The meeting of the House State Administration Committee was called to order at 8:00 a.m. January 14, 1981, with Chairman Jerry Feda presiding. All members were present except Representative Azzara who was absent and Representative McBride who was present only for the hearings and not for executive session.

Chairman Feda was excused to attend another hearing.

Vice Chairman Sales opened the hearing on House Bill 81.

HOUSE BILL 81-SPONSOR, REPRESENTATIVE PAVLOVICH, introduced the bill to the committee. This bill, requested by the Attorney General, requires individuals or firms who install or service fire extinguishers, fire alarm systems, or fire extinguishing systems to annually renew their licenses or certificates of registration.

#### **PROPONENTS**

BOB KELLY, State Fire Marshall, appeared in support of HB 81. Mr. Kelly gave an evaluation of the amendments to the statute. He said the changes came about as the result of the work from three committee; the Committee on Portable Fire Extinguishers, the Committee on Fire Alarms and the Committee on Fire Extinguishing Systems. He explained that because there had been so many problems within the industry with complaints on the service, this annual renewal of licenses has been requested. He stated that annual renewal would help them to keep a better handle on the situation. If the Fire Marshall feels that a certain individual needs to take the examination over, this can be requested. However, no examination is required.

DAVE FISHER, Montana Volunteer Firemen's Assoc., arose in support of the bill.

ART KORN, Montana Volunteer Firemen's Assoc., arose and stated their support of the bill.

### **OPPONENTS**

NEIL FLAHERTY, Leasing Inc., arose in opposition to HB 81. He said that when this act was passed in 1975 the Fire Marshall said that all he wanted was a handle on the people in the business. He said that all this annual fee would do is saddle more cost on the industry. He said that historically when bills are introduced to give more control over an industry, eventually a request

is made for more money to enforce the action. He said that if the Legislature gets itself boxed in with this legislation, two years from now they will have to come up with fifty or seventy-five thousand dollars and hire more people to enforce the annual license fee.

There were no other opponents testifying on House Bill 81.

Vice Chairman Sales opened the hearing to questions from the committee.

There was discussion among the committee members as to what this bill would do to solve the problem of poor service.

Mr. Kelly stated that having an annual renewal would allow them the authorization to request an examination if they feel it is necessary and also enable them to keep better tabs on who was doing the servicing.

Mr. Kelly also brought out that when a business is sold the license reverts over to the new owner.

Rep. Dussault asked if the Fire Marshall has the authority to revoke a license if the work is unsatisfactory. The answer to this question was yes.

Representative Pavlovich closed the hearing on House Bill 81.

Vice Chairman Sales opened the hearing on House Bill 117.

HOUSE BILL 117-SPONSOR, REPRESENTATIVE JACOBSEN, introduced the bill to the committee. This bill proposes a constitutional amendment removing the authority of the state to appraise, assess, and equalize the valuation of property within the county and transfers these duties to a joint state-county taxation commission.

#### **PROPONENTS**

GLENN ROUSH, Representative Dist. 13, testified in support of HB 117. Representative Roush concurred with Representative Jacobsen. He also said that he would suggest putting a citizen of the county on the taxation commission to represent the public interest.

ROBERT HOFFMAN, assessor in Madison County, arose in support of House Bill 117. He stated that he voted for the new constitution in hopes that some of the inadequacies would be corrected, however, he stated, we are in more trouble now in the assessment of taxation process than we have ever been. He said the best thing we can do is go back to where we were. He said that the assessing office is the first step in supporting local government and it should be controlled at the local level. He said that state administrative policies are not geared to also administer over a county function. He stated that the laws that have been set by the legislature since 1973 have been very ambiguous. definitions of duties have never been made. He said he has never been able to get a clear definition of the chain of command. He stated that the thing he dislikes most about the current setup is what it does to the "poor taxpayer". If a person has a grievance they have to go to the Department of Revenue instead of going to the county seat to have a problem settled. He also said that under the present system the counties cannot defend their interest in court as they used to do.

BILL ASHER, Agriculture Preservation Assoc., arose and stated the associations support of House Bill 117 for the record.

There were no other Proponents testifying on House Bill 117.

