

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **DICK SIMPKINS, CHAIRMAN**, on February 16, 1993,
at 8:42 a.m.

ROLL CALL

Members Present:

Rep. Dick Simpkins, Chairman (R)
Rep. Wilbur Spring, Vice Chairman (R)
Rep. Ervin Davis, Vice Chairman (D)
Rep. Beverly Barnhart
Rep. Pat Galvin (D)
Rep. Bob Gervais (D)
Rep. Harriet Hayne (R)
Rep. Gary Mason (R)
Rep. Brad Molnar (R)
Rep. Bill Rehbein (R)
Rep. Sheila Rice (D)
Rep. Sam Rose (R)
Rep. Dore Schwinden (D)
Rep. Carolyn Squires (D)
Rep. Jay Stovall (R)
Rep. Norm Wallin (R)

Members Excused: Rep. Beverly Barnhart

Members Absent: None.

Staff Present: Sheri Heffelfinger, Legislative Council
Dorothy Poulsen, Committee Secretary

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

Committee Business Summary:

Hearing: HB 552; HB 553; HB 586; HB 601
Executive Action: HB 227; HB 319; HB 430; HB 479; HB 485;
HJR 13; HJR 17

EXECUTIVE ACTION ON HB 319

Motion/Vote: REP. SPRING MOVED HB 319 BE RECONSIDERED. Motion
passed unanimously.

Motion/Vote: REP. DAVIS moved to amend HB 319 to change the ballot language. Motion passed unanimously. EXHIBIT 1

Motion/Vote: REP. DAVIS MOVED HB 319 DO PASS AS AMENDED. Motion carried 12 to 3 with REPS. MOLNAR, REHBEIN, and HAYNE voting no.

EXECUTIVE ACTION ON HB 430

Motion: REP. SQUIRES MOVED HB 430 DO PASS.

Motion: REP. SQUIRES moved to amend HB 430. EXHIBIT 2

Discussion:

REP. SQUIRES explained the amendment added the firefighters' retirement system to the bill which increases the retirement benefits of municipal police officers who work more than 20 years. She said the amendment would prevent disparity between retirement systems for police officers and firefighters.

Sheri Heffelfinger recounted in HB 430 police officers were seeking to eliminate the reduction in the retirement benefit for officers who worked more than 20 years. She said the firefighters' retirement system also had a provision in which the retirement benefit decreased from 2.5 percent per year of service to 1.0 percent after 20 years of service. With the proposed amendment both police officers and firefighters would receive the 2.5 percent retirement benefit for each year of service with no reduction after 20 years of service.

REP. WALLIN compared the police officers' retirement system to the teachers' retirement system. He said police officers' retirement benefits were based on their last month's salary which included accrued sick and vacation leave. He said the teachers' retirement system had problems because it had based retirement benefits on the last month's salary; therefore, it was changed to base the retirement benefit on the average of the teacher's final three years.

REP. DAVIS clarified the teachers' retirement benefit had always been based on the average of the final three years and explained the problem in the system was caused by certain individuals who artificially increased their last year's salary by adding in their buy-out money.

Ms. Heffelfinger explained REP. WALLIN was referring to provisions in the firefighters' system in which retirement benefits for pre-1981 hires are based on the final monthly compensation. She reported retirement benefits for post-1981 hires are based on their final yearly compensation. She noted HB 430 does not address this issue. She repeated the bill addressed only the percentage of retirement benefit received per year of service.

REP. MASON asked Ms. Heffelfinger to explain the length of the amendment. She responded when the calculation for the retirement benefit was changed, sections on disability retirement and survivorship benefits also had to be amended. REP. MASON asked Ms. Heffelfinger to describe the fiscal impact of the bill. She referred committee members to the modified fiscal note on page 5 of the amendment which showed a net general fund impact of over \$2 million for the biennium. EXHIBIT 2

REP. REHBEIN asked whether the fiscal note included the fiscal impact of changes to both the firefighters' and police officers' retirement systems. Ms. Heffelfinger responded the modified fiscal note covered only the cost of the amendment. REP. SIMPKINS stated the cost of the amendment needed to be added to the fiscal note for HB 430. REP. REHBEIN asked whether the unfunded liability was changed by the amendment. REP. SIMPKINS replied the unfunded liability did not change because the proposed changes were funded.

Ms. Heffelfinger explained the cost of the amendment would be 7.03 percent of salaries which would bring the total state contribution to the retirement systems to 30.3 percent of salaries. The state's contribution is funded by the insurance premium tax which produces revenue of \$28 million per year; any excess revenue from the insurance premium tax is deposited in the general fund. She reported each insurance company pays 2.75 percent on premiums. The tax on property and casualty premiums funds the police officers' retirement system, and the tax on fire insurance funds the firefighters' retirement system. She explained HB 430 and the amendment would be funded by raising the amount of money from the insurance premium taxes diverted to the retirement systems.

Vote: HB 430 BE AMENDED. Motion carried 9 to 7 with REPS. REHBEIN, ROSE, WALLIN, MOLNAR, STOVALL, MASON, and SPRING voting no.

HEARING ON HB 601

Opening Statement by Sponsor:

REP. TED SCHYE, House District 18, Glasgow, introduced HB 601 to provide a one-time benefit to members of the teachers' retirement system (TRS) who retired prior to July 1, 1977. He reported a 92-year-old teacher, who had retired in 1976, had called him before the session and asked him to consider her situation. When she retired, TRS considered only 35 years of service for the retirement benefit; she worked as a teacher for 47 years before retiring. He said she thought she should be credited with the additional 12 years of service. REP. SCHYE said HB 601 had been drafted to rectify this situation for teachers by paying these teachers a certain percentage for the years they worked beyond 35

years. He encouraged the committee to help in assisting these teachers.

Proponents' Testimony:

David Senn, Executive Director, Teachers' Retirement System (TRS), reported 589 people had been identified who might be affected. He said although the bill had been drafted with a 0.011 percent increase in employer contributions, TRS was not certain of the bill's cost. He explained when the number of individuals affected was verified, the exact costs of the proposal could be determined.

Mr. Senn reviewed the history of TRS. He reported the dark days when teachers were not allowed to teach past age 70 and when they were required to quit if they married or became pregnant. He stated at one time TRS had salary caps (initially \$5,000; increased to \$7,000) as well as caps on the number of years of service counted toward retirement (35 years). He explained the caps were cost containment measures; when the caps were removed in 1977, large, unfunded liabilities were created.

Mr. Senn reported TRS was established in 1937. At that time part of the retirement benefit was based on an annuity; and the balance of the benefit was based on a formula. He said the formula was changed in 1975, and for teachers who retired immediately, retirement benefits increased 12 to 13 percent. Recognizing retirement benefits had been held artificially low, **Mr. Senn** reported there had been many changes over time to bring TRS retirees to higher benefit levels. Since 1977, TRS has increased minimum benefits twice so that teachers with 30 years service receive a minimum of \$400 per month.

Mr. Senn said HB 601 would provide about a five percent increase in benefits compared to a 12 percent increase if their additional years had always been counted. He reported the TRS Board supported the bill and asked for the committee's support.

Opponents' Testimony: None.

Informational Testimony: None.

Questions From Committee Members and Responses:

REP. REHBEIN asked **Mr. Senn** whether the bill would affect the unfunded liability of TRS. **Mr. Senn** responded he was not sure of the dollar increase in the unfunded liability, but the 0.011 percent increase in employer contribution would maintain the current amortization schedule. **REP. REHBEIN** asked **Mr. Senn** to describe the current minimum retirement benefit. **Mr. Senn** said the minimum retirement benefit was \$400 per month with 30 years of service.

Closing by Sponsor:

REP. SCHYE stated he knew one 92-year-old teacher who would appreciate action on the bill. He noted she had reminded him TRS would not need to pay her for very long.

HEARING ON HB 552Opening Statement by Sponsor:

REP. DAN HARRINGTON, House District 68, Butte, introduced HB 552 which revises eligibility for the purchase of creditable service under the teachers' retirement system (TRS). He explained although teachers were allowed to buy five years of service for TRS, public school teachers who had taught at private schools could not buy time in TRS for service at the private schools. He said HB 552 allows these teachers to purchase time for their private school service.

Proponents' Testimony:

Barry Groffee, Butte, reported he currently taught in the public high school in Butte and had previously taught for seven years in the Catholic school. He said he had asked REP. HARRINGTON to draft HB 552 because he would like to be able to buy five years for the time he taught in private schools. He said he was willing to pay the full contribution required to purchase the service time and did not expect the school district to contribute for this retirement benefit.

David Senn, Executive Director, Teachers' Retirement System, stated HB 552 provided portability, which has been a goal of TRS. He explained the bill would allow teachers with out-of-state or private school teaching service, as well as teachers with a break in service, to purchase service. He said TRS's major concern was the 0.3 percent increase in employer contribution rate required to fund the bill. He explained early retirement benefits were very expensive and suggested Mr. Groffee did not realize the full cost required of him without the employer's contribution. Mr. Senn explained even though teachers could buy five years of service, they were not eligible to retire with full retirement benefits with less than 25 years of service. He described three provisions of HB 552 for members of TRS: (1) the opportunity to buy one year for each five years of service and retire with 30 years service at half-pay; (2) portability of private teaching service; and (3) purchase of two years of leave service. He noted the benefit would be fully funded through the increase in the employer contribution rate. Mr. Senn declared the bill contained provisions important to TRS and urged support of the bill.

Opponents' Testimony: None.

Informational Testimony: None.

