

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By Chairman Bardanouve, on February 15, 1989, at
2:52 a.m.

ROLL CALL

Members Present: 17

Members Excused: Representatives Quilici, Thoft and Swysgood

Members Absent: None

Staff Present: Judy Rippingale, LFA

Announcements/Discussion: None

HEARING ON HOUSE BILL 370

"AN ACT INCREASING THE AMOUNT AUTHORIZED FOR MEAL REIMBURSEMENT FOR STATE EMPLOYEES AND CERTAIN OFFICIALS ENGAGED IN STATE BUSINESS WHILE AWAY FROM THEIR DESIGNATED HEADQUARTERS BUT WITHIN THE STATE; AND AMENDING SECTION 2-18-501, MCA."

Presentation and Opening Statement by Sponsor:

Representative Cocchiarella, Chief Sponsor of House Bill 370 said this was a bill to raise the amount a state employee is reimbursed for travel, meals and lodging. She said employees were asked to travel as part of their job and then asked to help pay the expenses incurred. she brought in menus for the committee to look at the prices of meals in various places in the state. Her testimony is attached as EXHIBIT 1 House Bill 370.

Testifying Proponents and Who They Represent:

Tom Schneider, MPEA
Representative Ream, District 34, Missoula
Representative Grady, District 47, Canyon Creek

Proponent Testimony:

Mr. Schneider told what the costs were for meals, lodging and travel and how difficult it was for many of those being asked to travel for the state, to pay the balance out of their pockets. He said he hoped this was now the time to do something about it.

Representative Ream pointed out that salaries have been frozen and costs have gone up for travel, meals and lodging. He urged the committee to vote for the bill.

Representative Grady asked that he be recorded in the minutes as supporting this bill.

Testifying Opponents and Who They Represent:

No Opponents.

Opponent Testimony:

None

Questions From Committee Members:

None

Closing by Sponsor:

Representative Cocchiarella asked the committee, if they did not think they could appropriate all of the amount, please vote for part of it.

Chairman Bardanouve announced the Hearing on House Bill 370 closed.

HEARING ON HOUSE BILL 583

"AN ACT TO ELIMINATE STATUTORY APPROPRIATIONS FOR EXPENSES OF ADMINISTERING OR OPERATING A PROGRAM; AMENDING SECTIONS 2-18-812, 10-4-301, 15-65-121, 17-7-502, 20-4-109, 23-5-1027, 33-31-212, 33-31-401, 67-3-205, 75-7-305, 76-12,123, 80-2-103, 80-2-228, 90-9-306 AND 90-15-103, MCA; AND PROVIDING AN EFFECTIVE DATE."

Presentation and Opening Statement by Sponsor:

Representative Bardanouve, Chief sponsor of House Bill 583 said while his name was on the bill, this was at the request of the committee, and Mr. Nichols of LFA would present the bill.

Testifying Proponents and Who They Represent:

Curt Nichols, LFA
Karen Munro, Department of Administration

Proponent Testimony:

Mr. Nichols (375) walked the committee through House Bill 583 and said there was an amendment proposed, EXHIBIT 1.

Karen Munro said the Department of Administration is involved with 2 sections of the bill. The first was on page 2 and the second on page 3. Her testimony is attached as

exhibit 2, HB 583.

Testifying Opponents and Who They Represent:

John Wilson, Department of Commerce
Bonnie Tippy representing the Montana Innkeepers
James Tutwiler, Montana Chamber of Commerce
Mr. Elmer Frame, Campground Owner's Association of Montana
Rob Morawic, Missoula Chamber of Commerce

Opponent Testimony:

Mr. Wilson spoke on the passing last session of the bed tax, and the cooperation of the tourist industry. He said he did not want that money taken into the general fund, since they needed to have it available when it was needed. His testimony is attached to the minutes as Exhibit 3, HB 583.

Bonnie Tippy (890) said for years the Innkeepers Association had fought a bed tax. She told of the Canadians coming down to the Kalispell area and the purchases they made while there. She said they were opposed to this bill.

