

MINUTES OF THE MEETING OF THE APPROPRIATIONS COMMITTEE
March 27, 1983

The Appropriations Committee met from 9:00 a.m. to 8:10 p.m. with a one hour recess on March 27, 1983, in Room 104, with Chairman Francis Bardonouve presiding and all members were present. Judy Rippingale, Legislative Fiscal Analyst, was also present. HOUSE BILLS 217, 793, 909, 912, 914, 918, 919, 920, 921, 922, and 924 were heard. EXECUTIVE ACTION was taken on HOUSE BILLS 23, 114, 120, 153, 161, 187, 271, 392, 400, 405, 407, 458, 471, 476, 601, 613, 624, 640, 668, 682, 692, 758, 759, 767, 785, 793, 800, 815, 819, 864, 881, 905, 909, 911, 912, 918, 919, 920, and 921.

(Tape 10: Track 2:0129)

HOUSE BILL 912: A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING FUNDS TO STUDY ALTERNATIVES FOR FINANCING PRISON FACILITIES; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Representative BOB ELLERD, House District #75, introduced this bill. He felt this bill should be tabled if not passed to provide a contingency for this funding. This bill would appropriate \$200,000 for financing the private sector to study the alternatives of the Prison.

Representative BARDANOUE asked what the advantages of this bill were. Representative ELLERD responded that the decline of interest rates have lessened the advantages but in essence, this bill would allow the private sector to build a new prison and lease it to the state. After thirty years, the facility would be given back to the state. He mentioned that there would be some advantages to using the old prison because it is an historic site and there are certain tax benefits. Representative BARDANOUE noted that the interior of the old prison would have to be completely torn out and he wondered if that wouldn't destroy the historic value. Representative ELLERD said any change in the exterior might jeopardize the historic value but the interior didn't matter.

Representative BENGTON thought this issue has had enough study and it is time to do something about it. Representative ELLERD responded that there are some issues that have not had adequate study such as the water and sewer systems at the new prison.

Proponents: None.

Opponents:

BILL GOSNELL, Office of Budget and Program Planning, said they don't oppose the alternatives, but they oppose paying \$200,000 to an outside firm for the study. He felt the state has the expertise to conduct this study.

Discussion:

Senator PAUL BOYLAN, co-sponsor of the bill, said this idea arose when there was plenty of money in the treasury but he did not feel this was such a good idea now given the financial constraints of the budget.

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Representative ELLERD closed by saying, if HB 511 fails, we will need this bill to provide alternative financing.

The hearing was closed to further testimony.

HOUSE BILL 918: A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY FROM THE PERMANENT COAL SEVERANCE TAX TRUST FUND FOR THE PURPOSE OF FINANCING PRISON EXPANSION OR RENOVATION; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Representative ELLERD introduced this bill and said, if HB 511 should fail, we need money from somewhere and this would be a possible option. He agreed that this is not what the coal tax trust fund was established for but he felt we are sitting on a powder keg with the prison overcrowding and something has to be done soon.

Proponents:

Mr. PARRISH, an architect from St. Paul, Minnesota, who has studied the restoration of the old prison and is now working with the administration on the new prison, explained what is being done to study the alternatives to alleviate the overcrowding. Mr. PARRISH has been an architect for thirty years and has specialized in correctional facilities for the past twelve years. He said our prison leaves a great deal to be desired from many points of view and one of his primary concerns is to upgrade the present facility to make it more secure.

Representative STOBIE asked, if the old prison is renovated, would it be secure. Mr. PARRISH said the old prison is a maximum security facility and would be very secure. Representative BARDANOUE related a story that demonstrates the sturdiness of the structure. During an earthquake, a small crack appeared in one corner of one of the wings. There was an investigation and it was determined that the wing should be torn down because it was no longer secure. The contractor hired to tear the wing down said it was extremely difficult to demolish the old wing.

Representative QUILICI asked what the cost would be to renovate the old prison. Mr. PARRISH said it would cost approximately \$7.9 million but that figure also includes some upgrading to the present facility. The renovation cost would be substantially less than new construction but the operational costs would be higher. Representative THOFT noted that one of the reasons the task force considered the old prison was the psychological effect on the prisoners. Mr. PARRISH said the renovation would require the interior to be completely gutted and they would have to start from scratch. One of the problems with the proposal to renovate the old prison is the limited space inside the walls.

Opponents: None.

Discussion:

Representative ELLERD wanted the committee to know that Mr. Parrish was not retained to recommend the old prison but to look at all of

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possible alternatives to alleviating the Prison's problems. He reiterated his earlier statement that this money is needed, if not in HB 511, then in this bill.

The hearing was closed to further testimony.

HOUSE BILL 919: A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE FUNDS TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION FOR PUBLIC SCHOOL SUPPORT OTHER THAN FOR SPECIAL EDUCATION; AND TO REQUIRE THAT THE BOARD OF PUBLIC EDUCATION AND THE SUPERINTENDENT OF PUBLIC INSTRUCTION REPORT TO THE 49TH LEGISLATURE ON HOW THE FUNDS GUARANTEED UNDER THE MAXIMUM BUDGET SCHEDULES CAN BE USED IN THE MOST COST-EFFECTIVE MANNER TO PROVIDE QUALITY EDUCATION WITHIN ACCREDITATION STANDARDS."

Representative PECK introduced this bill. This is a companion bill to HB 544 which included the new schedules for the foundation program. This would take contingency money and fund the 4:0 Foundation Program.

Proponents:

Representative TED NEUMAN, House District #33, co-sponsor of the bill, explained the language in Section 3 which would require the Board of Education to look into ways for the districts to save money.

JESSE LONG voiced his support for this bill and explained some of the reasons for the increasing costs for education. He felt it would take some real cooperation between the Board of Public Education and the Office of Public Instruction to carry out this kind of mandate.

RUSS CARLSON, Superintendent of Schools in Havre, voiced his support for this bill and presented written testimony (Exhibit 1). He outlined the potential problems schools would face if they are not adequately funded. School systems, in his opinion, are struggling now and any decrease in funding would potentially damage the education system.

Senator PAT REGAN, Senate District #31, voiced her support for this bill as a legislator and a teacher. She felt the state's share of education has not kept pace with the requirements of education.

DAVID SEXTON, Montana Education Association, voiced his support for this bill. He felt the 4:0 increases in the schedules would be disastrous to the local schools. He said the foundation program is not paying for the services required by the accreditation standards.

Opponents: None.

Discussion:

Representative BENGTON was concerned about lowering the cost of education and she felt it would put the accreditation system in jeopardy.

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Representative ROUSH felt school district consolidation was a good idea and he felt it would fit into the language in Section 3. Representative THOFT said he has six high schools in his county but the student population would fit into two schools. Representative BARDANOUVE noted that Montana has one of the most obsolete school district systems in the U.S.

Representative DONALDSON approved of what the bill would be attempting to accomplish but he wondered how many people would listen to a study on education conducted by two education agencies.

Representative BARDANOUVE said there was something wrong with the price of education because enrollments are declining yet the costs continue to go up. Representative BENGTON said there would have to be money allocated for the study because both agencies' budgets are tight and there isn't any money for travel which would be required by this study.

Representative MENAHAN did not feel there should be any more teacher layoffs but he felt there could be money cut from administration. Representative WALDRON felt there were some small rural schools that could be closed down. He did not think the kids minded being bussed but the parents and school board oppose bussing. He said the rural communities are experiencing declining enrollments and he reiterated that the problem lies in the school boards. He felt the declining enrollments and consequent school closures is an issue that will have to be faced sooner or later.

In closing, Representative PECK said the legislature must assume the responsibility for solving the problems caused by the accreditation standards. He felt the legislature doesn't like cutting staff but he felt closing schools was a necessary step because there just isn't enough work. Property tax dependency is a bad situation also. The legislature has cut the tax base for local governments but expect schools to operate with a lower tax base and less mills.

The hearing was closed to further testimony.

(Tape 10: Track 2:0621)

HOUSE BILL 793: A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR OPTIONAL LOCAL GOVERNMENT TAXES; AUTHORIZING A 55 MILL ALL-PURPOSE LEVY FOR COUNTIES, A LOCAL GOVERNMENT INCOME TAX NOT TO EXCEED 20 PERCENT OF STATE INCOME TAX LIABILITIES TO BE ESTABLISHED COUNTYWIDE AFTER APPROVAL BY THE ELECTORATE, A LOCAL GOVERNMENT MOTOR VEHICLE LICENSE FEE, AND A HOTEL OR MOTEL ROOM TAX; AMENDING SECTION 7-6-2220, MCA; PROVIDING AN APPROPRIATION; AND PROVIDING AN EFFECTIVE DATE.

Representative VERNER BERTELSEN, House District #27, introduced this bill. This bill did not originally call for an appropriation but the Department of Revenue said an appropriation would be necessary to start up this program. The 1% for administration of the program would not cover the start up costs. This bill would appropriate \$37,000 to implement the computer system. If no county sets up this program, the money will revert.

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Proponents:

MIKE STEPHENS, Montana Association of Counties, voiced his support for the concept of this bill. He wished to remain neutral on several of the local options because MAC believes in a strong property tax base. He felt this bill represents forethought in what local governments will have to go through in the coming years in regard to a degradation of the property tax base which does not provide the necessary money for services.

Representative KATHLEEN MCBRIDE, House District #85, voiced her support for this bill, partly in her capacity as Chairman of the Local Government Committee in the House. She sees this as part of the package of programs, along with the grant-in-aid, that would be provided to local governments to begin to replace their eroded tax base.

Opponents: None.

Discussion:

Representative MENAHAN said consolidated city/counties like Butte/Silver Bow and Anaconda/Deer Lodge have these powers and they can cut back. He asked why other counties have not consolidated. Representative BERTELSEN said other counties are scared off by the discontent voiced by the consolidated governments.

Representative LORY felt there should be language included in the bill which would specifically say that, if the program is not implemented by any county, the money will revert.

Representative BENGTON opposed this kind of tax because she felt it caused a fragmentation of the taxing system. She felt this would pit county people against city people. Representative BERTELSEN said he has spoken with county officials who said they approve of this concept. Representative BENGTON said the local officials would like this kind of tax but what about the people. Representative BERTELSEN noted that county commissioners are elected by the people and do represent the people.

Representative ERNST felt the issue at hand should not be the benefit of the tax and whether or not local governments should be allowed to levy these taxes. He said the issue before this committee is the appropriation.

Representative DONALDSON wondered if the Department of Revenue could handle the responsibility and Representative BERTELSEN said this bill has the support of the Department of Revenue and the Governor's Office. The Department said their present staff could handle this program and all they needed was the appropriation.

Representative BARDANOUVE said there has been a lot of legislation introduced this session to alleviate the problems of local governments and he felt this bill provided a good solution.

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Representative BERTELSEN said this problem will not be solved by adding permissive mills. He said this appropriation will at least give this option to local governments so they can begin to help themselves and, if no one tries it, it won't cost anything. He felt this bill is a potential answer to a very serious problem.

HOUSE BILL 909: A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A SELECT COMMITTEE OF THE LEGISLATURE TO PREPARE RECOMMENDATIONS FOR PROVIDING SERVICES TO DEVELOPMENTALLY DISABLED PERSONS; PROVIDING FOR STAFFING AND THE USE OF CONSULTANTS BY THE COMMITTEE; APPROPRIATING FUNDS FOR THE COMMITTEE; AND PROVIDING AN EFFECTIVE DATE."

Representative BOB MARKS, House District #80, introduced this bill. He did not feel anyone has ever taken a look at the long range implications of the actions taken by the Legislature every two years. This study would look at institutional services for developmentally disabled. Representative MARKS outlined the bill and explained what it offers.

Proponents:

BOB LAUMEYER, chairman of a subcommittee of the Jefferson County Economic Development Plan, voiced his support for this bill. His subcommittee was charged with trying to inform people of Montana and legislators about Boulder River School and Hospital (BRSH) and the fact that it was performing an essential need to the state and it has essential needs of its own. He did not feel this committee fulfilled all of its objectives by not addressing the plant needs. This bill addresses those needs. He felt there have been great contradictions in the area of dealing with developmentally disabled. He felt "least restrictive" should relate to the people. The first mandate is appropriate services.

JOE GERAGHTY, president of AFSCME Local 971 in Boulder, voiced his support for this bill. He felt it was about time there was a comprehensive study of BRSH. He realized that there have been many studies done on institutions in Montana but he did not feel any of the previous studies addressed all of the issues at one time.

DOUG SCHMITZ, Jefferson County Commissioner and chairman of the board of trustees at Boulder Public Schools, voiced his support for this from the school's viewpoint. He said 44% of the students in Boulder have one or both parents working at BRSH. From the county's viewpoint, there are 470 people who live in Jefferson County who work at BRSH. If the institution were to be closed down or moved, Boulder would become another of Montana's ghost towns.

ROBERT RUNKLE, Montana Association of School Psychologists, voiced his support for this bill, particularly the section which would help clarify the "least restrictive" alternative and helping psychologists protect individual student's rights.

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Opponents:

JOHN LAFAVER, Director of the Department of Social and Rehabilitation Services, voiced his opposition to this bill because he felt there have been enough studies done on the developmentally disabled. He went through a stack of publications which are comprehensive studies of the developmentally disabled and institutionalization. He noted that a lot of time, effort, and money has gone into these studies. In summary, he felt these issues have been thoroughly studied and the conclusion has been deinstitutionalization. He felt the Departments of Institutions and SRS should get together and present a proposal to the legislature and the state Developmental Disabilities Planning and Advisory Council. There are legislators on DDPAC and he felt further study would be a waste of the taxpayers' dollars.

JOE ROBERTS, Developmentally Disabled Legislative Action Committee, opposed this bill. He reiterated Mr. LaFaver's comments that many studies have been conducted on this issue. He worried that this study would become a platform for job protection of job expansion at BRSH. He felt the bill substantiated that fear and the testimony of some of the proponents showed that the concern for the jobs at BRSH is a major concern.

Mr. ROBERTS felt analyzing the physical plant at BRSH, which is outlined as one of the mandates of the bill, would be putting the cart before the horse and would be the wrong way to start. He noted that the idea to develop BRSH as a training center has been around for a long time and simply is not workable. The geography of Montana dictates that the idea does not make much sense and there are differences between training for institutional care and training for community care. He said he is not adverse to study but the way this bill presents it is wrong.

Mr. ROBERTS said the quality of care should be the top priority and cost effectiveness should be the second priority, not how many jobs will be lost or how many buildings will be closed. He felt the bill could be worked on but he did not feel there is enough time in this committee. He felt the bill should be referred to the Human Services Committee to work out guidelines for a bona fide study.

CLYDE MUIRHEID, Developmentally Disabilities Planning and Advisory Council, voiced his opposition to HB 909 and presented written testimony (Exhibit 2). He also presented a copy of the DDPAC report on Alternative Services, Executive Summary (Exhibit 3).

Representative BARDANOUVE presented a copy of written testimony from DAVID B. LACKMAN, Montana Public Health Association, who was singing in church today and could not attend the hearing (Exhibit 4).

Discussion:

Representative THOFT said he was not comfortable asking the administration to come up with a plan for BRSH because they have come up with three plans for the prison and have admitted their failure on those plans. However, Rep. THOFT did not feel this bill has enough money in it to consult with the professional people equipped to present a plan.

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Representative THOFT said there was a real operating cost factor at BRSH that must be addressed. He referred to a nasty letter sent by Mr. Geraghty to all legislators and stated that he will make sure this study does not have anything to do with job protection because treatment and quality of that treatment is the top priority, not job protection.

Representative BENGTON asked if socio/economic impact on the communities should not also be considered. Mr. LAFAVER responded that the concerns of the Boulder community should be considered but he reiterated Rep. Thoft's statement that those concerns have to come after quality of care as that has been the policy of the legislature for over ten years.

Representative WINSLOW asked if it would not help if language in this bill specified that "a presentation of a long range plan for the developmentally disabled be presented before the 49th Legislature." He felt the key to this issue was to get it out in the open and do something about it instead of constantly debating this issue in the political arena. Mr. LAFAVER responded that his objections to this bill would be far less if that is the way this bill was presented but, as it is currently worded, he felt the underlying intent of this bill was to bring people back to BRSH and create a larger institution than exists there now.

Representative MENAHAN agreed with Rep. Winslow's statement that the institution issues have always been a matter of "pork barrel" politics. He had a problem with the use of "least restrictive" language. Representative WINSLOW asked where this issue was going or will it continually be a matter of taking some from here and putting them there. He wondered if anyone had an idea of where developmentally disabled services would be ten years down the road. Mr. LAFAVER responded that some of the studies he outlined have made long range recommendations but those programs have not been followed through due to lack of funding or a lack of votes in the legislature.

Representative QUILICI said, with the proposed deinstitutionalization, groups homes have become a big business. He was not convinced group homes were the answer. Representative STOBIE agreed because he did not feel the Departments have any control over group home costs.

Representative BARDANOUVE said this is a political process and politics does enter into the business here.

Representative MARKS closed by saying this issue involves a special interest; the interest of the people housed in these institutions and community care facilities. He said he did not think "least restrictive" meant "most appropriate." He wondered if putting some of these people in the community isn't more dangerous than letting them walk around the campus at BRSH. He felt legislators should be in charge of researching this issue and reiterated Rep. Thoft's statement that the executive branch studies do not turn out as well as legislative branch studies.

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Representative MARKS said he did not feel any of the studies previously conducted, which were brought up by Mr. LaFaver, dealt with putting capital investments into the physical plant at BRSH.

The hearing was closed to further testimony.

(Tape 10: Track 2:1319)

HOUSE BILL 921: A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE FUNDS TO THE GOVERNOR'S OFFICE TO CONDUCT AN INQUIRY INTO THE LEGAL RESPONSIBILITIES FOR RECLAMATION OF THE LANDS AFFECTED BY MINING AND SMELTING AND FOR THE IMPACTS OF THE CLOSURE OF MINING AND SMELTING OPERATIONS IN THE BUTTE-ANACONDA AREA AND THE LEGAL REMEDIES FOR THOSE IMPACTS; REQUIRING THE ENVIRONMENTAL QUALITY COUNCIL TO MONITOR AND ADVISE THE GOVERNOR'S OFFICE ON THE INQUIRY; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Representative NANCY KEENAN, House District #89, introduced this bill. She showed the committee pictures of some of the results of mining in Butte. There is heavy metal in the air as a result of the entailing dumps in the Anaconda and Great Falls area. There is some real concern about the Berkley Pit flooding and no one knows what the result of that flooding will be. Major concern centers around the mine water getting into the ground water and the consequences to the water quality. Anaconda Minerals Company said they would not allow the water to get above 200 feet but there is no written agreement to that affect. There was concern that the treatment of the water at Warm Springs might cease once AMC completes their salvage operation. EPA said they can pin the cost of that treatment on AMC as long as it presents a public health or environmental risk. Representative KEENAN wanted to see the land reclaimed to a viable use.

Representative KEENAN did not feel this was a local issue but a state-wide issue. She noted that Rep. Fagg's bill dealt with mining that was done over 100 years ago and she did not feel we should wait that long before we get action. This bill would find out what legal right we have as a state.

Proponents:

Representative MENAHAN, House District #90, voiced his support for this bill. He outlined some of the problems experienced in the past with large companies. He said the Anaconda Minerals Company owns everything in Anaconda; the water, the land, the stores, the mineral right. He said there is a high cancer rate in that area. Representative MENAHAN felt the land would have to be reclaimed if that county will ever be viable again. He said the land is poisoned with arsenic and money has to be expended to make the land safe again.

Representative QUILICI, House District #84, voiced his support for this bill. He noted that no one knows what the potential for damage is in these areas.

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Representative QUILICI said KATHLEEN MCBRIDE wanted to voice her support for this bill but had to leave the hearing.

Opponents: None.

Discussion:

Representative DONALDSON said there have been a number of bills in this legislature to deal with this same issue. He wondered just what is available for these areas. Representative MENAHAN said this bill would conduct a legal investigation into what was pledged by AMC and what can be expected. He said other bills would provide RIT money to restore some of the mines. Representative MENAHAN said Anaconda is on the list for Superfund money but Butte is not. Representative KEENAN said this bill would establish if AMC would be held responsible and, if not, can Arco be held responsible since they took over AMC.

Representative BARDANOUE asked if some of the state agencies couldn't do something for these areas. Representative MENAHAN said it took six years of legislation just to get AMC to water down the slum ponds. There has been some reclamation but there is a lot more land that needs to be reclaimed.

There was some discussion regarding having the Attorney General look into this issue.

(Tape 11: Track 1:0000)

HOUSE BILL 914: A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR ANALYSIS OF THE POTENTIAL FOR A JOINT WATER DEVELOPMENT PROJECT BETWEEN MONTANA AND WYOMING ON THE CLARKS FORK OF THE YELLOWSTONE RIVER; AND TO APPROPRIATE MONEY FOR THE ASSESSMENT."

Representative GARY SPAETH, House District #71, was co-sponsor of this bill and introduced it to the committee. This bill sets up a study of the hydrologic modeling of the Clarks Fork River of the Yellowstone and sets up a system by which we can cooperate with the State of Wyoming both in managing and administering the Yellowstone River Compact on the Clarks Fork River. This bill would also determine the feasibility of any joint water developments in this basin.

Representative SPAETH felt Wyoming has been more aggressive in water development than Montana and we should try to keep in step. He has corresponded with Wyoming's chairman of the Appropriations Committee, Tom Jones, who felt this was a good idea to begin working together.

Proponents:

GARY FRITZ, Department of Natural Resources and Conservation, voiced support from the Department. He felt we need to address the critical irrigation shortages on the Clarks Fork. Also, we need to make sure Wyoming is not using our water when they develop projects on their side of the basin.

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Opponents: None.

Discussion:

There was some discussion about water development funds and using the Resource Indemnity Trust to fund this project.

HOUSE BILL 217: A BILL FOR AN ACT ENTITLED: "AN ACT TO RESTORE LOW INCOME HOME ENERGY ASSISTANCE BLOCK GRANT MONEY TO NEEDY MONTANANS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Representative WALDRON introduced this bill. This bill was requested by the Governor's Office and prevents the transfer of Low Income Energy Assistance money into the Social Services block grant.

Proponents:

JOHN LAFAVER, Director of the Department of Social and Rehabilitation Services, voiced his support for this bill and presented a breakdown for three different grant amounts (Exhibit 5). This bill says it is a top priority to take 10% of the federal grant and put it into the General Fund.

