

March 6, 1979

Chairman Brand called the hearing to order at 9:00 a.m., Rep. Azzara was excused for another hearing, and all other members were present.

SB 344-Sponsored by Senator Roskie -- He sketchily explained the bill.

VERA FRESEMAN-State Treasurers' Office, Administrator -- She submitted a concise explanation, please see Attachment #1.

LEO BERRY-Director, Department of State Lands was also present for questions.

NO OPPONENTS, NO QUESTIONS.

SB 442-Sponsored by Senator Steve Brown -- This deals with the accumulation of vacation time of state employees and the ability to extend allowable vacation time into the first 90 days of the succeeding calendar year. This eases the time around Christmas because everybody wants off then.

TOM SCHNEIDER-Executive Director, MPEA -- If we have any problems with this bill, could we move it down to the Ag. Committee? It deals only with people having excessive numbers of days at the end of any year. This occurs more with management than lower level employees. There's very little fiscal impact and we urge your support.

LES NILLSON-Montana State Firemens' Association -- It is an administrative bill. They aren't asking for anything extra. It doesn't have much of an effect on us but we do look out for our administrators.

PONENT

PAT ESTENSON-State Personnel Division -- We are neither proponent nor opponent. The concern reflected in this bill has been heard mainly from upper eschelon employees who loose their leave because they can't always just up and go on vacation.

NO OPPONENTS, NO QUESTIONS

SB 395-Sponsored by Senator Steve Brown -- This was introduced at the request of the Commissioner of Campaign Practices. This get rid of alot of archaic language which included everything from cemetary companies to refrigeration firms. Some of the changes are: (1) corporations are not allowed to contribute in any manner; (2) it is illegal to receive such money as a candidate; (3) allows a corporation to set up a separate entity for the purpose of contributions; (4) deals with ballot issues.

JANILLE FALLON-Montana Chamber of Commerce -- This statutorily clarifies things we are already doing and just cleans it up a bit. The section on corporate political committees is very close to the federal statute. I would urge your support.

MAGGIE DAVIS-League of Women Voters -- When this came into law we had to disincorporate so that we could make the provisions of the law. We are still disincorporated, but still support this issue. Ballot issues are not mentioned specifically in this but are included by omission. I would offer an amendment on page 1, line 13 to clarify the grammar - strike "Prohibited" and reinsert if after "corporations".

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## NO OPPONENTS

SB 212-Sponsored by Senator Steve Brown -- This pertains to permissible investments by the Investment Board outside of the state. (see Summary for full explanation of the bill in concise form)

HAROLD GERKE-Speaker of the House -- It appears to me to be a safe market for our state investments. This seems a wider variety and a better choice. I do want to make it clear that the piece of literature that was put on your desks was a violation of the Rules and was done without my permission, but I do support this bill.

NEIL LYNCH-(He signed no witness sheet, and I have no identification as to whom he was representing) -- In the early '70's, the state investment department took \$1 million out of the \$8 million we have and put it into the World Bank. These development funds are now going into developing Asian nations. Another law came along that seemed to make it unlawful to put money in the World Bank. This bill is not opposed by local banks and the yield is as high as 11.5%. If we can raise the standard of living of developing nations we can help them to buy our products such as wheat; so there is almost a direct benefit for us from this. It is an indication that we are interested.

GENE MARANS-Counsel for the International Bank for Reconstruction and Development -- Mr. Marans submitted an extremely comprehensive, yet concise explanation of the bill, see Attachment #2.

## NO OPPONENTS

PISTORIA-When you invest in this bank, if we want to sell is there a notice time required? MARANS-These are listed on the New York Stock Exchange and you can call your broker and sell at any time. STAIGMILLER-Would the interest be put in the General Fund? BARDANOUE-It probably would not be General Fund money, but more like PERS, Highway Patrol, TRS or some other long term money. STAIGMILLER-But where does the interest go? BARDANOUE-To the fund from which the money is derived. DONALDSON-Why is the yield so much higher? MARANS-In some, they base what they pay on the income of the banks and that income comes from loans made by the banks which are made at fairly substantial rates of interest. Many of the bonds they issued in the past were done so at very low levels so there is a mixture. As long as their income from these loans is a little higher than the interest they have to pay out -- it averages what you are loaning and paying over several years. KROPP-Is there a cost for investing this money? MARANS-The same as any other. If you purchase at the onset you get a base level, if you buy on the open market (i.e. the Stock Exchange) you pay brokerage fees.

