

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE SENATE

March 11, 1981

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 at 10 a.m.

ROLL CALL: All members of the committee were present, excepting Senators Kolstad and Johnson.

CONSIDERATION OF HOUSE BILL 201:

AN ACT DIRECTING THE DEPARTMENT OF REVENUE TO COMPILE AND PUBLISH ANNUALLY INFORMATION OBTAINED FROM THE REALTY TRANSFER ACT AND TO REQUIRE THE DEPARTMENT OF REVENUE TO PROVIDE INFORMATION TO INDIVIDUAL TAXPAYERS CONCERNING THE VALUATION OF PROPERTIES COMPARABLE TO THEIR OWN.

Rep. Robert Sivertsen, sponsor, said this bill provides for the taxpayer to obtain information regarding the valuation of properties comparable to his own. He enclosed the testimony which he had read to the committee.

PROPOSERS: Dennis Burr stated this bill on page two requires the Department of Revenue to provide sales ratio studies and requires that the information be made available to the individual taxpayers. He explained the amendments that the house had made.

OPPOSERS: John Clark, Department of Revenue, stated that the problems that sales find are not complete until June, so the date of April would not be convenient.

Questions: Sen. Towe asked Mr. Clark about the date. He said they are not put into the computer in time; and Sen. Towe pointed out that most tax appeals will take place before June. He asked the same question to Mr. Burr; and he said the information is not in on time because there has been no priority, but it could be done. Sen. Towe asked if it would continue to be published, and the answer was yes.

In closing Rep. Sivertsen said he had introduced this bill because they should help the taxpayer if he feels he has been treated unfairly, saying this is the most economical way to help the taxpayer.

CONSIDERATION OF HOUSE BILL 270:

AN ACT TO REMOVE THE OBLIGATIONS OF THE COUNTIES AND POLITICAL PARTIES TO PAY EXPENSES FOR DELEGATES AND ALTERNATES ATTENDING COUNTY AND STATE CONVENTIONS TO NOMINATE PRESIDENTIAL ELECTORS.

Rep. Walter Sales, sponsor, said this bill removes the obligation for the public to pay the expenses of the alternates and delegates to conventions because he objects to the public financing of the political process.

PROPOSERS: None.

OPPOSERS: None.

Questions: Sen. Ryan asked for the title to be clarified, Sen. Towe indicated a personal interest because he has used the fund, and Sen. Hafferman expressed his view that this is the basis for the political system because many people would not have gone to conventions if they had not been paid for their trips.

The hearing was closed.

CONSIDERATION OF HOUSE BILL 329:

AN ACT TO GENERALLY REVISE THE PROCEDURE FOR OBTAINING AN ECONOMIC IMPACT STATEMENT REQUIRED BY THE ADMINISTRATIVE CODE COMMITTEE AND ITS PUBLICATION BY THE SECRETARY OF STATE.

Rep. Joe Kanduch, sponsor, said this bill provides an economic impact statement and read amendments from SB181.

PROPOSERS: Alan Shumate; George Johnson, ASARCO; Joe Crosswhite, WETA emeritus of Western Environmental Trade Assn.; Gary Langley, National Federation of Independent Business.

OPPOSERS: Mona Jamison, representing the governor, said he is opposed to it because some are legal questions constitutionally related. She referred to subsection 2 of the amendment section on page 2, and said administrative code committee rule making could be halted on certain occasions. It may cause separation of power problems; and it is unlawful for a few members to take action representing the legislature, impeding the executive branch from implementing laws. In subsection 4 it may cause interference with the Judicial and also the executive. Subsection 5, the governor objects to this because the economic impact belongs in the agencies

because they are accountable to the governor and have the expertise. She recommended if there are criteria that the legislature feels should apply to economic statements that they be included in the statutes.

Joy Bruck, LWV, did not oppose without the amendment because it gives legislative authority to a committee and would like to have the section deleted.

Dal Smilie, SRS, stated the unpredictability of when they will be asked for and the gaps that may occur.

Bob Wood, Department of Business Regulations, wants separation of powers, allowing executive agencies to implement laws through our executive agencies. This bill presents difficulties.

Questions: Sen. Towe, in speaking to Rep. Kanduch, said the secretary of state refers to where there are conflicts between deletions and needed material. He asked about page 3 and 4 and page 6, the last two lines. Rep. Kanduch said many amendments were made on the floor. He said they should not have to hold another hearing.

Senator Story said he will suggest to the house that they together make one good bill; possibly Ms. Jamison and others would like to be a part. He said to Ms. Jamison that it is good that the governor is the sole judge of the adequacy impact statement. She disagreed that this would foreclose the position of adequacy.

