

MINUTES OF THE MEETING  
FINANCE AND CLAIMS  
MONTANA STATE CAPITOL

March 9, 1977

The eleventh meeting of the Senate Finance and Claims met on the above date in room 331 of the State Capitol. The meeting was called to order by Senator Thiessen, Chairman at 4:11 P.M. Roll call was taken.

Senate Bill 239 was discussed. The amendments prepared by the fiscal analyst and headed "proposed amendments" was compared to those suggested by a lawyer on the Legislative Council and enclosed as "alternative proposed amendment", were read and compared.

Motion by Senator Boylan, second by Senator Regan to accept the "proposed amendments", voted and passed.

Motion by Senator Boylan, second by Senator Thomas that Senate Bill 239 pass as amended. Voted and passed.

Senate Bill 236 was discussed. Mr. Mizner spoke on the merits of the bill at length. He said it is a League Bill. He said this would be an increase, money not as yet tapped, and felt it should be used in the cities and towns. He said the Federal had increased the mineral royalties and this was the extra money. He said they do not want to disturb any of the money coming in at the present time for schools, etc., only this new money.

Mr. Gregg McCurdy spoke for the Counties. He said they were not in agreement with Mr. Mizner, that an agreement had been drawn up between the counties and the cities, but that the city apparently had no qualms about breaking it. He said that when the Federal Government increased the royalties, they also cut the percentage of money coming to the counties as "in lieu of" taxes. He said these cuts do not apply to the cities since they do not have BLM land etc., within their borders. He said this bill was not constructive, and that the "in lieu of" payments were used for all the residents of the county, regardless of whether they lived in the city or the rural areas. He said the reason Congress is cutting back these funds is that they feel the states are going to redistribute the royalty funds and then be back for more money from the Federal Government.

Questions were asked, and various answers resulted as to the size of the funding, the percentages, the change in the total funding and the percentages of this in comparison with the original funding. It was felt that an amendment on page 1, section 1, lines 12 and 13 to strike on line 12 the words "additional coal lease funds. The additional 12 1/2%" and to insert the words "A total of 25%" would help to clarify the language of the bill and make it more readable.

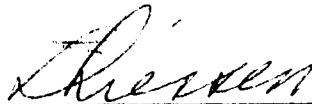
Other proposed amendments would strike the words on page 1 line 16 "of the additional money", and line 23 to strike the words "The remaining" and "of the additional money".

Questions were asked about restrictions, and Mizner said it is specifically for capital construction and for cities and towns in impacted areas. He answered another question to the effect that yes, when Congress raised this amount it was under concern for the impacted areas. He was asked if he had the hearing reports, and answered yes, that he can furnish the reports. In answer to a question from Senator Thiessen, Gregg McCurdy said the counties would lose 3½ million per year under the bill. In a question from Senator Lockrem, McCurdy answered that this in lieu of taxes money does affect the counties in that it is taken out of the "in lieu of" monies from other lands.

A request was made of John LaFavor to put down on paper exactly what this would do to the cities and counties by the passing of this bill. John said he would try.

Senate Bill 166 was discussed very briefly, since they did not have the information as yet, it was agreed that they would work on this bill tomorrow.

The meeting adjourned.

  
Thiessen  
SENATOR THIESSEN, Chairman

## ROLL CALL

## FINANCE AND CLAIMS COMMITTEE

45th LEGISLATIVE SESSION 1977

Date 3-9-77

NAME	PRESENT	ABSENT	EXCUSED
THIESSEN, CH	✓		
HIMSL, V.C.	✓		
STORY	ab		
ETCHART	✓		
KOLSTAD	✓		
LOCKREM	✓		
NELSON	✓		
SMITH	✓		
STEPHENS	✓		
FASBENDER	✓		
BOYLAN	✓		
FLYNN	✓		
MEHRENS	ab		
REGAN	✓		
ROBERTS	✓		
THOMAS	✓		

ALTERNATIVE PROPOSED AMENDMENT

1. Amend page 3, section 2, line 2

Following: "1243."

