFUNDED MANDATE LAWS

Pursuant to [5-5-232\(8\), MCA](#), the LGIC is instructed to review legislation that “requires a local government unit to perform an activity or provide a service or facility that requires the direct expenditure of additional funds and that is not expected of local governments in the scope of their usual operation”.¹ While [1-2-114, MCA](#) prohibits the introduction of a bill requiring a local government to provide or perform a new service or facility without compensation by the state or federal government, a section may be added that expressly supersedes the “unfunded mandate” laws contained in [1-2-112](#) through [1-2-116, MCA](#).

The 69th Legislature enacted the following legislation that allows for the creation of new local funding mandates by expressly superseding the unfunded mandate statutes:

Bill Number	Bill Sponsor	Short Title
House Bill 333	Rep. Sprunger	Provides guidelines for contracts between a city or town and a police department or Sheriff's office for law enforcement services
Senate Bill 236	Sen. Usher	Allows for longevity payments to detention center officers
Senate Bill 412	Sen. Smith	Provides for fee waivers for government documents to former foster children
Senate Bill 430	Sen. Esp	Revises laws related to the civil commitment or emergency detention of a mentally ill person and directs counties to assume costs related to the commitment, evaluation and transfer of these persons

¹ [1-2-112 \(1\), MCA](#)

REQUIRED REPORTS

Report	Statutory Reference	Description
Local Government Center Training	<u>7-1-206, MCA</u>	If at least 5% of the qualified electors served by a local government entity file a petition against the board alleging it is not complying with statutes applicable to its governance and function and the county attorney determine there is merit to the claim, the local government entity must participate in a training developed by the Local Government Center. The Local Government Center must then report any petitions it receives to the LGIC.
Experimental On-site Wastewater Systems Review	<u>76-4-104, MCA</u>	The Department of Environmental Quality (DEQ) conducts biennial reviews of experimental on-site wastewater systems that receive a waiver or deviation for installation to determine if a system may be adopted into rule as an accepted system. Each interim, the department shall report to the LGIC the number and type of systems reviewed and those approved and provide reasoning why a system was reviewed but not approved. <i>(Enacted through <u>SB 54</u> – a 2019-2020 LGIC committee bill)</i>
Sand and Gravel Deposit Program	<u>82-2-701, MCA</u>	The Sand and Gravel Deposit Program at the Bureau of Mines and Geology investigates sand and gravel deposits in areas of conflict between development and sand and gravel operations. In prioritizing areas for investigation, the Bureau must consider the largest counties, based on census data, and the counties with the most open-cut mining permits and subdivision applications. Within 1 year of starting an investigation, the Bureau is required to report the results to the county in which the investigation occurred, the Environmental Quality Council (EQC), and the LGIC.
Emergency Financial Assistance to Local Governments	<u>90-6-703, MCA</u>	The Department of Commerce may provide emergency grants to local governments for infrastructure projects necessary to remedy conditions that may endanger public health or safety and expose the applicant to significant financial risk. The department shall report biennially to the Governor, the Legislative Fiscal Analyst, and the LGIC regarding emergency infrastructure grants.

PROPOSED STATEWIDE INITIATIVE REVIEW

The LGIC is required to review proposed statewide initiatives that relate to its subject area. The Legislature enacted [Senate Bill 93](#) in 2023 to clarify and revise the review process enacted in [House Bill 651](#) in 2021. The revised law provides that a statewide initiative includes a constitutional initiative, a constitutional convention initiative, or a statutory initiative.

Section 13 of Senate Bill 93 requires an interim committee to hold a public hearing on a statewide initiative referred to the committee by the executive director of the Legislative Services Division. The committee then votes to either support or not support the placement of the proposed statewide initiative on the ballot. The petition used to gather signatures to place the statewide initiative on the ballot must include the interim committee vote. The review process may result in additional committee meetings because the committee vote must be submitted to the Secretary of State no later than 14 days upon receiving the final text of the statewide initiative.

The statutory requirement for interim committee review of ballot initiatives is being litigated at the Montana Supreme Court. Staff will update the committees when litigation is completed and if the committees have any duties in this area while the case is pending. (Case: *Ellingson v. State*, Montana Supreme Court No. DA 25-0142 (Filed Feb. 18, 2025).)

HOW THE LGIC PLANS ITS WORK

During the legislative interim, the LGIC usually focuses on assigned study topics. The 2025-2026 LGIC was assigned four studies by the Legislative Council. In addition to the assigned studies, Staff visited with LGIC members about potential topics for discussion, which are included as member topics.

The LGIC must adopt a work plan by the second meeting of the interim to solidify its preferred studies. The primary constraints limiting the agenda for the interim is the number of issues to effectively address within the available time and the resources of the committee members and its staff.

The LGIC [Work Plan Decision Matrix](#), a separate document, offers additional aid to review time allocations for each topic.

