

MINUTES OF THE APPROPRIATIONS COMMITTEE  
HOUSE OF REPRESENTATIVES  
State Capitol Building, Room 225

March 18, 1977

The meeting of the House Appropriations Committee was called to order on the above date at 3:30 p.m. by Representative Bardanoue, Chairman. Roll call was taken with a quorum present; see attached roll call. Also present were Dave Lewis and Bill Gosnell. Hearings were held on the following:

H.B. 294: To generally revise and amend the laws relating to local public health. Representative John Driscoll, District #91, sponsor of this piece of legislation explained that this has been in the drafting process for about three years. It was an attempt by the public health people to be more receptive at the lower levels. There was a portion of the local government code that dealt with public health which became this bill; this bill came before the local government code, however. It is a badly needed piece of legislation, the sponsor pointed out. It does have a price tag in that it draws money away from the Department of Health and Environmental Sciences and seems to have been deferred to the state Department of Health. It calls for a general fund appropriation. There are three main differences between this and that portion of H.B. 122, the bill on local government changes. 1) This requires that a board of health be formed. 2) It requires that a public health nurse and a sanitarian be provided. 3) This bill also provides for a special county mill levy.

Proponents:

Robert Johnson, Health Officer for the local health department, spoke as a proponent and explained the fiscal note. This bill is the most important piece of legislation relating to public health that has been before the legislature in several years. He pointed out that the last fiscal note printed on this bill is dated March 3, 1977; this was a revision of the previous fiscal note. There are no FTEs added to the state department as a result of this bill; it revises the sharing funds that the state department receives from the federal government, which should be dispersed differently than they are presently. The federal revenue sharing act (PL 94-63) indicates that the state health department will get a certain amount of money to fund public health services at the local level. These funds are not included for activities such as administration, planning, counselling, and data processing. It should be spent for the purchasing of actual health services in the local areas. This bill also stipulates how the local funds and state funds can be allocated, and when the state agencies have to reimburse the local health departments for services and activities provided on the local level. Mr. Johnson concluded that this is just redefining the rules and regulations; the state will hold the local health departments accountable for its activities.

Donald Pizzini, Great Falls Health Officer for the City and County Health Department for Cascade County, said that many other local health officers throughout the state join him in supporting this bill.

Ed Shepherd, City-County Health Officer in Butte/Silver Bow County, discussed the closure of the local office and the 72 hour provision and the qualifications required of a local health officer. Under this bill, home licenses issued will receive validation at the local health office if the establishment deserves to be licenses. Right now positions have had to be cut and left vacant because of the lack of funds. The money is needed desperately, he concluded.

Larry Wallace, Montana Environmental Health Association, asked that H.B. 294 be given favorable consideration.

Dr. Skinner, State Department of Health and Environmental Sciences, testified that they conditionally support this bill; the condition is the fiscal note. The moneys appropriated by the Congress to the state would mean a loss on the current budget level; this money should be replaced. (\$236,000 in 1978 and \$239,250 for 1979) This amount would be needed to maintain the department at the current level.

Opponents: None.

Questions:

In response to a question from Representative Marks, the sponsor explained that the language on page 27, line 11 is already in the existing law.

Page 15, lines 10-20, Representative Driscoll said, caused the fiscal note and added that the Bureau of Public and Economic Research does the determining and estimating of the official population.

Representative Driscoll stated that this bill is almost the same as the H.B. 122 except for the three points mentioned earlier.

H.B. 554: To appropriate moneys to the state board of examiners to satisfy various court judgments against the state.

Ronald Waterman, attorney speaking on the judgment of the Zook Brothers against the state of Montana (section 1 of the bill), was a proponent for the bill, especially that portion which allocates the \$1,327,270.88 judgement in this case. The simple way to approach this matter, he said, is that this is a final judgment written by the Supreme Court of Montana and affirmed after a petition for hearing was filed. The Initial judgment came down in June of 1975; it was appealed to the Supreme Court and in August of 1976 the decision came down. The appeal was filed; and on December 10, 1976 the rehearing petition was denied. Mr. Waterman gave a brief background of the case which dates back 10 years ago when the Zook Brothers were awarded a highway construction contract for six miles of interstate highway south of Helena. He felt this committee should address the question of whether or not the appropriations should come from earmarked highway funds or general funds.

Questions:

In response to a question, Mr. Waterman stated that amount of the original judgment was \$1,410,000. It was for a variety of things,

including delay costs, loss of profits and other material impact costs resulting from the delay. This was a job that the contractor and all evidence showed could have been done in 10 months.

The lawyer's fees in the settlement are 20%, contingency fee. The way in which the fees were determined was discussed.