#### **OPPONENTS**

ELLEN FEAVER, Dept. of Revenue, gave testimony in opposition to HB 117. Ms. Feaver stated that if there were no state wide levy she might not be opposed to this bill. She said that our school foundation program and our university mill levy depend on state wide equalization. She stated that the only way we have any hope of achieving an equity is on a state wide system, whether it is on a self assessment or one on the basis of a conventional appraisal. In regard to Mr. Hoffmans comment about "poor taxpayers", she stated, that she would maintain that some of those "poor taxpayers" were big corporations or other who choose to have political She said that the expenses involved in property assessment are monumental and she would be very surprised, if the assessment responsibility would go to the county, that they would not request additional funding from the state to fund this additional work load. She also quoted from an article written by, then legislative staff person, Terry Cohee, in 1978 and published in Montana Public Affairs

Magazine; that stated if local governments are financed through the property tax the assessor becomes the primary budgetary officer for local jurisdiction. She also said that one of the basic issues addressed was whether or not the Legislature should be the body that controls property tax assessment. If this bill were passed, she stated, the Legislature would be taken out of the drivers seat.

HELEN PETERSON, representing the State Tax Appeal Board, arose in opposition to this bill. She stated that the board is always available to taxpayers in their county to hear tax appeals. She also stated many examples of inequities in the old system such as appraisals not being made every year, different rates of appraisals being used for residential and commercial property and other things that the board found when they started hearing tax grievances.

DOUG CAMPBELL, assessor in Missoula County, testified in opposition to HB 117. He gave concurring testimony.

TOM DOWLING, Montana Railroad Assoc, appeared in opposition to HB 117. He suggested that if the committee did consider passing HB 117, it be amended to take out class 11 centrally assessed property which would address the problem Ms. Feaver presented directed to the committee relative to railroads, utilities and other specially assessed properties.

GENE PHILLIPS, Pacific Power & Light Company of Kalispell, arose in opposition to HB 117.

DAVID SEXTON, Montana Education Assoc., appeared in opposition to HB 117. He stated that the education system is funded significantly by statewide property taxes.

BOB GANNON concurred with Mr. Dowling and Mr. Phillips.

MANCE HUTCHINSEN, Dept. of Revenue, appeared in opposition to HB 117.

Vice Chairman Sales opened the hearing for questions from the committee.

During the discussion the idea of self assessment was brought up by Representative Spilker. Ms. Feaver said this was something the Dept. of Revenue was seriously considering.

Also discussed was the funding of the tax board.

Vice Chairman Sales opened the hearing on House Bill 98.

HOUSE BILL 98-SPONSOR, REPRESENTATIVE JERRY FEDA, introduced the bill to the committee. A brief summary of the bill is attached and is part of EXHIBIT 1 of the minutes.

LARRY NACHTSHEIM, P.E.R.D., explained the suggested amendments to the bill. A copy of these amendments was passed out to the members of the committee. (see executive session)

#### **PROPONENTS**

MR. TOM SCHNEITER arose and stated his support of the bill.

MR. WALT MILLER, Montana Highway Patrol, stated their support of HB 98.

Both Mr. Schneiter and Mr. Miller were in full support of the amendments.

#### **OPPONENTS**

There were no opponents to House Bill 98.

Vice Chairman Sales opened the hearing to questions from the committee.

Items discussed during the question period included funding of act and definition of involuntary and optional retirement. Mr. Nachtsheim said that it would cost \$18,000 a year for two years to pay the five widows who would qualify under this bill.

Representative Feda closed on House Bill 98.

Vice Chairman Sales opened the hearing on House Bill 97.

HOUSE BILL 97-SPONSOR, REPRESENTATIVE JERRY FEDA, again introduced the bill and then turned the testimony over to MR. LARRY NACHTSHEIM, who explained the proposed amendments to the committee. He stated that HB 97 is basically the same as HB 98. A brief summarization of the bill is attached and is part of EXHIBIT 1 of the minutes.

#### PROPONENTS

MR. TOM SCHNEITER, arose and stated his support of the bill with amendments.

Representative Jacobsen closed the hearing on House Bill 117.

Vice Chairman Sales opened the hearing on House Bill 139.

HOUSE BILL 139-SPONSOR, REPRESENTATIVE THOFT, introduced the bill to the committee. Under the provisions of this bill, annual elections of special districts (fire, hospital, irrigation, and drainage) must be held on school election day (first Tuesday of April). These elections may be coordinated with school district elections. The bill also provides a uniform nominating procedure for candidates and a standard term of office.

#### PROPONENTS

DARLENE HUGHS, Clerk & Recorder of Ravalli County, testified in support of this legislation. Ms. Hughs brought samples of the different ballots and a print out list of names of who lives in what district, who receives what ballots, etc. to point out the unnecessary paper work involved in the current system. She also pointed out that with the present system there is no privacy for the voter because many times they are the only one voting in a district.

