

STATE ADMINISTRATION
FEBRUARY 3, 1981
Room 436

The meeting of the House State Administration Committee was called to order at 8:00 a.m. on February 3, 1981 with Chairman Jerry Feda presiding. All members were present except Representative Azzara and Winslow who were absent and Representative Spilker who was excused. Representative Dussault was excused for the first part of the meeting.

Chairman Feda opened the hearing on House Bill 436.

HOUSE BILL 436-SPONSOR, Representative Bardanouve, introduced this bill at the request of the Department of Institutions. House Bill 436 permits the Department to establish industries in state institutions that result in products and services that may be needed by the state or local governments in Montana, the federal government, other states or their political subdivisions, or nonprofit organizations. It also permits the Department to contract with private industry for the sale of goods manufactured in the institutions, establishes criteria and guidelines for paying inmates and residents for work performed in the program, permits all money from the sale of goods to be used by the industries programs, and prohibits the Department from arranging for the labor of a resident of an institution.

PROPOSERS

CURT CHISHOLM, Department of Institutions, explained the intent of the bill in more detail for the committee. He said that this is a program that most other states have already. Mr. Chisholm also answered questions for the committee during the question period.

SANDRA HARRIS, Department of Institutions, stated that the current system employs less than 50 inmates. The goal has been to increase that to 150. She said that most states can contract with private industries and non profit agencies. The present restrictions limit the sales and profits. Also, she said, they would like to develop a pay scale that would reflect individual ability and productivity and the \$1 a day pay limit does not allow this flexibility.

OPPOSERS

There were no opposers to House Bill 436.

Chairman Feda opened the hearing to questions from the committee.

Representative Kropp stated that there has been concern the last two sessions about the prison labor and the fact that it was not working out. He asked Representative Bardanouve if he thought this idea would work better than the prison ranch has in the past.

Representative Bardanouve said that there are no guarantees in a prison but he said that they now, in working with the Appropriations Committee, have an idea on how much it takes to operate the ranch and they know where the loss is and where the profit is. He said that most of the prisoners are not ranch oriented and if they were able to work in other areas, as this bill provides, they would probably be more productive.

Representative Winslow asked if each area of production would be accounted for separately so that if one area was not working out it would not reflect on the other areas of production.

Ms. Harris said that they have evaluated each one and feel that each has the potential of being self supporting. They will be accounted for on a quarterly basis.

Representative Briggs asked if the prisoners kept the money earned by doing this work.

Representative Bardanouve said that they do and they use it for personal supplies that they can purchase at the prison commissary. The money they earn is put into a personal account for them and whatever is left when they finish their term is given to them. He said that this is good because it is very hard for them to get started financially after getting out of prison and if they do not have any money they sometimes go back to a life of crime.

Representative Sales asked if there would be someone involved in this program that understands the profit and loss system.

Mr. Chisholm said that this was part of their plan, to hire a person to operate the system.

Representative Sales asked if there was one particular type of industry that the department thought would be the most profitable.

Ms. Harris said that making office furniture was one that they had seriously considered.

Representative Bardanouve closed on House Bill 436. He said that this program was just a pilot program and would be monitored by the appropriations committee very closely. If by 1982 there was no profit and it seems that the program is not working, action can be taken at that time. He said that they deserved a chance to try and make this program work as many other states have already done.

HOUSE BILL 442-SPONSOR, Representative Quilici, introduced HB 442 at the request of the Department of Administration. The bill permits a state employee to take another day off during the same pay period if a legal holiday falls on the employee's day off and if the employee was in a pay status on either the working day immediately before or immediately after the holiday. It also provides that a part-time employee will receive pay for the holiday on a prorated basis rather than receiving additional time off. Representative Quilici said that under the current law one part-time employee may receive 8 hours holiday pay and another part-time employee will receive none just because of the day the holiday falls on.

PROPOSERS

MARK CRESS, Personnel Division, Department of Administration, explained the bill in further detail for the committee.

OPPOSERS

NADIEAN JENSEN, AFSCME, stated that she was opposed to this bill because it takes away what is already being received by the employees. She said that there is no provision stated for being paid for the day you receive off. She said that the 14 day rescheduling period is not enough time because it is very difficult to take time off in some of the state institutions.

Chairman Feda opened the hearing to questions from the committee.

Representative Sales asked if this bill applied to teachers.

Mr. Cress said that it did not.