JIM SMITH, Region 8 Community Action Agencies Association, voiced his support for this bill. He outlined the current programs being administered for energy assistance. He said one of the problems is that people who need this service are eliminated from the program because they do not meet the criteria. He would like the legislature to at least let the federal government know we have a problem here.

Opponents: None.

Discussion:

Representative BENGTON asked if some of this money can't go to the weatherization program. Mr. LAFAVER said 15% of the money can be spent for weatherization.

The hearing was closed to further testimony.

HOUSE BILL 922: A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE MONEY TO THE DEPARTMENT OF REVENUE TO SATISFY A JUDGMENT AGAINST THE DEPARTMENT OF REVENUE; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Representative FABREGA, who introduced this bill, was not present to introduce this bill to the committee. Representative HEMSTAD agreed to present the bill but did not realize it dealt with Blue Cross of Montana. She did not feel her position with Blue Cross would present a conflict of interest in this case. Representative HEMSTAD presented the bill to the committee.

Proponents:

BOB GOFF, an attorney from Great Falls, voiced his support for this bill. This bill appropriates money to pay the attorney's fees, which were required by the judgement. Mr. GOFF explained the case in brief and

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presented the legal documents involved in the case (Exhibits 6, 7, and 8). Mr. GOFF noted that he is the attorney whose fees are presented.

Opponents: None.

Discussion:

There were no representatives from the Department of Revenue to present their side of this issue.

The hearing was closed to further testimony.

HOUSE BILL 924: A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING FUNDS TO THE DEPARTMENT OF REVENUE FOR THE PAYMENT OF A JUDGMENT FOR ATTORNEY FEES, COSTS, AND DISBURSEMENTS AGAINST THE DEPARTMENT; PROVIDING THAT THE APPROPRIATION IS NONJUDGMENTAL; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Representative JAN BROWN, House District #32, introduced this bill. She presented a copy of the Judgement (Exhibit 9) and Memorandum (Exhibit 10). This bill appropriates money for the attorney's fees but Rep. BROWN noted that interest is accumulated on the fee and this issue must be addressed as soon as possible to prevent further accumulation of interest.

Proponents: None.

Opponents: None.

Discussion:

There were no representatives from the Department of Revenue to present their side to this issue. Representative BARDANOUE said he did not want to take any action on HB 922 or HB 924 until the Department can explain the circumstances.

The hearing was closed to further testimony.

HOUSE BILL 920: A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A STATE LOTTERY AND PROVIDING FOR AN OFFICE OF DIRECTOR OF THE STATE LOTTERY AND FOR PERSONNEL TO OPERATE THE STATE LOTTERY; PROVIDING AN APPROPRIATION; PROVIDING FOR THE APPROPRIATION TO BE REPAID; AMENDING SECTIONS 2-8-103 AND 23-5-202, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Representative BOB PAVLOVICH, House District #86, introduced this bill and presented amendments to the bill by the State Administration Com. (Exhibit 11) with a Statement of Intent (Exhibit 12). This bill would provide a General Fund loan of \$750,000 to implement a state lottery. The lottery would be under the direction of the Department of Revenue for administrative purposes. The Governor would appoint the Director of the State Lottery and all board members.

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The state of Colorado started their lottery in January of this year and have paid back their General Fund loan of \$2 million plus interest of \$164,000. This committee can choose to charge interest. The state of Washington has put \$20 million into their General Fund in four months from their lottery. Representative PAVLOVICH presented some comparisons of other states' lotteries (Exhibit 13 and 14).

Proponents:

Senator LARRY STIMATZ voiced his support for this bill and remarked that no state has lost money on a lottery. He said it would take about three to four months to get the lottery going. After that, the lottery will generate money that would go into the General Fund.

Representative QUILICI voiced his support for this bill.

Representative STOBIE voiced his support for this bill. One of the reasons he supports the bill is because Montana residents are currently buying lottery tickets from other states and he felt it would be a good idea to bring this money back into the state.

Discussion:

Representative ROUSH asked what the opposition was to this bill. Representative PAVLOVICH said much of the opposition stems from the misconception that this is a moral issue and he does not feel it is. Also, some people think this is a slot machine bill and that the Mafia will run it, both of which are untrue.

Representative WALDRON asked what the breakdown of the funds will be. Representative PAVLOVICH said 45% goes to prizes, 5% goes to the vendors, and 20% will be needed to set up the lottery. After the initial start up costs, only 12% will be used for administration. That leaves 38% of the money generated by the lottery to go to the General Fund.

Vendors will be screened and have to pay a \$50 application fee. Each vendor will be bonded under a licensed bond. Representative QUILICI said this bill will put money into the General Fund and could be used to fund some of the programs this committee had to cut due to tight budget constraints.

Opponents:

CATHY CAMPBELL, Montana Association of Churches, voiced her opposition to the bill and provided written testimony (Exhibit 15). She felt the information presented by Rep. Pavlovich was overstated and she did not feel Montana would do as well as other states. She said the voters of Montana opposed any expanded gambling in the state and did not want the state involved in the gaming business.

Representative WALDRON noted that the Association of Churches represent 9 denominations and must have the unanimous concurrence of the churches for the Association to take a stand on an issue. Ms. CAMPBELL agreed that this is how the association works and she said all nine denominations oppose an expansion of gambling.

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Discussion:

Representative QUILICI remarked that he knows of many people who go to church who support the lottery concept. He said the lottery is a volunteer contribution to the General Fund, unlike taxes, and no one has to contribute if they don't want to. He noted that taxes have to be paid whether a person wants to pay them or not.

Senator STIMATZ said the fiscal note on this bill was ridiculous and the Office of Budget and Program Planning has changed the original fiscal note but the amended version was not available at this time.

Representative PAVLOVICH said he heard from the Serbian Church, which is an active member of the Montana Association of Churches, and they do not oppose House Bill 920 and they gave Rep. Pavlovich their permission to speak in support of this bill in their absence. He also noted that the Serbian Church was not contacted as far as Ms. Campbell representing them on this issue.

The hearing was closed to further testimony.

(Tape 11: Track 1:0400)

***EXECUTIVE ACTION:

HOUSE BILL 23:

There was some discussion regarding this bill. Representative LORY opposed the bill because it did not represent all public employees. He realized this money was needed but he strongly opposed giving to one group and not the others.

Representative WALDRON moved that HOUSE BILL 23 do not pass.

The Chairman requested a roll call vote. The motion PASSED with 13 members approving the motion and 3 members opposing.

HOUSE BILL 114:

Representative MANUEL moved to amend HOUSE BILL 114 to \$73,000 in FY'84 and \$6,000 in FY'85.

Representative WALDRON made a substitute motion to amend HOUSE BILL 114 to \$65,000 in FY'84 and \$6,000 in FY'85.

Representative BENGTON felt the community, not the state, should administer this program. She also felt this program could work with the WICHE and WAMI program. There was some discussion regarding this bill.

The Chairman requested a roll call vote. The motion PASSED with 16 members approving the motion and 1 member opposing.

Representative MANUEL moved that HOUSE BILL 114 do pass as amended.

The Chairman requested a roll call vote. The motion PASSED with 13 members approving the motion and 4 members opposing.

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HOUSE BILL 120:

Representative WALDRON discussed the amendments (Exhibit 16) which would actually rewrite the bill.

Representative WALDRON moved to accept the amendments outlined on Exhibit 16 for HOUSE BILL 120.

The motion passed UNANIMOUSLY.

Representative WALDRON moved HOUSE BILL 120 do pass as amended.

Representative BENGTON made a substitute motion that HOUSE BILL 120 do not pass.

The Chairman requested a roll call vote. The motion PASSED with 9 members approving the motion and 8 members opposing.

HOUSE BILL 153:

Representative WINSLOW moved to amend HOUSE BILL 153 to the original appropriation of \$5,000.

The Chairman requested a roll call vote. The motion PASSED with 16 members approving the motion and 1 member opposing.

Representative LORY moved that HOUSE BILL 153 do not pass.

The Chairman requested a roll call vote. The motion FAILED with 6 members approving the motion and 11 members opposing.

The roll call vote was reversed. HOUSE BILL 153 passed as amended.

HOUSE BILL 161:

Representative WALDRON moved that HOUSE BILL 161 do pass.

The Chairman requested a roll call vote. The motion PASSED with 9 members approving the motion and 8 members opposing.

HOUSE BILL 187:

Representative MENAHAN moved that HOUSE BILL 187 do pass.

There was some discussion regarding this bill. Representative MENAHAN withdrew his motion pending amendments.

Representative WALDRON moved to amend HOUSE BILL 187 to a \$300,000 biennial appropriation and have the LFA tie it to HOUSE BILL 898 so either one or the other will be expended but not both.

Representative HEMSTAD opposed the motion. All other members approved the motion. The motion PASSED.

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Representative WALDRON moved to amend HOUSE BILL 187 as follows:

Page 1, Line 6:

Strike: FOR EXISTING AREA COUNCILS ON AGING

Page 1, Line 12:

Strike: for

Page 1, Line 13:

Strike: area councils on aging

Page 1, Line 15:

Strike: area councils on aging

Insert: the department of social and rehabilitation services

The motion passed UNANIMOUSLY.

Representative WALDRON moved that HOUSE BILL 187 do pass as amended.

Representative HEMSTAD opposed the motion. All other members approved the motion. The motion PASSED.

HOUSE BILL 217:

Representative DONALDSON moved that HOUSE BILL 217 do not pass.

The Chairman requested a roll call vote. The motion passed with 11 members approving the motion and 6 members opposing.

HOUSE BILL 392:

Representative WALDRON moved that HOUSE BILL 392 do not pass.

The Chairman requested a roll call vote. The motion passed with 11 members approving the motion and 6 members opposing.

HOUSE BILL 400:

Representative WALDRON moved to accept the amendments outlined on Exhibit 17 for HOUSE BILL 400.

The motion passed UNANIMOUSLY.

Representative WALDRON moved that HOUSE BILL 400 do pass as amended.

Representatives STOBIE and THOFT opposed the motion. All other members approved the motion. The motion PASSED.

HOUSE BILL 405:

Representative WALDRON moved to amend HOUSE BILL 405 to appropriate \$197,000.

The motion passed UNANIMOUSLY.

Representative LORY moved that HOUSE BILL 405 do pass as amended.

The Chairman requested a roll call vote. The motion passed with 9 members approving and 8 members opposing the motion.

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HOUSE BILL 407:

Representative WALDRON moved that HOUSE BILL 407 do not pass.

Representative CONNELLY made a substitute motion that HOUSE BILL 407 do pass.

The Chairman requested a roll call vote. The motion FAILED with 5 members approving the motion and 12 members opposing.

The roll call vote was reversed. HOUSE BILL 407 do not pass.

HOUSE BILL 458:

Representative WALDRON moved that HOUSE BILL 458 be tabled.

The Chairman requested a roll call vote. The motion PASSED with 11 members approving the motion and 6 members opposing the motion.

HOUSE BILL 471:

Representative ROUSH moved that HOUSE BILL 471 do not pass.

Representative LORY made a substitute motion that HOUSE BILL 471 do pass.

The Chairman requested a roll call vote. The motion FAILED with 3 members approving the motion and 14 members opposing the motion.

The roll call vote was reversed. HOUSE BILL 471 do not pass.

HOUSE BILL 601:

Representative SHONTZ moved to accept the amendments outlined on Exhibit 18 for HOUSE BILL 601.

The motion passed UNANIMOUSLY.

Representative HEMSTAD moved that HOUSE BILL 601 do pass as amended.

The Chairman requested a roll call vote. The motion FAILED with 6 members approving the motion and 11 members opposing.

The roll call vote was reversed. HOUSE BILL 601 do not pass.

HOUSE BILL 613:

There was some discussion on this bill. It was decided that language should be put in the appropriations bill to allow the agency to use the fees and change the revenue source.

Representative LORY moved that HOUSE BILL 613 be tabled.

The motion passed UNANIMOUSLY.

HOUSE BILL 624:

Representative SHONTZ moved that HOUSE BILL 624 do not pass.

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Representative WALDRON made a substitute motion that HOUSE BILL 624 do pass.

There was some discussion regarding this bill. There was another bill that took care of this problem. Representative WALDRON withdrew his substitute motion.

The Chairman requested a roll call vote. The motion passed with 13 members approving the motion and 4 members opposing.

HOUSE BILL 640:

Representative QUILICI moved to amend HOUSE BILL 640 to \$150,000 in FY'84 and \$150,000 in FY'85 and strike "ALL" on page 1, line 4.

There was a lot of discussion regarding this bill. Representative BENGTON felt if we do this for one area, other areas will come in and want the same thing.

The Chairman requested a roll call vote. The motion PASSED with 15 members approving and 2 members opposing the motion.

Representative QUILICI moved that HOUSE BILL 640 do pass as amended.

The Chairman requested a roll call vote. The motion PASSED with 15 members approving the motion and 1 member opposing.

HOUSE BILL 668:

Representative MENAHAN moved to amend HOUSE BILL 668 to the original language except the evening meal for in state to \$8 per day.

The motion was passed UNANIMOUSLY.

Representative MENAHAN moved that HOUSE BILL 668 do pass as amended.

The motion passed UNANIMOUSLY.

HOUSE BILL 682:

Representative THOFT moved to amend HOUSE BILL 682 to \$35 per inspection.

Representative SHONTZ made a substitute motion to amend HOUSE BILL 682 as follows:

Page 1, Line 18:

Following: license

Insert: not to exceed \$150.

There was some discussion regarding this bill and what the fee should be.

The Chairman requested a roll call vote. The motion FAILED with 6 members approving the motion and 11 members opposing.

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The motion reverted to Rep. Thoft's original motion to amend HOUSE BILL 682 as follows:

Page 1, Line 16:

Following: fee

Insert: of \$35

Page 1:

Strike: lines 17 and 18

Representatives BARDANOUE, LORY, and SHONTZ opposed the motion. All other members approved the motion. The motion PASSED.

Representative BENGTON moved that HOUSE BILL 682 do pass as amended.

Representatives BARDANOUE and SHONTZ opposed the motion. All other members approved the motion. The motion PASSED.

HOUSE BILL 692:

Representative WALDRON moved that HOUSE BILL 692 do pass.

The Chairman requested a roll call vote. The motion PASSED with 9 members approving the motion and 8 members opposing.

HOUSE BILL 758:

Representative BENGTON moved that HOUSE BILL 758 do pass.

Representative LORY made a substitute motion that HOUSE BILL 758 be tabled.

The motion was passed UNANIMOUSLY.

HOUSE BILL 759:

Representative MENAHAN moved to amend HOUSE BILL 759 to appropriate \$289,000 for the biennium.

The motion passed UNANIMOUSLY.

Representative MENAHAN moved that HOUSE BILL 759 do pass as amended.

Representative WALDRON made a substitute motion that HOUSE BILL 759 do not pass.

Representative WALDRON presented the written recommendation from the Institutions Subcommittee that this issue has been adequately addressed in the budget and needs no further appropriation (Exhibit 19). Bill Gozell of the Governor's Office of Budget and Program Planning, said this bill would allow for a contingency fund should it become necessary.

The Chairman requested a roll call vote. The motion FAILED with 6 members approving the motion and 11 members opposing.

The roll call vote was reversed. HOUSE BILL 759 do pass as amended.

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(Tape 11: Track 1:2289)

HOUSE BILL 767:

Representative SHONTZ moved to amend HOUSE BILL 767 as follows:

Page 1, line 15:

Strike: line 15

Insert: (1) facilities with 13 beds or less \$50;

Page 1, lines 16 and 17

Strike: lines 16 and 17

Insert: (2) facilities with 14 beds or more at the rate
of \$3.55 per bed.

The chairman requested a roll call vote. The motion PASSED with 11 members approving the motion and 6 members opposing.

Representative SHONTZ moved that HOUSE BILL 767 do pass as amended.

The Chairman requested a roll call vote. The motion PASSED with 10 members approving the motion and 7 members opposing.

There was a lot of discussion regarding this bill and the fact that it generates revenue.

HOUSE BILL 785:

Representative DAVE BROWN presented proposed amendments to this bill (Exhibit 20). There was some discussion on the amendments.

Representative SHONTZ moved to accept the amendments as outlined on Exhibit 20.

The motion passed UNANIMOUSLY.

Representative SHONTZ moved that HOUSE BILL 785 do pass as amended.

The Chairman requested a roll call vote. The motion passed with 15 members approving the motion and 2 opposing.

HOUSE BILL 793:

Representative WALDRON moved that HOUSE BILL 793 do pass.

Representative STOBIE made a substitute motion that HOUSE BILL 793 do not pass.

There was a lot of discussion regarding this bill.

The Chairman requested a roll call vote. The substitute motion FAILED with 7 members approving the motion and 10 members opposing.

The roll call vote was reversed. HOUSE BILL 793 do pass.

HOUSE BILL 800:

Representative LORY moved that HOUSE BILL 800 do not pass.

The Chairman requested a roll call vote. The motion PASSED with 12 members approving the motion and 5 members opposing.

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HOUSE BILL 815:

There was some discussion regarding this bill. Testimony presented was that a small appropriation and the authority would be sufficient.

Representative LORY moved to amend HOUSE BILL 815 to appropriate \$10,000.

The motion passed UNANIMOUSLY.

Representative LORY moved that HOUSE BILL 815 do pass as amended.

Representatives THOFT and STOBIE opposed the motion. All other members approved the motion. The motion PASSED.

HOUSE BILL 864:

Representative CONNELLY moved to amend HOUSE BILL 864 for \$100,000 for the biennium.

The motion passed UNANIMOUSLY.

Representative STOBIE wondered if the amendment to "shall provide" wasn't a bit strong. He thought that would put the Department in a bind if they didn't have the resources or money to provide the service. Representative CONNELLY responded that the agencies involved did not feel they needed much money; just the authority to set up the position.

Representative WALDRON moved to reconsider action on the amendment to HOUSE BILL 864.

The motion passed UNANIMOUSLY.

Representative WALDRON moved to amend HOUSE BILL 864 to \$20,000 for the biennium.

The motion passed UNANIMOUSLY.

Representative WALDRON moved that HOUSE BILL 864 do pass as amended.

The Chairman requested a roll call vote. The motion PASSED with 9 members approving the motion and 8 members opposing.

HOUSE BILL 881:

Representative BENGTON moved to move HOUSE BILL 881 to the Cultural and Aesthetic Projects in the Long Range Building Committee.

The motion passed UNANIMOUSLY.

HOUSE BILL 905:

Representative BENGTON moved to move HOUSE BILL 905 to the Cultural and Aesthetic Projects in the Long Range Building Committee.

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The motion passed UNANIMOUSLY.

HOUSE BILL 909:

Representative WALDRON moved that HOUSE BILL 909 do pass.

Representative PECK made a substitute motion that HOUSE BILL 909 do not pass.

The Chairman requested a roll call vote. The motion FAILED with 6 members approving the motion and 11 members opposing.

The roll call vote was reversed. HOUSE BILL 909 do pass.

HOUSE BILL 911:

Representative BENGTON moved that HOUSE BILL 911 do not pass.

Representative WALDRON opposed the motion. All other members approved the motion. The motion PASSED.

HOUSE BILL 912:

Representative WINSLOW moved to move HOUSE BILL 912 to the Long Range Building Committee.

The motion passed UNANIMOUSLY.

HOUSE BILL 918:

Representative BENGTON moved to move HOUSE BILL 918 to the Long Range Building Committee.

Representative SHONTZ made a substitute motion that HOUSE BILL 918 do not pass.

There was some discussion on this bill. Representative SHONTZ withdrew his motion.

Representative HEMSTAD made a substitute motion that HOUSE BILL 918 be tabled.

The motion passed UNANIMOUSLY.

HOUSE BILL 919:

The LFA presented proposed amendments to House Bill 919 (Exhibit 21). Ms. Ripplingale explained the intent of the amendments.

Representative PECK moved to accept the amendments as outlined on Exhibit 21.

The motion passed UNANIMOUSLY.

Representative PECK moved that HOUSE BILL 919 do pass as amended.

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There was some discussion about the foundation program. This would raise the foundation program to 4:0. This bill takes into consideration the passage of SB 95.

The motion was passed UNANIMOUSLY.

HOUSE BILL 920:

Representative SHONTZ moved that HOUSE BILL 920 do pass.

The Chairman requested a roll call vote. The motion PASSED with 12 members approving the motion and 5 members opposing.

HOUSE BILL 921:

Representative MENAHAN moved that HOUSE BILL 921 do pass.

Representative LORY made a substitute motion that HOUSE BILL 920 do not pass.

The Chairman requested a roll call vote. The motion PASSED with 13 members approving the motion and 4 members opposing the motion.

HOUSE BILL 922 & 924:

The Chairman held these two bills until the Department of Revenue can present their side of this issue.

(Tape 10: Track 2:0000)

There was some discussion on the water hearings and water projects and the funding necessary. Representative BARDANOUVE felt the Department of Natural Resources and Conservation has worked hard on this issue and it was the intent to make these projects bear as near as possible the interest rate of the bonds that were sold. However, there is a provision in the law that will help subsidize some of these projects and some of these projects will be subsidized more than others. Each would be at as feasible a rate as the projects could pay. This is a real controversial issue. It takes 75% of the votes to pass these projects and the Chairman asked the committee to be very careful in their decisions. If there was a problem, the whole bill could fail.

HOUSE BILL 885:

The LFA presented proposed amendments to this bill (Exhibit 22) which were discussed by the committee. CURT NICHOLS of the LFA went over the amendments. The projects that were deleted had not been reviewed by the Department.

Representative THOFT did not feel the Bitterroot people could afford the 4%. Mr. BERRY, Director of the Department of Natural Resources and Conservation, explained that there are two projects that were tight in their ability to pay, the Bitterroot Project and the Eastbench Project. There was a good deal of discussion on the amendments.

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Mr. BERRY explained that, if the bonds sell for 6% and the project was financed at 4%, the state would subsidize 2%. If all of the projects were subsidized at 2%, before the deletions outlined in the amendments, it would cost \$125,000. The average life of the bonds is 15-20 years. Representative BENGTON felt this bill would build the infrastructure of the state.

Representative THOFT explained the Bitterroot project and the problems in that area. Mr. BERRY agreed with Mr. Thoft that the two projects could go for 2% but he did not feel they could go for 4%.

Representative STOBIE moved to set the rate for the East Bench and Bitterroot projects at 3%.

The motion was passed UNANIMOUSLY.

Representative ROUSH brought up the Pondera/Conrad project. This project feeds the city of Conrad and is desperately needed. Mr. BERRY explained that the project has never been reviewed and that is why it is not included.