Strike: "The"

Insert: "In applying for the federal funds, the"

2. Amend page 3, section 2, line 3

Following: line 2

Strike: "may"

Insert: "shall"

3. Amend page 3, section 2, line 3

Following: "request"

Strike: "a budget for"

Insert: "that"

4. Amend page 3, section 2, line 4

Following: "year"

Strike: "to monitor and audit"

Insert: "be permitted to be used to cover the complete cost of administering, monitoring, and auditing"

SB 239

PROPOSED AMENDMENT

1. Amend page 3, section 2, line 3

Following: line 2

Strike: "may"

Insert: "shall"

2. Amend page 3, section 2, line 3

Following: "request"

Strike: "a budget for"

3. Amend page 3, section 2, line 4

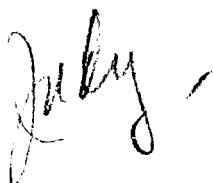
Following: "to"

Strike: "monitor and audit"

Insert: "cover the complete cost of administering, monitoring, and auditing"

The senate finance and claims committee has recommended a do  
pass on senate bill 289.

It is the committee's intent that no general fund be used in ad-  
ministering, monitoring, or auditing any federal funds received under  
the provisions of the bill. Thus all costs associated with the federal  
funding will be paid by federal dollars.



# STANDING COMMITTEE REPORT

March 9, 1977 77

MR. ....**PRESIDENT**.....

We, your committee on .....**FINANCE AND CLAIMS**.....

having had under consideration .....**SENATE**..... Bill No. ....**239**.....

Respectfully report as follows: That .....**SENATE**..... Bill No. ....**239**.....  
second reading, be amended as follows:

1. Amend page 3, section 2, line 3.

Following: line 2

Strike: "may"

Insert: "shall"

2. Amend page 3, section 2, line 3.

Following "request"

Strike: "a budget for"

3. Amend page 3, section 2, line 4.

Following: "to"

Strike: "monitor and audit"

Insert: "cover the complete cost of administering, monitoring, and  
auditing"

AND AS SO AMENDED, DO PASS

~~DO PASS~~



SENATOR THIESSEN

Chairman.



Mailgram®



2-032375E061 03/02/77 ICS IPMMTZU CSP HEA  
2027859577 MM TDMT WASHINGTON DC 200 03-02 0231P EST

R DEAN VITNECKER, EXECUTIVE DIRECTOR  
MONTANA ASSOCIATION OF COUNTIES 1802 11 AVE  
HELENA MT 59601

HOUSE SUBCOMMITTEE ON INTERIOR APPROPRIATIONS HAS CUT 25 MILLION DOLLARS FROM INTERIOR DEPARTMENTS REQUEST FOR 1977 PAYMENTS UNDER PL94-565-THE PAYMENT-IN-LIEU OF TAXES ACT. THE REDUCTION IS BASED ON COMMITTEE CONCERNS THAT STATE LEGISLATORS MAY CHANGE STATE LAW TO WITHHOLD MINERAL LEASING ACT PAYMENTS FROM COUNTIES OR DIVERT PAYMENTS TO SCHOOLS, THEREBY INCREASING PAYMENTS-IN-LIEU IN FUTURE YEARS. NACo URGES ALL STATES RECEIVING MINERAL LEASING ACT FUNDS TO ESTABLISH A STATE IMPACT FUND TO GIVE PRIORITY TO ALL LOCAL GOVERNMENT SOCIALLY OR ECONOMICALLY IMPACTED BY MINERAL AND ENERGY DEVELOPMENTS AS REQUIRED BY PL94-579

JIM EVANS  
WRD REPRESENTATIVE

1433 EST

MGMCOMP MM



Marshall

ambassador to Luxembourg will answer questions from NACo representatives on HUD's plans for the community development block grant program.

Authorizations for this program expire at the end of fiscal '77.

Harris will be followed at the morning general session by Labor Secretary Ray Marshall.

Prior to being sworn in Jan. 27, Marshall was director of the Center for the Study of Human Resources and an economics professor at the University of Texas.

