

February 15, 1979

Chairman Brand called the meeting to order at 8:10 a.m., roll call was taken showing Rep. Azzara not in yet, Rep. Pistoria excused, and the Secretary oversleeping.

HB 606-Sponsored by Rep. Ellis, et al --- This bill is by request of the Legislative Audit Committee. It creates the Board of Realty Regulation, requires the Department of Business Regulation to regulate the Board, and amends the sunset laws to allow the continuation of the Board. He said that this was a spin-off as a result of the sunset audit, and does several things -- abolishes the present board, removes it from the Department of Professional & Occupational Licensing, recommends a 5 member board and interjects 3 consumers. There has been very little public input. Section 1 creates this board and allows it to be appointed by the Governor with the consent of the Senate. Members will be licensed brokers or salesmen actively engaged in real estate for not less than 5 years prior to appointment. Section 3 makes the terms of the board. Section 4 deals with payment of the members for time spent in business. Section 5 eliminates the fee schedule and allows for fee setting by the board.

ROBERT CUMMINS-Chairman, Board of Real Estate -- He submitted written testimony, see Attachment #2.

#### OPPONENTS

SIDNEY SMITH-Smith Realty -- He submitted written testimony, see Attachment #1.

Mr. Cummins also proposed an amendment on page 5, line 9: "including the performance of quasi-judicial function".

ELLIS-He said that he felt that HB 606 does address the problems, by allowing for the phasing-out of the old board and entrance of the new one and gives a fresh start to the industry. We do need some regulation.

JOHNSTON-How many times a year do you meet? CUMMINS-Every month as a total board for one or two days. There are two committees that meet at different times four or five times a year. STAIGMILLER-How long has it been since they have suspended a license. CUMMINS-Three in Bozeman lately, but it had been 10 to 18 months since we had revoked a license. KROPP-How many licensees are there in Montana? CUMMINS-4,100 licensees in the state, about 2,000 have joined the voluntary Montana Association of Realtors, and there will probably be about 5,000 by the end of the year. BARDANOUE-Why is there no competition in the industry? It is almost a closed shop. DR. CROWLEY-I don't agree, there are some realtors who advertise.

BRAND-Rep. Ellis, would you oppose the amendment suggested by Mr. Cummins?  
ELLIS-No.

Please see Attachments #2A and 2B for additional opposition, and #2C for a professional profile of the real estate industry in Montana.

HJR 35-Sponsored by Rep. Manning -- This directs the Commissioner of Campaign Practices to fully endorse the provisions of the Campaign Practices Act of 1975.

NO PROPONENTS OR OPPONENTS

McBRIDE-What isn't being enforced now? MANNING-He referred to some cases in Great Falls and said he felt nothing really was being done -- a warning given but nothing very severe -- the Commissioner is doing a little, but not enough. KROPP-Why don't you think he does more? MANNING-The Commissioner felt he needed more help and money. BRAND-What do you want that is not being done now? MANNING-I want the laws that are on the books enforced, which is not being done now.

HB 553-Sponsored by Rep. O'Connell -- This is a follow-up of HB 428 of two years ago - a supplemental to retired police officers. It is a housekeeping bill to clean up apparant problems from last session.

MAURICE MULCAHY-AFSCME, AFL-CIO, MEPA -- He submitted written testimony, please see Attachment #3.

Mr. Mulcahy also proposed an amendment to remove the July 1, 1975 deadline for receiving the supplement to the pension system. The retiring police would then be entitled to supplement their retirement allowances with this needed cost-of-living increase.

MIKE McGRATH-Assistant Attorney General -- Spoke in support.

LARRY NACHTSHEIM-Administrator, PERS -- Spoke in support.

MIKE MORRIS-Retired Police Officers' Association -- Spoke in support.

JACK WILLIAMS-Police Chief, Helena -- The retired policemen need this money and will support this bill.

*NOTE: I am not responsible for the lack of information contained here - I wasn't present at the hearing to take notes and apologize for the sketchy nature.*

*Nita Sierke*

O'CONNELL-I oppose the proposed amendment. This money has been going into the General Fund since 1907, and has never been touched - which is a pretty good deal for the state.

HB 561-Sponsored by Rep. Kvaalen -- This bill amends Section 2-15-201, MCA relative to the powers and duties of the Governor. This would require the Governor to appoint the Lieutenant Governor as Director of one of the state executive departments. It would give him a real job.

NO OTHER PROPONENTS

OPPONENTS

JOE ROBERTS-Administrative Assistant to the Governor -- The talents of the Lieutenant Governor have not been wasted, he has done very important work for the

(ROBERTS continued)--state. The present Lt. Governor is working very closely with the Governor and has many duties. If he is the head of a department and does not do well, the Governor couldn't fire him because he is an elected official.

KVAALEN-The effective would be January 5, 1981.

#### NO QUESTIONS

HB 558--Sponsored by Rep. Bardanouve -- This bill increases the contribution to the police officers retirement system of the state for police officers hired after June 30, 1979. It provides for the reduction of the unfunded liabilities of the cities by transferring their retirement systems to the police retirement fund of the state. The state's contribution is increased from 12% to 13% and the employee contribution would be 9%. This will try to keep this system in sound fiscal condition, but it will cost money.