Representative Pistoria asked Representative Quilici if there would be any problems with amending the bill according to Ms. Jensen's concerns.

He said they would have no problems with this.

House Bill 442 (cont.)

Representative Feda asked if this bill requires a statement of intent.

Mr. Cress said they have the authority under current law to promulgate rules.

Mr. Tom Schneider stated that they did not have the authority to promulgate rules for local authority.

Representative Quilici closed the hearing on House Bill 442.

HOUSE BILL 456-SPONSOR, Representative Huennekens, introduced this bill to the committee. This bill permits state lands of 320 or more contiguous acres to be sold or exchanged as part of a state purchase of similar land of equal or greater value, as part of a public-private land purchase or exchange to consolidate state lands, or in the case of lands that have appreciated much above their value for agriculture or recreation. He said that this bill passed the House in 1977 and passed second reading in the Senate before it died. He also said that this bill would act as a "good faith sign" in regard to the "sage brush rebellion" legislation that is presently going on.

PROPOSERS

DAVID WOODYARD, Department of State Lands, stated that the Board of Land Commission has had a similar policy for several years. He said that there could be a problem on how the board of investments will invest permanent fund money. He said that House Bill 296 proposes an amendment to this section of the constitution that would take the fixed rate of return language out of this section of the law. He stated that they are in support of this legislation and believe that land is a good investment for Montana's future.

OPPOSERS

There were no opposers testifying on House Bill 456.

Chairman Feda opened the hearing to questions by the committee.

House Bill 456 (cont.)

Representative Pistoria asked Representative Huennekens if he would object to putting the word "lease" in the bill instead of sell.

Representative Huennekens said that he would not object to this. He said that Representative Nordtvedt had a bill that would address this concern. He said that he tried to provide a route of sale and recovery within the school district.

Representative Ryan asked who would make the decision to trade state land for federal land.

Representative Huennekens said that the Department of State Land would make their recommendations and the Land Board would make the decision.

Representative McBride asked is this bill would affect state land surrounded by reservations. The answer to this was no.

Representative Kropp asked Representative Huennekens what land would be traded for federal lands.

Representative Huennekens said it is state trust land.

Representative Huennekens closed the hearing on HB 456.

HOUSE BILL 484-SPONSOR, Representative Nordtvedt, stated that this bill provides a procedure by which a minor party may qualify to nominate its candidates by primary election. To qualify, a minority party must present to the Secretary of State a petition requesting the primary election and containing signatures of registered voters equal to 5% or more of the total votes cast for the successful candidate for governor during the last general election. Presently to qualify as a candidate for a statewide office you must receive a total vote that is 5% or more of the total vote cast for the successful candidate for governor at the last general election. Representative Nordtvedt said that he believes it is very important that the minority parties be represented in the elections. He said minority parties promote popular and growing concerns of the public that major parties do not pick up on. They incorporate new approaches and eventually generate responses from the majority parties. He said the minority party adds something new to the political dialog which tends to get stale between the two major parties.

House Bill 484 (cont.)

Representative Nordtvedt submitted an amendment to the bill which provides a filing date and provides that the verified petition be sent to the Secretary of State by March 1.

PROPOSERS

DUNCAN SCOTT, representing the Montana Libertarian Party, arose in support of HB 484. Mr. Scott submitted a copy of his written testimony which is attached and is EXHIBIT 1 of the minutes.

ANNE SHEEHY, representing herself, stated that she was very much in favor of having more party representation on the ballot even though she may not support this particular party.

OPPOSERS

There were no opposers testifying on House Bill 484.

Chairman Feda opened the hearing to questions from the committee.

Representative Mueller asked what the impact of this bill would be on the clerks and recorders.

Representative Nordtvedt said that it would reduce the number of petitions going around in preparation for an election and therefore would reduce work for the secretary of state and each of the county offices.

Representative Nordtvedt closed the hearing on House Bill 484. He said basically this bill would simplify the process. He said that this bill makes a sufficient requirement of them and would not allow us to be flooded with trivial candidates. Historically, he stated, all of the good issues that the majority parties have picked up on and that have made them more responsive to the public, have originally been initiated by the minority parties.

