

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

April 17, 1979

The forty-first meeting of the Senate Finance and Claims Committee met on the above date in room 108 of the State Capitol Building. Following roll call the meeting was called to order by Senator Himsl, Chairman at 8:13 a.m.

ROLL CALL: All members present.

Senator Himsl said he would like to alert the committee to a meeting to be held jointly with the House Appropriation committee with Keith Colbo on the nursing home problems at 10 a.m. tomorrow morning in room 108. He asked if anyone had turned up with an extra copy of the code books, that number 4 was missing from the committee set. He also said that he would like to get the bills cleared up that we had in committee which included Senator Smith's resolution, Senate bill 226 which is Goodover's bill and it is taken care of, Senator Fasbender's 490 was incorporated into another bill from the House and Senator Lowe's 326 would be allowed to rest in peace.

DISPOSITION OF HOUSE BILL 844: Senator Etchart said that Larry Weinberg, Legislative Council, has taken the amendments and worked it into a grey bill for the committee to look at. He said the committee had decided not to delete the suggestion on setting up a place of treatment. He asked Larry to explain the amendments.

Mr. Weinberg: went through the amendments, attached, pointed out through the gray bill where the changes came in, and then coordinated them with the amendment sheet.

Larry Zanto, Department of Institutions, handed out a sheet of charts showing the estimated liquor tax and how it was distributed as to the amount to be used in the alcohol treatment. He passed out another chart showing the sources of the tax and how it was disbursed, attached.

Senator Thiessen: What about the Glasgo center?

Senator Etchart: Glasgo would compete with about 4 or 5 other programs.

Senator Lockrem: The money going to the cities has been used to augment the police salaries. Don't they sort of circumvent the bill?

Senator Fasbender: So far the cities have chosen to use this money in the police fund, it is discretionary.

Senator Himsl: In the case of the operation they have at Libby, if one has an exceptional program and is recognized etc., do they still have to compete with the discretionary funds?

Senator Etchart: We had to move money to take care of 6 programs that don't have enough money under the straight program, plus

some detox programs.

Senator Aklestad: They could well take up the case of Libby. They get a little bit in the consumption ratio.

Senator Etchart: \$30,000 more to keep the Libby program going.

Senator Fasbender: The consumption is distributed at the 4½% and in this one you build a base. The 85-15 will go to the counties to fund the existing programs. Before they were all discretionary.

Senator Himsl: I have a question about the handling of these funds. Earlier in the other bill it said they would go to the Revenue Department and from there right into the field.

Senator Fasbender: Title 53 was changed. It goes to the Department of Institutions and then to the county. The 30% goes straight to us.

Senator Lockrem: There has to be approval of the program. If we would lose control now these people would get the money automatically regardless?

Senator fasbender: We requested this section be left in. Until the county takes a plan and it is approved they will not get funds.

Senator Lockrem: The Department of Institutions has the prerogative of keeping control of the funds? Senator Fasbender: Until the program is approved of, yes.

Senator Story: Is this supplied directly to the cities? Senator Fasbender: 33 1/3 to 30% to the cities.

Senator Story: The 5%? Larry Zanto: Before it was taken out after distribution, now it is taken out =4% before.

Senator Story: What basis does the Department of Institutions set?

Mr. Zanto: There are two situations. In section 9--it says the plan must contain information, etc. That must be approved as a state program under the earlier section. There is a little more than was in the current law. It was funded in the House Bill 483 and a prohibition against increasing the total number of programs in the state.

Senator Story: You run this in your department?

Mr. Zanto: It is called the alcohol and drug program. Mr. Murry is the head of both divisions. We have not chosen to organize under this. We do not have a head of the Drug program and a head of the alcohol program. We don't really have a bureau chief on the alcohol side. They go through Mr. Murry.

Senator Lockrem: Isn't there an inherent danger in automatic

pass through that we could be over funding some of these?

Senator Fasbender: To be funded -- there just isn't that much money there. In the chart you will see that part of the money goes back to the fund.

Senator Lockrem: On the appropriation of DWI, appropriations to criminals, etc. About the only way the legislature can control any of the spending is on the programs.

Senator Fasbender: The legislature can cut down on the amount of money that goes in to the programs.

Senator Lockrem: What about the increase in revenue?

Senator Fasbender: Because of the wine, there will be decrease in revenue. We don't get the wine tax any more.

