

January 18, 1977

The meeting was called to order by Chairman Brand at 10:00 a.m.; all members were present except Rep. Lien.

Dick Hargesheimer submitted his summary, see attachment #1.

HJR 13-Rep. Palmer, sponsor--We have forwarded a message to the Congressional delegation concerning this. There is going to be an effort on February 1, 1977 to close the Social Security office in Billings. This bill states that the people in Montana, and the Legislature, will encourage the Congressional delegation to urge Social Security to reconsider. If they take this out, a hearing judge will have to come in from Denver, Fargo, or Spokane. With the number of SS recipients, it more than justifies having an office.

NO OPPONENTS

TURNER-How many cases were held last year? PALMER-I have no figures for January and February, but for April, May, and June, they had 168 cases. The average SS asks as justification for an office is 65 cases per three month period. TURNER-Then why are they going to move it? PALMER-I believe it deals with bureaucratic management. It is a cost effective CATCH 22. With the work load, there is no justification except that they may be wanting to regionalize. BRAND-How many people are employed in the office? PALMER-A hearing judge and a secretary. TURNER-What is their annual budget? (Palmer had no figures on this specifically, but said that their rent is paid out of their budget and that cost of an office in Billings is much less than in Denver.)

HJR 8-Rep. Bardanouve, sponsor--This applies to the area below us, two floors down, where the Treasurer's office used to be, and possibly where the Fiscal Analysts' office is now. The Appropriations Committee has more meetings than any other committee and they have been temporarily assigned the Treasurer's office. This bill is not just for the Appropriations Committee. So far, we have the area, but we will make it available to anyone who needs it. The problem is that we have been assigned that area only during this session. The Executive Branch would like to have all of the rooms on the second floor. We have no place for hearings, and have a bad time getting a room big enough. We would like to designate the Treasurer's office and the Auditors' rooms for hearings, office space, files and room for 50 people. Let me reiterate, this is not just for the Appropriations Committee. This just requires the Department of Administration to draw up plans for this. Senator Lowe has been very interested in increasing the space for the legislature, and has come up to speak.

SENATOR LOWE, District 33--I have long been aware of the problem of the inefficient conditions that we work under. What I intend to put in would go after the whole thing. There are as many different ideas about this as there are people. I would avoid remodeling this building any more than necessary, due to the cost. What Bardanouve says would be fine for the present time, but I want to extend the South side of the building. (see attachment #2) The estimated cost would be \$5,770,000 - which is probably where it ends. We are building buildings for other departments, and properly so, this would relieve other space needed in the Capitol. (He showed the committee sketches of building plans from 1941)

REP. FAGG--(Rep. Fagg spoke of a tour he was given, by Northwest Airlines after the 1969 session, of the Hawaiian capitol. He went on to describe the building, which seems to have been quite extensive, with ample office and meeting space.) "The businesslike attitude was incredible. Since that tour, I have been very much in favor

of any such legislation. I am glad this is before the committee.

JACK CROSSE, Director, Department of Administration--We are strong proponents of added space for the legislature. We have slowly moved towards this by moving various departments out of the capitol. The long range plan now is for the second floor to be used by the Executive Branch, and the first floor for the legislature. Our architect, Mr. Hauck, is here; we have supported building a new Supreme Court building.

PHIL HAUCK, Administrator, Architecture & Engineering Division, Department of Administration--We agree that you need more space. We also have the plan to move the Executive Branch out, and leave the capitol to the Legislature. I caution you, this can be done in a piece meal fashion, or all in one shot - which I think would be the cheapest way. It is going to be expensive, no matter how you do it.

BRAND-What will happen to this space all of the time that the Legislature isn't in session? BARDANOUVE-They have used certain areas for agencies between sessions. It is possible that the Department of Administration could use some of this -- sometimes they can move in between sessions, and then consolidate their space during the session. CROSSE-There are more and more meetings between sessions now, such as interim committees, etc. I believe the meeting rooms would be used. BRAND-Have you studied other states with a part-time legislature as to population and tax base? BARDANOUVE-I recently was in Georgia, and they have office space for legislators. This will not give us offices, only office space for staff and meeting rooms. This is more of an emergency measure until the time that something permanent is done.

