

MINUTES OF THE MEETING
49TH LEGISLATURE THIRD SPECIAL SESSION
STATE ADMINISTRATION
MONTANA STATE SENATE

June 27, 1986

The State Administration Committee meeting was called to order on the above date, in Room 331 of the State Capitol Building, at 1:50 p.m. by Chairman Haffey.

ROLL CALL: Senators Lynch and Mohar excused, all other members present.

CONSIDERATION OF HB 48: Representative Ed Grady, HD 47, Helena, said the reason for the bill was that the SRS is getting out of the Bill Randolph Shepherd Act so they will be phasing out the blind vending stands within the state and federal buildings around the state. This is mainly because of budget and administrative cuts in that area. This legislation gives blind people preference on bidding. It will keep the program going. SRS has the equipment in the buildings that they will let the blind people use. If something isn't done by the 1st of July, SRS will be selling the equipment. The Department of Administration will oversee the program. The Montana Association of Blind is in full support.

PROPOSERS: Maggie Bulloch, SRS, said they support the bill. It has been a costly program to administer. The preference bill is a good direction and will assist individuals in coffee shops who are blind so they will have equal employment opportunities. Visual Services Division within SRS will be available to these people so they can receive food service training.

Mike Muszkiewicz, Department of Administration, said the Department supports the bill. It gives a tie breaker preference to blind vendors without sacrificing free enterprise. It makes the competition substantially equal and gives the agencies flexibility to determine what they want in their buildings.

OPPOSERS: None.

COMMITTEE QUESTIONS: None.

Representative Grady, in closing, said it gives the blind a goal to help support themselves.

DISPOSITION OF HB 48: Senator Manning moved HB 48 BE CONCURRED IN. Motion carried unanimously. Senator Fuller will carry the bill on the senate floor.

CONSIDERATION OF HB 45: Representative Joe Quilici, HD 71,

Butte said this bill does two things. First, it funds the Public Service Commission through a fee rather than general fund money. It frees up approximately 1.6 million dollars of general fund money. He said the bill absolutely does not give the PSC a blank check. The PSC has to go through the budget process just like they do under regular funding. They have to go through a subcommittee, the full appropriations committee and the finance and claims committee. He referred to page 4 and the top of page 5 in the bill relating to the annual reviews.

He said this measure does not include the motor carriers. Representative Quilici said that, when you take funds from one entity of taxpayer in the state, you are putting the taxes on someone else. The rate payer is going to take up part of this tax. It will cost the average residential rate payer, under Montana Power Company electricity, an added cost of 6.8 cents per month and gas would be about 10 cents. For MDU customers, it would be approximately 9 cents for electricity and 10 cents for gas. He didn't think it would be hardly noticed on the rate bill. The appropriations committee still has the ultimate say on this budget. The power companies still have to justify their budgets before the appropriations committee. Rural electric and co-ops will not come under this because they are not a regulated entity but, without this bill, they will be paying for the regulation of this service and Representative Quilici didn't think this was right. He said all but 10 states in the United States have this method of funding. Washington and Oregon were two that have this method and it is working very well for them, according to conversations he had with administrative people in those states. It is a new method and will free up 1.6 million dollars of general fund money.

PROPOSERS: Wayne Budt, Administrator, Transportation Department, PSC, said the commission supports this type of funding. Eighty per cent of the states use this method of funding and most of the western states use it. He called it a fair tax and it will be placed on the people deriving the benefit from the regulation. Approximately 17% of all Montana rural electric telephone customers are rural cooperatives and they will not come under the PSC.

Gene Phillips, Pacific Power and Light, said they strongly support this legislation. He feels it is in the best interest of rate payers and utility companies.

John Lahr, representing Montana Power Company, said they support this method of funding. He said Washington, Oregon,

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Idaho, Colorado, Wyoming and Utah use this method. It is the same method as used to fund the Consumer Counsel and it has been working very well for them.

John Alke, Montana Dakota Utilities, supported the bill.

OPPONENTS: None.

COMMITTEE QUESTIONS: Senator Farrell asked John Lahr why the termination date is July 1, 1987. Mr. Lahr said one of the members of the House Taxation Committee didn't like this method of funding so he put a sunset provision into the bill so, when the legislature meets in January of 1987, they could either extend or eliminate it at that time.

Senator Hirsch said he thinks it costs too much money to draft new legislation. He suggested the committee delete the July 1, 1987 date and get back with the House on the bill.

