

MINUTES OF THE MEETING  
STATE ADMINISTRATION COMMITTEE  
MONTANA STATE SENATE

February 13, 1979

The twenty-third meeting of the Senate State Administration Committee was called to order by Senator Pete Story, Chairman, on the above date, in Room 442 of the State Capitol Building.

ROLL CALL: All members of the Committee were present with the exception of Sen. Greg Jergeson who was excused.

CONSIDERATION OF SENATE BILL No. 326: The Chairman called on Senator Bill Lowe, Billings, sponsor of the Bill, to present his testimony.

Sen. Lowe distributed architects drawings of the proposed addition to the State Capitol to all Committee members and referred to them in his presentation as being architecturally compatible with the present structure. He stated the legislature requires adequate facilities in order to function properly, even though past arguments relate to self-serving interests and spending of taxpayers' money. In contemplating this addition in the past, cost factors continue to escalate - from \$5,900,000.00 last session to over \$7 million now. This figures out to be about a 10-12% escalation in price which means we are not going to save any money by waiting to construct the proposed legislative wing. In explaining the proposal, he explained that each legislator would have a private cubicle for his own personal use, complete with phones and provisions for steno help. A reception area, conference rooms, lounge, proper cafeteria, adequate meeting rooms and, perhaps, office for the legislative council were planned. It would also allow room for the law library and adequate parking much as it is now on the South side. Plans call for 70,000 total feet at a cost of about \$100.00 per sq. ft. for any changes from present specifications, including carpeting, furnishings and air conditioning. Sen. Lowe mentioned that other state office buildings have been suggested, including a justice building; however, this would mean that the present Supreme Court wing would be altered considerably which would be a terrible thing to have happen there. Financing of the construction costs had been discussed with the Budget Director, George Bousliman, who advised by 1981, the bonded indebtedness would have declined to allow this as the means of financing the building. As to the objection that this would be used for only a short time every 2 years, he did not think this was a reasonable argument as between sessions, these chambers are used regularly for meetings and hearings. He stated Phil Houck was available to answer questions.

There being no further proponents and no opponents appearing to address the Bill, questions from the Committee were called for.

Sen. Rasmussen questioned the necessity of a justice building. Sen. Lowe responded that they have been requesting this on and off for many years, complaining of lack of adequate space and area for a law library. However, space for a library has been contemplated in this new wing, and as the present Courtroom is a beautiful room

which should be preserved at all costs rather than be chopped up, they could have the area vacated by the present library and what area vacated by the legislature that they needed. The building they propose has about a \$4 million price tag, but is smaller. The biggest share of our long-range building fund is funded by a tax on cigarettes which the state then uses to buy bonds. The time element if this Bill passes now coincides directly with 1981 when the indebtedness will be way down.

There being no further questions, the hearing was closed on Senate Bill No. 326.

CONSIDERATION OF SENATE BILL No. 351: The Chairman called Senator Jean Turnage, Polson, sponsor of the Bill, to present his testimony.

Sen. Turnage explained the Bill pertained to the compensation for the State Tax Appeal Board. He gave the background on why the board was created under the new Constitution and the type of cases of tax review they handled. July 1, 1975, it was enacted with the compensation fixed at the same rate as the Public Service Commission at that time; however, unlike the PSC, there has been no increase in salary since that time. As the governor appoints these board members, the Bill provides for the governor to set future salaries. In considering a reasonable increase, the chairman of the board should receive an additional sum as that person also handles the duties of an executive secretary. He explained the Fiscal Note was based on the assumption of tying this to the PSC. Sen. Turnage then reviewed the work load of the board, mentioning increasing number of cases handled each year, not only from small taxpayer grievances but also large disputes such as with Montana Power Company. He felt that in order to keep qualified and competent people on this board, adequate compensation was necessary.

Helen Peterson, Chairman of the State Tax Appeal Board, was introduced by Sen. Turnage. She stated that as the governor appointed the board, perhaps he should also set the salaries. Also mentioned was the case load increase from 250-300 up to over 1,300 this year, with very little possibility of reduction in sight. This is a considerable load on the chairman as they disposed of an executive secretary, so the chairman handles all these duties also.