Mr. Frame said the Accommodations Tax is a self-imposed and self-supported tax that works, and asked them to leave it for another 2 years at least.

Mr. Morawic Suggested leaving this tax alone and if the general fund needed more money they could enact a sales tax.

Questions From Committee Members: Representative Cody said this bill was talking about de-earmarking funds, and she was opposed to it.

Representative Marks asked Mr. Wilson if he considered this bill a raid on funds, and Mr. Wilson answered that it was opening it up to raids in the future. He said the committee might not appropriate it all, but if it were left in the general fund and funds were tight it might be used for something else.

Representative Connelly asked if she donated \$100 dollars to the fund if it had to be appropriated through the Legislature in order to be available to them, and Mr. Nichols said yes, it had to be appropriated as a budget amendment.

Representative Grady asked Mr. Wilson if the bill were passed did he feel it would make it easier to pass legislation such as the bill he is carrying to use some of the tourism money, and Mr. Wilson said he thought it would make it easier. Mr. Nichols explained the Legislature could do that now, and Rep. Grady asked if this bill would not affect the way the Legislature can use the money. Representative Bardanouve explained the Legislature could use the money even if it is in statutes.

Representative Swift said relative to the Accommodation Tax, this bill changes nothing, it does not change the allocation of the revenues?

Closing by Sponsor: Chairman Bardanouve answered Rep. Swift's question saying it does not de-earmark it, the money does not go into the general fund, it merely allows the committees to review the money and how it is spent.

Representative Bardanouve appointed a subcommittee on House Bill 370, the bill to raise the reimbursement to state employees for travel, meals and lodging. ^They were Representative Iverson Chairman, Representatives Quilici, Peck and Grinde.

HEARING ON HOUSE JOINT RESOLUTION 21

Presentation and Opening Statement by Sponsor:

Representative Spaeth, chief sponsor of HJR 21 was not present and Rich Brown explained the bill at the request of the committee.

Testifying Proponents and Who They Represent:

Rich Brown, Administrator for Department of Montana Veteran's Affairs
James Rehbein, Dept. Commander, D.A.V., Kalispell

Proponent Testimony:

Mr. Brown told of the cutback in Federal funding to the Veteran's Hospital, the Veteran's Nursing Home, etc. and said this would be a direct cost to the state since many of these veterans would go on medicare if they could not receive the services.

Mr. Rehbein said the V.A. budget has been cut by nearly Eight Hundred Million Dollars, of which between \$1 and \$1.5 was in Montana. He said benefits are restricted to Class A disability; B and C is cut way back. He said they have to pay for part of their medication and treatment. He said they are closing beds and entire wings in hospitals.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: None

Closing by Sponsor: None. Chairman Bardanouve noted there is no fiscal impact on the general fund in this resolution.

DISPOSITION OF HOUSE JOINT RESOLUTION 21

Motion: by Representative Menahan that HJR do pass

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: Voted, do pass, unanimous vote of those present.

DISPOSITION OF HOUSE BILL 452

Motion: Representative Swift made the motion that House Bill 452 Do Pass.

Discussion: Representatives Cody and Bradley explained the necessity of this bill to help clean up and the action taken in subcommittee. They said the spending was mandatory, but this cleaned up the loose ends.

Amendments, Discussion, and Votes: None

Recommendation and Vote: Voted, passed, unanimous

DISPOSITION OF HOUSE BILL 453

Motion: Motion by Representative Nisbet that House Bill 453 do pass

Discussion: Representative Cody said this was the same as 452, for clean up of loose ends.

Amendments, Discussion, and Votes: None

Recommendation and Vote: Voted, passed, unanimous of those present.

Representative Bardanouve said he would like to have more committee members present to act on the remaining bills.

Adjournment at: 4:02 p.m.


