

MINUTES OF THE MEETING
FINANCE AND CLAIMS
MONTANA STATE SENATE

March 31, 1977

The eighteenth meeting of the Senate Finance and Claims Committee met on the above date in room 331 of the State Capitol. Roll call was taken, and the meeting was called to order at 8:10 by Senator Thiessen, Chairman. He said we had heard House Bill 547 yesterday, but some of the committee members had had questions on it.

Mr. Stockton said he had brought a copy of the rules and regulations, 2 copies of the Federal law, a copy of the state law in draft form and since they were short would like to have most of them back. He also presented copies of the budget as they saw it. A copy of the latter is attached.

Mr. Bill Ernst, OSPI, was present. He had been manager of the surplus warehouse and sales since its inception 27 years ago.

Mr. Phil Ward, OSPI, showed a visual chart and explained it. He said they would be considered region 9 instead of region 8 and felt it more appropriate to have this function transferred to the State Administration Department rather than the Educational Department where it has been. He said some of the surplus will be put into a catalog as reportable, others will be unreportable, and they would be dealing with both. He told of the screeners who have to see the property and find out if it is as represented, is ready for use, etc. Under the new law it is the desires of Congress that the donees would do much of their own screening and transportation. He said there would be 2,400 donees under the new regulations, and he did not have any idea how many eligible donees in a sub category such as city parks for example. He said the screener has to be certified and must have an authorized form from the agency. He said the 6/30/76 inventory showed \$743,691, the value is \$1,119,824. In 27 years over \$30 million in value brought to the state of Montana. He said the source of the property is Federal Agencies \$930,904, other property agencies \$32,437 and overseas bases \$103,022. There has been up to the law change, 900 eligible donees. He told of the records that have to be kept, how the equipment is followed through, and generally permission is given in the end for junking it.

Mr. Stockton said he felt there would be a need for an additional staff of 4 people now and 3 later. They had done a lot, but could no longer handle this extra.

In answer to questions Mr. Ernst said there is a lot of travel involved on the part of the screeners, but they were hoping to get more donees to inspect their own.

There was discussion on the possibility of changing the rules to let the bill go through which would change the surplus business over to the Department of Administration, and Mr. Saxby said Mr. McOmber had a copy now and would know in the next few

days. He told of the possibility of changing warehouses before the liquor warehouse was filled with documents, of using a switch so there was room for both. He said they would have to go slow, but felt the ground should be prepared now.

Senator Himsl said this bill is only on the revolving fund, and if it cannot be amended then it would seem logical to pass this bill if it were needed and to worry about the other if they could get a suspension of the rules.

Senator Smith asked what the handling charge had been, and Mr. Ernst said they charged 6.9% and it might have to go up to 7.5 or 8% with the changes. He said they had always been self-supporting.

A motion was made by Senator Himsl to move House Bill 547 out with a do pass recommendation. Discussion followed, and Senator Himsl withdrew his motion. Senator Smith said he felt it was very good to have an operation overhead of only 6.9% and still show a small profit.

House Bill 283 and 284 were discussed. Motion by Senator Fasbender that HOUSE BILLS 283 and 284 do pass. Second by Senator Regan. Discussion was held on what the cities and the towns would do if there was no additional revenue for them.

A vote was taken on the motion, roll call attached, motion passed.

Motion by Senator Boylan, second by Senator Nelson that we hold this bill in committee for 2 days until we learn more of another bill that might give some funds to cities and towns. Voted, the motion passed unanimously.

The meeting was adjourned.



SENATOR THIESSEN, Chairman

SENATE

COMMITTEE

BILL

VISITORS' REGISTER

DATE

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

ROLL CALL

FINANCE AND CLAIMS COMMITTEE

45th LEGISLATIVE SESSION 1977

Date 3-5-77

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

SENATE COMMITTEE

FINANCE AND CLAIMS

Date 5 31-7714Bill No. 2831284Time 9:52

NAME

YES

NO

Himsl, V.C.

Story

Etchart

Kolstad

Lockrem

Nelson

Smith

Stephens

Fasbender

Boylan

Flynn

Mehrens

Regan

Roberts

Thomas

Thiessen, Chairman

Secretary

Chairman

Motion: 16

(Motion to table for 2 days to await
(including bill work for 2 Cities + Dodge -
Voted & passed unanimous)

SURPLUS PROPERTY ESTIMATED INCREASED COSTS