HB 123-Rep. Sivertsen, sponsor--The state doesn't pay for service to some of our state buildings, and so the bill goes to the fire service. This gives some means by which the state could contract with the fire service agencies. The amount of money we are talking about is the appraised value of all state buildings--\$294,670,400--20% of these don't receive any fire service. Those that are insured - \$235,685,900. It is difficult to ascertain what it would cost to insure all of the buildings - the cost of fire protection would run between \$250,000 and \$500,000. The tax levy on fire protection varies from 4 mills in Dillon to 40 mills in Anaconda. On an average, a mill should bring in \$28,000. An average cost would be approximately 20 mills. As shown on line 19, the Fire Marshal shall determine whether a building would need fire protection. The larger warehouses have sprinklers and so don't need as much protection.

RAY BLEHM, Montana State Firemens' Association--As I understand the bill, there is no dollar amount requested until the information could be collected by the Fire Marshal, and then, in the next session you would have cost figures and could appropriate funds. It doesn't require a full appropriation - they may feel that 10% would be sufficient.

DAVE FISHER, Montana Volunteer Firemens' Association--There are many volunteer fire departments in areas where state buildings are located, and the people in the area pay for the protection of these buildings.

ROBERT ELLIS, Montana State Volunteer Firemens' Association--We are covering the Girls' Vocational School, and a few years ago, we kept that building from being burned. We need some funds.

ROBERT KELLY, Missoula Fire Chief--Between 2 and 3% of our work is related to state

owned property; and this was a direct cost to the citizens of Missoula. If we project the same number of responses for 76 - 77, it comes to \$15,600. Cities like Missoula are in dire need of assistance.

BUD SIMPSON, Bozeman Fire Chief--MSU has 9000 students now, It's like protecting another city. 27% of our calls last year were from the university. We need some help. We have a lot of high rises, none of which have sprinklers. We have a 20 year old ladder truck, and it is inadequate for any of the high rises.

DAN MIZNER, Montana League of Cities and Towns--We have worked this out with the counties. The one thing I would call to your attention, is that there is another bill being prepared, and it provides for contracting with state agencies that want fire service, and is involved with city service. We think that HB 123 should be considered in a joint effort with the other bill to contract and provide a business-like approach. This is not a relief bill for Bozeman, Missoula, and Helena; you have as many small cities that have the same problem.

WILLIAM PENTTILA, State Fire Marshal--This problem has bothered my office as long as I have been there. We need some capital investment to help this situation. In a good share of the areas, we have no assistance, and in some areas the present facilities are not adequate. The Student Union in Bozeman - in a free burning fire, it would take all the equipment in Montana and still we couldn't get it out. The university is a non-productive and non-revenue source. If we could work out a system of contract, we would have better protection for the community and for the facility; plus better prevention. Bozeman's problem is that no one else does the job of the Fire Marshal - we are required to inspect the institutions yearly and report to the Board of Institutions, for schools we report to Pettit. We don't inspect all the state facilities - it will be an additional burden for us to do this. The bill implies that the Fire Marshal is a fire protection engineer - if we get HB 67 through, we can do it with no problem. If we can get local services interested in prevention, it will cut down on my job.

TURNER-What was the amount of losses to fire in the state last year? SIVERTSEN-Ten million dollars and 40 lives. BARDANOUVE-If this passes, and we contract with you (the Bozeman Fire Chief), do you think you could come up with the equipment or purchase what is necessary? (Simpson gave a long explanation about stairways and closed water tubes, but never quite said that he could purchase a new truck.)

BRAND-How often do you think buildings should be inspected? Are one year intervals adequate? PENTTILA-Not at all. At least monthly to remove the incidents of hazards you get with people working in the place every day. Downtown buildings are inspected twice monthly. The university would be the same situation. With a free burning fire at the university, all of the hoses tied to it, what happens if there's another fire in a building downtown, there's no water available. BRAND-Are you the only people responsible, or do the other fire departments inspect? PENTTILA-They are usually too busy with their own community inspections, and I find fault with the community prevention programs. BRAND-With these inspections, and having the state put more money in, do the insurance costs go down? PENTTILA-We have blanket insurance; and the policy is so big, that unless we have a heavy inspection program they don't consider it.

