

3/2/1977

MINUTES OF THE APPROPRIATIONS COMMITTEE
HOUSE OF REPRESENTATIVES

March 2, 1977

The regular meeting of the Appropriations Committee was called to order by the Chairman at 7:05 P.M. Roll call was taken (see attached). All members were present with the exception of Representative Moore, who was excused due to illness.

Also present were John LaFaver, Legislative Fiscal Analyst, and Dave Lewis, Deputy Director of the office of Budget and Program Planning.

H.B. 813: Act appointing funds for a state defender system. The enabling legislation having been killed, Representative Lynch moved that H.B. 813 DO NOT PASS. Question called. Motion carried unanimously.

H.B. 648: Appropriate money to SRS to move a visual counselor from Missoula to Kalispell. Enabling legislation having been killed, Representative Lynch moved that H.B. 648 DO NOT PASS. Seconded by Representative Marks. Motion carried unanimously.

H.B. 377: Mileage reimbursement at 19¢ per mile. Sponsor of the bill, Representative Carl Seifert, explained that the attempt of the bill is to equalize the rate of mileage paid to those driving privately owned vehicles on state business. He feels 16-17 cents per mile would be more realistic than the 19 cents this bill proposes. Under Sec. 59-801, people driving in excess of 3,000 miles per year are cut back 3 cents per mile. Sponsor feels the committee could arrive at some rate that is livable, and cut out Section 59-801.

In discussion, the Chairman stated that judges, who previously received 19 cents per mile, were now receiving 15 cents per mile in conformance with an order issued by Chief Judge Hatfield. Representative South stated this bill seems to take away the incentive to drive government owned vehicles, and questioned amending the bill to put back the incentive. The Chairman stated the fiscal note shows an \$800,000 increase if this bill passes, based on an educated guess. Representative Gerke asked if state automobiles could be assigned to those whose jobs require a lot of driving, such as sheriffs, probation officers, etc. John LaFaver is to look into this.

H.B. 651: Renovation of Montana's original Governor's Mansion. Representative Jerry Metcalf, sponsor of the bill, spoke briefly in support of the bill, stating that restoration of the mansion has reached the point where the second floor space presently occupied by the resident guide/manager needs to be vacated and restored, and an apartment for the manager put in in the basement. He also requested that the bill should be amended as follows:

1. Amend page 1, section 1, line 9.

Following: "the"

Strike: "city of Helena"

Insert: "Governor's Original Mansion Restoration Board"

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Representative Metcalf then introduced Shirley K. Gannon, who gave a brief history of the mansion and an explanation of how money is received for the restoration through tour fees, donations, drives, etc., and explained leasing of the mansion to the city of Helena. She stated further that the principal aim of all working with the mansion is to do a quality restoration, and feels they have been successful in this aim thus far by acquiring original furnishings through donations and loans, and by doing only original restoration to the building. Maintenance is also a big item continually.

Marvin Holtz, member of the restoration board, spoke next, stating that one goal of the master plan is that the board wants the facility to operate on its own someday.

Steven Kry, manager of the mansion, spoke in support, stating that 75% of the visitors last year were out of Helena people. He also mentioned the inadequate plumbing in the manager's apartment.

Other proponents are on the visitors' list, attached. Representative Metcalf, in closing, said he hoped this could be viewed as an investment, rather than an expense, because the mansion will be a valuable cultural acquisition for all Montanans.

Representative Lynch asked for clarification as to the city's contribution through the \$16,000 budget. Mrs. Gannon replied the mansion is leased to the city for 50 years, with an option to renew for another 50. The city pays the guide's salary, cleaning expenses, utilities, telephone, and insurance on items owned by the board. Furnishings and memorabilia loaned to the mansion are insured by the owners. It is hoped someday to be a self-supporting program. There are private donations, but no static amount. The board members and interested people work on projects, and as they grow, they will do more. It is a matter of how hard they work. There were \$12,000 in cash donations since 1974.

In response to a question from Representative Kvaalen, it was stated that the state owns the mansion building and grounds. He then suggested we give it to the city of Helena. The Chairman said we could consider this. In response to a question by Representative Halvorson, it was stated that the amount requested in this bill includes furnace renovation, which is badly needed.