REP. FRANCIS BARDANOUE, Chairman

3902.min

3902.412

DAILY ROLL CALL

HOUSE APPROPRIATIONS COMMITTEE

51st LEGISLATIVE SESSION -- 1989

Date 2/15/89

NAME	PRESENT	ABSENT	EXCUSED
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE SPAETH	✓		
REPRESENTATIVE PECK	✓		
REPRESENTATIVE IVERSON	✓		
REPRESENTATIVE SWIFT	✓		
REPRESENTATIVE QUILICI			✓
REPRESENTATIVE BRADLEY	✓		
REPRESENTATIVE PETERSON	✓		
REPRESENTATIVE MARKS	✓		
REPRESENTATIVE CONNELLY	✓		
REPRESENTATIVE MENAHAN	✓		
REPRESENTATIVE THOFT			✓
REPRESENTATIVE KADAS	✓		
REPRESENTATIVE SWYSGOOD			✓
REPRESENTATIVE KIMBERLEY	✓		
REPRESENTATIVE NISBET	✓		
REPRESENTATIVE COBB	✓		
REPRESENTATIVE GRINDE	✓		
REPRESENTATIVE CODY	✓		
REPRESENTATIVE GRADY	✓		

2-16-89
12:10pm
Ya

STANDING COMMITTEE REPORT

February 15, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that HOUSE JOINT RESOLUTION 21 (first reading copy -- white) do pass .

Signed: 
Francis Bardanouve, Chairman

STANDING COMMITTEE REPORT

February 15, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that HOUSE BILL 452 (first reading copy -- white) do pass.

Signed: 
Francis Bardanouve, Chairman

STANDING COMMITTEE REPORT

February 15, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that HOUSE BILL 453 (first reading copy -- white) do pass .

Signed: 
Francis Bardanouve, Chairman

EXHIBIT 1

DATE 2-15-89

HB 370

HB 370

THIS BILL IS SIMPLY ASKING TO SLIGHTLY INCREASE MEAL ALLOWANCE FOR STATE EMPLOYEES TRAVELING WITHIN THE STATE - DOING BUSINESS FOR THE STATE AT REQUEST OF THE STATE. INCREASES ARE LISTED ON PAGE 2, LINES 3 AND 4 - THEY INCLUDE INCREASING BREAKFAST FROM \$3.00 TO \$4.00, LUNCH FROM \$3.50 TO \$4.50 AND DINNER FROM \$8.00 TO \$9.00. THESE ALLOWANCES HAVE NOT BEEN RAISED FOR 8 YEARS SINCE 1981. DURING THIS TIME WE'VE HAD AN INFLATION RATE OF OVER 30%. ACTUAL MEAL PRICES HAVE INCREASED BY UP TO 60% IN SOME RESTAURANTS. FOR EXAMPLE: BACON & EGGS, HASH BROWNS AND TOAST COSTS \$3.95 AT THE 4B'S. THE SAME BREAKFAST WAS \$2.75 OR LESS 8 YEARS AGO WHICH REFLECTS A 44% INCREASE.

EVEN IF YOU OPTED FOR A HEALTHY YUPPIE BREAKFAST OF OATMEAL, WHOLE WHEAT TOAST AND 1/2 GRAPEFRUIT IT WOULD COST YOU \$3.75 WITH COFFEE AND NO TIP. IF THE EMPLOYEE PAYS A TIP OF 8% WHICH IS 30¢ AND THE 75¢ OVER \$3.00. ITS AN OUT OF POCKET EXPENSE OF \$1.05. BREAKFAST EXPENSES CREATE THE GREATEST PROBLEMS FOR EMPLOYEES.

LUNCH IS NOW LESS AFFORDABLE AT ONLY \$3.50. EVEN AT McDONALDS A BIG MAC, MED. COKE AND FRIES IS \$3.12. MOST LUNCHES ARE \$4.00 OR MORE ON MENUS - NOT INCLUDING TIP. DINNER, WITH REASONABLE NUTRITIONAL VALUE IS NOW USUALLY MORE THAN \$8.00. IF TIPPING AN INCREASE TO \$9.00 IS REASONABLE AND STILL MIGHT REQUIRE OUT OF POCKET EXPENSE AS REFLECTED IN PRICES IN MOST MENUS. FREQUENTLY EMPLOYEES ARE ATTENDING CONFERENCES AT CONVENTION SITES SUCH AS THE COLONIAL INN, THE VILLAGE RED LION OR HOLIDAY INN IN MISSOULA,