Senator Story: On the amount the county gets--85-15 split. Is that the same as in the past?

Senator Fasbender: No. It is a new formula. 85% on the population and 15% on the land. There was no formula in the past.

Senator Story: What will it do to the smaller counties?

Senator Fasbender: There is a sheet that shows basically what the program will be. Some programs went up and some end up with a reduction. One county has three programs that over lap and they may have to cut down one program. Sweetgrass is one we will have to augment some. They had \$18,000 this year and they will go down to \$8,000.

Senator Story: You feel they will do that?

Mr. Zanto: I think we have enough money to do that. Park also goes down and we will have to augment them. I think we have enough money in that \$350,000 to do that. I think we will ask Libby to get a little more frugal. There is enough money in the discretionary fund to help these counties. There has been a maldistribution of funds and we have to recognize that. I don't think we can get them up to the \$65,000 they would like to be, but perhaps up to \$50,000.

Senator Story: How is the amount distributed to the counties and the cities?

Mr. Zanto: The cities part 30%, goes to the counties first. They redistribute to the cities within the counties based on consumption. It is based on regular sales for the cities.

Senator Story: What about what comes down from the revenue department? The \$170,000 just to the counties, based on how much the counties contribute to the liquor tax.

Senator Etchart: We did not mess with that.

Senator Story: Is that part of the law changed?

Senator Etchart: It shouldn't be.

Senator Regan: Based on the reduction of anticipated revenue because of the wine sales, obviously that will result in a decrease in dollars. What percentage do you see? How much are the programs going to be zapped?

Mr. Zanto: The \$1.530 million--the distribution is \$1.7 million. There is a small amount there that is not contributed to the wine tax. The Galen appropriations for instance is more than it was this year. The DWI was not in there at all. It is a combination of factors that result in the reduction. We made some of this up taking out Galen; and Glasgo thinks they will be able to maintain their program for less so we picked up some money there.

Mr. Weinberg: In reading through the bill, money that went down to the counties went on the basis of liquor purchased. After the money reaches the county it is distributed according to the amount of sales, page 18.

Senator Fasbender: Page 18, line 3,4 and 5 doesn't cover it?

Mr. Weinberg: It does not inform the Department of Revenue on how to distribute it. There is a formula for the 4.5% but not for the 30%.

Senator Story: I would move that this language be inserted, so that the Revenue Department will know on what basis to distribute the 30%. Page 18, line 4 after the word county insert "according to the amount of liquor purchased in each county".
Second by Senator Etchart.

Voted and passed, Senator Boylan absent.

Senator Himsl: What does AD-AD mean? Zanto: Alcohol Drug Abuse Division.

John La Favor: The arrow on the chart going to approved programs is appropriated line items. There might need some modification to be sure that they can be appropriated, then the full 80% goes to the counties-- Now the way it matches, it will not be appropriated in the same amount.

Senator Fasbender: They anticipate raising the amount.

John LaFavor: Really what you want is 100% going down to the counties.

Mr. Zanto: We recognized that there will be two amounts as a result going to the counties. The conference committee will take care of this.

Motion by Senator Fasbender to move the amendments (attached).

Mr. Weinberg: On the question of Mr. LaFavor. His recommendation is valid. The way the bill is written 80% to the counties remainder to the counties. This would be 80-20--you might find yourselves in trouble. I would suggest page 2 of the amendments--take subsection 3b and make it 3a in distributing proceeds derived from the liquor license tax, etc. the department to distribute 20% of the available money to approved programs and then say the remainder shall be distributed on a 15-85 spread. He said he would rewrite it and give it to the secretary.

Senator Fasbender: That is acceptable to my motion and I will include it.

Voted and passed, unanimous, Senator Boylan absent.

Motion by Senator Thomas that we concur as amended. Voted and passed. unanimous, Senator Boylan leaving a yes vote. Senator Fasbender to carry the bill, Mr. Weinberg to work up the amendment.

DISPOSITION OF SENATE RESOLUTION 34: Senator Smith: They have gotten the \$50,000 down to \$40,000 on the fiscal note. It is within the earmarked funding.

Senator Himsl: Does this go on the priority basis also?

Senator Smith: no.

Senator Lockrem: This would set it up separate and does not even ask for a vote on it by the priority committee?

Senator Thiessen: The others go through the priority committee and this does not.

