

MINUTES OF THE MEETING
SENATE STATE ADMINISTRATION COMMITTEE
FEBRUARY 7, 1977

The meeting was called to order by Senator Towe, Chairman, at 11:00 a.m. in Room 410 of the Capitol Building. Committee members present were Senators Towe, Story, Brown, Rasmussen, Jergeson, Blaylock, and Devine with Senator Roskie absent.

The following bills were discussed: SB 204
SB 174
SB 274
SB 127

SENATE BILLS 174, 274, and 204

Senator Turnage, District 13, sponsor of the bills, stated SB 174 is a bill to clarify the sheriff's retirement system and corrects a flaw in the bill from last session. SB 204 is a retirement system bill and SB 274 is a bill to clarify survivor benefits.

PROPOSERS

Tom Dowling, representing the Montana Peace Officers, said Larry Nachtsheim assured him there were no problems with SB 274 as it is just a housekeeping bill and he urged support of the bill.

Dale Dye, Ravalli County Sheriff, urged support of SB 174 and stated if a sheriff could combine his sheriff's retirement and his Public Employees Retirement System benefits, he could have enough to live on at retirement.

Larry Nachtsheim, Public Employees Retirement System, stated the cost of SB 174 is very minimal as it just enables a transfer of funds, SB 204 creates no problems financially or functionally, and SB 274 corrects an inequity in the present system and would enable worker's compensation, sheriff retirement, and PERS to work together.

Jim Burns, Chief Deputy from Cascade and Vice President of the Sheriff's and Peace Officer's Association, stated his full support of all three bills.

Tom Schneider, Public Employees Retirement System, supported all three bills.

There were no further proponents and no opponents to the bills and the hearing was closed.

SENATE BILL 127

Senator Story assumed the Chair while Senator Towe presented the bill.

Senator Towe, District 34, stated this is the same bill that was introduced two years ago but with changes which should make it more acceptable to the many opponents it had at that time. It deals only with legislative lobbying.

He stated lobbyists are important to government and they do get results. They do many good things and express points of view from many areas and can help legislators with bills. Therefore, their activities should be right out in the open just as legislators are. They should be expected to file financial statements and be subject to review also. He further stated that California, Colorado, and Washington have laws that are all more stringent than this one.

He reviewed the bill section by section with the committee and stated the people of Montana have the right to know how much influence is being exerted on the legislature.

PROPOSERS

Natalie Cannon, representing Common Cause which is a citizen lobby, spoke in support of the bill (attached #1).

Mae Nan Ellingson, Montana Student Lobby, stated the bill would hurt no one and would help Montana and legislators alike. She stated it would also improve the credibility of the lobbyists themselves.

Jo Ann Woodgerd, Secretary of State's Office, spoke as neither an opponent or proponent. She suggested amendments which would resolve the problem of dividing the responsibility between the Secretary of State and Commissioner of Campaign Finances and suggested the licenses expire on December 31 of the year for which it is issued.

OPPOSERS

Ward Shanahan, representing himself, opposed the bill. He stated he had represented large groups such as county organizations and asked if the bill would cover governmental employees or those attached to the Governor and foundations and membership organizations that are non-profit.

Tom Winsor, representing the Montana Chamber of Commerce, stated the he felt the existing laws are very good and this bill would adversely affect the Chamber of Commerce and excessive costs to organizations would result. He also felt state agencies should be included in the regulations.

Ed Nelson, Montana Taxpayers Association, stated the definitions of lobbying and lobbyists expenses are too restrictive. He further stated the fiscal note does not reflect the expense of those must report. He stated he had been asked to work with an interim committee and asked

if that could be construed as lobbying. He stated he opposed the bill.

Jim Mockler, Executive Director of the Montana Coal Council and a lobbyist, stated he opposed the bill as it is not necessary or helpful.

Cliff Christian, Montana Association of Realtors, stated he objected to the bill as realtors have to join many organizations as members of realtors and fees can run in excess of \$500 and \$1000.

Don Allen, Executive Director of the Montana Petroleum Association, objected to several sections of the bill and stated very few lobbyists are dishonest. Their credibility is important and they want to be honest and aboveboard.

Harold Pitts, Montana Independent Bankers Association, and formerly the Director of the Department of Business Regulation, stated difficulties with estimating expenses. He felt lobbyists provide many good services and not just legislation for the sake of legislation. He also objected to the citizen suits provision.