THE OUTLAW INN IN KALISPELL, THE SHERATON IN BILLINGS. THESE ARE NOT INEXPENSIVE PLACES TO EAT - GRANTED, EMPLOYEES COULD SKIP MEALS OR DRIVE TO BURGER KING BUT WHY SHOULD WE ASK OUR EMPLOYEES TO LEAVE THE CONVENIENCE AND COMFORT AND LOW COST OF STAYING HOME TO DO OUR BUSINESS IF WE DON'T PAY - WE DON'T EVEN PAY FOR A PHONE CALL TO HOME. TAKE EXAMPLES FROM THE BUSINESS WORLD - EXPENSE ACCOUNTS ARE A PART OF IT. - EMPLOYEES WHO TRAVEL ARE PAID. RISING COSTS OF EATING IN RESTAURANTS ARE DIRECTLY RELATED TO AND REFLECTS THE AVERAGE 32% OF INFLATION FOR THE LAST 8 YEARS.

COSTS HAVE INCREASED. EMPLOYEES EXPECTED TO TRAVEL IN STATE AS PART OF THEIR EMPLOYMENT SHOULD NOT HAVE TO PAY OUT OF THEIR POCKETS.

EXHIBIT 1

DATE 2-15-89

HB 583

118

Amendments to House Bill No. 0583

For the Committee on Appropriations

Requested by Representative Bardanouve
February 15, 1989

1. Page 3, line 8.

Following: "chapter".

Insert: "The distribution of the 9-1-1 emergency telecommunications account, per requirements of Section 10-4-302, is statutorily appropriated. Expenditures for actual and necessary expenses required for the efficient administration of the plan must be made from temporary appropriations, as described in 17-7-501(1) or (2), made for that purpose."

2. Page 6, line 5.

Following: "10-3-314"

Insert: "10-4-301"

AMEND:kj:hb583rb

EXHIBIT 2
DATE 2-15-89
HB 583

Testimony on HB583

Department of Administration is involved with 2 sections of the bill. The first section is the changes made on page 2. These changes reflect actual practice used by the Department. Presently, the administrative expenses for operating the state employee group benefit plan are already presented to the General Government subcommittee for their review and appropriation. The added language clarifies the issue and the Department has no problem with this change.

The second section involving the Department of Administration is on page 3, lines 6-8. This section relates to the distribution of the 911 monies received by the state. The Department agrees this section needs to be clarified. We agree with the amendment offered by the sponsor for this section. The amendment will reflect current practice in that the expenses incurred by Department of Administration for administering the 911 program are already being brought to the General Government subcommittee for their review. If the amendment is approved, Department of Administration is in support of the bill.

Department of Administration
Karen Munro, Administrator of Centralized Services Division

HB 583

Mr. Chairman, members of the committee, for the record my name is John Wilson and I am the Administrator of the Montana Promotion Division of the Department of Commerce. I appear before you today on behalf of the Department of Commerce.

Just two years ago the Montana House passed the "bed tax" by a vote of 88 to 10. Most of you on this committee voted in favor of the bed tax because there were some compelling reasons to do so.

At that time, the tourism industry brought to you an honest and straight forward proposal which taxed their own industry.

- It was an acknowledgement of the budgetary problems which you faced. They offered \$1.1 million of General Fund back to you to help solve your problems.
- It was an acknowledgement that Montana had great potential for tourism growth.
- It was an acknowledgement that they had to take some responsibility and some risk if they were to remain healthy, viable and growing.

In return, they simply asked that they be allowed by the Legislature to use their experience and their ability to oversee and give direction to the state's marketing. This came in the form of a statutory appropriation and a Tourism Advisory Council, which you granted.