BETTY LUND, also a clerk in Ravalli County, arose in support of House Bill 139.

Also appearing in support of HB 139 were HENRY LOHR and ART KORN, representing the Montana State Volunteer Firemen's Assoc.

#### **OPPONENTS**

There were no opponents to House Bill 139.

Vice Chairman Sales opened the hearing for questions from the committee.

Representative Dussault asked Ms. Hughs if 30 days would be enough time to prepare ballots. The answer to this question was yes.

There were also some questions about page 2 of the bill which states a voter would not have to be a registered voter.

It was mentioned that this bill would save money for the counties because of the consolidation of elections.

#### **OPPONENTS**

There were no opponents to House Bill 97.

Vice Chairman Sales opened the hearing to questions from the committee.

Again, funding of this proposed legislation was discussed. Mr. Nachtsheim said that approximately 16% for the retirement fund comes from salaries and 4% will be requested from the State to pay for this benefit.

Representative Feda closed the hearing on House Bill 97.

#### EXECUTIVE SESSION

Vice Chairman Sales turned the meeting over to Chairman Feda.

HOUSE BILL 66

DO PASS AS AMENDED

Representative O'Connell made a motion that HB 66 DO NOT PASS. The motion was seconded by Representative Mueller. Following discussion a roll call vote was taken. Motion failed with 7 YES and 8 NO. A record of the vote is recorded on the roll call sheet.

Discussion of proposed amendments followed. A copy of these amendments is attached and is EXHIBIT 2 of the minutes.

Representative Dussault moved that the amendments be adopted. The motion was seconded. A vote was taken and carried unanimously.

Representative Spilker made a motion that HB 66 DO PASS AS AMENDED. Following discussion, question being called, a vote was taken and carried with 14 YES and 3 NO. Representatives Pistoria, O'Connell and Mueller voted NO. Representatives Azzara and McBride did not vote.

HOUSE BILL 87

DO PASS AS AMENDED

Committee researcher, Lois Menzies, explained the propossed amendments to the committee. A copy of these amendments is attached and is EXHIBIT 3 of the minutes.

EXECUTIVE SESSION (CONT.)

Representative Dussault moved that House Bill 87 DO NOT PASS.

Representative Sales made a sub-motion to accept the amendments 1 through 7 (see exhibit 3). The motion carried with Representatives Spilker, Hanson, Dussault and Winslow voting NO.

Representative Sales moved the amendments 8 through 12 (see Exhibit 3). A vote was taken and carried unanimously.

Representative Sales made a motion that House Bill 87 DO PASS AS AMENDED. The motion was seconded by Representative Briggs. Following discussion, question being called, a vote was taken and carried 13 to 5. Representatives Winslow, Spilker, Hanson, Dussault and McBride voted NO. Representative Azzara was absent.

HOUSE BILL 38

DO PASS AS AMENDED

Representative Kanduch presented the report of the sub-committee for administrative code bill to the committee. A copy of the proposed amendments is attached and is EXHIBIT 4 of the minutes.

David Niss from the legislative council was available to answer questions.

Representative Kanduch moved the amendments. The motion was seconded. A vote was taken and carried unanimously.

Rep. Kennerly made a motion that House Bill 38 DO PASS AS AMENDED. Representative Kropp seconded the motion. A vote was taken and carried unanimously.

HOUSE BILL 74

DO PASS AS AMENDED

Representative Mueller explained the amendments proposed by the sub-committee for administrative code bills to the committee.

Representative Mueller moved the amendments and the motion was seconded by Representative Kropp. A vote was taken and carried unanimously to accept the amendments. A copy of the amendments is attached and is part of EXHIBIT 4 of the minutes. (This motion included only amendments 1 & 2)

EXECUTIVE SESSION (CONT.)

Further discussion of the bill followed. David Niss answered questions for the committee. Several amendments were proposed by Representative Dussault suggesting reinstating stricken language.

Representative Sales made a motion to add a severability clause. The vote was seconded. A vote carried unanimously. This amendment is attached and is #3, part 2 of EXHIBIT 4.

Representative Sales made a motion that House Bill 74 DO PASS AS AMENDED. Representative Mueller seconded the motion. The vote carried with all voting YES except Representative Dussault who voted NO.

HOUSE BILL 97

DO PASS AS AMENDED

Representative O'Connell moved the amendments, which are attached and are EXHIBIT 5 of the minutes. A vote was taken and carried unanimously.

