

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

February 13, 1985

The 8th meeting of the Senate Finance and Claims Committee met in room 108 of the State Capitol on the above date. Roll call was taken and the chairman, Senator Regan, called the meeting to order at 6:05 p.m.

ROLL CALL: All members were present.

CONSIDERATION OF HOUSE BILL 141: Senator Jacobson presented the bill for the sponsor, Representative Manuel. She said the reason she was presenting the bill was because it had been heard in and transferred from the Public Health Committee. She said in that committee they had a real problem. We passed it, then killed it, and than came back and moved to reconsider and send it down here. The reason for the problem is subcommittee requested Dr. Drynan to start charging for the processing for the lab tests that are being done. The minimum charge is \$1.75, I believe. At the time he was required to do it, he pointed out that syphilis tests and sometimes in the case of prenatal people they are required often by law to go in and take the test. The law makes you take the test if there is any chance you might carry syphilis. During this legislative session he brought in the bill to clarify that he could charge since it now states he cannot. Our committee was debating and thought maybe he should not charge for these tests that are required. Dr. Drynan is in a dilemma. If he does charge he is doing it illegally, if he does not charge he will need \$25,000 to pay back what he has charged.

Senator Regan: Senator Jacobson, do you have a recommendation to make to this committee?

Senator Jacobson: The majority of the committee on Public Health did not feel it proper to charge for a test that is required by law. I believe, if you decide not to charge, you should have to make a recommendation to fund Dr. Drynan for the biennium.

Proponents: Dr. Drynan: When in the last session we were required to charge a handling fee to fund the laboratory division as a means of relieving the general fund. In 50-18-104, (2) "On request the department shall make laboratory tests required by this chapter without charge." This is the section on Serological test for syphilis. The first thing is that by charging a handling charge we are in violation of the law that has been on the books since 1947. This law is an attempt to amend that law so that we can charge the handling charge. If the bill does not pass, we should have to refund to the many people throughout the state. In the prenatal test the serological test is mandated. There is nothing in the law that says we cannot do it with prenatals. We could charge there. On the treatment and prevention, we cannot do it there. We are 25,000 dollars in violation and in addition if we remain

in violation we will go against the legislative audit exception. I pointed out the problem with this 2 years ago, but we were mandated by the legislature to make the charge anyway.

Yvonne Sylva, Administrator of Management Services Division, State Department of Health and Environmental Sciences spoke as a proponent for the bill, her testimony is attached as exhibit 1.

There were no further proponents, no opponents, and Chairman Regan asked if there were questions from the committee.

Senator Keating: Did the subcommittee consider this appropriation in their current hearings?

Senator Christiaens: Not that I recall.

Senator Regan: Dr. Drynan, was this brought to the attention of the subcommittee?

Dr. Drynan: We had been through the subcommittee before this had passed through the House and the handling charge was continued by the committee on appropriation. We have not had a chance to go back, depending on the outcome.

Senator Christiaens: For the prenatal, would the charge amount to about \$7,000 of the \$25,000?

Dr. Drynan: No, in addition to it. The other part--we are estimating the amount of tests on serology. The disease is on the upswing, and the cost could even increase.

Senator Keating: What is the history of the law? How long was it in before making this change.

Dr. Drynan: The law came into effect in 1946, and it is only since 1983 when it was mandated that we have been charging a handling charge.

Senator Keating: Have you had any complaints about the fact that you were requiring them and charging for them?

Dr. Drynan: Not from the public but from the legislative auditor. It is not in compliance with the law.

Senator Jacobson: In our committee it was more of a philosophical debate. The charge is to the lab. If the patient is being charged it is probably coming in on the lab charge to the doctor or hospital.

Senator Keating: May we know what the audit says.

Dr. Drynan: They do not have the report out as yet, but the auditor has looked at it and said it will be an exception. They will be doing an audit report on the Health Department.

Senator Keating: Would any of the tests be in connection with medicare, medicaid or whatever?

Dr. Drynan: Not unless the families were on medicaid eligibility. I don't think it is covered.

Senator Keating: This is being requested in anticipation of an audit report?