Representative STOBIE moved to accept the amendments outlined on Exhibit 22 with the amendment passed in a previous motion.

The motion passed UNANIMOUSLY.

Representative LORY moved that HOUSE BILL 885 do pass as amended.

Representative WALDRON opposed the motion. All other members approved the motion. The motion PASSED.

HOUSE BILL 897:

Mr. NICHOLS presented House Bill 897 with notations (Exhibit 23) and tables outlining the Resource Indemnity Trust fund bills (Exhibit 24). The line on page five is the bottom line; those projects would use all of the available money. The Department prioritized the list as to their importance. Mr. BERRY explained the funding sources for these projects: 30% comes from the RIT, \$400,000 comes from private water projects, and .625% comes from the coal tax. The latter portion of the bill is the Renewable Resources Development Account which gets .625% from the coal tax.

Representative SHONTZ asked if the projects below the line, which are loans, could benefit by the program. Mr. BERRY explained that some projects may be feasible without the grants, other projects wouldn't. This bill allows the authority to spend the revenues on these projects. If the revenue estimates are low, more projects can be funded. If the revenue projections are high, less projects can be funded.

It was established that language should be put into the bill that, if the project desires, the grant amount could be included in the loan amount.

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Representative SHONTZ moved to amend the bill to allow the grant to be included in the loan amount.

The motion was passed UNANIMOUSLY.

Representative BENGTON thought some of these projects were the same as the amendments to HB 885 that were not accepted because they had not been reviewed. Mr. BERRY said they had the same titles but they were not the same projects.

Representative SHONTZ moved to allow the projects starting on page 9 that are not funded by grants to be eligible for the bonding program for loans at the current interest rate.

The motion was passed UNANIMOUSLY.

This bill is set up to handle the whole \$5 million bonding authorization. HB 885 had a different bonding authority which appropriated \$250 million bonding authority.

Representative SHONTZ moved that HOUSE BILL 897 do pass as amended.

The motion was passed UNANIMOUSLY.

Representative MENAHAN said there was a problem with private businesses taking over water projects. Private businesses cannot take advantage of these programs.

This bill assumed that \$1.017 million was in the water courts budget.

House Bill 447 used the RIT funds to fund operations for DNRC and State Lands. Mr. BERRY projected that, by the end of the biennium, there would be a total of \$242,000 available. The LFA projected \$67,000 is available. With HB 724 being passed, the RIT account is overspent by \$2.5 million.

HOUSE BILL 819:

Representative MANUEL moved to amend HOUSE BILL 819 to authorize \$60,000 for the biennium from the federal Abandoned Mine Reclamation project which is administered by the Department of State Lands.

The motion passed UNANIMOUSLY.

Representative MANUEL moved that HOUSE BILL 819 do pass as amended.

The motion passed UNANIMOUSLY.

HOUSE BILL 903:

Representative MANUEL moved to amend HOUSE BILL 903 to \$250,000 from the Abandoned Mine Reclamation project.

Minutes of the meeting of the Appropriations Committee
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Mr. BERRY explained that the Abandoned Mine Reclamation project is funded through coal sources and abandoned coal mines must be reclaimed before hard rock and mineral mines.

Representative QUILICI made a substitute motion to appropriate \$100,000 for HOUSE BILL 903 from the Abandoned Mine Reclamation project.

Representative MANUEL withdrew his motion.

The motion was passed UNANIMOUSLY.

Representative SHONTZ moved that HOUSE BILL 903 do pass as amended.

The motion was passed UNANIMOUSLY.

The meeting was adjourned at 8:10 p.m.

A handwritten signature in cursive script, reading "Francis Bardanoue", written over a horizontal line.

FRANCIS BARDANOUE
Chairman

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Ray - Information - Havre High School District

- ... Past five years foundation program schedules have increased 62%
- ... Past five years - with enrollment decline - Our High School revenue from foundation program has gone up 35%.
- ... 1983-84 - a 4% increase gives us \$93,153 less dollars than this year
- ... 1983-84 - a zero increase gives us a 146,984 less than the current year.
- ... In the ^{last two} ~~last~~ years we have down staff about 13% in the high school district.
- ... Special Education reimbursements for 1983-84 - removed 1 1/2%
- ... Rent on Donaldson Hall has been set 14.2% higher
- ... The cost to simply move Special Education people (and others) on the negotiated salary schedule is about 2%.
- ... Health insurance went up 18% in 1981-82 - 27% in 1982-83 and we are told to expect at least 20% in 1983-84.

Russ Carlson, Supt.
Havre PS

March 27, 1983

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

DEVELOPMENTAL DISABILITIES PLANNING AND
ADVISORY COUNCIL

TED SCHWINDEN, GOVERNOR

P.O. BOX 4210

STATE OF MONTANA

(406) 449-3878

HELENA, MONTANA 59604

March 23, 1983

BEFORE THE HOUSE APPROPRIATIONS COMMITTEE, REPRESENTATIVE FRANCIS BARDANOUVE, CHAIR

In the Matter of HB 909, an act
creating a select committee of
the legislature to prepare recommendations
for providing services to persons with
developmental disabilities.

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STATEMENT OF THE MONTANA
STATE DEVELOPMENTAL DIS-
ABILITIES PLANNING AND
ADVISORY COUNCIL

Points:

- I. Present to represent Council's position on studies of and planning for services and programs which are responsive to the needs of persons with developmental disabilities (with mental retardation and other developmental disabilities).
- II. HB 909, out of the context of recent and current activities in the DD service network, appears to have considerable merit. But only if taken out of context.
- III. Important territory is covered by this proposed bill; however, most of the ground has been broken (as you've seen already in testimony so far) by several studies, one interim legislative committee and, at least, one task force.
- IV. At this point the system should be poised for a planning process which would jump off from these (the) series of studies referenced here today.
- V. DDPAC would like the Committee to consider it as a possible body for this process. In its recent report on alternative services, the Council proposed the use of an independent study group to prepare recommendations.
- VI. The Council is staffed and funded and also constituted by law to provide the depth and expertise necessary for such studies and planning efforts.
- VII. Use of the Council in this function would represent, in its view, appropriate use of human resources and appropriate use of scarce revenues...in other words...more bang for the buck.

MR. CHAIRMAN:

FOR YOUR RECORDS, MY NAME IS CLYDE MUIRHEID. I'M ONE OF TWO PERSONS WHO PROVIDE RESEARCH, PLANNING AND ADMINISTRATIVE SUPPORT TO THE MONTANA STATE DEVELOPMENTAL DISABILITIES PLANNING AND ADVISORY COUNCIL. THE COUNCIL, AS YOU MAY KNOW, IS A GROUP OF 22 PERSONS, APPOINTED BY THE GOVERNOR, AND MANADATED TO ADVOCATE FOR PERSONS WITH DEVELOPMENTAL DISABILITIES.

THE COUNCIL HAS ASKED ME TO REPRESENT THEIR POSITION OF HB 909 BEFORE YOUR COMMITTEE. THE COUNCIL OPPOSES HB 909.

HB 909, IF TAKEN OUT OF THE CONTEXT OF RECENT EVENTS, APPEARS TO HAVE CONSIDERABLE MERIT. IT IS AN ACT CREATING A SELECT COMMITTEE OF THE LEGISLATURE TO PREPARE RECOMMENDATIONS FOR PROVIDING SERVICE TO PERSONS WITH DEVELOPMENTAL DISABILITIES. IT PROPOSES TO COVER IMPORTANT TERRITORY. FOR EXAMPLE, THE BILL READS, IN SECTION 2, PAGE 2, LINE 9(REFER TO BILL).

MR. CHAIRMAN, HB 909, IF PUT BACK INTO THE CONTEXT OF RECENT EVENTS, APPEARS NOTABLY REPRETITIOUS IN THAT, SINCE 1930, AT LEAST FOUR SEPARATE STUDIES (ONE OF WHICH WAS COMPLETED BY THE COUNCIL JUST THIS PAST JANUARY) HAVE DISSECTED THE NEEDS OF PERSONS WITH DEVELOPMENTAL DISABILITIES AND THE PRESENT AND POTENTIAL CAPACITIES OF THE STATE-SUPPORTED SERVICE SYSTEM.

AT THIS POINT, MR. CHAIRMAN, IT IS THE CONSIDERED OPINION OF

THE STATE DD COUNCIL THAT CONSUMERS, PROFESSIONALS, LEGISLATORS AND STATE-AGENCY PLANNERS SHOULD JOIN TOGETHER TO STUDY AND THEN IMPLEMENT SERVICES WHICH WILL BRING ABOUT THE MANY RECOMMENDATIONS ALREADY ON RECORD OPPOSITE INSTITUTIONAL AND COMMUNITY-BASED PROGRAMS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES.

THE COUNCIL WOULD LIKE THE LEGISLATURE TO MANDATE THE MONTANA STATE DEVELOPMENTAL DISABILITIES PLANNING AND ADVISORY COUNCIL AS THE APPROPRIATE BODY TO DRAW THE LINE ON THIS CYCLE OF REPETITIOUS STUDIES AND TO WORK WITH STATE AGENCIES AND PRIVATE PROVIDERS IN DEVELOPING AND BALANCING A SYSTEM OF SERVICES WHICH MEET THE REAL AND LEGAL HUMAN NEEDS OF PERSONS WITH DEVELOPMENTAL DISABILITIES.

MR. CHAIRMAN, THE MONTANA STATE DEVELOPMENTAL DISABILITIES PLANNING AND ADVISORY COUNCIL IS CONSTITUTED AND FUNDED BY LAW TO PROVIDE THE DEPTH AND EXPERTISE NECESSARY FOR SUCH STUDIES AND FOR THE CONSEQUENTIAL PLANNING EFFORTS. USE OF THE COUNCIL IN THIS MANNER WOULD REPRESENT APPROPRIATE USE OF HUMAN RESOURCES AND APPROPRIATE USE OF SCARCE REVENUES...IN ELEMENTARY TERMS, MR. CHAIRMAN,...MORE BANG FOR THE BUCK.

I CHOSE TO CONCLUDE BY READING TWO ITEMS FOR YOUR COMMITTEE. THE FIRST IS A MAJOR RECOMMENDATION FROM THE COUNCIL'S RECENT STUDY ON ALTERNATIVE SERVICES FOR PERSONS WITH DEVELOPMENTAL DISABILITIES. THE SECOND ITEM IS AN EXCERPT FROM A LETTER TO REPRESENTATIVE STEVE WALDRON FROM THE DIRECTORS OF SRS AND OF THE DEPT. OF INSTITUTIONS.

(REFER TO ATTACHMENTS)

MR. CHAIRMAN, THANK YOU.

MOTION ON H.B. 909 from DDPAC Minutes -- Friday, March 18, 1983

MOTION: Gary Marbut moved the Montana State Developmental Disabilities Planning and Advisory Council oppose H.B. 909. This bill appears to reexamine materials and information that has already been gathered and appears to be superfluous at this time. If the legislature wishes to pose specific questions on the items addressed in H.B. 909 about services for persons with developmental disabilities, the Montana DDPAC will undertake to provide the information requested in the bill or provide review and re-search for specific questions to the legislature. Second. ADOPTED UNANIMOUSLY.

Major Finding of Alternative Services Task Force:

A complete analysis of institutional services and alternatives to those services should be conducted by a group of professionals, consumers, legislators and state agency officials. This analysis would be necessary to develop any long-range plans for improvements and changes in Montana's system of state institutions for persons with mental impairments and/or multiple handicaps.

"Bottom line" on interdepartmental letter: (LaFaver/South)

"We also urge that the development of the plan be mandated by the legislature as a first priority responsibility of the state developmental disabilities planning and advisory council. The council is composed of legislators, agency officials and knowledgeable laymen and is constituted (by both state and federal law) for just this purpose."

CM3

DEPARTMENT OF
SOCIAL AND REHABILITATION SERVICES



TED SCHWINDEN, GOVERNOR

P.O. BOX 4210

STATE OF MONTANA

HELENA, MONTANA 59604

January 31, 1983

Honorable Steve Waldron
State Representative
Capitol Post Office
Helena, MT 59620

Dear Representative Waldron:

The department of institutions and the department of social and rehabilitation services have been examining alternatives for providing the full range of needed services to developmentally disabled Montanans. During the past few months, this joint examination has focused particularly on service options available should Boulder River School and Hospital be closed as recommended by the Governor's Council on Management. In addition, the state developmental disabilities council formed an alternative services task force composed of legislators and other knowledgeable individuals to examine the issues. The report of the task force which was adopted by the full council on January 28, 1983, recommends a comprehensive study to develop a long-range plan for improving services to the developmentally disabled. Before further changes are contemplated in reducing the Boulder population below the level recommended in the executive budget, we would agree with the state council that this comprehensive long-range plan be established.

We also urge that the development of the plan be mandated by the legislature as a first priority responsibility of state developmental disabilities, planning and advisory council. The council is composed of legislators, agency officials and knowledgeable laymen and is constituted for just this purpose.

We would be happy to discuss these matters with you and your subcommittee at your convenience.

Sincerely,

Handwritten signature of John D. LaFaver.
John D. LaFaver, Director
Department of SRS

Handwritten signature of Carroll V. South.
Carroll V. South, Director
Department of Institutions

cc Chairman Himsl
Chairman Bardanouve
Representative Shontz
Members, DDPAC

MONTANA STATE
DEVELOPMENTAL DISABILITIES PLANNING AND ADVISORY COUNCIL

REPORT ON ALTERNATIVE SERVICES
Executive Summary

January 28, 1983

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GOVERNOR'S COUNCIL ON MANAGEMENT, INC.
P.O. BOX 233, CAPITOL STATION
HELENA, MONTANA 59620

October 1982

James B. Spring, Chairman
President: Christian-Spring-Sielbach & Associates
Warren P. Schmechel, Vice-Chairman for Finance
President: Montana Power Company
Allen Donohue, Vice-Chairman for Personnel
President: KMON & The Heritage Inn
Edwin H. Jasmin, Treasurer
President: Northwestern Bank of Helena
Edward A. Nurse, Secretary
President: Foundation Materials Consultants, Inc.
John J. Oitzinger, Counsel
Jackson, Oitzinger and Murdo, Helena

The Honorable Ted Schwinden
Governor, State of Montana
State Capitol
Helena, Montana 59601

Dear Governor Schwinden:

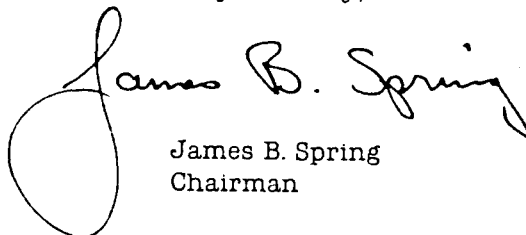
On behalf of the Governor's Council on Management, it is a pleasure to submit to you and the people of Montana this final report summarizing our findings and recommendations. The comprehensive and intensive review of the Executive Branch by 34 volunteer, private sector management specialists produced 344 specific proposals for improving the management of state government operations.

Council members found this experience challenging and rewarding. The cooperation and enthusiasm of the many dedicated state employees was very gratifying. Department administrators and staff participated actively in the evaluation process and contributed numerous helpful suggestions. This relationship also provided the private sector representatives with a realistic insight into the problems faced daily by public administrators.

The Montana business community should be commended for its enthusiastic sponsorship of this undertaking. As a result, the Council completed the entire program at no cost to the taxpayers. This commitment indicates a willingness to cooperate in efforts that can be beneficial to our state.

By requesting this review, you have taken another step forward in your efforts to achieve more cost-effective management of state government. The content of this report is impressive; however, the ultimate success of this effort will be measured by the results realized through implementation. The members of the Governor's Council on Management will be available to assist you in achieving this goal.

Very sincerely,



James B. Spring
Chairman

TEXT OF RECOMMENDATION #169

169. Close the Boulder River School and Hospital. By placing functional residents into the community, Boulder River School and Hospital has reduced its population to a small number of the profoundly retarded. As a result, facilities, equipment and staff are underutilized.

To remedy these problems, the Boulder River School and Hospital should be closed, some residents moved to the community, and the remaining population transferred to Warm Springs and Galen State Hospitals where services will not be reduced. The proposed elimination of alcohol and drug treatment centers will also free sufficient building space for conversion into educational facilities. This one-time cost will be \$200,000 while remodeled housing is estimated at \$750,000. However, implementation will reduce per patient costs for an annual saving of about \$2.4-million. Also, Boulder's acute care hospital, which is on the campus perimeter, should be leased, creating an estimated annual income of \$133,000.

COUNCIL NEWS RELEASE

HELENA -- October 19, 1982

"STATE COUNCIL SUPPORTS BOULDER CLOSURE"

The State Developmental Disabilities Planning and Advisory Council has provisionally called for the closure of Boulder River School and Hospital, Executive Director Clyde Muirheid announced today. The Council recommendation, adopted at its October 16th meeting, comes on the heels of the Governor's Management Council also calling for the institution's closure.

"The State Council wants to insure that alternative services for Boulder residents are equal or superior to services currently offered at the State institution," Muirheid said.

A Council task force will review alternatives presented by the Departments of Institutions and Social and Rehabilitation Services. A recommendation to full Council will be forthcoming by the end of the year.

END

METHODOLOGY

This is a study of the implications and the impact of a renewed community-placement program (deinstitutionalization) on 1) the needs of persons with developmental disabilities who are now institutionalized; 2) the needs of persons now on the community waiting list; and 3) the quality of services as they are now offered in institutional settings.

The task force did this study by reviewing the interdepartmental proposal on deinstitutionalization (Report on the Potential Use of the Medicaid Home and Community-Based Services Waiver) and by recommending initial "global" positions on the impact and implications of a renewed and increased program of community placement.

These "global" positions are presented in six categories. Each category embraces a specific number of questions taken from a total of 33 issues identified by the task force in its initial study effort.

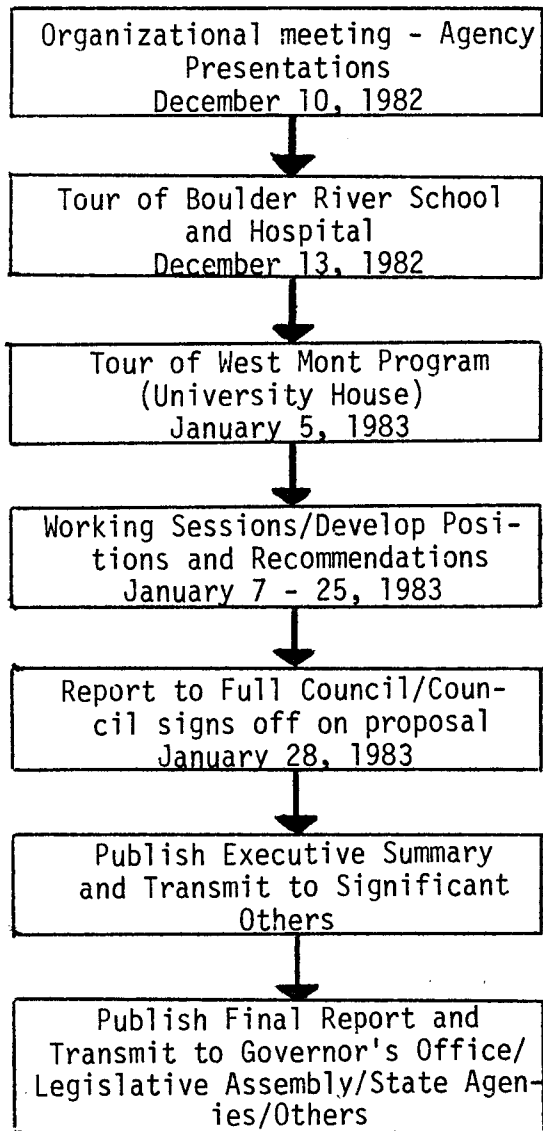
These categories are:

- I. Impact of Management Council Recommendation #169
- II. Consumer Needs Assessment
- III. Community-based Alternatives Proposed by the Developmental Disabilities Division
- IV. Institutional Alternatives Proposed by the Mental Health and Residential Services Division
- V. Cost and "Payback" Factors
- VI. Implications and Impact of the Interdepartmental Proposal on Deinstitutionalization

GOALS AND PROCESS

- GOAL #1: Review and respond to agency proposals and plans for alternative services to the populations of Boulder River School and Hospital and Eastmont Human Services Center and to persons on the community waiting list.
- GOAL #2: Conduct public review of initial Council recommendations and guidelines for these alternative services.
- GOAL #3: Transmit final Council report to the Governor of the State of Montana, to those state operating agencies responsible for alternative service development and implementation and to appropriate members of the Montana Legislative Assembly.

Goals and Process (cont.)



SUMMARY OF COUNCIL FINDINGS

I. IMPACT OF MANAGEMENT COUNCIL RECOMMENDATION #169 (Refer to Issues 1 - 3 of Appendix A of the Final Report)

In the spring of 1982, Governor Ted Schwinden directed the Council on Management to look at all state programs and to recommend changes designed to save tax dollars and to increase efficiency in operations. One recommendation of this study was to close Boulder River School and Hospital as a treatment and program facility for persons with developmental disabilities. It is the position of the Management Council that the facilities, equipment and staff at Boulder River School and Hospital are underutilized, and that the campus layout requires extensive resident transportation. This Council found that closure of Boulder River School and Hospital and changes in programs and locations for the residents would reduce per-patient costs for an annual saving of about \$2.4 million. The Management Council identified Recommendation #169 as one of five having the greatest fiscal significance for the state.

The recommendation to close Boulder River School and Hospital is of particular interest to many groups, communities and agencies in the State of Montana. The Montana State Developmental Disabilities Planning and Advisory Council, in its concern for appropriate, comprehensive and effective services to persons with developmental disabilities agreed to study the problems and questions raised by this recommendation.

In the global sense, the Developmental Disabilities Planning and Advisory Council finds that:

1. A complete analysis of institutional services and alternatives to those services should be conducted by a group of professionals, consumers, legislators and state agency officials. This analysis would be necessary to develop any long-range plans for improvements and changes in Montana's system of state institutions for persons with mental impairments and/or multiple handicaps.
2. Some of the most obvious issues and concerns raised by the Management Council's recommendation are: a) the types and quality of alternative services to those persons currently enrolled in programs at Boulder River School and Hospital; b) the role of institutions and of institutional alternatives in the continuum of state-supported services to persons with developmental disabilities; c) the proper and ultimate location of state administrative responsibility for all programs for persons with developmental disabilities; and d) the impact of closure of Boulder River School and Hospital on the community of Boulder, Montana.
3. It supports agency plans to move 25 persons, in the '85 biennium, from institutions to community placements.