He has also served as president of the Industrial Relations Research Association and has written extensively in the field of labor economics.

Marshall will answer questions posed by members of NACo's employment and labor-relations steering committee. See LOOK, page 5.



Yates

County News  
3-7-77  
WASH., D.C.

## TWO BIG Payments-in-Lieu Cut

**WASHINGTON, D.C.**—Although the Administration's budget contains \$100 million for the payments-in-lieu program, the House subcommittee on interior appropriations last week cut \$25 million from the Department of Interior's request for 1977 payments to counties under the Payments-in-Lieu of Taxes Act.

The cut came during a subcommittee "work" session on the First Supplemental Act of 1977. Subcommittee Chairman Sid Yates (D-Ill.) had proposed a \$50 million cut from the requested amount of \$100 million. However, Frank Evans (D-Colo.), sponsor of the act and a member of the subcommittee, urged the committee to approve the entire \$100 million and the subcommittee compromised on \$75 million in the supplemental appropriation bill. The bill now goes to the full appropriation committee for consideration.

Yates expressed concern about the uncertainty of budget estimates by the Department of Interior, especially concerning payments in future years that could be effected by state actions. The payment formula in the payments-in-lieu act calls for deductions to be made for certain existing public land payment programs, primarily the Mineral Leasing Act payments. Before a county payment is deter-

mined, Yates and the subcommittee are concerned that states may change their existing laws to withhold Mineral Leasing Act payments from counties or divert other payments to schools, thereby increasing payments-in-lieu amounts to counties in future years. However, the payments-in-lieu program depends upon annual appropriations and the overall amount cannot exceed the congressional appropriation.

NACo has been urging states to establish "impact funds" for Mineral Leasing Act payments. Amendments to the Mineral Leasing Act in 1976 now require a priority to be given to local governments socially or economically affected by mineral and energy developments on the federal lands. Such impact funds have been proposed in Colorado, Montana, Utah, and Wyoming.

Meanwhile, Coleman Jarrard, Rabun County, Ga. commissioner and NACo's chairman for payments-in-lieu, has indicated that NACo will urge Congress to restore this cut to the full amount requested.

NACo plans a rally for county officials on

Payments-in-lieu on March 23 as part of the NACo Legislative Conference.

## Face Trouble Antirecession Stall

**WASHINGTON, D.C.**—During the House intergovernmental relations subcommittee hearings last week, several subcommittee members expressed opposition to renewal of the antirecession (countercyclical) assistance program, established by title II of the Public Works Employment Act of 1976.

President Carter has proposed extending and enlarging the program as part of his \$31.2 billion economic recovery package. The administration's proposal would provide nearly \$1 billion additionally this year in payments to states, counties and cities using a formula based on revenue sharing and unemployment.

Rep. Jack Brooks (D-Tex.), chairman of the Government Operations Committee, has introduced the Carter administration's proposal as H.R. 3730. Sen. Edmund Muskie (D-Me.) has introduced a similar bill, S. 531, in the Senate.

Under the present program \$1.25 billion was authorized through September 1977. Because of continuing high levels of unemployment funds will be virtually exhausted by April. The Brooks-Administration bill would provide a doubling of funds for quarterly payments in

April and July and authorize the program for five years. Brooks proposed to the subcommittee that they consider the bill in two parts, one for the last two quarters of this year and another for fiscal 1978 and beyond. The Administration has proposed \$2.25 billion for fiscal '78 and beyond.

Several members of the subcommittee, which is chaired by L.H. Fountain (D-N.C.), expressed reservations about continuing the program with the present formula and suggested careful reexamination before extending the program beyond this fiscal year.

Brooks noted his continued opposition to revenue sharing but said he supports counter-cyclical as an emergency measure which targets fund to areas in fiscal difficulties.