Senator Towe asked Mr. Smilie his opinion of Kanduch's idea for providing the code committee to agree or disagree, which could be overruled by the governor. Senator Story thinks the Senate Bill 181 is better, and Rep. Kanduch was asked if he had seen it. He answered no. Every code committee does not have rule making power to accept or reject; the governor should be asked to intervene.

Senator Story pointed out during the reorganization process the agencies in which the governor was weak they desired a strong executive. Ms. Jamison said this may bring him greater power than the committee would anticipate. Senator Story said if the governor and some agencies are in disagreement, he is not running it the way they think it should be run. Ms. Jamison said if he is writing impact statements there are problems with rule making and says SB 181 is simpler.

Senator Towe said the administrative code committee would do it because they would have to pay for it.

Senator Ryan asked Rep. Kanduch if this bill directs the governor to do this.

Chairman Story announced that members of both his and Kanduch's committees, drafters, and interested parties will meet to make a new bill that will please everyone.

ACTION ON HOUSE BILL 201: Senator Towe moved DO PASS; motion carried with unanimous vote; Senator Towe will carry.

CONSIDERATION OF HOUSE BILL 573:

AN ACT AMENDING SECTION 19-4-802, MCA, TO REDUCE THE MINIMUM EARLY RETIREMENT AGE IN THE TEACHERS' RETIREMENT SYSTEM FROM 55 YEARS TO 50 YEARS AND TO REVISE THE FORMULA FOR CALCULATING THE EARLY RETIREMENT ALLOWANCE.

Rep. Ken Nordtvedt said this bill allows for five years earlier retirement, providing specifically for those persons who might want to start another career. He stated the actuarial discount formula rates were made up by the retirement system, and he explained this formula to the committee.

PROPOSERS: Dave Sexton, Mt. Education Assn.; Bob Johnson, Teachers Retirement System; Don Walter, Superintendent of School in Libby; Phyllis Hemstad; all supported and gave the advantages.

OPPOSERS: Senator Hammond asked about the five-year discount and Mr. Johnson said it is financially sound. Rep. Nordtvedt confirmed that the formula was worked out by the actuary.

Senator Towe asked if the wording of the 60 months is correctly stated.

Chairman Story put the bill into a subcommittee with Senators Hammond, Nordtvedt and John Hollow, Legislative Council.

CONSIDERATION OF HOUSE BILL 102:

AN ACT TO PROVIDE STATUTORY AUTHORITY TO ESTABLISH A TRUST ACCOUNT FOR THE OPERATION, DEVELOPMENT, AND MAINTENANCE OF LANDS OWNED BY THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS.

Rep. Rex Manuel described the bill and pointed out page 2, line 18 through the end of the bill.

PROPOSERS: Jim Flynn, speaking on behalf of the Department of Fish, Wildlife, and Parks, supported the bill.

Rep. Manuel added that the reason there should be a trust account is that it gives more fiscal responsibility.

OPPONENTS: None.

Questions: Senator Towe asked about the constitutionality of the bill, and Mr. Flynn said the drafting committee had done the drafting.

Senator Story inquired about property bought by fish and game funds and then sold. What happens to the money? Mr. Flynn says it goes into the general operations fund.

Senator Towe suggested earmarking such funds on page 3.

Senator Hammond asked about oil monies that schools receive and if fish and game retain the oil monies; this could not be answered by the proponents.

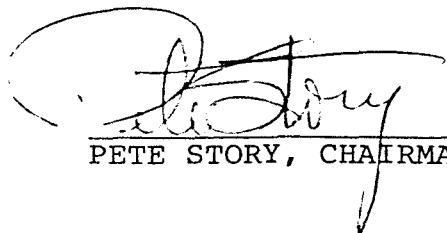
Senator Towe pointed out to Senator Story a statute that had been discussed by Woodrow Wright.

Chairman Story put it into a subcommittee of Senators Towe and himself.

ACTION ON HOUSE BILL 545:

Senator Towe moved they reconsider their action on House Bill 545 because of a conflicting amendment. He moved another amendment; passed, moved the bill DO PASS, AS AMENDED; motion carried.

ADJOURNMENT: 11:55.


PETE STORY, CHAIRMAN

ROLL CALL

STATE ADMINISTRATION COMMITTEE

47th LEGISLATIVE SESSION - - 1981

Date 3-11

NAME	PRESENT	ABSENT	EXCUSED
Senator Pete Story, Chairman	✓		
Senator Allen Kolstad, V. C.		✓	
Senator William Hafferman	✓		
Senator H. W. Hammond	✓		
Senator Jan Johnson		✓	
Senator Patrick Ryan	✓		
Senator Thomas Towe	✓		

Each day attach to minutes.