Questions From Committee Members and Responses:

REP. MASON asked Mr. Senn whether teachers using the portability provision would transfer retirement funds from another state to Montana or take a cash payment from one retirement fund and contribute it to TRS. Mr. Senn said they would cash out the previous state and deposit it in TRS and would not be able to retain tax-deferred status. REP. MASON asked whether there was a period of time in which funds could be transferred without losing tax-deferred status. Mr. Senn said teachers would have 60 days for roll-over, but teachers would not be allowed to roll-over into TRS. He said time purchased by teachers will be with after-tax dollars. REP. MASON asked why the law was changed in 1989. Mr. Senn responded the change allowed teachers to enhance their retirement benefit by purchasing one year for each five years of service. However, because the enhancement was very expensive, the benefit was restricted and cannot be used to qualify for early retirement.

REP. MOLNAR asked Mr. Senn whether the employer contribution was sufficient to prevent an increase in the unfunded liability. Mr. Senn responded the bill allowed for the payment of interest. He said the bill requires the member to contribute based on fifth year salary; requires five years in the system to be eligible to purchase additional service; if the member does not pay for additional service at that time, then the member is required to pay interest. He said frequently members wait until they have 20 or 25 years of service and are eligible for retirement before they purchase additional service. REP. MOLNAR asked Mr. Senn how much the bill would increase the unfunded liability. Mr. Senn said with the 0.3 percent increase on employer contribution, the unfunded liability would not increase.

REP. ROSE asked Mr. Senn whether private school teachers would be able to buy into TRS. Mr. Senn responded rules were adopted by the TRS board when private schools were first allowed to participate in TRS. He said to be eligible private schools must have as their purpose the education of students and must use a state-approved curricula. He said the schools are also required to have a governing board and cannot be a daycare or babysitting service. He said the bill would not open TRS to daycare or babysitting services.

REP. WALLIN asked Mr. Senn how an employee would buy additional service. Mr. Senn explained that under the proposal, employees would pay 14.503 percent of their fifth year salary.

REP. SPRING asked Mr. Senn how many private schools or teachers would qualify for participation. Mr. Senn said there were a number of private schools in Montana which would qualify and the bill would also cover teachers from private schools and colleges in other states.

REP. MASON asked Mr. Senn whether an out-of-state teacher would be required to have five years service in a Montana school before buying additional service. Mr. Senn confirmed the five-year service requirement.

REP. MOLNAR asked Mr. Groffee why he would prefer investing his money in TRS rather than investing it himself. Mr. Groffee responded he would spend the money if it were not taken out of his monthly check automatically.

Closing by Sponsor:

REP. HARRINGTON contended individuals who want to participate and are willing to pay for the benefit should have the opportunity to do so.

HEARING ON HB 553

Opening Statement by Sponsor:

REP. DAN HARRINGTON, House District 68, Butte, introduced HB 553 which allows members of the public employees retirement system (PERS) to retire after 25 years of service regardless of age. He said the legislation would make PERS similar to the teachers' retirement system (TRS). He said similar legislation was passed for TRS in 1983 with one important difference: early retirement under TRS was funded by equal contribution rates from both employees and employers whereas HB 553 only increases the employers' contribution rate. REP. HARRINGTON reviewed the history of the early retirement option for PERS. He reported legislation proposing early retirement benefits and splitting the contribution equally between employer and employee was passed in 1987 with heavy opposition from the administration. He said the legislation was vetoed by the governor, and the legislature could not override the veto. He explained the governor's argument against the bill was that contribution rates for women would be increased, but many of them would not be able to benefit from the early retirement option. REP. HARRINGTON said the argument was avoided in HB 553 by requiring the employer to pay the entire contribution rate increase. He reported legislation similar to the bill was proposed last session and died in committee.

REP. HARRINGTON said the bill removes the current penalty under PERS for retiring early with 25 years of service. He stated with the increase in the employer's contribution rate, the system remains actuarially sound. He described several reasons for providing the early retirement benefit under PERS: (1) making PERS consistent with other state retirement plans; (2) allowing senior employees at the top of the pay schedule to retire thus creating a vacancy savings for agencies; (3) making PERS more attractive to employees and thereby encouraging the retention of employees; (4) allowing employees with health problems to retire rather than biding their time until they completed 30 years of

service; and (5) encouraging early retirement in order to help state agencies reduce staff. He suggested state employees had been treated very poorly over the last decade, and the bill would mitigate some of the damage. He concluded public employees deserved committee support and thanked the committee for their consideration.

Proponents' Testimony:

Terry Minow, Montana Federation of Teachers (MFT), Montana Federation of State Employees (MFSE), spoke in support of HB 553 reiterating REP. HARRINGTON'S points. She said MFT and MFSE disagreed with the arguments advanced by the governor in 1987 against similar legislation. She said they did not view retirement systems as bank accounts for members to draw upon but rather systems in which contributions of working members were used to pay benefits to retired members. She noted the argument was moot because the bill was funded by employers only. Ms. Minow stated inadequate pay has a permanent impact on retirement benefits of employees and asserted the state of Montana has not adequately addressed pay to state employees for the last ten years. She concluded employees of the state of Montana, counties, cities, and university system deserve support and asked the committee to consider the bill.

Tom Schneider, Montana Public Employees Association, supported HB 553. He said the bill had been well-explained, but he wanted to correct one statement. He reported contributions were not split equally between employee and employer in the 1987 legislation, but rather the bill proposed having the employee pay the entire cost. He explained they had considered the likelihood of passage greater by having employees fund the benefit, and instead the provision had raised the question of employees who would pay for, but not benefit from, the early retirement benefit. He argued the legislation was an employer-benefit bill and therefore was rightly funded solely by the employer.

John Manzer, Teamsters' Union, said Teamsters represented a large portion of maintenance workers for the state of Montana and the highway department. He reported their members had spoken repeatedly about the possibility of cutbacks and layoffs. He said many long term employees would consider early retirement, if they had the option without a penalty. He suggested the bill would be a benefit to the state by easing the need for layoffs.

John Maze, American Federation of State, County and Municipal Employees, stated their support of HB 553.

Opponents' Testimony:

Mark Cress, Administrator, Public Employees' Retirement System (PERS), appeared on behalf of the Public Employees' Retirement Board (PERD) in opposition to the bill. He described several reasons PERD opposed the legislation. First, he stated few

people would benefit from the proposal. He explained the bill allowed people with 25-29 years of service who are under 60 years of age to avoid the actuarial reduction in benefits for early retirement. Currently, only 382 of 27,000 members of PERS would fall within that category compared to about 5,500 members who are eligible to retire. Second, **Mr. Cress** stated PERD disagreed with attempting to make PERS more similar to TRS. He noted the membership of the two systems was quite different. He explained teachers tend to have a single career which they begin early; thus, by the time they have 25 years in service, they are not yet 60 years old. He said the average retiree under TRS had 26 years of service and was 57 years old. In contrast, he said PERS members have varied careers and begin state employment later in life; he reported the average PERS retiree has 18 years of service and is 61 years old. He pointed out HB 553 would not benefit the average retiree because by the time the member had 25 years of service, the member would be older than 60 years. He said nearly 60 percent of the current PERS membership could never benefit from the bill. **Mr. Cress** explained that another difference between TRS and PERS was the formula for the benefit. He said the formula for PERS was enhanced a number of years ago so that compared to the 1/60 of final average salary under TRS, members receive 1/56 of final average salary under PERS.

Third, **Mr. Cress** pointed out HB 553 funds the benefit by increasing employer contributions by 1.24 percent or \$2.7 million in FY 94 and \$2.8 million in FY 95. In terms of the general fund, the cost would be \$1.1 million per year. He said the money would be collected on behalf of all 27,000 members even though only 382 members would qualify for the benefit.

Fourth, **Mr. Cress** said PERD viewed the most important objective of a retirement system to be providing financial security for state employees in their later retirement years. Thus, he said PERD views a cost-of-living adjustment an important benefit to protect retirees' purchasing power. However, HB 553 would compete for funds which could otherwise be used for a cost-of-living increase.

Finally, **Mr. Cress** said the administration also opposed the bill because they believe HB 553 conflicts with HB 517 which proposes an early retirement incentive program. He said HB 517 provides an incentive to 2,200 employees compared to 382 employees eligible under HB 553. He stated HB 517 provides a window of opportunity, does not permanently change the retirement system, and would cost only those agencies in which employees participated. He urged the committee to vote do not pass on HB 553.

Informational Testimony: None.

Questions From Committee Members and Responses:

REP. REHBEIN asked Mr. Cress whether a fiscal note had been prepared for HB 553. Mr. Cress responded a fiscal note had been submitted. REP. REHBEIN asked Mr. Cress whether the unfunded liability of PERS would be affected by HB 553. Mr. Cress responded the bill was funded through an employer contribution, and therefore the unfunded liability would be unchanged.

Closing by Sponsor:

REP. HARRINGTON said HB 553 would give a window of opportunity to all state employees who become eligible and make PERS more similar to TRS. He asked the committee to consider the bill.

HEARING ON HB 586Opening Statement by Sponsor:

REP. JOE BARNETT, House District 76, Belgrade, introduced HB 586 which provides members of the public employees' and teachers' retirement systems (PERS and TRS) who served in Operation Desert Storm or Desert Shield service credit at no cost. The bill requires the member's employer to pay both the employee and employer contributions, and provides refunds to members who have already paid for the service. He reminded the committee that two years ago the legislature had passed resolutions encouraging participants in Desert Storm and Desert Shield. He maintained HB 586 was an opportunity to show appreciation to participants through action rather than words.

Proponents' Testimony:

Tom Schneider, Montana Public Employees' Association, spoke in support of the bill. He said only 38 members of PERS were involved, and 34 members had already paid for the service and would receive a refund.

