

## MINUTES

### MONTANA SENATE 51st LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON STATE ADMINISTRATION

Call to Order: By Chairman William E. Farrell, on March 9, 1989, at 9:00 a.m., Room 331, Capitol.

#### ROLL CALL

Members Present: Senator Hubert Abrams, Senator John Anderson, Jr., Senator Esther Bengtson, Senator William E. Farrell, Senator Ethel Harding, Senator Sam Hofman, Senator Paul Rapp-Svrcek, Senator Tom Rasmussen, Senator Eleanor Vaughn

Members Excused: None

Members Absent: None

Staff Present: Eddy McClure

#### HEARING ON HB 2

#### Presentation and Opening Statement by Sponsor:

Representative Bob Marks stated that HB2 is at the request of the Legislative Council, of which he is a member, and that HB2 is a housekeeping bill. He indicated it attempts to clarify some of the provisions for the Governor's veto of a bill, after the session. He reported the current law provides that the Secretary of State shall immediately mail a copy of the bill, and the veto message, to each member of the Legislature. He indicated it goes on to say that, if 2/3 or more of the members of each house vote to override the veto, the bill shall become law. He noted that it does not say when that opportunity to respond quits, and this bill attempts to clarify that, providing that the Secretary of State shall send the bill and the veto message, and the date by which each legislator shall respond, which makes it a little more predictable for the Secretary of State, and makes it easier for the legislators, who sometimes are sloppy in handling their mail, especially right after the session. He indicated he thinks it will clear up some concerns on this issue.

#### List of Testifying Proponents and What Group they Represent:

None.

List of Testifying Opponents and What Group They Represent:

None.

Questions From Committee Members:

- Q. Senator Bengtson asked if there was a problem with the veto message; for instance, the one they had last time.
- A. Representative Marks responded that SB103 was the one that stimulated interest in this, noting that bill did pass by a super majority, enough to override a veto. He stated there was an attempt to poll the legislators, irrespective of how the vote came out, and the process was found to be faulty. He reported that the Secretary of State complained about it, indicating there must be a better way to get this done, that he contacted the Legislative Council, and brought it up to the Legislative Council Committee. Representative Marks indicated the committee recognized that there was a concern, and asked that this bill be drafted to put some deadlines on it.

Chairman Farrell announced the hearing on HB2 as closed.

DISPOSITION OF HB 2

Discussion:

Senator Rapp-Svrcek offered a motion that HB2 be concurred in

Recommendation and Vote:

Motion passed by the committee that HB2 be concurred in.

HEARING ON HB 171

Presentation and Opening Statement by Sponsor:

Representative Bernie Swift stated that, basically, HB171 is a very straightforward piece of legislation, and that the objective is that people, who are interested in being write-in candidates, declare their intention 15 days before the specific election they have interest in, by 5:00 of that day.

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He indicated that is the basic thrust of this piece of legislation, and is all it amounts to.

Representative Swift reported there were a couple of amendments made on the floor of the House, which added a couple of more exceptions, other than the one they originally had in the bill for committee men and committee women. He indicated that caused a little confusion, which is why the committee will see the changes in this bill. He noted he has an amendment, which he will discuss later.

Representative Swift noted there are many elections, such as irrigation districts, conservation districts, school board trustee elections, etc., and that there are many times, on the day of the election, whether it be a primary or general election, that there are anywhere from 200 to 10,000 write-in votes. He stated that, under the present law, the judges and election administrators have to count every one of those votes, that they have to audit them, and have to work them across, be sure they have not missed any, and summarize every one of them by the write-in positions. He demonstrated a very large, thick document, and reported it came from Yellowstone County's last election. He indicated he thinks there are some 7,000, near 8,000 write-in votes, and noted that none of the write-in votes were successful, adding that this is generally the case in most elections. He noted the same thing has occurred in other counties in Montana.

Representative Swift reported that some people in the House were really concerned about school board elections, that they questioned why we would not allow that to continue, and this is the reason for two of the amendments which were put on the bill on the House floor. He indicated that, on page 2 of the bill, they have provided that, if a candidate who has declared his intent to be a candidate passes away, or something else comes up, on the day of the election, another candidate can write-in for that particular election. He indicated the second amendment was to clear up absentee ballots for people in the armed services. Representative Swift stated they made one other amendment which caused an inconsistency and so, to clear that up, he has proposed an amendment, which clears up the language. He distributed copies of the proposed amendment to the committee, a copy of which is attached as Exhibit 2. He stated that will make everything consistent, and still have those three amendments in there to provide for those particular situations to have a write-in candidate.

List of Testifying Proponents and What Group they Represent:

Betty T. Lund, Montana Association of Clerks and Recorders

Testimony:

Ms. Lund's written testimony is attached as Exhibit 4.

List of Testifying Opponents and What Group They Represent:

None.

Questions From Committee Members:

- Q. Senator Bengtson indicated that she is confused regarding page 3, which states that "the requirements in subsection (1) do not apply to a write-in candidate seeking election as a precinct committee man or committee woman, or where no candidate has filed for office", and asked what does that mean. She asked if, in other words, they can write in someone's name as a precinct committee man and woman, without having a declaration of intent filed.
- A. Representative Swift responded yes, that this was the first exception. Upon Senator Bengtson's question of why, he indicated that the discussion with the Clerk and Recorders, and others, was that they usually have to grab somebody and twist their arm in order for them to agree to be committee man or committee woman, generally. He indicated that, with that reluctance on the part of those people for those positions, it was decided to, originally in the bill, make that one exception. He stated that he does not think there are many counties in the state that have all the precincts full and up to the complement, and that this is the only reason.
- Q. Senator Bengtson then asked, if no person has filed for office, they do count them, noting she is sure they would like to get rid of that, too.
- A. Representative Swift responded they do, with this bill, noting the amendment will clarify that. He indicated the amendment was developed, and cleared through the Legislative Council.

Closing by Sponsor:

Representative Swift indicated they think it will be an efficiency measure, that they hope to eventually get it where

they do not have to have exceptions. He stated that, if they can get people to get involved and participate, like all the rest of us have to do, who are interested in office, he thinks it will be better to get the people there, so the public knows who they are, and they will have a better system in the long run.

Chairman Farrell announced the hearing on HB171 as closed.

#### DISPOSITION OF HB 171

##### Discussion:

Senator Bengtson offered a motion that the amendments to HB171 be adopted.

Senator Hofman offered a motion that HB171 be concurred in as amended.

##### Amendments and Votes:

Motion passed by the committee that the amendments to HB171 be adopted.

##### Recommendation and Vote:

Motion passed by the committee that HB171 be concurred in as amended.

#### HEARING ON HB 11

##### Presentation and Opening Statement by Sponsor:

Representative Dorothy Bradley stated she is here with a legal colleague of her's from Gallatin County, Stuart Whitehair, who the committee will hear from in more detail, noting that they have been working together for some years now, and she hopes this is the magic year. She stated this is one of the most interesting political science measures that has come before the Legislature, and that it is an interesting question, which has been a real challenge to work on. She indicated she does not think a lot of people realize they have the luxury of figuring out how they select their own electoral college votes in the State of Montana, and noted that, until his research came to her, she always assumed, like many people, that this is all out of our hands, that it is done on the national

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level. She stated that is not the case, that we do have control of our own system of selecting our electors, noting it is not even a constitutional matter, it is a statutory matter, and indicated that is why this bill comes before the committee, that it is a change in the statute.

Representative Bradley stated that what was equally interesting for her to discover is that, not only do we have control over it, but the system we have now, and that most states have in the country, stressing not all but most, was not the intent of the constitutional framers. She indicated it fell into place, but was not the original intent, that it came out of experiments, and came into play as an error because, when powerful majorities found they had a better way of getting more votes, they disenfranchised the minority in the states, and the majority has never released that control in those cases.

Representative Bradley pointed out that, now, we vote for 4 electors, in a block, and vote in a block. She noted that the committee might be interested to know they do not have to vote that way, it is not mandated that they vote as to how they are chosen, and reflect the vote of the presidential nominee. She indicated they can stray, if they want, once they get into the electoral college, and can vote however they want, noting it is a matter of trust and good faith, it is certainly not a matter of law, and indicated she finds that odd, in itself.

Representative Bradley indicated she is proposing, with this measure, that we change how we select them, and that the vote be cast in a mandatory way to reflect the vote of the people, the will of the people. She indicated that, right now, we vote for the 4 individuals; we vote for those 2 who represent the number of U. S. Senators we have, and we vote for 2 to reflect the number of Congressmen we have, so that, if a state has 40 Congressmen, they can vote for 40 electors, plus the 2 senators. Representative Bradley stated that she would change it so that we vote for 3; that we vote for the 2 who would reflect the state-wide vote, as U.S. Senators do, as Burns and Baucus do, and then we would only vote for one reflecting the will of the people in that smaller congressional district. She noted there would be a western district vote, from the district where Congressman Williams is, and an eastern district vote, within that district that Congressman Marlenee is. She stated this would mean that the outcome could be that the state would have 3 to 1, noting it might not, but, then again, it might. She reported the State of Maine does this, noting she thinks they instituted their change 20 years ago. She indicated they did this, probably,

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for reasons similar to the reasons Montana might, which is that there are somewhat different sentiments, political sentiments, philosophical sentiments, and different economic bases in eastern Montana versus western Montana. She indicated Maine found it was very compatible because they have very different parts in their state, like Montana; different economic bases, different philosophy, adding that it has been a very congenial way for them to settle it. She reported the state has been entirely satisfied, that everybody has been satisfied, and there has not been a strong move to change it, since they put it into a district system 20 years ago.

Representative Bradley indicated to the committee that this seems to have picked up a partisan taint, noting that is really depressing to her. She stated she has been against winner-take-alls since she became active in her own Democratic party, which started in 1971, when she was a delegate to the national convention, and they had winner-take-all representation from the states regarding their presidential nominee. She indicated they thought it was a disaster, that it caused worse sentiments, more hard feelings, in their party, some of which, arising out of 1968 and 1972, have stayed with some people until this day. She indicated that, now, we have a fairly good proportional representation in our delegates, that the people vote, and we try to reflect their vote with the delegates that are sent to the convention, noting that has made everybody very happy. She indicated that the handful of individuals who represented Jesse Jackson, and the vote that they won in the state for Jesse Jackson, got to go to the convention, and those that worked hard for Dukakis got to represent the proportion of the vote for Dukakis, noting it has been a very healing kind of thing, and a very fair kind of thing, within their party. She stated that is truly all she is trying to do here, with the state in its entirety.

Representative Bradley indicated the history is that there was a lot furor, among our forefathers, with regard to the selection of the President, noting that we take it so much for granted, that we forget that they had to figure out how we are going to do that. She noted they first thought we should just have a direct vote of the people, but that the small populated states said no, that they would get completely crowded out. She stated she agrees, and that she does not like the direct vote concept, noting she thinks you can run in to all kinds of problems with that. She indicated they thought about just having it be a legislative selection, almost like a parliament kind of system, but thought that would create a very weak executive, and they wanted an executive that would be a people branch of the 3, not a weak branch. She indicated they came

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up with a compromise, and said the vote will be from electors who represent the number of senators and representatives from a state and, therefore, the smaller populated states would get a little extra oomph, and that, if there is no majority, it would defer to the U.S. House of Representatives. She indicated that made everybody happy, that it had something for everybody, and was a nice compromise. She stated the problem is that they never established, at that point, how these electors would be established, so the states went into all kinds of experimentation to find out what they wanted. She noted the district system, which she is proposing here, was promoted and strongly endorsed by Madison, Jefferson, Hamilton, Jackson and John Quincy Adams. She indicated some of the states tried it out in the early 1800's, and that 6 states instituted it, noting that was a pretty large proportion. She reported that, by 1936, it was gone. She stated that, as she said earlier, those in power decided they wanted to take the whole thing, they crowded out the minorities, and it was very difficult to change it, once the majority did that. She indicated there are a number of reasons, noting she will leave a lot of this to Mr. Whitehair, but there have been any number of times when we have come very, very close to not having a majority, in which case it would have gone to the U.S. House.