Mr. Waterman stated, in response to another question, that regulations say that they cannot let a contract without a right of way but there are provisions that they can have the contractor proceed until the right of way is secured. Here the department knew this but did not reveal that fact to the contractor.

Representative Halvorson asked what they would do if the legislature did not grant the funding to pay this settlement. Mr. Waterman said that the statutes require by Section 83-607 that the state must pay; it speaks in clear terms, saying that a final judgment shall be the obligation of the state and be paid out by the legislature at the next session. They have not thought about the actions they would take if the legislature did not fulfill its obligations.

Section 2. Edmund Sedvig, attorney representing the Sourdough Land and Cattle Company, testified that the facts concerning this judgment are similar to some from a couple years ago. The Company and the state were involved in a case over the lease on a building at Bozeman. Section 83-606 says that when a contract between the state and a private party is at issue, the Attorney General shall decide a settlement. If it receives the approvals necessary, the judgment will be entered. This all took place and the judgement was executed.

#### Questions:

In response to a question from Representative Moore, it was pointed out that the least was for ten years, with additional three year options, for rental cost of \$750-\$800 a month. This was for the members of the Educational TV Commission. Following to the change, the building stayed empty for 6-8 months and was finally sold.

Mr. Sedvig said that they agreed at the low figure they did based on the fact that the payments would be made promptly because the session was about to begin.

Section 3. There were no witnesses present to discuss this case. Representative Bardanouve stated that the committee would get a report on this before taking action. Consideration was passed for the day, upon a motion by Representative Gerke.

H.B. 818: Authorizing the Board of Examiners to issue and sell long-range building bonds for a physical education facility at Montana College of Mineral Science and Technology. Representative J.D. Lynch, District #87, sponsor of the bill, explained that the money is already there in student fees. This bill is asking for the state bonding authority rather than local bonding. The bonding interest rate at the local level is 7%, compared to 5% on state bonding. This difference would save the students at Montana Tech. about \$30,000 a year, he stated.

It does require a 2/3 vote from both houses of the legislature to pass, but it does not cost the state any money.

Proponents:

Fred W. DeMoney, President of Montana Tech., was the first proponent to speak, assuring the committee that the college will continue to operate and will meet all of its obligations.

Jack Crosser, Director of the Department of Administration, felt this is a step toward good, sound fiscal management because it uses a bonding vehicle that would provide a better rate for the state. He supports the concept and believes it is a better way to finance this and provide for funding.

Victor Burt, Business Manager at Montana Tech., supported the bill with the attached testimony.

Gene Huffard of D.A. Davidson & Co. in Great Falls, financial consultants on the bond issue, pointed out that while this plan does not cost the state any money, it is a great savings to the college. The state would just be co-signing the note with Montana Tech.; the interest cost savings could be realized by the school, while the state would be able to use the money twice. The school is still responsible for paying the bonds off in a normal manner and if they could not meet their obligations, they would have to use long-range building funds.

Jackie Hanson of the Montana Student Lobby, stated that the students of Montana Tech support this bill.

Opponents: None.

Questions:

Representative Lynch clarified earlier statement that they have the sources for the money; the school has the ability to repay the bonds.

There was a discussion on the principal of doing this and putting the credit of Montana behind every university, as Representative Bardonoue put it. This has never been done before, and Representative Bardonoue felt it would be setting a precedent. Representative Lynch felt it is a good precedent and Representative South was in support of this concept. Mr. Crosser said that this is the first time that the legislature has had the ability to address the problem; under the old constitution, there would not be a school obligation bond issued over \$100,000 without a referendum.

Representative Halvorson said that because this is an innovative thing, there are many bonds that have not been paid off, and asked about them being resold. Mr. Huffard explained there are many different interest rates involved on older bonds. If the legislature desired to put the state's credit behind the existing bonds, then a number of those could be reissued at a lower rate of interest. He stated there could be a possibility that others would look at this as a source of interest savings.

Mr. Huffard further explained that other revenue will go to support this bond issue; they will mortgage all the revenues of the school until it is paid off. The important this is that this is \$31,000 a year that Montana Tech. will not have to ask the legislature for.

H.B. 728: To provide for an income tax exemption for parents of a child with a handicap. Representative John Vincent, District #78, spoke as sponsor of this bill. The fiscal note is inaccurate on this; it is either under calculated or they are under estimating the decrease in revenue here. As originally introduced the bill would only apply to individuals 18 or over. Now all dependent children could include an individual of any age who is dependent on the parents for his livelihood. It would be possible, he felt, to reduce the fiscal impact of the bill by tightening up the definitions involved in (3) of the handicapped children. The intention of the legislation is to give the assistance to the parents who have to keep handicapped children in their home. This environment is better for the child; and the assistance would benefit the child as well as the family. It would cost the state less because they would not have to support that child at an institution.