Pat McKelvey, Desert Storm participant, stated he was one of the 34 members who had already paid. He recounted when he returned from Desert Storm/Desert Shield, he was immediately presented with a bill for about \$1,000 to purchase retirement service. He said it was a difficult time for him financially. He expressed his appreciation for the committee's favorable consideration.

Tom Bilodeau, Montana Education Association, supported the bill noting the financial and personal disruption participants endured. He asked for favorable consideration.

Opponents' Testimony: None.

Informational Testimony: None.

Questions From Committee Members and Responses: None.

Closing by Sponsor:

REP. BARNETT said he had not signed off on the fiscal note because he did not think it fairly represented the fiscal impact. He suggested state agencies and school districts spent less money by using temporaries for the affected employees and thus were not affected as much as indicated by the fiscal note. He asked the committee for a do pass on the bill.

Announcement:

REP. GERVAIS requested the committee to support a resolution urging the U. S. Park Service to hire local people, particularly from communities surrounding Glacier National Park. He reported he had read recently that his county was the ninety-fifth poorest county in the United States. He contended the park service and Glacier Park Inc. preferred hiring out-of-state college students. He alleged Glacier Park Inc. requires their employees to live in company housing and eat meals provided by the company and prohibits them from patronizing local businesses.

EXECUTIVE ACTION ON HB 430

Discussion:

REP. GALVIN asked whether the bill would put police officers and firefighters under the same retirement system. Ms. King responded they would not be under the same system nor would they have the same benefits. She explained the bill increased firefighters benefits from 2.0 percent per year of service to 2.5 percent with no cap on years of service.

REP. MASON asked Ms. King whether the bill brought the municipal police up to 2.5 percent. Ms. King responded the bill also gives police officers 2.5 percent per year of service; she explained there are other differences in benefits between firefighters and police officers which are not addressed by HB 430.

REP. STOVALL asked Ms. King the reason the cost is greater for firefighters than police officers. Ms. King explained fewer police officers were affected, and eliminating the cap on service for firefighters resulted in a more significant change to their retirement system.

REP. ROSE asked Ms. King whether the cap was eliminated for firefighters but not police officers. Ms. King answered the bill eliminated caps for both retirement systems.

REP. SIMPKINS asked Ms. King to clarify that both firefighters and municipal police officers would both receive 2.5 percent with

HB 430. Ms. King responded both would receive 2.5 percent with no cap. She said they would still differ in the calculation of benefits.

REP. WALLIN asked Ms. King whether annual and sick leave were included in the calculation of benefits. Ms. King responded the calculation was on base salary only.

REP. ROSE asked REP. SQUIRES to explain the reason for amending the bill to include firefighters. REP. SQUIRES answered the amendment maintained parity between the two retirement systems. She considered parity important because firefighters and police officers work together. REP. SIMPKINS recalled that testimony from firefighters had indicated they supported the bill and felt firefighters should be included in it.

REP. ROSE asked about the leap frog effect with the bill. REP. SIMPKINS stated the reason the committee had requested a statutory retirement committee was to oversee the effects of legislation. REP. DAVIS agreed with the need for the statutory committee noting the number of bills before the committee on various retirement systems. REP. SIMPKINS reported a study previously conducted had concluded retirement systems could not be combined.

REP. SIMPKINS stated voting for the bill meant voting for increased funding. He predicted the committee would receive similar bills, and contended committee members needed to decide whether requests for increased funding of retirement systems would be opposed in state administration or in appropriations. REP. SQUIRES responded each request deserved to be heard in committee and presented to appropriations. She encouraged committee members not to kill bills and prevent them from proceeding through the system. REP. REHBEIN asserted it was the committee's responsibility to consider the merit and ramifications of bills and determine whether or not to pass them rather than passing bills through to appropriations. REP. SQUIRES acknowledged HB 430 had significant fiscal impact but maintained time for negotiations should be provided. She said if the committee killed the bill, then no negotiations were possible; but if the bill was sent to appropriations, then time for negotiations would be available. REP. REHBEIN responded he had seen few bills die and contended the committee held the responsibility for action. REP. SQUIRES claimed bills which involve money have a longer life. REP. SIMPKINS asked REP. SQUIRES whether she thought the best use of state money was not one of the criteria to be considered when acting on legislation. REP. SQUIRES denied that was her meaning and reiterated her position that compromises, adjustments, and discussions were possible if enough time is allowed. She asked the committee to allow the bill to go to appropriations.

REP. STOVALL asked when the last time retirement benefits for firefighters and municipal police officers had been increased.

Ms. King answered HB 430 was the first request for an increase since the retirement systems were established in 1981 (firefighters) and 1977 (municipal police officers). She said they received minimum benefit increases.

REP. RICE asked Ms. King whether HB 430 only affected firefighters and police officers who retired with more than 20 years service. Ms. King responded no, the bill gave everyone who retired after the effective date an increased retirement benefit and removed the cap. Ms. Heffelfinger explained for municipal police officers the bill increased the benefit for members who worked more than 20 years; for firefighters the bill increased the current 2.0 percent benefit to 2.5 percent for all members.

REP. WALLIN noted the net impact of the bill would be approximately \$2.5 million over the biennium. He stated there were better uses for those funds.

Motion/Vote: REP. SQUIRES MOVED HB 430 DO PASS AS AMENDED. Motion failed 7 to 9 on a roll call vote with REPS. DAVIS, BARNHART, GALVIN, GERVAIS, RICE, SCHWINDEN and SQUIRES voting yes and REP. BARNHART voting by proxy. EXHIBIT 3

Motion: REP. DAVIS MOVED HB 430 DO NOT PASS.

Motion/Vote: REP. SQUIRES MADE A SUBSTITUTE MOTION THAT HB 430 BE TABLED. Motion carried unanimously.

EXECUTIVE ACTION ON HB 479

A letter from REP. LARSON with his rebuttal of the fiscal note for HB 479 was distributed to committee members. EXHIBIT 4

Motion: REP. RICE MOVED HB 479 DO PASS.

Motion: REP. SCHWINDEN moved HB 479 be amended to change \$50,000 to "\$10,000 for a first-class city and \$2,500 for any other local governing body". EXHIBIT 5

Discussion:

REP. MASON asked whether economic impact statements required by the bill would describe the cost of rules to the citizens of Montana. REP. SIMPKINS explained the impact statements would describe the economic impact to affected entities.

REP. SIMPKINS noted the state does not currently have requirements for economic impact statements. He suggested lowering the requirement from \$50,000 to \$10,000 would significantly increase the number of impact statements required and could make the bill prohibitively expensive. REP. SCHWINDEN responded most committee members represented small communities for whom \$10,000 would be a significant impact.

REP. MASON reported he had testified against rules because of their economic impact, and the agency paid no attention. He suggested fiscal impact statements might have more effect on agencies.

REP. MOLNAR asked how extensive the fiscal impact statements would be. REP. SIMPKINS responded he did not know the answer.

REP. REHBEIN stated the intent of the bill was good, but without the amendment the bill would be useless in rural areas.

Vote: HB 479 BE AMENDED. Motion carried unanimously.

Motion: REP. DAVIS MOVED HB 479 DO PASS AS AMENDED.

Discussion:

REP. MASON asked whether the agencies could be given guidelines for fiscal impact statements. REP. SIMPKINS referred to lines 18-25, page 8, and lines 1-20, page 9, which describes the information to be included in the economic impact statement. REP. SCHWINDEN suggested the points listed could be covered in a letter to a local government entity.

Vote: HB 479 DO PASS AS AMENDED. Motion carried unanimously.

EXECUTIVE ACTION ON HB 227

Discussion:

REP. ROSE reviewed changes to HB 227 proposed by the subcommittee. He said they had removed the financial disclosure requirements from local officials such as school board members. He said they had worked to define public officer.

Sheri Heffelfinger distributed a summary sheet of HB 227 as amended by the Subcommittee. EXHIBIT 6

REP. TOOLE reviewed the amendments proposed by the Subcommittee on HB 227. EXHIBIT 7

REP. SIMPKINS suggested one difficulty the committee had with the bill was the definition of public official. Ms. Heffelfinger explained public official is defined two different ways in statutes. She said public official, for the purposes of HB 227, is defined the same way as in Title 5. In Title 5, public official is defined as "individuals, elected or appointed, acting in an official capacity for the state government. The term does not include those acting in a judicial or quasi-judicial capacity or performing ministerial acts." Thus, public official is an elected or appointed state official. REP. TOOLE said HB 227 applies only to state officials and does not affect local officials.

REP. SIMPKINS asked REP. TOOLE whether the bill, with the amendments, fulfilled his intent. REP. TOOLE responded the amended bill was not as broad as he originally intended but met his current intent.

Motion: REP. GALVIN MOVED HB 227 DO PASS.

Discussion:

REP. SIMPKINS acknowledged the work of the subcommittee on the bill and asked them for their recommendations. REP. ROSE recommended the bill do pass with the proposed modifications. REP. REHBEIN and REP. BARNHART agreed.

Motion/Vote: REP. BARNHART moved HB 227 be amended. Motion carried unanimously.

Motion: REP. GALVIN MOVED HB 227 DO PASS AS AMENDED.

Discussion:

REP. MOLNAR asked whether the three FTEs listed in the fiscal note were necessary with the amended bill. REP. SIMPKINS stated one FTE may still be necessary. REP. BARNHART recalled the need for the additional personnel in the original version of the bill was due to the bill affecting all elected or appointed officials and the mandatory fiscal disclosure. She noted those provisions have been changed in the amended bill.