Members of the subcommittee in addition to Fountain are: Don Fuqua (D-Fla.); Glenn English (D-Oklahoma); Elliott H. Levitas (D-Ga.); Henry A. Waxman (D-Calif.); John W. Jenrette Jr. (D-S.C.); Michael T. Blouin (D-Iowa); Les Aspin (D-Wis.); John W. Wydler (R-N.Y.); Clarence J. Brown (R-Ohio); and Tom Corcoran (R-Ill.).

## SENATE COMMITTEE

FINANCE AND CLAIMSDate 3-9-77Senate Bill No. 239Time 4:19

NAME

YES

NO

Himsel, V.C.

✓  
al

Story

✓

Echart

Kolstad

✓

Lockrem

Nelson

✓

Smith

✓

Stephens

✓

Fasbender

Boylan

✓

Flynn

✓

Mehrens

al

Regan

al

Roberts

✓

Thomas

✓

Thiessen, Chairman

Secretary

Chairman

Motion: 9-1-116et cetera



## *The Big Sky Country*

### MONTANA STATE SENATE

SEN. CORNIE R. THIESSEN  
BOX 195  
LAMBERT, MONTANA 59243

March 10, 1977

2  
PRESIDENT-PRO TEM  
COMMITTEES:  
FINANCE AND CLAIMS, CHAIRMAN  
LOCAL GOVERNMENT  
RULES

Commissioner, George Lackman  
Department of Agriculture  
1300 Cedar Street  
Helena, MT 59601

Dear Mr. Lackman,

The Senate Finance and Claims Committee has recommended a do pass on Senate Bill 289.

It is the committee's intent that no general fund be used in administering, monitoring, or auditing any federal funds received under the provisions of the bill. Thus all costs associated with the federal funding will be paid by federal dollars.

Sincerely,

C. R. Thiessen, Senator  
Chairman, Finance & Claims Committee

CRT:sk

## AMENDMENTS TO SENATE BILL 166

1. Amend page 2, Section 1, line 9.

Following: "Household"

Insert: "and domestic"

2. Amend page 3, Section 2, line 14..

Following: "92-212"

Insert: ", 92-213, and 92-214"

3. Amend page 9, Section 4, line 21.

Following: "be paid"

Insert: "from the fund"

4. Amend page 11, Section 5, line 4.

Following: line 4

Insert: "Section 5. There is a new R.C.M. section numbered 92-213 that reads as follows:

92-213. Election of uninsured employee to take under the fund or bring action against employer -- limitation on benefit entitlement under the fund. (1) An employee who suffers an injury arising out of and in the course of employment while working for an uninsured employer as defined in 92-212(1), or an employee's beneficiaries in injuries resulting in death, may elect to either receive benefits from the uninsured employers fund or pursue a damage action against the employer. However, once an election has been made to either take from the fund or pursue a damage action, the election is final and binding on the employee or the employee's beneficiaries, heirs, and personal representatives. An injured employee or the employee's beneficiaries may not receive both benefits from the fund and pursue a damage action. If an injured employee or the employee's beneficiaries elect to bring an action to recover damages for personal injuries sustained or for death resulting from personal injuries so sustained, it is not a defense for the employer that the:

- (a) employee was negligent unless such negligence was willful;
- (b) injury was caused by the negligence of a fellow employee; or

(c) employee had assumed the risks inherent in, incident to, or arising out of his employment or arising from the failure of the employer to provide and maintain a reasonably safe place to work or reasonably safe tools or appliances.

(2) Notwithstanding the provisions of 92-212 and 92-614, injured employees or an employee's beneficiaries who elect to receive benefits from the uninsured employers fund are not granted an entitlement by this state for full workers' compensation benefits from the fund. Benefits from the fund shall be paid in accordance with the sums in the fund. If the division determines at any time that the sums in the fund are not adequate to fully pay all claims, the division may make appropriate proportionate reductions in benefits to all claimants. The reductions do not entitle claimants to retroactive reimbursements in the future."

Renumber: all subsequent sections.

5. Amend page 11, Section 5, line 4.

Following: "section"

Insert: "numbered 92-214"

6. Amend page 11, Section 5, line 19.

Strike: "wilful"

Insert: "willful"