HB 124-Rep. Sivertsen, sponsor--This bill has to do with revision of laws governing fire protection. Page 2, section 4, gives different methods in which local governments may use the money. The biggest problem is keeping people out of the way, and

this bill gives the fire chief more authority on the scene of the fire. Fire companies required that the boundaries of the area to be protected be designated. The bill also provides for distribution of assets in case the department is dissolved.

AL SAMPSON, Montana State Firemens' Association--We feel there are some bad sections in the bill - page 2, section 4 - we don't feel that municipal fire service should be providing this by contract, and should be done by the municipality itself. This provides for volunteers in first class cities, but does not provide for pensions.

DAVE FISHER, Montana Volunteer Firemens' Association--I wouldn't say we oppose this, but we would like to amend section 18. We need to speak to our attorney first. In many areas the equipment was not purchased by tax dollars, but by the money from the department. We have a building that we built, and bought our own trucks. All that our budgets account for are: gas, oil, maintenance, water, etc. Some departments have very good equipment and have spent good money and yet some other department right next to it would have very poor equipment. I don't feel this to be equitable, and would like to speak to our attorney and find a better solution.

WILLIAM PENTTILA, State Fire Marshal--Some sections are very important. This intends to put together some things that have been scattered. It defines the authority of the fire chiefs, and this has been a problem. We lose many arson cases because the property was contaminated by spectators. This bill establishes the duties of the chief.

OPPONENTS

ROBERT KELLY, Missoula Fire Chief--I refer you to section 12 on the bottom of page 6. Right now, we have people who won't be re-hired for two or three years, and we need some provision for people who have become incapacitated in this period.

SIVERTSEN-We held 6 hearings and tried to work closely with everybody. When you have different segments with different input, it is difficult to please everybody.

HB 137-Rep. Kvaalen, sponsor--As you will recall, in the last session, we had shadows of Watergate, and the shadows of the '72 Governors' race. When we reacted, I feel we over-reacted with the Campaign Practices Act. The Commissioner of Campaign Practices has asked for \$180,000, and the Fiscal Analyst thinks he needs 3 new employees and \$100,000. I have no quarrel with the Commissioner himself. But in the application of the act, the rules could have been made more simple. I have some amendments - see attachment #3 - the other major provision is that enforcement of the act will be up to the County Attorney or the Attorney General. I have the adjusted work sheet of the Commissioner, and an analysis - see attachment #4 - which shows 13,083 reports; it is estimated that we could cut that down to 10%, and we can go through the legislative candidates and pick out who spent more than \$2,000. If you will refer to the fiscal note, it says that the fiscal impact would be none, I don't see how this can be as the work load would reduce.

REP. MENAHAN--I have no argument with the present commissioner's office, but my county clerk was outraged by all of the forms. I think the forms served no purpose for most of us; and when we load up our court clerks with all this - if we don't do something like this, your clerks are going to oppose you.

OPPONENTS

CHARLIE DELL, Common Cause--Submitted written statement, see attachment #5. He spoke of the passage of this bill as being a regression to the 1912 statute.

JO ANN WOODGERD, Chief Deputy, Secretary of State--written statement, see attachment #6.

JOHN HANSON, Commissioner of Campaign Finances and Practices--see attachment #7. He read a statement from the Advisory Committee which includes: Tom Winsor, Montana Chamber of Commerce; John Bell, Montana Conservative Caucus; Jan Gerke, Montana Womens' Political Caucus; Maggie Davis, Montana League of Women Voters; Natalie Cannon, Montana Common Cause; Michael Pichette, Montana Democratic Party. Hanson also cautioned that there were some very serious loopholes in HB 137.

MAGGIE DAVIS, Montana League of Women Voters--written statement, see attachment #8.

All of the people above spoke of the fact that the act had not had time to run a full cycle of elections; and therefore, that any amendments would be premature.

ERNIE POST, AFL-CIO--Post reaffirmed what had been mentioned previously.