REP. WALLIN asked whether the primary purpose of the bill was to limit the lobbying of former state officials. REP. SIMPKINS said no, the bill has three purposes: (1) to transfer the authority and responsibility for enforcement of ethics laws from the secretary of state to the commissioner of political practices; (2) to establish a two-year "revolving door" provision for elected and appointed officers of the executive branch; and (3) to extend current financial disclosure requirements for elected officials to appointed executive officials and to allow the commissioner to require further financial disclosure if there are reasonable grounds to believe there has been a violation of current ethics and conflict of interest laws.

Vote: HB 227 DO PASS AS AMENDED. Motion carried 15 to 1 with REP. SPRING voting no.

EXECUTIVE ACTION ON HB 485

Discussion:

Ms. Heffelfinger explained HB 485 allowed for two adjustments to the game wardens' retirement system: (1) a five-percent ad hoc increase effective July 1, 1993; and (2) an automatic three-percent yearly increase for members who have been receiving

benefits for five years or more. She reported **REP. SIMPKINS** had discussed giving the ad hoc increase, removing the automatic increase, and recommending an interim study of cost-of-living adjustments (COLA) for all public retirement systems.

REP. SIMPKINS stated removing the automatic increase would eliminate the fiscal note. He expressed his hesitation at setting a precedent by giving a COLA to the game wardens.

REP. SQUIRES asked for clarification on the effective dates of the two adjustments proposed in the bill. **Tom Schneider** reported the ad hoc increase would be immediate; the automatic increase would not begin until 1998 when the retirement system was completely funded.

REP. SIMPKINS asked **Mr. Ashley** to describe the concerns of the Department of Administration regarding the bill. **Mr. Ashley** responded they were concerned that the revenue source was static whereas the COLA benefit would result in rapidly increasing costs to the system. He said the department preferred to eliminate the COLA in HB 485, pass the ad hoc increase, and address the COLA in the next session in conjunction with other retirement systems.

REP. SCHWINDEN contended because the COLA was limited to three percent or the amount of money available for distribution, the concern about revenue was diminished.

REP. BARNHART commented the COLA would be discussed in the interim committee regardless of whether HB 485 was amended to ask for a study.

REP. DAVIS reported last session there was a request for a study of retirement systems, and the result was a recommendation to continue study with a statutory committee. He said he preferred passing the COLA and then studying it; he expressed his concern that COLAs might not be studied.

REP. SIMPKINS asked the committee whether they were prepared to give COLAs to other retirement systems. **REP. SCHWINDEN** stated the game wardens' retirement system was different because it would be fully funded in 1998 whereas other systems, such as PERS, would not be funded for 30 years or more. He declared it was unfair to assume a decision about the game wardens' retirement system reflects a general decision about other retirement systems. **REP. BARNHART** stated she would want to consider each system independently. **REP. MOLNAR** said, based on his limited experience this session, giving a COLA to one retirement system would lead to requests for COLAs from other systems. He predicted that when COLAs for other retirement systems were considered, no one would remember that the decision on the game wardens system was based on its being fully funded.

REP. GALVIN contended the only equitable solution was to have all systems under one umbrella.

Motion/Vote: REP. DAVIS MOVED HB 485 DO PASS. Motion carried 10 to 4 with REPS. SIMPKINS, HAYNE, MOLNAR, and REHBEIN voting no. EXHIBIT 8

EXECUTIVE ACTION ON HJR 13

Motion: REP. BARNHART MOVED HJR 13 DO PASS.

Discussion:

REP. SIMPKINS distributed a memorandum from Christine Mangiantini, League of Women Voters, supporting HJR 13. EXHIBIT 9

REP. BARNHART reminded the committee that HJR 13 requested an interim committee to study solutions to misrepresentations that occur during political campaigns.

REP. DAVIS asked REP. BARNHART to given an example of a "lie" in a political campaign. REP. MOLNAR responded, as an example, when an opponent knowingly misrepresents a legislator's voting record.

REP. SIMPKINS asked Ms. Heffelfinger to explain the process for study resolutions. She explained that at the end of the session the Legislative Council lists all bills and resolutions which request interim studies and polls legislators for their priorities. She said Legislative Council then determines which studies will be completed, depending on the funding available.

Motion/Vote:

Vote: HJR 13 DO PASS. Motion carried 13 to 3 with REPS. REHBEIN, SPRING, and SIMPKINS voting no and REP. RICE voting by proxy. EXHIBIT 10

EXECUTIVE ACTION ON HJR 17

Discussion:

Ms. Heffelfinger reminded the committee HJR 17 requests a study of retirement benefit options for public safety and security personnel currently covered under PERS. She reported four safety and security retirement systems currently exist: police officers; highway patrol; game wardens; and firefighters. She said REP. SMITH wanted to study other safety and security occupations currently under PERS and determine whether they should have different options or systems.

REP. MASON asked whether the proposed statutory retirement committee could study this issue. REP. SIMPKINS responded the Legislative Council could assign the study to the statutory committee.

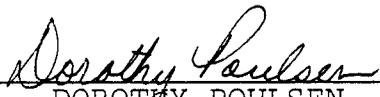
Motion/Vote: REP. GALVIN MOVED HJR 17 DO PASS. Motion carried 11 to 5 with REPS. SCHWINDEN, MOLNAR, REHBEIN, SIMPKINS, and ROSE voting no and REPS. ROSE and RICE voting by proxy. EXHIBITS 10, 11

ADJOURNMENT

Adjournment: 11:45 a.m.



DICK SIMPKINS, Chair



DOROTHY POULSEN, Secretary

DS/DP

HOUSE STANDING COMMITTEE REPORT

February 16, 1993

Page 1 of 6

Mr. Speaker: We, the committee on State Administration report that House Bill 227 (first reading copy -- white) do pass as amended .

Signed: *Dick Simpkins*
Dick Simpkins, Chair

And, that such amendments read:

1. Title, line 6.

Strike: "PUBLIC OFFICIALS"

Insert: "STATE OFFICERS AND LEGISLATORS"

2. Title, lines 9 through 11.

Strike: "AUTHORIZING" on line 9 through "OPINIONS;" on line 11

3. Title, line 12.

Following: "EXPANDED"

Insert: "IN CERTAIN CIRCUMSTANCES"

4. Title, line 15.

Strike: "2-2-104, 2-2-105,"

Following: "2-2-121,"

Strike: "2-2-125,"

5. Title, line 16.

Strike: "2-2-201, 5-7-103,"

6. Page 1, line 20.

Strike: "[section 11]"

Insert: "5-7-213"

7. Page 1, lines 23 and 24.

Strike: "[section 11]"

Insert: "5-7-213"

8. Page 2, line 4 through page 18, line 19.

Strike: everything after the enacting clause

Insert:

"Section 1. Section 2-2-102, "MCA, is amended to read:

"2-2-102. Definitions. As used in this part, the following

Committee Vote:
Yes , No .

381503SC.Hss

definitions apply:

(1) "Business" includes a corporation, partnership, sole proprietorship, trust or foundation, or any other individual or organization carrying on a business, whether or not operated for profit.

(2) "Commissioner" means the commissioner of political practices as established in 2-15-411.

~~(2)~~ (3) "Compensation" means ~~any~~ money, a thing of value, or an economic benefit conferred on or received by any person in return for services rendered or to be rendered by ~~himself~~ the person or another.

~~(3)~~ (4) "Employee" means ~~any~~ a temporary or permanent employee ~~of the state or any a subdivision thereof~~ of the state or a member of the judiciary, including a member of a board, commission, or committee except a legislator and an employee under contract to the state.

~~(4)~~ (5) "Financial interest" means an interest held by an individual, ~~his~~ or by the individual's spouse, or minor children which that is:

- (a) an ownership interest in a business;
- (b) a creditor interest in an insolvent business;
- (c) an employment or prospective employment for which negotiations have begun;
- (d) an ownership interest in real or personal property;
- (e) a loan or other debtor interest; or
- (f) a directorship or officership in a business.

~~(5)~~ (6) "Official act" or "official action" means a vote, decision, recommendation, approval, disapproval, or other action, including inaction, ~~which that~~ involves the use of discretionary authority.

~~(6)~~ (7) "Public officer" includes ~~any a state officer except a legislator or member of the judiciary~~ or any an elected officer of any a subdivision of the state. The term does not include a legislator or a member of the judiciary.

~~(7)~~ (8) "State agency" includes the state; the legislature and its committees; all executive departments, boards, commissions, committees, bureaus, and offices; the university system; and all independent commissions and other establishments of the state government except the courts.

~~(8)~~ (9) "State officer" includes all elected officers and directors of the executive branch of state government as defined in 2-15-102."

Section 2. Section 2-2-103, MCA, is amended to read:

"2-2-103. Public trust. (1) The holding of public office or employment is a public trust, created by the confidence ~~which~~ that the electorate reposes in the integrity of public officers, legislators, and employees. A public officer, legislator, or employee shall carry out ~~his~~ the individual's duties for the

benefit of the people of the state.

(2) A public officer, legislator, or employee whose conduct departs from ~~his~~ the individual's fiduciary duty is liable to the people of the state as a trustee of property, and is liable to a beneficiary under 72-34-105, ~~and shall suffer such other liabilities as~~ The individual is subject to the liability that a private fiduciary would suffer for an abuse of his trust. The county attorney of the county where the trust is violated or the commissioner may bring appropriate judicial proceedings on behalf of the people. ~~Any moneys~~ Money collected in ~~such actions shall~~ an action must be paid to the general fund of the aggrieved agency.

(3) ~~The following sections set~~ This part sets forth:

(a) various rules of conduct, the transgression of any of which is, ~~as such,~~ a violation of fiduciary duty; and

(b) various ethical principles, the transgression of any of which is not, ~~as such,~~ a violation of fiduciary duty."