Representative Bradley stated that, to her, this is a very interesting political science question, and she thinks that every state should make the change, because there would be a much smaller chance for that to happen, to remove it entirely from the vote of the people, if every state instituted the district system. She indicated she does not know the possibility of many states doing this, noting she thinks it is pretty remote, but indicated that, one of these days, the apple cart is going to be upset, and this is actually going to happen. She indicated that, then, states will be scurrying like mad, a little bit too late, to try to change the system, which is not a very good system. She indicated the most interesting situation, where it almost happened, was Nixon versus Humphrey, in 1968. She noted there was, at that time, what was called the Wallace factor, indicating the Wallace factor was created by Wallace, who got 46 of the electoral college votes. She noted that Nixon, because he won California, although by a very, very small margin, won those electoral votes, which put him over the top with a majority. She indicated that, had he not had that majority, he would have had these 3 entities, and the Wallace factor, of 46 votes, could have done anything. She indicated that Wallace said, at the time, that he was not going to let that go to the House of Representatives, that he was going to control that



himself, with the 46 votes that he controls, because they will do whatever he tells them.

Representative Bradley indicated the chances of having a lot of states quickly follow her lead is pretty remote, noting she is willing to admit that, but added that she thinks it would create a better atmosphere inside the state, every time there is an election, and indicated she thinks presidential candidates would no longer say we are just a small number of votes, and will go Republican. She indicated they would say there are 2 districts here, and they had better pay attention to this state. She stated what is most important is what it would do to the people in this state, who care about a presidential election, that it would give them a much stronger incentive to wade in there and work, that a lot of people think it's not worth it, since it is a winner-take-all. She indicated there would be some really interesting participation on the congressional district level, just like with congressional races themselves, and it would really be worth it. She stated it would really be worth it for the committee members to make that extra effort in their congressional districts, if they thought, at the end of the effort, they might be getting one elector that would reflect people's votes. She stated she thinks that would be a very positive change in this state, which is why she supports this.

List of Testifying Proponents and What Group they Represent:

Stuart Whitehair, representing himself

Testimony:

Mr. Whitehair stated he would have liked to spend a good deal of time talking about the history of the electoral college and the district system, how it came out of the constitutional convention, and why we do not have the system, yet, today, but noted that, unfortunately, politics dictate that he spend a good deal of time convincing the committee that this is not a partisan measure. He stated this is something he would like to get to, and he thinks he can do it. He indicated that, first, he would like to go over a little bit of the history with the committee.

He stated the district plan is based on fairness. He indicated that everyone in the country has 3 votes, noting that, if you live in Manhattan, Montana, or if you live in Manhattan, New York, you have 3 votes. He again stated that everyone has 3 votes, and indicated this is the way it was intended to be set up by the founding fathers, at the con-

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stitutional convention. He stated that the district system of selecting the president was mostly, if not exclusively, in view when the constitution was framed and adopted. Mr. Whitehair then indicated those are not his words, but are the words of James Madison, the father of the constitution, the author of Article 2, Section 1, which deals with the selection of the president. He again stated that the district system for the selection of the president was mostly, if not exclusively, in view when the constitution was framed and adopted, and that is what the founding fathers had envisioned. Mr. Whitehair indicated the first question is what went wrong; why don't we use it today, noting the simple answer, the one-word answer is politics. He reported that, in 1787, there were no political parties but, by the 1820's, there were and, as Representative Bradley mentioned, they soon found out that, if they split their vote, they did not carry as much weight as if they had a 15-0 vote, and that the parties in power switched to the winner-take-all system, so that they could offer a block of votes to their political party. He noted that, when one state did it, the other states, by necessity, had to follow. He indicated all of this would be of little more than historical value, if it was not for the fact that the electoral college system is on the brink of failure. He noted there is a saying that, if it isn't broken, don't fix it, but indicated the electoral college system is broken. He reported that, in 3 elections in our history, in 1824, 1876 and 1888, the man who won the electoral college victory was not the popular vote winner. He indicated that, in 7 elections in this century, alone, there have been what he calls what-if elections; if Ford had picked up a couple more thousand votes in Ohio, or Hawaii, he would have been elected President, even though Carter had a couple of million vote plurality. He noted the same thing could be said in 1968, 1960, 1948, and 1916, noting that, in 1916, if Charles Evans Hughes had won 2,000 more votes in California, he would have been president, instead of Woodrow Wilson.

Mr. Whitehair stated that the electoral college is on the brink of such failures every time we have an election, noting we have had a false sense of security, the last three elections, because they have been such landslides. He stated the system is still there, noting that 1968 is the year that is of most importance to them. He indicated that, as Representative Bradley mentioned, George Wallace stated that, if he had the opportunity, he would have played king-maker, noting that the election is in November, the electoral college meets in December, and the House does not convene until January. He stated that George Wallace, if given the opportunity, would have decided who would be the President of the United States

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in 1968, that he would have made his own political deals, would have gotten his own Southern rights sections for Richard Nixon, and elected Richard Nixon president in December, even though the applied constitution is supposed to go to the House of Representatives. He stated this will happen again, whether it is Jesse Jackson, or some other candidate down the line; this will happen again. He indicated the question is whether we will be prepared for it, or not. He noted that, in 1968, there were literally dozens of bills submitted to Congress, most of which involved the direct popular vote for the President. He indicated that, by the time they got around to realizing the direct popular vote of the president was not a viable alternative, everyone seemed to lose interest, that, with the men landing on the moon and the Vietnam War, the outrage of late 1968 did not carry through to the summer of 1969. He indicated that, if the district system is in place in states like Maine, which adopted it in 1969 as a result of Wallace, noting there were 14 states with 3 or 4 electoral votes, states which have minimal power in presidential elections, and, if these 14 states have the district system in place, the next time a 1968-type election comes along, the district system can be proposed, and can be passed on a national level, in Congress, noting that is what they are working for today; preparing for tomorrow, today.

Mr. Whitehair stated there were several arguments against the district plan, which came up when the bill was proposed in the House. He indicated one was that the system has worked fine for 200 years, so why fix it. He stated that, as we have seen, the system has not worked fine for 200 years because the system, proposed by the founding fathers, was gone 50 years after the constitutional convention. He noted the system we have today is not the system that was envisioned. He indicated it was also argued that Montana would suffer a lot of clout in national politics, if we went to the district system, and voted 3-1 instead of 4-0, and he suggested to the committee that there is little or no clout for a state that has voted, nine times out of ten, for the Republican candidate in the last 40 years. Mr. Whitehair asked if anyone can name the state that lost the clout of one electoral vote in the 1988 election. Upon receiving no answer from the committee, he indicated that, in December, the vote of the State of West Virginia was Michael Dukakis 5, Lloyd Benson 1, and, for Vice President, Lloyd Benson 5, Michael Dukakis 1, noting one elector in the State of West Virginia apparently did not appreciate the order in which the Democratic Party had placed their ticket. He indicated West Virginia lost the clout of one vote, and yet nobody noticed, adding that is the type of

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clout that Montana would be suffering from, if we vote 3-1, instead of 4-0.

Mr. Whitehair stated the major problem facing HB11 is that, right now, it is perceived as a Democratic bill, as a partisan bill. He indicated that, after the House vote, he went back and did some research, and took a look at all the elections from 1971 on, when the congressional districts were re-drawn, and he also looked at the contested elections of this century, which were 1968, 1960, 1948 and 1916, to see how the electoral vote would have come out. He reported that, in one election, the vote would have been changed, and that was in 1960. He indicated that Richard Nixon received a 6,800 vote plurality, state-wide, in 1960, over John Kennedy, but, in the first congressional district, the western district, John Kennedy received 919 votes more than Richard Nixon. He noted that, in one election in this century, Montana would have gone 3-1.

Mr. Whitehair indicated he would like to show that, even though the one time there would have been a change, it would have been pro-Democratic, HB11 is non-partisan. He asked the committee to, for a moment, elect themselves the state party chairman of their respective parties, and put themselves in the national party convention in 1992. He indicated that, since the Democrats meet first, in July, they will go there first. He noted that they would walk up to the Democratic National Party and say "Mr. Party Chairman, Montana is an important state, and we think you should pay more attention to the issues important to Montana, and Montanans, in this upcoming campaign." Mr. Whitehair indicated the Democratic National Party Chairman would turn around and say, "Excuse me, this is the state that, nine out of the last ten elections, has voted for the Republican candidate and, only once in the last 40 years, has voted for a Democrat." He indicated that they could say "Well, Mr. Chairman, back in 1989, the State of Montana went back to the district plan, and the candidate we are opposing, George Bush, only won the first congressional district by 3,500 votes in 1988, he received 95,000, and Dukakis received 91,500. There is a contested election in the first congressional district in the State of Montana, and I suggest you pay some attention to the issues important to the State of Montana, and issues important to Montanans." Mr. Whitehair indicated that, a month later, they are at the Republican National Convention, in August, 1992, at the shoulders of the Republican National Party Chairman, and would say, "Mr. Chairman, we're from Montana. We think Montana is a very important state, and we think you should pay attention to the issues important to the State of Montana." He indicated that the Republican National Chairman would say

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"Excuse me, I believe that, nine out of the last ten elections, the Republicans have won and only once, in the last 40 years, has a Democrat carried the State of Montana. Why should we bother, we have got Montana in the bank, it's a safe state, and we have no problems there." "Well, Mr. Chairman, are you aware that, back in 1989, the State of Montana went back to the district system, and the district system, if you use the 1988 election, would have only given your candidate, Mr. Bush, a 3,500 vote margin of victory, and we think it's important that you spend time, effort and resources in the State of Montana." Mr. Whitehair stated that the result would be that both parties would have to spend time, energy and resources in this state, which has been written off by both, to this point.

Mr. Whitehair restated the Madison quote: "The district system was mostly, if not exclusively, in view when the constitution was framed and adopted." He indicated it is based on fairness, and is what the founding fathers intended us to use. He then stated the district system has worked in the past, it was used extensively in the first 50 years of our nation, that it is presently being used in the State of Maine, and has been for the last 20 years, and that it can be used on a nation-wide basis, if we are prepared, the next time a 1968-type election comes along. He indicated Montana is only the second step of a 14-step small state revival of the district plan, and reported that he has sent letters to other states, to the Speakers of the House and Governors of states such as Wyoming, Idaho, and the Dakotas. He indicated their response, to date, has been, get it passed in Montana, and we'll talk. He added that they said, "Get it done in your home state, and let us know", noting that is why they are here today. He indicated that HB11, noting he states this with a straight face, is a non-partisan bill. He indicated it was submitted not as a bill to benefit the Democratic Party, not as a bill to benefit the Republican Party, but was submitted as a bill to benefit the State of Montana.

List of Testifying Opponents and What Group They Represent:

None.

Questions From Committee Members:

Q. Senator Harding stated she has always had trouble understanding this, and asked, if you are on a district system, and have 3-1, is each vote representative of 3,500, or where does the 3,500 come in.

- A. Mr. Whitehair responded that, in the last election, George Bush received 95,000 votes in the first congressional district, Michael Dukakis received 91,500, and that George Bush won by 3,500 votes in the first congressional district. He indicated it was a substantially larger majority in the second congressional district, and that is what he is talking about, as far as it being a contested issue in the first congressional district, noting that is where the 3,500 came from.

He reported that George Bush won the State of Montana and that, of the whole popular vote of the State of Montana, George Bush had a majority. He stated we have 2 electors representing the Senators of the State of Montana, who, even with the district system, are elected on a state-wide basis, indicating the fact that George Bush won the state gave him 2 electoral votes. He added that Bush also won the second congressional district, the eastern district, which gave him a third. He indicated he won the first congressional district by 3,500 votes, which would have given him a 4-0 margin, even under the district system, last year. Mr. Whitehair stated that, in Kennedy's case, in 1960, where he won the first district by 900 votes, the vote would have been 3-1. He further stated that Nixon won the state, as a whole, and he also won the second district, but lost the first, and it would have been 3 votes for Nixon and 1 vote for Kennedy, noting it would be impossible to have any other split, because he could not win the state-wide vote without winning at least one of the districts, and there would always be either a 4-0 or a 3-1 vote. He added that, if we lose our representative, after the 1990 census, it doesn't make any difference, and nothing will change, except for the fact that, when the 1968-type election comes along, if the district system is based in the State of Montana, arguments can be made in Congress for the district system. He noted it is not only the small states that would benefit, or would argue for this in Congress, indicating that the first congressional district in Colorado, which is Pat Schroeder's district, is heavily Democratic, and, since WWII, only one Republican has come out of that district going to Congress, noting that Colorado, as a state, consistently votes for the Republicans in national elections. He stated that, conversely, you have the first congressional district in Massachusetts, which is so Republican that they don't even run Democrats against them in the congressional campaign, and, yet, Massachusetts, as a state, consistently votes for Democrats. He indicated representatives

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from those districts, it can be argued, have constituencies that are not being represented in national elections, any more than Montana is being represented, because we are ignored on a national level. He stated that there is going to be another failure of the electoral college system, and asked how prepared are we to propose an alternative that is viable.