Proponents:

Shirley Devoe spoke for the Helena special schools. She said that she is a proponent of the bill, but had questions and points that the committee should keep in mind and try to resolve. There is concern as to the severity of the handicap and the degree of it. With school districts, the definition is one thing but it may be different for other purposes. When would the child be reevaluated. A doctor may have a hard time diagnosing a child of two months of age as that can improve or become much more disabling in time. If a person gets a devise to compensate for the disability, would he still be classified as handicapped for the purposes of this bill. She indicated she would hope this kind of a bill would pass to give the tax break to the families and people who need it; but asked that careful consideration be made.

Opponents: None

Questions:

It was stated that if the state is maintaining the child, the parents would not be eligible for this type of assistance.

Representative Vincent felt some work needs to be done on (f) and (g) in defining the handicapped; it must be clarified. The handicap should be substantial and preclude an individual from functioning normally. The evaluations should be done on a yearly basis and written findings with significant justification should be submitted. The intention is to help the parents because of the high costs of keeping the child at home. Representative Moore felt it was not the place of this committee to provide a definition of "handicap;" it should be a medical definition. Representative Lynch stated that this bill was never heard by the Public Health Committee.

H.B. 689: To allow investment credit against corporation license taxes for coal-fired boilers installed to replace oil- and gas-fired boilers. Representative Eugene Frates, District #60, said, as sponsor of the bill, that the gist of this piece of legislation is simply that if conversion is made to coal (which is in surplus) an investment credit would be allowed. This would tend to speed up the conversion process. The fiscal note is wrong because there is a maximum of \$25,000 by law.

Proponents:

Tom Winsor, Montana Chamber of Commerce President, said that the protection of Montana jobs is his concern mainly. There are 10,000 Montana jobs subject to the interruptible gas program. Conversion to coal would make for a more stable job situation.

Opponents: None

Questions:

Representative Ellis suggested it be amended to protect those who are against a lot of coal-fired homes, such as in the Missoula Valley.

It was explained that the credit would be allowed up to 10% (based on how much was expended for the conversion unit) with a maximum ceiling of \$25,000.

They do not know how many companies this would affect at this point in time.

H.B. 811: To create an account to be used by the Department of Natural Resources for feasibility studies of water works projects. Representative William R. Baeth, district #21, introduced the bill as sponsor on behalf of the Judiciary Committee. He introduced the proponent.

Proponent:

Orrin Ferris, of the Department of Natural Resources and Conservation said that there is not money available now for the feasibility studies of water works projects; this would provide some funding and would create an earmarked revenue fund. They are requesting \$400,000 for the biennium; that is slightly less than the money generated during the biennium by private sources, he added.

Opponents: None

Questions:

Mr. Ferris explained that this money is already collected; it is the income from the state projects. Currently no state money is being spent on feasibility studies of this type. The Department of Administration has asked DNR to assist them; the Governor also recommends this action.

The meeting adjourned at 5:30 p.m.

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March 18, 1977

Chairman Bardanoue called the meeting to order at 7:00 P.M. Roll call was taken, and a quorum was present (roll call attached). Also attending the meeting were B. Gosnell, Fiscal Analyst, and D. Lewis, Office of Budget and Program Planning.

House Bill 357: Establish state-financed program of compensation to persons who suffer bodily injury...by criminally injurious conduct...  
Representative J. Quilici, District 84, sponsor of the bill explained this bill is a necessary piece of legislation; it would prove to the people we are concerned about the consequences of violent crime. Twenty-one states have varying forms of this type of legislation. Proposed amendment for the committee to consider present alternative methods of funding the program, and reduce general funds. (Amendments attached).

Rep. Quilici distributed copies of "The Criminal Injustice System" and reviewed the comparison, showing how the current justice system treats the criminal and the law-abiding citizen (attached).

Proponents:

Mr. John Frankino, Montana Catholic Conference Director, presented the "Victimization and Offender Restitution Study" (attached) prepared for the Montana Board of Crime Control by the Montana Catholic Conference, A. J. Murray Project Director. The Board of Crime Control provided a grant to conduct this study; every state having such a program was involved in the study. Oregon was used as a comparison state to compare with Montana's system of victim compensation, Mr. Frankino concluded. He urged the committee to review this report.