Section 3. Section 2-2-121, MCA, is amended to read:

"2-2-121. Rules of conduct for state officers and state employees. (1) Proof of commission of ~~any~~ an act enumerated in this section is proof that the actor has breached ~~his~~ a fiduciary duty.

(2) A state officer or a state employee may not:

(a) use state time, facilities, or equipment for ~~his~~ the individual's private business purposes;

(b) engage in a substantial financial transaction for ~~his~~ the individual's private business purposes with a person whom ~~he~~ the individual inspects or supervises in the course of his official duties;

(c) assist ~~any~~ a person for a fee or other compensation in obtaining a contract, claim, license, or other economic benefit from ~~his~~ the individual's agency;

(d) assist ~~any~~ a person for a contingent fee in obtaining a contract, claim, license, or other economic benefit from ~~any~~ a state agency;

(e) perform an official act directly and substantially affecting to its economic benefit a business or other undertaking in which ~~he~~ the individual either has a substantial financial interest or is engaged as counsel, consultant, representative, or agent; or

(f) solicit or accept employment, or engage in negotiations or meetings to consider employment, with a person whom ~~he~~ the individual regulates in the course of his official duties without first giving written notification to ~~his~~ the individual's supervisor and department director.

(3) A state officer may not, within 2 years following termination of employment, represent, whether as an attorney or

other advocate, a private interest before the agency that employed the former official on particular cases or matters in which the former official was personally and substantially involved during state employment.

(4) A department head or a member of a quasi-judicial or rulemaking board may perform an official act notwithstanding subsection (2) (e) if ~~his~~ participation is necessary to the administration of a statute and if ~~he~~ the individual complies with the voluntary disclosure procedures under 2-2-131.

~~(4)~~ (5) Subsection (2) (d) does not apply to a member of a board, commission, council, or committee unless ~~he~~ the member is also a full-time state employee.

(6) A state officer or employee who violates the provisions of subsection (2) may be reprimanded or suspended.

Section 4. Section 2-2-131, MCA, is amended to read:

"2-2-131. Voluntary disclosure. A public officer or employee may, prior to acting in a manner ~~which~~ that may impinge on ~~his~~ a fiduciary duty, disclose the nature of ~~his~~ the private interest ~~which~~ that creates the conflict. ~~He~~ The public officer or employee shall make the disclosure in writing to the ~~secretary of state commissioner~~, listing the amount of ~~his~~ the financial interest, if any, the purpose and duration of ~~his~~ services rendered, if any, and the compensation received for the services or such other information as is necessary to describe ~~his~~ the interest. If ~~he~~ the public officer or employee then performs the official act involved, ~~he~~ the individual shall state for the record the fact and summary nature of the interest disclosed at the time of performing the act."

Section 5. Section 2-2-132, MCA, is amended to read:

"2-2-132. Powers of the ~~secretary of state commissioner -- investigation -- hearing.~~ (1) The ~~secretary of state commissioner~~ may:

~~(1)~~ (a) issue advisory opinions with ~~such~~ deletions ~~as are~~ necessary to protect the identity of the requesting party or the party about whom the opinion is written;

~~(2)~~ (b) keep and permit reasonable public access to ~~voluntary~~ disclosure statements;

~~(3)~~ (c) make rules for the conduct of ~~his~~ affairs under this part;

(d) publish a practical guide to assist public officers, state officials, and employees in understanding the ethical principles and conflict of interest disclosure requirements of this part.

(2) Upon the filing of a complaint alleging a violation of 2-2-104 or 2-2-121, the commissioner shall investigate the complaint. If the commissioner determines that there are grounds for the complaint, the commissioner may refer the matter to the

county attorney having jurisdiction of the matter or may conduct a contested case hearing. If the commissioner determines that a violation of 2-2-104 or 2-2-121 has occurred, the commissioner may issue a public reprimand or impose a civil penalty not to exceed \$500 on the violator. Civil penalties collected under this subsection must be deposited in the general fund."

Section 6. Section 5-7-213, MCA, is amended to read:

"5-7-213. Disclosure by elected public officials. (1) Prior to December 15 of each even-numbered year, each elected public official or official-elect shall file with the commissioner a business disclosure statement on a form provided by the commissioner under penalty for false swearing, as provided in 45-7-202. The statement shall must provide the following information: the name, address, and type of business of such the individual and each member of such the individual's immediate family. For this purpose purposes of this section, "immediate family" ~~includes~~ means the individual's spouse and minor children only.

(2) ~~No such individual~~ A public official or official-elect may not assume or continue to exercise the powers and duties of the office to which that individual has been elected or appointed until such the statement has been filed.

(3) The commissioner shall require a public official or official-elect to report additional financial data, which the commissioner may prescribe by rule, if the commissioner has reasonable grounds to believe that there is a violation of a provision of 2-2-103, 2-2-104, 2-2-121, 2-2-125, or 2-2-131. The financial data required may include but is not limited to information on income, securities and other investments, debts and creditors, and gifts or favors.

(4) The commissioner shall make ~~such~~ business disclosure statements available to any individual upon request."

Section 7. Section 5-11-203, MCA, is amended to read:

"5-11-203. Distribution of senate and house journals and session laws. (1) Immediately after the senate and house journals and the session laws are bound, the legislative council shall distribute them.

(2) The council shall distribute the house and senate journals as follows:

(a) to each county clerk, one copy of each for the use of the county;

(b) to the Montana state library, 20 copies of each for the use of the library and distribution to depository libraries, of which two copies will be deposited with the state historical library for security purposes;

(c) to the state law librarian, two copies of each for the use of the library and such additional copies as may be necessary

for the purposes of exchange;

(d) to the library of congress and each public officer as defined in 2-2-102, two copies of each; and

(e) to each member of the legislature, the secretary of the senate, and the chief clerk of the house of representatives from the session at which the journals were adopted, one copy of each.

(3) The council shall distribute the session laws as follows:

(a) to each cabinet level department of the executive branch of the United States, one copy each; to any agency, commission, conference, or corporation established by the United States government or any other subdivision thereof upon request and approval by the legislative council, one copy;

(b) to the library of congress, eight copies;

(c) to the state library, two copies;

(d) to the state historical library, two copies;

(e) to the state law librarian, four copies for the use of the library and ~~such~~ additional copies as may be required for exchange with libraries and institutions maintained by other states and territories and public libraries;

(f) to the library of each custodial institution, one copy;

(g) to each Montana member of congress, each United States district judge in Montana, each of the judges of the state supreme and district courts, and each of the state officers as defined in 2-2-102~~(3)~~, one copy;

(h) to any agency, board, commission, or office of the state other than a state officer and to any other subdivision of the state upon request and approval by the legislative council, one copy;

(i) to each member of the legislature, the secretary of the senate, and the chief clerk of the house of representatives from the session at which the laws were adopted, one copy;

(j) to each of the community college districts of the state, as defined in 20-15-101, and each unit of the Montana university system, one copy;

(k) to each county clerk, three copies for the use of the county; and

(l) to each county attorney and to each clerk of a district court, one copy." "

HOUSE STANDING COMMITTEE REPORT

February 16, 1993

Page 1 of 1

Mr. Speaker: We, the committee on State Administration report that House Bill 319 (first reading copy -- white) do pass as amended .

Signed: *Dick Simpkins*
Dick Simpkins, Chair

And, that such amendments read:

1. Page 2, lines 3 through 5 and lines 6 through 8.
Strike: "annual legislative sessions of 30 days in even-numbered years and 60 days in odd-numbered years"
Insert: "legislative sessions of 60 days in odd-numbered years and limited sessions of 30 days in even-numbered years"

-END-

Committee Vote:
Yes , No .

381331SC.Hpf

HOUSE STANDING COMMITTEE REPORT

February 16, 1993

Page 1 of 1

Mr. Speaker: We, the committee on State Administration report that House Bill 479 (first reading copy -- white) do pass as amended .

Signed: *Dick Simpkins*
Dick Simpkins, Chair

And, that such amendments read:

1. Page 10, line 5.

Strike: "\$50,000"

Insert: "\$10,000 for a first-class city and \$2,500 for any other local governing body"

-END-

Committee Vote:
Yes , No .

381346SC.HpF

HOUSE STANDING COMMITTEE REPORT

February 16, 1993

Page 1 of 1

Mr. Speaker: We, the committee on State Administration report that House Bill 485 (first reading copy -- white) do pass .

Signed: *Dick Simpkins*
Dick Simpkins, Chair

HOUSE STANDING COMMITTEE REPORT

February 16, 1993

Page 1 of 1

Mr. Speaker: We, the committee on State Administration report that House Joint Resolution 13 (first reading copy -- white) do pass .

Signed: *Dick Simpkins*
Dick Simpkins, Chair

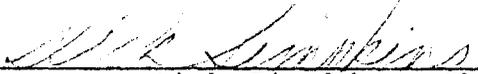
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HOUSE STANDING COMMITTEE REPORT

February 16, 1993

Page 1 of 1

Mr. Speaker: We, the committee on State Administration report that House Joint Resolution 17 (first reading copy -- white) do pass.

Signed: 
Dick Simpkins, Chair

Committee Vote:
Yes 17, No 5.