Representative O'Connell made a motion that House Bill 97 DO PASS AS AMENDED. The motion was seconded by Representative Phillips. Question was called and a vote taken. Vote was unanimous.

HOUSE BILL 98

DO PASS AS AMENDED

Representative O'Connell moved the amendments which are attached and are EXHIBIT 6 of the minutes. Vote carried unanimously.

Representative O'Connell made a motion that House Bill 98 DO PASS AS AMENDED. Motion was seconded by Representative Phillips. Vote carried unanimously.

A copy of a fiscal note for HB 98 is attached and is EXHIBIT 7 of the minutes.

A motion was made to adjourn at 11:00 a.m.

Respectfully submitted,

G. C. "JERRY" FEDA, Chairman

## HOUSE STATE ADMINISTRATION

#### BILL SUMMARIES

## January 14, 1981

- HB 81 (PAVLOVICH): This bill, requested by the Attorney General, requires individuals or firms who install or service fire extinguishers, fire alarm systems, or fire extinguishing systems to annually renew their licenses or certificates of registration. No examination for renewal is required, and fees collected from these renewals are deposited in the general fund.
- HB 97 (FEDA): This bill, requested by the Public Employees'
  Retirement Board, amends the game warden's retirement
  act by redefining accumulated deductions and eliminating the definitions of optional retirement age and
  retirement age. The bill also provides that a member
  with ten years or more of service who terminates
  before reaching retirement age will receive his
  membership contribution plus interest. In addition,
  a member with ten years or more of service who is
  involuntarily terminated will receive his accumulated
  deductions in a lump-sum payment or as a retirement
  allowance beginning at age 55.
- HB 98 (FEDA): This bill, requested by the Public Employees'
  Retirement Board, eliminates the definition of involuntary retirement and optional retirement age
  and expands the definition of retirement age in the
  Highway Patrolmen's Retirement Act. The bill also
  provides that a retirement allowance based on a
  retirement age of 60 may be paid to an officer who
  is involuntarily discontinued from service. In
  addition, benefits are extended to surviving spouses
  who have exhausted their benefits.
- HB 117 (JACOBSON): This bill proposes a constitutional amendment removing the authority of the state to appraise, assess, and equalize the valuation of property within the county and transfers these duties to a joint state-county taxation commission.
- HB139 (THOFT): Under the provisions of this bill, annual elections of special districts (fire, hospital, irrigation, and drainage) must be held on school election day (first Tuesday of April). These elections may be coordinated with school district elections. The bill also provides a uniform nominating procedure for candidates and a standard term of office.

# AMENDMENTS TO HB 66

1. Title, Line 7.

Following: "MCA"

Strike: "; and

Insert: ".""

2. Title, line 8.

Strike: Line 8 in its entirety

3. Page 3, line 1.

Strike: "Judgements entered"

Insert: "summons served"

4. Page 3, Lines 2 and 3.

Strike: Lines 2 and 3 in their entirety.

## STATE OF MONTANA

## FISCAL NOTE

REQUEST NO. 48-81

Form BD-15

In compliance with a written request received <u>January 8</u> , 19 81, there is hereby submitted a Fiscal Note
-for House Bill 66 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).
Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members
of the Legislature upon request.

## Description of Proposed Legislation

An act changing the time when interest is drawn on an award in a condemnation proceeding from the time possession is surrendered to the time when the summons is served.

## Assumptions

- 1. The Department of Highways is the only state agency affected by the proposed legislation.
- 2. The calendar year 1979 caseload at the Department of Highways is representative.

### Fiscal Impact

	FY 1982	FY 1983	Biennium Total
Interest expense under current law Interest expense under proposed law	\$137,900 189,600	\$137,900 189,600	\$275,800 <u>379,200</u>
Increased interest expense due to proposed legislation	\$ 51,700	\$ 51,700	\$103,400

The additional expense is to the Earmarked Revenue Fund.