Q. Senator Bengtson stated the electoral system is hard to understand, but it gives small states an edge, and is to our advantage to have it. She asked what the reasons were for not going to the popular vote, noting that seems to be the simplistic answer, to most people.

A. Mr. Whitehair responded that, in 1968, when George Wallace wreaked havoc with the system, there were a number of bills proposed, including the direct popular vote. He indicated that, if you go for the direct popular vote, you are left with a hard choice. Do you want to have the President elected with 50% plus 1 majority. He indicated that, if you do, noting that seems to be what we perceive to be a direct popular vote winner, 15 of the 51 campaigns we have had so far would have been in a run-off election, and not too many people appreciate or like going through a second campaign. He indicated that, if we did go to direct popular vote, the number of third parties would likely increase substantially, because they would realize that, if they carried enough votes to deny someone an outright majority, they could force a run-off election and make deals, noting you would have deals being made all over again. He indicated the alternative is to go back to a 40% plurality as being enough to elect the President of the United States. He pointed out that, then, you would lose your mandate to govern, and your aura of having a popular president, so that, either way, you would lose out with some of what you are looking for. He indicated there was a Harris poll, or a Gallup poll, taken in 1969, and that 15 state legislatures, from large states to small states, were polled. He reported that 11 of them said they would vote against such a measure, for whatever reason, noting that, mostly, the small states like Montana would lose out on everything. He indicated that, instead of having the 12 largest states elect the president with their electoral vote, the 15 largest cities would elect the president, and issues such as farming, the environment, and issues important to smaller states, would be lost.

- Q. Senator Bengtson asked, if the Republican Party in the State of Montana goes on a percentage basis when they select delegates to the national convention, is it a winner-take-all thing, or do they go on a proportional basis.
- A. Representative Bradley responded that she asked the same thing, on the floor of the House, and nobody knew. She indicated that the answer she got from Representative Rehberg was that there is no structure at all, that people just run for those positions, and are not bound to any candidates, at all.
- Q. Senator Bengtson stated that the Democratic Party has the same process, noting it has brought a lot of vitality to the Democratic Party. She indicated that, if you go as a Carter delegate, or whatever, you are working for a candidate, and you feel like you have been rewarded for your work.
- A. Representative Bradley responded that you get the recognition for the work that you do, and indicated she thinks you get exactly the same kind of pay-off with this, that you would see so much increased interest on the part of the people, and the national parties, as well. She stated that Montana is a state that has to be recognized, and not ignored.

Chairman Farrell announced the hearing on HB11 as closed.

#### DISPOSITION OF HB 11

##### Discussion:

Senator Bengtson offered a motion that HB11 be concurred in. Senator Rasmussen stated that this is a rather major change, and Senator Harding agreed. Senator Bengtson indicated she thinks Montana should be one of the first states. Senator Rasmussen asked if it is the first, and Senator Bengtson responded no, that Maine is just the first step in getting 14 other states to go along with this procedure, adding that she thinks it will strengthen Montana's position. Senator Rasmussen asked if there is any opposition, and Senator Harding responded no. Senator Rapp-Svrcek noted he thinks that speaks to its non-partisan nature. Senator Rasmussen asked if this is not a referendum, and does not have to go to the people. Senator Harding responded that it is just a change in the code.



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Chairman Farrell reported that he has been aware of this bill since it went through, a long time ago, in the House. Senator Bengtson asked Chairman Farrell what he thinks of it, and he responded that he doesn't have any real problem with it. He indicated there has only been one time when there would have been a change, in this century, and that was when John Kennedy won House District 1, the western congressional district, but indicated the state, overall, voted for Nixon, and the eastern district voted for Nixon. He stated it would have been a 3-1 instead of 4-0 for Nixon, that Kennedy would have picked up one vote. Chairman Farrell indicated he understands the popular vote theory, but asked if they are throwing more controversy into the electoral college. He pointed out that, if you get a lot of states that do this, the problem with the popular vote is that about 7 or 8 states can elect the President, because they have 51% of the population, adding that they won't come to the western states, at all, they will go to California, Ohio, New York. Senator Rapp-Svrcek indicated it comes down to about 10-12 cities.

Senator Bengtson referred to the statement, if the system is not broken, why fix it, but indicated she was impressed with the fact that the electoral college system is not fair, that people do not want it, and stated she thinks there is an element of fairness in this, where people will feel their vote will count. She stated it isn't the winner-take-all theory, noting that, actually, the electoral college system gives smaller states a little more clout, but this gives us more clout, as a smaller state. Chairman Farrell indicated he does not see it that way, noting that, historically, the western congressional district has gone Democrat, except for one or two times. Senator Rapp-Svrcek indicated it would seem to him this would strengthen the hand of the voters in the individual congressional districts, noting that, clearly, whether this bill passes or not, we are not going to become a power broker, adding that, in a close race where every electoral college vote will count, the Republicans certainly would not take for granted the eastern district, noting that, if they knew they could pick up another one, for sure, they would be into the western district, as well, and vice versa with the Democratic party. He stated that, while he understands the arguments about a popular vote, he thinks it brings us close to having a direct say within our congressional districts. Senator Bengtson indicated that, being that it was a first step, and they were talking about 14 other states, it would send a message, adding that she thinks we would go to the district system a lot faster.

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Chairman Farrell indicated he does agree that the electoral system does, and has for the last few years, presented a problem on a close race, but pointed out that, so far, neither party or neither group, nobody has come up with a solution to solve the problem. Senator Bengtson asked, if we are not willing to go along with the popular vote theory, and agree that there is something radically wrong with the electoral college system, isn't this the next best choice, or a beginning, to make the electoral college system much more representative of what actually is taking place, as far as voters, and added that she does not think Montana can lose by this.

Senator Harding indicated it is a question of velocity, noting that we have a representative form of government, and we are elected to represent a certain number of people. She noted it was brought out about how we elect our delegates to the convention, and indicated she is thinking we elect them at the meeting, noting the Democratic Party does their's differently. She indicated she understands, and that's fine, because we have our own rules within each party, but indicated that what this does is keep our representative form of government, and that we represent somebody to represent us at the electoral college, noting she is not willing to let go of that, as yet, and would have to vote against this bill. Chairman Farrell stated this bill, in his estimation, gives a minority set of people in the state a vote, if they vote opposite of what the rest of the state did. Senator Bengtson indicated this is only in the congressional districts, that, on the Senatorial level, it is still winner-take-all, that it goes by the majority of what the state does.

Chairman Farrell noted that congressional district is a minority to the rest of the state, and that is the only time this would be implemented. Senator Bengtson stated she does not vote in the western district but pointed out that, either way, your vote doesn't count. She noted that, when they go to the national convention, if Jesse Jackson took the state in the primary, all of the Democratic delegates at the national convention would be committed to Jesse Jackson, indicating that is not the way they do it, that it is proportional, and they can go as a Dukakis delegate, or whoever is in that primary, if there are 3 people in the primary. She stated it makes you feel like your vote counts. Senator Abrams pointed out that, a number of years ago, the Montana delegation voted for Ted Kennedy.

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Recommendation and Vote:

Motion failed by committee, by roll call vote, that HB11 be concurred in, with Senators Abrams, Bengtson and Rapp-Svrcek in favor, and Senators Anderson, Farrell, Harding, Hofman, Rasmussen, and Vaughn opposed.

HEARING ON HB 118

Presentation and Opening Statement by Sponsor:

Representative Dorothy Cody indicated that HB118 addresses some changes to assist the Board of Morticians in their job of overseeing the laws of funeral directing and mortuary science. She indicated we are all going to need these, either for ourselves, or a loved one, and that she hopes this bill helps to insure the public a more professional and compassionate manner of treatment during a sad time in their lives.

Representative Cody stated there are three basic changes that are being made to the existing statutes, and one minor one. She noted the first change concerns making pre-need, or at-need contractual arrangements for funerals. She noted that the Board, currently, does not have the authority to do this, and this addresses the concerns of the Federal Trade Commission after their audit of the Board. She reported the second change allows the Board to impose a fine for a violation, and puts some teeth into the law. She stated that nothing speaks louder to an individual, who is breaking the law, than when their pocketbook is involved, noting that a little slap on the wrist very rarely gets their attention.

Representative Cody indicated the third major change addresses the transfer of a license from one facility to the next, and sets into place the process of moving the license of the new facility, if a new facility should be constructed, and the inspection of that facility. She stated the final change is to place into law the method that the Board would use for the late renewal of licenses.

Representative Cody indicated these are fairly simple changes, but necessary ones, to take care of the problems that Board has encountered in the existing statutes.

List of Testifying Proponents and What Group they Represent:

William B. Brown, Member, Board of Morticians

Lloyd Linden, Herrmann and Company Funeral Home  
Margaret Richardson, Montana Funeral Directors Association

Testimony:

Mr. Brown indicated he is sure that, through the years, all of the committee members have seen the cartoon of the two vultures sitting on a limb, and one turns to the other and says, "Patience, hell, I'm going to go out and kill something." He stated their situation isn't near that severe, but they do need some help.

The remainder of Mr. Brown's testimony is attached as Exhibit 10.

Testimony:

Mr. Linden's written testimony is attached as Exhibit 11.

Testimony:

Ms. Richardson stated that the Montana Funeral Directors Association supports this legislation, noting they have worked closely with the State Board over the past several months on this issue, and are in full agreement with the provisions of this bill. She indicated they ask that the committee favor HB118 with a do pass recommendation.

List of Testifying Opponents and What Group They Represent:

None.

Questions From Committee Members:

- Q. Senator Harding asked if other states have this provision for pre-need contractual arrangements.
- A. Representative Cody responded that she is pretty sure they do, but she does not know the numbers.
- Q. Senator Harding then asked if the funeral homes are running into a problem with professional services, and haven't they been regulated before, or why do we have this need now.
- A. Representative Cody responded that it is like any other thing that comes into the Legislature. She indicated that, as time goes on, things have to be changed because they run into situations, adding that the Boards are the

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ones running into these situations. She stated that is why they come to the Legislature and ask that the law be changed, because they can not address the problems they are running in to, or the abuses of the law. She said yes, there have been problems, and they have not been able to address them.

Q. Senator Bengtson asked Mr. Brown if there is a penalty for noncompliance with the Federal Trade Commission audit.

A. Mr. Brown responded he can not answer that, but indicated apparently not.

Q. Senator Bengtson then asked Mr. Brown what are those contractual arrangements for pre-need and at-need, that funeral homes can offer; what is he talking about.

A. Mr. Brown responded that a person can pre-arrange their funeral, before their death, so that they can make arrangements for, if they wish, cremation, a casket, or a traditional funeral.

Q. Senator Bengtson asked if that gives the funeral directors the option of selling, of going out and marketing their services.

A. Mr. Brown responded yes, that they can, but indicated they generally go at the party's request. He noted that part of this bill would limit the ability of outsiders to come in, and indicated that Representative Cody could explain it a little better.

Representative Cody stated she has studied this issue quite thoroughly, noting that is why she is happy to carry the legislation. She responded to Senator Bengtson's question by reporting that her father passed away in 1986, in San Diego, and they brought his body back to Wolf Point and buried it. She noted that she is an only child, and her mother's concern, during that time, was for her, and what would happen if something happened to her. Representative Cody indicated that, without her knowledge, her mother went to the local funeral director, or mortician, and talked to him about setting up a pre-need agreement. She explained that what happens in that agreement is a person takes care of their own funeral arrangements, that they pay for that and, during that time, there is also interest which is paid out on it. She stated that, anytime a person wishes to

cancel that agreement, they can, that it is not a permanent contract.