Senator Fasbender: This just directs the committee be set up and it bypasses the priority committee.

Senator Thiessen: This does not say who the committee is.

Senator Smith: It tells you who the committee would be. Page 2 line 18.

Senator Thiessen: It does not say who.

Motion by Senator Smith that SR 34 be concurred in.

Senator Aklestad: I am not sure what this committee will accomplish. Is it just a public relationship?

Senator Story: I think it is badly needed. Anything they proposed was just ripped to shreds. Basically they have problems trying to put balance hats on. Fish hatcheries should have been raised

for months. They have neglected the fish hatchery physical plant. They need to take a good look at their problems and stop empire building. They need to take care of what they have already.

Senator Lockrem: I don't think their problems are any more monumental than the other agencies that some of us have been sitting on. I don't think that particular argument is valid.

Senator Aklestad: If they have a problem of spending money in the wrong areas--they have spent money in other areas, why not enough to spend there?

Senator Smith: In regard to the problem that Senator Aklestad is having. If the committee would go around and look at the problems and see how they are being handled. They should take a hard look at the Fish and Game; the fisheries and the parks etc. and come back with recommendations 2 years from now.

Senator Aklestad: This is a function of the administration.

Senator Regan: One thing bothers me. It sidestepps the normal process. If it could be amended so that it took its place with the others, and the committee then thought it had a high enough priority over some of the others, then I could support it.

Senator Story: The reason they side-stepped it, the fish and game said they would fund it themselves. If it goes into the regular channels, it could not be funded that way. Also the fish and game commission--do one thing that is 180° different and they have not even told the department about it-- he will consult them about it.

Senator Regan: I really don't think this resolution or any other is going to clear the air. The ranchers are just plain unhappy with what is going on, both on hunting, streams, etc.

Senator Himsl: Our experience in our area on the executive meetings is that only a few people come up that are involved and either the same thing would happen or else in the fish and game you start a new revolution every time they come to town. The intent may be noble, but the effect may be disaster.

Senator Nelson: The ranchers claim the animals some one said. I don't claim the animals. We simply can't stand 2 weeks of sportsmen leaving the gates open, stringing litter, having to have vehicles pulled out of the mud and shooting at our cattle.

Senator Thiessen: The fish and game provided the head stock for some of our animals. They planted them on our land and now we can count hundreds of them.

Senator Story: I get highly irritated at them on my land. Stock gates left open, people stuck in the coolies, cows missing, We can't stand them.

Senator Smith: It was the thought of the Senate Fish and Game along with some from the House Fish and Game that this might be an attempt to do something about the problems.

Motion was voted and failed.

Senator Himsl: We still have the domiciliary at Twin Bridges which is general fund, and the Deaf and Blind School in Great Falls. I want to hold the bonding bill yet. If the general fund money is invaded too much then we might have to do something with these.

Senator Regan: We were asked to pledge and hold what has been recommended in LRB. This was asked by both parties in caucus.

Motion to adjourn, and the meeting was adjourned at 9:35 a.m.

Senator Himsl, Senator

ROLL CALL

SENATE FINANCE AND CLAIMS COMMITTEE

46TH LEGISLATIVE SESSION 1979

Date 4-17-79

NAME	PRESENT	ABSENT	EXCUSED
SENATOR HIMSL	✓		
SENATOR STORY	✓		
SENATOR AKLESTAD	✓		
SENATOR LOCKREM	✓		
SENATOR ETCHART	✓		
SENATOR NELSON	✓		
SENATOR SMITH	✓		
SENATOR BOYLAN	✓		
SENATOR REGAN	✓		
SENATOR FASBENDER	✓		
SENATOR THIESSEN	✓		
SENATOR THOMAS	✓		
SENATOR STIMATZ	✓		

SENATE COMMITTEE

FINANCE AND CLAIMS

Date 4-17 Sen Res Bill No. 34 Time 9:31

NAME	YES	NO	ABSENT
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SENATOR STORY		✓	
SENATOR AKLESTAD		✓	
SENATOR LOCKREM		✓	
SENATOR ETCHART	✓		
SENATOR NELSON	✓		
SENATOR SMITH	✓		
SENATOR BOYLAN			✓
SENATOR REGAN		✓	
SENATOR FASBENDER	✓		
SENATOR THIESSEN		✓	
SENATOR THOMAS	✓		
SENATOR STIMATZ	✓		
SENATOR HIMSL		✓	