(NOTE: The Department of Institutions and the Department of Social and

SUMMARY OF COUNCIL FINDINGS (cont.)

Rehabilitation Services reported they have: a) no plans to transfer persons with developmental disabilities from Boulder River School and Hospital to Galen State Hospital; and b) no plans for the total closure of Boulder River School and Hospital at this time or in the '85 biennium. However, the Department of Institutions is studying the feasibility of more efficient operations at BRS&H.)

II. CONSUMER NEEDS ASSESSMENT (Refer to Issues 4 - 7 in Appendix A of the Final Report)

An important part of the interdepartmental proposal on deinstitutionalization was a coordinated and comprehensive assessment of the service needs of persons residing at Boulder River School and Hospital and Eastmont Human Services Center. This assessment intended to facilitate the identification of and the planning for alternative services which would be equal or superior to those services currently offered in institutional settings.

In the global sense, the Developmental Disabilities Planning and Advisory Council finds that:

1. The needs assessment and identification of six "mutually exclusive" client groups was comprehensive, accurate and responsive to the needs of those persons assessed and that planners were correct in including a projection of persons on the "community-waiting list" in this assessment.
2. A comprehensive and appropriately modified needs assessment project should be planned and implemented for those persons with developmental disabilities who are currently on the "community-waiting list".
3. In any immediate or future planning process for alternative services or for changes in current services in both institutional and community-based settings, the essential assumptions of the developmental model are paramount: "people change and develop throughout life and such development progresses sequentially and predictably (in general) for all persons, each possessing the potential for further development when specific opportunities for such are provided."*
4. Moreover, all goals and objectives of any alternatives should enhance the development and increase the adaptive behavior of persons with developmental disabilities.

*McCarty, Keith; January 30, 1981; from a planning paper presented to the Developmental Disabilities Planning and Advisory Council.

SUMMARY OF COUNCIL FINDINGS (cont.)

III. COMMUNITY-BASED ALTERNATIVES PROPOSED BY THE DEVELOPMENTAL DISABILITIES DIVISION (Refer to Issues 8 - 13 of Appendix A of the Final Report)

The interdepartmental proposal on deinstitutionalization proposed, for Client Groups II and III, an intensive-services model employing three service centers (providing day activities) and twenty-one group homes. Each individual service center would support seven group homes and 52 persons.

For Client Group I, the joint proposal suggests the current network of developmental disability services could provide appropriate services. This group includes 225 persons, 10 to 15 of whom reside in institutions and 210 of whom are on the "community-waiting list".

In the global sense, the Developmental Disabilities Planning and Advisory Council finds that:

1. It is supportive of the proposal for the delivery of alternative services for Client Groups I - III with the following modifications:
 - a) administration be a function of an enhanced contractual arrangement with a non-profit provider; and
 - b) that, as an option to three service centers and twenty-one group homes, serious planning be done for multiple service centers and the related reduction in attached residential programs and that this increased number of service centers be disbursed throughout the state in communities of 10,000 or more persons.
2. The advantages and disadvantages of "clustering" group homes should be given careful consideration in any continued planning for alternative services.
3. Because the developmental disabilities in Groups II - III are so intense, staffing of appropriate and responsive programs of service to these persons will call for increased skills, experience and levels of training. Therefore, the Council recommends that salaries for these staff persons parallel these factors.

(NOTE: This, however, raises the question of equitable classification of salaries for all staff persons involved in the direct delivery of services to persons with developmental disabilities. The Council thinks it is an issue which merits careful and thorough consideration by those agencies which are the source of funding for developmental disability services. This issue receives further elaboration in Category VI of this summary.)

SUMMARY OF COUNCIL FINDINGS (cont.)

IV. INSTITUTIONAL ALTERNATIVES PROPOSED BY THE MENTAL HEALTH AND RESIDENTIAL SERVICES DIVISION (Refer to Issues 4 and 14 - 20 of Appendix A of the Final Report)

The interdepartmental proposal on deinstitutionalization proposed that services to Client Groups IV - VI be delivered and administered as follows:

1. Client Groups IV and VI would receive services in two, new 40-bed complexes located in or near large metropolitan areas.
2. Client Group V would receive services in a slightly modified and retrofitted Eastmont Human Services Center.
3. The administration of services for Client Groups IV and VI is proposed, for reasons of efficiency and cost savings, to be a function of the Division of Mental Health and Residential Services. To further enhance the administration and delivery of these particular services, the MHRSD proposes to build the two new 40-bed complexes "in conjunction with" one another. The task force has assumed the phrase "in conjunction with" one another means under one roof or "clustered" together.

In the global sense, the Developmental Disabilities Planning and Advisory Council finds that:

1. The assessment of needs for Client Groups IV - VI was comprehensive and responsive to the human condition of those persons assessed.
2. In looking to the future of services for the developmentally disabled, the construction of two new 40-bed facilities would represent an improvement in the quality of life for persons now in Montana's institutions. Furthermore, the Council recommends that plans for these new facilities incorporate the following:
 - a) the physical arrangement of buildings and grounds to allow for a community-like setting such as might be achieved through a campus setting which groups living units and training facilities together.
 - b) the construction of smaller residential facilities which would contribute to the potential of these persons for growth and development and to the promise of graduation to less restrictive life settings.
3. The proposed delivery of services to Client Group V at Eastmont Human Services Center is but one alternative for this group. The Council recommends the further study of services for this group. Other choices should give consideration to the dispersal of these persons, in smaller

SUMMARY OF COUNCIL FINDINGS (cont.)

groups, to Montana's various communities. An implementation schedule should allow for thorough planning and for careful placement of these persons.

4. The needs identified through the assessment of these three groups call for careful and innovative planning of alternative services. The Council is acutely aware that persons in Group VI, in particular, will need very special supervision and very special attention to treatment. The seriousness of disabilities in this group renders placement of these persons in community settings impractical, both programmatically and fiscally, at this time. For these reasons, the Council recommends a setting which is secure, but, at the same time, indicative of the mandate to provide services in the least restrictive setting possible, and in a manner which will enhance the development and increase the adaptive behavior of these same individuals.

V. COST AND "PAYBACK" FACTORS (Refer to Issues 21 - 23 in Appendix A of the Final Report)

The detail and summary of estimated costs for the various services proposed in the joint study show that the alternative services would be more cost efficient than current services in institutions. The history of community-based services shows that they have been cost effective and, moreover, programmatically appropriate and responsive to the human needs and human rights of persons receiving such services.

The Governor's Council on Management found that Boulder River School and Hospital is not cost effective to operate in its current condition. The retrofitting and/or the consolidation of the physical plant, with whatever impact that would have on program population, staffing and administrative/operational support, appears a sensible alternative to maintaining this vast facility in its current state.

In the global sense, the Developmental Disabilities Planning and Advisory Council finds that:

1. The retrofitting or consolidation of Boulder River School and Hospital is an appropriate course of action if done for the following reasons:
 - a) to further improve services to persons currently enrolled in programs, and
 - b) to increase the cost effectiveness of operating the facility while the careful and planned process of community placement (deinstitutionalization) gets underway and continues.
(NOTE: Renewed and increased deinstitutionalization will reduce resident numbers at Boulder River School and Hospital with a consequent increase, in the absence of retrofit or consolidation, of cost per client.)

SUMMARY OF COUNCIL FINDINGS (cont.)

2. The choice of retrofitting and/or consolidating Boulder River School and Hospital should first be given a serious and in-depth feasibility study in order to facilitate the decision-making process regarding the future of this institution in the total network of services, across agencies, to persons with developmental disabilities.
3. The basic assumptions of the developmental model and the questions of quality of life and rights and privileges should be foremost factors in any in-depth study of the role of institutions as a source of services and treatment for persons with developmental disabilities. Moreover, questions of dispersal of services and size of programs are issues which need to be discussed back and forth, in the public forum, between all groups concerned with the important and far-reaching recommendation of the Governor's Council on Management.

VI. IMPLICATIONS AND IMPACT OF INTERDEPARTMENTAL PROPOSAL ON DEINSTITUTIONALIZATION (Refer to Issues 24 - 31 of Appendix A of the Final Report)

The interdepartmental proposal on deinstitutionalization states the following: "This proposal is a joint effort of staff of the two departments. This cooperative effort has produced viable alternatives for further fostering the development of appropriate services for individuals with developmental disabilities in Montana." In the summary, the proposal makes the following statement: "Based upon the increased development of community-based services described above, more cost-effective and programmatically appropriate alternatives are received for the remaining population. Such alternatives necessitate closure of Boulder River School and Hospital, minor modification of the existing program at Glendive, as well as construction of a new 80-bed complex in or near a large metropolitan area of the State."

In the global sense, the Developmental Disabilities Planning and Advisory Council finds that:

1. The implications and impact of Recommendation #169 should be carefully and completely studied.
2. An in-depth study should also consider the future of cross-agency services to persons with developmental disabilities, and, the feasibility of administering all such services from one department or agency.
3. The problems facing the Boulder community, as a result of a renewed and increased community placement program, merit careful consideration by the in-depth study group and by planners for services.
4. The following additional factors, concerns and ingredients are an important reflection of the interdepartmental proposal on deinstitutionalization:

SUMMARY OF COUNCIL FINDINGS (cont.)

- a) Saturation: Saturation (i.e. too many group homes in one community) is a debatable issue in that the Council is not aware of any hard evidence suggesting that one community is more saturated than another. However, it recommends that this issue be thoroughly studied.
 - b) Additional Need for Special Education Services: Any plan for movement of persons from Montana's institutions to community settings must include coordination with the appropriate educational agencies (e.g. LEA's) for new or additional special education services.
 - c) Staffing Patterns: The Council agrees that a sudden development of specialized services to Client Groups I - VI in alternative settings would create marked demand on the recruitment, training, supervision and evaluation of qualified and skilled direct-services staff persons. It's assumed, because of higher compensation rates to these skilled persons, that those direct service personnel working in the current community network of services would be interested in a change to higher-paid positions in these new alternative service programs. This could cause a drain on resources for present services. Specifically, the Council recommends a careful review of support services for staff training and technical assistance for these proposed services.
 - d) "Bottleneck": This issue is present in any discussion of current or future developmental disability services. The problem the "bottleneck" represents could be solved in two ways, e.g. 1) budget requests for the development of new services to improve existing programs and fill service gaps; and 2) by requiring existing programs to train and educate persons with developmental disabilities for the next step or movement anticipated beyond their current program level.
(NOTE: This is not to suggest there aren't other solutions to this problem.)
5. Proposals for new and alternative services should plan to address, more completely, the approaching need for community services by persons graduating from the special education system or by those leaving their natural home. The length of time a person remains unserved or insufficiently served is, in part, a function of comprehensive and long-range planning.
6. The implementation of services to persons with developmental disabilities, in particular the timing of the development of services, is an integral part of the research and development process. One of the most important issues related to implementation is the allowance time for training staff; trouble-shooting of new services in place; and parity in salaries. In the joint study reviewed by the Council, there were no explicit implementation plans or guidelines in this respect.

SUMMARY OF COUNCIL FINDINGS (cont.)

7. The joint study proposes services to approximately 156 persons in Groups I - III and 135 persons in Groups IV - VI. Of this total of 306 persons, 27 persons would come from the "community-waiting list".

(NOTE: These various numbers are approximate in that the original client groupings were for planning purposes and not for placement activity.)

E N D

Copies of the full, final report will be available from the DDPAC office on February 14, 1983 (Room 305 of the SRS Building / 449-3878).

WITNESS STATEMENT

Name DAVID B LACKMAN Committee On Appropriations
Address 1400 Winne Ave. HELENA Date March 27, 1983
Representing Lobbyist, Montana Public Health Assn. Support 27,
Bill No. HB 909 (Committee for DD studies) Oppose X X
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

- 1.) This subject has been well studied; and a plan is being implemented. It has been the responsibility of well-qualified professionals.
- 2.) Our concern is the patient; and I have been tremendously impressed with the Group Home successes.
- 3.) This bill is completely unwarranted; and I feel represents a special interest.
- 4.) Will not be present Sun. 17.M. — singing in church

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WEAP

Fiscal 1984

Cash Carryover	2.6	2.6	2.6
Grant	<u>11.1</u>	<u>13.0</u>	<u>14.0</u>
Benefits 19,000 @ \$477	9.1	9.1	9.1
Administrative Costs	1.1	1.3	1.4
Carryover	2.6	2.6	2.6
Social Services Block	.9	<u>1.3</u>	1.4
Weatherization	-0-	1.3	<u>2.1</u>

Fiscal 1985

Cash Carryover	2.6	2.6	2.6
Grant	<u>12.0</u>	<u>14.0</u>	<u>16.0</u>
Benefits 20,000 @ \$525	10.5	10.5	10.5
Administrative Costs	1.2	1.4	<u>1.6</u>
Carryover	2.6	2.6	2.6
Social Services Block	.3	<u>1.4</u>	1.6
Weatherization	-0-	.7	<u>2.3</u>

figures represent million dollars.

1 IN THE DISTRICT COURT OF THE EIGHTH JUDICIAL DISTRICT OF THE
2 STATE OF MONTANA, IN AND FOR THE COUNTY OF CASCADE
3 -----

4 STATE OF MONTANA, ex rel., ROBERT)
5 P. KROPP and DORIS A. KROPP, and)
6 BLUE CROSS OF MONTANA,)

7 Plaintiffs,)

8 vs.)

No. CDV-82-715

9 MONTANA DEPARTMENT OF REVENUE,)
10 et al.,)

11 Defendants)
12 -----

13 OPINION, ORDER AND PEREMPTORY WRIT OF MANDAMUS
14 -----

15 This matter is before the Court for decision upon
16 Plaintiffs' request for a Writ of Mandamus directing
17 Defendants to appraise the improvements to Plaintiffs' real
18 property in question at the values determined by the Cascade
19 County Tax Appeal Board in 1981. Plaintiffs filed their
20 Complaint, a Motion for an Alternative Writ of Mandamus and
21 an Affidavit in Support of said Motion on June 22, 1982.
22 This Court issued an Alternative Writ to Defendants ordering
23 them to revalue the improvements in question as requested or
24 to show cause why they did not.

25 Prior to the date of the hearing upon said Writ of
26 Mandamus, Plaintiffs and Defendants stipulated to the
27 salient facts. At the hearing upon the Writ of Mandamus held
28 August 10, 1982, no further evidence was presented and the
29 Court continued the hearing upon the issue of attorney's
30 fees pending decision upon the question of issuance of a
31 peremptory Writ of Mandamus.

32 The facts of this matter are relatively simple. In
1981, Plaintiffs protested the values set by Defendants for
the improvements to their real properties in question.

1 After notice and hearing the Cascade County Tax Appeal Board
2 reduced the values of the respective improvements to the
3 figures shown in Exhibit "A" of the Stipulation of Facts.
4 Plaintiffs appealed said decisions; Defendants did not
5 appeal. Plaintiffs caused their appeals of the County Tax
6 Appeal Board decisions to be dismissed prior to any hearing
7 thereon or other review thereof by the State Tax Appeal
8 Board. Since January 1, 1981, no changes have occurred to
9 the improvements in question or the circumstances
10 surrounding them which would affect their value.

11 In 1981, Defendants used the Cascade County Tax Appeal
12 Board values as the assessed values for the purposes of
13 determining the property tax to be levied upon the improve-
14 ments in question. In 1982, however, Defendants raised the
15 assessed values by using their original 1981 assessed value
16 reduced by 12%. These values are substantially higher than
17 the values determined by the Cascade County Tax Appeal Board
18 and will result in an increase in taxes to be paid by
19 Plaintiffs in 1982.

20 Plaintiffs contend and the Court agrees that the Orders
21 of the Cascade County Tax Appeal Board have become final and
22 must be complied with by Defendants on the basis of the pro-
23 visions of Section 2.51.307(3), A.R.M. That section
24 provides:

25 "The decision of the county tax appeal board shall be
26 final and binding on all interested parties for the tax
27 year in question unless reversed or modified by the
28 state tax appeal board review. If not reviewed by the
29 state tax appeal board, the decision of the county tax
30 appeal board shall also be final and binding on all
interested parties for all subsequent tax years unless
there is a change in the property itself or circumstan-
ces surrounding the property which affect its value."
[emphasis supplied].

31 Under the language of this regulation, the decisions of
32 the Cascade County Tax Appeal Board involved herein have

1 become final and binding upon the Plaintiffs and Defendants.
2 The Plaintiffs' appeals of said decisions were dismissed
3 prior to any hearing or other review thereof. Consequently
4 no appeal remains of the decision in question since
5 Defendants did not exercise their right of appeal under
6 Sections 15-2-301(1) and 15-15-104, MCA.

7 Defendants maintain that the regulation in question must
8 be overturned as being too broad in scope, on the theory
9 that it makes final county tax appeal board decisions effective
10 beyond the duration of the cyclical revaluation period,
11 thereby preventing Defendants from fulfilling their requirement
12 to equalize taxes. It suffices to say that a change in
13 cyclical revaluation periods is a change in circumstances
14 surrounding the property which terminates the binding effect
15 of a County Tax Appeal Board Order setting the value of said
16 property.

17 Defendants also argue that they must be free to change
18 appraisals on a yearly basis to meet their duty to equalize
19 taxes. This argument is contrary to the whole constitutionally
20 mandated legislative scheme of tax appeals on a
21 local level since it would permit the Department of Revenue
22 to ignore the decisions of County and State Tax Appeal
23 Boards and require the taxpayer to prove his case to these
24 Boards year after year. The framers of the 1972 Montana
25 Constitution in Article VIII, Section 7 and the Montana
26 Legislature contemplated a procedure which would allow taxpayer
27 grievances to be determined finally and not dragged
28 out forever. This Court must so construe it.

29 Moreover, because of the periodic revaluation requirement
30 of Section 15-7-111, MCA, DOR is not obligated to
31 reevaluate property each year. Rather it is required to
32 value property for a particular cycle and equalize the

1 assessed value and tax levied upon the property with other
2 property of the same class within the cyclical period.
3 Section 15-7-112, MCA. The county tax appeal boards are
4 authorized to adjust such values so as to equalize values
5 upon challenges of the actions of DOR. Section 15-15-103,
6 MCA. If DOR disagrees with a decision of a county tax
7 appeal board its remedy is to appeal that decision. Section
8 15-15-104, MCA. This right of appeal provides ample ability
9 to DOR to accomplish equalization. To hold to the contrary
10 would render the system of tax appeals meaningless, would
11 place DOR above the law, and would make it the reviewing
12 authority of the county tax appeal boards.

13 Defendants argue that the county tax appeal boards are
14 executive agencies and therefore cannot control the activi-
15 ties of DOR. The Legislature authorized the county tax
16 appeal boards to make adjustments in the level of
17 assessments made by DOR and its agents. The scheme of tax
18 appeals provides for appeals of those decisions by taxpayers
19 and DOR, to and including the Montana Supreme Court.
20 Neither the county tax appeal boards nor the regulation in
21 question usurp the powers of DOR.

22 Defendants argue also that the fact that service of the
23 decisions of county tax appeal boards may be made upon DOR
24 by service upon the County Assessor of their County effec-
25 tively denies DOR notice of the decision. Section 15-8-115,
26 MCA. No evidence exists in the record to suggest that the
27 decisions in question were served in this way or that DOR
28 was not served with its own copy of the decision. Section
29 15-2-30, MCA, requires county tax appeal boards to mail
30 their decisions to the property assessment division of DOR.
31 DOR used the County Tax Appeal Board values in 1981 and
32 obviously knew of the decision. Administrative agencies are

1 clothed with a presumption of correct action. State v.
2 Kovich, 142 Mont. 201, 383 P.2d 818 (1963). No evidence
3 exists in the record to overcome that presumption, and the
4 Court presumes therefore that the decision of the county tax
5 appeal board was properly given to DOR.

6 Finally, even without the existence of the administra-
7 tive regulation, Defendants would be bound by the decisions
8 of the Cascade County Tax Appeal Board involved in this
9 dispute under the doctrine of res judicata and collateral
10 estoppel. In this issue, the Cascade County Tax Appeal
11 Board, after issuing notice, held hearings at which it
12 determined the values of the improvements in question.
13 Those decisions have become final by virtue of the dismissal
14 of the appeals by the State Tax Appeal Board. According to
15 the stipulated facts, there have been no changes in the
16 improvements or the facts surrounding them which affect
17 their value. Consequently, the issues have been or should
18 have been fully litigated, between the parties or their
19 privies.

20 Under proper circumstances res judicata and collateral
21 estoppel apply to administrative decision. In Nasem v.
22 Brown, 595 F.2d 801, 806 (D.C.Cir. 1979), the court stated:

23 "Application of the doctrine of collateral estoppel
24 represents a decision that the needs of judicial fina-
25 lity and efficiency out-weigh the possible gains of
26 fairness or accuracy from continued litigation of an
27 issue that previously has been considered by a competent
28 tribunal. The advantages of finality, however, can only
29 be fairly garnered when the party to be estopped has had
30 an adequate opportunity to litigate his claims. Without
31 such an opportunity, lack of faith in the reliability of
32 the first proceeding precludes application of the colla-
teral estoppel doctrine."

See also, Mitchell v. N.B.C., 553 F.2d 265, 268 (2nd Cir.
1977).

It is apparent from the statutory scheme of tax protests
with its two tier evidentiary hearing and two levels of

1 appellate review that adequate opportunity exists to liti-
2 gate claims and issues.

3 For the foregoing reasons,

4 IT IS HEREBY ORDERED that a Peremptory Writ of Mandamus
5 be and the same is hereby issued and Defendants are hereby
6 directed to immediately reduce the assessed values of the
7 improvements on the subject properties to the following
8 values:

9 Lot 19B, Block 2, 15th Addition	\$356,754.00
Lot 10, Block 313, Original Townsite	30,296.00
Lot 13, Block 313, Original Townsite	46,714.00

10 IT IS FURTHER ORDERED that an evidentiary hearing on the
11 issue of attorney's fees to be awarded to Plaintiffs be held
12 before the Court on Wednesday, the 22nd day of
13 September, 1982, at 3:00 o'clock pm., in
14 the Courtroom of the Cascade County Courthouse.

