

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
49th LEGISLATURE SPECIAL SESSION III
HOUSE OR REPRESENTATIVES

June 26, 1986

The meeting of the State Administration Committee was called to order by Chairman Sales on June 26, 1986 at 2:45 p.m. in Room 317 of the State Capitol.

ROLL CALL: Sixteen members were present and Reps. Garcia and Harbin were excused with Rep. Harbin appearing during the meeting and was present to vote.

CONSIDERATION OF SENATE BILL NO. 18: Senator Paul Boylan, sponsor of the bill, spoke to the Committee and explained the mechanics of the bill. He said that this was a luxury in state government and with the budget crunch the office should be assigned to the Legislative Council who say they could administer the office with one person working half time. He pointed out that the fiscal note says the savings would be \$60,000 but he disagreed with that and felt it would be closer to \$100,000. He said of the \$133,731 to administer the office, \$132,000 of that money is appropriated from the general fund and said anywhere there is a possibility of saving money at this time should be taken advantage of. As originally written, the bill had an immediate effective date, however, that was amended in the Senate to December 31, 1986.

PROPOSERS: Rep. Marian Hanson, House District #100, said that with the budget problems at this time she felt it was a logical piece of legislation. She thought it should be placed in the office of secretary of state but supports Sen. Boylan's bill placing it in the Legislative Council.

Former Senator Carroll Graham also spoke as a proponent of the bill and gave several examples of violations in his area which were not investigated and nothing was done about them. He said that if nothing is going to be pursued by the Commissioner then the office should be placed in another area.

Keith Anderson, Montana Taxpayers Association, said that the lobbyist reporting act had been ruled unconstitutional and said the original intent was to set up a police state to say what associations could do. The Montana Taxpayers Association was one of the larger spenders and said the whole thing is meaningless. He said he was in favor of trying to save the state some money and this was a good place to start. He commended Sen. Boylan for introducing the legislation and he also commended Peg Krivec, the present Commissioner, for a job well done.

George Allen, Montana Retail Association, said that any time money could be saved for the state and taxes not increased he would be in support of the bill.

Roland E. Pratt, Montana Restaurant Association, Montana Optometric Association and the Montana Funeral Association also appeared as a proponent to the bill. He said that representing the above associations, he did not have the amount of money that some of the larger associations had said the intent of the legislation is to be commended.

OPPONENTS: Don Judge, Montana State AFL-CIO, the largest of the PACS in Montana, agreed that the lobbyist reporting is disagreeable to many but as responsible citizens this should continue. He also read portions of the codes that would be deleted if this bill should pass and did not think that Sen. Boylan intended for that to be the case.

Kelly Jenkins, representing Common Cause, furnished the Committee with Exhibit #1, and said that it is a law that is working and should not be changed at this time. He said he would like to see some rulemaking changes in the bill and also talked about some other sections that would be repealed by the bill other than the ones mentioned by Don Judge. He suggested that this be looked at in January at the regular session and said that there was not time to analyze everything that would be affected by the bill. Initiative 85 was passed by the people by 2-1 vote and that should be taken into consideration - that it was the wishes of the people.

Blake Wordahl, Montana Democratic Party, said that the office ensures that fairness plays a part in political campaigns. He said the office had done what it had been set up to do. He also agreed that this was not the time to take this on and it should be done at the regular session when the citizens can participate.

Rep. Paul Pistoria said that he disagreed with Sen. Boylan and felt that he was trying to sneak this in and said it was not the time to do it. He said that the office was well worth the money that was appropriated for administering the office. He said he wants to know who is donating money to campaigns and said it should be brought up at the regular session.

Rep. Ben Cohen, also an opponent, said he was concerned about the lobbyist portion of the bill and told the Committee about his personal experiences in regard to the phosphate pollution in the Flathead valley. It was only through this act that he had any idea who was lobbying against the bill.

DISCUSSION OF SENATE BILL NO. 18: Rep. Phillips asked Ms. Krivec what kind of violations have been reported and what has happened to them. Ms. Krivec said her office tries not to go to court and tries to educate and inform people so there are no violations. However, if there are complaints she asked that they be put in writing when submitted to her office. It is only if they are in writing and the person submitting the

complaint is willing to stand behind the complaint that her office can do anything. Rep. Phillips asked Ms. Krivec if there had been a court and she replied that there had been one in almost six years that she had been in the office and that was settled out of court.

Rep. Veleber asked Sen. Boylan what the savings would be to the state. Sen. Boylan said it would be the cost of operating the office at the present time minus the cost of one one-half FTE.