Senator Aklestad: The charge is arbitrarily for the tests?

Dr. Drynan: No. There is nothing arbitrary about it. We were mandated by the appropriation committee to charge for the handling.

Senator Jacobson: I would close by saying we really do have to make up our mind in this committee. We either pass it or recommend to the appropriation committee that they put in the funds necessary.

MOTION by Senator Story: I would move the bill be concurred in. Voted, passed, unanimous.

Senator Regan said we have to take executive action on Senate bill 270.

MOTION by Senator Christiaens to move the bill. Senator Haffey said either pass the amendments or whatever, but to make it simple, if you are going to kill the bill, kill it. If you do pass it, pass it with the amendments. He said he would move the amendments.

MOTION WITHDRAWN: Senator Christiaens said he would withdraw his motion.

MOTION by Senator Haffey to adopt the amendments. They simply say rather than for 2 years it is for 4 years or until \$15 million is accumulated in the rail assistance fund.

QUESTION was called, the motion was voted and the amendments were adopted, with Senators Christiaens, Gage, Regan, Hims1 and Keating voting no.

MOTION by Senator Hammond that S. B. 270 as amended do pass.

Senator Haffey: Discussion is the real reason this bill is brought up. It is so that the Legislature and at least one committee consciously addresses the transportation and the fact that the BA & P would be nice to keep, Senator Hammond and others are in areas where they might really be needed. This is a place where it is said as a matter of policy.

Senator Keating: I passed out a sheet. (EXHIBIT 2) They

said \$2 million a year when it was abandoned. In 1982 \$400,000 and the net loss on the line from Richland to Sidney was \$25,000 a year and that is why the Public Service Commission allowed it to be abandoned. The maintenance alone on these lines is tremendous. This comes from the American Association of Railroads, Washington D. C. Just the maintenance in the operation on rail structures--\$724,956 per mile per year including the capital expenditures--Just maintenance \$15,800 per year per mile. There would not be enough money for one to get rolling let alone 6 of them. If each has a little bit nothing will get done. If you would like to select one or the other nobody is going to be happy. None will be profitable. A subsidy of taxpayers' money. I sympathize with you in moving your wheat but no way to move it down the railroad at a price you can afford. As of right now the Department of Commerce has one engineer that the railroad trained for the Geraldine line. As a part of their way to escape it, they are willing to pay \$8 million to get out from under the turkey. A retired engineer from the state is driving the locomotive up and down the line. You are wasting a lot of coal tax money. You are stealing money from the school kids and that is bad.

Senator Smith: I have one comment. He said they already have an engineer in the Department of Commerce. We set that budget and I have never heard about it. In regards to transportation, it may not do all the things we intend to do with it. It is a big problem in the state. I think maybe this could be used better in schools.

Senator Hammond: These lines run from east to west because the grain used to always go east. Now it goes west. It behooved the railroad lines to show as high an expense as possible. The state owns the highways and tears them up or own the railroad rights of way which is much cheaper. In our area the appraisal for the people was \$1½ million salvage and \$2 million to put it into usable condition and it would probably last with the kind of traffic we would have, for 20 years. Some that were pulled had the year 1928 stamped on them. In the dry area there they do last. They would have the possibility of negotiating price. With the unit trains on the railroad, they said we are doing a good thing for you. They made us haul grain over 104 miles. Many times they had to go all the way through Montana and into Idaho. A brochure I saw said it takes 180 cars to do as much damage on the rail road as one car on the highway. We could really save money for the state because of the reduced repair on the highways.

Senator Gage: Farmers in my area said to do all you can for the truckers because they are the only ones that will help to keep the freight rates down.

Senator Hammond: It is the farmers that are hauling the grain.

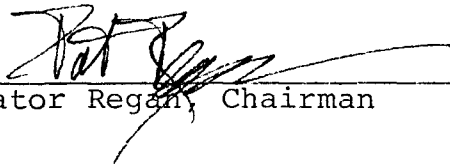
Senator Haffey: This is probably not the most monumental bill

we will have this session. Someday the State will address it again. Now the question is whether we want to get involved in getting our products to market. It is not the same as saying we are going to get into the railroad business and you have x amount of railroad engineers. The average maintenance across the nation is not a good figure for this area. The difference is that it would be probably around \$4,000 to \$5,000 a mile here.