Several months ago the Montana Supreme Court issued its decision in the case of Countryside Village et al vs. Department of Revenue. This decision reversed the decision of the State Tax Appeal Board that ordered a 34 percent reduction in the assessed value of certain commercial properties. The Supreme Court in this decision provided a description of the information a taxpayer needs to adequately support an appeal before the tax appeal boards. The taxpayer must first demonstrate that there are properties similar to his own in the same geographic area. The taxpayer must then produce information concerning the actual market value of his property and of similar properties. Finally, he must compare the assessed values as established by the Department of Revenue to the market value of his own and similar properties in order to prove that his property is assessed at a higher level than other properties in his area. This is reasonable criteria on which to base tax appeal board decisions even though it may appear burdensome to the taxpayer.

House Bill 201 introduced by Representative Bob Sivertsen of Havre provides help to taxpayers seeking the information necessary to support an assessment appeal. First, the bill requires the Department of Revenue to publish a sales-assessment ratio study from information it receives from the Realty Transfer Act. The Realty Transfer Act is a law passed in 1975 that requires the sales price of all real property transfers except agricultural land and certain other exempt sales to be reported to the Department of Revenue. A sales-assessment ratio study is a comparison of the sales price and assessed value of a large number of properties. The sales-assessment ratio study, provided for in this bill will provide county and city comparisons of average sales prices and average assessed values for residential and commercial property. This information is necessary for property owners to understand and analyze the property tax assessment system. Second, House Bill 201 requires the Department, when asked, to furnish information concerning sales of property to taxpayers who have filed assessment appeals with the county tax appeal

board. This information must include the sales price, age, size and other descriptions of the property sufficient to establish comparability of the reported sales with the property under appeal. The Department may not, however, reveal the exact location, nor the names of buyer or seller of the properties. This bill will allow the taxpayer to obtain the information necessary to comply with the tax appeal guidelines suggested by the Montana Supreme Court. The bill specifies that the data provided to the taxpayer by the Department of Revenue may be used in hearings before the tax appeal boards and in District Court. MonTax supports HB-201 because it provides property owners access to information needed to evaluate the property tax assessment system and to establish proper grounds for assessment appeals.

March 11, 1981

PRESENTED BY: James W. Flynn, Director
Department of Fish, Wildlife & Parks

Before the Senate State Administration Committee

HB102

HB102 is a bill to provide a management tool to the Department of Fish, Wildlife & Parks which we feel will enhance the department's ability to approach land management decisions in a more fiscally responsible manner.

Department acquisition of lands for game management, fishing access, or recreational purposes occasionally entails purchasing adjacent lands under the same ownership, but lands which may be "surplus" to the department's primary reason for the purchase. Occasional sales of these surplus lands provide the department with unanticipated income. In addition, leasing of department lands for grazing, hay or grain production, timber cutting, oil and gas exploration and development, and other similar activities generate unpredictable income.

The past practice of the department has been to utilize this unanticipated income to increase operations' budgets of the various divisions. Fiscally, this practice is unsound in two different respects: (1) it results in expanding the operations' budget requests in ensuing years when such revenues are not available, and (2) it results in the department consuming these funds and totally dissipating these department assets.

HB102

It is the intent of HB102 to create a trust account which would serve as a depository for various one-time or unanticipated sources of income. This trust would add stability to management's financial planning, and the interest income is restricted to provide a long-term source of funding for operation, maintenance, and development of department lands. It would be anticipated that these funds would also be available for the over \$100,000 paid annually to local governments as payments in lieu of taxes and special improvement districts.

The department believes HB102 would promote greater responsibility with respect to land management and planning. In addition, it would also serve to stabilize operations and development of department-owned public use areas.

The bill was amended in the House to clarify the uses of the fund and to assure the money generated by the fund would be used only after legislative appropriation.

We feel HB102 as presently before this committee provides a sound and responsible method for management and use of unanticipated income from department acquired lands.

I recommend a "do concur" on this bill.

NAME:

DATE:

ADDRESS:

PHONE:

REPRESENTING WHOM?

APPEARING ON WHICH PROPOSAL:

DO YOU:

SUPPORT?

AMEND?

OPPOSE?

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

STANDING COMMITTEE REPORT

MARCH 11

19 81

MR. PRESIDENT

We, your committee on STATE ADMINISTRATION

having had under consideration HOUSE Bill No. 201
SIVERTSON (TOWE)

HOUSE

Respectfully report as follows: That..... Bill No. 201

BE CONCURRED IN
UNANIMOUSLY

g.a.

STANDING COMMITTEE REPORT

MARCH 11 19 81

MR. PRESIDENT

We, your committee on STATE ADMINISTRATION

having had under consideration HOUSE Bill No. 545

SIVERTSEN (JOHNSON)

Respectfully report as follows: That HOUSE Bill No. 545

, third reading copy,
be amended, as follows:

1. Title, line 6.

Following: "RIGHT"

Insert: "AND HIS FAMILY THE RIGHT"

2. Title, line 7.

Following: "ACTIVITY"

Insert: "AND TO ALLOW MEMBERS OF HIS FAMILY TO HOLD PUBLIC OFFICE"

3. Page 2, line 1.

Following: "4"

Insert: "(2)" and all remaining stricken language in lines 1-4.

