

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE
Special Session III

June 21, 1986

The second meeting of the Finance and Claims Committee of the Montana State Senate met in room 108 of the State Capitol on the above date.

ROLL CALL: All members were present except Senator Christiaens.

Senator Regan called the meeting to order at 8 a.m. to hear House Bill 1.

CONSIDERATION OF HOUSE BILL 1: Representative Vincent, who said that this is the feed bill, and the major features as passed the House are that it is a 19 day feed bill that allows for a cushion. In the March session we had a 6 day session, we had an 8 day feed bill and at least a portion of that money over the session was necessary to accommodate the expenses of the session. He said he felt the 19 days provided a safeguard, but in his mind does not constitute a target of any kind. Any unappropriated money in the feed bill automatically reverts to the general fund, and do so under this bill three months sooner than they normally would. Normally Jan. 1, 1987; under this bill October 1, 1986. We amended the bill in the House to provide \$25,000 for a comprehensive study of the state's tax system and that had one dissenting vote on the floor of the House. It was sponsored jointly by Representative Ramirez and myself. We also, at the request of Representative Thoft, have an appropriation in this bill for \$4,000 to complete the job of studying the possibility of relocating the Law Enforcement Academy. Representative Thoft and the Long Range Building Committee felt that that amount was necessary to do that job, wrap it up and do it right. I think most of that money would be used to finance on-site visitations to the final 3 potential sites. There is of course money in this feed bill for pre-session. He said they had waited to put in the money until they knew what the actual cost would be for the committee and those who attended during that pre-session week. He said it provides for the contingency of a session that goes longer than a week from today or a week from Monday, but felt it was good management since he did not feel it would make a psychological barrier in completing this session as soon as possible and doing the job right and the money reverts in any case.

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

Senator Hammond: The resolution is still in the House for that \$25,000 for the tax study?

Representative Vincent: No sir, the Revenue Oversight Committee has voted unanimously that they want to begin to conduct the study. They are authorized under the rules of the Legislature to do that. They, however, did not have the funding to begin that study and therefore the funding is in this bill. The authorization is from the legislature and the Revenue Oversight Committee, the funding to do it is in the feed bill because that was the only way to secure the funding. It could not be done in a separate bill under the rules of the special session.

Senator Hims1: Related to the same question. We have had a number of tax studies, and there must be several of them on file. I was wondering -- is it proposed that the oversight committee will have the study ready by January?

Representative Vincent: No Senator, there is no illusion that a study could be undertaken and completed by the first of the year. I think it is a long term study, but unless we start it we are just delaying the eventual conclusion of that work. I think the initial phase, given the House feeling on the floor yesterday, would be primarily to thoroughly assess the new Federal tax law that appears to be headed toward passage in the Senate next week and ultimately through the entire Congress and signed into law by the President. Its impact on our system in Montana and what it might mean and what we might need to do in the '87 session. I think at that time we could assess the work of the committee and determine whether we wanted to fund a continuation of that study. That federal tax change could have some rather dramatic impacts on Montana and our tax situation here.

Senator Keating: How much money has been spent on the law academy committee thus far?

Representative Vincent: Approximately \$5,000.

Senator Keating: One other question. I am just curious how you get three topics in one bill. Just because it is appropriations?

Representative Vincent: Appropriations, and it's the only avenue available to us during the special session.

Senator Smith: I have one question in regard to the state. We are going to appropriate \$25,000. Is that a start up - and then we'll be asked continually to appropriate more money to continue the study?

Representative Vincent: Senator, I think that in all honesty, yes. I don't want to operate under the illusion that this would be it. The MONTREC people have indicated strong support for comprehensive tax study; the last one being done--an all inclusive one--the last one being done in 1961--or in that time frame. There have been other studies, but not an all inclusive tax study since '61, and as far as I know it is a fair statement to say that every major newspaper in Montana has called on the Legislature to bite the bullet and study taxation and start to take a serious look at taxation across the board. Taxes we not only have on board at present, but taxes that we do not have at present--thoroughly analyze them in regard to agriculture, in regard to personal income, in regard to their impact on economic development across the board, so I think there would be a request, Senator, I think we could evaluate it at that time and determine whether we wanted to make that investment in '87.

Senator Smith: I think the last part of your comments were very good because I think we have to look at what effect taxes are--or what impact it's having on business, industry, etc. I think that's the number one thing--what impact it's having and what's happening.

Senator Regan: I have two questions. The first, you made reference to the pre-session, that is the committees that were working, and it's obvious that they have per diem as well as expenses. Does that go for those senators and representatives who signed in--do they get both.