There being no further proponents nor any opponents to the Bill, the hearing was opened to Committee questions.

Responding to a question by Sen. Rasmussen, Sen. Turnage replied that the Tax Appeal Board was a new concept at the time, and they simply didn't know what to tie it into. The PSC was probably the closest agency in functions; however, the PSC people are elected where this board is appointed by the governor.

Sen. Story suggested two possibilities in considering this: one would be to tie it to the PSC and the other to the state pay plan.

Mrs. Peterson responded that they had no particular objection as to the board's placement, but thought the Salary Commission had already met for this year.

In discussion, it was brought out that the chairman now receives \$19,000.00 and the other board members \$18,500.00; the Public Service Commission is now at \$25,000.00.

Sen. Rasmussen raised the question of the board being in an adversary position with the governor on certain matters. Sen. Turnage admitted this would definitely be true as to the Revenue Dept. and could possibly relate to the governor. He added that this is a quasi-judicial board with no staff attorney, so they have had to become quite knowledgeable on tax matters, make findings of fact, conclusions of law and a written decision based on those facts.

In answer to Sen. Ryan's inquiry, Mrs. Peterson indicated many of the cases resulted from the state-wide reassessment procedure.

There being no further question, the hearing was closed on Senate Bill No. 351.

CONSIDERATION OF SENATE BILL No. 344: Chairman Story called Senator George Roskie, Great Falls, sponsor of the Bill, to present his testimony.

Sen. Roskie introduced Vera Fresman of the State Treasury Dept. Ms. Fresman stated this reporting requirement to the State Lands Department was a duplication of reports which they already had pertaining to CIVIS and therefore was not necessary.

Sen. Hafferman questioned if this were a means of a cross-check. Ms. Fresman replied it was simply a duplication in that it was a report from the Board of Investments on how much money they invested and from where it came, relating to university gifts and contributions, but only prior to 1973; this information was also furnished to the State Lands Dept. directly.

There being no other proponents nor any opponents, the hearing was opened for questions.

There being none, Senator Greg Jergeson moved that Senate Bill No. 344 DO PASS; motion carried unanimously.

Sen. Story handed the chairmanship to Sen. Rasmussen in order to present his Bill.

CONSIDERATION OF SENATE JOINT RESOLUTION No. 15: Acting Chairman Rasmussen called on the sponsor of the Bill to present his testimony.

Senator Pete Story advised the purpose of the Resolution was to

try to contain in one state agency the particular duties or functions that agency was originally intended to manage. After serving on many special committees and interium study committees and many hours spent on consideration of theory and rationale, and serving on the Finance & Claims Committee which took another look at agencies and their reason for existence, he concluded the ideals of reorganization were slowly being eroded away. Saving of tax funds has not occurred and many departments are dealing with very similar subjects such as job training programs. It was discovered 4 different departments handle something to do with that, plus at least 20 different divisions under those departments. Each one holds and promotes its own program and expands it if possible. Then the legislature appointes an interium committee to study this. In Finance & Claims, their job is simply to fund them, and that is why Sen. Story was requesting this Committee to consider what functions should be undertaken by certain state agencies and investigate the layers of government in between the intended project and the end results. His intent was to deal with these as the occasion arose. Regarding who should be managing economic development, the Dept. of Community Affairs, through political trade-offs, became a catch-all agency, getting everything from parks to job training to aeronautics, and losing track of its original purpose. They were intended to help the economic development of small communities. The governor has launched a program to manage economic development state-wide, however, we have no mechanism to address the governor's office on a review of this program. He felt the governor's office has become a super bureau fluxuating with the ebb and flow of federal concepts as they caught on or became in vogue, and then rather faded out of favor as something new appeared. The legislature has no means of determining what the governor's office is proposing by this project or if anything will be accomplished, but he believed in this time of significant economic development, this Resolution is one way to address the problem.

Sen. Rasmussen commented that the last paragraph did put some teeth into the proposal.

No further proponents being present and no opponents appearing, questions were called for by Acting Chairman Rasmussen.