Chairman Sales asked Sen. Boylan who had drafted the bill and he replied that John McMasters had done so - the request was submitted to the Council long before the special session.

There being no further proponents or opponents, Sen. Boylan closed his presentation of the bill and said he had not intended to repeal all of the language referred to by Don Judge. He intended that the law remain basically the same but a different body would handle the operation. He agreed that Mr. Judge did point out a number of things but said the Council knew what he was trying to accomplish with the bill. He said that some of our laws are deemed to be sacred and said that something can be done about them instead of adding on to them. He also said that education must be funded in the state and that our young people are more sacred than anything else.

EXECUTIVE ACTION:

Rep. Pistoria moved that SB 18 DO NOT PASS, seconded by Rep. Veleber. Roll call vote was taken, a copy of which is attached to the minutes and the bill will come out of Committee on a TIE VOTE WITH NO RECOMMENDATION. The chairman also read written votes of Reps. Jenkins, Garcia and Janet Moore which were left with him and are also attached to the minutes.

The meeting was adjourned at 3:50 p.m.



WALTER SALES, Chairman

DAILY ROLL CALL

STATE ADMINISTRATION

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 6-26-86

NAME	PRESENT	ABSENT	EXCUSED
SALES, Chairman	/		
O'CONNELL	✓		
CAMPBELL	/		
CODY	/		
COMPTON	✓		
GARCIA			✓
HARBIN	✓		✓
HAYNE	/		
HOLLIDAY	/		
JENKINS	/		
KENNERLY	/		
MOORE	/		
NELSON	/		
PETERSON	/		
PHILLIPS	/		
PISTORIA	/		
SMITH	—		
VELEBER	/		

ROLL CALL VOTE

STATE ADMINISTRATION

COMMITTEE

DATE 6-26-86 BILL NO. SB-18 NUMBER _____

NAME	AYE	NAY
SALES, Chairman		✓
O'CONNELL	✓	✓
CAMPBELL		✓
CODY	✓	AYE
COMPTON		✓
GARCIA		✓
HARBIN	✓	
HAYNE		✓
HOLLIDAY	✓	
JENKINS	✓	
KENNERLY	✓	
MOORE	✓	✓
NELSON	✓	
PETERSON		✓
PHILLIPS		✓
PISTORIA	✓	
SMITH		✓
VELEBER	✓	

TALLY

9 9

Secretary

Chairman

MOTION:

Do Not Pass Tie Vote

NOTICE OF COMMITTEE HEARING

REPRESENTATIVE SALESTHE STATE ADMINISTRATION COMMITTEE will meeton Thurs. June 26, at 1:30
day (date) (time)in Room # 317. Bills to be discussed areSB-18 Gann Votes yesLouise Sullivan
Secretary

do not pass
Soc. Sec. Act

DARTER

I HAVE ANOTHER COMMITTEE MEETING AT 1:00
WITH 2 BILLS.

PLEASE VOTE me NO on SB-18

MOORE-YES

VISITORS' REGISTER

COMMITTEE

BILL NO. SB 18DATE June 26thSPONSOR Baylen

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Bob	Phil's Practice		X
Peg Krueie	" "		X
Tom Judge	Montana State AFL-CIO		X
Kenny Jenkins	Common Cause		X
Roland PRAJ	MT Restaurant Assoc	✓	
	Optometrist	✓	
	General Services	✓	
George Allery	MT Retail Assoc	✓	
Ben			✓
Rep. Marian H. Hansen	HD # 100	✓	
Blake Wordal	MT Democratic Party		✓
Si Keith Anderson	MT Tax	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

WITNESS STATEMENT

NAME KELLY A. JENKINS BILL NO. SB 18
ADDRESS 930 KESSLER HELENA, MT DATE 6/26/86
WHOM DO YOU REPRESENT? COMMON CAUSE
SUPPORT _____ OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

I-85 WAS AN EXPRESSION OF THE PEOPLE'S WISHES
IT HAS BEEN FINE-TUNED AND IS READY TO BE
PROPERLY IMPLEMENTED. ENFORCEMENT WOULD
BE CRIPPLED UNDER THIS BILL.

THIS BILL WOULD ALSO LEAD TO NO HOLDS BARRED
POLITICAL CAMPAIGNS - THE COUNTY ATTORNEY,
AN ELECTED OFFICIAL ELIGIBLE FOR FURTHER
POLITICAL OFFICE (AS OPPOSED TO THE COMMISSIONER),
IS RESPONSIBLE FOR ENFORCEMENT. AT PRESENT
BEFORE ENFORCEMENT IN COURT THE COMMISSIONER
MUST GIVE AN OPPORTUNITY FOR COMPLIANCE WITH
^(13-37-121, MCA)
THE LAW, WHEREAS THE COUNTY ATTORNEY CAN
INITIATE A COURT ACTION WITHOUT NOTICE.

