

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
52nd LEGISLATURE - 2nd SPECIAL SESSION**

COMMITTEE ON APPROPRIATIONS

Call to Order: By Chair Bardanouve, on July 15, 1992, at 10:30
a.m.

ROLL CALL

Members Present:

Francis Bardanouve, Chairman (D)
Ray Peck, Vice-Chairman (D)
Dorothy Bradley (D)
John Cobb (R)
Ed Grady (R)
Larry Grinde (R)
Mike Kadas (D)
Berv Kimberley (D)
Wm. "Red" Menahan (D)
Jerry Nisbet (D)
Mary Lou Peterson (R)
Joe Quilici (D)
Chuck Swysgood (R)
Bob Thoft (R)
Tom Zook (R)

Members Excused: Mary Ellen Connelly (D)
John Johnson (D)
Dorothy Cody (D)

Staff Present: Terry Cohea, Legislative Fiscal Analyst
Jim Haubein, Principal Fiscal Analyst
Sylvia Kinsey, Committee Secretary

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

Announcements/Discussion: CHAIR BARDANOUVE said House Bill 41 is
on the table and that it would produce some revenue. REP
KADAS has promised to remove some of the controversial items
and he would have him explain this before a motion was made
to take the bill off the table.

REP KADAS handed out EXHIBIT 1 which shows what is in the bill as
best he could recall, and believed this is where the bill was at
following the motions made a few days ago. He is suggesting to
take it off the table, eliminate the Range Land Improvement
altogether and he thought everything else was reasonably
acceptable.

REP PETERSON asked about the amount and REP KADAS said it would depend on what kind of payments go out prior to Sept. 1. That would determine the balance.

RECONSIDERATION OF HOUSE BILL 41

TRANSFER FUNDS FROM CERTAIN ACCOUNTS TO GENERAL FUND

Discussion: REP THOFT asked what did you take out? Are all these items left in the bill? REP KADAS said that is what is left in the bill following the amendments passed before the bill was tabled.

REP GRADY asked if he had checked any more on the slash proposal? REP KADAS said he did not check any more but would be glad to listen to their concern. REP GRADY asked if someone could comment on this from DSL. Mr. Artley said the \$67,000 of state special revenue comes from fees paid by loggers for slash agreements.

REP KADAS asked if that wasn't in the account. Mr. Artley said they are not counting on that money to get through FY'92. He said it would depend on what kind of a time frame we are looking at. They were counting on it to get through '94-'95 without a rate increase to loggers and their cash flow analysis shows they can get through '93, '94 and '95 by spending down that account without having to raise fees. If you make the transfer, it is likely that we may have to come in for a fee increase in the regular session to raise the cost to loggers for a slash fee.

REP THOFT said he had a problem calling this loggers--this is land owners that pay this fee. The loggers sign an agreement with the land owner and the land owner ultimately pays this fee. Mr. Artley said the fee is paid by the loggers, but ultimately comes from the land owners.

REP THOFT said we have loggers that walk off the job and don't fulfill the contract. Is this money being used to come in and make up for that? Mr. Artley said no, they hold bond money aside to ensure that the logger fulfills the obligation. If they walk away from it they take the bond money to pay for the actual work.

REP THOFT said he had an experience with this. The logger walked off, DSL brought their cat up, unloaded it and left it sit there for a week, never moved it and then left and said they had no money to do the job. He did not want this sort of thing to happen again. Mr. Artley said this should not happen again. The problem they have is that the amount of money they withhold has not gone up for many years, inflation has gone up, and they are not holding enough money back to do all the work they should.

REP KADAS said he felt the issue on the slash disposal was whether they raised their fees this coming biennium or the following biennium. This is a small enough amount in the whole

bill that he had no objection to taking it out if the committee would vote for the bill.

REP QUILICI said a good friend of his teaches drivers' education. What effect would this \$200,000 on drivers training have? **REP KADAS** said it would have no effect on this year's allocations. There is about \$1.7 million available and they will be obligated for about \$1.3 million to \$1.4 million and this would be taking the difference.

REP GRINDE asked for a more clarification on the bed tax. He asked if the 4% being paid is spent on advertising? **REP KADAS** said it goes to a fund used for advertising, they send money back out to various regions and a number of things. As it was explained to him, they are never sure how much money they are going to get in so they set up a prioritization list of the things they will spend the money on and we would be bumping \$220,000 off the bottom of that prioritization list. It will affect what they will be able to do, but don't think they were sure they would have this much in the first place.