381331SC.Hpf

Amendments to House Bill No. 319
First Reading Copy

Requested by Rep. Kadas
For the Committee on State Administration

Prepared by John MacMaster
February 4, 1993

1. Page 2, lines 3 through 5 and lines 6 through 8.
Strike: "annual legislative sessions of 30 days in even-numbered
years and 60 days in odd-numbered years"
Insert: "legislative sessions of 60 days in odd-numbered years
and limited sessions of 30 days in even-numbered years"

EXHIBIT 1
DATE 2/16/93
HB HB 319

Amendments to House Bill No. 430
First Reading Copy

Requested by Rep. Strizich and Rep. Squires
For the Committee on House State Administration

Prepared by Sheri S. Heffelfinger
February 13, 1993

1. Title, line 6.
Following: "OFFICERS'"
Insert: "AND FIREFIGHTERS'"
Strike: "SYSTEM"
Insert: "SYSTEMS"

2. Title, line 10.
Strike: "INCREASE"
Insert: "INCREASES"
Strike: "AND"
Insert: ", "
Following: "19-9-804,"
Insert: "19-13-604, 19-13-704, AND 19-13-1007"

3. Page 4.
Following: line 3
Insert:

Section 1. Section 19-13-604, "MCA, is amended to read:
"19-13-604. State contribution. The state shall make its contributions through the state auditor from the premium taxes on the insurance risks enumerated in 19-11-512. These payments shall be made annually to the administrator after the end of each fiscal year but no later than September 1 from the gross premium taxes after deduction for cancellations and returned premiums. The payment is statutorily appropriated as provided in 17-7-502. The administrator shall notify the auditor of the annual compensation, excluding overtime, holiday payments, shift differential payments, compensatory time payments, and payments in lieu of sick leave, paid to all active members during the preceding year, and effective July 1, ~~1981~~ 1993, the state's contribution is ~~12%~~ 30.30% of this compensation. ~~This contribution shall increase to 15% effective July 1, 1982, to 18% effective July 1, 1983, to 22.98% effective July 1, 1985, and to 23.27% effective July 1, 1991.~~ As soon as practicable after receipt of the state contribution, the administrator shall deposit it with the state treasurer."

Section 2. Section 19-13-704, MCA, is amended to read:
"19-13-704. Amount of retirement allowance benefit. (1) (a) A member hired before July 1, 1981, who is eligible under 19-13-701 and ~~who elects to retire after completing 20 years of service and reaching age 50 as an active firefighter~~ shall receive a

1 EXHIBIT 2 hb043001.ash
DATE 2/16/93
HB HB 430

service retirement allowance equal to ~~one-half~~ 2.5% of the monthly compensation last received by the member for his each year of service as an active firefighter. A member who completes more than 20 years of service shall receive an additional 1% of his final monthly compensation for each year in excess of 20, up to a maximum of 60% of the monthly compensation last received by the member.

~~(b) A member hired before July 1, 1981, who is eligible under 19-13-701 and who elects to retire after completing 10 years or more of service but has not both completed 20 years of service and reached age 50 as an active firefighter shall receive a service retirement allowance equal to 2% of the monthly compensation last received by the member for each year of service up to a maximum of 60% of his final monthly salary.~~

~~(i)(b) If the member dies after he is permanently separated from service and before he both reaches age 50 and completes 20 years of service as an active firefighter, the allowance benefit prescribed in subsection (1)(b) (1)(a) must be made to the surviving spouse beginning on the date the firefighter member would have both reached his the member's 50th birthday and completed 20 years of service as an active firefighter and terminating upon the surviving spouse's death. If there is no surviving spouse or if the surviving spouse dies and if the firefighter leaves one or more dependent children, the children are entitled to receive the allowance benefit as long as they remain dependent as defined in 19-13-104.~~

~~(ii) If the firefighter dies after he both reaches age 50 and completes 20 years of service as an active firefighter, the payments must be made to the surviving spouse or children as provided in subsection (1)(b)(i).~~

(2) A member hired on or after July 1, 1981, who is eligible under 19-13-701 shall receive a service retirement allowance benefit equal to ~~2%~~ 2.5% of his final average salary for each year of service ~~up to a maximum of 30 years of service.~~"

Section 3. Section 19-13-803, MCA, is amended to read:

"19-13-803. Amount of disability retirement allowance benefit. ~~(1) A member hired before July 1, 1981, who is eligible under 19-13-802:~~

(a) before completing 20 years of service shall receive a disability retirement allowance benefit equal to one-half the monthly compensation last received by the member ~~for his services~~ as an active firefighter;

(b) after completing 20 years or more of service shall receive the disability retirement allowance provided in subsection ~~(1)(a)~~ increased at a rate of ~~1% for each year in excess of 20, up to a maximum of 60%~~ 2.5% of the monthly compensation last received by the member for each year of service in excess of 20.

~~(2) A member hired on or after July 1, 1981, who is eligible under 19-13-802:~~

~~(a) before completing 25 years of service shall receive a disability retirement allowance equal to one-half the monthly compensation last received by the member for his services as an active firefighter;~~

~~(b) after completing 25 years or more of service shall receive the disability retirement allowance provided in subsection (2)(a) increased at a rate of 2% for each year in excess of 25, up to a maximum of 5 years of additional service."~~

Section 4. Section 19-13-902, MCA, is amended to read:

"19-13-902. **Survivorship allowance benefit.** (1) ~~(a)~~ Upon the death before retirement of an active member ~~hired before July 1, 1981, his~~ the surviving spouse, if there is one, shall receive a survivorship allowance benefit equal to one-half the monthly compensation last received by the member for ~~his~~ service as an active firefighter. If the member leaves one or more dependent children, then, upon ~~his~~ the member's death if ~~he leaves there is~~ no surviving spouse or upon the death of the surviving spouse, ~~his~~ the member's dependent children shall collectively receive the same allowance benefit that a surviving spouse would have received, as long as the children remain dependent as defined in 19-13-104.

~~(b)(2)~~ If the deceased member completed over 20 years of service, the survivorship allowance ~~provided in subsection (1)(a)~~ benefit must be increased at a rate of ~~1%~~ 2.5% for each year in excess of 20, up to a maximum of ~~60%~~ 2.5% of the monthly compensation last received by the member for each year of service in excess of 20.

~~(2) Upon the death before retirement of a member hired on or after July 1, 1981, his surviving spouse, if there is one, shall receive a survivorship allowance equal to one-half of the member's final average salary. If the firefighter leaves one or more dependent children, then, upon his death if he leaves no surviving spouse or upon the death of the surviving spouse, his dependent children shall collectively receive the same allowance that a surviving spouse would have received, as long as the children remain dependent as defined in 19-13-104."~~

Section 5. Section 19-13-1007(2), MCA, is amended to read:

"19-13-1007. **Allowance Benefit adjustment.** (1) For a member retiring on or after July 1, 1973, who was hired before July 1, 1981, or ~~his~~ the member's surviving spouse or dependent children, the service retirement allowance benefit provided in 19-13-704(1)(a), the disability retirement allowance benefit provided in 19-13-803(1), and the survivorship allowance benefit provided in 19-13-902(1) may not be less than one-half the monthly compensation paid to a newly confirmed, active firefighter of a city that last employed ~~him~~ the member as a firefighter, as provided each year in the budget of that city.

(2) For a member hired on or after July 1, 1981, or ~~his~~ the member's surviving spouse or dependent children, the disability retirement allowance benefit provided in 19-13-803(2) and the survivorship allowance benefit provided in 19-13-902(2) may not be less than one-half the monthly compensation paid to a newly confirmed, active firefighter of a city that last employed ~~him~~ the member as a firefighter, as provided each year in the budget of that city.

(3) If after a member retires, the city that last employed

~~him~~ the member no longer employs a full-paid firefighter, the member's or ~~his~~ the member's beneficiary's allowance benefit under subsections (1) and (2) must be adjusted on the basis of the average monthly compensation paid to all newly confirmed full-paid firefighters, as provided each year in the budgets of those cities that participate in the plan and employ a full-paid firefighter.

(4) If the employment of a vested member hired before July 1, 1981, is involuntarily discontinued before ~~he~~ the member reaches age 50 because of the termination of employment of all full-paid firefighters in the city that employed ~~him~~ the member, ~~his~~ the member's service retirement allowance benefit provided in 19-13-704(1)(b) and ~~his~~ the member's spouse's or dependent child's survivorship allowance benefit provided in 19-13-902(1) may not be less than:

(a) if the member has completed 20 years or more of service, one-half the average monthly compensation paid to all newly confirmed, full-paid firefighters, as provided each year in the budgets of those cities that participate in the plan and employ a full-paid firefighter; or

(b) if the member has completed more than 10 but less than 20 years of service, 2% of the average monthly compensation paid to all newly confirmed, full-paid firefighters, as provided each year in the budgets of those cities that participate in the plan and employ a full-paid firefighter, for each year of the member's service.

(5) In lieu of the benefit adjustment provided in subsection (4), a member may elect to receive an early retirement allowance benefit, beginning upon termination of employment, that is the actuarial equivalent of the accrued portion of the service retirement ~~allowance~~ that would have been payable to ~~him~~ the member beginning at age 50."

EXHIBIT 2
DATE 2/16/93
B HB 430



The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

Rep. Richard Simpkins

Seat #40

REPRESENTATIVE DON LARSON

HOUSE DISTRICT 65

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COMMITTEES:
BUSINESS AND INDUSTRY
HIGHWAYS AND TRANSPORTATION
AGRICULTURE, LIVESTOCK AND IRRIGATION

MEMORANDUM

TO: House State Administration Committee Members

FROM: Don Larson, Sponsor, House Bill 479

RE: Fiscal Note for House Bill 479

DATE: February 11, 1993

I believe the fiscal note presented by Department of Health and Environmental Sciences Director Bob Robinson is fabricated out of thin air. I believe the assumptions and the numbers are incorrect. Listed below is a point-by-point analysis. I hope you will review this analysis and study the fiscal note, and stand fast on the proposed amendment to the bill as presented to you in committee Thursday morning.

To remind you: the amendment would reduce the floor above which economic impact statements would have to be prepared from \$50,000 to \$10,000 for Class I cities and \$2,500 for Class II and III towns and other governing units.