POTENTIAL WORK PLAN TOPICS

STUDY RESOLUTIONS ASSIGNED BY LEGISLATIVE COUNCIL

[HJ 30: STUDY RESOLUTION ON INCENTIVIZING HOUSING DENSITY AND AFFORDABILITY.](#)

Sponsor: Representative Darling

Legislative Poll Rank: #12 of 36

Background: Housing availability is an ongoing struggle for many Montanans. One avenue by which this may be remedied is an increase in housing density as it not only increases the number of homes available but can reduce the average tax burden for homeowners in these areas. Cooperation between the state government, local governments, and private entities is necessary to fully realize increased housing density in communities throughout the state. This study resolution directs the committee to:

- Investigate potential methods to incentivize increased housing density;
- Analyze the economic implications of increased housing density;
- Identify state and federal programs available to local governments to fund incentives; and
- Analyze how municipal infrastructure may be affected by increased density and how to expand it if necessary.

Option A .25 FTE (Moderate)	Option B .10 FTE (LOW)	Option C
<ul style="list-style-type: none"> • All of option B • Analysis of potential fiscal impacts from increased housing density and availability • Staff background paper/presentation on federal programs that provide funding for housing density incentives • Staff paper/presentation on incentive programs used by other states 	<ul style="list-style-type: none"> • Panel(s) discussion with Montana Association of Counties (MACO), The League, Home Developers, nonprofit(s), local representatives, and relevant agency staff • Staff background paper/presentation on the current housing market and state programs incentivizing and subsidizing housing • Staff paper/presentation reviewing previous research on housing density • Committee legislation 	<p>No Action</p>

HJ 28: INTERIM STUDY TO IDENTIFY AND IMPROVE ACCESS TO FEDERAL GRANT OPPORTUNITIES FOR THE STATE OF MONTANA, TRIBAL GOVERNMENTS, AND LOCAL GOVERNMENTS.

Sponsor: Representative Muszkiewicz

Legislative Poll Rank: #14 of 36

Background: Federal grants are a widely used source of funding for state, local, and tribal entities but many grant opportunities remain unused and access to this funding may be harder for smaller and more rural entities to obtain. This study resolution directs the committee to:

- Identify grant opportunities that have been available to state, tribal, and local government entities since 2020;
- Identify grants that are currently being utilized;
- Identify grants that are not being utilized/are being underutilized;

- Investigate potential disparities/challenges smaller and more rural entities may face when applying for grants; and
- Recommend strategies and resources that may enhance grant acquisition for all levels and sizes of government entity.

Option A .50 FTE (High)	Option B .35 FTE (Moderate)	Option C .10 FTE (Low)	Option D
<ul style="list-style-type: none"> • All of option A • Analysis of other states grant application systems and awarded amounts 	<ul style="list-style-type: none"> • All of option C • Staff interviews with local and tribal governments that examine challenges in securing grants, including access to information, grant writer and other staff availability, and any other factors • Staff report comparing any disparities between government entities based on above research • Additional panel(s) or stakeholder roundtable discussion(s) of potential/proposed legislation • Additional staff paper(s)/presentation(s) at the committee's request 	<ul style="list-style-type: none"> • Staff report on the most used federal grant funds by state, tribal, and local governments since 2020 • Staff report or presentation on significant grants that are unused, including analysis of why • Panel(s)/Presentation(s) by state agency personnel, local government authorities, and tribal government representatives on underutilized federal grants • Committee legislation 	No Action

HJ 47: STUDY RESOLUTION ON LOCAL GOVERNMENT ENTITY COOPERATION.

Sponsor: Representative Gist

Legislative Poll Rank: #24 of 36

Background: Many public services throughout the state are delivered via districts such as fire, water and sewer, hospital, and airport authority districts. These entities often cooperate to deliver the best services possible but there are multiple cases wherein cooperation is either not achieved or is not efficient as it could potentially be. This study resolution directs the committee to:

- Identify areas of local government that may benefit from additional intergovernmental cooperation;

- Review the current methods of intergovernmental cooperation statutorily available to local government entities;
- Examine methods used in other states to foster and facilitate intergovernmental cooperation;
- Identify areas where consolidation may benefit local government entities and citizens; and
- Analyze the potential fiscal impacts of intergovernmental cooperation for both the state and the local governments participating in the cooperation.
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Option A .60 FTE (High)	Option B .30 FTE (Moderate)	Option C .20 FTE (Low)	Option D .10 FTE
<ul style="list-style-type: none"> • All of option B • Staff summary/analysis of potential fiscal impacts for entities that cooperate • Analysis of efficacy of the existing process for collaboration and determine if new processes are needed • Identify models of cooperation in other states to direct further study, if needed 	<ul style="list-style-type: none"> • All of option C • Staff background paper/presentation of neighboring states' systems of local government cooperation • Staff background paper/presentation on potential areas of cooperation for local entities • Panel of local entity representatives to identify potential areas of cooperation 	<ul style="list-style-type: none"> • Panel(s) of MACO, The League, Montana State University Local Government Center, and local government representatives • Staff background paper/presentation on current statutory provisions allowing entity cooperation • Staff background paper/presentation on current examples of entity cooperation • Committee legislation 	<ul style="list-style-type: none"> • Combine with HJ 57

HJ 50: INTERIM STUDY OF UNIFORM COMMON INTEREST OWNERSHIP LAWS.