15 DATED this 16th day of August, 1982.

16
17 JOEL G. ROYS
18 DISTRICT JUDGE
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IN THE DISTRICT COURT OF THE EIGHTH JUDICIAL DISTRICT OF THE
STATE OF MONTANA, IN AND FOR THE COUNTY OF CASCADE

STATE OF MONTANA, ex rel., ROBERT)
P. KROPP and DORIS A. KROPP, and)
BLUE CROSS OF MONTANA,)
Plaintiffs,)
vs.) No. CDV-82-715
MONTANA DEPARTMENT OF REVENUE,)
et al.,)
Defendants)

NOTICE OF ENTRY OF JUDGMENT

TO: Montana Department of Revenue, et al.,

You will please take notice and you are hereby notified
that judgment of the Court, filed on the 22 day of
September, 1982, in favor of the Plaintiffs above named, was
on the 22 day of September, 1982, duly entered by the
Clerk of the above-entitled Court in Volume of Judgments
15, at Page 81 thereof.

DATED this 22 day of September, 1982.

CLERK OF COURT

BY: L. J. JAMES
Deputy Clerk

Robert P. Goff
CHURCH, HARRIS, JOHNSON & WILLIAMS
P. O. Box 1645
Great Falls, Montana 59403
Attorneys for Plaintiffs

1 IN THE DISTRICT COURT OF THE EIGHTH JUDICIAL DISTRICT OF THE
2 STATE OF MONTANA, IN AND FOR THE COUNTY OF CASCADE

3 -----
4 STATE OF MONTANA, ex rel., ROBERT)
5 P. KROPP and DORIS A. KROPP, and)
6 BLUE CROSS OF MONTANA,)
7 Plaintiffs,)
8 vs.) No. CDV-82-715
9 MONTANA DEPARTMENT OF REVENUE,)
10 et al.,)
11 Defendants)
12 -----

13
14 FINDINGS OF FACT, CONCLUSIONS OF LAW,
15 ORDER AND JUDGMENT
16 -----

17 On September 22, 1982, a hearing was held before the
18 Court in the above captioned matter. Plaintiffs were repre-
19 sented by Robert P. Goff of Church, Harris, Johnson &
20 Williams. Defendants were represented by Larry G. Schuster,
21 Counsel, Department of Revenue. Witnesses were presented
22 and testimony was adduced on the issue of the amount of
23 attorney's fees to be awarded to Plaintiffs as a result of
24 the successful prosecution of their Petition for Writ of
25 Mandamus against the Defendants which this Court issued on
26 August 16, 1982. From the evidence presented, the Court
27 makes the following:

28 FINDINGS OF FACT

29 I.

30 Plaintiffs were represented by the firm of Church,
31 Harris, Johnson & Williams, and Robert P. Goff, a member of
32 said firm, who obtained a Peremptory Writ of Mandamus
directed to Defendants on August 16, 1982.

1 II.

2 Plaintiffs' attorney devoted a total of 36.2 hours
3 toward prosecution of this action including preparation for
4 and attendance at the hearing on attorney's fees held
5 September 22, 1982.

6 III.

7 Plaintiffs' total attorney's fees incurred in this
8 action amount to the sum of \$3,439.00, representing 36.2
9 hours at a rate of \$95.00 per hour.

10 IV.

11 The rate of \$95.00 per hour is a reasonable rate to be
12 assessed against Defendants for the services rendered by
13 Plaintiffs' counsel on their behalf. 36.2 hours is a reason-
14 able amount of time to have been spent by Plaintiffs' coun-
15 sel in prosecuting this action in view of the nature of the
16 case and the complexities of the issues involved.

17 V.

18 Plaintiffs incurred or will incur costs in the amount of
19 \$102.15; itemized as follows:

20	Travel expenses to Helena	\$ 40.00
21	Filing Complaint	20.00
22	Filing Judgment	10.00
23	Costs of Service	25.40
	Telephone Expense	6.75
	Total Expense	\$102.15

24 From the foregoing Findings of Fact, the Court makes the
25 following:

26 CONCLUSIONS OF LAW

27 I.

28 Attorney's fees and costs are properly awarded as costs
29 to a successful applicant for a Writ of Mandamus. Kadillak
30 v. Anaconda Company, __ Mont. __, 602 P.2d 147, 157 (1975);
31 Section 27-26-402, MCA.
32

II.

Attorney's fees and costs should be awarded only against Defendant Department of Revenue. Section 27-26-403, MCA.

III.

Attorney's fees in the amount of \$3,439.00 and costs in the amount of \$102.15 are reasonable damages and costs to be awarded to Plaintiffs from Defendant Department of Revenue.

ORDER

Based upon the foregoing Findings of Fact and Conclusions of Law,

IT IS HEREBY ORDERED, that Plaintiffs be and they hereby are awarded their attorney's fees and costs in the aggregate amount of \$3,541.15 from Defendant Department of Revenue, together with interest thereon at the rate of 10% per annum from and after the date of Judgment.

JUDGMENT

Based upon the Order of this Court dated August 16, 1982, and the Findings of Fact, Conclusions of Law and Order herein, Plaintiffs are hereby granted JUDGMENT against all Defendants in accordance with Peremptory Writ of Mandamus issued by this Court on August 16, 1982, a copy of which is attached hereto as Exhibit "A" and against Defendant Department of Revenue for Plaintiffs' damages and costs in the total amount of \$3,541.15 together with interest upon said sum at the rate of 10% per annum from and after September 22, 1982.

DATED this 26 day of September, 1982.

JOHN G. ROSE
DISTRICT JUDGE

1. THE SUPREME COURT OF THE STATE OF MONTANA

No. 83-12

THE DEPARTMENT OF REVENUE
OF THE STATE OF MONTANA,

Appellant,

v.

ROBERT KROFF, DORIS KROPP,
and BLUE CROSS OF MONTANA,

Respondents.

ORDER

PER CURIAM:

Both parties having moved to dismiss this appeal, the same is hereby ordered dismissed.

The Clerk is directed to mail a true copy of this order to counsel of record for the respective parties.

Given this 9th day of February, 1983.

For the Court,

by Frank J. Russell
Chief Justice

FILED

FEB 10 1983

Ethel M. Harrison
CLERK OF SUPREME COURT
STATE OF MONTANA

IN THE DISTRICT COURT OF THE UNITED STATES
OF NORTHERN DISTRICT OF CALIFORNIA

PER. N. ACQUIS.

Patitioner:

DEPARTMENT OF REVENUE
DIVISION, STATE OF MONTANA
SAC LEO WILLIAMS, CHIEF, LEBASE
BUREAU, LIQUOR DIVISION

Dependents.

Retired Officer & Co. Counsel John

attorney fees and costs as a direct result of the above information as heard March 16, 1972 with court reporter present and no cross-examination.

Mr. Bishop testified as spent approximately \$100,000 in the case of the

on 10/11/2013 at 10:11 AM. The following information was obtained from the records of the Department of Corrections:

Signature: _____ Mr. Charles E. Miller, Jr., President, American Society of Mechanical Engineers

100-443887-100

storing material on a given date. Cont. in

therefore would have been for 5 hours. It is

preparation. For and argument: defense

Director, Central Board of Secondary Education

all other testimony regarding the [redacted] [redacted] [redacted]

lands unoperated by the Government for 10 years

Weight and count of \$10,951.11. 1100

... .. 105 hours \$ 26.00

2011

Approved: _____ Date: _____

1. **General** 1.1. **Object** 1.2. **Scope** 1.3. **References** 1.4. **Abbreviations** 1.5. **Definitions** 1.6. **Acronyms** 1.7. **Units** 1.8. **Notation** 1.9. **Figures** 1.10. **Tables** 1.11. **References** 1.12. **Abbreviations** 1.13. **Definitions** 1.14. **Acronyms** 1.15. **Units** 1.16. **Notation** 1.17. **Figures** 1.18. **Tables** 1.19. **References** 1.20. **Abbreviations** 1.21. **Definitions** 1.22. **Acronyms** 1.23. **Units** 1.24. **Notation** 1.25. **Figures** 1.26. **Tables** 1.27. **References** 1.28. **Abbreviations** 1.29. **Definitions** 1.30. **Acronyms** 1.31. **Units** 1.32. **Notation** 1.33. **Figures** 1.34. **Tables** 1.35. **References** 1.36. **Abbreviations** 1.37. **Definitions** 1.38. **Acronyms** 1.39. **Units** 1.40. **Notation** 1.41. **Figures** 1.42. **Tables** 1.43. **References** 1.44. **Abbreviations** 1.45. **Definitions** 1.46. **Acronyms** 1.47. **Units** 1.48. **Notation** 1.49. **Figures** 1.50. **Tables** 1.51. **References** 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5. Judgment	10.00
6. Transcript	348.42
7. Mr. Picotte's fee, 35 hours at \$80/hour	2,800.00
8. Expert testimony on attorney fees	150.00
9. Copying costs	161.44
10. Service fee	<u>10.40</u>
TOTAL	\$11,950.26

Dated this 23rd day of March, 1983.

GORDON R. BENNETT
District Judge

cc:

Counsel of record

1 IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE
2 STATE OF MONTANA, IN AND FOR THE COUNTY OF LEWIS AND CLARK

3 -----
4 R. PEYTON HOVEY,)
5 Petitioner,)
6 -vs-) No. 47316
7 DEPARTMENT OF REVENUE, LIQUOR)
8 DIVISION, STATE OF MONTANA,)
9 and LEE WILLIAMS, et al.,)
10 Respondents.)
11 -----

12 J U D G M E N T
13 -----

14 An alternative writ of mandate and order to show cause having
15 been issued herein on November 2, 1981, in the above-entitled
16 matter, and the same having come regularly before the Court for
17 hearing pursuant to said order to show cause so issued in
18 connection with said alternative writ of mandate, JOHN W. MAHAN
19 and CARTER N. PICOTTE, appearing as attorneys for Petitioner,
20 and MICHAEL GARRITY, appearing as attorney for Respondents, and
21 the Court having determined that state officers defended in good
22 faith, and the Court having heard the testimony and having examined
23 the proofs offered by the respective parties, the Court being
24 otherwise fully advised in the premises, and having filed herein
25 its decision and having directed that judgment should issue in
26 the premises;

27 NOW, THEREFORE, by reason of the law and decisions herein
28 and proceedings as aforesaid:

29 IT IS ORDERED, ADJUDGED, AND DECREED that the Petitioner's
30 application for one (1) floater all-beverage license in Billings,
31 Montana, be accepted by the Respondents as being a fit and proper
32 person to own said all-beverage license; and further, the
restaurant, Cellar 301, located in the Old Chamber Building on

89 MAR 23 PM 11:53

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CLERK COURT

1 the corner of 3rd Avenue North and North 27th Street in downtown
2 Billings, whose business address is 2615 Third Avenue North, is
3 a proper place for one (1) floater all-beverage license in
4 Billings.
5

6 IT IS FURTHER ORDERED that a peremptory writ of mandate be
7 issued out of and under the seal of this Court, directed to
8 Respondents commanding them forthwith to accept said application
9 for one (1) Billings floater all-beverage liense; and all previous
10 orders of stay be and the same are hereby dissolved;

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Petitioner
12 have and recover of the Respondents, the Department of Revenue,
13 his costs, attorneys' fees and disbursements in this action in
14 the amount of \$ 11,950.26.

15 DATED this 16th day of March, 1983.

16 GORDON R. BENNETT

17 -----
18 DISTRICT JUDGE
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STATE OF MONTANA }
County of Lewis and Clark } SS
I hereby certify that the instrument to
which this certificate is affixed is a true,
correct and compared copy of the original
on file in the office of the Clerk of the
District Court.
Witness my hand and the seal of the
District Court of Lewis and Clark County
this 23 day of March, 1983
CLARA GILREATH, Clerk of District Court
By Mary Boyd
Deputy Clerk

STATE ADMINISTRATION COMMITTEE
MARCH 26, 1983
AMENDMENTS TO HOUSE BILL 920

1. Title, line 5.
Following: "PROVIDING FOR"
Insert: "A STATE LOTTERY BOARD,"
2. Title, line 6.
Following: "LOTTERY"
Insert: ",",
3. Page 1, line 15.
Following: line 15
Insert: "(1)"Board" means the state lottery board created by
[section 3]."
Renumber: subsequent subsections
4. Page 1, line 17.
Strike: "3"
Insert: "4"
5. Page 2
Following: line 1.
Insert: "NEW SECTION. Section 3. State lottery board -- allocation
-- composition -- compensation -- quorum. (1) There is a state
lottery board.
(2) The board consists of 5 members, who must reside in Montana.
The members are appointed by the governor and confirmed by the
senate.
(3) At least 1 member of the board must be an attorney admitted
to the practice of law in Montana. At least 1 member of the
board must be a certified public accountant licensed in Montana.
At least 1 member of the board must have at least 5 years of
experience as a law enforcement officer.
(4) After initial appointments, each board member shall be
appointed to a 4-year term of office, and the terms must be
staggered.
(5) The governor may remove a board member for good cause.
The governor must fill any position on the board that becomes
vacant for any reason within 30 days of the occurrence of the
vacancy. The term of the member appointed to fill a vacancy
runs to the end of the term of the member whose absence created
the vacancy.
(6) The board shall choose 1 of its members as chairman.
(7) Three or more members constitute a quorum to do business,
and action may be taken by a majority of a quorum.
(8) Board members are entitled to compensation, to be paid
out of the state lottery fund, at the rate of \$100 for each
day in which they are engaged in the performance of their
duties and are entitled to travel, meals, and lodging expenses,
to be paid out of the state lottery fund, as provided in Title
2, chapter 18, part 5.
(9) The board is allocated to the department of revenue for
administrative purposes only, except that only subsections (1)(a),
(2)(e), (3)(a), and (3)(b) of 2-15-121 apply to the board."
Renumber: subsequent sections

STATE ADMINISTRATION COMMITTEE
MARCH 26, 1983
AMENDMENTS TO HOUSE BILL 920
PAGE 2

6. Page 2, lines 5 and 6.

Strike: "governor with the consent of the senate"

Insert: "board"

7. Page 2, line 6.

Strike: "governor"

Insert: "board"

8. Page 2, line 17.

Following: "lottery"

Insert: "after a study of other state lotteries and begin operation
of games within 150 days after[the effective date of this act]"

9. Page 7, line 13.

Following: "."

Strike: Lines 13 through 15

10. Page 14, line 18.

Strike: "6(9)"

Insert: "7(9)"

11. Page 14, line 19.

Strike: "6(11)"

Insert: "7(11)"

12. Page 14, line 22.

Strike: "7"

Insert: "8"

13. Page 14, line 24.

Strike: "11"

Insert: "12"

14. Page 14, line 25.

Strike: "12"

Insert: "13"

15. Page 15, line 1.

Strike: "14"

Insert: "15"

16. Page 15, line 5 through page 19, line 15.

Strike: Section 18 in its entirety

Insert: "NEW SECTION. Section 19. Sunset review.

(1) The state lottery board created by [section 3] and the office of the director of the state lottery created by [section 4] terminate July 1, 1987.

(2) The legislative auditor shall conduct a performance audit of the board and the office of director of the state lottery under the provisions of Title 2, chapter 8, part 1, MCA, and report the results of the audit prior to the commencement of the legislative session of 1987."

STATE ADMINISTRATION COMMITTEE
MARCH 26, 1983
AMENDMENTS TO HOUSE BILL 920
PAGE 3

17. Page 19, line 19.
Following: "through"
Strike: "17"
Insert: "18"

AND AS AMENDED DO PASS

STATEMENT OF INTENT
_____ Bill No. _____ [LC 1437]

Under section 4 the director of the state lottery must establish and operate a state lottery and adopt policies and rules regarding:

- 1) the operations of the lottery director and his staff;
- 2) the price, number, and size of tickets;
- 3) the drawing of lottery winners;
- 4) lottery tickets or chance sales and ticket sales agents;
- 5) the immediate payment of small prizes; and
- 6) other matters relating to the successful operation of the lottery.

A state lottery is primarily a business operation and has as a purpose the earning of net revenue. The successful operation of a state lottery, as shown by the experience of other state lotteries, depends to a large degree upon the ability of a lottery staff well-versed in business matters to operate the lottery as a business and without undue constraint by statute or administrative rule. The success of a lottery also depends upon the operation of the lottery within a statutory framework ensuring the integrity of the staff and all phases of the operation of the lottery and the avoidance of even the appearance of any illegalities or conflicts of interest.

To these ends, it is contemplated that the director will be conversant with the types of administrative rules necessary to the successful operation of the lottery and will adopt rules ensuring the integrity and success of the lottery.

In accord with the theory that a lottery is primarily a business, it is contemplated that the rules will change, or allow changes in the operation of the lottery, consistent with statutes as new business techniques and ideas, new games and prizes, better outlets for ticket sales, and better management techniques are discovered. The lottery should include a large number of small prizes.

ST populat	ST FULL YEAR OF OPERATION	OPERATING YEAR	OPERATING YEAR	OPERATING YEAR
Arizona (2,702,161)	1981 Gross Allocations: Prizes \$53.06 O.E. \$13.85 G.F. \$51.00 (general fund is allotted to cities and towns for use in transportation or, optionally for cultural enhancement.)	1981 Gross Allocations: Prizes \$53.06 O.E. \$13.85 G.F. \$51.00 (general fund is allotted to cities and towns for use in transportation or, optionally for cultural enhancement.)	1981 Gross Allocations: Prizes \$53.06 O.E. \$13.85 G.F. \$51.00 (general fund is allotted to cities and towns for use in transportation or, optionally for cultural enhancement.)	1981 Gross Allocations: Prizes \$53.06 O.E. \$13.85 G.F. \$51.00 (general fund is allotted to cities and towns for use in transportation or, optionally for cultural enhancement.)
Connecticut (3,115,000)	1973 Gross Allocations: Prizes \$15.62 O.E. \$2.59 G.F. \$13.91	1973 Gross Allocations: Prizes \$15.62 O.E. \$2.59 G.F. \$13.91	1973 Gross Allocations: Prizes \$15.62 O.E. \$2.59 G.F. \$13.91	1973 Gross Allocations: Prizes \$15.62 O.E. \$2.59 G.F. \$13.91
Delaware (582,000)	1976 Gross Allocations: Prizes \$3.77 O.E. \$2.52 G.F. NA	1976 Gross Allocations: Prizes \$3.77 O.E. \$2.52 G.F. NA	1976 Gross Allocations: Prizes \$3.77 O.E. \$2.52 G.F. NA	1976 Gross Allocations: Prizes \$3.77 O.E. \$2.52 G.F. NA
Illinois (11,229,000)	1975 Gross Allocations: Prizes \$85.53 O.E. \$18.11 G.F. \$87.28	1975 Gross Allocations: Prizes \$85.53 O.E. \$18.11 G.F. \$87.28	1975 Gross Allocations: Prizes \$85.53 O.E. \$18.11 G.F. \$87.28	1975 Gross Allocations: Prizes \$85.53 O.E. \$18.11 G.F. \$87.28

STATE Population	ST L YEAR OF OPERATION	PERMITS YEAR 1	CELEBRATING FISCAL YEAR		
Maine ,097,000)	1975 Gross Allocations: Prizes O.E. G.F.	\$5.20 \$2.20 \$1.11 \$1.20	\$8.75 Gross Allocations: Prizes O.E. G.F.	\$6.82 Gross Allocations: Prizes O.E. G.F.	\$5.37 \$2.80 \$1.69 \$.88
Maryland 4,216,446)	1974 Gross Allocations: Prizes O.E. G.F.	\$35.16 \$14.76 \$3.64 \$14.76	\$385.60 Gross Allocations: Prizes O.E. G.F.	NA Gross Allocations: Prizes O.E. G.F.	\$353.65 \$174.34 \$12.64 \$166.70
ssachusetts (5,769,000)	Gross Allocations: Prizes O.E. Commonwealth 1973	\$75.94 \$34.10 \$2.59 \$32.60	\$224.2 Gross Allocations: Prizes O.E. Commonwealth (in a Commonwealth, the money is divided between cities and towns to use as they see fit.)	\$157.20 Gross Allocations: Prizes O.E. Commonwealth	\$162.33 \$89.76 \$22.78 \$49.79
Michigan (9,181,000)	1974 Gross Allocations: Prizes O.E. School Fund	\$137.38 \$61.82 \$14.42 \$61.14	\$519.96 Gross Allocations: Prizes O.E. School Fund	\$341.01 Gross Allocations: Prizes O.E. School Fund	\$425.87 \$200.14 \$48.53 \$177.21
ew Hampshire (920,616)	1965 Gross Allocations: Prizes O.E. Schools	\$3.90 \$1.40 NA NA	\$12.50 Gross Allocations: Prizes O.E. Schools	NA Gross Allocations: Prizes O.E. Schools	\$11.46 \$5.67 \$2.26 \$3.53

populat	YEAR OF OPERATION	YEAR	'78	'79	'80
New Jersey (364,158)	1972 Gross Allocations: Prizes \$137.54 O.E. \$61.89 Schools and State Insti- tutions \$34.38 \$41.27	Gross Allocations: Prizes \$417.03 O.E. \$208.07 Schools and State Insti- tutions \$37.13 \$175.98	Gross Allocations: Prizes NA O.E. NA Schools and State Insti- tutions NA	NA	\$320.4 \$173.77 \$6.06 \$140.61
New York 17,648,000)	1965 Gross Allocations: Prizes NA O.E. NA Schools NA	Gross Allocations: Prizes \$236.20 O.E. \$101.30 Schools \$19.00 \$98.00	Gross Allocations: Prizes \$197.16 O.E. \$78.22 Schools \$30.35 \$88.60	\$189.96 \$73.88 \$30.63 \$85.45	\$165.79 \$72.81 \$12.84 \$80.12
Ohio 10,797,419)	1975 Gross Allocations: Prizes \$110.92 O.E. \$49.92 G.F. \$15.97 \$48.17	Gross Allocations: Prizes \$296.00 O.E. \$150.20 G.F. \$35.70 \$110.10	Gross Allocations: Prizes \$100.97 O.E. \$45.40 G.F. \$15.66 \$39.92	\$68.07 \$30.59 \$16.37 \$21.10	\$126.02 \$61.36 \$26.93 \$37.72
Pennsylvania 11,866,728)	1973 Gross Allocations: Prizes \$126.21 O.E. \$54.40 G.F. \$14.28 \$57.52	Gross Allocations: Prizes \$427.00 O.E. NA G.F. \$180.00	Gross Allocations: Prizes \$295.86 O.E. \$142.97 G.F. \$40.67 \$112.27	\$351.41 \$173.53 \$42.95 \$138.06	\$387.40 \$189.81 \$46.62 \$154.39
Rhode Island (929,000)	1975 Gross Allocations: Prizes \$15.05 O.E. \$7.53 G.F. \$2.52 \$5.00	Gross Allocations: Prizes \$34.80 O.E. \$17.10 G.F. \$4.60 \$13.10	Gross Allocations: Prizes \$24.56 O.E. \$11.57 G.F. \$3.82 \$9.18	\$30.58 \$14.17 \$4.49 \$11.93	\$28.70 \$14.97 \$2.08 \$11.91

*excluding commissions.

