

MINUTES OF THE MEETING  
STATE ADMINISTRATION COMMITTEE  
MONTANA STATE SENATE

February 7, 1985

The twentieth meeting of the State Administration Committee was called to order at 10 a.m. on February 5, 1985, by Chairman Jack Haffey in Room 331 of the Capitol Building.

ROLL CALL: All the members were present with Senator Lynch and Senator Tveit arriving late.

CONSIDERATION OF SENATE BILL 193: Senator Richard Manning, Senate District 18, is the sponsor of this bill entitled, "AN ACT TO REPEAL PROVISIONS ON EXPLOSIVES AND MANDATE THE STATE FIRE MARSHAL TO ADOPT EXPLOSIVES RULES BASED ON NATIONALLY RECOGNIZED STANDARDS; AMENDING SECTIONS ... AND ..., MCA; AND REPEALING SECTIONS ..., MCA." In 1984, the Legislative Auditor recommended that the fire marshall review current standards and update state explosives laws. Some of these laws were enacted in 1917 and they are definitely outdated. This bill will help bring those laws into line with the national laws.

PROPOSERS: Bob Kelly, State Fire Marhsall, Department of Justice, supports this bill. At present the laws do not address disposition of explosives or gun powder or blasting agents. Our storage laws are also different than the rest of the country's. The standards used worldwide are the National Fire Protection Association's standard 495. The Fire Marshall should promulgate fire explosives standards. Mr. Kelly felt that we should adopt NFPA 495 which is updated every 3 years. He said NFPA follows OSHA requirements.

Mike Walker, State Fire Marshall's Advisory Board, concurs with all the statements made before. He feels this is a necessary piece of legislation.

OPPOSERS: There were no opposers.

COMMITTEE QUESTIONS: Senator Farrell asked if this wasn't covered under the hazardous material act of the federal government. Mr. Kelly replied that it was, but this goes further. Senator Farrell asked if this was not a federal regulation already. Mr. Kelly said that it could be. Senator Farrell said that we are already regulated by federal rules, and Mr. Kelly replied that we were not regulated in some very important areas. Senator Harding asked if on page 4 where it says the State Fire Marshall shall adopt rules, is this at his discretion.

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Senator Haffey said that there would be a Statement of Intent coming and this would clarify this point. Senator Mohar asked if there was anywhere in this bill where it refers to licensing explosives contractors. Mr. Kelly replied that they do not have the staff to issue licenses all over the state, but a uniform fire and explosives code would allow local government to do that.

Senator Manning closed by saying that at the present time you do not have to have a permit to buy explosives. All you have to do is sign your name and testify that you are of legal age. Most people are licensed in other states, such as Washington. Senator Manning feels this law is needed to update our laws. SENATE BILL 193 is closed.

EXECUTIVE ACTION ON SENATE BILL 193: Executive action on Senate Bill 193 will be taken on Friday, February 8, 1985.

CONSIDERATION OF SENATE BILL 205: Chris Christiaens, Senate District 17, is the sponsor of this bill entitled, "AN ACT CLARIFYING THE COMPENSATION OF COAL BOARD MEMBERS; AMENDING SECTION ..., MCA; AND PROVIDING A RETROACTIVE APPLICABILITY DATE AND AN IMMEDIATE EFFECTIVE DATE." Senator Christiaens said that this bill provides for compensation for the coal board. If you are a public official or an employee who works full time, you cannot be reimbursed, and this is not appropriate for the coal board. Under Section 2-14-1821, the Governor is required to appoint to the Coal Board two members with expertise in education and other persons with public administration expertise. Four of the seven current coal board members fall into one of these two categories and are prohibited from receiving compensation for their participation by Section 2-15-124. This practice obviously works a hardship on a majority of the Coal Board members because the public officials and educators on the Board, are in effect required to subsidize the Board's operation out of their own pockets.

PROPONENTS: Murdo Campbell, Administrative Officer for Coal Board, supports this bill. Mr. Murdo said that this bill does not require an additional fiscal note even though it is retroactive. This is a measure to eliminate a discriminatory practice.