Sponsor: Representative Griffith

Legislative Poll Rank: #28 of 36

Background: The LGIC has dedicated significant time to examining owners' associations over the past several interims, ultimately producing and introducing House Bill 619 for the 69th legislative session, co-sponsored by all members of the 2023-2024 LGIC. The bill was eventually tabled in committee due to its size and the inability of the 2023-2024 LGIC to review it, as the bill was completed after the committee had finished its work for the interim. This study resolution directs the committee to:

- Review and analyze the Uniform Common Interest Ownership Act, as introduced in House Bill 619 (2025);
- Review and analyze the current statutory structure of owners' associations in Montana; and

- Determine if legislative changes are warranted to address owners' associations in Montana.

Option A .25 FTE (Moderate)	Option B .05 FTE (Low)	Option C
<ul style="list-style-type: none"> • All of option B • Additional panel discussion(s) with various stakeholder groups • Summary and analysis of changes HB 619 made to existing statutes and general common interest ownership organization processes • Further examination of various drafting methods to ensure smooth transition from repealed statutes to new law 	<ul style="list-style-type: none"> • Panel discussion(s) with various stakeholder groups • Staff summary and review of House Bill 619 • Committee Legislation 	No Action

MEMBER REQUESTED TOPICS

Topic	Source	Option A	Option B	Option C
1. Statutory Framework of Special and Rural improvement districts	Rep. Griffith	.10 FTE <ul style="list-style-type: none"> • All of option B • Analysis of other states' rural/special improvement district statutory framework 	.05 FTE <ul style="list-style-type: none"> • Panel(s) with local government representatives, citizens, and other stake holders • Staff background paper/presentation on the current statutory framework for special/rural improvement districts • Committee legislation 	<ul style="list-style-type: none"> • No Action
2. Exempt wells and their relation to building homes	Sen. Mandeville	.20 FTE <ul style="list-style-type: none"> • All of option B • Parallel study with the water policy interim 	.05 FTE <ul style="list-style-type: none"> • Panel with stakeholders, MACO, The League, Local government representatives, DEQ/DNRC 	.01 FTE <ul style="list-style-type: none"> • Updates from WPIC on the exempt well study

		committee (WPIC)	representatives and developers <ul style="list-style-type: none"> Staff background paper/presentation on Senate Bills 358 & 436 Committee legislation 	
3. HJ 57: Review of the public safety communications act and responses to extreme weather events and natural disasters	Rep. Klakken	.30 FTE <ul style="list-style-type: none"> All of option B Staff interviews with stakeholders examining the efficacy of the system Analysis of potential benefits of integrating other systems into the SPSCS. 	.20 FTE <ul style="list-style-type: none"> All of option C Analysis of other states' safety communications systems and their statutory framework Analysis of the current financial situation of the SPSCS Combine with HJ 47 	.10 FTE <ul style="list-style-type: none"> Panel(s) with Department of Justice staff and members of the Statewide Public Safety Communications System (SPSCS) Advisory Council Staff background paper/presentation on the current statutory framework of the SPSCS Committee legislation
4. HJ 57 and 47 combination study: Analysis of public safety entity cooperation and SPSC systems	Committee meeting July 22, 2025	.30 FTE <ul style="list-style-type: none"> All of Option B Staff interviews with stakeholders examining the efficacy of the SPSCS and public safety entity cooperation 	.25 FTE <ul style="list-style-type: none"> All of Option A Analysis of the current financial situation of the SPSCS 	.20 FTE <ul style="list-style-type: none"> Panel(s) with DOJ, members of the SPSCS advisory council, and representatives of public safety entities Staff Background paper/presentation on the current statutory framework of the SPSCS Staff Background paper/presentation on the current statutory framework for public safety entity cooperation

			<ul style="list-style-type: none"> Committee legislation
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Option D: No Action

REVIEW OF UNFUNDED MANDATE LAWS

Background: As mentioned above, [5-5-232, MCA](#) asks the LGIC to review enacted legislation that expressly supersedes the unfunded local mandate requirements ([1-2-112](#) through [1-2-116, MCA](#)).

Option B	Option C	Option D
<p>.05+ FTE</p> <ul style="list-style-type: none"> Option C Invite local government representatives to discuss impacts of specific legislation and how local governments plan to meet the requirements 	<p>.01 FTE</p> <ul style="list-style-type: none"> Receive copies of the bills enacted in 2025 that superseded the local government unfunded mandate requirements Review fiscal notes 	No action

2025-2026 LGIC MEETING SCHEDULE

The meeting schedule provides a framework for the LGIC to complete its work on time.

Per interim rules adopted by Legislative Council, all meetings will be hybrid, allowing for both in-person and remote participation.

July 22, 2025	LGIC Meeting. Helena
September 25, 2025	LGIC Meeting. Helena
November 20, 2025	LGIC Meeting. Helena
January 22, 2026	LGIC Meeting. Helena
April 2, 2026	LGIC Meeting. Helena
May 28, 2026	LGIC Meeting. Helena
July 23, 2026	LGIC Meeting. Helena
September 10, 2026	LGIC Meeting. Helena

All dates are tentative and subject to change by the committee