

Chairman Brand called the meeting to order at 9:00 a.m.; but announced that the leadership had decided to move all committee meetings to mornings in order to have the entire afternoon for full sessions. Beginning on February 14, 1977, the State Administration Committee would meet at 8:00 a.m. Rep. Lien protested, due to the resultant conflict of Taxation and State Ad., but Chairman Brand simply stated that Rep. Lien would have to make some arrangement about leaving votes in one of the two meetings.

Roll was taken, with Rep. Meyer absent for a doctor's appointment in Great Falls.

Hargesheimer submitted his summary, see attachment #1.

HB 436-Rep. Courtney, sponsor--(He presented amendments, see attachment #2) In the last election, the ballots were arranged so that the Presidential candidates were first, then state offices, and on some ballots the non-partisan candidates came next, then the partisan ballots continued below this - so it was rather confusing. The bill as written indicates that the party ballot shall be unbroken.

AL LUBEK, Butte--I was a candidate last June; and I think this bill arose from that. Butte uses voting machines almost exclusively; and in the returns, the number of voters in the legislative races was down from the number of voters in the other races. 1,445 people who voted for the presidential race didn't vote for the Senate races due to the confusing way the ballot was arranged. (He showed the ballot as it was displayed on the voting machine, and the arrangement) I talked with the Silverbow Clerk and Recorder, but I wasn't really pleased with his reaction. What this bill would do is require the Judicial ballot first, then the rest of the party ballots.

COURTNEY--I feel no one should be disenfranchised by the voting procedure. As I said before, this section of the law should indicate this, but the language we have added should clarify it.

JO ANN WOODGERD, Deputy Secretary of State--Silverbow and Yellowstone counties are the only ones who use a horizontal arrangement. The old law really didn't say how to arrange it. This amendment will allow any type of machine to be arranged right without any problem. We sent out a certified ballot based upon a paper ballot arrangement. The machine counties have to arrange their ballots for their machines.

HB 525-Rep. Mular, sponsor--In February of 1976, the U.S. Congress enacted the Railroad Revitalization Act. Chairman Brand and myself appeared to testify. There were preliminary things required of the states prior to setting up a national main line. In Montana, the highline was chosen, along with a line through Forsyth, but this has all been changed. (see attachment #3 for detailed explanation of the bill) HB 525 addresses itself to a state rail plan. We are looking at the future of the state as far as railroads are concerned. This would be utilizing something we already have in existence. This plan is designed to economize and eliminate duplicity in the state's RR's. We do have some amendments relative to condemnation (see attachment #4). In the Northeast corridor, it was necessary to have a condemnation provision. So condemnation was authorized in the 12 states involved in Penn Central. The first amendment refers to Title 8, and says what we can acquire. Amendment 2 makes it clear that we don't want another rail planning board. Number 3 is the condemnation provision - subpoena power is given to the Director of rail planning. The original bill may be in conflict with the original ICC Directives -- sometimes in condemnation actions, you need more time and this gives us that option. There's no need for a

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fiscal note, because the cost is clear in the bill. Brand and I have been involved in this since 1976, you have the Plan before you. (see attachment #5, under separate cover)

GENE CARROLL, Governor's office, Director of Rail Planning--Part of Section 803 is to provide an expedient mechanism for abandoned segments of the line. The federal law provides that when abandonment occurs, the federal government provides an appropriation for the impact on the counties involved - loss of jobs and loss of tax base. Before any state can administer their portion of the plan, they must have a state rail plan. The 36 million includes 5 million for planning purposes, and each state is entitled to 1% of that - the program runs until June 30, 1981 - but to become eligible for the money, the state plan must be accepted. Montana can get 50 thousand a year until 1981 for planning, but we must have a statement to present. I have been advised that our plan will be accepted by the feds with a few changes. One of the prime purposes of this plan in addition to qualification, is to provide through a designated state agency, a spring board for centralized transportation planning in the state from which will come a comprehensive policy in terms of our rail transportation needs and what our position will be upon abandonment. I feel we should have a mechanism to say what we want and how we plan to do it. I urge your serious consideration.

BOB LOHN, Governor's Staff Attorney--We support this, but want you to look carefully at it, and be sure you want to participate. If you will look at the caboose on the cover, I think you will notice that it would not come up to codes due to the absence of a spotlight.

MICHAEL PICHETTE, Executive Secretary, Montana Democratic Party--In our platform, we approved of this, and want to see it implemented. This bill has bipartisan sponsorship.