QUESTION was called, S. B. 270 as amended was voted, roll call vote, passed, 9-7.

MOTION by Senator Jacobson we adopt the statement of intent. Voted and passed, Senator Regan voting no.

The meeting adjourned at 7 p.m.



Senator Regan, Chairman

ROLL CALL

SENATE FINANCE AND CLAIMS

COMMITTEE

49th LEGISLATIVE SESSION - - 185

Date 3-13-85

NAME	PRESENT	ABSENT	EXCUSED
SENATOR REGAN	✓		
SENATOR HAFLEY	✓		
SENATOR JACOBSON	✓		
SENATOR AKLESTAD	✓		
SENATOR HAMMOND	✓		
SENATOR LANE	✓		
SENATOR CHRISTLAENS	✓		
SENATOR GAGE	✓		
SENATOR HIMSL	✓		
SENATOR STIMATZ	✓		
SENATOR BOYLAN	✓		
SENATOR STORY	✓		
SENATOR SMITH	✓		
SENATOR MANNING (Dick)	✓		
SENATOR BENGTON	✓		
SENATOR KEATING	✓		

exhib
2-7-85
SB-270

SENATE BILL 270 AMENDMENTS

1. Page 2, line 19.
Following: ~~"June 30"~~ *following line 18*
Strike: "1987"
Insert: "1989"
2. Page 4, line 9.
Following: "June 30"
Strike: "1987"
Insert: "1989"
3. Page 4, line 10.
Following: line 9
Strike: "9%"
Insert: "4%"
4. Page 4, line 12.
Following: "June 30"
Strike: "1987"
Insert: "1989:"
5. Page 4, line 16.
Following: "(1)"
Strike: "and"
Insert: ", "
6. Page 4, line 16.
Following: "(2)"
Insert: "and (3)"

MR. PRESIDENT,

WE, YOUR COMMITTEE ON FINANCE AND CLAIMS HAVING HAD UNDER CONSIDERATION SENATE BILL NO. 270, ATTACH THE FOLLOWING STATEMENT OF INTENT:

STATEMENT OF INTENT

SENATE BILL 270

A statement of intent is required for this bill because it grants rulemaking authority to the department of commerce in section 7.

The department is directed to establish rules to include the following:

(1) establishment of criteria for loan project eligibility, standards for priority selection of approved loans, criteria for loan terms, rates, and repayments, and development of loan application and review procedures;

(2) establishment of mechanisms to secure the public investment;

(3) development of methodologies to extend fund effectiveness with optional blending and leveraging with private sector institutional investment;

(4) assurance that the permissible investments adopted by rules are based on long-term benefit to the Montana economy and aimed at strengthening and stabilizing Montana's rail transportation network while maintaining and improving local community economic vitality; and

(5) procedural rules based on the attorney general's model rules.

Senator Pat Regan

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES



TED SCHWINDEN, GOVERNOR

COGSWELL BUILDING

STATE OF MONTANA

HELENA, MONTANA 59620

TESTIMONY
February 13, 1985

Senator Regan, members of the committee, for the record, I am Yvonne Sylva, Administrator of Management Services Division, State Department of Health and Environmental Sciences, I am here to speak in support of HB 141.

HB 141 was introduced at the request of the Department of Health and Environmental Sciences.

The intent of the proposed legislation is to delete the requirement that syphilis testing be performed without charge. The Forty-Eighth Legislature did not adequately fund the laboratories of the Department. This necessitated implementation of a handling charge to be assessed on all microbiological specimens (including syphilis) to generate the additional revenue necessary to maintain current level laboratory services.

Passage of House Bill 141 will allow the Department to continue to generate necessary revenue from syphilis testing via the handling charge.

Non-passage of this bill would result in an estimated loss of revenue to the Department of approximately \$25,000 next biennium.

I urge your favorable consideration on this bill.

Thank you.

