

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON GENERAL GOVERNMENT AND HIGHWAYS

Call to Order: By Chairman Quilici, on February 1, 1989, at
8:06 a.m.

ROLL CALL

Members Present: All members were present.

Members Excused: None.

Members Absent: None.

Staff Present: Pam Joehler, LFA
Clayton Schenck, LFA
Mike Walsh, OBPP
Mary Liedle, secretary

Announcements/Discussion: Chairman Quilici announced the
committee would resume executive action on the
Department of Revenue budget.

DISPOSITION OF DEPARTMENT OF REVENUE: INVESTIGATIONS AND
ENFORCEMENT DIVISION; INVESTIGATIONS PROGRAM

Tape No. 43A

Motion: Sen. Regan moved to approve the requested rent
increase of \$3,145 each year of the biennium.

Amendments, Discussion, and Votes: The motion PASSED
unanimously.

Motion: Sen. Regan moved to approve the increase in travel
of \$1997 each year of the biennium.

Discussion: Sen. Regan asked why the increase is necessary.
Pam Joehler said there was a position vacant in the
last biennium, therefore that person didn't travel.

Amendments, Discussion, and Votes: The motion PASSED with
Rep. Swysgood voting nay.

DISPOSITION OF DEPARTMENT OF REVENUE: INVESTIGATIONS AND
ENFORCEMENT DIVISION; CHILD SUPPORT PROGRAM

Tape No. 43A

Motion: Sen. Regan moved to approve the executive budget for operating expenses at \$66,387 in FY90 and \$74,396 in FY91.

Discussion: The agency explained the problems resulting from caseloads which are too big. By automating the data processing system the cases could be handled quicker and more efficiently. Jack Ellery pointed out that the increase in funding is total funding, about 1/3 of that is general fund and the rest is federal fund.

Amendments, Discussion, and Votes: The motion PASSED unanimously.

Discussion: There was brief discussion regarding the agency's request for a budget modification of 2 FTE. Sen. Regan said this is not the time to be adding FTE. Rep. Quilici said the agency would have to take the request to the full Appropriations Committee.

No Action Was Taken.

DISPOSITION OF DEPARTMENT OF REVENUE: PROPERTY ASSESSMENT
DIVISION; COUNTY ASSESSOR PROGRAM

Tape No. 43A

Motion: Sen. Regan moved to fund the elected assessor and deputy at 60%.

Discussion: Pam Joehler explained that in LFA current level the elected assessor and deputy funding is set at 70% which is the level the last legislature funded. Governor Stephens is recommending funding at 85% which is about \$350,000 additional per year. Sen. Stimatz asked for an explanation of the relationship between the appraisers and the assessor. He said he has a little trouble with an elected official being under someone else's control. Ken Morrison said the assessors are elected assessors. They are responsible for the assessment functions in the county. They have a staff that is 100% funded by the state to carry out those functions. A recent court decision determined that the state is liable for the assessor's actions which is sending a signal that the assessors are employees of the state.

Amendments, Discussion, and Votes: The motion FAILED with Sen. Regan voting aye.

DISPOSITION OF DEPARTMENT OF REVENUE: PROPERTY ASSESSMENT
DIVISION; APPRAISER AND OTHER ASSESSOR PROGRAM

Tape No. 43A/43B

Discussion: There was discussion regarding the agency's request for county computer support funding at an additional \$115,000 each year of the biennium. Pam Joehler discussed the history of this appropriation. LFA current level includes \$80,000 each year of the biennium. The increase would bring this to \$195,000 each year. Sen. Stimatz commented that the legislature is always being promised that this will be the last increase and now they are asking for another increase. Sen. Stimatz asked if this computer program is monitored or looked at by Mike Trevor. Jack Ellery said the computers are county owned and have nothing to do with state government. The state pays for modifications the counties have to do to pass information to and from the state's computer systems.

No Action Was Taken.

Motion: Rep. Nisbet moved to approve \$56,924 in FY90 only for funding for CAAS.