Mr. Al Murray, Carroll College, spoke as a proponent, and presented the attached "Crime Victims' Compensation Act of Montana". Mr. Murray noted that the fiscal note on this legislation was based on the experience of other states and from annual reports from 14 states have have operational programs of this type. Major crimes requiring compensation to victims were listed, and include murder, rape, robbery, aggravated assault, etc. Projections on the number of claims that would be submitted during 1977-79 were presented. Other states' experience show that 35% of the claims filed are rejected; 40% compensated; the remainder are held for various reasons, or closed for other reasons.

There is a lead-in time of six months to establish the agency, with a target date of July 1, 1977 to begin the program. Average amounts of awards made to victims are estimated at \$1,200 in 1978; \$1,500 in 1979; and \$1,650 in 1980. Costs of operating the program the first year are estimated at \$122,725. Cost of administering the program the second year are projected at \$40,045, with \$12,000 allowed for operating expenses; claims paid for the biennium are projected at \$278,000 plus; total cost of the program for the biennium projected at \$389,000 plus. Other states' experience has proven this program does not continue to escalate at an excessive rate.

Mr. Robert Lohn, for the Governor's office, spoke as a proponent. That office feels very strongly there is a need for this legislation, and questions only where the money will come from. He commented that the sponsors have worked out ways to find alternative sources other than the general fund to fund this tightly drawn bill, which are presented in the amendments before you. The levy upon traffic offenders as presented in the amendments would be used to support this program. This surcharge would be in the amount of \$1.00. With these amendments, the general fund appropriation needed for this legislation would be around \$50,000; in the long run, we hope it will work out to be less, Mr. Lohn stated. The minimal draw on the general fund would be worth your consideration, Mr. Lohn concluded.

NO OPPONENTS.

Questions:

Representative Manuel asked if the \$50,000 is for the biennium, and was told it is; Rep. Ellis asked whose pocket are they in to obtain these funds. Rep. Quilici explained this is an added find; if you get a \$5 ticket, you would pay \$6.00. The amendments provide this.

Rep. Wood asked if the possibility has been explored of collecting something from the criminal to pay for this. Rep. Quilici answered that the bill was designed directing judges, in sentencing, to specify that restitution be made, and there is a subrogation clause.

Rep. Gunderson commented that using traffic fines to pay for this program seems unfair. Various sources were looked to for funding, Rep. Quilici explained; percentages of profits from liquor sales, and taxes, fines, etc. Percentages of fines and forfeitures collected from criminals were looked at. Our intention was to show that we are really trying to find alternate ways of funding this legislation, he added. Rep. Gunderson stated it would seem better to go after general fund money than to pick on one section of society for this funding, he felt.

Rep. Moore asked if the speeding fine is set by statute; the maximum statutory fine is set, but the amendment is intended to say notwithstanding that, there is an additional one dollar surcharge for funding of this act, Roger Tippy explained.

Rep. Lynch asked about parking tickets being included; I think you should amend those out, he added.

Representative Hansen expressed concern about expansion of this program; could you review the percentage of growth?

Rep. Quilici answered there are 14 states on which they have information; New York spends \$2.9 million on this type program. Montana would be less than this because we have a lower population. In Washington, the



program cost was \$377,000 in the year surveyed. Maximum states and minimum states were studied; the growth of the program in Hawaii, which would compare with Montana in population, from inception to the present time shows the following dollar amounts in each of the years listed:

1968	\$1,000	1972	\$195,000
1969	\$111,945	1973	\$131,000
1970	\$262,000	1974	\$168,000
1971	\$195,000	1975	\$265,000

Rep. Halvorson asked if most of those people were reimbursed by insurance, and was told they were not; if they were reimbursed in that way, they would not come under this act.

In closing, Rep. Quilici stated that we all realize there is a necessity for this legislation; the federal government also recognizes this need. A bill has been introduced in Congress which would reimburse state programs for 50% of the compensation they provide directly to the victims. If we enact this type of legislation, we could possibly expect to be reimbursed by the federal government by an amount up to 50% of the cost, Rep. Quilici concluded.

Hearing closed on H.B. 375. Visitors' List attached.

House Bill 615: Appropriate to the Department of Natural Resources... to satisfy judgment entered by first judicial district of Montana.

Representative Audrey Roth, District 10, explained she is sponsoring this bill at request of the lawfirm of Scribner and Huss. The bill appropriates \$342,079.05 to the Dept. of Natural Resources to satisfy a court judgment, Cause No. 38155. Mr. T. J. Doney, Counsel of the Department of Natural Resources, is present to answer questions.