THE ENFORCEMENT CAN ONLY BE TOO WEAK OR TOO
STRINGENT UNDER THIS BILL - THE FINE TUNING
OF TEN YEARS IS GONE.

STANDING COMMITTEE REPORT

June 26

1966

Mr. Speaker: We, the committee on State Administration

report Senate Bill 13

☐ do pass

☐ do not pass

☐ be concurred in

☐ be not concurred in

☐ as amended

☐ statement of intent attached

XX without recommendation

Walter Sales,

Chairman

Third

reading copy (blue)

color

WE, THE UNDERSIGNED MEMBERS OF THE
STATE ADMINISTRATION COMMITTEE, VOTE TO
ALLOW JANET MOORE TO CHANGE HER VOTE
FROM NAY TO AYE ON THE DO NOT PASS MOTION
ON SENATE BILL 18 TAKEN IN COMMITTEE ON
JUNE) 26TH 1986:

Walter J. Sales
Paul H. Astoria
Rm Nelson
Gay Vaccaro
John Phyllis
Ray Baker
Susan M. Compton
Eugene P. White
Lela O'Connell
Leland Kennerly

Anthony G. Cady
Mary Lou Peterson
Harriet Hayne
Clyde Smith
Loren Jenkins
Bud Campbell

Rodney L Garcia 1:41 PM 6-27-86

MONTANA LEGISLATIVE SPECIAL SESSION
JUNE 1986

Fact Sheet SB 18

* SB 18 repeals the requirement that lobbyists disclose the sources and amounts of money being spent to influence Montana Legislators. The Lobbyist Disclosure Law was passed by a 1980 initiative vote (I-85) by a 2 to 1 margin.

* SB 18 repeals the requirements that Montana legislators disclose personal financial background information. These requirements were also established by the I-85 vote.

* SB 18 repeals Montana's Campaign Practices Code which establishes voluntary election conduct guidelines.

* SB 18 repeals the Office of the Commissioner of Political Practices and repeals functions (such as rulemaking) associated with that office.

* SB 18 shifts those reporting and disclosure requirements not repealed (the reporting of contributions by legislative candidates and of expenditures by PACs would still remain) to the Legislative Council as well as any remaining enforcement provisions.

The Pearl Harbor of political ethics

The Montana Senate has acted in disgraceful fashion on a bill that should never have been introduced in the special budget-balancing session.

We're speaking of Senate Bill 18 — which would sharply curtail this state's hard-won lobbyist disclosure and campaign reporting laws. The measure would abolish the Commissioner of Political Practices office, an independent agency that makes sure candidates for political office obey campaign and fundraising laws and oversees laws regulating lobbyists.

The bill stipulates that, as of early next year, the office's responsibilities would be transferred to the Legislative Council.

It would do away with requirements that political lobbyists disclose which groups or persons give them financial support and how much money they are paid. Political candidates would still be required to submit reports of their campaign finances — but the Legislative Council would become little more than a repository of such records. Enforcement would be seriously weakened.

The bill passed the Senate on third reading by a 25-24 vote Wednesday (with 20 favorable votes from Republican senators and 5 from Democrats, including the bill's sponsor, Paul Boyland, D-Bozeman) and is now headed for the House, where we sincerely hope it will be killed.

The campaign commissioner's office was created in 1975 during the post-Watergate era that coincided with disclosures that then-Gov. Thomas L. Judge had not reported about \$94,000 in campaign contributions. A bipartisan committee worked hard to create an independent campaign commissioner's office to police candidates. This concept was enlarged in 1980 when the people, through an initiative, approved an act requiring lobbyists to disclose their sources of support.

These laws, as much as anything else, have helped restore confidence in government and the political process in this state.

Senate Bill 18 was introduced last week and rammed through the process — with reduced opportunity for citizens and public-interest groups to testify.

It's a sneak attack, the Pearl Harbor of political ethics in Montana.

The House must consign Senate Bill 18 to the junk heap. Lacking that, the governor must veto the measure.

If the Legislature wants to consider fine-tuning or changing laws regarding political campaigns and lobbying activities, fine and dandy. But it should be done in a regular session where the citizens who helped frame the laws would have a full opportunity to participate.

Thursday, June 26, 1986

Great Falls Tribune

OPINIONS

Don't mess with disclosure laws

Some citizen-involvement groups in Helena are hopping mad, and we don't blame them.