REP ZOOK asked a hypothetical question. If this were to get out and reach the floor, is it your intention to add further amendments? **REP KADAS** said he had told **REP GRADY** and makes the promise here that he would not add in rangeland nor add back in any of the livestock, either the inspection or the case that was settled for interest funds. He said he would not say there wouldn't be amendments because he thought there might be other funds out there that we may want to put into this bill. He said he knew of a couple that may be available, one is to take more out of the driver training account and the other is about \$600,000 available in the Board of Housing that they have made in arbitrage profits. He said he had not looked closely enough, but this is the sort of vehicle that could do this.

EXECUTIVE ACTION ON HOUSE BILL 41

Motion: **REP KADAS** moved to take House Bill 41 from the table.

Discussion: **REP SWYSGOOD** said he appreciated what **REP KADAS** is trying to do, and has no problem with it but is concerned about what anybody else is going to do to the bill. With this bill out there, they can do anything they might want to do. It is a concern he has, and said he would have to vote against the motion.

REP KADAS responded by saying he felt **REP SWYSGOOD's** primary concern is what would happen, particularly in the Dept. of Livestock. He said at least for that one, he would give his word that he would not take any more money out of it. He realized he might not be selected if there is a conference committee on it, but thought in looking at the action of the Senate, it seems clear the Senate will not be taking any more out of Livestock.

CHAIR BARDANOUVE said he would not support any further cuts for Livestock, and if someone does make a motion he would speak against it.

REP QUILICI said he knew if the chief sponsor of this bill recommends no amendments come in concerning Livestock he thought that would be the way it would be. He felt there is still some protocol within this whole Legislature that if the chief sponsor says he/she does not want a particular thing in a bill they have some respect for that--even in the Senate. He felt they would not try to amend the bill against the wishes of the chief sponsor.

REP BARDANOUVE said he had been working with **REP KADAS** on this bill trying to get areas where there were funds available and warned him of certain areas where members would have a particular concern. He would like to get this bill out. We have a difficult job here and none of the things we have to do here make any of us happy but we do need some money without raising additional revenue.

REP GRINDE said this is a matter of consistency in the policies we set forth here and knew we were accused as of "agies" going out and working for our own special interest groups. He said he felt the whole way of budgetary process is the wrong message we are sending to people. Everybody on this list has paid into this, the bed tax being a little different because it is a mandatory thing, but a lot of these things are fees people are paying out of private sector because they want a program supported and are willing to do that. If we are going to set policy here, this is the wrong message to send to the state.

REP MENAHAN said the one that is robbing is the Range Land Improvements. They are robbing the RIT fund for water projects that have nothing to do with it.

REP BARDANOUVE said he would have to be one of the first to say there is merit in what **REP MENAHAN** has just said, but we have been doing it so long it has almost become a habit. The Governor has recommended some of these very things so it is nothing new about it.

REP GRINDE commented that he felt the Governor is also wrong when he is doing it and thought it was time to change these bad habits and set policy on this committee.

Vote: Motion to take House Bill 41 off the table passed 10 yes, 5 no, 3 absent. Roll call vote # 1.

Motion to Amend: **REP KADAS** moved to strike sections 7 and 8 relating to the slash fund and section 9 which is Range Land Improvement.

Vote: Motion passed with **Rep Cobb** voting no.

Motion: REP KADAS moved House Bill 41, as amended, do pass.

Discussion: REP GRINDE said when the "agies" did it, it is who screams the loudest gets the exemptions here, and now we are taking somebody out through amendments. All the mail will come in, the Bed Tax, Drivers' Training, etc., will all be after us and there will be more out and there will be nothing left when we are done.

REP PETERSON asked if the sponsor would go over again everything that is out. REP KADAS said Section 1 is in at approximately \$220,000, section 2 is in at approximately \$200,000, section 3 is in at \$400,000, section 4 is in at \$100,000, section 5 is in at \$750,000, sections 6, 7, 8, 9, 10, 11, and 12 are out.

Vote: Motion passed 10 yes, 6 no, 2 absent. Roll call vote # 2.

DISCUSSION ON HOUSE BILL 49

CHAIR BARDANOUVE said they have reviewed in subcommittee REP JOHNSON's HB 49 to create a general fund stabilization account. He said the bill is being worked on, but the handwriting on the wall seems to indicate we do not have the 3/4 vote, and said REP COBB is aware of what we are doing.

RECONSIDERATION OF HOUSE BILL 7

Motion: REP THOFT moved to take HB 7 off the table.

Vote: Motion passed with Rep Cobb voting no.

Motion: REP THOFT moved House Bill 7, as amended, do pass.