Ed Johnson, Montana State Firemen's Association, stated that theirs is a poor organization and most of their lobbying is done by firemen on vacation. He opposed the bill stating it is discriminatory and their expenses are very high and their pay is very very low or nil.

Ed Collins, student and Montana State University, stated he is an intern lobbyist studying lobbying and feels the bill is an attempt to legislate morality. He stated lobbyists are a vital part of the legislative process and the bill curtails information flow. He also asked who was going to enforce the 40 hour provision.

Senator Towe closed by saying he doesn't have anything against the good things lobbyists do. He said the public has a right to know how much is being paid to people to influence the legislature to their viewpoint. He stated the bill is not a regulation bill, but rather a disclosure bill and refuted many of the points made by the opponents.

There being no further discussion the hearing was closed.

There being no further business, the meeting adjourned to reconvene February 9 at 11:00 a.m.



Thomas E. Towe, Chairman

SB 127
204
274

SENATE Administration COMMITTEE

BILL

VISITORS' REGISTER

DATE 3/7/77

NAME	REPRESENTING	BILL #	(check one)	
			SUPPORT	OP
Russ Yerger	myself	127	X	
Carl J. Donovan	self	127	X	
Harold M. Van Tassel	Tenneco	127	followed	
William J. Spitzer	MPEA	174 204 274	X	
Edward J. Madisler	PEPS	"	X	
Tom Brumby	Mont. Peace Office	127		✓
Edward J. Madisler	Montana VR Financiers	127		✓
Edward J. Collins	myself	127		✓
James R. Beems	Case Co. Sheriff Dept	174 204, 274	X	
Mae Nan Ellington	Montana Student Lobby	SB 127	X	
Carl Bryant	Mont. Sheriff Peace Office	174 204 274	X	
Dale Fisher	Montana Auto Association	127		✓
Ward Swannard	Dreyer Bros. Inc	127		✓
F.H. Bolls	MONTANA CHAMBER	127		✓
Jim Mockler	Montana Coal Council	127		✓
E.W. Nelson	MONTANA TAXPAYERS ASSOC.	127		✓
John Frame	Mont. Sheriff's Assoc	174		✓
John E. Ruff	Montana Sheriff's Assoc	174 204 274		✓
Lester H. Koble, II	Montana Telephone Util. Co	General Telephone of the Northwest, Inc SB 127		✓
Harold Pitt	Montana Independent Bankers	SB 127		✓
Jim Mecklencker	Public Interest	127		✓
BOB HELDING	MONTANA WOOD PRODUCTS	127		✓
GENE SPIGDE	MONT. W. D.A.	127		✓

SENATE _____ COMMITTEE _____

BILL _____

VISITORS' REGISTER

DATE _____

NAME	REPRESENTING	BILL #	(check one)	
			SUPPORT	OP
<i>Ed Johnston</i>	<i>Montana State</i>	<i>127</i>		<input checked="" type="checkbox"/>
<i>Al Sampson</i>	<i>MSA Conf Trade Union</i>	<i>127</i>		<input checked="" type="checkbox"/>
<i>Natalie Cannon</i>	<i>Common Cause</i>	<i>127</i>	<input checked="" type="checkbox"/>	
<i>John J. Wilson</i>	<i>Mont RR</i>	<i>127</i>		
<i>Walter R. Johnson</i>	<i>Mt. Motor Carriers Assn</i>	<i>127</i>		<input checked="" type="checkbox"/>
<i>Don Allen</i>	<i>Montana Petroleum Assoc.</i>	<i>127</i>		<input checked="" type="checkbox"/>
<i>Cliff Christian</i>	<i>Mont Assn of REALTORS</i>	<i>127</i>		<input checked="" type="checkbox"/>

NAME: Paul E. Hoff DATE: 2-1-77

ADDRESS: 2000 Brentdale Rd Hamilton Ont

PHONE: 523-8033

REPRESENTING WHOM? Ontario Sheriff's & Peace Officers Assn

APPEARING ON WHICH PROPOSAL: S.B. 174-127-204

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: in favor of the above stated Bill

common cause of MONTANA

February 7, 1977

State Administration Committee
Montana Senate
SB 127

I am Natalie Cannon, representing Common Cause of Montana with over 700 members throughout the state. Common Cause is a citizens lobby dedicated to making government work for the people *citizens* both national and state levels. We lobby for measures that help make government open, accountable and responsive to its citizens. Our four basic areas are called OUTS or "Open Up the System" and include lobby disclosure as well as campaign finance reform, open meetings and ethics-conflict of interest.