Representative Vincent: Yes. Madam Chairman, I just want to make sure there is no misunderstanding. Under the statutes the members of the committee and Legislators will not be paid per diem, the \$50 per diem. They will be paid up to the maximum allowable state expense which is \$38.50 a day. \$24 for lodging and 3 meals. Everyone will be paid that amount.

Senator Regan: Well good. One last question. When we leave, obviously there is a great deal of wrap-up work, and I've seen it -- there are all kinds of things that have to be done. How long have you allowed. What kind of a time frame did you leave for the wrap up?

Representative Vincent: We've allowed approximately 2 weeks.

Representative Vincent said he had closed, and Chairman Regan said she would entertain a motion.

DISPOSITION OF HOUSE BILL 1: Senator Manning made a motion that House Bill 1 be adopted.

Senator Aklestad: Under discussion, I guess I have a couple of problems. The first problem isn't of great consequence, but I think under the existing budget restraints and the impact it could have on the Legislature in what we are trying to do here--the pre-session expenditures for those Legislators that weren't either on Finance and Claims, Appropriations, nor the leadership of both houses. I guess I question whether they should be entitled to expenditures since none of those individuals that came down to a committee meeting were able to cast a vote in any of those committees. I question that all of them that were down here were actually at those committee meetings all the time. Under the budget restraints, I question whether they should be included in this bill and paid.

Senator Jacobson: I don't know how many of them were in your meeting, but a lot of them sat through the higher education and University System budget that we were in, and furthermore, they received a memo ahead of time telling them that they would be paid. What I received said that if you wanted to come down, you would be paid for attending those meetings, and I don't really think it's very fair of us to tell them that and they came down in good faith thinking they would get their expenses paid--in fact, I think some of them thought they were being paid salary when they came. I do think that most of them were attending meetings -- at least they were attending the meetings I was in, and they were in the evening meetings that we were in, and I don't think it would be fair to tell them now that they don't get paid for their expenses.

Senator Aklestad: I would agree with Senator Jacobson if that were the terminology that was sent out in that memo. It was not the terminology. It was in that memo stating if the money is appropriated you will be, but it may not be, in that sheet that was sent out.

Representative Vincent: Senator Aklestad, I can't speak to the Senate memo, but the memo I sent out on the House side indicated that funding is contingent upon passage and approval of appropriate amounts in the feed bill. I think that's secondary, however, to this point--that there was an agreement among all leadership that legislators that were not on Appropriations or Finance and Claims Committee, but who attended, who signed vouchers to that effect, would be reimbursed. The leadership was united behind that, and the reason for that is this: You all know that there is sometimes a rub between those members who are not on these committees, and they feel that sometimes they are not encouraged or cannot play a part in this crucial process. We wanted, and Leadership across the board, House, Senate, Republican, Democrat, wanted to make absolutely sure

that every member of this legislature felt that they were fully entitled to play a part in that appropriation process that was undertaken in that pre-session. I think that Leadership has made a very strong statement to that effect and we have made an obligation to our membership, and I think that we would really be upsetting the apple cart and really doing a disservice to those members that came and participated in those hearings. I was here a lot and I saw a lot of attendance at those committee hearings. It was a good way to go.

Senator Regan: I think there is one other thing. If we had not had a pre-session, we would have had Finance and Claims come in at the start of the session. We would have had an awful lot of Representatives and Senators just sitting around doing nothing while the finance subcommittees were doing their work. By bringing the subcommittee in early we actually saved a great deal of money, and we said to the rest of the body, if you want to come and be part of it as though it were part of the regular session--come on. If you don't, you're not compelled to. I think actually in the long run we saved money because if we hadn't done that we would have to do all this work the first week and we wouldn't have even got off the ground.

Senator Hammond: Has this happened before?

Senator Regan: Yes, we did this last January when the Finance and Claims and Appropriations came in early for the review of the LFA analysis.

Senator Hammond: Have we ever done this where we said anybody else could come in. We wanted you and we would pay you for being in.

Senator Regan: Yes.

Representative Vincent: We did that in 1981, in the budget special session we had then.

Senator Hammond: In the committees that I sat in I saw people come in and leave. I didn't see them stay any great length of time, and the people I saw were those who lived close by. I didn't see many of those who came here and stayed, and I wonder if it has served the purpose that you really intended it to serve.

Senator Regan: I actually think that it has. I think that if some of those Senators and Representatives that were very concerned about the Universities or the Institutions--they were vitally concerned because that's in their back yard, and they

had to understand what was going on there, and those people especially sat through those hearings, and if we had not made that kind of allowance, we would in essence be shutting them out. I think we would find much less acceptance of the bill. This has been tough, and the work that you have done has been very tough on people in their home districts because it is going to impact them. At least they have a better understanding and feel as though they are part of the process.