**BUDGET DIRECTOR** 

Office of Budget and Program Planning

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#### AMENDMENTS TO HB 87:

1. Title, line 4.

Following: "CITY"

Strike: ","

Insett: "AND"

2. Title, line 5.

Following: "COUNTY"

Strike: ", SCHOOL DISTRICT, AND CERTAIN SPECIAL DISTRICT MILL"

3. Title, line 6.

Strike: "LEVY"

Insert: "BOND"

4. Title, line 7.

Following: "QUESTION"

Strike: " AND THAT 60"

5. Title, line 8.

Strike: Line 8 in its entirety

6. Title, line 10.

Following: "7-7-4235,"

Insert: "AND"

Strike: "7-13-2328,7-34-2136,20-9-353, AND"

7. Title, line 11.

Strike: "10-9-428,"

# AMENDMENTS TO HB 38 (introduced copy):

1. Page 2, line 7. Following: "(3)"
Strike: "No"

"Except as provided in subsection (5), no" Insert:

2. Page 2, line 13.

Following: "by"

Insert: "a three-fourths vote of"

3. Page 2, line 14. Following: "full" Insert: "or partial"

4. Page 2, line 15. Following: line 14 Insert: "pertinent"

5. Page 2, line 25.
Following: "of"

Strike: "intent to incorporate"

Insert: "incorporation"

6. Page 3, line 1.
Following: "reference"
Insert: "of"
Following: "such" Strike: "later"

7. Page 3, line 5. Following: line 4 "Unless a" Strike: Insert: "A"
Following: "is"

"requested," Strike:

"not required, and" Insert:

## AMENDMENTS TO HB 74 (introduced copy):

1. Page 1, line 25. Following: "of" Strike: "filing"

Insert: "publication"

2. Page 2, line 1. Following: "for" Strike: "advance"

#### 3. Page 9.

Following: Line 8 insert: "Section 8. Severability. a part of this act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this act is invalid in one or more of its applications, the part remains in effect in all valid applications that are overable from the invalid applies

## AMENDMENTS TO HB 97 (introduced copy):

1. Title, line 9.

Following: "19-8-503,"

Insert: "19-8-601,"

2. Page 2, lines 23 through 24.

Strike: Subsection (8) in its entirety

Renumber: Subsequent subsections

3. Page 4.

Following: Line 7

Insert: "Section 3. Section 19-8-601, MCA, is amended to read:

"19-8-601. Time of retirement. (1) Any member in service who has completed at least 25 20 years of creditable service and who has reached the age of 55 years may retire on service retirement allowance upon written application to the board stating the time, not less than 30 days or more than 90 days subsequent to the filing thereof, he desires to be retired."

Renumber: subsequent sections

## AMENDMENTS TO HB 98 (Introduced copy):

1. Title, line 10.
Following: "19-6-101"
Insert: ", 19-6-501,"

2. Page 3

Following: Line 16

Insert: "Section 2. Section 19-6-501, MCA, is amended to read:

"19-6-501. Eligibility and application for service retirement allowance. A member in service who has completed at least 25,20 years of creditable service may retire on a service retirement allowance upon written application to the department setting forth at what time he desires to be retired, not less than 30 days or more than 90 days subsequent to the filing thereof."

Renumber: all subsequent sections.

3. Page 4, line 4

Following: "benefits."

Strike: "if no and lines 5 through 10 in their entirety.

#### Insert:

"The surviving supouse of a highway patrolman who retired prior to July 1st, 1974, shall receive a minimum retirement allowance of no less than \$300 per month beginning January 1, 1981, or the first day of the month following the patrolman's death, whichever is later."

#### STATE OF MONTANA

DECLUECT NO	62-81
REQUEST NO.	02-01

#### FISCAL NOTE

						Form BD-1.	5
n compliance with a written request received	1-9	, 19	81	, there is her	eby submitte	d a Fiscal Not	e
or H.B. 98 pursuant to	o Chapter 53, L	aws of Mon	tana, 196	55 - Thirty-Ni	nth Legislativ	e Assembly.	
Background information used in developing this Fiscal	l Note is availal	ole from the	Office o	f Budget and	Program Plan	ning, to membe	rs
of the Legislature upon request.							

#### DESCRIPTION:

H.B. 98 intends to provide for a minimum benefit to the widow of a Highway Patrolman due to the exhaustion of benefits.

## FISCAL IMPACT:

Due to a technical defect in the bill no cost can be ascribed to this measure. The date of January 1, 1981 in this bill does not change the status of those widows that presently do not have the benefit protection.

## TECHNICAL NOTE:

Estimated Cost:

This bill should be revised by removing the January 1, 1981 date and replacing it with "prior to July, 1975". This would enable certain widows who currently are excluded from the benefits to begin receiving those benefits.

<u>FY 82</u> <u>FY 83</u> <u>Total</u> \$ 18,000 \$ 18,000 \$36,000

COMMENT: Amendments to the bill are being prepared that will correct the defect.

Land M Lewy

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: \_\_\_\_\_

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