Proponents:

Mr. A. W. Scribner, attorney explained that the judgment has been awarded against the state since the last session. This judgment is slightly different than some others issued against the state because there was a jury verdict. Mr. Scribner explained that under the provisions of the statutes regarding contract actions, interest is not recoverable, and this action took place 5 years ago, in 1972. The jury found damages in the amount awarded, but the plaintiff is precluded from receiving interest on the sum. The case is on appeal to the Supreme Court, and it is expected that a decision will be entered next winter. Mr. Scribner explained they are asking for this appropriation because of the interest situation. The judgment is not collectable until the Supreme Court decision is entered, and it would be an option of this committee to deny this request. If you do, he stated, you will be denying my client the ability to collect interest on money he can't receive until the next session of the Legislature. If the appropriation is denied, and the judgment is upheld, they will attempt to levy interest against the general fund. In the spirit of good state judgment, it would be well to set aside this money, Mr. Scribner stated.

NO OPPONENTS.

Questions:

Rep. Lynch asked what would happen if we do not appropriate the money to pay these judgments. Mr. Scribner replied it is just inconceivable this committee would turn down a valid judgment. If you did, a court would permit execution to levy on the general fund, he added. But I remember a number of judgments that were turned down by this committee, and that was the end of it, commented the Chairman.

Rep. South asked the amount of the lawyers fees; they are around \$22,000 - \$23,000 Mr. Scribner explained, but statute doesn't permit the state to pay lawyers' fees, so they are not a claim against the state.

Rep. Kvaalen asked for clarification of the claim. Mr. Scribner stated the claim grew out of errors made in plans and specifications that were presented to the contractor with regard to Yellowstone River. Different types of structures were required to divert the river water; this was near Sydney.

Chairman Bardanoue asked Mr. Doney why the department is liable; were plans prepared by SES? Mr. Doney explained the water resource board entered into a contract with Sornsins Construction; the federal government funded half the program and drew the plans, but the state signed the contract. This method of signing contracts is not longer followed, he added. Under the contract, SES will pay half the judgment; we are considering suing for the other half, Mr. Doney explained.

The Chairman asked if the full amount of the judgment would be necessary if SES is to pay half; Mr. Doney explained they will reimburse through the general fund.

Hearing closed on H.B. 615.

HOUSE BILL 829: Appropriate money for an inquiry into criminal and civil jurisdiction over Indian country for suggested solutions to problems confronting Indians and non-Indians living in Montana.

HOUSE BILL 830: Appropriate money to office of governor for negotiations ...in lawsuits involving jurisdictional matters.

Speaker of the House, J. Driscoll, District 91, explained he is sponsor of both of these bills. H.B. 829 was drafted after he became aware of how serious the problem of jurisdictional disputes really is. H.B. 830 would fund hiring attorneys in questions of jurisdictional disputes.

SJR 35 was briefly discussed, and Rep. Driscoll explained that SJR 35 doesn't come close to solving the problems Montana is faced with in matters of jurisdiction, but is bringing this question to a head. Coming to grips with the real problem is the intent of these two bills which he is sponsoring, Rep. Driscoll stated.

Rep. Driscoll explained as background for these pieces of legislation that the governor's office had informed the leadership of the severity of the problem of jurisdictional disputes, and that we will need to defend the state in litigation and in negotiations.

Water rights adjudication is going on now. There are questions involving the Fish and Game Department concerning whether Montanan's can fish in water on Indian lands; there are questions concerning timber grown on state lands surrounded by Indian lands. We need the inquiry which H.B. 829 would fund. Hiring highly qualified attorneys to negotiate in these areas without knowing enough to give them direction would be allowing attorneys to set state policy. If a cut is necessary, Rep. Driscoll said he would prefer money be cut from the litigation area, so that the study can still be made, and we can at least have informed litigation and negotiations.

#### Proponents:

Mr. Larry M. Ellison, Governor's office, expressed concern of that office over the jurisdictional disputes pending in Montana today. We do not have the experience to deal with these. There are emotional issues involved, and we must get a clear demarcation as to who can do what, he stated. Mr. Ellison mentioned he has talked with Senator Metcalf about this problem, and he agrees the only way we can draw these lines of demarcation is through the Supreme Court; these problems involve treaties and acts of Congress going far back in history; expertise is needed to deal with the varied problems this situation is bound to cause. As much as \$500,000 has been spent on a single suit and we are requesting only \$300,000 for funding this study to get the answers we need.

Mr. Robert Cochran, Administrator, Legal Division, Department of Revenue spoke as a proponent, explaining these jurisdictional problems will have a fiscal impact in the tax area; we have present and potential cases in these areas, and he supervises litigation in these areas in the Department of Revenue. Mr. Cochran added that they have cases pending in the courts now dealing with jurisdictional disputes, and a vast number of potential cases.