OPPONENTS: There were no opponents.

COMMITTEE QUESTIONS: Senator Haffey said that this would not treat the Coal Board members in a manner different from the other Boards, but would eliminate the discriminatory practice of not paying some members. Mr. Campbell said that that is correct. Senator Mohar wondered if there was something being done about the other smaller boards that fall into this category. Richard Whettle, staff Attorney for the Coal Board,

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said that House Bill 394 was heard yesterday and it would update the compensation of several other boards. Senator Haffey said it was his understanding that there are other boards which have requirements with regard to membership that cost the persons serving on the boards in the same way. Senator Christiaens said there were and named the Human Resource Commission. Senator Tveit asked if the members would get \$50.00 per day in addition to their salary for serving on the Board. Senator Christiaens said normally salary plus \$50.00 per day. Mr. Whettle said that right now they have a member of the Coal Board who takes annual leave in order to serve on the Board, so he is losing a day's pay in order to serve on this board.

Senator Christiaens said in closing it should also be noted that in addition to providing a remedy for the compensation deficiencies this will have no additional financial impact, even though it is retroactive to June 30, 1984, since the current budget provides the funds for all Board members to be compensated equally. SENATE BILL 205 is closed. (For more of Senator Christiaens testimony see Exhibit "A" attached hereto and by this reference made a part hereof.)

EXECUTIVE ACTION ON SENATE BILL 205: Executive action will be deferred until Friday, February 8, 1985.

CONSIDERATION OF SENATE BILL 221: Senator Richard Manning, Senate District 18, is the sponsor of this bill entitled, "AN ACT REVISING THE LAW RELATING TO THE REGULATION OF HORSE-RACING; INCREASING BOARD COMPENSATION FOR PARITY WITH OTHER BOARDS; CLARIFYING THAT RACING OFFICIALS MAY NOT WAGER AT MONTANA MEETS; ALLOWING NONPARIMUTUEL RACE DAYS; AND ALLOWING THE BOARD OF HORSERACING TO RECOVER REGULATORY COSTS; AMENDING SECTIONS ..., MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE." This bill increases compensation for the board members. It disallows members of the board or their immediate family to wager on the races. Senator Manning said the board needed money in order to continue to regulate the races as the law states. If you will notice, they have figured this fiscal note at the maximum. It will probably not cost this much.

PROPOSERS: Steve Meloy, Executive Secretary of the Board of Horse Racing, supports this bill.

Linda King, Board of Horse Racing, supports this bill. Ms. King said that they figure that it will cost \$225.00 per day to run the races and that is why the fiscal note reads like it does. Ms. King said that if they don't receive this money, the board will have to close its doors in which case there will be no more horse racing. Ms. King felt that the Board should have the power to levy taxes in order to raise this money.

Harold E. Gerke, Chairman of the Board of Horse Racing, supports this bill. Mr. Gerke said that this Board consists of five members and they try very hard on the budget they have to keep the horse races running. This Board is charged with insuring the ethics of horse racing and it takes money to do this. Mr. Gerke felt that they could be fair with everyone, with the big tracks helping the little tracks monetarily.

OPPONENTS: Bob Holland, Montana Quarter Horse Association, opposes this bill. Mr. Holland introduced some amendments to SB-221, and one of the amendments advocated an executive secretary. Since the secretary would be working with the Board, he felt the Board should appoint the executive secretary. Mr. Holland further felt that any retained purses should be sent immediately to the Board of Horse Racing where it could be invested. He said there was an argument over a horse race and that money has been held somewhere for two years. Mr. Holland further felt that the First Judicial District should not have jurisdiction over all horse racing disputes. He felt the jurisdiction should be in whatever county the dispute arises. Mr. Holland felt that giving the Board the power to levy taxes was too broad. He said they could put fees on the smaller tracks which would drive them out of the business.