Q. Senator Bengtson stated that someone has been doing this, up to this point, noting she has had people come to her door, and that it was a funeral home in her locality that was selling pre-need arrangements.

A. Representative Cody responded that is one of the more reasonable things that an individual might want to do, to save their family all that, at a time of grief. She indicated that, as far as going out and soliciting, she is surprised to hear that someone does, because it is not a normal procedure in the state, noting the majority of the funeral directors do not, independently, go out and knock on doors asking if people want to make pre-need contractual agreements. She indicated that the majority of the cases involve people, such as her mother, who want to do that, and check into it on their own. She reiterated that it is not a permanent contract.

Q. Senator Bengtson asked what is the license fee for a mortuary license.

A. Representative Cody responded that she does not know the cost of the license, for sure. She indicated that Mary Lou Garrett, of the Board of Morticians, may be able answer that.

Ms. Garrett indicated the cost for a renewal license for an existing mortuary is \$125, which includes their annual inspection fee.

Q. Senator Bengtson asked if that is for a new license.

A. Ms. Garrett responded no, that is for a renewal, for an existing mortuary.

Q. Senator Bengtson asked what about a new one.

A. Ms. Garrett responded that would be set under 37-1-137.

Q. Senator Vaughn indicated she knows this is done in other states, and asked Representative Cody, if a person has a pre-made contract, which they have signed and paid for, and they move somewhere else, and want it changed to another mortuary, maybe in another state, if there is something in that contract that they can get that money back, that the money has to be refunded.

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- A. Representative Cody responded plus interest.
- Q. Senator Hofman asked Representative Cody why she sees the need to put this into statute, if people have already been doing this.
- A. Representative Cody responded it is because of the audit by the FTC. She indicated the FTC did an audit, and said there should be something in the law concerning the pre-need or at-need contractual agreements.

Closing by Sponsor:

Representative Cody stated she thinks it is a good piece of legislation, that it does not need a lot of amending, and she would appreciate the committee's consideration.

Chairman Farrell announced the hearing on HB118 as closed.

DISPOSITION OF HB 118

Discussion:

Senator Abrams offered a motion that HB118 be concurred in.

Recommendation and Vote:

Motion passed by the committee that HB118 be concurred in.

HEARING ON HB 372

Presentation and Opening Statement by Sponsor:

Representative Budd Gould stated that HB372 is very short, very simple and, unfortunately, something that he believes very necessary. He explained that this will change the law so that cities and counties will come into the law as school districts have been under for a long time, now, which is, when they have a general obligation bond on the ballot, if there is a 30% turn-out, and 60% of the voters vote for it, it would pass. He added that, if 40% of the people turn out, it would only need a simple majority.

Representative Gould indicated it is unfortunate that, at half of the doors they knock on, the people are not registered to

vote. He stated that, in a primary, if they get a 21.5% turn-out, or 30% turn-out, they think it is quite a turn-out and, consequently, if there is something such as a fire engine that is needed, the only way it can be done is to wait until a general election, in order to get a big enough turn-out to qualify as a full election. He indicated that, if they get 60%, they think they have done really well, and stated he thinks the same thing should be favored for a general obligation bond; if they get 60%, it has done very well, and there is a large amount of public support for that.

He reported that there have been instances of general obligation bonds which have gotten 82% but, since the turn-out was 39%, the issue failed and had to be held over for the next election, which entails additional costs. He indicated that everyone sees him wearing the flag, everyday, that he flies the flag everyday, at his home, and thinks that voting is the most wonderful thing in the world, that it is what has made our country great. He stated he wishes we could do more to promote people to get out and cast their ballot.

Representative Gould stated he thinks this is a very necessary bill, and noted that Chuck Stearns, from the City of Missoula, is here to speak on it.

List of Testifying Proponents and What Group they Represent:

Chuck Stearns, Finance Director and City Clerk, City of Missoula  
Shelly Ann Laine, Director of Administrative Services, City of Helena

Testimony:

Mr. Stearns distributed copies of his written testimony to the committee members, a copy of which is attached as Exhibit 13. He referred to the back of the handout, which reports the history of turnouts over the last 6 years, and indicated they feel it makes sense to be able to vote on general obligation bond issues at city elections, so that it can be a city issue that people have to take a position on, that candidates have to take a position on, and noted that it makes sense to be able to do it at city general primary elections. He added that 40% is a good turnout for a city general election, and that they generally get that only when there is a mayoral race.

Mr. Stearns indicated they appreciate the committee's consideration of this bill, and ask that they concur in it.



Testimony:

Ms. Laine stated the City of Helena supports HB372. She indicated that, although they have not had a general obligation bond issue since 1979, the City definitely supports the provisions of this bill, noting there may come a time when they need to do another issue. She stated that, allowing the second option of a 60% approval rate, of a 30% to 40% voter turnout, makes good sense, noting that it is often very difficult to get a 40% turnout. She reported the Clerk and Recorder gave her the following voter turnout percentages: In their city general election for 1987, their turnout was 16%; in 1985, 30%; in 1983, 31%; in 1981, 32%; and, in 1979, when they did their GO issue, it was 50%.

Ms. Laine stated that, although they were able to get the necessary voter turnout last time, these figures show that there is no guarantee. She further stated that the City of Helena would urge the committee to give a do pass recommendation on this bill.

List of Testifying Opponents and What Group They Represent:

None.

Questions From Committee Members:

Senator Vaughn indicated she does not have a question, but stated that SB86 would also help the cities, in this respect, because it would purge the voters every 2 years, rather than having a lot of extra people on their list who would not be qualified to vote, and causing their percentages to be off. She noted that bill has gone through the Senate, but she does not know what it will do in the House.

Q. Chairman Farrell indicated it is his understanding that they can drop that percentage, that right now it is 40% turnout, asking if that is right.

A. Mr. Stearns responded that is correct, for cities and counties.

Q. Chairman Farrell asked if what they are asking to drop that to 30%, if they get a 60% approval rate; if they would drop it to 30% but, to pass it, they would have to have 60% approval.

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- A. Mr. Stearns responded the 40% would remain, so that a simple majority, 50% plus 1, remains for 40% turnout. He indicated that, if they do not achieve a 40% turnout, but more than a 30% turnout, they would have to have a qualified majority of 60% approval, noting that, when they drop down from 40% turnout, the approval requirements are raised.
- Q. Chairman Farrell asked, for his own information, if this would allow the cities not to advertise, or go out a little bit more. He indicated he is asking, if they think they can get 30%, would they be less likely to go out and promote what they are trying to sell the bond issue on.
- A. Mr. Stearns responded he does not think it would detract from their efforts to sell it. He noted that, currently, they have to sell on their own time, indicating that elected officials can use any time but, if he is speaking to a group, he has to speak on lunch, or after hours. He stated that he thinks they have to get out there and inform the voters, noting they do public information pamphlets, which are non-advocacy, and just inform the voters of the consequences of the ballot issue. He indicated he does not see that they would have to do any less selling, pointing out that, on the back of their chart, it shows that they are not guaranteed 30%. He noted that the city general election in 1987 was a 23% turnout and, although the Helena figures show that 30% is very achievable for many city elections, he is sure they would have to sell it just as much.

Closing by Sponsor:

Representative Gould indicated that he hopes the committee will give this a do concur. He noted that, as he said, he wishes that 100% of the people would vote in every election.

Chairman Farrell announced the hearing on HB372 as closed.

DISPOSITION OF HB 372

Discussion:

Senator Vaughn offered a motion that HB372 be concurred in.

Recommendation and Vote:

Motion passed by the committee that HB372 be concurred in.

HEARING ON HB 101

Presentation and Opening Statement by Sponsor:

Representative Fritz Daily stated that HB101 is a bill which will require that all payments made by the State of Montana to local governments be issued to the treasurer, or the finance officer of that local government. He indicated there are a couple of other points in the bill which require that the notice of receipt be delivered to the Clerk and Recorder in that government entity, by that finance officer, and also requires that the finance officer notify the government entity that would be receiving the payment, that the check has been received from the state. He stated that, under the current system, warrants are sent to various people in the local government agencies, noting that the list of individuals who received warrants delivered to Butte-Silver Bow goes on and on. He reported that this bill comes as a result of a problem they had in Butte-Silver Bow with the Health Department, indicating that, as most of the committee members know, there was a very serious problem in that the Health Department director was putting these warrants into various checking accounts, and Butte-Silver Bow ended up paying the State of Montana back a total of \$135,000, which had been sent to Butte-Silver Bow, and was used by the Health Department director, adding that it is a very serious problem in Montana. He noted that he is sure, if it is going on in Butte-Silver Bow, it is going on in other areas of the state, as well, and indicated he thinks this is a good way to correct the problem.

Representative Daily reported that Newell Anderson, from the Department of Commerce, Audit Division, and Gary Row, from Butte-Silver Bow, are here to address the issue. He noted that Chief Executive Don Peoples would have been here, but is in Washington, D.C.

List of Testifying Proponents and What Group they Represent:

Newell Anderson, Administrator, Local Government Assistance  
Division, Department of Commerce  
Gary Row, Budget Administrator, City and County of Butte-  
Silver Bow  
Peggy Haaglund, Executive Vice President, Montana Association  
of Conservation Districts

Testimony:

Mr. Anderson reported he is here at the request of Representative Daily to discuss, the benefits they have found, from their experience, that would accrue with the passage of HB101. He indicated that HB101 sets up a system which will allow for greater accounting control, both at the state level and at the local level. He indicated that, by issuing all warrants to a single finance officer in a single entity, and not issuing those warrants to individual departments within local governments, the state has a greater accountability as to where the funds they are sending out go, as well do the local governments have a better capacity to account for those funds, and deposit those funds in the appropriate accounts. He stated that one of the other benefits which would accrue, noting he does not have any statistics, but it is fairly obvious, is that, by having the deposits made singularly by a local government agency, those deposits have, by going into that agency, a daily deposit requirement. He indicated that the absence of that would allow a check or warrant to be sent to an agency in a local government jurisdiction that does not have that same kind of deposit policy and, as a result, they can lose the investment interest accrued to the deposit of those funds at the local level. He indicated that one of the benefits, for their agency, in auditing local governments is, by having single points of distribution to local governments, they can get, during their audits, a report that shows all of the warrants issued by the state to that local government entity, which would help in making sure they do a better job of audits, from their standpoint. He stated they believe this is a good bill, they believe that it does allow for the appropriate direction of fiscal control in local governments, and that it also allows for the appropriate distribution of state funds.

Testimony:

Mr. Row stated he is here today to urge the committee to support HB101. He reported that Butte-Silver Bow feels this is a good bill, for a variety of reasons, some of which were mentioned by Mr. Anderson. He stated that, from the perspective of internal control, it is an enhancement, it provides for good accounting practice, and should enhance local government entities' ability to track and maintain their own revenues, a trail of its own revenues. He indicated that, also, a secondary benefit would be increased interest, as Mr. Anderson mentioned.

Mr. Row reported that, recently, Butte-Silver Bow contracted with the Department of Commerce to conduct a review of its internal controls, as they relate to outside cash collection agencies. He stated that one of the primary findings, if not the fundamental conclusion of that report, was that the country treasurer should be the primary collector of public funds. He indicated that, as far as state warrants go, it is hard to think of a reason why they should not be first collector of those monies. He indicated they realize that local government entities, especially counties, often run and operate disparate operations over a wide geographical area. He noted that, even with the concerns that arise out of that, they feel the benefits, which will accrue because of the greater internal control, far outweigh any of those concerns.

Mr. Row stated that Butte-Silver Bow strongly urges the committee's support of this bill.

Testimony:

Ms. Haaglund distributed copies of her written testimony and proposed amendments to HB101 to the committee members, copies of which are attached as Exhibits 15 and 16, respectively.

List of Testifying Opponents and What Group They Represent:

None.