STATE ADMINISTRATION

FEBRUARY 3, 1981

Page 7

HOUSE BILL 481-SPONSOR, Representative Nordtvedt, introduced HB 481 to the committee. This bill expands the general provisions governing the investment of public funds to include that the Board of Investments shall invest to preserve the purchasing power of capital during inflationary periods. It also revises some of the restrictions on the investment of retirement funds in common stock. Representative Nordtvedt went through the bill by sections for the committee. He said the added language in the bill will help the judges realize that it is maximizing purchasing power, during high inflation, that is important and not the prudent man rule. The bill also would raise the amount the retirement fund could invest in common stock from 20% of the book value of the fund, to 50% of the book value of the fund. Representative Nordtvedt said this is the most important change in the bill. He said that in times of high inflation purchasing power decreases and it is not in the best interest of the investors to have 80% of the funds locked up in fixed interests.

PROPOSERS

There were no other proponents testifying on HB 481.

OPPOSERS

JOHN CADBY, Montana Bankers Assoc., appeared in opposition to this legislation. He said the part of the bill they opposed is the increase from 20% to 50% that the board can invest in common stock. He said they want to keep as much capital in Montana as possible. This bill, he said, would increase the flow of capital out of Montana. He also said that there is no guaranteed security for the investors on common stock investments.

PAUL CARUSO, President of First Security Bank in Helena, said that he was Chairman of the Board of Investments when it was first established. He said the board adopted a rule then, even though the investment limit was 20% on common stock, that they would only invest 10% in common stock. With the reinvestments from the investment profits that figure is now up to about 13% and they still adhere to that policy. He said this bill would have a bad economic effect on Montana. He said that he did not feel the rate of return on the common stock investments would earn as much as a real estate mortgage loan would, which the board would otherwise purchase.

Chairman Feda opened the hearing to questions from the committee.

Representative Dussault said that most Montanans would like to see more capital investments in Montana even though the rate of return may be less profitable. She asked Representative Nordtvedt to address this.

Representative Nordtvedt said that other public funds that are the property of all Montanans and future Montanans should be invested in Montana. Retirement funds that represent a private group of investors should try to get the highest interest rates possible. To have a lesser rate of yield just to help the economy of Montana would not be proper use of funds.

Representative Dussault asked Representative Nordtvedt to respond to the concerns of the bankers.

He said that they were concerned because they would not have access of the retirement funds for mortgage money.

Following further discussion, Representative Nordtvedt closed the hearing on House Bill 481.

EXECUTIVE SESSION

Representative Azzara, Spilker and Winslow were absent for executive session.

HOUSE BILL 108

DO PASS AS AMENDED

Representative Sales moved the amendments. (SEE EXHIBIT 2)
Following discussion a vote was taken and carried unanimously.

Representative Sales moved that HB 108 DO PASS AS AMENDED.
The motion was seconded by Representative Smith. A vote was taken and carried with 13 YES, 3 NO and 3 absent.
Representatives Hanson, McBride and Dussault voted no.

HOUSE BILL 225

DO PASS AS AMENDED

Representative Dussault moved the amendments. (SEE EXHIBIT 2)
A vote was taken and carried unanimously.

Discussion followed concerning the section of the bill (page 3) that the public would see. It was the concern of the committee that the wording is not clear.

EXECUTIVE SESSION (cont.)

HB 225 (cont.)

Representative Dussault moved an amendment to clarify the language in this section. (SEE EXHIBIT 2)
A vote was taken on the motion and carried unanimously.

Discussion followed. Some of the members felt that it was not proper to administer legislation through the mail.

Representative Briggs made a motion that HB 225 DO NOT PASS AS AMENDED. Following discussion, a roll call vote was taken and the motion failed 8 YES and 8 NO.

Representative Mueller moved that HB 225 DO PASS AS AMENDED. Discussion followed. Representative Dussault said that she did not think this allowed for public participation in the decision making process. Representative Phillips disagreed and said the public has the opportunity to participate when the bill is first being considered by the legislature. Question was called on the DO PASS AS AMENDED motion. Vote carried with 8 YES, 7 NO and 4 absent. Representative Feda was excused for executive session on this bill. (See the roll call vote sheet for vote.)

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

Respectfully submitted,



G. C. "JERRY" FEDA, Chairman

Cathy Martin-Secretary

TESTIMONY IN FAVOR OF H.B. 484

DUNCAN SCOTT

LIBERTARIAN PARTY

Thank you Mr. Nordtvedt. Mr. Chairman, members of the committee, my name is Duncan Scott. I'm state chairman of the Montana Libertarian Party. I would like to thank you for allowing me to testify here today in favor of H.B. 484. ~~I've filed a copy of my testimony with the secretary of the committee, but let me~~ ^{I would like to} briefly explain the current Montana law on minor party petitions, how this bill would change it, and why I support ~~it~~ ^{the} change.