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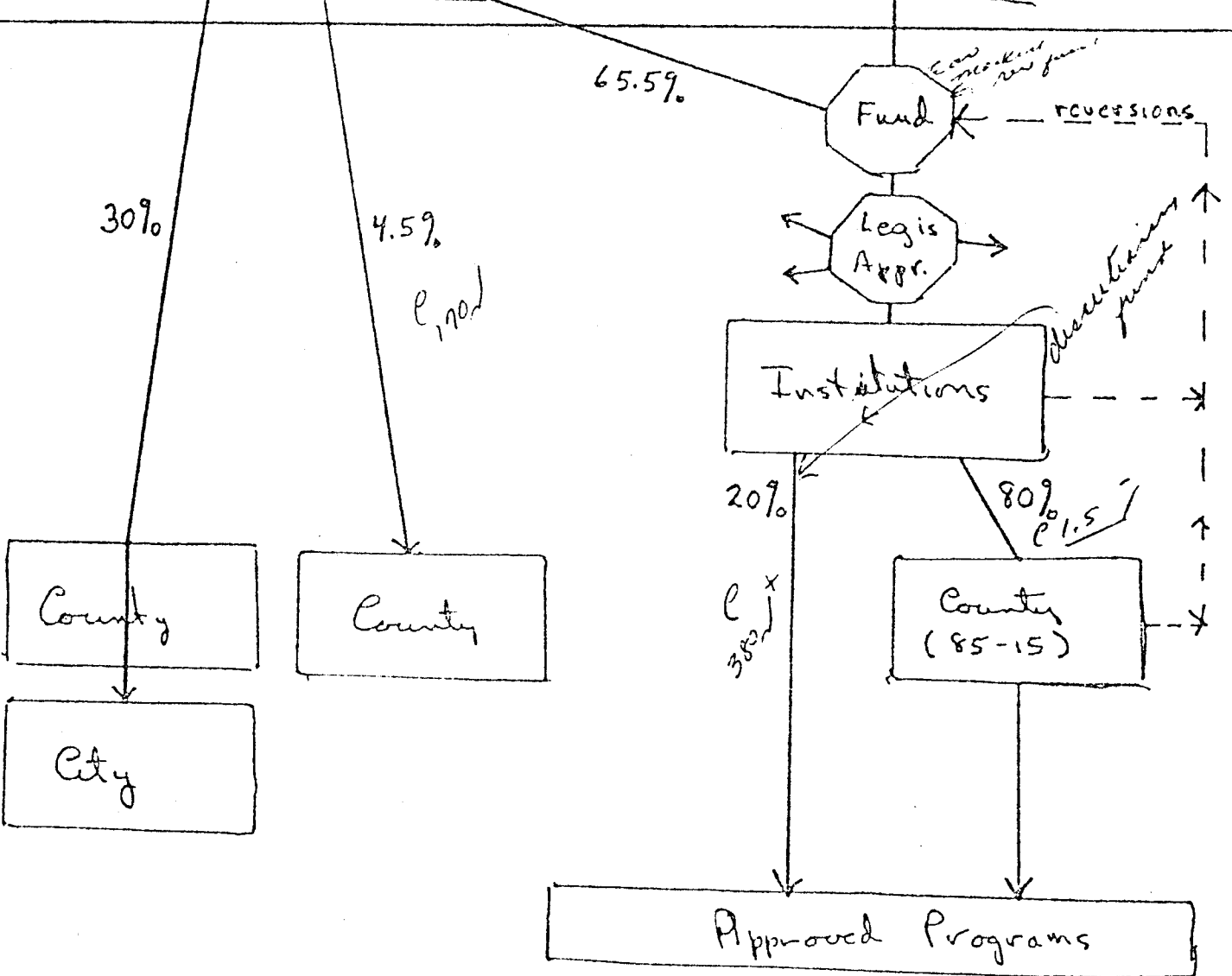
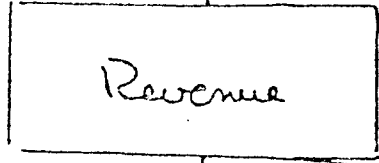
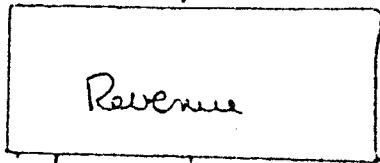
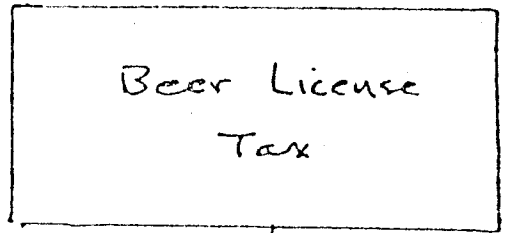
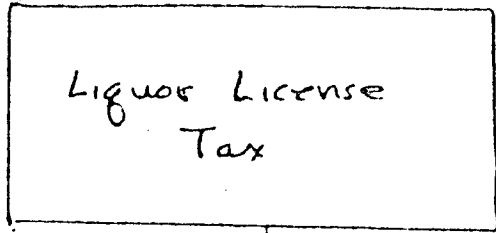
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Secretary