The results have been remarkable. Both winter and summer tourism revenues are up substantially across the state. Because of your wisdom, this legitimate, operable and working private/public partnership has blossomed and the state is much better off as a result. It has been a success.

There is the old adage "If it's not broke, don't fix it."

We believe there is no pressing need to remove the statutory appropriation, unless your intent is to use the funds for some purpose other than tourism promotion.

At the same time, we urge you to continue to watch over the performance of the state's tourism marketing. The Tourism Advisory Council was unanimously ardent that the Montana Promotion Division budget appear in both the Executive Budget and that of the Legislative Fiscal Analyst so that the budget could be reviewed. They and the rest of the travel industry have no desire to elude legislative review.

Representative Spaeth and the members of the Natural Resources subcommittee will testify to the fact that a one and one-half hour presentation was made to their committee on how these funds were expanded and the results they derived.

It is the recommendation of the Department of Commerce that the section dealing with tourism promotion be amended out of this bill by removing Section 3 beginning on page 3, line 9 and ending on page 5, line 13.

Mr. Chairman, thank you for allowing me the time to appear before you today.

CAMPGROUND OWNER'S ASSOCIATION OF MONTANA

P.O. Drawer A
St. Regis, Montana 59866

EXHIBIT 4
DATE 2-15-89
HB. 583

President:
Bud McClure '87 - '89
West Glacier KOA
Box 215
West Glacier, MT 59936

Vice-President:
Ed Pierce '87 - '89
Campground St. Regis
P.O. Drawer A
St. Regis, MT 59866

Secretary-Treasurer
Ruby Pierce '86 - '88
Campground St. Regis
P.O. Drawer A
St. Regis, MT 59866

Board of Directors:

Don Thlesen '87 - '89
Sunrise Campground
31842 Frontage Road
Bozeman, MT 59715

Bob Rucker '87 - '89
Rocky Mountain Cmpgrd
Jardine Route, Box 10
Gardiner, MT 59030

Ed Pierce '87 - '89
Campground St. Regis
P.O. Drawer A
St. Regis, MT 59866

Kim Smith '85 - '88
Helena KOA
5820 North Montana
Helena, MT 59601

House Appropriations Committee
Rep. Bardanouve, Chairman

RE: H.B. 583
February 15, 1989

Mr. Chairman,
Members of the Committee:

My name is Elmer Frame, my wife and I own a campground in Missoula. I am here on behalf of Bud McClure, President of the Campground Owners' Association of Montana (C.O.A.M.). The Campground Owners helped sponsor and supported the Accommodations Tax legislation. We collect the tax from our guests and support the way the Tourism Advisory Council uses the money to promote Montana.

The Accommodations Tax is a self-imposed, self-supported tax initiated by campground and motel/hotel owners. It works! Please leave it alone for two more years.

I respectfully ask that you delete the Accommodations Tax (Bed-Tax) from H.B. 583.

Respectfully,

Elmer Frame

Elmer Frame,
C.O.A.M. Representative
Member:

Missoula CVB Board of Directors
Glacier Country Board of Directors
Tourism Advisory Council

EF/ls

WITNESS STATEMENT

NAME ELMER FRAME BILL NO. HB 583

ADDRESS 3695 TINA MISSOULA DATE 2/15/89

WHOM DO YOU REPRESENT? _____

SUPPORT _____ OPPOSE _____ AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

VISITORS' REGISTER

Use Approp COMMITTEE

BILL NO. HB 370, 583 HJR 21

DATE 2/15/88

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
James H. Rehbein	DEPT. COMMANDER D.R.V. K. LESPELLE, MT.	✓	
Tom Schneider	MPRA	HB 370	
GEORGE D. WARN	Commerce - Helena		
JAMES TUITWILER	MT CLAMBERT COMMERCE		HB 583 x
ELMER FRAME	MISSOULA	HB 583	HB 583
Karen Munro	Helena	✓ HB 583	
John Wilson	Dept. of Commerce		HB 583 x
Kathy Fabian	OPI		
Rob Morawic	Missoula Chamber		HB 583
Rich BROWN	Helena	HJR 21	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.