Information collected from individual state packets on lottery, the 1982 Annual Report and Directory released by the Nationalssociation of State Lotteries, and information found in the Legislative Research Library, Helena, Montana.

TABLE II

This table shows the index of participation of each income group for each different type of lottery game in five lottery states based on the national income distribution. Note that lower income individuals participate less in every instance.

ANNUAL HOUSEHOLD INCOME (1980 Dollars)							
	% Over \$56,000	% \$34,000- \$56,000	% \$23,000- \$33,999	% \$18,000- \$22,999	% \$11,000- \$17,999	% \$6,700- \$10,999	% Under \$6,700
□ \$1 INSTANT GAMES (76 Games)							
New Jersey - 9 Games	135	143	120	96	80	74	67
New York - 17 Games	133	126	110	95	89	84	84
Michigan - 25 Games	113	145	123	97	72	71	74
Illinois - 13 Games	110	134	121	94	81	76	78
Pennsylvania - 12 Games	65	84	107	118	105	95	93
□ 50c WEEKLY DRAW-TYPE (22 Games)							
New Jersey - 2 Games	140	145	120	96	79	73	66
New York - 4 Games	115	124	114	98	88	81	83
Michigan - 2 Games	120	152	124	94	69	69	71
Illinois - 11 Games	115	134	120	94	81	75	78
Pennsylvania - 3 Games	70	86	107	118	103	93	92
□ \$1 WEEKLY DRAW-TYPE (24 Games)							
New York - 2 Games	133	126	107	94	90	84	86
Michigan - 4 Games	123	153	123	93	68	69	71
Illinois - 13 Games	110	132	120	95	82	77	80
Pennsylvania - 5 Games	68	85	107	118	104	94	92
□ \$2 INSTANT 'HORSE RACE' GAMES (2 Games)							
New York - 1 Game	133	126	110	95	89	83	84
Pennsylvania - 1 Game	65	84	107	118	105	94	93
□ \$5 DRAW-TYPE GAMES (6 Games)							
New Jersey - 1 Game	138	146	120	96	78	71	65
New York - 1 Game	130	126	110	95	88	83	84
Michigan - 1 Game	125	159	124	92	66	66	69
Pennsylvania - 3 Games	73	87	108	118	103	92	90
□ \$10 DRAW-TYPE GAMES (7 Games)							
New York - 7 Games	148	132	111	93	86	78	80
□ WEEKLY LOTTO (1 Game)							
New York - 1 Game	108	106	101	98	98	97	96
□ WEEKLY KENO (1 Game)							
New York - 1 Game	140	128	107	93	90	84	86
□ PERCENT OF U.S. POPULATION WITH INCOME LEVEL SHOWN							
	4.0%	13.7%	23.0%	18.9%	12.0%	11.0%	17.3%
□ NOTE: This graph is based on analysis of 6,504,237 recorded winners of large prizes in 140 different lottery games of 24 categories from five lottery states. The data represents all valid, in-state, centrally-recorded winners in all 140 games in all 5 states from the time of each lottery's inception (which ranged from 1971 to 1976) until spring 1981. The analysis was performed by Scientific Games Inc. of Atlanta, Georgia.							

TABLE III

This table shows the index of participation of each income group for each different type of lottery game in five lottery states based on the statewide income distribution of each individual state. Note that lower income individuals participate less in every instance.

ANNUAL HOUSEHOLD INCOME (1980 Dollars)

	% Over \$56,000	% \$34,000- \$56,000	% \$23,000- \$33,999	% \$18,000- \$22,999	% \$11,000- \$17,999	% \$6,700 \$10,999	% Under \$6,700
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□ \$1 INSTANT GAMES (76 Games)

New Jersey - 9 Games	89	101	104	102	98	96	95
New York - 17 Games	96	107	109	102	93	90	90
Michigan - 25 Games	95	105	105	100	95	94	92
Illinois - 13 Games	90	107	108	100	95	92	89
Pennsylvania - 12 Games	82	93	102	104	103	101	99

□ 50¢ WEEKLY DRAW-TYPE (22 Games)

New Jersey - 2 Games	91	103	105	102	97	94	93
New York - 4 Games	84	106	114	105	91	87	89
Michigan - 2 Games	102	111	106	97	92	92	89
Illinois - 11 Games	94	107	107	100	95	93	90
Pennsylvania - 3 Games	87	96	102	103	101	100	98

□ \$1 WEEKLY DRAW-TYPE (24 Games)

New York - 2 Games	96	108	107	101	94	92	92
Michigan - 4 Games	104	111	105	96	92	92	89
Illinois - 13 Games	90	105	106	101	96	94	92
Pennsylvania - 5 Games	85	94	102	104	102	101	98

□ \$2 INSTANT 'HORSE RACE' GAMES (2 Games)

New York - 1 Game	97	108	100	101	93	90	90
Pennsylvania - 1 Game	81	93	102	104	103	100	99

□ \$5 DRAW-TYPE GAMES (6 Games)

New Jersey - 1 Game	91	104	105	101	96	93	93
New York - 1 Game	94	107	110	102	92	90	91
Michigan - 1 Game	107	116	106	94	88	87	87
Pennsylvania - 3 Games	89	96	103	103	101	99	96

□ \$10 DRAW-TYPE GAMES (7 Games)

New York - 7 Games	107	113	111	100	90	86	86
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□ WEEKLY LOTTO (1 Game)

New York - 1 Game	107	106	100	98	97	97	96
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□ WEEKLY KENO (1 Game)

New York - 1 Game	101	110	107	99	94	91	92
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□ PERCENT OF POPULATION WITH INCOME LEVEL SHOWN

New Jersey	6.1%	19.3%	26.3%	17.8%	9.8%	8.5%	12.2%
New York	5.5%	16.0%	23.0%	17.7%	11.5%	10.2%	16.1%
Michigan	4.7%	18.8%	27.0%	18.3%	9.0%	8.3%	13.9%
Illinois	4.9%	17.2%	25.9%	17.8%	10.2%	9.0%	15.0%
Pennsylvania	3.2%	12.4%	24.2%	21.5%	12.2%	10.3%	16.2%

□ NOTE:

This graph is based on analysis of 6,504,237 recorded winners of large prizes in 140 different lottery games of 24 categories from five lottery states. The data represents all valid, in-state centrally-recorded winners in all 140 games in all five states from the time of each lottery's inception (which ranged from 1971 to 1976) until spring 1981. The analysis was performed by Scientific Games Inc. of Atlanta, Georgia.

Lottery's Game 2 begins Monday

By TIM MCGOVERN
Rocky Mountain News Staff Writer

Game 2 of the Colorado lottery begins Monday and will feature a top prize of \$1,000 a week for life and will allow instant winners of \$50 and more to participate in the grand prize drawing.

Lottery director Owen Hickey unveiled the ticket design, theme ("3 of a Kind") and rules for Game 2 at press conferences in Pueblo and in Denver Tuesday.

He reminded players that more than 3 million tickets remain on retail shelves for Game 1, which ends Sunday, and that 13,000 prizes of \$50 or more still are unclaimed, including about 45 prizes of \$10,000. More than half the state's 2,015 outlets, however, have sold out of Game 1 tickets, he said, and there could be a four-day period beginning Thursday when tickets will be scarce or unavailable.

The grand prize drawing for Game 1 will be April 27, when two \$1 million prizes and 18 other prizes will be awarded. Ticket sales for Game 1 will halt Sunday. Game 2 ticket sales begin at noon Monday.

The rules and ways of winning in Game 2 vary somewhat from Game 1.

The object of the game still is to match three of a kind; but in Game 2 players will try to match not dollar amounts as in

Game 1 but playing card symbols — aces, kings, queens, jacks, tens and nines.

Prizes will be awarded as follows:

- 3 aces: \$10,000
- 3 kings: \$1,000
- 3 queens: \$500
- 3 jacks: \$50
- 3 tens: \$5
- 3 nines: \$2

The game will include nearly 36 million tickets and about \$17.7 million in prizes. The odds of winning a prize on a single ticket in Game 2 will improve very slightly over Game 1 odds (from 8.29 to 1 to 8.22 to 1).

As in Game 1, \$2 and \$5 instant winners may be claimed from the retailer who sold the ticket; claimants of \$50 winners and above must visit lottery offices to fill out forms.

Unlike Game 1, however, everyone who wins \$50 or more ("jacks or better," Hickey said) and who claims winnings within 30 days will be eligible for the grand prize drawing for \$1,000 a week for life. There will be about 56,800 such prizes awarded, including 55,100 of the \$50 variety.

An elimination drawing will select 10 finalists whose names will be entered in the grand prize drawing. Of these, eight will win \$10,000, one will win \$50,000 and one will claim the grand prize of \$1,000 a

\$1 COLORADO INSTANT
LOTTERY® GAME

WIN \$10,000 Instantly!



3 of a Kind

RUB 6 CARD SYMBOLS. GET 3 OF A KIND TO WIN.

- 3 ACES \$10,000
- 3 JACKS \$50
- 3 KINGS \$1,000
- 3 QUEENS \$500
- 3 TENS \$5
- 3 NINES \$2



WIN \$1,000 A WEEK FOR LIFE!

Current winners of \$50, \$500, \$1,000 or \$10,000 are eligible for entry into Grand Prize Drawing (\$1,000,000 per annum)

1000000000

Game 2 lottery tickets will look like this when you purchase them. All of the "play spots" will be covered by either a spade, heart, diamond or club.

\$1 COLORADO INSTANT
LOTTERY® GAME

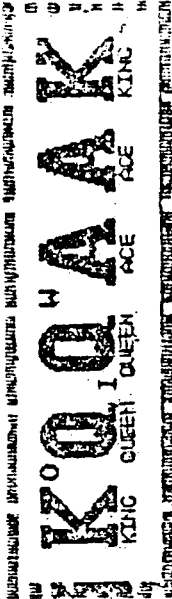
WIN \$10,000 Instantly!



3 of a Kind

RUB 6 CARD SYMBOLS. GET 3 OF A KIND TO WIN.

- 3 ACES \$10,000
- 3 JACKS \$50
- 3 KINGS \$1,000
- 3 QUEENS \$500
- 3 TENS \$5
- 3 NINES \$2



WIN \$1,000 A WEEK FOR LIFE!

Current winners of \$50, \$500, \$1,000 or \$10,000 are eligible for entry into Grand Prize Drawing (\$1,000,000 per annum)

1000000000

When you scratch the latex covering from those symbols, you'll reveal aces, kings, queens, jacks, tens and nines. Three of a kind and you're a winner.

week for life.

Because the top prize is open-ended, there's no way to say just what its total value will be, Hickey said. That will depend on how long the winner lives. For

instance, in the case of an 18 year-old winner who lives to age 72, the total prize would be \$2.8 million. (In case of early death, the winner's estate would be guaranteed at least \$1 million.)

March 27, 1983

MR. CHAIRMAN AND MEMBERS OF THE HOUSE APPROPRIATIONS COMMITTEE:

I am Cathy Campbell, speaking for the Montana Association of Churches, an ecumenical organization representing nine denominations.

We are opposed to House Bill 920, as we are to any attempt to expand authorized gambling. You'll remember what happened only a few months ago with Initiative 92, the gambling initiative. By an almost two to one vote, after the people pushing its passage had outspent the opponents by more than 10 to 1, the voters of Montana said there are two things we do not want:

1. We do not want an expansion of gambling, and
2. We do not want the state in the gambling business.

Yet here is House Bill 920 which would put the state directly in the gambling business by establishing a state lottery.

What is wrong with a state lottery? Lots of things. Lotteries will make money, no doubt about that. Gambling always makes money for somebody.

But as a way of raising revenue, state lotteries are inefficient. Only about one third of the money collected from the citizens will go to the general fund or local governments for which the lottery is being proposed. As outlined in the bill, 45% goes to prizes, up to 20% for administration, leaving 35% net profit.

In other words, it will cost about 65¢ to raise a dollar, whereas the Department of Revenue now spends about 2 cents to raise a dollar.

The fiscal note with the original lottery bill estimated that the state would sell \$10 million worth of lottery tickets. I think this is high. It assumes that Montanan's would regularly spend as much on lottery tickets as have been purchased in Washington on a per capita basis during that state lottery's first months of operation.

According to the fiscal note, Washington spent \$12.70 per capita on lottery tickets, whereas Maine, Vermont and New Hampshire, relatively rural states which have had lotteries for years, have sales of only about \$8.00 per capita.

Using Silvergleid's comments...

This would mean (\$47.75 per capita) almost \$200 for a family of four, if every bought lottery tickets. But everyone won't. If about 75% of the people buy lottery tickets, that would come to about \$300 a year for a family of four spent on lottery tickets.

Even if this were possible, and the fiscal note certainly doesn't give any indication of believing it is, is it desirable? Do you really want the state to induce your constituents to spend that much of their disposable income buying lottery tickets? Do you think your constituents would like it?

Lets look at Maine, a state with characteristics more similar to Montana than those of the large, urban states where lotteries tend to be found. Maine has a population of about 1.1 million and a geographic area about one-fourth the size of Montana. Population density and large cities ~~do~~ seem to make a lot of difference in lottery sales. It is easier to generate a lot of hoopla with the various kinds of lottery promotions in big cities.

After eight years of lottery operation, only in the last year has the amount of money going to the general fund exceeded the operating expenses of the lottery by more than \$500,000. In fact, in two of the last three years, the lottery cost more to run than it contributed to state coffers. And even in its best year, the lottery contributed less than $\frac{1}{4}$ of 1% to the state general fund. Yet, for this, Maine has developed a 1.25 million dollar, 28 person buracracy.

State lotteries are regressive. People with lower incomes tend to bet a larger percentage of their incomes. In this sense, the lottery operates in the same manner as a regressive tax.

You've heard descriptions of the average lottery ticket buyer that ~~was~~ pretty much like the average citizen. Lower income people do not appear to bet more money than those with higher incomes. However, the same amount bet necessarily represents a larger proportion of lower incomes, and this is what a regressive tax is.

There are several studies that show this. Most are very technical and make dull reading. Articles from the National Tax Journal and Journal of Social Issues report findings that:

AAW

State-run lotteries..."do constitute a particularly inequitable revenue base.... Although purchasers do receive benefits from lottery purchases, the revenue collected constitutes a regressive tax and is all the more objectionable in light of the fact that many states appear to have adopted lotteries rather than implementing or expanding progressive income taxes. (National Tax Journal, Dec. 1975)

"...daily 'numbers' games...do appear to be increasing the regressivity of state revenue structures." (N.T.J., December, 1979)

A study reported in the Journal of Social Issues, 1979 shows that "revenues from state lotteries are drawn more regressively than state sales taxes, the latter a common target of fiscal reformers precisely for its regressiveness."

So state lotteries are regressive, with the lower income people supporting a proportionately larger share of the burden of providing the prize money, advertising, security and bureaucracy.

Once a state is in the lottery business, the stability of its revenues can be maintained only with constant promotion. This results in new games and gimmicks, and increased public advertising which will be seen by children and youths. In fact, an article in the Denver Post two months ago described "a new kind of game that has lottery directors all over the country swooning with anticipation-the video lottery." "It's aimed at attracting a new set of players - the younger people who up to now have not thought lotteries were interesting enough to bother with." (1/14/83).

Now I'd like to discuss this video lottery. It was described in an article in the Public Gaming magazine you have all received. (Jan, 1983) There is nothing in HB 920 which would prohibit these video lotteries.

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The article suggests that its best to use dollar bills so that the player doesn't have to bother the bartender. After all, a study has shown that tavern patrons carry a significantly larger number of bills than quarters.

"If the players enjoy the game this is offered, it is likely they will play until they use up their dollar bills (or quarters if the machine plays for a quarter).

"Our studies lead us to believe poker and blackjack will be the most popular game themes for a video lottery. ...On the otherhand, there are a wide variety of other

themes that can be used. Some of these include sports games, maze games, space shooting games, and familiar object selections."

"One thing appears certain--the video lottery machine should not look like a slot machine..."

"The video machine should not have a "one arm" handle. It should not have rotating wheels or fruit symbols, and there should be no coin hopper for the payment. Winnings should be accumulated as credits (with plenty of noise and visual fanfare) that can be "played off."

How nice. You can put money into a machine, and if you win it will crash and bang and light up, and you are even allowed to put all the money you win back into the machine.

Now what do you think your constituents, who just voted almost 2-1 against an expansion of gambling, will think of this?

In terms of the morality of a lottery, it is questionable at best to have the state in the role of actively promoting gambling. Gambling, for many people, is addictive and destructive. Some people maintain that any state with a lottery has a responsibility to deal with the compulsive gambler by setting up a state-financed treatment center. Three lottery states have already done so.

And how do we tell our children that gambling is a questionable policy if the state is out there promoting it? A state lottery puts the state in the position of being a "huckster" that unconscionably entices people into ignoring the odds and betting again and again.

Government sponsorship of gambling is not consistent with its responsibility to govern justly and wisely. I believe that state-operated gambling, which is what a state lottery is, contributes to the erosion of citizens' confidence in government. Whether rightly or wrongly, there seems to be a declining confidence in government at all levels, and the state's sponsorship of gambling would only provide additional reasons for people to be skeptical about their leaders' wisdom and competence.

What if the state lottery doesn't raise the promised funds? What will happen to the programs the lottery is supposed to help fund? Don't these programs deserve a more reliable and responsible funding source?

This state's ^{income tax} ~~taxes~~ have traditionally come from taxes based on a person's ability to pay or property owned.

A lottery however, would change this and raise revenues by exploiting peoples' dreams of ^{new} wealth. Dreams that will almost certainly not be fulfilled by the lottery. After all, for the state to make any money at it, most of the people will have to lose, most of the time.

I realize that legitimate concern about the state budget is prompting people to consider all possible means of raising revenue. But a state lottery is not a responsible or acceptable way to do it.

*Not a responsible
acceptable position*

You cannot ignore the results of I - 92. Even Public Gaming said that as the first step in starting a state lottery "A vote of the people is desirable." (p.37) Well, Montanans have already voted. The gambling interests spent over \$130,000 trying to convince the voters of this state that gambling would help the economy and reduce taxes. The people didn't buy that argument in November, and they aren't going to buy it now.

HB 920 clearly represents an expansion of gambling. The fact that a state lottery was not specifically mentioned in I-92 does not obscure that fact.

Most people feel very strongly that once the state has gone to the expense of having the people speak on an issue, their voice should be listened to. Many people will be watching to see how this Legislature deals with the initiatives of last November.

It would be a real mistake ^{to pass this bill} to pass this bill. I HOPE ~~you'll defeat it in this committee.~~

your committee will not pass it
~~no more gambling~~ *See report.*

HOUSE BILL NO. 120

INTRODUCED BY WALDRON

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR PARTIAL STATE FUNDING OF EXPENSES FOR DISTRICT COURTS BY FUNDING FOR INDIGENT DEFENSE; AMENDING SECTIONS 40-3-114, AND 46-8-202, MCA; REPEALING SECTION 46-8-202, MCA; PROVIDING AN APPROPRIATION; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Funding of district court indigent defense. The operations, salaries, and other expenses of of district courts provision of indigent defense within the state is the financial responsibility of the state.

NEW SECTION. Section 2. Defense of indigent defendants. The supreme court shall establish by rule the operation of indigent defense in the state. The rules shall allow the maximum operational flexibility within local conditions. The supreme court administrator shall allocate funds for indigent defense to each judicial district, and the judges of such districts shall administer the provision of indigent defense within the counties of the judicial district subject to the rules promulgated by the supreme court and the supreme court's supervisory control.

Section 3. Section 46-8-114, MCA, is amended to read:

"46-8-114. Time and method of payment of costs. When a defendant is sentenced to pay the costs of court-appointed counsel, the court may order payment to be made within a specified period of time or in specified installments. Such payments shall be made to the clerk of the district court state of Montana and deposited in the general fund. ~~The clerk of the district court shall disburse the payments to the county or state agency responsible for the expenses of court-appointed counsel as provided for in 46-8-201.~~"

SECTION 4 Section 46-8-201, MCA, is amended to read:

"46-8-201. Remuneration of appointed counsel. (1) Whenever in a criminal proceeding an attorney represents or defends any person by order of the court on the ground that the person is financially unable to employ counsel, the attorney shall be paid for his services such sum as a district court or justice of the state supreme court certifies to be a reasonable compensation therefor under the provisions of section 2, and shall be reimbursed for reasonable costs incurred in the criminal proceeding.

(2) The expense of implementing subsection (1) is chargeable to the county in which the proceeding arose state, except that:

(a) in proceedings solely involving the violation of a local government ordinance or resolution or state statute prosecuted entirely in a justice's, municipal or city court, the expense is chargeable to the county, city, or town in which the proceeding arose; and

(b) when there has been an arrest by agents of the department of fish, wildlife, and parks or agents of the department of justice, the expense must be borne by the state agency causing the arrest."

NEW SECTION. Section 5. Saving clause. This act does not affect rights and duties that matured, penalties that were incurred, or proceedings that were initiated before the effective date of this act.

NEW SECTION. Section 6. Repealer. Section 46-8-202, MCA, is repealed.

NEW SECTION. Section 7. Appropriation. The Montana Supreme Court may use \$1,100,000 from the local government service program in the department of administration from HB 447, 1983 session for the fiscal year ending June 30, 1985, for the provision of indigent defense as provided in this act.

NEW SECTION. Section 8. Effective date. This act is effective July 1, 1984.