#### Opponents:

Richard Monteau, Lame Deer, spoke as an opponent to H.B. 830, stating this bill should be rejected for vagueness alone. All it does is create a slush fund without any program in the governor's office. What is the purpose of the attorney general's office, he asked. This smacks of a program against the Indian people; are you using general funds to take away rights of Indians? If the intent is to initiate a program against Indians, it should be so labeled. If the intent is to decide who has jurisdiction without bias, then give the Indians \$300,000 to protect themselves, he stated. Mr. Monteau added he believes it would be acting prematurely to appropriate the funds asked for in H.B. 830; H.B. 829 is more realistic if the intent is really to determine policy on Indian and jurisdictionally related questions.

Ron Sullivan, Montana State Indian Legislative Office, asked to speak as neither opponent or proponent. He proposed amendments, changing line 13, following "expended" insert "and mandated"; line 15, following "in", insert "tribal courts." This bill implies the tribes have plenty of money to hire high priced attorneys, and this is not true, he added. In 1974-75, they paid out about \$8,000 in attorneys fees; the Justice Department only cooperates with us when it has to, he added.

Dr. Joseph E. Guindon, Survival of American Indians Association, rose as an opponent to H.B. 829 and H.B. 830. He explained he had been in Montana only a short time, and is here primarily because some of the issues involved here are developing a higher stage of culture, but every day realities for Indians are stark. Dr. Guindon spoke of the average life expectancy of non-Indians (65-70) as opposed to Indians (50 years national average life expectancy). In Montana, an Indian's life expectancy is 45 years; he can collect Social Security at 45, and this speaks to how it is in Montana for Indians, he added. When you talk about having to litigate against people with a life expectancy of only 45 years, you have to ask what this means, Dr. Guindon commented. Life and lands are sacred to Indian people. HB 829 is a good chance to get some facts and find answers; HB 830 moves into a completely different area. Dr. Guindon submitted a letter to be entered in the record (attached) and requested more notice of hearings, citing how difficult it is for people involved in these issues to attend on short notice.

Mr. Bill Parker, Northern Cheyenne Tribe, rose as an opponent, saying he has worked in the Indian Legislative office, but tonight he is speaking for himself and his family. When I go to North Dakota, I am subject to their laws and if I break one, they tell me ignorance is no excuse, Mr. Parker said. When a non-Indian moves on the reservation, that person comes under different laws, and it is up to him to learn those laws. Further, the Indians do not know if the non-Indians have the titles they claim to the lands. There is a need for H.B. 829 to determine if these people are entitled to the protection of the state which they claim they need. Mr. Parker supports H.B. 829, but opposes H.B. 830.

Wayne Martello, student at University of Montana stated H.B. 830 has no solution included, and he believes enactment of this will cause us to wind up a police state. He supports H.B. 829 because it deals with getting to the roots of the problems of the oppressed people.

Mr. Ron Sullivan rose again to call attention to the wording of H.B. 829. On page 3, line 21, he stated it would be necessary to strike the word "tribal" from the phrase "tribal governmental constitutions. To change tribal constitutions requires a referendum vote at election, and approval by the Secretary of the Interior; the state does not have the power to do this, he added. Also, on page 1, lines 21 through 23 should be stricken, as this has already been adjudicated.

In closing, Speaker Driscoll stated he is not opposed to the opponents. When you realize how complicated this area is you really understand the need for a study of both points of view; this hasn't been done.

Speaking briefly to H.B. 829, Rep. Driscoll explained this bill sets up a 9 man panel with 5 House members and 4 Senate members; it requires \$65,000 in funding & hiring a historian and a part-time attorney. Meetings would be held in Helena, and in each of the tribal areas. Native Americans here tonight say this has a chance to work out some of the problems; the bill also mandates that we come up with answers before the next legislative session. The report prepared by the panel would suggest alternatives to address the problems. Hopefully, H.B. 829 would help us to begin to understand what our problems are, Rep. Driscoll concluded.

#### Questions:

Rep. Moore asked Mr. Elison concerning the appropriation requested in H.B. 829; his understanding was that it was to be used for research into the archives to study treaties and acts of Congress regarding jurisdictional disputes in Montana. Mr. Elison replied that this bill is not an attack on Indians or reservations; some things brought out tonight are not relevant, he commented. Mr. Elison stated he supports H.B. 829 for the study, but it can't answer jurisdictional disputes. There are concerns which will have to be dealt with finally by the Supreme Court. There is an obligation to all the citizens to clarify the state's rights in these matters. Indians are claiming the state has no authority over them; they claim to be a separate nation/state; that may be the case. All we are asking, Mr. Elison stated, is the funds necessary to meet the pending litigations; if we don't defend with all the information necessary, that is being irresponsible to the people of Montana. There are many policy judgments which will affect the Departments of Natural Resources, Revenue, and Fish and Game which will have to be made.