Senator Tveit thought a change of funding is an easier process than going through the appropriations process. Mr. Budt said the process is the same.

Senator Haffey told the committee there was a possibility this bill could be re-referred to taxation later this day, depending upon discussion with Senator Norman.

CONSIDERATION OF HJR 3: Senator William Farrell, SD 31, introduced the resolution which honors Martha Ann Burke, as mother of the year. He said the committee had already met her and he hoped the committee would take positive action and send the resolution to the senate floor.

DISPOSITION OF HJR 3: Senator Manning moved HJR 3 BE CONCURRED IN. Motion carried unanimously.

DISPOSITION OF HB 45: Senator Manning moved to reinstate the stricken language "Section 4 of this" and delete the added language "THIS" which put the bill back to the way it was.

Senator Tveit opposed the motion. He thought it opened the door to an easy way of rate increases by the utility companies. He said he would like to look at it in January and see if the bill was as good as they claim.

Question was called on Senator Manning's amendment. Motion carried. Senators Tveit and Harding asked to be recorded as voting no.

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Senator Hirsch moved HB 45, as amended, BE CONCURRED IN.
Motion carried. Senators Tveit and Harding asked to be
recorded as voting no. Senator Haffey will carry the
bill on the senate floor.

There being no further business, the meeting adjourned.



SENATOR JACK HAFFEY, Chairman

ROLL CALL

STATE ADMINISTRATION COMMITTEE

48th LEGISLATIVE SESSION -- 1986

Date 6/27/85

THIRD SPECIAL SESSION

NAME	PRESENT	ABSENT	EXCUSED
SENATOR ANDERSON	✓		
SENATOR CONOVER	✓		
SENATOR FARRELL	✓		
SENATOR HARDING	✓		
SENATOR LYNCH			✓
SENATOR MANNING	✓		
SENATOR MOHAR			✓
SENATOR TVEIT	✓		
SENATOR HIRSCH, Vice Chairman	✓		
SENATOR HAFHEY, Chairman	✓		

Each day attach to minutes.

SENATE SEAT #
22
2
25
28
3
47
9

BILL HB 45
HB 48
HJR 3

VISITORS' REGISTER

DATE 6-27-86

Please note bill no.

NAME	REPRESENTING	BILL #	(check one)	
			SUPPORT	OPPOSE
GENE PHILLIPS	PACIFIC POWER & LIGHT	HB 45	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Maggie Bullard	SRS	HB 48	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bob Nelson	PSC	HB 45	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Nan Elliott	PSC	HB 48	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Wayne Budde	PSC	HB 45	<input checked="" type="checkbox"/>	<input type="checkbox"/>
JOHN A LAHR	MPC	"	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mike MUSZKIEWICZ	DOA	HB 48	<input checked="" type="checkbox"/>	<input type="checkbox"/>
John Alke	MDA	HB 45	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Joe Gulian	Dist 71 #		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

STANDING COMMITTEE REPORT

JUNE 27

1936

MR. PRESIDENT

We, your committee on **STATE ADMINISTRATION**

having had under consideration **HOUSE BILL** No. **48**

third reading copy (blue)
color

Grady (Fuller)

PREFERENCE IN VENDING FACILITIES CONTRACTS TO BLIND PERSONS

Respectfully report as follows: That **HOUSE BILL** No. **48**

BE CONCURRED IN

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SENATOR JACK HAFPEY,

Chairman.

STANDING COMMITTEE REPORT

JUNE 27

1986

MR. PRESIDENT

We, your committee on **STATE ADMINISTRATION**

having had under consideration **HOUSE JOINT RESOLUTION**

No. **3**

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Thomas (Farrell)

HJR HONORING MOTHER OF YEAR MARTHA BURKE

Respectfully report as follows: That **HOUSE JOINT RESOLUTION**

No. **3**

BE CONCURRED IN

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SENATOR JACK HAFPEY,

Chairman.

STANDING COMMITTEE REPORT

June 27

19 86

MR. PRESIDENT

We, your committee on STATE ADMINISTRATION

having had under consideration HOUSE BILL No. 45

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color

Quilici (Haffey)

UTILITY TAX TO FUND PUBLIC SERVICE COMMISSION

Respectfully report as follows: That HOUSE BILL No. 45

Be amended as follows:

1. Page 5, line 12.
Strike: "THIS"
Insert: "Section 4 of this"

AND AS AMENDED
BE CONCURRED IN

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~~XXXXXXXXXX~~

SENATOR JACK HAFFEY,

Chairman.