GORHAM SWANBERG, Montana Railroad Asso.--With the amendments, I think that all railroads will support this bill.

KEN CLARKE, United Transportation Union--We are recipients, and we highly support.

JOHN DELANO, Montana Railroad Asso.--94-210 - the Quad R Act, is supposed to help the railroads get together. Gene Carroll spoke of abandonment - there's a bill in to put a moratorium on abandonment.

BARDANOUE-You refer to one million train miles, which is considered a light density? CARROLL-Title 5 designation cited 4 categories -- within that, section A meant more than 30 million gross train miles - the weight of the train exclusive of the power - it comes very close to 30 cars per mile per year. BARDANOUE-Assuming we pass this, who operates or puts up the money down the road when we implement the plan? How will they operate, will we subsidize? MULAR-Up to 1981 we will have 2/3 federal funds. There is subsequent legislation that would give continuing funding. There are agricultural people who would help finance the line. On the seasonal line that only gives local service, the local organization may purchase the line. The DCA chairman is charged with looking at alternatives. We have 29 low density branch lines that could be abandoned. BARDANOUE-The final process would be to find alternatives to abandonment? MULAR-Right. With the expertise of the other departments, we can investigate these. LIEN-Would this speed up abandonment? MULAR-Yes, but we have offered amendments to rectify and clarify, and give the option to extend the process. If we

do adopt this plan, you will have the opportunity to get federal or local assistance. This plan is to maintain what is necessary in rural impacted areas. If we have a genuine energy crisis, we will need mass transportation. BARDANOUE-When does the federal act begin? CARROLL-It became law February 5, 1976; and is now operative in most states. BARDANOUE-On May 1 the RR's are supposed to provide ICC with plans of abandonment? CARROLL-Right. BARDANOUE-When can they change this? CARROLL-They may change designation at any time, but they couldn't close for four months. The state plan - if it does go through - would prepare us for any abandonment plan within the next five years. BARDANOUE-Has the ICC made it easier for RR's to abandon these lines? CARROLL-Yes - the proof that the attributable costs are greater than the attributable revenues - under Title 5 the federal RR Administration found that of the 200 thousand miles of track, 1/3 or 66,000 miles generated 2/3 of the revenue, so the states have been told to provide for a lessening impact. BRAND-Would you attribute the benefit of the branch lines to the main lines under the ICC plan? Do they take this into consideration? CARROLL-No. When I mentioned those 29 segments, I didn't mean to say they would all be abandoned. BARDANOUE-So if BN asked for abandonment, how quickly would it be done? CARROLL-About a year, before the Quad R Act it took 3, 4 or 5 years. The one year could run a little longer, but if it is cut and dried, it could go in in 6 months. The only way you can post pone abandonment is to show the worth of the line.

HB 620-Rep. Eudaily, sponsor--This was put in at the request of the legislative committee on school board problems. This addresses itself to the School Board Information Act. We decided it wouldn't be wise to remove schools from the Taxpayers Information Act, so we tried to fix it so that the application was the same in both sections of the law. The law gives 4 provisions for the public to review budgets. With this bill we would have a class reference - page 2, lines 4 and 5 - 94-7203 refers to the Taxpayers' Information Act. So the hearings for school laws also take care of the budget review. The last section simply says that this is listed in the school law.

CHAD SMITH, Montana School Board--We support this, and ask for a DO PASS.

HB 605-Rep. O'Connell, sponsor--The election clerks had numerous complaints from voters about not understanding all these opinions on the ballot. This merely simplifies referendums on the ballots.

REP. RYAN--I am a proponent from the standpoint that when these things are on the ballot, people never quite know how they are voting. We aren't all lawyers, so we can't always understand the Attorney General's statement.

MIKE McGRATH, Attorney General's Office--We agree that these should be simple, but this bill might say that there's no statement at all; and I don't know that the sponsor's intention was such. I would offer you my help with amendments. Section 37-105 R.C.M. 1947 requires that the Secretary of State submit a statement to the Attorney General and then he makes a short statement and gives it back to the Secretary, this is placed on the ballot. As I read the bill, this would happen up to the point where the statement is returned to the Secretary of State.

MULAR-The language as written states that the Secretary of State, in conjunction with the AG, could give their opinion - not to exceed 100 words. Your proposal takes the AG out of the act. BRAND-No, I think it takes the Secretary of State out. LIEN-This is existing law and this bill deletes a section. So there are two statements now, and you are eliminating one of them.