DAN MIZNER-League of Cities and Towns -- Two years ago the Legislature saw fit to combine a whole bunch of pension plans and put them under PERS. Pension plans all over the country are in trouble. Benefits have been given without money going into the programs. He proposed the following amendments: Page 2, line 25, following "1977", insert: "every 4 years thereafter"; page 4, line 2: strike to bottom of line 3, insert: "current cost"; page 3, line 2 through line 18: strike in their entirety.

MR. BOYERS-Director of Finance, Billings -- We concur with the bill and the proposed amendments.

AL THEILAN-Helena City Manager -- We support this. 17% of the salaries in Helena are going to retirement plans.

DOYLE WILLIAMS-Great Falls -- Spoke in support.

Please see Attachment #3A for testimony from the City of Bozeman in support.

JACK WILLIAMS-Helena Police Chief -- We support this. We raised our contributions two years ago, and the system should be fully funded. We do object to the 9% for officers coming on after July of '79. I would suggest it be reduced in line with (page 4, line 8) and be clarified, otherwise we don't approve.

#### SEMI-PROPONENT

LARRY NACHTSHEIM-Administrator, PERS -- He praised Rep. Bardanouve and said that he has a problem with what the bill does, not what it says. He said the bill takes the authority from PERS. We can't possibly negotiate with 15 different cities. See Attachment #4/5 for further testimony.

MAURICE MURCAHY-APSCO, AFL-CIO, MPPA -- He submitted written testimony, see Attachment #6.

ROY BLEAK-Montana Firemen's Association -- See Attachment #7 for his testimony.

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BARDANOUVE-I don't think I have any friends anymore. I feel we should amend the bill the way Nachtsheim suggests. The policemen have cooperated very well, and I ask you not to put off the decision until another year -- let's do it now. We should set up a pension commission and take this out of the hands of the legislature sometime in the future. The policemen, cities and Mr. Nachtsheim should all sit down and address the problems we have talked about here today and come back with a new, good bill.

O'CONNELL-Are you suggesting the committee hold off on this bill and let the police, cities and Larry get together? BARDANOUVE-This is what should be done. BRAND-But I think the firemen have tried to cooperate with you on this.

HB 613-Sponsored by Rep. Menahan -- This bill modifies the duties of the Fiscal Analyst. It would require him to study only the areas the Legislature requests. He talked about another bill being drafted calling for the same thing.

#### NO PROPONENTS

JOHN LA FAVER-Legislative Fiscal Analyst -- I can't appear as either an opponent or proponent, but am here at the invitation of Rep. Menahan. The first thing the bill would do -- my office would provide only factual reports rather than information. A budget analysis or proposal is not like doing an audit. This is not factual, but an analysis. He said another item he felt should be discussed is that at the moment, his office can communicate with any or all legislators. This bill could do very real harm by preventing us from talking to any legislator. The bill would change our ability to make a recommendation by drawing conclusions.

#### OPPONENTS

REP. FRANCIS BARDANOUVE-Harlem, Montana -- He spoke about the good things the FA is doing and has done, such as finding lost or strayed money, Special Ed., etc. He said Mr. LaFaver is not issuing laws, he is making recommendations.

Menahan closed briefly, but the record shows none of his statements.

BARDANOUVE-When is the Fiscal Analysts' budget released? LA FAVER-The first Saturday of the legislative session. The Governor's budget is available before the session begins. BARDANOUVE-Why can't yours be released any earlier? LA FAVER-Because it couldn't be released until after they had the Governor's budget because we criticize their budget, that is the main reason for ours. Our reports are public and available to anyone on our mailing lists. Anyone can get on the mailing list. The interim committee is provided copies of our report. We are their staff and we report to them.

HB 567-Sponsored by Rep. Magone -- This calls for a constitutional amendment and proposes to extend the term of members of the House to 4 years. It must be voted upon by the people of Montana before it can be adopted. I feel this would save the state money -- in printing of ballots, training of legislators, etc. A 4 year term would help the legislator in many ways -- he could start putting in bills and having them ready when the session starts because he would know he was coming back.

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REP. KANDUCH-I am a co-sponsor on this and I think it is a good bill.

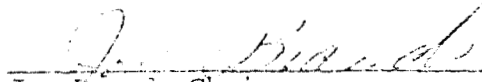
NO OPPONENTS

O'CONNELL-How would the terms be decided, staggered or what? MAGONE-I don't know for sure, but a good way would be by even and odd districts. However, this would go to the vote of the people and it would be 1984 before it would become effective -- if accepted by the people. JOHNSTON-Don't you think something like this would make us like the Senate in more ways than length of term?..... and who wants that?.....

BRAND-It is nearing lunchtime, so let's adjourn and meet tonight on adjournment and have executive.

So moved and approved by the committee.

Adjourned: 11:35 a.m.

  
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Joe Brand, Chairman

  
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Nita Sierke, Secretary

These minutes were taken by Nina Kosmos because Nita Sierke seriously overslept.