SJR 6-Sponsored by Senator Aklestad -- The main gist of this is to acknowledge past trade relationships with Taiwan and to state that we deplored the way in which that relationship was severed. I have some amendments. (see Attachment #3) to direct the resolution to the agricultural agencies in Taiwan. I think the agricultural agencies in DC would throw this into the waste baskets, but I think it would have an effect on the people of Taiwan. Montana's concern would be small grains. We would like to continue to sell grain to Taiwan -- which has the greatest potential to offset the trade deficit.

## NO OPPONENTS

AKLESTAD-The Wheat Commissions, Western Wheat Association, etc., here have smaller counterparts in Taiwan. We tried to get a broad title to cover similar agencies in Taiwan.

BARDANOUE-Why was the bill amended on page 1, line 19? AKLESTAD-In the late '60's early '70's China turned down our wheat because of smut disease.

## EXECUTIVE SESSION

SB 344-O'CONNELL moved BE CONCURRED IN, which carried unanimously.

SB 395-JOHNSTON moved BE CONCURRED IN.

SALES made a substitute motion to include Davis' amendment on page 1, lines 13 and 14: striking the catch line, and inserting: "Prohibited contributions from corporations" - motion carried.

Johnston's motion of Be Concurred In was altered to AS AMENDED BE CONCURRED IN, and carried unanimously.

SB 112-FEDA moved to amend by striking section 12.

McBRIDE then made a substitute motion to hold to see what happened to SB 395, which carried.

SB 212-PORTER moved BE CONCURRED IN, which carried on a roll call vote 13 - 4.

SB 442-BAMTH moved BE CONCURRED IN.

SALES-I can't support this. It seems if we made it 90 days before the end of the year it would be a better step, I think the state is very sloppy about this and this bill gives them even more latitude.

As a substitute motion SALES moved NOT BE CONCURRED IN, which carried on a roll call vote 12 - 5.

SJR 6-Donaldson moved to hold this to see the scope of Rep. Scully's resolution on the same subject.

ZEZOTARSKI-SB 112 wouldn't have to be amended if 395 passes because it is a record bill and 395 would supercede it.

SB 156-McBRIDE-Howard and I wanted to investigate this because our areas would be most penalized. PORTER-When I explained the problem the man said he had kept the envelopes and that his being late was not necessarily the fault of Yellowstone because the forms to be returned are late coming in. McBRIDE-They are going through transition from manual to computer in Silverbow; so we talked about an amendment to relieve a county undergoing transition for a period of a year with no penalty. PORTER-This computer business is complex and I can sympathize.

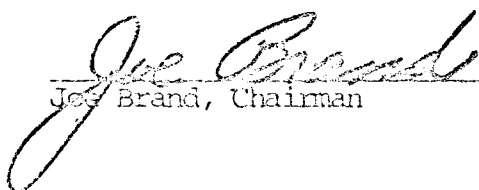
KROPP moved that SB 156 be placed in a subcommittee for the purposes of amendment.

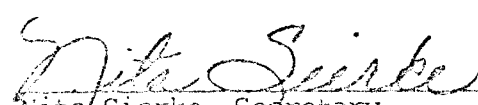
FEDA moved the bill NOT BE CONCURRED IN.

PORTER-This is at least better than the old law.

BAETH made another substitute motion -- that it be put in subcommittee to report Thursday, March 8. The committee agreed, and Chairman Brand appointed McBRIDE Chairman, Porter and Baeth.

Adjourned: 10:55 a.m.

  
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Joe Brand, Chairman

  
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Nita Sierke, Secretary