YS/cmb/200

BURLINGTON NORTHERN RAILROAD COMPANY

Segment of Line Newlon Jct. - Richey, Montana
Summary Statement of Revenues and Avoidable Costs
For the Years 1982, 1983 and the First Nine Months of 1984

Item	Year 1982	Year 1983	Jan.-Sept. 1984
(a)	(b)	(c)	(d)
Revenues Attributable For:			
1. Freight Originated/Terminated On-Branch	\$ 400,776	\$ 238,746	\$ 158,802
2. Bridge Traffic	-	-	-
3. All Other Revenue and Income	5,450	4,330	3,970
4. Total Revenues Attributable	\$ 406,226	\$ 243,076	\$ 162,772
Avoidable Costs For:			
5. On-Branch Costs			
a) Way and Structures	\$ 28,724	\$ 35,903	\$ 29,785
b) Equipment - Locomotives	4,064	3,922	1,944
c) Transportation - Train Operations	34,409	35,894	16,918
d) General Administrative	-	-	-
e) Rent Income	-	-	-
f) Rent Costs	-	-	-
g) Revenue Taxes	-	-	-
h) Property Taxes	10,137	12,703	9,527
i) Locomotive Return on Investment	4,122	6,088	2,924
j) Freight Train Car Costs	15,148	9,383	5,277
k) Fringe Benefits	8,780	11,140	7,105
l) Overhead Movement Costs	-	-	-
m) Meals, Taxi and Hotels	-	170	-
6. Subtotal On-Branch Costs (Lines 5a - 5m)	\$ 105,384	\$ 115,203	\$ 73,480
7. Off-Branch Costs	\$ 203,984	\$ 155,261	\$ 114,935
8. Total Avoidable Costs (Line 6 plus Line 7)	\$ 309,368	\$ 270,464	\$ 188,415
9. Net (Loss) Gain From Operations (Line 4 minus Line 8)	\$ 96,858	\$ (27,388)	\$ (25,643)

Costs and Statistics
Finance Department

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date _____

Bill No. _____

Time _____

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson	✓			
Senator Aklestad		✓		
Senator Hammond	✓			
Senator Lane	✓			
Senator Christiaens		✓		
Senator Gage		✓		
Senator Himsl		✓		
Senator Stimatz	✓			
Senator Boylan	✓			
Senator Story		✓		
Senator Smith	✓			
Senator Manning (Dick)	✓			
Senator Bengtson	✓			
Senator Keating		✓		
Senator Reagan		✓		

9 7

Sylvia Kinsey
Secretary

Senator Reagan
Chairman

Motion: SB 270 169

STANDING COMMITTEE REPORT

February 13 19 85

MR. PRESIDENT

We, your committee on Finance and Claims

having had under consideration Senate Bill No. 270

Introduced reading copy (white)
color

LOCAL RAIL SERVICE ASSISTANCE ACCOUNT FROM COAL SEVERANCE TAX

Respectfully report as follows: That Senate No. 270
be amended as follows:

1. Page 2, line 19.
Following: line 18
Strike: "1987"
Insert: "1989"
2. Page 4, line 9.
Following: "June 30,"
Strike: "1987"
Insert: "1989"
3. Page 4, line 10.
Following: line 9
Strike: "98"
Insert: "48"
4. Page 4, line 12.
Following: "June 30,"
Strike: "1987"
Insert: "1989"
5. Page 4, line 16.
Following: "(1)"
Strike: "and"
Insert: ", "
Following: "(2)"
Insert: "and (3)"

AND AS SO AMENDED

DO PASS

~~DO NOT PASS~~

Senator Pat Regan

Chairman.

STANDING COMMITTEE REPORT

February 13

19 85

MR. PRESIDENT

We, your committee on Finance and Claims

having had under consideration House Bill No. 141

third reading copy (Blue)
color

DEPARTMENT OF HEALTH ALLOWED TO CHARGE FOR SYPHILIS TESTS

Jacobson

Respectfully report as follows: That House Bill No. 141

BE CONCURRED IN
~~DO PASS~~

~~XXXXXXXXXX~~

Senator Regan

Chairman.