Discussion: Mr. Haubein told the committee the amendment put back in the language that was stricken in section 1 under section 17-7-138, and changed the percentage from 10 to 5.

REP KADAS asked REP THOFT if this bill passes would he be opposed to any other amendments to this bill? REP THOFT said all he was interested in was the 45 days. He said he would not make the promise to speak against any further amendments to the bill.

Vote: Motion passed with Reprs Cobb and Peck voting no.

EXECUTIVE ACTION ON HOUSE BILL 51

CONTINGENT APPROPRIATION FOR FIRE SUPPRESSION

Discussion: REP KADAS said this bill gives the governor the authority to expend an additional \$3 million for fire suppression, if there is an emergency. He gave a handout, EXHIBIT 2, consisting of amendments. He said DSL came up with

this amendment and he had talked to **Greg Petesch** and he says we don't need the amendment. He said he tends to agree with **Mr. Petesch** that the amendment is not needed because the statute is wide open enough that the Governor can get the money if he needs to.

In answer to a question on what the bill does **REP KADAS** said in a case where we had significant fires and had obligations for paying for those fires, we went beyond the cash appropriated specifically for fires. In the past we have taken their operating revenues into the fiscal year and moved them forward so they can pay their bills. If this is not enough to cover the total cost of the fires, then the Governor could use this authority to declare an emergency based on fires and expend up to \$5 million to pay off bills. Once he did that, the expenditure would be counted against our fund balance. It is basically a safety valve so we do not have to call another session if we get into a situation like we had in '88.

CHAIR BARDANOUVE said in view of the Senate making their budget look nice by cutting \$2 million out, he was more inclined to support this bill.

REP KADAS said this does not count against the budget deficit, but any amount over the \$1 million that State Lands has to expend is ultimately going to be counted against the fund balance.

Motion: **REP KADAS** moved to strike section 2 of the bill.

Discussion: **REP KADAS** said section 2 will have to be taken out sooner or later. He had to put it in, in order to get the bill drafted.

REP SWYSGOOD said if section 2 is stricken in its entirety, it would eliminate the sub-section on the effective date.

REP KADAS said that is correct.

Motion to Amend: **REP KADAS** amended his motion to read "strike section 2 and reinsert a new section 2 making the bill "effective on passage and approval."

Vote: Motion passed unanimous of those present.

Motion: **REP KADAS** moved House Bill 51, as amended, do pass.

Vote: Motion passed unanimous of those present.

ADJOURNMENT

Adjournment: 11:15 a.m.



REP. FRANCIS BARDANOUE, Chair



Sylvia Kinsey, Secretary

FB/sk

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL

DATE

July 15, 1992

NAME	PRESENT	ABSENT	EXCUSED
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY			
REP. JOHN COBB	✓		
REP. DOROTHY CODY			✓
REP. MARY ELLEN CONNELLY			✓
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON			✓
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		

HOUSE STANDING COMMITTEE REPORT

July 15, 1992

Page 1 of 2

Mr. Speaker: We, the committee on Appropriations report that H2 41 (first reading copy -- white) do pass as amended .

Signed: _____
Francis Bardanouve, Chairman

And, that such amendments read:

1. Title, line 9.
Strike: "\$150,000"
Insert: "\$100,000"

2. Title, lines 12 through 19.
Following: ";"
Strike: remainder of line 12 through line 19 in its entirety

3. Title, line 20.
Strike: "'FUND;"
Strike: "\$550,000"
Insert: "\$400,000"

4. Title, lines 21 through 23.
Following: ";"
Strike: remainder of line 21 through line 23 in its entirety.

5. Title, line 24.
Strike: "FUND;"

6. Title, line 25.
Following: "53-9-109,"
Insert: "AND"
Strike: "75-10-532, 76-13-111, 76-13-415,"

7. Title, page 2, line 1.
Strike: "76-14-112, AND 81-3-107,"

8. Page 6, line 21.
Strike: "\$550,000"
Insert: "\$400,000"

9. Page 7, line 14.
Strike: "\$150,000"
Insert: "\$100,000"

10. Page 13, line 19 through page 13, line 30.
Strike: Sections 6 through 12 in their entirety.
Renumber: subsequent sections

11. Page 19, line 5.
Strike: "11"
Insert: "5"

HOUSE STANDING COMMITTEE REPORT

July 15, 1992

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that HB 7 (first reading copy -- white) do pass as amended .