The Chairman asked about the foundation - wasn't the last appropriation for the foundation? He was told the \$35,000 and \$5,000 appropriated previously were used on the outside restoration - re-roofing, millwork, etc. The foundation needs to be trenched and damp-proofed. The Chairman stated possibly some funds could be used from the 2 1/2% coal revenue fund if the general fund is low, and this could be done by simple amendment to the bill, but made no promises. Hearing on this bill was closed, with the bill to be taken under advisement.

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H.B. 491: Compensation to board members. Sponsor of the bill, Representative Harry Hansen, explained the bill by sections (see attachment). Cost would be approximately \$2,800. Ed Carney, Department of Occupational Licensing, stated each board has requested this legislation. Of 31 boards, 17 receive \$25 per day; 6 receive no compensation for service as board members. Board of Morticians has been increased by legislation now in the House. Shirley DeVol, Board of Speech Pathology and Audiology, spoke as to consumers on the boards who do not have an employer to pay their expenses, and she feels \$25 per board meeting would be fair compensation for this important representation.

Representative Manuel stated this has been figured in the budget before the subcommittee. More information is to be given to Representative Manuel on this. The Chairman stated if this bill passes, he would like this budgetary deficiency corrected now before Mr. Carney is chastised for coming back with supplementals in 1979. (Visitors' list attached).

H.B. 421: Change of language to Montana constitution. Representative James H. Burnett, sponsor, stated this bill changes "or" to "and", making it compulsory that the state and electorate agree prior to the state being put in a deficit position. Representative Gerke asked if this would require a 2/3 vote of the House if you were going out on building or new housing, and Representative Burnett replied no more than now. Fiscal implications of the bill were discussed, and the Chairman stated this bill has impact on spending or raising money. Hearing on this bill closed.

H.B. 105: Permit Department of Revenue to pay administrative costs of liquor division. Representative Jay W. Fabrega, sponsor of the bill, gave a brief explanation and turned the matter over to C.R. Smith, Assistant Administrator of Audit and Accounting, Department of Revenue. Mr. Smith explained that this bill will alleviate their having to keep two sets of books on liquor merchandising, which creates difficulties and interferes with the flow of revenue. This legislation would simplify accounting and make reports better, with no loss of control by the legislature. After brief discussion regarding any change this might require in the Department of Revenue's budget, hearing was closed.

H.B. 547: Change deposit of surplus property income to revolving fund. Representative Fred O. Barrett stated this bill simply takes money derived from sale of surplus property and deposits it in the revolving fund, rather than in the grant clearance fund. Mr. Bob Stockton, Office of the Superintendent of Public Instruction, explained that the moneys come from a warehouse service system, mainly utilized by Montana school districts which buy property from it. This has been operated for 27 years.

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In reply to a question from the Chairman, Mr. Stockton agreed that basically the operation resells at cost paid, plus handling costs. Purchases are made from profits from sales. Representative Kvaalen asked if, for instance, senior citizens could purchase a bus from the warehouse. Mr. Stockton replied they would not be eligible to purchase property at this time. Hearing on H.B. 547 closed.

H.B. 55: Reappropriate \$15,000 from coal board to Legislative Council. Representative Robert L. Marks, sponsor of the bill, explained that this bill is the result of the recommendation of the legislative auditor to clear confusion concerning Coal Tax Oversight Committee. \$15,000 is about what the committee spent, which amount was funded by the Legislative Council, and this is a way to reimburse the Council. In reply to the Chairman's request for clarification, he further stated that the Coal Tax Oversight Committee was set up after the last session of the legislature was over - the committee was charged with overseeing the coal tax obligation and had no money to operate; this method was suggested by the legislative auditor as a better method of repaying the Council than a transfer. The Chairman stated that when the funds were spent, it was agreed that the Legislative Council would be reimbursed. Hearing closed.

H.B. 120: Moneys remaining in Workers' Comp investigation fund. Representative Robert L. Marks, sponsor of the bill, stated that there is about \$73,000 remaining in the investigation fund, and this should be reappropriated to the Department of Justice to be used to continue the investigation and prosecution. This amount should carry the investigation to July, 1977.

Representative Lynch rose in opposition to the bill. He stated that this was introduced in subcommittee. There is a supplementary budget going in for \$386,000, to complete this investigation, and that amount includes the \$73,000 in this bill.