MICHAEL PICHETTE, Secretary, Montana Democratic Party--The state needs an independent person to work this. How would there be time during October for the Attorney General to prosecute his own opponent? The commissioner can't be a candidate for 5 years after serving in this capacity. As far as exemptions - the basic premise is that information about who is financing whom be available so the public can use it in the current election. This would exempt almost everyone until after the election. The exemption of local candidates also bothers us. This is not a law to say that everyone is guilty, but provides information for the voters and they should have that right. When the law exempts 90% of the candidates, it nullifies the law. We ask for a DO NOT PASS.

KVAALEN--There is a misconception - the Attorney General gets into it only if there is a problem with the County Attorney - something he can't handle. This business of local candidates being exempted is pooh pooh. They all have to file. School districts all have to file, and it is an unnecessary burden on the people of Montana and the Office of Campaign Practices. You won't get the crooks with this law as is anyway. I hope the committee recognizes the limit to what is practical.

TURNER--Where is the \$500 exemption? HANSON--This exempts a local municipal committee or school district who does not exceed \$500 and they only need file such a statement. To the best of our knowledge, all local candidates are selecting to do this. (He showed forms for local candidates not exceeding \$500.) If they do, then they have detailed financial reports. We had two months to design the forms for the '76 elections. We had six months after the elections to review the forms, the manuals, and the statutes; and we have not had the opportunity to do this fully. FEDA--How many violations have you had? HANSON--I can't give you specific figures, although there were numerous technical violations. Of the reported violations we had, 35 were instances of non-compliance. These were violations of election laws, disclaimers, and contributions received in excess of limitations, corporate contributions. It was our feeling that since it was the first year, we should just get through the election the best way we could. MENAHAN--Couldn't we have different forms? HANSON--This bill does not address the problem, and once we can sit back and look over the forms,

perhaps we can then recommend some amendments. MENAHAN-Have you had any contact with people who are donating to candidates? What is their opinion? HANSON-We sent out 300 letters requesting recommendations and information about the problems, we have received 3 responses. SMITH-How many employees do you have? HANSON-Three. SMITH-How much does it cost to run the office? HANSON-\$72,000. KROPP-What triggered this to begin with? KVAALEN-The scandals in Washington, and the Governors' race in 1972. RYAN-Did you enumerate the organizations exempted? KVAALEN-As it reads, committees associated with political parties in Montana other than a committee formed specifically to support a candidate, and if they spend less than \$2,000 they are exempt. More than that, they have to report. RYAN-Have there been any prosecutions? HANSON-No, we have investigated a few complaints, such as G. Travis - we did not have the opportunity to get into any full investigation, only auditing. BARDANOUVE-Basically, I am opposed to this bill, but does the campaign law prescribe such ridiculously complicated forms? Did you have a bad nightmare, and draw them up from that? HANSON-Believe me, I had several. The act was new, and there was no place to turn for guidance. Most states were in the same situation. The forms were looked over by an accountant and the Advisory Committee. BARDANOUVE-Does the law prescribe all the forms, or could you put out a simple form? I spent \$25.72 on my campaign, and it took a whole pile of forms. If Mular was to pull some funny business, it would take two years to sort through the forms and find out. HANSON-There is nothing in the forms that is not required by law. O'CONNELL-Can the law be amended to extend the reporting period? HANSON-Currently, the law requires a report 10 days prior to the primary, 20 days after the primary, 10 days prior to the general, and 20 days after. BRAND-The thing that disturbs us all are the forms. Is there a way we can amend the present law to facilitate this? Can we propose a type of form and when it would be filed? HANSON-I don't know the ramifications of the law so far. We must be allowed the time to review and evaluate what can be done both in changing the particular form and proposing amendments. We want to maintain the intent and spirit of the original law. It is not your honesty that is being questioned. We want to know where the money comes from and how it is being spent so the public may use this information in deciding whether or not to support you. The Practices Act of 1912 was not enforced and not uniform, and we feel a review process is necessary. I am opposed to any monetary exemption, because then there are loopholes. (He went on about the creation of committees and possible ways to circumvent the law if amended as proposed.) MENAHAN-Would it be in order for us to meet with Hanson and draft the type of form we want and put it in the bill?

The Chairman stated that no executive action would be taken at that time.

MEETING ADJOURNED - 12:45 a.m.

Joe Brand, Chairman

Anita C. Sierke
Anita C. Sierke, Secretary