Chairman

Motion: Be Concurred In

Sources



Disbursement

*Finals
to review*

ESTIMATED LIQUOR TAX

\$ 3,779,145

Cities

1,133,744

4.5%
Counties

170,061

Dept. of Institutions

2,475,341
+ 856,000 Beer Tax

3,331,341

Appropriations - HB483

DWI	84,379
Corrections	31,756
ADAD	81,880
Galen	<u>1,220,021</u>
Total	1,418,036

1,913,305

Counties 80%
85/15

1,530,644

ADAD 20%

382,661

STANDING COMMITTEE REPORT

.....April 17..... 19 79.....

MR.President.....

We, your committee onFinance and Claims.....

having had under considerationStatement of Intent, H.B. Bill No. 844.....

Respectfully report as follows: ThatStatement of Intent, HB Bill No. 844.....
be amended as follows;

1. Page 1, line 19.

Following: line 18

Insert: "In exercising its discretion in the distribution of funds under 53-24-206, the department shall distribute the funds to promote the purposes of Title 53, chapter 24, and to insure the viability and continued operation of approved programs that can demonstrate the need for funding in excess of funds that would be available under the allocation formula of 53-24-206 (3) (a)."

And, as so amended, BE CONCURRED IN

~~BE PASSED~~
G.A.

.....
Senator Hinsl Chairman.

April 17,

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President

MR.

Finance and Claims

We, your committee on

House

844

having had under consideration Bill No.

House

844,

Respectfully report as follows: That

third reading bill, be amended as follows:

1. Title, line 7.

Strike: "16-1-408,"

2. Title, line 8.

Following: line 7

Strike: "53-24-104,"

Following: "53-24-204,"

Strike: "53-24-207,"

Insert: "AND 53-24-206 THROUGH"

3. Title, line 9.

Strike: " AND 53-24-303"

4. Page 1, line 25.

Following: "private"

Insert: "private"

DO PASS

(continued)

5. Page 2, line 1.
Following: "private"
Insert: "private"
Following: "nonprofit"
Strike: "OR LOCAL GOVERNMENT"
6. Page 2, line 2.
Strike: "sole"
7. Page 2, line 6.
Following: "means"
Insert: ": (a)"
8. Page 2, line 10.
Following: "53-24-208"
Insert: "; or
(b) a treatment agency operating under the direction and control of a local government and approved under 53-24-208"
9. Page 3, line 24 through line 9, page 4.
Strike: section 2 in its entirety
Re-number: subsequent subsections
10. Page 4, line 14.
Strike: "sole"
11. Page 4, line 20.
Following: "hospitals"
Insert: ", certified alcoholism counselors, licensed physicians, and licensed hospitals"
12. Page 7, line 25 through line 2, page 8.
Following: "programs"
Strike: remainder of line 7 through "services" on line 2, page 8 in their entirety
13. Page 9, lines 10 and 11.
Following: "the"
Strike: "allocation for distribution as provided for in 16-1-404"
Insert: "provisions of 53-24-206"
14. Page 11, line 22.
Following: "(2)"
Strike: "To carry out this chapter, the"
Insert: "The"
15. Page 12, line 6.
Following: "provisions of"
Strike: "16-1-404"
Insert: "53-24-206"

(continued)

16. Page 12.

Following: line 13

Insert: "Section 5. Section 53-24-206, MCA, is amended to read:

"53-24-206. Receipt Administration of financial assistance authorized. (1) The department may apply for and receive grants, allotments, or allocations of funds or other assistance for purposes pertaining to the problems of alcohol and drug dependence or related social problems under laws and rules of the United States, any other state, or any private organization.