The Chairman stated that any bill that has a general fund impact should be retained until we see where we are. Bills not directly having an appropriation to the general fund could be passed as we act on them.

EXECUTIVE SESSION

H.B. 55: Representative Lynch moved that H.B. 55 DO PASS. Discussion followed as to what costs are covered in the \$15,000, and how they were arrived at. Most of the money was for travel and expenses of the committee members, plus assigned costs of the Council for services provided to the committee. Representative Marks asked to have the Council provide information as to how they arrived at \$15,000. Question called: VOTE: Motion carried unanimously.

H.B. 377: Representative Bradley moved that H.B. 377 DO NOT PASS. Discussion that the bill was not necessary; a precedent had been set when judges received 19¢ per mile, but that has been revoked.

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Representative Lynch asked if any move was on to raise mileage to 16¢, and was told there was none. Question called. VOTE: Motion carried with fifteen (15) aye votes; one (1) no vote (Representative Lynch).

H.B. 491: Representative Lynch moved that H.B. 491 DO PASS. The Chairman stated that some of these board members are already on pay - some receive per diem, also. Representative Gerke questioned that not all boards receive \$25 per day - interim and standing committee members receive \$20 per day. LaFaver stated they will now be receiving \$40 per day for expenses. Question called: VOTE: Motion carried unanimously.

H.B. 651: The Chairman stated we should check the historical preservation fund to see if we can find some money for this bill, if the general fund is low. Representative Kvaalen restated that it is time to give the mansion to the city of Helena.

H.B. 105: Representative Gerke moved that H.B. 105 DO PASS. Seconded by Representative Lynch. Question called. Motion passed unanimously.

H.B. 120: Representative Estenson moved that H.B. 120 DO NOT PASS. Question called. All members voted aye, except Representative Marks, who voted no. Motion carried.

H.B. 421: Representative Estenson moved that H.B. 421 DO NOT PASS. Seconded by Gerke. Question called. VOTE: Motion carried unanimously.

H.B. 547: Representative Lynch moved that H.B. 547 DO PASS. Seconded by Lund. Question called. VOTE: Motion carried unanimously.

H.B. 648: Representative Lynch moved that H.B. 648 DO NOT PASS. Seconded by Marks. Question called. VOTE: Motion carried unanimously.

H.B. 813: Representative Lynch moved that H.B. 813 DO NOT PASS. Question called. VOTE: Motion carried unanimously.

The Chairman then stated that the elected officials subcommittee was finished, and after checking with Mr. Gosnel, Fiscal Analyst, perhaps we could meet briefly Saturday morning for at least part of their report. Representative South asked to discuss what subcommittee chairmen are to do in terms of big, massive bills, with every section subject to amendment for three to four days.

Mr. LaFaver feels it would be advantageous to us to move the one piece of appropriation legislation, in that we can compare expenditures and revenues. Having a 25-30 page bill wide open for amendments for 3-4 days would be a problem if rules could not be

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changed so each section of the bill would go on second reading, be debated and amended, then passed to third reading. Don't want appropriation bills in the Senate when all subcommittees are not yet through. Doing it this way, we will know where we are while bills are still in the House. More workable situation for House and Senate.

Mr. LaFaver further stated that it was his hope to move the whole package at the same time. The Chairman stated if we make an agreement that we would pass bills, but not put them on third reading, we would have some control. Would that meet the objection? Mr. LaFaver stated that the Speaker's concern was the same - he wanted a rule to put each section on second reading, run it through and pass it out so it wasn't there for 3-4 days. Representative Gerke said under the rules we are operating under, it would be susceptible to amendment. Representative Kvaalen stated there should be separate bills, but hold till we finish them all.

Discussion was held on Friday's schedule - hearing on Council of State Government and National Conference of State Legislatures, with people from out of state attending. Representative Marks explained that last session there was an appropriation in one bill to fund membership in NCSL, which was stricken. There were costs of travel to functions of NCSL, and Legislative Council was asked to pay travel. Council of State Government is to continue just as it is.

Representative Lund moved that the meeting adjourn. Seconded. Meeting adjourned at 8:55 p.m.



Francis Bardanoue, Chairman

jw