Questions From Committee Members:

- Q. Senator Rapp-Svrcek asked Representative Daily, if the issue is accountability and responsibility, especially given what we are going to do, this session, with the schools, why are they excluding school districts, or conservation districts, and why are they not making this applicable to all local entities.
- A. Representative Daily responded he will answer that as best he can, and he will have Gary Row answer it. He indicated that his understanding is that school districts have their own financial officer, whereas various agencies within the government do not.

Mr. Row indicated he does not know if he can add anything more to that, but noted school districts have roughly the same status as conservation districts, they are an autonomous unit of local government. He indicated he would interpret the bill to mean that warrants from the state should go to the finance officer of the entity and,

in school districts, to the finance officer of the school district.

- Q. Senator Rapp-Svrcek indicated the bill specifically exempts school districts from the provisions, and asked, assuming the school district does have a finance officer, why do they not want to make sure this procedure is being followed in the schools, as well.
- A. Mr. Row responded that it was his understanding that the language was included in the bill to provide that school district warrants would not be going to the wrong entity. He indicated that maybe the language is not as clear as it could be.

Representative Daily indicated he thinks that Senator Rapp-Svrcek may have hit on something they did not think about, and perhaps the committee may want to amend it to require that payments from the state go to the finance officer of the school district, noting he thinks that is probably legitimate.

Mr. Anderson indicated it is his understanding that all state funds distributed to school districts go through the county treasurer and, as a consequence, this bill would not change that; that is an existing system. He stated he stands corrected, but that is his understanding.

- Q. Senator Rapp-Svrcek asked, then, if the protection would be in the bill.
- A. Mr. Anderson responded it is already there.
- Q. Senator Vaughn asked, regarding the statement in the bill to notify the county clerk and recorder, if this is funds that came in to the city or a town, should it be that the city or town should also be notified, rather than the county clerk and recorder.
- A. Representative Daily responded that the reason that amendment was added is because the Clerk and Recorders' Association appeared before the committee, and wanted a notice.
- Q. Senator Vaughn indicated she can understand that, but indicated, if that money is due a city or town.

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- A. Mr. Anderson asked Senator Vaughn if she is referring to sub part (4).
- Q. Senator Vaughn indicated that, in the title, it says that the county finance officer should notify the clerk and recorder upon receipt of payment but, if it has to do with a payment for a city or town.
- A. Mr. Anderson responded it is his understanding that is only for county payments, received by a county finance officer.
- Q. Senator Bengtson asked if any other agency, other than the auditor's office, issues checks. She referred to page 2, which changes all references to state auditor to state agency, and asked who else issues checks on behalf of the state.
- A. Representative Daily responded the auditor issues the checks, but that the auditor gets the information from the Department of Revenue as to where the checks are going, before they issue the checks, noting they changed it that from to auditor to agency because the auditor does not know, but the Department of Administration does.
- Q. Senator Bengtson asked if the auditor does not know, but the Department of Administration does.
- A. Representative Daily responded we have a goofed up system, so to speak, noting he did not realize it until he got involved with this, but the Department of Administration indicates who the warrant is to go to, and all the auditor does is write the check.
- Q. Senator Bengtson asked if, on the checks, there is a trail.
- A. Representative Daily responded yes, and indicated that, rather than have the auditor trace it, they worded it so that the agency would do that, the agency would say where the check is to go.
- Q. Senator Hofman asked, if the school districts are already protected under existing statute, and are excluded from this, where does that leave the conservation districts. He further asked if they are protected some other way.
- A. Representative Daily responded he would have to defer that question to one of the other people.

Mr. Anderson indicated that his understanding is that school districts are the only ones covered, at this point in time, and they are covered by the specific direction that all checks go to the county treasurer. He stated that, at this point in time, the conservation districts, and all the rest of the local government entities, would be excluded, in the absence of this bill, from that direction. He noted this bill would include the conservation districts.

- Q. Senator Hofman asked Ms. Haaglund to respond to that.
- A. Ms. Haaglund asked Senator Hofman to state his question again.
- Q. Senator Hofman indicated the school districts seem to fall into a special category, and her amendment would add them to that. He asked, if the school districts are in a different position than they are, what justification would there be for leaving them out.
- A. Ms. Haaglund responded that she thinks they are in the same category as the school districts, at this time. She indicated they have grant monies which come to them, from the state, that go directly to the conservation district. She noted they can make the choice of whether to put it in the account they have through the county, which is strictly their's, or they can let the county administer it, noting it has been going on for years between the county and the district, that it basically saves the taxpayer money, and that is why it has been going on. She indicated that, also, they can put it in their individual account, and administer it themselves. She indicated it is a choice the districts have, that they have continued to use the counties, because it has been a plan that worked, and did save the taxpayers money.
- Q. Senator Hofman asked if they can not do that, anyway, even if it goes through the treasurer's office.
- A. Ms. Haaglund responded that she does not know that those funds go to the county. She indicated that, when she worked for the conservation district in Missoula, they had some grant money that went through the county but, at the end of the fiscal year, it was a real mess with having them handle it, because they get confused by it, when they have to handle it. She stated it is a lot easier if grant monies that come to the district, come



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directly to them, and then they do with it what suits them, and the county best.

- Q. Senator Hofman asked Representative Daily to respond to that.
- A. Representative Daily responded that he does not really understand the conservation districts, and how they operate, that well, but indicated he does not have a problem with the amendment, as such, because he thinks they are autonomous, they are out there on their own. He stated it is, maybe, a gut feeling, but he would almost like to see their money go through the treasurer, too. He indicated he thinks there is a danger of that money being misspent, noting, again, that he does not have any problems with their amendment, and added that they will see what happens in a year or two down the road.

Closing by Sponsor:

Representative Daily stated he thinks this bill was presented on behalf of Butte-Silver Bow, but that it is a state-wide issue. He indicated that, if the committee would act favorably on this bill, he thinks they will have a much better system of keeping track of the warrants from state government.

Chairman Farrell announced the hearing on HB101 as closed.

DISPOSITION OF HB 101

Discussion:

Senator Bengtson offered a motion that the amendment to HB101 be adopted. Senator Harding indicated that the reasoning behind this is that the soil conservation district is totally a separate entity, and it would just confuse matters. She stated that, if they have a problem, it will have to be taken care of another way, adding this is a good amendment.

Senator Bengtson offered a motion that HB101 be concurred in as amended.

Amendments and Votes:

Motion passed by the committee that the amendment to HB101 be adopted.

Recommendation and Vote:

Motion passed by the committee that HB101 be concurred in as amended.

## HEARING ON HB 385

Presentation and Opening Statement by Sponsor:

Representative Bruce Simon stated that he brings, before the committee today, the Zoo Montana bill. He distributed copies of a brochure to the committee members, a copy of which is attached as Exhibit 17, indicating it will tell the committee a little bit about Zoo Montana, and what they are doing in the Billings area. He reported they are trying to develop a regional zoo, and that there is a group that has been working very hard, in the Billings area, trying to put together a plan for a really first-class zoo, noting there is not a zoo in this area. He stated that, at the last couple of fairs, they had a booth showing some of the animals they plan to have, and indicated it has been the most popular exhibit in the entire fair in Billings, that it has been a marvelous thing. He reported they selected a site, which happens to be west of Billings near the Shilo overpass, and that it also happens that it is owned by the State of Montana. He reported the land was purchased in the 1950s by the State Highway Department, when they were building the Shilo overpass. He indicated they used some of the land, removing topsoil and some of the land for fill-dirt, and relayed the top soil. He asked the committee to turn to the middle of the brochure, and indicated they will see a layout plan, and will notice a creek running through the middle of it, which is Canyon Creek. He noted they have a sculptured property with the creek meandering down through, and indicated the brochure contains a rendering of what it might look like at some time of the year, adding it is a very beautiful site, and they think it has great potential for being an exciting zoo. He stated the plan is that, rather than having cages, this will be the type of zoo that the people will be protected from the animals in a way that the animals will be in a more natural setting, and people will walk through the site, and be able to see the animals in a more natural setting, not behind the bars in a cage type of zoo. He stated the site is ideally suited for that kind of presentation, and they believe the zoo can provide a great deal of economic stimulation for the area.

Representative Simon referred the committee to further back in the brochure, indicating there is some information about

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the kind of budget, and the kind of economic impact this could have. He stated they are talking about a \$4.5 or \$5 million facility, that it will generate a number of jobs, over 20 jobs, and that the economic impact will be over \$2 million a year to the local and state economy, noting it is a positive thing, all the way around. He indicated the money to provide the zoo is being raised locally, and nationally, through private donations, and stated the reason for this bill is that they want to be able to nail down the site, and know they have access to that site.

Representative Simon reported that the site was purchased by the Highway Department, and is still owned by the Highway Department, noting the zoo has been using the site on a lease basis for some time. He stated the reason for this bill is to try to clearly establish that the zoo has the right to use that site, and also to try to provide a mechanism, if they can work out the details, to try to put together a land swap, a trade, an outright gift, or whatever, to secure this site, long-term, for the zoo. He indicated that is what this bill does, that they think it has exciting potential, the cost to the state is minimal, at best, and it can be a great benefit, not only for their local economy, but for the state.

List of Testifying Proponents and What Group they Represent:

Jane Reger, Zoo Montana Board

Susan Carlson, Assistant Administrator, Zoo Montana

Testimony:

Ms. Reger reported she has been actively working for this project for 7 years. She stated they are very enthusiastic about it, noting there is no zoo within 500 miles of their area, and they consider the zoo will be a tremendous tourist attraction. She indicated they figure as many as 130,000 people will visit the zoo a year, adding 2,365,000 new dollars, per year, to Montana's economy, and that, adding a multiplier effect for lodging, retail food and drink, of \$2,700,000, it would mean they would be bringing \$500 million more dollars into the economy. She stated that a further economic value is that they will have 11 new jobs, right on the site, and 72 new jobs indirectly effected by building the zoo. She further indicated the recreation and education aspects are unlimited.

Ms. Reger reported the land is right off I-90, and will be easily accessible, especially when the interchange at Shilo Road takes place, noting that is scheduled. She related an

actual happening at the Baltimore, Maryland zoo. She reported a grandmother took her granddaughter to the zoo and, very excited, took her over to where the elephants were, and said "I want you to see that large, gray elephant right in front. That elephant's name is Annie, and that is my elephant." Ms. Reger indicated the child said, "Your elephant, grandma?" "Yep, that's my elephant. When I was a little girl, just about your age, our whole class got together and saved money, and worked, and, when we had enough, we called the zoo, and told them we would like to buy a baby elephant. When the elephant arrived, we all had our picture taken, and, through the years, I have always come back to the zoo to look at my elephant." She indicated that, needless to say, the granddaughter was quite impressed. She stated this is the joy of being able to work on a project like the zoo, that it lives and grows, and everyone can feel a part of it.

Ms. Reger reported they are planning a kick-off for their major fund drive on March 29th. She indicated that the committee, or the board of Zoo Montana, have been actively involved in getting their board family to get their pledges organized, and they have all been assigned to each other to work on that. She indicated she was recently doing this, and was talking about it to her oldest grandson, who asked how much do they pledge, and how do they go about this. Ms. Reger reported she told him they can pledge over a 5-year period, if they like, and he said, "Well, Grandma, I have summer lawn jobs, and I think I would be willing to pledge, over a 5-year period, \$500." Ms. Reger said she did not whip out the pledge card, because she felt he should talk to his folks about this, first, but indicated the point is that everybody, any age, any size, who are interested in this project, are willing to work for it.

Ms. Reger stated that, maybe someday, the committee members will be taking their children or grandchildren to the zoo, and they will be able to point, and say "See this zoo, it's because of me that this zoo has come about. I was with the Senate when the bill came up, and they asked if we would let the land be used to build this zoo, and I voted for it. So, you see, I am also a part of Zoo Montana." Ms. Reger then introduced Susan Carlson, who is speaking as a proponent, and is their assistant administrator.

Testimony:

Ms. Carlson stated she is one of many very enthusiastic people involved with Zoo Montana. She indicated she has been a part of Zoo Montana for a short time, just since last summer, that

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she started out as a volunteer, very excited about the educational aspect of Zoo Montana, and that, being a teacher and a mother, it was right up her alley. She reported she then became the mother of a monkey, and the mother of a racoon, and then she became the mother of several other animals that they are using, right now, in their education program. She indicated the committee probably does not understand how really proud they all are to allow them to be a part of HB385. She further indicated that Zoo Montana is a dream, the dream, that is almost to become reality, noting that, for those who are working close, it is exciting to see the enthusiasm and community support.