(2) The department may cooperate with any other government agency or private organization in programs on alcohol and drug dependence or related social problems. In carrying out cooperative programs, the department may make grants of financial assistance to government agencies and private organizations under terms and conditions agreed upon.

(3) (a) In administering proceeds derived from the liquor license tax or the beer license tax, the department shall distribute those funds appropriated by the legislature. Money that is appropriated for distribution to approved programs on a discretionary basis shall be distributed to those programs that can demonstrate that:

(1) the program is achieving the goals and objectives mutually agreed upon by the program and the department; and

(ii) the receipt of additional funds would be justified.

(b) The remainder of the proceeds shall be distributed to the counties for use by approved programs in the following manner:

(i) Eighty-five percent shall be allocated according to the proportion of each county's population to the state's population according to the most recent United States census.

(ii) Fifteen percent shall be allocated according to the proportion of the county's land area to the state's land area.

(c) Money distributed under subsection (3) may only be used for purposes pertaining to the problems of alcoholism or related social problems.

Renumber: subsequent section

17. Page 13, lines 1 and 2.

Strike: "for the purpose of determining whether additional treatment is needed"

18. Page 13, lines 3 through 6.

Strike: subsection (3) in its entirety

Renumber: subsequent subsections

19. Page 13, line 18 through line 17, page 15.

Strike: section 7 in its entirety

Renumber: subsequent sections

(continued)

20. Page 16, lines 11 and 12.

Following: "Thirty"

Strike: "EXCEPT AS PROVIDED IN SUBSECTION (4), THIRTY"

Insert: "Thirty"

21. Page 16, line 13.

Following: "counties"

Insert: "according to the amount of liquor purchased in each county"

22. Page 15, line 15.

Following: "(2)."

Insert: "Four and one-half percent of these revenues shall be allocated to the counties according to the amount of liquor purchased in each county, and this money may be used for county purposes."

23. Page 17, line 13.

Following: "county"

Insert: "under subsection (1) for use by cities and towns"

24. Page 18, lines 15 through 23.

Following: "distributed"

Strike: remainder of line 15 through line 23 in their entirety

Insert: "as provided in 53-24-206."

25. Page 19, lines 4 through 11.

Strike: subsection (4) and (5) in their entirety

26. Page 19, line 12 through line 10, page 20.

Strike: sections 9 and 10 in their entirety

Renumber: subsequent sections

27. Page 22, lines 5 through 19.

Strike: section 12 in its entirety

Renumber: subsequent section

28. Page 23, line 8.

Following: "department."

Insert: "In distributing funds to approved programs in a county, the department shall give consideration to the county plan."

And, as so amended, BE CONCURRED IN

G.A.

.....Senator Hixsl.....

Chairman.

Amendments to HB 844

1. Page 13, line 1.

Following: "services"

Strike: "for the purpose of determining"

2. Page 13, line 1.

Following: "services"

Insert: "."

3. Page 13, line 2.

Strike: line 2 in its entirety

4. Page 13, lines 3 through 6.

Strike: lines 3 through 6 in their entirety.

Insert: "(3) The following order of priorities for program services shall be followed:

(a) treatment and rehabilitation of alcoholics;

(b) detoxification services;

(c) services for family members."

5. Page 18, line 14.

Following: "SUPPORT"

Insert: "state operated"

Larry Weisberg
3064 (Legis. Encl)

Amend Statement of Intent, HB 844

1. Page 1, line 19.

Following: line 18

Insert: "In exercising its discretion in the distribution of funds under 53-24-206, the department shall distribute the funds to promote the purposes of Title 53, chapter 24, and to insure the viability and continued operation of approved programs that can demonstrate the need for funding in excess of funds that would be available under the allocation formula of 53-24-206(3)(a)."