The Chairman stated that Mr. Elison has raised an interesting question; can people be citizens of a sovereign nation and also of Montana? The Chairman added he is concerned about this; if Indians are sovereign people, isn't Congress entirely responsible for dealing with them? And would we have to send a bill to Congress to take care of all their problems, such as schools, prisons, etc?

Mr. Elison agreed there are serious problems; under general international law, dual citizenship is very difficult. Indians claim citizenship, but have suits pending to not pay taxes which citizens of Montana pay. If they are sovereign, we would have to deal with them through the State Department as with any sovereign state, that is, the federal government would have to deal with them.

One of the witnesses interjected that they have inquired as to what taxes Indians pay, but have not been able to get a clear answer from the Montana Department of Revenue.

Hearing closed on House Bills 829 and 830.

House Bill 622: Provide recipients of public assistance...to contribute their efforts to society in return for assistance. Rep. R. Marks, District 80, sponsor of the bill, explained that he has asked people from SRS to come and explain the bill. The fiscal note has two options to establish the program, he adds.

Proponents:

Mr. Jack Carlson, SRS, rose as a proponent, stating SRS has prepared some proposed amendments (attached). Mr. Carlson mentioned 14 national proposals to accomplish the same purpose as this legislation. Eleven have been introduced in Congress, and President's Carter's bill will be introduced May 1st. This has caused some trouble on the part of SRS with the fiscal note. SRS has also put in some options for classifications of people who might be included. (See attachment to amendments) Mr. Carlson added that in reviewing the original proposal they had found they could reduce the fiscal note by subtracting the first year start-up costs from the second year figure.

The Chairman asked for clarification; you are saying there are several approaches to this concept, and there is no clear idea of what the cost would be until you decide which approach you would take? Mr. Carlson replied that is the situation.

Opponents:

Mr. Hugh Standley, MSLIO Chairman, rose in opposition, stating this bill was proposed only because the county wants poor people to work for them. Poor women are mostly affected by this, he stated; they married young and didn't finish high school, and were thrown in the system. This bill puts people into a job that will never mean anything. Taking a woman with small children and putting her in a job such as this legislation proposes is doing a disservice. Poor people want to be treated with dignity, and they want adequate, useful jobs; they do not want to pick up trash or cans or sweep streets. Put the money into training people, and you will get something good for your money, Mr. Standley stated. This bill is barbaric, he feels.

Mr. Dave Howard, MSLIO, Livingston opposed the bill. Going out to work for \$300 a month, and then having to pay a baby sitter, and more for food stamps, makes it not worthwhile to work. This bill won't help.

Everett Maxwell, Great Falls, spoke as an opponent, but stated he does not understand the bill and has some questions. This bill is directed at recipients of public assistance and questions their receiving tax dollars free; everyone receives tax dollars free, he said. Also, the bill states we have an opportunity to work, and then states it is required to receive assistance; which is it? Mr. Maxwell questions the responsibility of this bill.

LoAnne Fox, Livingston, spoke as an opponent, claiming this bill takes a mother away from her children, and she feels a mother's place is with her children. If mothers would stay home, lots of problems would solve themselves, she added.

Carol Farris, Great Falls, spoke as an opponent. This bill is bad government; no real money is being appropriated to SRS to help us. How is this going to work? Give people real work, don't just create jobs. H.B. 622 would create second class citizens and she feels it is inhumane. Also, it is set up for two years in 6 counties; why only 6 counties? Another problem is that the type of work that will be required is not specified; what will they be expected to do? Ms. Farris mentioned SB 436, commenting that bill is a good bill and does everything this bill does not do.

Rep. Marks closed by stating they did not intend this bill to be a barbaric act; they felt it would be progressive. The plight of the poor people was what the sponsors had in mind. There are exceptions provided in the bill, and women who are needed to take care of their children, or people who are old or infirm, do not come under this act. People in work training programs are not included. Rep. Marks stated he would like to see poor people get better jobs, and the intent of the bill is to encourage their getting the training necessary to find those better jobs. Rep. Marks further stated he would urge the committee to look at the amendments; he would not object to limiting the bill in certain areas, but would like to see the plan started, and the opportunity given to people who need assistance to find good jobs.