Ms. Carlson reported that one of the most important priorities of Zoo Montana is their education. She indicated that, unfortunately, education is not always one of the first priorities in a lot of the zoos, up and already existing, that education is almost one of the bottom of their priorities. She stated that they, at Zoo Montana, take their education and their community very seriously, reporting they have been doing education programs for some time, and have been able to be out, in the community, and see, first hand, the benefits to the community and the region. She indicated that, right now, they have several letters of support from university presidents, from Eastern, from Rocky, and from superintendents of schools, particularly around Billings, and also teachers, supporting Zoo Montana, especially what they have already been doing for a non-existent zoo, as far as their education goes. She indicated that some of us forget that we have people in our own State of Montana, in our region, that never actually leave their own community, noting we sometimes get so busy in our own little world, that we forget that, adding that the people do not have the opportunities to enrich their lives. She indicated that Zoo Montana reaches communities throughout the State of Montana, and that, if we don't reach them, they are reaching us. She reported they have school districts from Thermopolis, and school districts from Highwood, who want to know everything they can, and want to know what they can do. She indicated they have school districts, and particular grades, from Colstrip, calling, asking to send them for bumper stickers, buttons, that they are going to do a bake sale to help make money for Zoo Montana. She added that they also receive checks from people who have never seen the site, who have, maybe, just heard word of mouth, but believe in the dream.

Ms. Carlson reported their education program, at this time, includes nine live animals, and the programs consists of animal education, animal conservation, using slides, music,

and worksheets. She indicated they are pretty much more than happy to adapt to whatever the specific need of the group is. She stated that, most important, they have already been making a difference, and hope that this will continue. She reported that there is nothing more exciting than seeing the eyes of a child, seeing a Burmese python snake for the very first time, and realizing that he doesn't have to be afraid of it, that they can enjoy it, and become educated. She added that, to listen to a senior citizen who has been in an institution in Warm Springs all their life, see a life racoon for the very first time, is one of the most exciting feelings, as is to hear the giggles of all ages, seeing a snow monkey squishing bananas into her pouches, and her pouches filling up, looking like she has the mumps, and the intent quiet of a group, as a large tarantula crawls up the arms of the person handling it.

Ms. Carlson reported they go to the nursing homes, making a difference to the quality of life to the people that, sometimes, are forgotten, adding that they go into the psyc wards at 2 North, in Billings, quite often, and get reactions from some of the patients who have not had any kind of comment, or reaction, for some time, noting the social workers, doctors and nurses come back with such awe that something so small can make such a difference in someone's life. She stated they are seeing physically and mentally delayed pre-schoolers, children that maybe feel they are forgotten and do not have a whole lot of reason to move, noting they are moving, that these children, who don't lift their heads, are moving.

Ms. Carlson urged the committee to vote unanimously for HB385, and help to open another door to making a difference for the people of Montana, their region, and the visitors to the Big Sky Country.

List of Testifying Opponents and What Group They Represent:

None.

Questions From Committee Members:

- Q. Senator Rapp-Svrcek asked Ms. Reger if the rendering in the book, pointing out there are a lot of animals listed, and future exhibit sites, is how they envision the zoo on opening day, or will it be much smaller.
- A. Ms. Reger responded it will be much smaller, indicating they will probably open with the \$4.5 million, with a grizzly bear compound, a Siberian tiger, a snow leopard,

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and a snow monkey. She stated this is a long-range program, and that it is something our children's children's children will be working on, too, noting it will grow with them, adding that the zoo will open with the \$4.5 million. She stated she is very excited about the botanical aspect, which they really have not pushed, noting that is her love, and one of the reasons she got involved. She indicated the arboretum is going to be something really special, where people can go out and see plants that they might not normally see, noting they will have micro-climates where they can grow things that may not be completely hardy to our area.

Q. Senator Rapp-Svrcek indicated Ms. Reger mentioned 11 jobs, and indicated he would be interested in hearing about those, that it seems kind of small.

A. Ms. Reger responded that the zoo will be open all year around, but the winter months are not as heavy, work-wise, as the summer months, when they will be cutting lawns, working in flower beds, and doing a lot of the things that they would not, in the winter months. She indicated they plan that the zoo will be open every day but Christmas. Ms. Reger stated it seems like a few jobs, but indicated there will be lots of jobs, during the summer, but there will be fewer jobs during the winter. She asked Senator Rapp-Svrcek to think of the jobs that will be required to build the zoo, noting that will be a tremendous undertaking.

Representative Simon indicated they have a business plan, and showed it to Senator Rapp-Svrcek.

Q. Senator Rasmussen stated he sees a definite problem with the bill, which is that it is not located in Helena.

A. Ms. Carlson responded they are more than happy to come and expose Helena as much as they can.

Q. Senator Rasmussen indicated he noticed, in the title, that it indicates transfer of certain lands to the City of Billings, Yellowstone County, or Zoo Montana, and asked if they should not be more specific.

A. Representative Simon responded that, as they originally envisioned it, as the bill started out, it said Yellowstone County. He indicated that they have attempted to provide flexibility, because they understand that the City of Billings may have some property that the State

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of Montana is interested in, or the zoo may be able to acquire some property that the state might be interested in, indicating that the state wants to build a section house in the Billings area. He stated that they broadened the bill to give it some flexibility, so that they have various angles for any type of options they may possibly have, with the ultimate goal of making sure they can have this property down. He indicated the county may not have the land, but that the city might be able to come up with some land that would be appropriate, so they tried to make it flexible.

- Q. Senator Rasmussen asked if he does not think it is fuzzy enough so they won't be able to conclude with that.
- A. Representative Simon responded no, that the idea was to create flexibility.
- Q. Senator Bengtson indicated she would like to have the attorney for the Highway Department tell how they would envision negotiating with Yellowstone County for this land that the Highway Department has.
- A. Ms. Beate Galda responded that the department has been working with Yellowstone County and Zoo Montana since 1985 on this project, and has been leasing the property to Zoo Montana. She stated that they had some constitutional concerns, which are addressed in this bill, but that, as far as what will actually happen, if the city or the county has, or can acquire, some property that the department needs in the area of the airport, they would be willing to trade this property for it. She indicated if that, for some reason, does not work, they will do what they can to work this out with Zoo Montana. She reported that the Governor committed the department to this project years ago, but noted that, as far as the actual details, she does not know quite how they will work that.
- Q. Senator Bengtson indicated this bill just gives assurance to the people who are working on Zoo Montana that we are progressing, and that they have some legal status to go ahead with the project, knowing that there is a commitment by the state.
- A. Representative Simon responded they have had assurances from the Highway Department that they are very willing to work this out, and that they don't want this land any longer. He indicated they have owned it since 1958, they



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really haven't used it since 1958, when they used it for their initial purpose, and it has just been sitting there. He indicated the zoo site is something they are very interested in making that land available for, and they are just trying to put it in statute that this is the direction the legislature wants to go.

Q. Senator Abrams pointed out the brochure indicates that, in 1985, Zoo Montana acquired 70 acres.

A. Ms. Reger responded they did, by lease.

Representative Simon also responded that it was acquired by lease.

Q. Senator Rasmussen asked when the interchange is going in.

A. Representative Simon responded he thinks it is 1991.

Ms. Reger also indicated she thinks that is when it is scheduled.

Representative Simon added that the interchange site is right next door, so to speak, to the zoo and, on the other side of the interchange, to the south of the highway, is Oscar's Dreamland, where he has all the old steam engines, noting it can make a multiple site for a tourist attraction, and make another destination point in Montana.

Q. Senator Harding asked whatever happened to Wonderland that was in Billings about 30 years ago.

A. Representative Simon responded it is now an industrial park, that it is long gone.

Q. Senator Harding asked if it did not have the right push that Zoo Montana has.

A. Representative Simon responded that was a commercial venture, and this is a private non-profit corporation, quite a different venture.

Closing by Sponsor:

Representative Simon indicated he does not know what more he can say to the committee, and urged their do pass.

Chairman Farrell announced the hearing on HB385 as closed.

DISPOSITION OF HB 385

Discussion:

Senator Vaughn asked if this is to be done with donations. Chairman Farrell responded that is his understanding, noting that these people have really worked on this. Senator Bengtson stated this is just very exciting. Senator Harding indicated that Senator Bengtson asked a question regarding the Highways part in this, and Senator Bengtson indicated that is why Beate was sitting here, noting that negotiations have been going on but, with such a major project, they needed to put this in writing, and have the direction that the Legislature knows what is going on.

Senator Vaughn offered a motion that HB385 be concurred in.

Recommendation and Vote:

Motion passed by the committee that HB385 be concurred in.

HEARING ON HB 408

Presentation and Opening Statement by Sponsor:

Representative Bruce Simon indicated that the Legislative Auditor's office, in going through their last audit, made their recommendation for the bill, at the request of the Audit Committee. He stated that, currently, the liquor division, in reporting their operations, does not include revenues from licensure in their overall operations, that the money goes directly to the general fund. He indicated that nothing in this bill would change where the money goes, that it is simply a matter of accounting for the revenues so that they include, in the overall operation of the liquor division, the licensure revenue in their operations. He added that where the money ends up will remain exactly the same, and that this is to comply with generally accepted accounting principles. He urged the committee to do pass.

List of Testifying Proponents and What Group they Represent:

John Northey, Legislative Auditor's office

Testimony:

Mr. Northey stated that he believes Representative Simon has explained the bill quite well, but indicated he would point out that, presently, the liquor license revenues are deposited directly into the general fund, but the expenses of the liquor division are paid out of the enterprise fund, and they do not have the expenditures and revenues accounted for in the same fund. He indicated this bill would provide that they would both be accounted for in the enterprise fund, with the unexpended revenues automatically transferring to the general fund. He noted that there is no net effect, dollar wise, that it would just straighten out the accounting problem. He reported state law mandates that the state accounting system be in accordance with generally accepted accounting principles, and this law is presently not in accordance with them.

List of Testifying Opponents and What Group They Represent:

None.

Questions From Committee Members:

None.

Closing by Sponsor:

Representative Simon indicated that, when this committee gives this bill favorable consideration, he would like to ask Senator Jergeson to carry the bill.

Chairman Farrell announced the hearing on HB408 as closed.

DISPOSITION OF HB 408

Discussion:

Senator Harding offered a motion that HB408 be concurred in.

Recommendation and Vote:

Motion passed by the committee that HB408 be concurred in.

HEARING ON HB 605

Presentation and Opening Statement by Sponsor:

Representative Ed Grady stated that HB605 is an act to transfer the state debt collection service from the Department of Revenue to the State Auditor, clarifying the Department of Revenue procedures regarding tax offsets.

Representative Grady indicated that, with the Chairman's permission, he would turn this over to the Auditor's department, noting it is fairly complicated, and he does not want any misunderstandings of what the bill does or does not do.

List of Testifying Proponents and What Group they Represent:

Debbie VanVliet, Administrator, Fiscal Management and Control Division, State Auditor's Office  
Don Bentson, Administrator, Centralized Services, Department of Revenue

Testimony:

Ms. VanVliet reported that the State Auditor's office and the Department of Revenue got together, and came up with a study on this bill. She distributed copies of the study to the committee members, a copy of which is attached as Exhibit 22, noting they can read it at their convenience, but that her testimony should outline what is in the study.