HB 587-Rep. Moore, sponsor--(He immediately turned the hearing over to the proponents.)

ROBERT CUMMINS, Montana National Guard--I am submitting amendments (see attachment #5) -- the purpose of these amendments results from speaking with Larry Nachtsheim. This allows NG members to participate in PERS, by paying their own benefits. The original bill struck a provision which had a time date provision; and because of some complications with two other sections of PERS, we proposed these amendments. We believe this bill will satisfy the requirements needed. This bill gives the option to any member who desires to build a retirement system for himself. We can't tell you how many people will be affected by this, because so many more people need retirement systems today.

PHIL STROPE, Helena--I am a member of the National Guard. I would qualify as the law stands now, but most people don't. The proposals you have would allow all members to have the same privileges I have. We aren't asking for a free ride, they just will be able to participate as any other state employees.

LARRY NACHTSHEIM, Director, Public Employees' Retirement System--We have mixed emotions about this. The first draft didn't require too much work. As the bill is written, it makes post '45 members eligible. Cummins called and asked me if there were any problems. The amendments were at my suggestion -- to say "prior" rather than "previous" service, and further sited 68-1607 - which provides for payment for that service. 68-1602 - I put this in specifically to override the provisions of 68-1608 - the employee would pay for their own things just like any other employees.

#### NO OPPONENTS

MOORE-This doesn't cost anything, but does entitle these people to participate if they want. We don't know how many, but maybe this is another incentive to build up the guard, and right now we stand to lose two units, and this will maybe help.

BRAND-Doesn't the state or the Guard participate in the program? NACHTSHEIM-It has no cost to the retirement system. The department of military affairs would be the employer. MOORE-The pay these guardsmen get is only drill pay, annual training pay, and mobilization pay. CUMMINS-The bill has two benefits - it allows people with prior service to participate; and second, it is a retention recruitment procedure. People who have no other retirement plan could use this. It is a benefit being extended in other states. So, it is an incentive to stay in. It is an additional benefit in that the department of military affairs would pay. As far as old timers, it might not work too well because they would have to pay so much to catch up.

MOORE-This applies only to part-time guardsmen - GS 9, 10, and 11. BRAND-Does this prohibit the others? MOORE-Yes, they have their own retirement plan. FEDE-Didn't we have testimony about 97% of their money coming from the federal government?

JOHN WALSH (National Guard)-The federal government pays 97%, and the state pays 3%.

TOWER-How do you compute the pay on such a percentage basis? NACHTSHEIM-We will take the three highest years and multiply it by the number of years of service. We won't give them full time credit for NG service. If they work two days a month, they will get 24 days a year. The legislators have the same option. They may annualize their salaries, or only pay for the time they are in the legislature. BRAND-Is there a minimum you pay for PERS? NACHTSHEIM-\$40 a year, I think. They average about \$190 a month with \$45 as the employee's contribution. BRAND-Would this be automatically deductible and when they drop out would their money stay with the fund? NACHTSHEIM-I know they aren't on central payroll, but they would be subject to the same rules. BRAND-How many get pension from the feds? STROPE-The full time employees are excluded from this bill. WALSH-This would be less than 1%.

## EXECUTIVE SESSION

HB 436-Mular moved that the bill be put into a subcommittee for amendments, and so the committee could handle all of the election bills at one time. The motion failed.

Kanduch moved that the amendments be accepted, and the motion carried with Mular and Robbins voting no.

O'Connell moved AS AMENDED DO PASS, and the motion carried unanimously.

HB 525-Mular moved to accept the amendments, which carried unanimously, and then moved AS AMENDED DO PASS, which also carried unanimously. Ryan told Mular that he should bring in railroad bills more often, that his record might improve.

HB 587-Chairman Brand told the committee that he had informed Mr. Cummins that his amendments must be put in proper form before being presented to the committee, and consequently there would be no executive action on the bill until such time.

HB 605-O'Connell moved that the bill be put into a subcommittee, and the motion carried unanimously. Chairman Brand appointed O'Connell as Chairperson, along with Ryan and Turner.

HB 620-Kropp moved DO PASS, and the motion carried unanimously.

MEETING ADJOURNED - 11:55 a.m.

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Joe Brand, Chairman

*Anita C. Sierke*  
Anita C. Sierke, Secretary