-END-

AMEND HOUSE BILL 120 (2nd reading copy) AS FOLLOWS:

1. Title, line 4.

Following: "FOR"

Insert: "PARTIAL"

2. Title, line 5.

Following: "OF"

Strike: "THE OPERATIONAL"

Following: "COURTS"

Strike: ", "

3. Title, lines 6 through 8

Strike: lines 6 through 8 in their entirety

4. Title, line 9.

Following: line 8

Strike: "PROVIDE"

Insert: "BY"

Following: "DEFENSE;"

Strike: "TO PROVIDE BUDGETING"

5. Title, lines 10 and 11

Strike: lines 10 and 11 in their entirety

6. Title, line 12.

Following: line 11

Strike: "ESTABLISHING A"

Following: "BEVY"

Strike: "FEE ON"

7. Title, line 13.

Following: line 12

Strike: "MOTOR VEHICLES FOR THE SUPPORT OF DISTRICT COURTS;"

8. Title, lines 14 through 16.

Following: "SECTIONS"

Strike: "3-5-511" through "41-5-705" on line 16

9. Title, line 16.

Following: "REPEALING"

Strike: "SECTIONS"

Insert: "SECTION"

10. Title, line 15.

Following: line 14

Strike: line 15 in its entirety

11. Title, line 16.

Following: line 15

Strike: "7-6-2511,"

Following: "AND"

Strike: "40-3-114, AND"

Following: "MCA;"

Insert: "PROVIDING AN APPROPRIATION;"

12. Page 1, line 22 through line 6 on page 2.

Strike: section 1 in its entirety

Renumber: subsequent subsections

13. Page 2, line 7.

Following: "district"

Strike: "courts"

Insert: "court indigent defense"

14. Page 2, line 8.

Following: "of"

Strike: "all"

15. Page 2, line 9.

Following: "courts"

Strike: ", INCLUDING THE"

16. Page 2, line 10.

Following: "state"

Strike: "are"

Insert: "is"

17. Page 2, line 11 through line 5 on page 5.

Strike: sections 3 through 5 in their entirety

Renumber: subsequent sections

18. Page 17, line 10.

Strike: "6"

Insert: "2"

19. Page 5, line 18 through line 16 on page 16.

Strike: sections 7 through 19 in their entirety

Renumber: subsequent sections

20. Page 18, line 3.

Following: "Repealer."

Strike: "Sections 3-5-404,"

Insert: "Section"

21. Page 18, line 4.

Following: line 3

Strike: line 4 in its entirety.

22. Page 18, line 5.

Following: line 4

Strike: "40-3-114, AND"

Following: "MCA,"

Strike: "are"

Insert: "is"

23. Page 18.

Following: line 5

Insert: NEW SECTION. Section 7. Appropriation. There is appropriated to the Montana Supreme Court \$1,100,000 from the local government service program in the department of administration from HB 447, 1983 session for the fiscal year ending June 30, 1985, for the provision of indigent defense as provided in this act.

Renumber: subsequent section.

23. Page 18, line 7.

Following: "July 1,"

Strike: "1983"

Insert: "1984"

HB 400

1. Page 2, line 15.
Strike: "7"
Insert: "3"

2. Page 4, line 12.
Strike: "day"
Insert: "child"

PROPOSED AMENDMENTS TO HOUSE BILL NO. 601

1. Page 1, line 8.

Following: "information"

Insert: "Systems Plans of 1977"

O-R-E: "Act of 1979"

2. Page 1, line 13.

Following: "the"

Insert: "revision and"

3. Page 1, line 13.

Following: "implementation"

Strike: "and operation"

4. Page 1, line 14.

Following: "information"

Strike: "Act of 1979, Title"

Insert: "Systems Plan of 1977."

5. Page 1, line 15.

Strike "44, chapter 5, MCA,"

BP/mac



The Big Sky Country

MONTANA STATE HOUSE OF REPRESENTATIVES

REPRESENTATIVE STEVE WALDRON
HOUSE DISTRICT 97

HOME ADDRESS:
P. O. BOX 5233
MISSOULA, MONTANA 59806
PHONE (406) 549-1939

COMMITTEES:

VICE-CHAIRMAN: APPROPRIATIONS
CHAIRMAN: APPROPRIATIONS SUBCOMMITTEE
ON INSTITUTIONS
AUDIT

STATEMENT OF REPRESENTATIVE STEVE WALDRON, CHAIRMAN OF
THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON INSTITUTIONS

A handwritten signature, likely of Representative Steve Waldron, in dark ink.

Members of the House Appropriations Committee:

House Bill 759 increases the budgeted population at Warm Springs from 350 to 375. The Institutions Subcommittee has discussed this bill and recommends that it DO NOT PASS.

The actual average daily population (ADP) at Warm Springs in FY'82 was 323.3. The executive budget requested funding for an ADP of 340. The Subcommittee funded an ADP of 350, 27 more than the ADP in FY'82. To support the additional population, approximately \$1.1 million was added to the budget and 27.07 FTE direct care workers were added to the staff.

The population at Warm Springs is cyclical. It tends to be lower in the summer and higher in the winter. Thus, the population on a particular day could be much greater or much less than the budgeted ADP. After reviewing the past population trends, the Subcommittee concluded the ADP would be between 340 and 350. Warm Springs has been budgeted for an ADP of 350 and language will be included in the appropriations bill to revert money if the ADP does not reach 350.

The ADP is projected to be 350 in FY'84. In FY'85, the Children's Unit will move to the Youth Treatment Center in Billings so the ADP will drop to 320. Language will be included in the appropriations bill to allow the Children's Unit to remain at Warm Springs if the Youth Treatment Center is not completed on time.

SW/ltr

1. Title, lines 4 through 11.

Following: "An Act"

Strike: lines 4 through 11 in their entirety

Insert: "TO ESTABLISH A PLANNING FRAMEWORK FOR THE DEVELOPMENT OF A NATURAL RESOURCE INFORMATION SYSTEM AND TO ESTABLISH AN ONGOING MONTANA NATURAL HERITAGE PROGRAM; AND PROVIDING AND APPROPRIATION."

2. Pages 1 through 9.

Strike: all of the bill following the enacting clause

Insert: "Section 1. Purpose: It is the purpose of [sections 1 through 9] to establish a planning framework for the development of a natural resource information system and to establish an ongoing Montana natural heritage program.

Section 2. Definitions. As used in [sections 1 through 8], the following definitions apply:

(1) "Committee" means the natural resources data system advisory committee created by [section 3].

(2) "Department" means the department of administration created by 2-15-1001.

(3) "Natural heritage program" means a program of information acquisition, storage, and retrieval for data relating to the flora, fauna, and biological community types of Montana.

(4) "Principal data source agencies" means any one of the following state agencies: the department of natural resources and conservation, the department of fish, wildlife, and parks, the department of state lands, the department of health and environmental sciences, the department of agriculture, the department of highways, the state historical society, and the Montana university system.

Section 3. Natural resources data system advisory committee. (1) There is a natural resources data system advisory committee consisting of an employee of the environmental quality council and of each principal data source agency appointed by the head of the respective state agencies, and by the board of regents of higher education for the Montana university system.

(2) The committee shall examine the following matters and make recommendations to the department head concerning:

(a) criteria for the categories and types of data to be collected for a natural resources information system;

(b) criteria for the format of data collection;

(c) identification of existing sources of relevant data in the public sector;

(d) identification of data acquisition, storage, and retrieval methodologies that are economical and efficient, and that minimize or eliminate the duplication of data bases; and that utilize computer networking;

(e) probable costs to agencies furnishing required data and probable costs of managing the data;

(f) probable benefits to be realized by the establishment of a natural resource information system;

(g) operation of the Montana natural heritage program; and

(h) other items the committee considers of importance to the establishment of a natural resources information system.

(3) The department shall provide staff support to the committee, within the limits of the department's available resources.

(4) Committee members while engaged in committee business are entitled to be reimbursed for travel expenses as provided for in 2-18-501 through 2-18-503. These expenses shall be borne by the agency employing the member. Each member serves at the pleasure of the respective appointing authority. The committee shall establish its own format for the conduct of meetings.

Section 4. Natural resource information system. (1) The department, in consultation with the committee, shall establish a planning framework for the implementation of a natural resources information system. This system is to be a comprehensive program for the acquisition, storage, and retrieval of existing data relating to the natural resources of Montana.

(2) The department shall give attention to the factors listed in subsection (2) of [section 3] and shall prepare any legislation necessary to implement the system.

(3) It is not intended that the system shall require field work or literature searches to produce data. The system is intended to facilitate the management of data collected by state agencies in the normal course of their operations.

Section 5. Natural heritage program. (1) There is a Montana natural heritage program to be operated by the department. In order to establish the program, the department may contract with an independent contractor for a period not to exceed two years.

(2) The Montana natural heritage program to be operated by the department. In order to establish the program, the department may contract with an independent contractor for a period not to exceed two years.

(2) The Montana natural heritage program shall be designed to be compatible with similar programs in other states. This program is to be an initial step in the formulation of the comprehensive natural resource information system referred to in [section 4] and is to be considered a part of the system.

Section 6. Interagency cooperation. (1) State agencies shall cooperate with the department and the committee in the planning of the natural resource information system.

(2) Within the limits of available resources, state agencies shall provide data requested by the department for purposes of the Montana natural heritage program. If an agency does not possess requested data or is unable to locate requested data, the agency shall inform the department. It is not necessary for an agency to conduct field work or literature searches to obtain requested data.

Section 7. Availability of information. (1) Except as provided in subsection (3), the department shall make information from the natural resources information system available to local, state, and federal agencies and to the general public.

(2) The department may establish a fee system for information requests in order to cover the costs of providing requested information.

(3) If necessary, the department shall establish procedures to protect confidential information in the possession of state agencies.

Section 8. Environmental Quality Council to monitor activities of department and committee. The environmental quality council shall monitor and evaluate the activities of the department and the committee under [sections 1 through 7] and shall report its findings and recommendations to the legislature by November 1, 1984.

Section 9. Appropriation and funding. (1) There is appropriated from the general fund the amount of \$10,000 for the biennium ending June 30, 1985, to the department of administration for the establishment of the Montana natural heritage program and for support services to the natural resources data system advisory committee.

(2) The department of administration may apply for and may receive funding from private and public sources for the purposes of [sections 1 through 8] and any such funds are appropriated to the department for such purposes."

Section 1. Purpose: It is the purpose of [sections _____ through _____] to establish a planning framework for the development of a natural resource information system and to establish an ongoing Montana natural heritage program.

Section 2. Definitions. As used in [sections _____ through _____], the following definitions apply:

(1) "Committee" means the natural resources data system advisory committee created by [section _____].

(2) "Department" means the department of administration created by 2-15-1001.

(3) "Natural heritage program" means a program of information acquisition, storage, and retrieval for data relating to the flora, fauna, and biological community types of Montana.

(4) "Principal data source agencies" means any one of the following state agencies: the department of natural resources and conservation, the department of fish, wildlife, and parks, the department of state lands, the department of health and environmental sciences, the department of agriculture, the department of highways, the state historical society, and the Montana university system.

Section 3. Natural resources data system advisory committee. (1) There is a natural resources data system advisory committee consisting of an employee of each principal data source agency appointed by the head of the respective state agencies, and by the board of regents of higher education for the Montana university system.

(2) The committee shall examine the following matters and make recommendations to the department head concerning:

(a) criteria for the categories and types of data to be collected for a natural resources information system;

(b) criteria for the format of data collection;

(c) identification of existing sources of relevant data in the public sector;

(d) identification of data acquisition, storage, and retrieval methodologies that are economical and efficient, and that minimize or eliminate the duplication of data bases; and that utilize computer networking;

(e) probable costs to agencies furnishing required data and probable costs of managing the data;

(f) probable benefits to be realized by the establishment of a natural resource information system;

(g) operation of the Montana natural heritage program; and

(h) other items the committee considers of importance to the establishment of a natural resources information system.

(3) The department shall provide staff support to the committee, within the limits of the department's available resources.

(4) Committee members while engaged in committee business are entitled to be reimbursed for travel expenses as provided for in 2-18-501 through 2-18-503. These expenses shall be borne by the agency employing the member. Each member serves at the pleasure of the respective appointing authority.

The committee shall establish its own format for the conduct of meetings.

Section 4. Natural resource information system. (1)

The department, in consultation with the committee, shall establish a planning framework for the implementation of a natural resources information system. This system is to be a comprehensive program for the acquisition, storage, and retrieval of existing data relating to the natural resources of Montana.

(2) The department shall give attention to the factors listed in subsection (2) of [section _____] and shall prepare any legislation necessary to implement the system.

field (3) It is not intended that the system shall require ~~field~~ work or literature searches to produce data. The system is intended to facilitate the management of data collected by state agencies in the normal course of their operations.

Section 5. Natural heritage program. (1) There is a Montana natural heritage program to be operated by the department. In order to establish the program, the department may contract with an independent contractor for a period not to exceed two years.

(2) The Montana natural heritage program ~~should~~ ^{shall} be designed to be compatible with similar programs in other states. This program is to be an initial step in the formulation of the comprehensive natural resource information system referred to in [section _____] and is to be considered a part of the system.

Section 6. Interagency cooperation. (1) State agencies shall cooperate with the department and the committee in the planning of the natural resource information system.

(2) Within the limits of available resources, state agencies shall provide data requested by the department for purposes of the Montana natural heritage program. If an agency does not possess requested data or is unable to locate requested data, the agency shall inform the department. It is not necessary for an agency to conduct field work or literature searches to obtain requested data.

Section 7. Availability of information. (1) Except as provided in subsection (3), the department shall make information from the natural resources information system available to local, state, and federal agencies and to the general public.

(2) The department may establish a fee system for information requests in order to cover the costs of providing requested information.

(3) If necessary, the department shall establish procedures to protect confidential information in the possession of state agencies.

✓ Section 8. Amend 15-32-107.

Section 9. Amend 15-31-103.

Section 10. Appropriation and funding. (1) There is appropriated from the natural resource information system account in the earmarked revenue fund the amount of \$ _____ for the biennium ending June 30, 1985, to the department of administration for the establishment of the Montana natural heritage program and for support services to the natural resources data system advisory committee.

(2) The department of administration may apply for and may receive funding from private and public sources for the purposes of [sections _____ through _____] and any such funds are appropriated to the department for such purposes.

Amendment to HB No. 919.

page 1, line 18

Following: "education."

STRIKE: "This appropriation"

page 1, line 19

STRIKE: "includes the"

Insert: "The remaining"

Following: "balance of the"

Insert: "general fund"

page 1, line 20

Following: "Laws of 1981,"

STRIKE: "from the general fund"

page 1, line 21

Following: "June 30, 1983,"

STRIKE: "that remains in"

Insert: "is appropriated to"

page 1, line 22

Following: "at the end of"

Insert: "for"

page 1, line 23

STRIKE: "current"

Following: "beginning"

Insert: "ending June 30, 1985."

Amend HB 885

As Follows

4 line 3
Page 8, Line 23

Following: "measure."

Insert: "(o) Noxon Rural water system improvement

8 line 1
Page 8, Line 21

Strike: "2% interest rate."

Insert: "rate of interest equal to that which must be paid on bonds issued pursuant to this section."

Page 8, Line 23

Strike: "12,982,281"

Insert: "11,524,281"

7
Page 9, Following line X

Strike: Lines 2 through line X on page 10

Page 10, Line X 16

Strike: "2%"

Insert: "6 1/2%"

11 1
Page 10, Line X

Strike: "2%"

Insert: "5%"

10
Page 11, Line X

Strike: "2%"

Insert: "6 1/2%"

Page 11, Line ~~15~~

Strike: "2%"

Insert: "6½%"

12 2

Page ~~11~~, Line ~~22~~

Strike: "2%"

Insert: "6%"

12

Page 12, Line ~~7~~

Strike: "2%"

Insert: "6%"

Page 12, Following Line ~~7~~ 12

Strike: Lines ~~8~~¹³ through ~~11~~ 21

Page 13, Line ~~20~~ 25

Strike: "2%"

Insert: "4%"

Page 13, Following Line ~~20~~ 25

Insert: "(m) (i) Bonds to a maximum amount of \$122,000 may be issued for a loan to the Noxon rural improvement district for the purpose of financing rehabilitation of the community's water system.

(ii) The project is needed because the present wooden lines have leakage problems and contamination is being drawn into the distribution system causing a health hazard.

(iii) The loan must be repaid at a ~~X~~ interest rate."

5

14

Page ~~13~~, Line ~~24~~ 4

Following: "section."

Insert: "The interest rates applicable to any of the above projects shall be the lower of the specified rate cited for each project or the rate that must be paid on bonds issued pursuant to ~~the~~ section 5."

RT, RD, WATER Dev

48th Legislature

LC 1242/01

LC 1242/01

House BILL NO. 897

1 INTRODUCED BY *Clayton* *E. Smith*
2 *Roush* *Thompson* *Smith*
3 BY REQUEST OF THE DEPARTMENT OF *Smith*
4 *Montana* *Thompson* *Smith*
5 *Montana* *Thompson* *Smith*
6 *Montana* *Thompson* *Smith*
7 *Montana* *Thompson* *Smith*
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25 *Montana* *Thompson* *Smith*

1 pursuant to the provisions of Title 85, chapter 1, part 6.
2 This appropriation is from money available in the water
3 development earmarked account for loans and grants for water
4 development projects and activities under 85-1-604(3)(c) and
5 sections 5 through 7 of this act.
6 (2) There is appropriated to the Department of Natural
7 Resources and Conservation all other funds not appropriated
8 under subsection (1) and available for grants to state and
9 local government entities from the water development
10 earmarked account during the biennium ending June 30, 1985.
11 This appropriation is from money available in the water
12 development earmarked account for loans and grants for water
13 development projects and activities under 85-1-604(3)(c) and
14 sections 5 through 7 of this act. The funds appropriated in
15 this subsection shall be awarded by the Department of
16 Natural Resources and Conservation to the following entities
17 for the described purposes and in the described grant
18 amounts. The Legislature, pursuant to 85-1-605, approves the
19 grants listed below with grants to be made in the order of
20 priority as indicated within the following prioritized list
21 of projects and activities. Funds must be awarded up to the
22 amounts approved in this section in order of priority until
23 available funds are expended. Funds not accepted or utilized
24 by higher ranked projects and activities must be provided
25 for projects and activities farther down the priority list

96 IF ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Appropriations from the water development
earmarked account. (1) There is appropriated to the
Department of Natural Resources and Conservation up to
\$296,700 from the water development earmarked account during
the biennium ending June 30, 1985, for grants to private
persons for water development projects and activities

EXHIBIT 23
March 27, 1983
Full Committee

-2- INTRODUCED BILL

897

1 that would not otherwise receive funding. If the total
2 expenditure of funds appropriated under this subsection
3 results in a cutoff that ends at a point at which more than
4 one project or activity is ranked equal in priority, the
5 decision regarding which project or projects will receive
6 funding must be made by the Department of Natural Resources
7 and Conservation with the advice of the water development
8 advisory committee formed pursuant to 2-15-122. Actual rank
9 and score of the various projects and activities are
10 contained within the Department's water development program
11 status report for the 1982-83 biennium. Sponsors of
12 recommended projects and activities on the prioritized list
13 that are not recipients of available grant funds must be
14 offered the opportunity to receive loan funds for up to the
15 total recommended project or activity amount pursuant to
16 sections 4 and 8 of this act.

17 Water Development Program Prioritized Projects and Activities
18 for Governmental Entities

19 G: Grant L: Loan

20 Whitefish Basin

21 Water and Sewer District;

22 Land Use Master Plan

23 Jefferson County CD;

24 Pipestone Creek Erosion Control

25 Triangle Conservation District;

(HB334) - 59,000 + 15,600

1	Saline Sheep Control Project	G	125,000
2	Geraldine Rural Water System	G	125,000
3		L	100,000
4	City of Hazeman;	G	27,000
5	Mystic Lake Dam Repair	L	100,000
6	City of Helena;	G	24,000
7	Chessman Reservoir Stability Analysis	L	11,000
8	DFWP; South Sandstone Dam Repair	G	125,000
9	DFWP; Bitterroot Flow Augmentation	G	40,000
10	Sherridan County CD;		
11	(HB876) - 250,000		
12	Ground Water Assessment in N.E. Montana	G	125,000
13	Chouteau County CD;		
14	Saline Sheep Assessment (Geraldine Area)	G	52,000
15	Ingomar Water System	G	23,000
16	DFWP; Gartside Dam Repair	L	43,000
17	U of M;	G	125,000
18	Flathead Valley Ground Water Study	G	125,000
19	City of Laurel; Ditch Lining	G	125,000
20	Roosevelt County Rural Water System	G	125,000
21		L	100,000
22	Rosebud County CD; Irrigation Management	G	15,000
23	Cascade-Teton County CDs;		
24	(HB108) - 450,000		
25	Mudry Creek Project	G	125,000
	South Kremlin & Gildford	G	98,000

* 5% of RIT

1	Rural Water System	L	100,000	1	Wolf Point; Water	G	125,000
2	Greenfield Irrigation District;	G	87,000	2	System Improvements	L	100,000
3	Headgate Automation	L	100,000	3	Judith Gap;	G	6,000
4	Box Elder Rural			4	Water Storage Tank	L	94,000
5	Water System (Carter County)	G	100,000	5	Helena; Red Mountain	G	36,000
6	Roseburg County CD;			6	Trestle Repair	L	24,000
7	Streambank Stabilization	G	5,500	7	Winnett; Water System	G	37,000
8	Sheridan County; for Antelope	G	100,000	8	Repair	L	100,000
9	Water and Sewer System	L	100,000	9	DNRC; Gravity Irrigation Development	G	41,000
10	DFP; Streambank Stabilization Program	G	50,000	10	Seeley Lake; Water	G	9,000
11	DNRC; Riparian Protection Program	G	39,000	11	and Sewer Master Plan	L	3,000
12	Ekolaka; Water Master Plan	G	17,000	12	Virginia City; Sewer		
13		L	6,000	13	and Water Extension	L	45,000
14	DHES; Water Treatment Plant Analysis	G	16,000	14	McCona County CD; Feasibility Study	G	50,000
15	Flaxville; Water Source Development	G	6,000	15	Troy; Master Water Plan	G	16,000
16		L	44,000	16		L	6,000
17	Outton; Water Source Feasibility Study	G	41,700	17	Hot Springs; Water	G	7,000
18	City of Whitefish;	G	35,000	18	Master Plan	L	3,000
19	Master Water Plan	L	12,000	19	Columbus; Itch-Kep-Pe Park	G	44,000
20	Hamilton; Water System	G	82,000	20	Rehabilitation	L	36,000
21	Rehabilitation	L	100,000	21	Cascade; Landfill Rehabilitation	G	41,000
22	Huntley Irrigation Project;	G	18,000	22	and Park Development	L	59,000
23	Irrigation Rehabilitation	L	100,000	23	Montana; Agricultural Experiment		
24	Culbertson; Water System	G	125,000	24	Station; Riparian Grazing Study	G	31,811
25	Rehabilitation	L	100,000	25	City of Polson;	G	79,000

