

MINUTES OF THE MEETING  
FINANCE AND CLAIMS  
MONTANA STATE SENATE

March 30, 1977

The seventeenth meeting of the Senate Finance and Claims Committee met on the above date in room 331. Roll call was taken and the committee was called to order at 8:10 by Senator Thiessen, Chairman.

Senator Thiessen announced that Polly Holmes had some material she wished to have passed out to the committee, and had made arrangements to do so on the prisons, and a speaker from Nebraska who would be speaking somewhere in the building today. He said the committee could go to hear it elsewhere, or if they wished him to change his refusal to hear it before the committee he could do so.

Representative Gunderson had called to say he would be late, but Mrs. Joan Uda would speak for House Bills 283 and 284.

Joan Uda explained House Bill 284 and 284. She said possibly it should be one bill rather than two. She is the staff attorney for the office of budget and program planning. Her testimony is attached.

Bob Stockton, Office of Public Instruction, said he supported the bill.

Dan Mizner spoke against the bill, he said they wanted this money for the cities and towns--not the money they had been receiving, only the new money, as explained in Senate Bill 236.

Senator Etchart asked about the legality of spending the money for the schools, or for the cities and towns, and was told by Joan Uda that she could see no problem. Senator Thiessen said he had had it checked, and could see no problem, either.

In answer to a question from Senator Regan there had been a bill alive they had been willing to trade on if they could get the money from Senate Bill 236. Since then the other bill had been killed.

Senator Himsel said he could not see where it would benefit the cities and towns if it were done legally since 60% went to the impact areas and only 40% was available to spread around in the cities, towns and counties in Montana. He did not see where this could help their present problem areas.

Since Representative Barrett was absent, Mr. Stockton carried H. B. 547. He said this had been introduced at their request. The Federal Government changed the law in regard to handling the surplus sales--there would be more donees, and since the schools would only be a part of this, they felt it should be under the Department of Administration, and had fully expected Representative Barrett to have an amendment ready to that effect.

He said the schools had taken advantage of these sales and had gotten some heavy equipment etc., for the vo-tech schools.

In an answer to a question from Senator Regan he answered that the cities and towns would now have to go through them to get the materials. The only two who had been able to do any of this before to any extent was Billings and Great Falls.

Questions were asked as to the possibility of irrigation districts and fire districts to obtain surplus, and he answered after this Federal Law goes into effect they should be able to, if he understood it correctly.

Senator Regan asked to see a copy of the law, and inquired as to the regulation that would have them hire from 4 to 7 more FTE's.

Senator Himsel said he thought there was a bill somewhere, or else it was in the sub committee bill to make the transfer to the Department of Institutions.

Since 2 members of the committee were visiting the prison and had asked that no action be taken on the first 2 bills until the work session tomorrow, and since further information was desired on the latter, he would defer action until tomorrow.

Senator Stephens asked if it were possible to get an inventory of the value of the surplus items in the warehouse at the present time.

The meeting adjourned at 9:02 A.M.



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SENATOR THIESSEN, Chairman

STATE OF MONTANA

Office of the Governor

**Budget and Program Planning**

Thomas E. Judy,  
Governor

Michael G. Billings  
Director

Capitol Building - Helena, Montana 59601

To the Senate Finance and Claims Committee:

Testimony in support of House Bill 283 and House Bill 284:

The Office of Budget and Program Planning urges your support for House Bills 283 and 284, which are companion bills introduced by Representatives Jack Gunderson and Ann Mary Dussault at the request of the Governor. Taken together, the effect of these bills is to place the additional 12½% of money which Montana will receive under the recently amended federal Mineral Lands Leasing Act into the state school equalization fund. The governor's office requests this committee to approve these bills because they provide for using the money in compliance with federal requirements, and because they will quickly and efficiently place the money into an existing distribution mechanism for use where it is needed.

HISTORY

The federal Mineral Lands Leasing Act (Act of February 25, 1920) provided that all money received from sales, bonuses, royalties, and leases under the Act were to be paid into the United States Treasury, and that 37% of this money should be returned to the states in proportion to the amount of land contained in each state from which the money was derived. This money was to be used by the states or their subdivisions "... for the construction and maintenance of public roads or for the support of public schools or other public educational institutions, as the legislature of the State may direct. . ." 30 U.S.C., section 191.

The legislature of Montana directed that one-half of this money should go into the earmarked revenue fund for state equalization aid to public schools (section 75-6916(4), R.C.M. 1947), and that the other half should go into the state highway account in the earmarked revenue fund (section 79-211, R.C.M. 1947).

NEW AMENDMENTS:

Last fall, Congress amended the Mineral Lands Leasing Act to provide that 50%, instead of 37%, of the revenues from such lands should be returned to the states, and that the money is to be used by the state or its subdivisions "as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by development of minerals leased under this Act for (i) planning, (ii) construction and maintenance of public facilities, and (iii) provision of public service. . ." 30 U.S.C., section 191, as amended.

The purpose of House Bills 283 and 284 is to distribute Montana's additional 12½% of Mineral Lands Leasing Act money.

SENATE

### COMMITTEE

BILL NO. 183,284. 547

VISITORS' REGISTER

DATE 3-30-77

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY



## STATE OF MONTANA

## Office of the Legislative Fiscal Analyst

STATE CAPITOL  
HELENA, MONTANA 59601  
406/449-2986JOHN D. LAFEVER  
LEGISLATIVE FISCAL ANALYST

March 11, 1977

TO: Senator Cornie R. Thiessen, Chairman  
Senate Finance & Claims Committee

FROM: John D. LaFaver, Legislative Fiscal Analyst

SUBJECT: S.B. 236

During the hearing on S.B. 236, your committee heard testimony from the association of counties that passage of S.B. 236 would imperil counties receiving federal "payments-in-lieu" funds. Discussions I have had with the congressional subcommittee staff and the association of counties indicate that the issues are at best remotely related.

The options available for using the additional mineral leasing funds coming from the federal government include (at least):

1. Retaining the present proportions. This was the basis our office used in calculating needed school support. It would require no statutory change. Both highways and schools would receive some added money.

2. Allocating all additional moneys to cities (S.B. 236). This would require additional funds for schools not presently in executive budget or our recommendations.

## ROLL CALL

## FINANCE AND CLAIMS COMMITTEE

45th LEGISLATIVE SESSION 1977

Date 4-30

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