Senator Hammond: One other question. Do you have any indication at this time of how many made use of that opportunity?

Senator Regan: I am sure that Legislative Council has all the figures and can give them to you if you like. (turning to Diana Dowling) Can you furnish?

Diana Dowling: There were 29 senators turned in claims, and I believe, John, 51 House members, so half of them did not take advantage of that, so you saved that much money.

Representative Vincent: If I may interject here--of those who did turn in claims, very few turned in claims for the entire week. In fact, the total amount, given current figures, the total amount appropriated for that particular function is less than 4% of the feed bill.

Senator Jacobson: I think we want to remember too, that the expenses they are turning in are actual expenses--we are not paying them any salary. We are paying them for the actual hotel room that they used and the meals that they ate.

Senator Regan: They have to provide a slip showing where they stayed and they get the minimum rate for the state.

Senator Boylan: I think maybe the ones that serve on the regular committees are subject to roll call, and I think that in the future they might have a sign-in sheet--not only to protect themselves, but to protect the quality of the Legislature. It would be in the Legislative Council or someplace since they move from one committee to another. They could sign in that they are actually in Helena. It is just a suggestion.

Senator Aklestad: I have one other subject, and Senator Bengtson would have an interest in this since it is pertaining to the Law Enforcement Academy. I don't know if we are ever going to come to a conclusion that is going to be accepted by the Legislature since we are in such a budget crunch. Since the Law Enforcement Academy, I suppose at the minimum no matter what plan we take is going to be maybe a \$2 million or a \$2.5 million expenditure.

Senator Bengtson: As high as \$4 million.

Senator Aklestad: No, it could go from \$2 million 5 to 6 million if we take the Attorney General's proposal, and looking at the budget crush now and what's going to happen in '87 I'm afraid that this study is not going to be adhered to. I guess I question at this time if we should put \$4,000 more into the study if it cannot, realistically cannot--at least we come to a conclusion of the study, but what we come up with realistically will not be adhered to. I guess I would like some discussion on that. Maybe Senator Bengtson would have something on that--I'm on the study too, and I'd hate to squelch the thing, but even the members on the study realize at this time that the state isn't going to have the money.

Senator Bengtson: There is some substance in great part to what you're saving Senator Aklestad. This has gotten to be a very political and a very tough committee. That committee was only appropriated \$5,000, and just to get it accepted into one of the interim studies. We have been having a lack of funds, but I too, like Senator Aklestad, am concerned about all work that is going into this committee and knowing full well we're not going to be building a Law Enforcement Academy or even making that expenditure, and to come up with the right decision and the right decision for that academy --I'm wondering, if we don't do it in '87 biennium, or take heed in the '87th legislative session and accept our recommendations, then when--will it all be for naught? We have not had time to go to any of the sites. There have been 16 of them, and in the next week they will be narrowing them down 3. A & D and staff will be narrowing that down to 3. We will be having a meeting during the special session, this next week. We need the money. We need \$4,000, there is no doubt about it. Jack, you're on the committee too. I don't want to scrub that \$4,000 but you must realize if we don't go and see those sites you must realize that it is just Tom O'Connell and Tom Gomez that's going, and certainly they're not the decision makers. So, we need the money.

Senator Himsl: I don't have any problem with the feed bill, but I think I do have a problem with the issue that was raised earlier, and that is incorporating in the feed bill that's not an appropriation bill, not authorized to carry more than one subject matter. We are appropriating for other sections here, for activities for which we have no separate bill. I am sure it will pass, but I am a little bit disturbed that our special moves that apply in a special session--in the last one we had an appropriation that went to the Department of Agriculture that this appropriation committee never even saw. Now we're asked to pass judgment on this Law Enforcement Academy that ought to be separate, as well as a study. Maybe they've got merit, but it seems to me that we're stretching something here, or somebody is operating under different rules when we incorporate them in a feed bill.

Senator Keating indicated a desire to review the issues and discussion was held on whether to do so by segregating, motions, substitute motions, etc.

Senator Story: I'll make the motion in its proper form. I move we strike section 3 in its entirety.

Second by Senator Gage, discussion was requested by the chairman.

Senator Smith: I have a question of Representative Vincent. If we strike this, there is still a mechanism so that this study could be considered and the money appropriated.

Representative Vincent: No, Senator, there isn't. Short of a ruling by the joint rules committee, short of suspension of the rules in both houses, I would also--this \$25,000 was a bipartisan figure that received very very strong bipartisan support. It was put in with the upmost cooperation.

Senator Story: I have just the one comment. When we come back here next January, it will depend on our own inclinations whether we'll support whatever the study says and it will depend on just how far down the slope Montana has come to that point.

Question was called for and voted on. The motion failed.