Steve Pilcher, Last Chance Racing Association, Helena, opposes this bill. Yesterday, I would have appeared in support of this bill, but today I looked at the fiscal note and there is a discrepancy between what I'm being told and what this note shows. Mr. Pilcher said that he discussed it with the Board and they told him that their intent was to charge \$225 per day, plus 1% of the take, and Mr. Pilcher felt that this was excessive. He felt that they should be sure of what they were doing before this law goes into affect. He felt that every time the Board gets into a little financial trouble that they should not be able to run to the tracks and take more money. Mr. Pilcher felt that there should be other alternatives and until there were, he could not be in favor of this bill.

COMMITTEE QUESTIONS: Senator Haffey asked that Senator Lynch work out the amendments with Senator Manning and Steve Meloy, Executive Secretary for the Board of Horse Racing. Senator Mohar asked what the difference was between Parimutuel and nonparimutuel. Mr. Meloy explained that parimutuel meant that there was wagering and nonparimutuel means that they race, but there is no wagering. There was much discussion regarding Mr. Holland's amendments. There was also a lot of discussion regarding how they would be able to finance the Board. Senator Haffey appointed a subcommittee to look into the numerous questions presented by the Board. Senator Haffey asked Senator Lynch to be the chairman of this subcommittee, with the members being Senator Manning, Senator Tveit, Senator Anderson and Valencia Lane as staff Attorney.


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Senator Manning closed by saying that if we are going to race horses we should pay our fair share. He felt that we should be very careful in looking to the big tracks to support the small tracks. He told the Committee how much it costs to run a race, with everyone wanting a piece of the pie.

SENATE BILL 221 is closed.

EXECUTIVE ACTION ON SENATE BILL 221: Executive action will be deferred until Friday, February 8, 1985.

The meeting was adjourned at 11:45a.m.

  
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SENATOR JACK HAFFEY, CHAIRMAN

ROLL CALL

STATE ADMINISTRATION

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Thursday  
Date 2-7-85

NAME	PRESENT	ABSENT	EXCUSED
SEANTOR JACK HAFHEY, Chairman	✓		
SENATOR LES HIRSCH, Vice-Chairman	✓		
SENATOR JOHN ANDERSON	✓		
SENATOR MAX CONOVER	✓		
SENATOR WILLIAM FARRELL	✓	mm	
SENATOR ETHEL HARDING	✓		
SENATOR J. D. LYNCH	✓		
SENATOR DICK MANNING	✓		
SENATOR JOHN MOHAR	✓		
SENATOR LARRY TVEIT	✓	Leto mm	

COMMITTEE ON

## NAME \_\_\_\_\_

REPRESENTING

BILL #

## Check One

## Support

Oppose

(Please leave prepared statement with Secretary)

Exhibit "A"  
SB-205  
2-7-85

SENATE BILL 205

This bill, Senate Bill 205, is a measure to remedy existing deficiencies in the current statutes governing compensation for Coal Board members by establishing compensation provisions specifically for the Board.

At the present time, Coal Board members are compensated under Section 2-15-124 relating to quasi-judicial Boards which in turn prohibits compensation under any circumstances for Board members who are "full-time public officers or employees". (The Coal Board is not designated by law as a quasi-judicial Board.)

Although this provision may be appropriate for other existing boards, it is not appropriate in the case of the Coal Board because of its unique makeup. Under Section 2-15-1821, the Governor is required to appoint to the Coal Board two members with expertise in education and other persons with public administration expertise.

Historically, the Governor has responded to these requirements by appointing to the Coal Board public school and university educators and elected public officials. Four of the seven current Coal Board members fall into one of these two categories and are prohibited from receiving compensation for their participation by Section 2-15-124. This practice obviously works a hardship on a majority of the Coal Board members because the public officials and educators on the Board, are in effect required to subsidize the Boards operation out of their own pockets. This practice in turn creates an unfortunate division between the members of the Board under the existing law.



The successful passage of Senate Bill 205 will alleviate this discriminatory practice and compensate all Board members in a manner that is consistent.

In closing it should also be noted that in addition to providing a remedy for the compensation deficiencies this will will have no additional financial impact, even though it is retroactive to June 30, 1984, since the current budget provides the funds for all Board members to be compensated equally.