Signed: _____
Francis Bardanouve, Chairman

And, that such amendments read:

1. Title, lines 5 through 9.

Following: "BY"

Strike: "REMOVING RESTRICTIONS ON THE EXPENDITURE OF A FIRST-LEVEL CATEGORY OF AN AGENCY OPERATING BUDGET AND BY AUTHORIZING A PROGRAM TRANSFER OF AN AMOUNT NOT TO EXCEED 10 PERCENT OF THE TOTAL AGENCY APPROPRIATION;"

Insert: "REVISING THE TIME FOR APPROVING AN OPERATING BUDGET"

2. Title, line 9.

Strike: "SECTIONS"

Insert: "SECTION"

3. Title, line 10.

Strike: "AND 17-7-139"

4. Page 1.

Following: line 19

Insert: "Expenditures by a state agency must be made in substantial compliance with an operating budget approved by an approving authority. Substantial compliance means that a first-level category in the operating budget may not be exceeded by more than 5%."

5. Page 2, line 23 through page 3, line 13.

Strike: Section 2 in its entirety

Renumber: subsequent sections

HOUSE STANDING COMMITTEE REPORT

July 15, 1992

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that HB 51 (first reading copy -- white) do pass as amended.

Signed: _____
Francis Bardanoue, Chairman

And, that such amendments read:

1. Title, line 7.

Strike: "A CONTINGENT"

Insert: "AN IMMEDIATE"

2. Page 2, lines 10 through 12.

Strike: Section 2 in its entirety.

Insert: "NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval."

*Esth /
Newly prop
July 15-92*



The Big Sky Country

- Exhibit # 1
7/15/92 HB 41

MONTANA HOUSE OF REPRESENTATIVES

HB 41 Rep. Kadas

FUND BALANCE TRANSFERS

Bed Tax	\$220,000
Drivers Training	~200,000
Building Codes	400,000
Crime Victims	100,000
Highway Patrol Clearing	750,000
Slash Disposal	67,000
Rangeland Improvement	200,000

TOTAL \$ ~1,937,000

approx 1.7 million \$

*Exhibit # 2
Use Appropriation
July 15-92*

PROPOSED AMENDMENTS TO HOUSE BILL 51
Introduced Bill

1. Title, line 6.
Following: "FIRE;"
Insert: "EXTENDING THE DURATION OF CERTAIN FIRE EMERGENCIES;"
Following: "AMENDING"
Strike: "SECTION"
Insert: "SECTIONS"
2. Title, line 7.
Following: line 6
Insert: "10-3-302 AND"
3. Page 1, line 10.
Following: line 9
Insert: "NEW SECTION: Section 1. Sections 10-3-302, MCA, is amended to read:

10-3-302. Declaration of emergency -- effect and termination. (1) A state of emergency may be declared by the governor when he determines that an emergency as defined in 10-3-103 exists.

(2) An executive order or proclamation of a state of emergency shall activate the emergency response and disaster preparation aspects of the state disaster and emergency plan and program applicable to the political subdivision or area and be authority for the deployment and use of any forces to which the plans apply and for the distribution and use of any supplies, equipment, and materials and facilities assembled, stockpiled, or arranged to be made available pursuant to parts 1 through 4 of this chapter or any other provision of law pertaining to disasters and disaster-related emergencies.

(3) Except as provided in (4), a state of emergency may not continue for longer than 20 days unless continuing conditions of the state of emergency exist, which shall be determined by a declaration of an emergency by the president of the United States or by a declaration of the legislature by joint resolution of continuing conditions of the state of emergency.

(4) Whenever an emergency is declared because the department of state lands has no spending authority to which it can attribute firefighting costs without curtailing other functions, the emergency may continue until the legislature convenes."

Renumber: subsequent sections.

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

10:51 *to*

DATE

July 15-92

BILL NO.

41

NUMBER

1

MOTION:

ON B 41 L 2

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY			✓
REP. JOHN COBB		✓	
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY			✓
REP. ED GRADY	✓		
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON			✓
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUVE, CHAIRMAN	✓		
TOTAL	10	5	3

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

ROLL CALL VOTE

TIME

10:5

DATE 7-15-92

BILL NO. 41

NUMBER 2

MOTION: Kad,

No pass as am

NAME	AYE	NO	ABSENT
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY		✓	
REP. JOHN COBB		✓	
REP. DOROTHY CODY	✓		
REP. MARY ELLEN CONNELLY			✓
REP. ED GRADY	✓		
REP. LARRY GRINDE		✓	
REP. JOHN JOHNSON			✓
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON		✓	
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD		✓	
REP. BOB THOFT		✓	
REP. TOM ZOOK	✓		
REP. FRANCIS BARDANOUE, CHAIRMAN	✓		
TOTAL	10	6	2