#### Questions:

Rep. Moore stated he would like to remind everyone that this is a pilot program and sunsets in July, 1979, and the intent is to see if we can establish a program that will work for the benefit of the poor people. He would also like to respond to the young lady who said we don't do anything for the people through SRS by pointing out that SRS's budget was raised this session by \$19 million.

Rep. Kvaalen asked if the people who testified would indicate whether they were working, or were on public assistance. Some were on public assistance, and others were not.

There being no further questions or discussion by the committee, the hearing closed on H.B. 622. Visitors' List attached.

House Joint Resolution 88: Requesting the committee on priorities to appoint a select committee to study the current human services delivery system. Representative Art Lund, District 2, sponsor of the resolution, stated there are two bills on the floor dealing with various agencies of state government which both came close to passing, both dealing the problem of delivery of human services. This indicates to him an expression of disgust with the handling of human services by some of the agencies. The problem has not been addressed, though there was a study by the governor's office. This resolution addresses areas not addressed in the study by the governor's office. Rep. Lund explained the human resource division in North Dakota's state government, and added that the services provided by our Dept. of SRS are in that division in North Dakota. Rep. Lund commented that he has no animosity to any of the directors of our state agencies, but feel this is an area we should look closely at.

Proponents:

Mary Rohn, State Commission on Local Government urges support of HJR. 88. Ms. Rohn stated the amendments (attached) deserve serious consideration. She feels this is important because of their investigation of the delivery of human services at the local level.

Mr. Bob Johnson, Local Government Commission, spoke as a proponent, explaining that when he was a division administrator in an area of state government he found it difficult to resolve problems in this area that were uncovered. A study such as this proposes by a body that is not a branch of state government is much needed.

The Chairman commented that there are indeed some serious questions concerning the delivery of human services; there is very little communication between the agencies delivering these services. There is a cause for concern.

Questions:

Rep. Marks cited an example, mentioning the situation that arose when the crisis at Boulder occurred. 100 plus residents of Boulder were placed in rest homes and he wanted to be sure a case worker would be looking in on them; when he tried to find out if they were getting proper care, nobody knew. Specifically there are big gaps in responsibility. There are many, many groups involved in providing these services, and there is duplication and gaps in administration, he feels.

Rep. Moore stated he is a proponent of this resolution. Lots has been said about these problems in the last few years. Something has to be done to tie delivery of these services together and fill the gaps.

NO OPPONENTS.

In closing, Rep. Lund commented that the amendments proposed by local government would broaden the scope, and whether that is possible would depend on the amount of money we have to spend. He presented a rough idea of what would be needed; the select committee would have 8 members; they would have 9 meetings. Four professional staff would be required, and a half-time secretary. Consulting services would be required; the cost would be approximately \$161,000. If the decision is made that only two professional staff people are needed, the cost would be reduced to approximately \$103,000. If no full time staff is felt to be required, the cost could be as low as \$83,000. Representative Lund stated he feels we should discuss this; it is an important subject.

Hearing closed on HJR 88.

House Joint Resolution 4: Urging the Dept. of Revenue to apply Rule 42-2.8(L)-s8660 of Montana Administrative Code... Rep. Dorothy Bradley, District 77, explained the resolution, which was prepared at the request of the Agency I Subcommittee. This resolution was discussed in the taxation committee, and passed second reading in the House. The resolution deals with the problem of income split for tax purposes.



Rep. Bradley explained some of the reasons for these inequities are that some agricultural operations get better splits than others; some smaller farms don't have the finances or the time for appeals; lots of individuals affected don't know an income split is allowed because they don't get professional tax assistance from CPA's. This is a complex tax problem, and must be tackled; this could be a start. Rep. Bradley stated the first preference is to set up tax tables similar to the federal system that establishes guidelines and treats everyone the same. This would be an important step, and an expression of legislative intent of equity. The fiscal impact is difficult to assess. Nothing in the resolution mandates a 50/50 split; it would probably be less.

NO PROPONENTS OR OPPONENTS.

Questions:

Rep. Manuel asked if deleting the last paragraph doesn't ruin the bill. Rep. Bradley replied that it wasn't her intent to have a 50/50 split; line 5, page 2, is the important thing - that the rule be applied in a fair and impartial manner.

Hearing closed on HJR 4.

The Chairman then asked if anyone present wished to testify on H.B. 714, which had been scheduled for hearing in the newspaper at this time. There being no witnesses present, hearing on H.B. 714 is to be rescheduled.

The committee will meet on Monday, March 21, in Room 225 at 8:00 a.m. to receive the report of the Elected Officials Sub-Committee.

Meeting adjourned at 10:00 P.M.

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FRANCIS BARDANOUVE, Chairman