Discussion with the proponents of the bill indicated the \$10-\$30,000 fees were what was killing them, and the \$50,000 number must be lowered for the bill to accomplish what it was intended to do.

The following is a point-by-point rebuttal of the fiscal note:

1. The Department claims it averages 25 sets of rules per year. The whole point of this legislation is to make them start RETHINKING the rules they write -- the numbers of sets of rules and the complexity and severity of those rules. It is incorrect for them to assume the Department will continue to write 25 sets of rules each year. The number should go down as a result of this legislation.

EXHIBIT 4

DATE 2/16/93

HB HB 479

2. The researcher and support staff are already in place. The compliance specialists and the staff already on board should be reoriented to begin collecting the data on the impact of their rulemaking. It should be integrated into their rulemaking activities. An economist to organize the data might be in order.
3. If the uncertainty of the nature of the rules exists as the department claims, how can it expect an outside economist to understand it any better than an in-house economist. No state employee makes \$50.00 per hour. The economist retained should be a state employee hired to handle the economic impact statements of all the various departments and divisions -- one or two FTE economists, I am estimating. The \$750,000 number is fiction.
4. Compliance specialists are traveling, presumably, to gather data on local situations and local applications in the rule making process. They should be simultaneously gathering data on economic impacts. I see no need for additional travel money.
5. Printing at \$.05 per page for an average 100 page economic impact statement should be \$5.00 per document. They should be available to those impacted and those with a need to know. \$50,000 for printing is absurd.
6. DHES has asked for 57 new FTE's using RIT and federal match monies. These FTE's have no job descriptions yet. They could be used to develop these statements.
7. DHES assumes automatically it must increase its budget and continue doing what it is doing now. That is NOT the intention of this legislation.

The intent of this legislation is to make state agencies re-think their rulemaking priorities and begin to pay attention to the costs they are sending downstream to local governing bodies. It is not to raise general fund spending.

Please support the amendment as proposed.

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB479 as introduced.

DESCRIPTION OF PROPOSED LEGISLATION: HB479 would require state agencies to prepare economic impact statements and if the review revealed an economic impact on local governments, identify funding sources for the implementation of state regulations.

ASSUMPTIONS:

1. The Department of Health and Environmental Sciences (DHES) averages 25 sets of new rules per year. The Environmental Sciences Division (ESD) is responsible for about 90 percent of the new rules.
2. The department does not have an economist and support staff to prepare economic impact statements (EIS). The preparation of an economic statement would require an economist, researcher and clerical support. Funds would also have to be included for printing and distribution. The average economic statement would probably take about six (6) weeks to prepare. (6 X 40 = 240 hr. each)
3. Due to the uncertain nature of new rules it would probably be best to use private contractors to prepare the economic statements. An average current rate for hiring the appropriate personnel is: An economist, \$50/hr.; a researcher, \$40/hr.; and clerical support, \$35/hr. (These rates are not static and will likely increase in the next two years.) (\$50 + \$40 + \$35 = \$125/hr.) (25 new rules X 240 Hours X \$125/hr = \$750,000)
4. Travel will average around \$2,000 per statement. (\$2,000 X 25 = \$50,000)
5. Printing and distribution will range from \$3,000 to \$5,000. (\$4,000 X 25 = \$100,000)
6. The DHES has no existing funding source for this proposal.
7. The DHES would request a general fund appropriation to fund economic statements.

EXHIBIT 4
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FISCAL IMPACT:

	FY '94		FY '95	
	Current Law	Proposed Law	Current Law	Proposed Law
Operating Expenses	0	900,000	0	900,000
<u>Expenditures:</u> General Fund	0	900,000	0	900,000
<u>Net Impact:</u> General Fund	0	(900,000)	0	(900,000)
		Difference		Difference
		900,000		900,000
		900,000		900,000
		(900,000)		(900,000)

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Costs for contracted services are continually increasing. The trend will likely continue.

Amendments to House Bill No. 479
First Reading Copy

Requested by Rep. Don Larson
For the Committee on House State Administration

Prepared by Sheri S. Heffelfinger
February 10, 1993

1. Page 10, line 5.

Strike: "\$50,000"

Insert: "\$10,000 for a first-class city and \$2,500 for any other
local governing body"

EXHIBIT 5
DATE 2/16/93
HB HB 479

Summary Sheet
HB 227 as Amended by the Subcommittee
Introduced by Rep. Toole

Prepared by Sheri S. Heffelfinger

Substantive changes

Affecting Commissioner of Political Practices

1. Transfers authority and responsibility for enforcement of ethics laws from the secretary of state to the commissioner of political practices. (Section 5)
2. Requires the commissioner to investigate complaints of ethics laws violations. (Section 5)
3. Allows commissioner to:
 - publish a guide to ethics laws (Sec. 5)
 - refer a complaint of violations to the county attorney (Sec. 5)
 - issue a public reprimand and impose a civil penalty (Sec. 5)
 - bring appropriate judicial action against a person who violates the public trust (Sec. 2)

Affecting ethics laws for state officials

1. Establishes a 2-year "revolving door" provision for elected and appointed officers of the executive branch (Sec. 3)
2. Provides that state officers and state employees may be reprimanded or suspended for violating current ethics laws. (Sec. 3)

Financial disclosure

1. Extends current financial disclosure requirements for elected officials to appointed executive officials (Sec. 6)
2. Provides a penalty for false swearing (Sec. 6)
3. Allows the commissioner to require further financial disclosure if there are reasonable grounds to believe there has been a violation of current ethics and conflict of interest laws. (Sec. 6)

EXHIBIT 6
DATE 2/16/93
HB HB 227

Amendments to House Bill No. 227
First Reading Copy

Requested by Subcommittee on HB 227

For the Committee on House State Administration

Prepared by Sheri S. Heffelfinger
February 12, 1993

1. Title, line 6.

Strike: "PUBLIC OFFICIALS"

Insert: "STATE OFFICERS AND LEGISLATORS"

2. Title, lines 9 through 11.

Strike: "AUTHORIZING" on line 9 through "OPINIONS;" on line 11

3. Title, line 12.

Following: "EXPANDED"

Insert: "IN CERTAIN CIRCUMSTANCES"

4. Title, line 15.

Strike: "2-2-104, 2-2-105,"

Following: "2-2-121,"

Strike: "2-2-125,"

5. Title, line 16.

Strike: "2-2-201, 5-7-103,"

6. Page 1, line 20.

Strike: "[section 11]"

Insert: "5-7-213"

7. Page 1, lines 23 and 24.

Strike: "[section 11]"

Insert: "5-7-213"

8. Page 2, line 4 through page 18, line 19.

Strike: everything after the enacting clause

Insert:

"Section 1. Section 2-2-102, "MCA, is amended to read:

"2-2-102. **Definitions.** As used in this part, the following definitions apply:

(1) "Business" includes a corporation, partnership, sole proprietorship, trust or foundation, or any other individual or organization carrying on a business, whether or not operated for profit.

(2) "Commissioner" means the commissioner of political practices as established in 2-15-411.

~~(2)~~ (3) "Compensation" means any money, a thing of value, or an economic benefit conferred on or received by any person in return for services rendered or to be rendered by himself the person or another.

EXHIBIT 7

1 DATE

2/16/93

HB022703.ash

HB

HB 227

~~(3)~~ (4) "Employee" means ~~any~~ a temporary or permanent employee of the state or any a subdivision thereof of the state or a member of the judiciary, including a member of a board, commission, or committee except a legislator and an employee under contract to the state.

~~(4)~~ (5) "Financial interest" means an interest held by an individual, ~~his~~ or by the individual's spouse, or minor children ~~which that~~ is:

- (a) an ownership interest in a business;
- (b) a creditor interest in an insolvent business;
- (c) an employment or prospective employment for which negotiations have begun;
- (d) an ownership interest in real or personal property;
- (e) a loan or other debtor interest; or
- (f) a directorship or officership in a business.

~~(5)~~ (6) "Official act" or "official action" means a vote, decision, recommendation, approval, disapproval, or other action, including inaction, ~~which that~~ involves the use of discretionary authority.

~~(6)~~ (7) "Public officer" includes ~~any a~~ state officer ~~except a legislator or member of the judiciary~~ or any an elected officer of any a subdivision of the state. The term does not include a legislator or a member of the judiciary.

~~(7)~~ (8) "State agency" includes the state; the legislature and its committees; all executive departments, boards, commissions, committees, bureaus, and offices; the university system; and all independent commissions and other establishments of the state government except the courts.

~~(8)~~ (9) "State officer" includes all elected officers and directors of the executive branch of state government as defined in 2-15-102."

Section 2. Section 2-2-103, MCA, is amended to read:

"2-2-103. Public trust. (1) The holding of public office or employment is a public trust, created by the confidence ~~which~~ that the electorate reposes in the integrity of public officers, legislators, and employees. A public officer, legislator, or employee shall carry out ~~his~~ the individual's duties for the benefit of the people of the state.

(2) A public officer, legislator, or employee whose conduct departs from ~~his~~ the individual's fiduciary duty is liable to the people of the state as a trustee of property, and is liable to a beneficiary under 72-34-105, ~~and shall suffer such other liabilities as~~ The individual is subject to the liability that a private fiduciary would suffer for an abuse of ~~his~~ trust. The county attorney of the county where the trust is violated or the commissioner may bring appropriate judicial proceedings on behalf of the people. ~~Any moneys~~ Money collected in ~~such actions shall~~ an action must be paid to the general fund of the aggrieved agency.

(3) ~~The following sections set~~ This part sets forth:

- (a) various rules of conduct, the transgression of any of which is, ~~as such,~~ a violation of fiduciary duty; and
- (b) various ethical principles, the transgression of any of which is not, ~~as such,~~ a violation of fiduciary duty."