This bill will remove onerous restrictions placed on small political parties, such as the Libertarian Party, who intend to run a slate of candidates. In 1982 we intend to run 25 candidates. To place them on the ballot we must collect over 30,000 signatures on 25 separate petitions. Unfortunately, there is no procedure by which the entire party, rather than individual candidates, may petition for ballot status. Montana is one of nine states that doesn't allow a slate of candidates to appear by petition. ~~to appear on the ballot by a single petition.~~ H.B. 484 would move Montana into the company of the other 41 states.

Let me say, however, that if H.B. 484 fails, I think we could meet the current requirements, as difficult as they are. After running petition drives in Wyoming and Montana, I believe that I can accurately say that most people, once they agree to sign, will sign several petitions. Consequently, each petitioner would carry two or three clipboards. By that method each willing person could sign several times and 30,000 signatures could be collected. Of course, the number of people who signed would

be far less than 30,000.

H.B. 484, on the other hand, provides for a single petition. A person's signature means that he or she thinks all the party's candidates have the right to appear on the primary ballot. In 1982, by the bill's provisions, a minor party would have to collect 9978 valid signatures by February 15. Let me stress that deadline. For those who think this bill might make it too easy for parties to get on the ballot, consider collecting 10,000 signatures in the dead of a Montana winter. No seasoned Montanan would consider this winter normal!

Finally, let me point out what I consider advantages ~~and disadvantages~~ of this bill.

First, from our perspective, the benefits are significant. Instead of circulating 25 or so separate petitions, we could use a single one. Also, the signature threshold would be lowered--but let me put it in perspective. Presidential candidates from the major parties must each collect 2000 signatures to appear on the primary ballot in Montana. This bill would require about five times that amount for a minor party's slate ~~to appear~~.

Secondly, benefits from the bill would accrue to county clerks. H.B. 484 would eliminate duplication of signatures. Clerks would be spared the time and expense of looking up a person's registration three or four times from separate petitions.

Lastly, I believe that people on the street will be benefited. Petitioning, ^{Nobody I know enjoys petitioning, and} by its very nature, is an unsolicited intrusion into another's life. Some people take offense to it regardless of the courtesy one displays. The elimination of the multi-petition requirement, I think, would make the intrusion that much less offensive and frequent.

Petition requirements for minor parties or candidates serve a necessary purpose. They weed out inconsequential or joke candidates. But they should not go further and discourage serious candidates, or place unreasonable burdens on them. H.B. 484, I believe, fairly balances these competing interests. I ask that you pass it.

STATE ADMINISTRATION

RM 436

C. Martin

AMENDMENTS FOR HOUSE BILL 225

1. Page 2, line 8.

Following: "(4)"

Insert: "(a)"

2. Page 2, lines 15 and 16.

Following: "members"Strike: "approve" through "it"

Insert: "vote to override the veto, the bill"

3. Page 2.

Following: line 16

Insert: "(b) The legislature may reconvene as provided by law to reconsider any bill vetoed by the governor when the legislature is not in session."

4. Page 3.

Following: line 25 on page 2

Strike: lines 1 through 6 in their entirety

Insert: "[] FOR allowing the legislature to override a post-session veto through a poll of its members by the secretary of state.

[] AGAINST allowing the legislature to override a post-session veto through a poll of its members by the secretary of state."

AMENDMENTS TO HB 108

1. Page 2.

Following: line 9

Insert: "(3) The legislature may reconvene to reconsider any bill so vetoed by using the statutory procedure provided for convening in special session."

2. Page 2.

Following: line 24

Insert: "(3) If two-thirds or more of the members vote to override the veto, the bill becomes law on July 1 in the same year that the bill was introduced, notwithstanding any earlier effective date contained in the bill. If the bill contains an effective date that is later than July 1, the bill becomes effective on the later date."

VISITORS' REGISTER

HOUSE

COMMITTEE

LL

Date _____

SPONSOR

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

HOUSE

COMMITTEE

WILL

Date _____

SPONSOR

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

HOUSE

COMMITTEE

.. TLL

Date

SPONSOR

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

HOUSE

COMMITTEE

~ILL

Date _____

SPONSOR

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

HOUSE

COMMITTEE

~ TLL

Date _____

SPONSOR

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.