Ms. VanVliet stated the proposed to move the bad debts program to the State Auditor's office is the result of implementation of the new warrant writing system. She indicated the new warrant system provides a payment interception, or offset service, for all state agencies to use for the purpose of collecting state debts. She reported that, in 1974, the 43rd Legislature created a bad debt collection program, and the stated purpose for creating that legislation was to centralize the collection of all debts owing state government. She noted the Legislature anticipated the program would provide 3 basic services for all state agencies in regards to state receivables; (1) offsetting state refunds against debts to the State of Montana; (2) a last-resort collection effort that utilizes private industry through private collection agencies; and (3) a formal method of writing off state receivables. She reported that the bad debt program has grown more than tenfold from 1975 to 1988, in all areas, and that, in 1975, the cost of collections did not cover the debts collected. She added that, in 1988, the bad debt program returned \$7 to the general

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fund for every dollar it spent to collect these receivables. She indicated the State Auditor's office and the Department of Revenue felt a proposal to move the bad debt program to the State Auditor's office was justified, based on the following; (1) transferring the bad debt program to the State Auditor's office would eliminate duplication of the offset process and, consequently, decrease debtor confusion. She indicated that, when the new warrant system is implemented, the State Auditor's office will also offset debts and, if the bad debt program remains in the Department of Revenue, three areas will be offsetting debts; the Department of Revenue's income tax division, the bad debt program, and the State Auditor's office. She stated that, if the bad debt program were moved to the State Auditor's office, only the Department of Revenue's income tax division and the State Auditor's office would be offsetting debts. (2) Other states, which have a system similar to the State Auditor's office, show that offsets from all warrants issued by their states are three times greater than the state tax refunds, which is the current situation. She stated the bad debts program offset \$216,000 in refunds in FY88, and that it is reasonable to assume they would increase collections against state debts by \$600,000, if they utilize the offset function in the new warrant writing system. (3) The bad debts program spends \$15,000 of its \$78,000 budget to properly administer, and give the debtor due process. She indicated it returns \$260,000 to the general fund directly, or indirectly, for this investment. She stated that, to properly administer, and give the debtor due process, they believe it would cost an additional \$42,000, noting the costs are for two clerks, and moving expenses. Ms. VanVliet stated it is estimated the state would receive \$400,000 in revenue, either directly or indirectly, to the general fund, for this \$42,000.

Testimony:

Mr. Bentson stated he is here to provide technical information, from the Department of Revenue's viewpoint, also indicating that Ken Rudio, who is the collection officer, and heads up the state debt collection program, is also here. He reported they did have a task force, which included people from both the Department of Revenue and the State Auditor's office, and their conclusion was that this function would be better off in the State Auditor's office. He indicated they concur with them.

List of Testifying Opponents and What Group They Represent:

None.

Questions From Committee Members:

None.

Closing by Sponsor:

Representative Grady reported this bill had no opposition in the House, and there does not seem to be a problem with it. He noted the committee has seen that the Department of Revenue does not have any problem with it, and it looks like it will bring in a considerable amount of more money by transferring it into the Auditor's department. He indicated he thinks they spent quite a bit of time, ahead of time, going over this.

Chairman Farrell announced the hearing on HB605 as closed.

DISPOSITION OF HB 605

Discussion:

Senator Harding offered a motion that HB605 be concurred in.

Recommendation and Vote:

Motion passed by the committee that HB605 be concurred in.

OTHER BUSINESS

Discussion: HB 207

Chairman Farrell directed the committee's attention to HB207, indicating there are some proposed amendments to the bill. Senator Hofman explained to Chairman Farrell what the committee discussed, regarding these amendments, in their meeting on March 7, indicating that Senator Rasmussen asked that amendments number 13 and 14 be separated out.

Senator Rapp-Svrcek offered a motion that amendments number 1-12 be adopted.

Recommendation and Vote:

Motion passed by the committee that amendments number 1-12 to HB207 be adopted.

Discussion:

Senator Harding indicated she had a problem with that, noting that she could not understand why they wanted to take out this portion, asking if that is what it does. Ms. McClure responded that it gives it to the Lottery Commission, and Chairman Farrell added that it is only in the area of whether the director of the Department Commerce may adopt rules relating to lottery staff sales incentives, bonuses and sales agents' commissions, noting that is the only place the director has any authority to make rules, and that all the other rules for the Lottery Commission are made by the commission. He indicated the question was why do they want to do that with the director of the Department of Commerce, when the Commission makes all the other rules. Senator Bengtson indicated it was brought out that the director of the Department of Commerce was not the appropriate person, anyway, that this is completely independent of state government. Senator Harding stated her thought was that this is supposed to be a business.

Senator Rapp-Svrcek offered a motion that amendments number 13 and 14 to HB207 be adopted. Senator Rasmussen stated he would speak against that, indicating that is eliminating what the House did. He noted that, on page 16, line 2-4, it appears to him that the House did the right thing in trying to preserve the integrity of the monies going into the school funding area. He stated he thinks the committee should accept what the House did there, accept the bill as it came over, and keep these amendments. Senator Harding asked, if the committee votes for these amendments, would it strike what the House did. Senator Vaughn responded it will put it back to 35%. Senator Rasmussen stated that, to stay with the House, she would have to vote no on this.

Senator Rapp-Svrcek stated he would speak in favor of these amendments, indicating that he was never a proponent of the lottery, that he voted against it and he does not play it. But, he pointed out, it has surpassed the predictions for the revenue it has raised, and he thinks that, when you get people as diverse as Senator Stimatz and Senator Blaylock coming in in favor of this, clearly something is wrong. Senator Rapp-Svrcek stated that he does not think anybody can fault the performance of Ms. Dowling in running the lottery, pointing out they testified that the adoption of this amendment has the potential of killing the lottery, slowly, because they would be locked in. He asked the committee members to think about running their own businesses, noting that none of them are locked in to taking a certain percentage of the profit off the

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top, and the problem is what is left over after all their expenses are paid. He further indicated the testimony was that, if they are not locked in, it gives them some flexibility and that, if the experience of other state lotteries are any indication, eventually the amount of money that we earn, totally, will come up, despite the fact that there is no percentage in the bill, and we will have more money going to the schools. He stated that, if the committee is not going to adopt these amendments, they should just kill the bill, kill the lottery, which is essentially the message he got, pretty loud and clear, yesterday.

Senator Bengtson stated that she supports the amendments, noting that 35% of nothing, is nothing, and it will not operate at a profit. Chairman Farrell indicated that all they are asking for is, if they have a slow period, that they are able to increase the prizes, to get people interested, noting that 35% stops them from being able to do that. Senator Harding commented that Senator Rapp-Svrcek mentioned Senator Stimatz and Senator Blaylock came in on the bill, and Senator Stimatz presented these amendments, but indicated she thinks Senator Blaylock, although she does not know if he concurred in the amendments, concurred in the bill. Senator Bengtson responded that he supported taking the 35% out, that he does not like it either. She indicated that, if we are going to have it, let it work.

Senator Rasmussen pointed out this was the way it was sold to us, the way it was set up and, if they ca not operate that way, maybe they should disappear from the scene. Senator Bengtson stated we are in a changing world, Senator Vaughn pointed out this gives them a chance to be able to operate, and Senator Rasmussen indicated that things change in the sense that maybe we don't need a lottery.

Recommendation and Vote:

Motion passed by the committee, by roll call vote, that amendments number 13 and 14 to HB207 be adopted, with Senators Harding and Rasmussen opposed.

Discussion:

Senator Rapp-Svrcek offered a motion that HB207 be concurred in as amended.



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Recommendation and Vote:

Motion passed by the committee that HB207 be concurred in as amended, with Senators Rasmussen and Harding opposed.

Discussion: HB 365

Senator Anderson indicated that HB365 affects some of the smaller newspapers, that many of the small newspapers also have a print shop. He stated it would affect them adversely, by segregating the county printing. He indicated the newspapers could still have the prerogative of getting the advertising, but the printing would be segregated.

Senator Harding pointed out that they could bid, and Senator Vaughn stated they don't have to, that it says they may. Senator Anderson indicated it could affect some of the small newspapers and printers, and that politics could enter into it.

Senator Bengtson offered a motion that HB365 be concurred in. Senator Hofman indicated it does not exclude the print shop that is in the same office with the paper, and that, as far as any money in the county is concerned, they have a 5% advantage over going out of the county, adding that he does not see where anyone is really hurt by this. He further indicated they have the same opportunity to meet the bid as any other print shop. Senator Anderson responded for the most part, but indicated he has contacted those printers in his area, and will have to oppose it.

Recommendation and Vote:

Motion passed by the committee that HB365 be concurred in, with Senators Anderson and Abrams opposed.

ADJOURNMENT

Adjournment At: 12:00 noon

  
WILLIAM E. FARRELL, Chairman

WEF/mhu  
HB2.039

ROLL CALL

STATE ADMINISTRATION COMMITTEE

51ST LEGISLATIVE SESSION

DATE: March 9, 1989

NAME	PRESENT	ABSENT	EXCUSED
HUBERT ABRAMS	✓		
JOHN ANDERSON, JR.	✓		
ESTHER BENGTON	✓		
WILLIAM E. FARRELL	✓		
ETHEL HARDING	✓		
SAM HOFMAN	✓		
PAUL RAPP-SVRCEK	✓		
TOM RASMUSSEN	✓		
ELEANOR VAUGHN	✓		

SENATE STANDING COMMITTEE REPORT

March 9, 1989

MR. PRESIDENT:

We, your committee on State Administration, having had under consideration HB 2 (third reading copy -- blue), respectfully report that HB 2 be concurred in.

Sponsor: Marks (Hofman)

BE CONCURRED IN

Signed: Farrell

William E. Farrell, Chairman

4/10/89  
319189  
11:24 AM

SENATE STANDING COMMITTEE REPORT

March 9, 1989

MR. PRESIDENT:

We, your committee on State Administration, having had under consideration HB 171 (third reading copy -- blue), respectfully report that HB 171 be amended and as so amended be concurred in:

Sponsor: Swift (Harding)

1. Page 3, line 7.

Strike: "WHERE"

Insert: "to an office for which"

Strike: "FOR THE OFFICE"

Insert: "a declaration or petition for nomination or a declaration of intent"

2. Page 5, line 12.

Following: "CAST"

Insert: ";

(i) for the office of precinct committeeman or committeewoman in a primary election;

(ii) for an office for which no candidate has filed a declaration or petition for nomination or a declaration of intent; or

(iii)"

AND AS AMENDED BE CONCURRED IN

Signed: William E. Farrell  
William E. Farrell, Chairman

J.C.  
2/19/89  
2:14 p.m.

SENATE STANDING COMMITTEE REPORT

March 9, 1989

MR. PRESIDENT:

We, your committee on State Administration, having had under consideration HB 11 (third reading copy -- blue), respectfully report that HB 11 be not concurred in.

Sponsor: Bradley (Farrell)

BE NOT CONCURRED IN

Signed: Farrell  
William E. Farrell, Chairman

U. S. 9  
31 91  
1:24 p.m.

SENATE STANDING COMMITTEE REPORT

March 9, 1989

MR. PRESIDENT:

We, your committee on State Administration, having had under consideration HB 118 (third reading copy -- blue), respectfully report that HB 118 be concurred in.

Sponsor: Cody (Abrams)

BE CONCURRED IN

Signed: William E. Farrell  
William E. Farrell, Chairman

Statement of Intent adopted.

41.0.  
319189  
1.2.11.

SENATE STANDING COMMITTEE REPORT

March 9, 1989

MR. PRESIDENT:

We, your committee on State Administration, having had under consideration HB 372 (third reading copy -- blue), respectfully report that HB 372 be concurred in.

Sponsor: Gould (Farrell)

BE CONCURRED IN

Signed: Farrell  
William E. Farrell, Chairman

41.6.  
3/9/89  
1:24 p.m.

SENATE STANDING COMMITTEE REPORT

March 9, 1989

MR. PRESIDENT:

We, your committee on State Administration, having had under consideration HB 101 (third reading copy -- blue), respectfully report that HB 101 be amended and as so amended be concurred in:

Sponsor: Daily (Lynch)

1. Page 1, line 24.

Following: "district"

Insert: "or a conservation district"

AND AS AMENDED BE CONCURRED IN

Signed: Farrell  
William E. Farrell, Chairman

W.E.  
3/9/89  
2:14 P.M.



**SENATE STANDING COMMITTEE REPORT**

March 9, 1989

**MR. PRESIDENT:**

We, your committee on State Administration, having had under consideration HB 385 (third reading copy -- blue), respectfully report that HB 385 be concurred in.

Sponsor: Simon (Bengtson)

**BE CONCURRED IN**

Signed: Farrell  
William E. Farrell, Chairman

4/10/89  
3:24  
1:42 PM

SENATE STANDING COMMITTEE REPORT

March 9, 1989

MR. PRESIDENT:

We, your committee on State Administration, having had under consideration HB 408 (third reading copy -- blue), respectfully report that HB 408 be concurred in.

