

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE SENATE

March 26, 1987

The forty-fourth meeting of the State Administration Committee was called to order by Chairman Jack Haffey on March 26, 1987 in Room 331 of the State Capitol at 10:07 a.m.

ROLL CALL: All members were present.

The hearing was opened on House Bill 259.

CONSIDERATION OF HOUSE BILL 259: Representative Cal Winslow, House District 89, Billings, was sponsor for this bill entitled, "AN ACT TO REIMBURSE PERSONS IN STATE SERVICE FOR TAXES CHARGED FOR IN-STATE LODGING; AMENDING SECTION 2-18-501, MCA; AND PROVIDING AN EFFECTIVE DATE." He said this bill was needed because of efforts to levy a bed tax on motels (HB 84) which is an accomodations tax on promotions. He noted for state employees this might create a problem because presently the per diem is limited to \$24 per day. This would also reimburse the employee for the tax he has to pay so that he would not have to pay for the tax out of his own wages. It would amount to about \$83,000 per year he said. He stated it might be advisable to let the bill stay in committee till the fate of HB 84 was known.

PROPONENTS: Kathy Fabiano, Administrator of the Accounting Division of the Department of Administration, noted that the bill had been requested by the Department of Administration. She said they write the rules governing employee state travel and the rules currently allow employees to be reimbursed for taxes as long as the amount does not exceed \$24. Currently state agencies spend about \$2.2 million on in-state lodging and the estimates are that it would cost about \$83,000 to reimburse the employees for taxes paid on lodging. She noted the agencies are not budgeted for this tax and they would either have to reduce travel or make other budget cuts in order to accomodate these costs. (EXHIBIT 1)

Tom Schneider, representing the Montana Public Employee's Association, said they were in support of the bill. He noted the state has not had an increase in per diem in ten years and the last increase was for one dollar. He noted most motels charge more than \$24 and unless an employee can find a motel that charges state rates they must pay the additional charge out of their own earnings. He felt the bill was necessary anyway as there is a resort tax in West Yellowstone already.

OPPONENTS: There were none.

QUESTIONS ON HOUSE BILL 259: Senator Lynch asked if the reimbursement would be for the total amount of the motel or just on

the state rate of \$24. Senator Hofman noted no one picks up his taxes when he travels and felt the state employees should also contribute by paying the tax. Senator Harding noted the employees are traveling to do business for the state and she felt they should be reimbursed for the tax. Senator Anderson asked Tom Schneider if this bill should be passed just to accomodate one bill and Mr. Schneider noted there are a series of bills that this might affect such as a resort tax, local option taxes and the tax in West Yellowstone. Senator Lynch wondered if Rep. Winslow would be receptive to striking "allowable costs" so it would read "and taxes on the cost of lodging." He noted in cases where the employees are forced to pay more than \$24 for lodging he felt they should be reimbursed for the taxes on the whole amount. As long as the per diem is \$24, Rep. Winslow felt it should be limited to that amount.

Senator Lynch wondered if a local tax such as West Yellowstone has would also be reimbursed. Kathy Fabrino felt this would cover both the local and state tax.

Rep. Winslow stated he could not predict what might happen in the future with our taxes but he noted that most people that travel for a business are reimbursed by their company and that the state employees are traveling for state business and he felt it was therefore only fair that they be reimbursed for taxes on per diem lodging too. The hearing was CLOSED on House Bill 29.

EXECUTIVE ACTION ON HOUSE BILL 259: Senator Hofman felt by paying these taxes that the local option tax would remain in the community and the state would be reimbursing the employee for the tax he has to pay. Senator Haffey noted that in some cases the employees are having to pay the additional charges out of their own salaries if a motel charge is over \$24. Senator Rasmussen noted that state employees travel on their own also and pay the tax. Senator Rasmussen then MOVED THAT HOUSE BILL 259 BE CONCURRED IN. Senator Harding seconded the motion. The motion carried with Senator Hofman voting "no." Senator Rasmussen will carry the bill on the Senate floor.

EXECUTIVE ACTION ON HOUSE BILL 721: Senator Farrell assumed the chair as Senator Haffey had to leave the meeting. Senator Lynch reported the subcommittee had met and considered all the proposals that had been submitted. The committee ruled out Senator Story's proposal because they felt the public would not react well to meeting every year for 75 days. On Senator Van Valkenburg's proposal they felt there would be difficulties meeting one year for 90 days and another year for 20 days. They felt there would not be much for the legislators who were not on appropriations or taxation committees to do. The subcommittee felt Representative

Senate State Administration

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Thomas's amendments which were patterned after the State of Wyoming were the best proposal. Senator Lynch then MOVED THAT AMENDMENTS PROPOSED BY REPRESENTATIVE THOMAS BE ADOPTED. Senator Rasmussen stated he felt this would be in improvement because it would not be "riveted" into the constitution that the legislature meet for 50 days one year and 45 days the opposite year and would allow some flexibility for legislative rules.