2,371,600+

Funded from Water Development

LC 1242/01

LC 1242/01

Prioritized Projects by Category for Funding

	G:	Grant
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1	Irrigation & Fertilization Project	G	39,995
2	Planilla Water Source Development		
3	Montana State Prison Ranch;		
4	Parshall Flume	G	10,000
5	Greenfield Irrigation District;		
6	Automation of Headgate		
7	Blackfoot Riparian Protection Program		
8	Big Horn Water System		
9	Sheridan County for Antelope;		
10	Water and Sewer System		
11	Columbus; Itch-Kep-Pe Park		
12	Rehabilitation	G	44,000
13	City of Bozeman;		
14	Hyatt Lake Dam Repair		
15	Hamilton; Water System Rehabilitation	G	82,000
16	Judith Gap; Water Storage Tank	G	6,000
17	Wolf Point; Water System Improvement	G	125,000
18	Grass Valley Water System		
19	City of Whitefish; Master Water Plan	G	35,000
20	Cascade; Landfill Rehabilitation		
21	and Park Development	G	41,000
22	Snoley Lake Water & Sewer Master Plan	G	9,000
23	Culbertson; Water System Rehabilitation	G	125,000
24	Grass Valley Water System Rehabilitation Program		
25	OPWP; Canyon Ferry State Recreation Area	G	70,000

427806

1	Sheridan County CD; Ground Water		
2	Assessment In N.E. Montana	G	125,000
3	DFWP; Logan State Recreation Area	G	40,000
4	Hardin; Flood Mitigation Plan	G	22,000
5	DFWP; Yellow Bay State Recreation Area	G	0,000
6	Yellow Bay State Recreation Area	G	0,000
7	DNRC; Gravity Irrigation Development	G	41,000
8	DFWP; Needman's Basin Recreation Area	G	45,000
9	Roosevelt County Rural Water System	G	125,000
10	City of Polson; Drainage Project	G	79,000
11	Helena; Red Mountain Trestle Repair	G	36,000
12	Box Elder Rural Water System (Carter		
13	County)	G	100,000
14	Hot Springs; Water Master Plan	G	7,000
15	Hot Springs; Water Master Plan	G	125,000
16	East Bench Irrigation District;		
17	Streambank Preservation	G	30,000
18	Huntley Irrigation Project; Rehabilitation	G	18,000
19	Troy; Master Water Plan	G	16,000
20	Winnett; Water System Repair	G	37,000
21	Winnett; Water System Repair	G	88,000
22	Winnett; Water System Repair	G	16,000
23	Plains; Water Source Development	G	8,000
24	Fort Benton; Water Storage Tank Repair	G	1,000
25	McCone County CD; Feasibility Study	G	50,000

1	II. TIMBER STAND IMPROVEMENT		
2	Dept. of State Lands; Timber		
3	Stand Improvement	G	100,000
4	U of M; Lubrecht Second Growth		
5	Forest Improvement	G	57,000
6	Seed Tree Orchard Development;		
7	Salish/Kootenai Tribes	G	40,000
8	III. IMPROVEMENTS ON AGRICULTURAL LAND		
9	Montana Agricultural Experiment Station;		
10	Biological Weed Control	G	50,000
11	DFWP; Mt. Haggin Ranch Cross-Fencing	G	65,000
12	DNRC; Rangeland Resource Loan Program	G	200,000
13	(Disbursed only if HB 486 does not pass)		
14	Teton County Weed District;		
15	Leafy Spurge Control	G	30,000
16	Valley County CD;		
17	Leafy Spurge Control	G	12,000
18	IV. CONSERVATION DISTRICTS, FOR DEVELOPMENT OF THEIR		
19	WATER RESERVATIONS		
20	DNRC; Water Reservation Development	G	76,000
21	Lower Yellowstone CD; Water		
22	Reservation Development	G	29,000
23	Sweet Grass CD; Water		
24	Reservation Development	G	4,630
25	V. OTHER		

1 MSU; Economic Feasibility
 2 of Farm-Based Wind Generation G 20,200
 3 Lewis & Clark County:
 4 Land Transfer Program G 22,554
 5 Cascade County: Cross-Country Ski
 6 Trail Improvements G 10,000 53,000
 7 (3) (a) After the allocations provided for in sections
 8 5 through 7 of this act have been made, there is allocated
 9 to the rangeland improvement loan earmarked account created
 10 by HB 486, 15% of the funds available in the renewable
 11 resource development program during the biennium ending June
 12 30, 1985. The funds allocated by this subsection (3)(a) are
 13 appropriated from the rangeland improvement loan earmarked
 14 account for the rangeland improvement program created by HB
 15 485.
 16 (b) If HB 486 is not passed by the 48th Legislature
 17 and approved by the Governor, subsection (3)(a) is void.
 18 Section 3. Coordination of fund sources for water
 19 development projects. A sponsor of a water development
 20 project who has applied for a grant under both the water
 21 development program and the renewable resource development
 22 program must be funded at recommended amounts under the
 23 water development program pursuant to section 1 of this act
 24 if sufficient funds are available as determined by the
 25 priority ranking of the project or activity. If sufficient

1 grant funds are not available under the water development
 2 program, the project must be considered for grant funding
 3 under the renewable resource development program pursuant to
 4 section 2 of this act; and such award of funds under section
 5 2 is dependent upon available funds and the priority ranking
 6 of the project under the renewable resource development
 7 program.
 8 Section 4. Approval of loans from bond proceeds and
 9 completion of appropriation. (1) The Legislature, pursuant
 10 to 85-1-605, hereby approves the loans identified and
 11 described in section 1 of this act for projects and
 12 activities to public entities from water development bond
 13 proceeds deposited in the water development clearance
 14 account.

(2) The approval of specific loans completes an
 15 appropriation of the coal severance tax proceeds allocated
 16 by 15-35-108 to the water development sinking account for
 17 the purpose of paying, in the manner established by
 18 85-1-619, principal of and interest and redemption premiums
 19 on any water development bonds issued to provide the
 20 proceeds for the loans to public entities approved in
 21 subsection (1).

Section 5. Reallocation of resource indemnity trust
 22 account interest income, except for special departmental
 23 appropriation within HB 487 and notwithstanding any

1 provisions of 85-1-604 to the contrary, all remaining
 2 interest income allocated to the water development earmarked
 3 account from the resource indemnity trust fund by
 4 15-39-203(2) during the biennium ending June 30, 1985, may
 5 be used for and only for the purposes set out in
 6 85-1-604(3)(c).

7 Section 6. Reallocation of renewable resource
 8 development account funds. (1) Notwithstanding any
 9 provisions of 90-2-103, 90-2-113, and Title 90, Chapter 2,
 10 part 1, to the contrary, up to \$520,000 is allocated during
 11 the biennium ending June 30, 1985, from the renewable
 12 resource development clearance fund account to the water
 13 development earmarked account to be used for and only for
 14 the purposes set out in 85-1-604(3)(c).

15 (2) The reallocation in subsection (1) does not
 16 include money previously appropriated for the biennium
 17 ending June 30, 1983, to the Department of Natural Resources
 18 and Conservation by HB 709, Laws of 1981, for small project
 19 water development construction loans to private individuals
 20 and which without section 7 of this act would revert to the
 21 renewable resource development clearance fund account.

22 Section 7. Reallocation of renewable resource
 23 development account funds formerly appropriated for water
 24 development projects. (1) Notwithstanding any provisions of
 25 90-2-103, 90-2-113, and Title 90, Chapter 2, part 1, to the

1 contrary, up to \$251,600 is allocated during the biennium
 2 ending June 30, 1985, from the renewable resource
 3 development clearance fund account to the water development
 4 earmarked account to be used for and only for the purposes
 5 set out in 85-1-604(3)(c).

6 (2) The funds allocated by subsection (1) are to be
 7 those funds which were appropriated for the biennium ending
 8 June 30, 1983, to the Department of Natural Resources and
 9 Conservation by HB 709, Laws of 1981, for small project
 10 water development construction loans to private individuals
 11 and which funds have reverted to the resource development
 12 clearance fund account.

13 Section 8. Conditions of loans and grants.
 14 Disbursement of funds under this act, both loans and grants,
 15 may be made only after:

16 (1) a project or activity receives authorization and
 17 residual financing commitments from other sponsors or
 18 sources, if necessary;

19 (2) execution of an agreement or agreements between
 20 the Department of Natural Resources and Conservation and the
 21 loan or grant applicant that describes the terms and
 22 conditions of the project or activity as apolled for with
 23 the Department of Natural Resources and Conservation or
 24 proposed to the Legislature, taking into consideration any
 25 changed conditions or circumstances, and that governs the

1 administration and disbursement of funds; and

2 (b) other specific requirements are accomplished as
 3 considered necessary by the Department of Natural Resources
 4 and Conservation to accomplish the purpose of the loan or
 5 grant as evidenced from the application to the Department of
 6 Natural Resources and Conservation or the proposal to the
 7 Legislature.

8 Section 9. Reversion of funds. All funds reallocated
 9 by sections 5 through 7 of this act to the water development
 10 earmarked account that are unspent and unencumbered during
 11 the biennium ending June 30, 1985, shall revert to the water
 12 development earmarked account.

13 Section 10. Treasury fund terminology -- coordination.
 14 Any reference in this act to an account or fund that is
 15 rendered inaccurate by Ch. 28, L. 1981, or by legislation
 16 introduced in the 48th Legislature that is passed and
 17 approved to implement Ch. 28, L. 1981, is considered changed
 18 in this act to the treasury fund terminology used in the
 19 section creating the account or fund.

20 Section 11. Severability. If a part of this act is
 21 invalid, all valid parts that are severable from the invalid
 22 part remain in effect. If a part of this act is invalid in
 23 one or more of its applications, the part remains in effect
 24 in all valid applications that are severable from the
 25 invalid applications.

1 Section 12. Effective date. This act is effective July

2 1, 1983.

-End-

TABLE 1
Resource Indemnity Trust - Interest Fund

	<u>1983 Biennium</u>	<u>1985 Biennium</u>
Beginning Balance	\$1,098,518	\$ (294,327)
Revenue	<u>5,704,982</u>	<u>9,003,261</u>
Total Available	\$6,803,500	\$3,708,934
Expenditures:		
DNRC	\$2,958,874	\$3,515,248
State Lands	2,519,959	2,425,585
Fish Wildlife & Parks	87,500	-0-
30% Water Development	<u>1,711,494</u>	<u>2,700,978</u>
Total Expenditures	\$7,277,827	\$8,641,811
Expected Reversion - FYE 1983:		
DNRC	\$ 120,000	
State Lands	<u>60,000</u>	
Total Reversions	<u>180,000</u>	
Net Expenditures	\$7,097,827	
Balance FYE	<u>\$ (294,327)</u>	<u>\$ 67,123</u>

RESOURCE INDEMNITY TRUST FUND BILLS

		<u>1985 Biennium</u>
HB 824-HAC	Bannack State Park Development	\$ 500,000
HB 849-HAC	FWP - Lease of Waples Ranch Game Range	6,000
HB 724-SFC	Hard-Rock Mining Mitigation Account (30%)	2,700,978
HB 200-GOU	Hazardous Waste Programs (4%)	360,130
✓HB 745	Milk River Basin Water Shortage Study	50,000
✓HB 745	Milk River Irrigation Districts - Grant	100,000
HB 260	Mining Impacts Mitigation	-0-
✓HB 108	Muddy Creek Special Water Project (5%)	450,164
HB 897-HAC	Revision - Water Development Projects, etc.	-0-
✓HB 876	Sheridan County Irrigation District Grant	250,000
HB 81	Deficiency Assessments	-0-
SB 72	Change to Quarterly Tax	-0-
SB 243	Statute of Limitations	-0-
SB 407	Tribal Governments	-0-
✓HB 334	Triangle Conservation District - Saline Seep	59,000
HB 610	Milk River Water Assoc. Fish Ladder	48,000
✓HB 819	TECH - Groundwater/Mining Study	232,000
✓HB 597	Glasgow Water Project	48,800
✓HB 903	Stillwater - Boulder River Complex	<u>1,000,000</u>
Total		\$5,805,072

TABLE 2
Water Development Account

	<u>1983 Biennium</u>	<u>1985 Biennium</u>
Beginning Balance	\$ -0-	\$ 745,383
Revenue	<u>2,267,941</u>	<u>4,507,980</u>
Total Available	\$2,267,941	\$5,253,363
Expenditures:		
DNRC	\$1,522,558	\$2,601,040
Water Courts	<u>-0-</u>	<u>1,017,000</u>
Total Expenditures	\$1,522,558	\$3,618,040
Balance	\$ 745,383 =====	\$1,635,323 =====
HB 897 Section 6		+ 520,000
HB 897 Section 7		+ 251,000
WATER DEVELOPMENT BILLS		2,406,923 total Avail
		<u>1985 Biennium</u>
HB 897 Projects and Activities		-0-
HB 885 Coal Tax Bonds for Projects		-0-
SB 146 Revision and Clarification		-0-
HB 745 Milk River (if not RIT or RRD)		50,000

TABLE 3
Renewable Resources Development Fund

	1983 Biennium	1985 Biennium
Beginning Balance	\$2,662,802	\$ 688,712
Revenue	<u>2,107,511</u>	<u>1,386,000</u>
Total Available	\$4,770,313	\$2,074,712
Expenditures:		
DNRC	<u>\$4,081,601</u>	<u>\$ 335,518 *</u>
Total Expenditures	\$4,081,601	\$ 335,518
Balance	\$ 688,712 =====	\$1,739,194 =====

HB 897 - The Department of Natural Resources is requesting that all RRD revenue be utilized in the Water Development Program for grants and loans. \$892,000 + 520,000

HB 726 - Timber Stand Improvement \$240,000: This is in addition to the \$100,000 recommended through HB 897.

HB 914 - Clinch Fork of Yellowstone 20,700

HB 745 - MILK RIVER 50,000. Not from RIT or water Dev

HB 597 - Glasgow Valley County Water Supply 48,800

*DNRC general operations not including grants for projects.

HB 486 - Rangeland Resource Bill 157,000

HB 897 - Section 6 520,000

HB 897 892,000

\$ 1,569,000 Total Expend

VISITORS' REGISTER

HOUSE APPROPRIATIONS COMMITTEE

BILL HOUSE BILL 217

Date _____

SPONSOR WALDRON

RESTORING LOW INCOME HOME ENERGY
ASSISTANCE BLOCK GRANT MONEY TO NEEDY.

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE Appropriations

COMMITTEE

BILL HB 793 1

DATE 3-27-83 a.m.

SPONSOR Kierulsen

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE Appropriations
909

COMMITTEE

BILL HB 909 ✓ ✓ ✓

DATE 3-26-83 afternoon

SPONSOR Marks

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE _____ COMMITTEE

BILL 914

DATE _____

SPONSOR Asay

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE

Appropriations

COMMITTEE

BILL

HB919

DATE _____

3-27-83

SPONSOR

Peech[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE

Appropriations

COMMITTEE

BILL

HB 920

DATE _____

3/27/83 a.m.

SPONSOR

Parlammak

State Society

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE

Appropriations

COMMITTEE

BILL

HB 921

DATE _____

3-27-83 a.m.

SPONSOR

Kesari

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE

COMMITTEE

BILL

~~DATE~~

SPONSOR

SPONSOR Fabrega

Judgment against
Dept. of Revenue

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE

COMMITTEE

BILL

DATE 3/27/83 a.m.

SPONSOR.

Judgment for attorney fees, etc. -
Dept. of Revenue

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

STANDING COMMITTEE REPORT

MARCH 28,

19 83

MR. Speaker

We, your committee on Appropriations

having had under consideration House Bill No. 217

First

White

reading copy ()
color

A BILL FOR AN ACT ENTITLED: "AN ACT TO RESTORE LOW INCOME HOME
ENERGY ASSISTANCE BLOCK GRANT MONEY TO NEEDY MONTANANS; AND PROVIDING
AN IMMEDIATE EFFECTIVE DATE."

Respectfully report as follows: That House Bill No. 217

DO NOT PASS

~~DO PASS~~

STANDING COMMITTEE REPORT

MARCH 28

19 83

SPEAKER

MR.

APPROPRIATIONS

We, your committee on

HOUSE

having had under consideration Bill No. 793

SECOND

reading copy (**YELLOW**)
color

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR OPTIONAL LOCAL GOVERNMENT TAXES; AUTHORIZING A 55-MILL ALL-PURPOSE LEVY FOR COUNTIES, A LOCAL GOVERNMENT INCOME TAX NOT TO EXCEED 20 PERCENT OF STATE INCOME TAX LIABILITIES TO BE ESTABLISHED COUNTYWIDE AFTER APPROVAL BY THE ELECTORATE, A LOCAL GOVERNMENT MOTOR VEHICLE LICENSE FEE, AND A HOTEL OR MOTEL ROOM TAX; AMENDING SECTION 7-6-2220, MCA; AND PROVIDING AN EFFECTIVE DATE."

HOUSE

Respectfully report as follows: That Bill No. 793

DO PASS

STANDING COMMITTEE REPORT

MARCH 28, 19 83

MR. **SPEAKER**

We, your committee on **APPROPRIATIONS**

having had under consideration **HOUSE** Bill No. **921**

FIRST reading copy (**WHITE**)
color

A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE FUNDS TO THE GOVERNOR'S OFFICE TO CONDUCT AN INQUIRY INTO THE LEGAL RESPONSIBILITIES FOR RECLAMATION OF THE LANDS AFFECTED BY MINING AND SMELTING AND FOR THE IMPACTS OF THE CLOSURE OF MINING AND SMELTING OPERATIONS IN THE BUTTE-ANACONDA AREA AND THE LEGAL REMEDIES FOR THOSE IMPACTS; REQUIRING THE ENVIRONMENTAL QUALITY COUNCIL TO MONITOR AND ADVISE THE GOVERNOR'S OFFICE ON THE INQUIRY; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Respectfully report as follows: That **HOUSE** Bill No. **921**

DO NOT PASS

DO PASS

STANDING COMMITTEE REPORT

March 28

83

19.....

SPEAKER

MR.

APPROPRIATIONS

We, your committee on

HOUSE

914

having had under consideration Bill No.

SECOND

reading copy (**YELLOW**)

color

**A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR ANALYSIS OF THE
POTENTIAL FOR A JOINT WATER DEVELOPMENT PROJECT BETWEEN MONTANA AND
WYOMING ON THE CLARKS FORK OF THE YELLOWSTONE RIVER; AND TO APPROPRIATE
MONEY FOR THE ASSESSMENT."**

HOUSE

914

Respectfully report as follows: That Bill No.

be amended as follows:

**1. Page 3, line 13.
Following: "1985,"
Strike: "\$20,700"
Insert: "\$1,000"**

AND AS AMENDED

DO PASS

STANDING COMMITTEE REPORT

MARCH+28

83

19.....

MR. SPEAKER

We, your committee on APPROPRIATIONS

having had under consideration HOUSE Bill No. 920

FIRST

reading copy : WHITE
Copy

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A STATE LOTTERY AND PROVIDING FOR AN OFFICE OF DIRECTOR OF THE STATE LOTTERY AND FOR PERSONNEL TO OPERATE THE STATE LOTTERY; PROVIDING AN APPROPRIATION; PROVIDING FOR THE APPROPRIATION TO BE REPAID; AMENDING SECTIONS 2-8-103 AND 23-5-202, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Respectfully report as follows: That HOUSE Bill No. 920

DO PASS

STANDING COMMITTEE REPORT

MARCH 28,

83

19.....

MR. SPEAKER.....

We, your committee on APPROPRIATIONS.....

having had under consideration HOUSE..... Bill No. 922

FIRST

reading only (WHITE)
(color)

A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE MONEY TO THE
DEPARTMENT OF REVENUE TO SATISFY A JUDGMENT AGAINST THE DEPARTMENT
OF REVENUE; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Respectfully report as follows: That HOUSE..... Bill No. 922

DO PASS

STANDING COMMITTEE REPORT

MARCH 28,

19 83

MR. SPEAKER

We, your committee on APPROPRIATIONS

having had under consideration HOUSE Bill No. 924

FIRST reading copy (WHITE)
Color

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING FUNDS TO THE
DEPARTMENT OF REVENUE FOR THE PAYMENT OF A JUDGMENT FOR ATTORNEY FEES,
COSTS, AND DISBURSEMENTS AGAINST THE DEPARTMENT; PROVIDING THAT THE
APPROPRIATION IS NONJUDGMENTAL; AND PROVIDING AN IMMEDIATE EFFECTIVE
DATE."

Respectfully report as follows: That HOUSE Bill No. 924

DO PASS

STANDING COMMITTEE REPORT

MARCH 28,

19 83

MR. **SPEAKER**

We, your committee on **APPROPRIATIONS**

having had under consideration **HOUSE** Bill No. **909**

FIRST reading copy (**WHITE**)
color

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A SELECT COMMITTEE OF THE LEGISLATURE TO PREPARE RECOMMENDATIONS FOR PROVIDING SERVICES TO DEVELOPMENTALLY DISABLED PERSONS; PROVIDING FOR STAFFING AND THE USE OF CONSULTANTS BY THE COMMITTEE; APPROPRIATING FUNDS FOR THE COMMITTEE; AND PROVIDING AN EFFECTIVE DATE."

Respectfully report as follows: That **HOUSE** Bill No. **909**

DO PASS

..... March 28 19 23

MR. SPEAKERWe, your committee on APPROPRIATIONShaving had under consideration HOUSE Bill No. 919first reading copy (white)
color

A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE FUNDS TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION FOR PUBLIC SCHOOL SUPPORT OTHER THAN FOR SPECIAL EDUCATION; AND TO REQUIRE THAT THE BOARD OF PUBLIC EDUCATION AND THE SUPERINTENDENT OF PUBLIC INSTRUCTION REPORT TO THE 49TH LEGISLATURE ON HOW THE FUNDS GUARANTEED UNDER THE MAXIMUM BUDGET SCHEDULES CAN BE USED IN THE MOST COST-EFFECTIVE MANNER TO PROVIDE QUALITY EDUCATION WITHIN ACCREDITATION STANDARDS."

Respectfully report as follows: That HOUSE Bill No. 919
be amended as follows:

1. Page 1, line 18.
Following: "education."
Strike: "this appropriation"
2. Page 1, line 19.
Strike: "includes the"
Insert: "The remaining"
Following: "of the"
Insert: "general fund"
3. Page 1, line 20.
Strike: "from the general fund"
4. Page 1, line 21.
Strike: "that remains in"
Insert: "is reappropriated to"

5.
~~DO PASS~~

5. Page 1, line 22.
Strike: "at the end of"
Insert: "for"

6. Page 1, line 23.
Strike: "current"
Following: "biennium"
Strike: "."
Insert: "ending June 30, 1935/"

AND AS AMENDED
DO PASS