Public Participation in Government

Common Cause believes that lobbying is, and properly so, a carefully guarded right of a free people. Participation in governmental affairs is a fundamental democratic principle that is protected by state constitutions and by the first amendment to the U. S. Constitution. People who attempt to influence governmental decisions -- lobbyists-- provide information that is essential to informed decision-making and, in their representative capacities, give legitimacy to governmental decision-making. However, special interest lobbying is often of such magnitude that necessitates its full and timely disclosure. "Otherwise," as former Chief Justice Warren wrote in upholding the federal lobbying act, "the voice of the people may all too easily be drowned out by the voice of special interest groups seeking favored treatment while masquerading as proponents of the public weal".

Legislators do need to rely on information from lobbyists but there may be an over-representation of certain viewpoints and a under-representation of other viewpoints and a resulting lack of balance and legitimacy in decisions. The public has a clear interest in knowing who is attempting to influence governmental decisions and by what means.

In no way are entertaining or giving gifts to legislators wrong and seldom are they a "quid pro quo" for a vote. But they often do guarantee the lobbyist access to public officials that the average citizen often does not have. SB 127 also in no way seeks to inhibit or prohibit communication with legislators; it simply requires registration and reporting of expenditures. Some might challenge this disclosure on the basis of the right of privacy. The Supreme Court of Washington State upheld the constitutionality of that state's broad lobbying law, Initiative 276 and the U. S. Supreme Court declined to hear the appeal. That court said "the right of the electorate to know is no less fundamental than the right of privacy." "When the right of the people to be informed does not intrude on intrinsic personal matters the public person may not complain that his own privacy is paramount to the interests of the people."

Common Cause of MONTANA

SB127, p. 2

Since 1972, 32 states have adapted significant new lobbying disclosure provisions. Forty-three states now require registration and reporting of expenditures. 28 states require expenditure reports more than once a year, fifteen states require monthly reports during the session and Washington state requires weekly reports during the session.

As to SB127 specifically, there are several areas in which we would suggest changes.

p.3. l. 21 -- the floor for requiring reportingg could be raised to \$1000 a year ~~or~~ or \$250 a quarter, same throughout the bill.

as Im. Tower as already suggested.

pp. 5&6, requiring filing of estimated anticipated expenditures we think would be difficult to project, burdensome and does not serve a clear purpose. We suggest deleting sec. 2 & 4, 11.22-24.

especially with the first reporting period deadline

p. 8. suggest deleting lines 18-22 as this seems to be ~~either~~ burdensome ~~of~~ unnecessary.

Common Cause is pleased to see the section giving citizens the right to sue as we believe this is essential for full enforcement.

In closing, I should like to say that business leaders also have come to favor strong lobbying laws. One concerned association executive is quoted as saying " Drag your members kicking and screaming into the 20th century. Make your members aware that in the wake of Watergate you must put forth a good public image."

Montana Common Cause respectfully urges a "do pass" for SB127.

Natalie Cannon

Natalie Cannon

NAME: Edward W. Nelson DATE: 2-7-77

ADDRESS: 1706 - 9th. Ave

PHONE: 442-2130

REPRESENTING WHOM? MONTANA TAXPAYERS ASSOC.

APPEARING ON WHICH PROPOSAL: S.B. 127

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: The definition of what is lobbying and what is lobby expense is too restrictive. It appears to include both lobbying and normal public information transmission.
The fiscal note does not relate to increased cost for those who must comply with the law. Anticipated expenditures seem to be totally unnecessary in a regular reporting process.

NAME: EJ Johnston DATE: Feb 77

ADDRESS: 2009 Bellin Ave.

PHONE: 443 4344

REPRESENTING WHOM? Montana State Timber

APPEARING ON WHICH PROPOSAL: Levy Bill 127

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE?

COMMENTS: We oppose it because
it is done to our own.

NAME: Bill Boles DATE: Feb. 7, 1977

ADDRESS: HELENA

PHONE: _____

REPRESENTING WHOM? MONTANA CHAMBER OF COMMERCE

APPEARING ON WHICH PROPOSAL: SB 127

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE?

COMMENTS: _____