Senator Vaughn wanted clarification that the length of time for each session could vary but would not exceed 95 days maximum for the two years and a regular session would not exceed 60 days. Senator Lynch was uncertain the public would approve but felt this was a very conservative businesslike approach. The amendments were adopted with Senator Farrell voting "no."

Senator Lynch MOVED THAT HOUSE BILL 721 AS AMENDED BE CONCURRED IN. Senator Hofman asked Senator Farrell why he was voting against the bill. He stated he had no particular problems with the amendments or the bill but just felt that people would not be receptive to yearly sessions. The motion carried with Senators Farrell and Hirsch voting "no." Senator Beck will carry the bill on the Senate floor.

The meeting was adjourned at 10:25 a.m.

cd



SENATOR JACK HAFHEY, Chairman

ROLL CALL

SENATE STATE ADMINISTRATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 3/27/87

NAME	PRESENT	ABSENT	EXCUSED
SENATOR JACK HAFNEY	X		
SENATOR WILLIAM FARRELL	X		
SENATOR LES HIRSCH	X		
SENATOR JOHN ANDERSON	X		
SENATOR J. D. LYNCH	X		
SENATOR ETHEL HARDING	X		
SENATOR ELEANOR VAUGHN	X		
SENATOR SAM HOFMAN	X		
SENATOR HUBERT ABRAMS	X		
SENATOR TOM RASMUSSEN	X		

Each day attach to minutes.

(This sheet to be used by those testifying on a bill.)

NAME: Kathy Fabiano DATE: 3-26-87

ADDRESS: _____ SENATE STATE ADMIN.
EXHIBIT NO. 1

PHONE: 444-3092 DATE 3-26-87
BILL NO. HB 259

REPRESENTING WHOM? Dept. of Admin.

APPEARING ON WHICH PROPOSAL: HB 259

DO YOU: SUPPORT? AMEND? _____ OPPOSE? _____

COMMENT: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

STANDING COMMITTEE REPORT

MARCH 26

87

..... 19.....

MR. PRESIDENT

SENATE STATE ADMINISTRATION

We, your committee on.....

having had under consideration..... HOUSE BILL..... No. 259.....

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REIMBURSE STATE EMPLOYEES FOR ANY TAXES ON IN-STATE LODGING Winslow (Rasmussen)

HOUSE BILL 259

Respectfully report as follows: That..... No.....

BE CONCURRED IN

~~XXXX~~
DO PASS

~~XXXXXXXXXX~~
DO NOT PASS

.....
SENATOR JACK HAFPEY

Chairman.

STANDING COMMITTEE REPORT

MARCH 26

87

19.....

MR. PRESIDENT

SENATE STATE ADMINISTRATION

We, your committee on.....

having had under consideration..... HOUSE BILL No. 721

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CONSTITUTIONAL AMENDMENT REQUIRING 45-DAY ANNUAL SESSIONS Keenan (Lynch)

Respectfully report as follows: That..... HOUSE BILL No. 721

be amended as follows:

1. Strip amendments of the State Administration committee dated March 13, 1987, in their entirety.
2. Title, lines 9 through 11.
Following: "MEET" on line 9
Strike: the remainder of line 9 through "YEARS" on line 11
Insert: "NOT MORE THAN 95 LEGISLATIVE DAYS IN REGULAR SESSION DURING THE TERM FOR WHICH A MEMBER OF THE HOUSE OF REPRESENTATIVES IS ELECTED; TO REQUIRE THE LEGISLATURE TO APPORTION THE ALLOWABLE LEGISLATIVE DAYS BETWEEN SESSIONS."
3. Page 1, lines 23 through 25.
Following: "session" on line 23
Strike: the remainder of line 23 through "years" on line 25
4. Page 1, line 25.
Following: "."
Insert: "The legislature may not meet in regular sessions more than 95 legislative days during the term for which members of the house of representatives are elected. The legislature shall limit by law the length of each regular session. The length of a regular session so established may not exceed 60 legislative days."

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(Continued)

.....
Chairman.

5. Page 2, line 5.
Following: "members of"
Insert: "each house of"
6. Page 2, line 10.
Following: "members of"
Insert: "each house of"
7. Page 2, line 11.
Following: "legislature."
Insert: "No bill introduced for consideration in one session of the legislature may be carried over for consideration in any other session."
8. Page 2, lines 23 and 24.
Following: "meet" on line 23
Strike: the remainder of line 23 through "sessions" on line 24
Insert: "each year, with limitations on legislative days and business to be conducted"
9. Page 2, line 25 through page 3, line 1.
Following: "meet" on line 25
Strike: the remainder of line 25 through "sessions" on page 3, line 1.
Insert: "each year, with limitations on legislative days and business to be conducted"

AND AS AMENDED
BE CONCURRED IN

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