Discussion: Pam Joehler explained that the LFA budget did not include what the department characterized as transition funding for the computer system for the first four months of FY90. The agency is requesting that this be included. Jack Ellery said they need to develop a complete appraisal system so the county appraisal work can be done on line. Rep. Swysgood said the last legislature approved putting 19 counties on line. He asked if it's true that instead of doing the 19 the agency went ahead and did them all. Ken Morrison said that is correct. Rep. Swysgood asked if any of this money the agency is asking for beyond the LFA current level is a result of going beyond the 19 counties that were originally authorized. Ken Morrison said this money is just to keep the old system running while they are putting up the new system. Rep. Swysgood said it seems like a waste of money to pour money into a system that is going to be wiped out. Ken Morrison said the money is not to change the old system but just to keep the data intact until all the data is converted to the new system. Rep. Quilici asked what would happen if the total amount wasn't approved. Ken Morrison said the agency would have to prioritize and try to come up with the funding.

Amendments, Discussion, and Votes: The motion FAILED with Sen. Stimatz and Rep. Nisbet voting aye.

Motion: Rep. Swysgood moved to approve \$8400 each year of the biennium for maps.

Discussion: Pam Joehler said the maps have been identified as being important to the appraisal function. The agency didn't spend any money on maps in FY88, therefore it was not considered a current level expense and was not included in the current level budget. Ken Morrison said the money would be used for photocopying. There are drafters within the counties who draw maps and they continually need to be redone due to changes. When the maps are prepared the agency needs money to film those maps so the original isn't worn out in a couple years and need to be redrawn.

Amendments, Discussion, and Votes: The motion PASSED with Sen. Regan voting nay.

Discussion: Pam Joehler said there is no money included in current level for microfilming. Sen. Stimatz asked what the agency would be microfilming. Ken Morrison said the agency would primarily be microfilming appraisal materials from the last reappraisal cycle to save space and retain the records. Rep. Quilici asked how the records are stored now. Ken Morrison said they are kept in boxes.

No Action Was Taken.

Motion: Sen. Stimatz moved to approve \$10,069 in FY90 and \$10,421 in FY91 for an increase in gasoline.

Discussion: Ken Morrison said the gasoline is needed for the appraisers to get out in the field and look at all the properties throughout the state.

Amendments, Discussion, and Votes: The motion PASSED with Sen. Regan and Rep. Swysgood voting nay.

Motion: Rep. Nisbet moved to reinstate positions 8106 (\$3448 in FY90 and \$3451 in FY91), 8261 (\$8684 in FY90 and \$8690 in FY91), 8398 (\$8684 in FY90 and \$8690 in FFY91) and 8534 (\$14,560 each year) which were deleted by the Cobb amendment.

Discussion: Pam Joehler said these positions have been combined with other positions. They really are no longer there anymore and should be reinstated. Rep. Swysgood asked if they are already filled and budgeted for. Rep. Quilici said yes.

Amendments, Discussion, and Votes: The motion PASSED unanimously.

Motion: Sen. Stimatz moved to reinstate position 90028 at \$12,654 in FY90 and \$12,663 in FY91.

Discussion: Pam Joehler said this is a valid position on the P/P/P system and it is still vacant. Ken Morrison said the position has been going back and forth in the budget to consolidate some appraisal and assessment offices. This position has been held open to handle the 30% difference when there are people who convert from elected officials to state employees in the consolidation.

Amendments, Discussion, and Votes: The motion PASSED with Rep. Swysgood and Sen. Tveit voting nay.

Motion: Sen. Stimatz moved to restore position 8910 at \$26,006 in FY90 and \$26,026 in FY91.

Discussion: Pam Joehler said this is the position that was included in the budget modified request which was approved by the 1987 legislature. Ken Morrison said the position hasn't been filled yet because a contractor was hired to do the initial programming on the new system for the appraisal work in the field. That contractor will leave in a few months when the project is completed and the position will be needed to keep the program going and make any changes. Rep. Quilici asked if the contract could be extended. Ken Morrison said the contractor is quite expensive and it would be cheaper to have a full time person on staff. Sen. Stimatz asked if this position would be a programmer. Ken Morrison said this position would make any needed repairs or changes to the system. It would be a systems analyst or a programmer.

Amendments, Discussion, and Votes: The motion FAILED with Sen. Stimatz and Rep. Nisbet voting aye.

Motion: Sen. Stimatz moved to restore position 90063 at \$3,448 in FY90 and \$3,451 in FY91.

Discussion: Rep. Quilici asked what this .25 FTE is. Ken Morrison said this .25 FTE is combined with a .75 FTE to help do mailings out to the counties and shuffle information back and forth between the capitol complex and the downtown office. Rep. Quilici asked if this position is filled. Mr. Morrison indicated that the person is on board.