Section 3. Section 2-2-121, MCA, is amended to read:

"2-2-121. **Rules of conduct for state officers and state employees.** (1) Proof of commission of ~~any an~~ act enumerated in this section is proof that the actor has breached ~~his a~~ fiduciary duty.

(2) A state officer or a state employee may not:

(a) use state time, facilities, or equipment for ~~his the~~ individual's private business purposes;

(b) engage in a substantial financial transaction for ~~his the~~ individual's private business purposes with a person whom ~~he the individual~~ inspects or supervises in the course of his official duties;

(c) assist ~~any a~~ person for a fee or other compensation in obtaining a contract, claim, license, or other economic benefit from ~~his the individual's~~ agency;

(d) assist ~~any a~~ person for a contingent fee in obtaining a contract, claim, license, or other economic benefit from ~~any a~~ state agency;

(e) perform an official act directly and substantially affecting to its economic benefit a business or other undertaking in which ~~he the individual~~ either has a substantial financial interest or is engaged as counsel, consultant, representative, or agent; or

(f) solicit or accept employment, or engage in negotiations or meetings to consider employment, with a person whom ~~he the~~ individual regulates in the course of ~~his~~ official duties without first giving written notification to ~~his the individual's~~ supervisor and department director.

(3) A state officer may not, within 2 years following termination of employment, represent, whether as an attorney or other advocate, a private interest before the agency that employed the former official on particular cases or matters in which the former official was personally and substantially involved during state employment.

(4) A department head or a member of a quasi-judicial or rulemaking board may perform an official act notwithstanding subsection (2)(e) if ~~his~~ participation is necessary to the administration of a statute and if ~~he the individual~~ complies with the voluntary disclosure procedures under 2-2-131.

~~(4)~~(5) Subsection (2)(d) does not apply to a member of a board, commission, council, or committee unless ~~he the member~~ is also a full-time state employee.

(6) A state officer or employee who violates the provisions of subsection (2) may be reprimanded or suspended."

Section 4. Section 2-2-131, MCA, is amended to read:

"2-2-131. **Voluntary disclosure.** A public officer or employee may, prior to acting in a manner ~~which that~~ that may impinge on ~~his a~~ fiduciary duty, disclose the nature of ~~his the~~ private interest which that creates the conflict. ~~He The public officer or employee~~ shall make the disclosure in writing to the secretary of state commissioner, listing the amount of ~~his the~~ financial interest, if any, the purpose and duration of ~~his~~ services rendered, if any, and the compensation received for the services or such other information as is necessary to describe ~~his the~~ the

interest. If ~~he~~ the public officer or employee then performs the official act involved, ~~he~~ the individual shall state for the record the fact and summary nature of the interest disclosed at the time of performing the act."

Section 5. Section 2-2-132, MCA, is amended to read:

"2-2-132. Powers of the ~~secretary of state~~ commissioner -- investigation -- hearing. (1) ~~The secretary of state~~ commissioner may:

~~(1)~~ (a) issue advisory opinions with ~~such~~ deletions ~~as are~~ necessary to protect the identity of the requesting party or the party about whom the opinion is written;

~~(2)~~ (b) keep and permit reasonable public access to ~~voluntary~~ disclosure statements;

~~(3)~~ (c) make rules for the conduct of ~~his~~ affairs under this part;

(d) publish a practical guide to assist public officers, state officials, and employees in understanding the ethical principles and conflict of interest disclosure requirements of this part.

(2) Upon the filing of a complaint alleging a violation of 2-2-104 or 2-2-121, the commissioner shall investigate the complaint. If the commissioner determines that there are grounds for the complaint, the commissioner may refer the matter to the county attorney having jurisdiction of the matter or may conduct a contested case hearing. If the commissioner determines that a violation of 2-2-104 or 2-2-121 has occurred, the commissioner may issue a public reprimand or impose a civil penalty not to exceed \$500 on the violator. Civil penalties collected under this subsection must be deposited in the general fund."

Section 6. Section 5-7-213, MCA, is amended to read:

"5-7-213. Disclosure by ~~elected~~ public officials. (1) Prior to December 15 of each even-numbered year, each ~~elected~~ public official or official-elect shall file with the commissioner a business disclosure statement on a form provided by the commissioner under penalty for false swearing, as provided in 45-7-202. The statement ~~shall~~ must provide the following information: the name, address, and type of business of ~~such~~ the individual and each member of ~~such~~ the individual's immediate family. For ~~this purpose~~ purposes of this section, "immediate family" ~~includes~~ means the individual's spouse and minor children only.

(2) ~~No such individual~~ A public official or official-elect may not assume or continue to exercise the powers and duties of the office to which that individual has been elected or appointed until ~~such~~ the statement has been filed.

(3) The commissioner shall require a public official or official-elect to report additional financial data, which the commissioner may prescribe by rule, if the commissioner has reasonable grounds to believe that there is a violation of a provision of 2-2-103, 2-2-104, 2-2-121, 2-2-125, or 2-2-131. The financial data required may include but is not limited to information on income, securities and other investments, debts and creditors, and gifts or favors.

(4) The commissioner shall make ~~such~~ business disclosure statements available to any individual upon request."

Section 7. Section 5-11-203, MCA, is amended to read:

"5-11-203. Distribution of senate and house journals and session laws. (1) Immediately after the senate and house journals and the session laws are bound, the legislative council shall distribute them.

(2) The council shall distribute the house and senate journals as follows:

(a) to each county clerk, one copy of each for the use of the county;

(b) to the Montana state library, 20 copies of each for the use of the library and distribution to depository libraries, of which two copies will be deposited with the state historical library for security purposes;

(c) to the state law librarian, two copies of each for the use of the library and such additional copies as may be necessary for the purposes of exchange;

(d) to the library of congress and each public officer as defined in 2-2-102, two copies of each; and

(e) to each member of the legislature, the secretary of the senate, and the chief clerk of the house of representatives from the session at which the journals were adopted, one copy of each.

(3) The council shall distribute the session laws as follows:

(a) to each cabinet level department of the executive branch of the United States, one copy each; to any agency, commission, conference, or corporation established by the United States government or any other subdivision thereof upon request and approval by the legislative council, one copy;

(b) to the library of congress, eight copies;

(c) to the state library, two copies;

(d) to the state historical library, two copies;

(e) to the state law librarian, four copies for the use of the library and ~~such~~ additional copies as may be required for exchange with libraries and institutions maintained by other states and territories and public libraries;

(f) to the library of each custodial institution, one copy;

(g) to each Montana member of congress, each United States district judge in Montana, each of the judges of the state supreme and district courts, and each of the state officers as defined in 2-2-102~~(8)~~, one copy;

(h) to any agency, board, commission, or office of the state other than a state officer and to any other subdivision of the state upon request and approval by the legislative council, one copy;

(i) to each member of the legislature, the secretary of the senate, and the chief clerk of the house of representatives from the session at which the laws were adopted, one copy;

(j) to each of the community college districts of the state, as defined in 20-15-101, and each unit of the Montana university system, one copy;

(k) to each county clerk, three copies for the use of the county; and

(1) to each county attorney and to each clerk of a district court, one copy."

League of Women Voters
of Montana



February 15, 1993

M E M O R A N D U M

TO: STATE ADMINISTRATION COMMITTEE MEMBERS
FR: Christine Mangiantini, League of Women Voters Lobbyist
RE: House Joint Resolution 13

Heard before your committee today was House Joint Resolution 13, establishing an interim committee to study solutions to misrepresentations that occur during political campaigns.

The right of every citizen to vote has been a basic principle since the League's inception. The League itself grew out of the suffrage movement, which culminated in the vote for women. Now that we all have the opportunity to voice our opinion via the voting booth, it is time to concentrate on how races are won or lost.

Political races, especially those that are won by a few votes, tend to profile candidates based upon voting records, public actions and personal attitudes. These messages can get blurred by interpretation, giving the public a skewed perception of a candidate. This becomes critical in close races.

HJR 13 establishes an interim committee to review fair campaign practices, examine methods used by other states in acting on or controlling misrepresentation of issues, and recommending the interim committee report its findings to the 54th legislature.

This measure is a positive approach to managing unethical and unfair campaign practices. It sends the signal that underhanded political maneuvers will not be tolerated in Montana.

On behalf of the 200 members of the Montana League of Women Voters we urge a do pass on HJR 13.

Thank you.

EXHIBIT 9
DATE 2/16/93
HB HJR 13

Sheila Rice - Proxy

Erin Davis has my proxy

2/16/93

Yes on COLA amendment (to
strike COLA) on ~~HB~~ 485

Yes on Brady bill ~~HB 485~~ 485

- Yes on HJR 13

- Yes on HJR 17

No on HJR 9

Yes on HB 577

EXHIBIT 10

DATE 2/16/93

HB HJR 13; HJR 17

To whom It may Concern

Bill has my proxy for 2/16 - ST.
Administration

John. Roe

EXHIBIT 11
DATE 2/16/93
HB HJR 17

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

State Administration COMMITTEE

BILL NO. HB553

DATE 2/16/93 SPONSOR(S) Rep. Harrington

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
JOHN MAZE	AFSCME Council # 9	✓	
Tom Schneider	MPSA	✓	
John Hanger	Teamsters	✓	
JOHN DON WEN	STATE EMPLOYEE	✓	
SCOTT ST. ARNAULD	AFSCME	X	
MARK CRESS	PERD		X

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

State Administration COMMITTEE BILL NO. HB552
DATE 2/16/93 SPONSOR(S) Rep. Hannington
PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Terry Mow	MTA AS Staff Employees	X	
John D			
Scott St. Arnaud	AFSCME	X	
George Kapetman		✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