4. Page 2

Following: line 4.

Insert: "(3) An officer or member of the police department may participate in political activity provided he does not do so while on duty or in uniform or that it does not otherwise interfere with the performance of his duties."

AND, AS SO AMENDED,
BE CONCURRED IN

DATE

3-11-81

COMMITTEE ON

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
F.W. Wright	MDFWP	HB 102	✓	
Ron Holliday	"	"	✓	
Joe Smiley	SRS			
Jay Bruch	LWF of Montana	HB 329		✓
George R. Schmitt	Asarco	" "	✓	
Joe Commish	WETA	10 "	✓	
Butch Jackson		HB 329	✓	
Alvin Schmitt	Noticed	HB 329	✓	
Joe Smiley	SRS	329		✓
Bob Wood	DEPT. OF Business Reg	329		✓
Don Waldron	Libby Public Schools	573	✓	
JOHN CLARK	DEPT OF REV	HB 201		✓
Yann Ponder	W.F.B.	HB 329	✓	
P. Kyllie Hemstad	Teacher	573	✓	
		573		

STANDING COMMITTEE REPORT

MARCH 11 81

19.....

PRESIDENT

MR.

STATE ADMINISTRATION

We, your committee on

HOUSE

having had under consideration Bill No. 225.....

ELLISON (KOLSTAD)

HOUSE

Respectfully report as follows: That..... Bill No. 225

, third reading copy, be amended as follows:

1. Page 2, line 9.'

Following: "bill"

Insert: "approved by two-thirds of the members present"

AND, AS SO AMENDED,

BE CONCURRED IN

~~DO PASS~~

PETE STORY

Chairman.

STANDING COMMITTEE REPORT

MARCH 10

1981

PRESIDENT

MR.

We, your committee on STATE ADMINISTRATION

having had under consideration HOUSE Bill No. 74
HARPER (TOWE)

Respectfully report as follows: That HOUSE Bill No. 74
, third copy, be amended as follows:

1. Title, lines 8 and 9.

Following: "COMMITTEE;"

Strike: "AND TO PROVIDE FOR ENFORCEMENT OF AGENCY DUTIES BY THE
COMMITTEE"

2. Page 2, line 23.

Following: "Contested"

Strike: "As determined by"

Insert: "In the discretion of"

3. Page 6, lines 24 through page 7, line 1.

Following: "{d}"

Insert: "(c)" and the remainder of line 24, page 6, through page 7, line

4. Page 7, line 2.

Following: "{e}"

Strike: "{c}"

Insert: "{d}"

DO PASS

pl

CONTINUED

Chairman.

HOUSE BILL 74, page 2

5. Page 8, lines 7 and 8.

Following: "litigation"

Strike: "--enforcement of agency duties. (1)"

Insert: "."

6. Page 8, lines 18 through page 9, line 4.

Following: line 17

Strike: line 18, page 8 through line 4, page 9 in its entirety

AND, AS SO AMENDED,

BE CONCURRED IN

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STANDING COMMITTEE REPORT

MARCH 10 19 81

MR. PRESIDENT

We, your committee on STATE ADMINISTRATION

having had under consideration HOUSE Bill No. 38

STOBIE (STORY)

Respectfully report as follows: That HOUSE Bill No. 38

, third reading copy, be amended as follows:

1. Page 2, line 4.

Following: "obtained."

Strike: "A"

Insert: "Upon request of the secretary of state, a"

2. Page 2, line 7.

Following: "No"

Strike: "EXCEPT AS PROVIDED IN SUBSECTION (5), NO"

Insert: "No"

3. Page 2, line 10.

Following: "adopted."

Strike: "Each"

Insert: "Except as provided in subsection (5), each"

XXXXXX
DO PASS

CONTINUED

HOUSE BILL 38, page 2

4. Page 2, line 17.

Following: "section."

Insert: "The committee may not require the publication of copyrighted material."

5. Page 2, line 25 through page 3, line 2.

Following: "funding,"

Strike: remainder of line 25, page 2, through "standards," on page 3, line 2.

6. Page 3, line 3.

Following: "later"

Insert: "later"

7. Page 3, line 8.

Following: "REQUIRED"

Insert: "unless requested under 2-4-302 (4)"

8. Page 3, line 9.

Following: "administrative"

Strike: "code"

Insert: "rules of Montana"

HC.

AND, AS SO AMENDED,
BE CON CURRED IN