Senator Hafferman commented that he had an experience when a state department was in conflict on an issue with the Governor on the Libby Dam and questioned who was head of DCA, to which Sen. Story replied it was presently Harold Frysler.

Senator Rasmussen moved that Senate Joint Resolution No. 15 DO PASS; motion carried unanimously.

RECONSIDERATION OF SENATE BILL No. 351: Sen. Story resuming the Chair, Sen. Rasmussen suggested this Bill should be amended to tie them to the PSC or state plan, but that a raise was definitely in order as they were still at the 1975 level.

Considerable discussion was had relating to the logical place to tie tax appeal board members' compensation. Chairman Story asked the researcher to obtain copies of the Salary Commission's report and, with the concurrence of the Committee, to prepare proper language for an amendment to the Bill, with the chairman receiving perhaps \$1,000.00 more than the other members.

Sen. Brown proposed an amendment stating the chairman be paid the same amount as the PSC is and the other members receive 90% of that. Initially, this was received favorably by the Committee.

Sen. Ryan questioned the Committee's attempt to set salary when the Bill stated it would be set by the governor. Sen. Rasmussen stated the adversary roll and conflict with the governor should preclude him from setting salary.

Sen. Brown was in favor of allowing a reasonable increase in order to decrease any possibility of fraud or bribery, and, after further discussion, withdrew his proposal to amend so that this could be studied further and the report of the researcher could be presented.

The Chairman advised the Committee of the number of bills left to be heard and that February 15th would be taken for consideration of the governor's appointees.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 11:15 A. M.



Pete Story

Pete Story, Chairman

Date Feb 13, 1979

ROT. CALI.

STATE ADMINISTRATION COMMITTEE

46th LEGISLATIVE SESSION - 1979

Each Day Attach to Minutes.

DATE FEBRUARY 13, 1979

COMMITTEE ON

SENATE STATE ADMINISTRATION

SENATE BILL NO. 351, 326 & 344; SJR. 720. 15  
VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check
			Support
Uwe Petersen	Treasury Minn	344	✓
William R. Low -	Sen. -	326	✓
Petersen	Spencer	351	✓

NAME: John M. Telusa DATE: 2/13/79

DATE: 2/13/79

ADDRESS: 1111 1/2 Main

PHONE: 449-2720 office 443-5719 - home

REPRESENTING WHOM? State of Upper Board.

APPEARING ON WHICH PROPOSAL: S.R. 351

DO YOU: SUPPORT? ✓ AMEND? \_\_\_\_\_ OPPOSE? \_\_\_\_\_

COMMENTS :