Amendments, Discussion, and Votes: The motion FAILED with Sen. Stimatz, Rep. Nisbet and Rep. Quilici voting aye.

Budget Modification

Motion: Rep. Swysgood moved to approve the requested modification for 7 FTE at \$301,105 in FY90 and \$301,211 in FY91.

Discussion: Pam Joehler explained that the modification covers two divisions, the property assessment division and the data processing division. 1 FTE would be in property assessment and 6 FTE would be in the data processing division. Also included in the property assessment division would be mailing costs, data processing charges and operating expenses associated with the annual sales assessment and ratio study as required by HB436. Ken Nortvedt said the sales assessment ratio study is a crucial part of finishing this reappraisal cycle as well as designing a more cost effective new reappraisal cycle. Mr. Nortvedt said he would like the committee to fund the activities up front but as long as he has flexibility he will keep these as high priority functions and fund these activities by other means if he has to do so.

Amendments, Discussion, and Votes: Rep. Swysgood withdrew his motion. Sen. Tveit moved to approve 3 data entry positions, 1 mathematician and 1 property appraiser.

The motion PASSED with Sen. Regan voting nay.

DISPOSITION OF DEPARTMENT OF REVENUE: PROPERTY AND ASSESSMENT DIVISION; HELENA APPRAISAL PROGRAM

Tape No. 44A

Motion: Sen. Regan moved to approve the request for manual printing at \$68,779 in FY90 and \$8065 in FY91.

Discussion: The agency requested authority to print the reappraisal manual which field staff will be using to complete the reappraisal cycle. Pam Joehler said it was not included in the LFA current level budget because of a misunderstanding. Pam thought the manuals had already been printed.

Amendments, Discussion, and Votes: The motion PASSED unanimously.

DISPOSITION OF DEPARTMENT OF REVENUE: DATA PROCESSING DIVISION

Tape No. 44A

Motion: Rep. Nisbet moved to reinstate the economist position at \$30,602 in FY90 and \$30,606 in FY91.

Discussion: Ken Morrison said this position is vital to the department.

Amendments, Discussion, and Votes: The motion PASSED with Sen. Regan voting nay.

Discussion: The committee discussed the issue of ISD subscription rates but No Action Was Taken.

DISPOSITION OF DEPARTMENT OF REVENUE: INCOME TAX DIVISION
Tape No. 44A

Motion: Sen. Regan moved to transfer 3 FTE motor fuels auditors back to the motor fuels division and concurrently increase the motor fuels division budget.

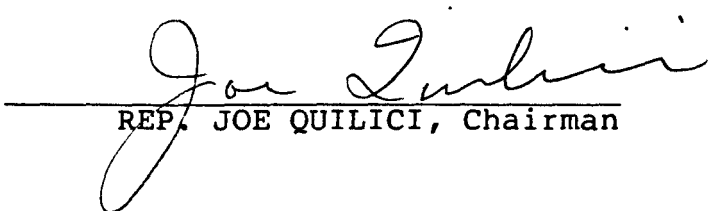
Decrease income tax division budget \$81,563 FY90, \$72,563 FY91 and increase the motor fuels division budget by the same dollar amounts.

Discussion: Rep. Swysgood said he was uncomfortable having auditors in the income tax division being paid by fuel tax money.

Amendments, Discussion, and Votes: The motion PASSED unanimously.

ADJOURNMENT

Adjournment At: 10:50 a.m.



REP. JOE QUILICI, Chairman

JQ/ml

2722.min

DAILY ROLL CALL

GENERAL GOVERNMENT AND HIGHWAYS

SUBCOMMITTEE

DATE

2/1/89

NAME	PRESENT	ABSENT	EXCUSED
Representative Joe Quilici, Chair	✓		
Representative Jerry Nisbet	✓		
Representative Chuck Swysgood	✓		
Senator Larry Tveit, Vice Chair	✓		
Senator Pat Regan	✓		
Senator Lawrence Stimatz	✓		

VISITOR'S REGISTER

AGENCY(S) Government & Highways SUBCOMMITTEE
DEPARTMENT Revenue DATE 2/1/89

NAME	REPRESENTING	SUP- PORT	OP- POSE
Brenda Haseman	Def Revenue		
JACK ELLEY	"		
Jon Meredith	DOR		
Ken Morrison	"		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT.
IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.