Amend HB 844, 3rd Reading *copy*

bill

1. Title, line 7.

Strike: "16-1-408,"

2. Title, line 8.

Following: line 7

Strike: "53-24-104,"

Following: "53-24-204,"

Strike: "53-24-207,"

Insert: "AND 53-24-206 THROUGH"

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Following: "private"

Insert: "private"

5. Page 2, line 1.

Following: "private"

Insert: "private"

Following: "nonprofit"

Strike: "OR LOCAL GOVERNMENT"

6. Page 2, line 2.

Strike: "sole"

7. Page 2, line 6.

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Insert: ":(a)"

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Insert: " ; or

(b) a treatment agency operating under the direction and control of a local government and approved under 53-24-208"

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Strike: section 2 in its entirety

Renumber: subsequent subsections

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Insert: ", certified alcoholism counselors, licensed physicians, and licensed hospitals"

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Following: "the"

Strike: "allocation for distribution as provided for in 16-1-404"

Insert: "provisions of 53-24-206"

14. Page 11, line 22.

Following: "(2)"

Strike: "To carry out this chapter, the"

Insert: "The"

15. Page 12, line 6.

Following: "provisions of"

Strike: "16-1-404"

Insert: "53-24-206"

16. Page 12.

Following: line 13

Insert: "Section 5. Section 53-24-206, MCA, is amended to read:

"53-24-206. Receipt Administration of financial assistance authorized. (1) The department may apply for and receive grants, allotments, or allocations of funds or other assistance for purposes pertaining to the problems of alcohol and drug dependence or related social problems under laws and rules of the United States, any other state, or any private organization.

(2) The department may cooperate with any other government agency or private organization in programs on alcohol and drug dependence or related social problems. In carrying out cooperative programs, the department may make grants of financial assistance to government agencies and private organizations under terms and conditions agreed upon.

~~(3) (a) In distributing proceeds derived from the liquor license tax or the beer license tax, the department shall distribute 80% of the available money to the counties for use by approved programs in the following manner:~~

~~(i) Eighty-five percent shall be allocated according to the proportion of each county's population to the state's population according to the most recent United States census.~~

~~(ii) Fifteen percent shall be allocated according to the proportion of the county's land area to the state's land area.~~

~~(b) The remainder of the money shall be distributed to approved programs on a discretionary basis by the department to those programs that can demonstrate that:~~

~~(i) the program is achieving the goals and objectives mutually agreed upon by the program and the department; and~~

~~(ii) the receipt of additional funds would be justified.~~

~~(c) Money distributed under subsection (3) may only be used for purposes pertaining to the problems of alcoholism or related social problems.~~

Renumber: subsequent section

See ref. sheet

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Strike: "for the purpose of determining whether additional treatment is needed"

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Strike: subsection (3) in its entirety
Renumber: subsequent subsections

19. Page 13, line 18 through line 17, page 15.
Strike: section 7 in its entirety.
Renumber: subsequent sections

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Following: "Thirty"
Strike: "EXCEPT AS PROVIDED IN SUBSECTION (4), THIRTY"
Insert: "Thirty"

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22. Page 15, line 15. Insert: "according to the amount of liquor purchased in each county"
Following: "(2)."
Insert: "Four and one-half percent of these revenues shall be allocated to the counties according to the amount of liquor purchased in each county, and this money may be used for county purposes."

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Following: "county"
Insert: "under subsection (1) for use by cities and towns"

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Following: "distributed"
Strike: remainder of line 15 through line 23 in their entirety
Insert: "as provided in 53-24-206."

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Strike: subsection (4) and (5) in their entirety

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Strike: sections 9 and 10 in their entirety
Renumber: subsequent sections

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Renumber: subsequent section

28 27. Page 23, line 8.
Following: "department."
Insert: "In distributing funds to approved programs in a county, the department shall give consideration to the county plan."

^{administering}
(3)(a) In ~~administering~~ proceeds derived from the liquor license tax or the beer license tax, the department shall distribute ~~these~~ those funds appropriated by the legislature. Money ~~is~~ that is appropriated for distribution to approved programs on a discretionary basis shall be distributed to those programs that can demonstrate that:

- (i) the program is achieving the goals and objectives mutually agreed upon by the program and the department; and
- (ii) the receipt of additional funds would be justified.

(b) The remainder of the proceeds shall be distributed to the counties for ~~the~~ use by approved programs in the following manner:

- (i) Eighty-five percent shall be allocated according to the proportion of each county's population to the state's population according to the most recent United States census.
- (ii) Fifteen percent shall be allocated according to the proportion of the county's land area to the state's land area.

(c) Money distributed under subsection (3) may only be used for

Remember: subsequent sections