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Jerry J

DATE: 2-13-7

ADDRESS: \_\_\_\_\_

PHONE: \_\_\_\_\_

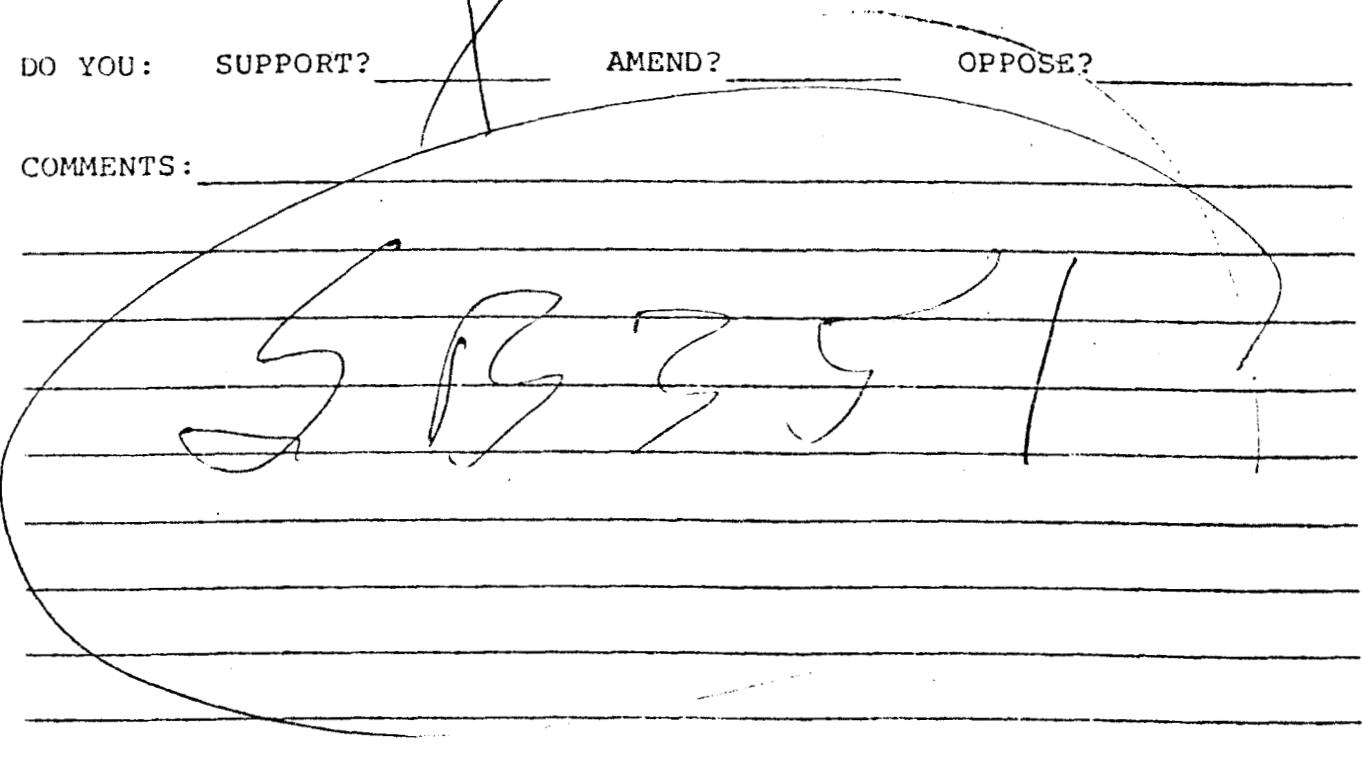
REPRESENTING WHOM? \_\_\_\_\_

APPEARING ON WHICH PROPOSAL: \_\_\_\_\_

DO YOU: SUPPORT?

AMEND?

OPPOSE?

COMMENTS: 

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

ROLL CALL VOTE RECORD

SENATE COMMITTEE ON STATE ADMINISTRATION

Date Feb. 13, 1979 82 R Bill No. 15 Time 10:30

Jennie L. Palmer  
Secretary

Pete Story  
Chairman

Motion: Senator Tom Rasmussen moved that Senate Joint Resolution No. 15 DO PASS, motion carried by unanimous vote, with Sen. Jergeson being excused.

(include enough information on motion--put with yellow copy of committee report.)

# STANDING COMMITTEE REPORT

February 13, 1979

MR. ....President.....

We, your committee on .....State Administration.....

having had under consideration .....Senate Joint Resolution No. 15..... Bill No. ....

Respectfully report as follows: That .....Senate Joint Resolution No. 15,..... Bill No. ....

Introduced Bill,

DO PASS

*P.A.*

STATE PUB. CO.  
Helena, Mont.

*Pete Story,*

Chairman.

ROLL CALL VOTE RECORD

SENATE COMMITTEE ON STATE ADMINISTRATION

Date Feb. 13, 1979 SENATE Bill No. 344 Time

31 Dec 1975

Jennie L. Palmer  
Secretary

Pete Story  
Chairman

Motion: Senator Tom Rasmussen moved that Senate Bill  
No. 344 DO PASS; motion carried  
by unanimous vote, with Sen. Jergeson  
being excused.

(include enough information on motion--put with yellow copy of committee report.)

# STANDING COMMITTEE REPORT

.....February 13.....1972.....

MR. ....President.....

We, your committee on .....State Administration.....

having had under consideration .....Senate..... Bill No....344.....

Respectfully report as follows: That.....Senate.....Bill No...344,.....

Introduced Bill,

DO PASS

*PT*

STATE PUB. CO.  
Helena, Mont.

Pete Story, Chairman.