Sen. Paul Boylan, D-Bozeman, has introduced a bill to eliminate the Commissioner of Political Practices Office and transfer its responsibilities to the Legislative Council. With the move, the bill would repeal key provisions of the political accountability act which was passed five years ago by 60 percent of the Montana voters through the initiative process.

AN IR VIEW

The act requires lobbyists to disclose what they are spending to influence legislation, and requires political candidates to disclose how much they are receiving from supporters. To put it simply, it lets everyone know where everyone else stands and gets the politicking out of the dark, smoke-filled rooms and into the public eye.

Boylan's move would take the disclosure laws' enforcement powers away from the Commissioner of Political Practices and would not give them to the Legislative Council, leaving the laws toothless.

One would think a law that protects the public's right to know where political money comes from — in fact, a law initiated by the public and not the Legislature — could not be easily tampered with. In fact, the State Administration Committee tabled the bill late last week, but Boylan mustered enough votes to force it onto the Senate floor, where it was passed by the Senate, 25-24, today. It now goes to the House.

Groups like Common Cause and the League of Women Voters are calling him sneaky and underhanded for pushing it through during a special session bent on resolving the state's budget crisis.

Boylan claims his bill, SB18, is a budget matter — claiming it would save \$100,000 a year. But a fiscal note from the Office of Campaign Practices Tuesday said the move would only save \$38,000 a year at most.

That's too little savings — at too big a price — for scrapping one of the most important laws in our state. As a Political Practices attorney said on Monday, "Things would be right back to where they were in 1972 when special interests ran things."

We agree. We're appalled at the Senate's passage of the bill, and we want to see Boylan's proposal defeated in the House.

■ Tom Brown, Publisher
■ Bradley Hurd, Editor
■ Sam Reynolds, Editorial Page Editor

OPINION

6

SB18 is an example of sneaky legislating

The most enraging events of any legislative session are the sneaks, the sleights-of-hand, the skulking business of getting something passed that the lawmakers *know* the public does not want.

Prime skulker in this special session is Senate Bill 18. The bill would shred Montana's lobbyist

Missoulian editorial

disclosure and campaign reporting laws.

With any luck, by the time this editorial appears SB18 will be cooling in the grave, where it belongs.

If not, kill it, legislators. And if it goes to the governor's desk, veto it, Ted Schwinden.

Here is a special session called to deal with Montana's fiscal crisis. The state budget is around \$100 million out of whack. The legislators have plenty to do dealing with just that.

But Sen. Paul Boylan, a Bozeman Democrat, sneaked in SB18 — *with* the help of a lot of his elected cohorts who signed his petition. He touted it as a way to save the state money. SB18 has as much to do with saving the state money as dynamite has to do with the carpentry trade.

Here's some background:

Legislators are politicians. Many dislike laws that compel them to make public their campaign contributors or their own personal finances. Many don't like laws that require lobbyists to register and report how they spend their lobbying money.

Various campaign reform laws were passed in Montana during the 1970s as reaction to the President Nixon and Gov. Tom Judge election scandals. The abuses by both were rampant and clear-cut.

But the Legislature still shied from stiff lobbyist reporting rules and from requirements that individual legislators make public their own business interests.

Six times, beginning in 1975, lobbyist reporting and business disclosure bills were brought to the Legislature. Six times the timid legislators killed the bills.

So supporters of lobbyist disclosure took another tack. They circulated and got Initiative 85 onto the ballot. On Nov. 4, 1980, Montana voters overwhelmingly approved making Initiative 85 a state law.

The people want lobbyist disclosure. They want lawmakers to disclose their business interests.

Like it or not, legislators, the people want all that.

This money-saving measure would, according to the Commissioner of Political Practices Office, save a grand total of \$38,168. It would abolish that office, strip the law of many reporting requirements and rule-making powers, free lobbyists and legislators from disclosure requirements, and

deposit the office's sorry remnants with the Legislative Council.

Saved: \$38,168. Peanuts.

Destroyed: The main mechanisms that ensure lobbyists and candidates for public office will be on the up-and-up.

The only reason this devious bit of devilry ever had a chance is that many legislators and lobbyists dislike the present disclosure laws. The good ol' days were better, when the public's business could be conducted on a good-ol'-boy basis. Dealers could wheel in the lobbies and in the expensive watering holes and lawmakers could dodge telling the public about their most flagrant conflicts of interest.

This comment is written not only in the hope that SB18 will die — it's unbelievable such a monstrosity could become law — but even more to discourage this sneaky approach to legislating, this flim-flam of dressing up a cowbird and calling it a gorgeous swan of budget-cutting.