Senator Story: I move to strike section 2 in its entirety.
Seconded by Senator Keating.

Senator Story: We'll be troubled to pay our electric bill next time, much less law academies or anything like that.

Question was called for, voted, roll call vote, motion passed.

Senator Regan: (after some discussion on vote) announced the motion had carried and section 2 could be stricken from the bill and the sections renumbered.

Senator Bengtson: I really have some real strong feelings about that, if you want to just scrap all that study. Right now, after all these cities and towns have submitted these proposals and things. They have spent thousands of dollars on their architectural drawings and they have attended all of the meetings. There's been lots and lots of work gone into it for us to just scrap it. It seems just ridiculous. We really need to finish it up and at least come up with a recommendation. If that committee is not allowed to visit those 3 facilities, then what's the use of it all. We've spent a lot of time and money on this study.

Senator Bengtson discussed the charge of the resolution to come up with the recommendation, and if the committee wanted the A & E and Tom Gomez from the Legislative Council to make the decision, and the irresponsibility she felt was being shown in the last motion.

Senator Regan asked Mrs. Dowling if there was any money left in the Legislative Council budget to cover it.

Senator Bengtson: No, we have gone to them.

Senator Gage: I don't look at this as lost--Rome wasn't built in a day, and the world isn't going to come to an end in the next year or so. Somewhere down the line when the state gets into a position to continue on with that, the plan will still be there, the site will still be there. I don't think this work will be lost at all.

MOTION: Senator Aklestad: I have a motion that only those members attending the pre-session caucus that were members of the Senate Finance and Claims and the House Appropriations Committee and of the leadership of both Houses will be paid for the pre-session. I emphasize only those members that did attend. Members of those committees that maybe didn't attend, I don't know.

Senator Regan asked if there was a second to the motion and it was decided it was not necessary to have a second. Question was called and voted. Senator Aklestad voting yes, and the remaining members voting no. The motion failed.

Senator Story: I have a question. Does that motion, the failure of that motion, are we paying them or are we barely giving them their expenses?

Senator Regan: Expenses, as I understand. Those that attended the meetings but were not either leadership or members of the committee are paid actual expenses, is that not right--they have to turn in receipts.

Representative Vincent: The rules are the same for everybody. Salary and expenses.

Senator Regan: But they must turn in their lodging--.

Representative Vincent: That's right. And I would like to point out that that entire process has already taken place. The commitment has taken place and I've scrutinized 51 claims on the

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the House side. I have reduced the amount claimed in about 10 or 12 circumstances under statute and other considerations as well, and that the entire amount again represents much less than 2% of the entire feed bill. I feel very strongly that it ought to remain in there, that we made a commitment to our membership, they took it at good faith, and we ought to follow through.

Senator Regan: We are back to our original motion that House Bill 1 do pass as amended.

Question was called, voted, passed with Senator Aklestad voting no.

The meeting was adjourned.



Senator Regan, Chairman

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ROLL CALLSENATE FINANCE AND CLAIMSCOMMITTEE

49th LEGISLATIVE SESSION - - 185

Date 6-21-86

NAME	PRESENT	ABSENT	EXCUSED
SENATOR REGAN	✓		
SENATOR HAFLEY	✓		
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 BENGTON	✓		
SENATOR KEATING	✓		

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date

6-21-86

Bill No. _____

Time

9:27

Name

YES

NO

ABSENT

EXCUSED

Senator Haffey

x

Senator Jacobson

x

Senator Aklestad

x

Senator Hammond

x

Senator Lane

x

Senator Christiaens

x

Senator Gage

x

Senator Himsl

x

Senator Stimatz

x

Senator Boylan

x

Senator Story

x

Senator Smith

x

Senator Manning (Dick)

x

Senator Bengtson

x

Senator Keating

x

Senator Regan

x

7 8

Sylvia Kinsey
SecretarySenator Regan
Chairman

Motion:

motion 32-1-C2-23

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date

6-21-86

Bill No.

1

Time

9:29 AM

Name

YES

NO

ABSENT

EXCUSED

Senator Haffey

^

Senator Jacobson

x

Senator Aklestad

x

Senator Hammond

x

Senator Lane

x

Senator Christiaens

x

Senator Gage

x

Senator Himsl

x

Senator Stimatz

x

Senator Boylan

x

Senator Story

x

Senator Smith

^

Senator Manning (Dick)

x

Senator Bengtson

x

Senator Keating

x

Senator Regan

x

8

7

Sylvia Kinsey

Secretary

Senator Regan

Chairman

Motion:

motion 2-1-862-1-86

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date 6-21-86NBBill No. 1Time 9:29

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

Sylvia Kinsey
Secretary

Senator Regan
Chairman

Motion: 169 ✓