Sponsor: Simon (Jergeson)

BE CONCURRED IN

Signed: *William E. Farrell*  
William E. Farrell, Chairman

*W.E. Farrell*  
*3/9/89*  
*1:24 PM*

SENATE STANDING COMMITTEE REPORT

March 9, 1989

MR. PRESIDENT:

We, your committee on State Administration, having had under consideration HB 605 (third reading copy -- blue), respectfully report that HB 605 be concurred in.

Sponsor: Grady (Rasmussen)

BE CONCURRED IN

Signed: William E. Farrell  
William E. Farrell, Chairman

Statement of Intent adopted.

W.E.F.  
3/9/89  
1:24  
I.P.

SENATE STANDING COMMITTEE REPORT

page 1 of 2  
March 9, 1989

MR. PRESIDENT:

We, your committee on State Administration, having had under consideration HB 207 (third reading copy -- blue), respectfully report that HB 207 be amended and as so amended be concurred in:

Sponsor: Gould (Stimatz)

1. Title, line 11.

Following: "THAT THE"

Strike: "DIRECTOR OF THE DEPARTMENT OF COMMERCE"

Insert: "LOTTERY COMMISSION"

2. Title, lines 25 and page 2, line 1.

Strike: "23-5-1006 THROUGH"

Insert: "23-5-1007,"

Strike: "23-5-1012."

3. Page 2, line 7.

Strike: "6"

Insert: "4"

4. Page 2, line 8.

Strike: "director of the department of commerce"

Insert: "lottery commission"

5. Page 3, line 4.

Following: "grants"

Insert: "additional"

6. Page 3, lines 5 and 6.

Following: "to the"

Strike: remainder of line 5 through "director" on line 6

Insert: "lottery commission to"

7. Page 3, lines 19 and 20.

Strike: "6"

Insert: "4"

Following: "allows the"

Strike: remainder of line 19 through "commerce" on line 20

Insert: "lottery commission"

8. Page 6, line 5.

Strike: section 2 in its entirety

Re-number: subsequent sections

9. Page 7.

Following: line 25

Insert: "(3) maximize the net revenue paid to the superintendent of public instruction under 23-5-1027 and ensure that all policies and rules adopted further revenue maximization;"

Re-number: subsequent subsections

10. Page 9, line 1.

Following: "rules"

Insert: "relating to lottery staff sales incentives or bonuses and sales agents' commissions and any other rules"

11. Page 9, line 25.

Strike: "section 5 in its entirety"

Re-number: subsequent sections

12. Page 12, line 23.

Strike: "DIRECTOR OF THE DEPARTMENT OF COMMERCE"

Insert: "lottery commission"

13. Page 16, lines 2 and 3.

Following: "~~That part~~"


Strike: remainder of line 2 through "revenue" on line 3

14. Page 16, line 4.

Following: "expenses"

Insert: "That part of all gross revenue not used for the payment of prizes, commissions, and operating expenses"

AND AS AMENDED BE CONCURRED IN

Signed: 

William E. Farrell, Chairman

SENATE STANDING COMMITTEE REPORT

March 9, 1989

HR. PRESIDENT:

We, your committee on State Administration, having had under consideration HB 365 (third reading copy -- blue), respectfully report that HB 365 be concurred in.

Sponsor: Harrington (Beck)

BE CONCURRED IN

Signed: William E. Farrell  
William E. Farrell, Chairman

W.E.  
3/9/89  
1:24  
p.m.

WITNESS STATEMENT

EXHIBIT NO. 1  
DATE 3/9/89  
BILL NO. HB 2

To be filled out by a person testifying or a person who would not like to stand up and speak but wants their testimony entered into the record.

NAME: Rep Bob Mark

DATE: 3-9-89

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

Representing whom? \_\_\_\_\_  
\_\_\_\_\_

Appearing on which proposal? HB 2

Do you: SUPPORT?  AMEND?  OPPOSE?

Comments:  
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PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

SENATE STATE ADMIN.

EXHIBIT NO. 2

DATE 3/9/89

BILL NO. HB171

Amendments to House Bill No. 171  
Third Reading Copy

Requested by Representative Bernie Swift  
For the Senate Committee on State Administration

Prepared by Lois Menzies  
March 3, 1989

1. Page 3, line 7.

Strike: "WHERE"

Insert: "to an office for which"

Strike: "FOR" through "OFFICE"

Insert: "a declaration or petition for nomination or a  
declaration of intent"

2. Page 5, line 12.

Following: "CAST"

Insert: ":

(i) for the office of precinct committeeman or  
committeewoman in a primary election;

(ii) for an office for which no candidate has filed a  
declaration or petition for nomination or a declaration of  
intent; or

(iii)"



WITNESS STATEMENT

EXHIBIT NO. 3

DATE 3/9/89

BILL NO. HB171

To be filled out by a person testifying or a person who would not like to stand up and speak but wants their testimony entered into the record.

NAME: Betty T. Lund

DATE: Mar. 9, 1989

Address: Courthouse Box 5002  
Hamilton, MT

Phone: \_\_\_\_\_

Representing whom?  
Montana Assoc of Clerks & Recordors

Appearing on which proposal?  
HB 171

Do you: SUPPORT? X <sup>with</sup> AMEND? X OPPOSE? \_\_\_\_\_

Comments:  
see Exhibit #4  
\_\_\_\_\_  
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\_\_\_\_\_

SENATE STATE ADMIN.

EXHIBIT NO. 4

DATE 3/9/89

BILL NO. HB 171 pg 1

PLEASE DELIVER TO:

SECRETARY

House State Administration Committee

State Capitol

Helena, MT

Witness Statement

January 31, 1989

9:00 A.M.

HB 171

WITNESS STATEMENT

NAME: Betty T Lund, Clerk & Recorder

ADDRESS: Ravalli County Courthouse, Box 5002  
Hamilton, MT 59840

WHOM DO YOU REPRESENT? Montana Association of Clerks and  
Recorders

SUPPORT: HB 171

COMMENTS:

*Mr.* ~~Madam~~ Chairman and Members of the Committee:

For the the record I am Betty Lund, Clerk & Recorder for  
Ravalli County.

H.B. 171 is a result of a resolution passed unanimously by  
the Montana Association of Clerk & Recorders at their  
convention this past August. The concept of requiring a  
serious write-in candidate to file a declaration of intent  
is not a concept unique to Montana. ~~I have received copies  
of similar laws from the State of Oregon, New Mexico,  
Arizona, Illinois, North Carolina and Florida and know other  
states I did not receive data from have it.~~ *23 other states have  
similar laws including Id, VT, WA + Dakotas. 4 states do not allow any  
write-ins.*  
In this time of 1105's and severe budget constraints HB 171  
will help to lower election costs, as it is very costly to  
count the endless write-ins that elect no one.

I don't believe the general public realizes how many write-  
ins there are in a single election and how much it costs to  
process them.

In this past general election, Ravalli County had 377  
different names written in for various offices. We had to  
certify 184 different names with a total vote of 304 to the  
Secretary of State as you can see by the 5 copy of the  
official canvass- if you will notice most candidates only  
received one vote. The primary was worse - 261 different  
names with 466 votes were certified to the Secretary of  
State. These totals are only a fraction of the number of  
write-ins as we only certify <sup>to the Sec of State</sup> the state and national  
candidates - all local candidate write-ins are kept in the

local government canvass book. The cost of the write-in board on election day for the General was \$120.60. The cost of the crew after the election to type the write-in votes in the Ravalli County official canvass book and certify all the write-ins to the Secretary of State was \$363.63.

Peggy Zeilie, the Election Administrator from Yellowstone County, called me before I left Hamilton and reported that in the General election she had 710 different write-in names of which 663 had two votes or less and in a soil conservation office, she had 6960 which took an employee 62 hours to process and the two people that were elected were already on the board but failed to file in time to get their names printed on the ballot. Her cost to process only the soil conservation write-ins was \$207.70. The total cost of the write-in vote was in excess of \$2000.00.

Missoula County election spokesman, Wendy Cromwell reported that the total cost of her write-ins was \$720, however this cost is double in a primary election.. Lake County Election Administrator Charlotte Weldon reported that she had 228 write-ins, which took 20 minutes each write-in to complete the process at a cost of \$254.60.

In conclusion I would be happy to answer any questions that you might have. I have been running elections in Ravalli County for 17 years so do have some experience.

I strongly urge a DO PASS recommendation for HB 171 *as amended*

Thank you for your attention.

*Betty T. Lund*

Very seldom are write in votes reported in the newspapers - the only persons that know who received write in votes are the counting judge & the canvass board. What a waste of valuable tax dollars.

#3  
#4  
#5  
Missoula County's Horror story

EXHIBIT NO. 5

DATE 3/9/89

BILL NO. HB11

WITNESS STATEMENT

To be filled out by a person testifying or a person who would not like to stand up and speak but wants their testimony entered into the record.

NAME:

DATE:

Donna Bradley \_\_\_\_\_

Address:

Legislature \_\_\_\_\_

Phone:

\_\_\_\_\_

Representing whom?

\_\_\_\_\_

Appearing on which proposal?

(HB11) \_\_\_\_\_

Do you: SUPPORT? \_\_\_\_\_ AMEND? \_\_\_\_\_ OPPOSE? \_\_\_\_\_

Comments:

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PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

EXHIBIT NO. 6

DATE 3/9/89

BILL NO. HB11

WITNESS STATEMENT

To be filled out by a person testifying or a person who would not like to stand up and speak but wants their testimony entered into the record.

NAME:

Stuart Whitelair

DATE:

3/9/89

Address:

304 Hoffman Dr  
Bozeman MT

Phone:

586-6752

Representing whom?

\_\_\_\_\_

Appearing on which proposal?

HB11

Do you: SUPPORT?  AMEND?  OPPOSE?

Comments:

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PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

ROLL CALL VOTE

STATE ADMINISTRATION COMMITTEE  
51ST LEGISLATIVE SESSION

DATE: 3/9/89

BILL NO. HB11

TIME: 11:30 AM

NAME	YES	NO
HUBERT ABRAMS	✓	
JOHN ANDERSON, JR.		✓
ESTHER BENGTON	✓	
WILLIAM E. FARRELL		✓
ETHEL HARDING		✓
SAM HOFMAN		✓
PAUL RAPP-SVRCEK	✓	
TOM RASMUSSEN		✓
ELEANOR VAUGHN		✓

Mary Lepchuk  
Secretary

William E. Farrell  
Chairman

Motion: THAT HB11 BE CONCURRED IN

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

WITNESS STATEMENT

EXHIBIT NO. 8

DATE 3/9/89

BILL NO. HB 118

To be filled out by a person testifying or a person who would not like to stand up and speak but wants their testimony entered into the record.

NAME:

Rep. Dorothy A. Cook

DATE:

3/9/89

Address:

\_\_\_\_\_  
\_\_\_\_\_

Phone:

\_\_\_\_\_

Representing whom?

House Dist 20

Appearing on which proposal?

HB 118

Do you: SUPPORT?  AMEND?  OPPOSE?

Comments:

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PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

SENATE STATE ADMIN.

EXHIBIT NO. 9

DATE 3/9/89

BILL NO. HB 118

WITNESS STATEMENT

To be filled out by a person testifying or a person who would not like to stand up and speak but wants their testimony entered into the record.

NAME:

DATE:

Wm B Brown

3-9-89

Address:

2979 Millie

Billings MT 59102

Phone:

406-652-2775

Representing whom?

board of morticians

Appearing on which proposal?

HB 118

Do you:

SUPPORT?

AMEND?

OPPOSE?

Comments:

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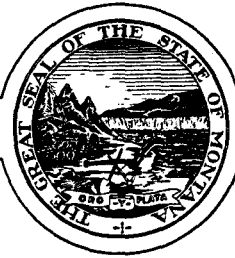
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PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY



BOARD OF MORTICIANS  
DEPARTMENT OF COMMERCE

1424 9TH AVENUE



STATE OF MONTANA

(406) 444-5433

HELENA, MONTANA 59620-0407

March 9, 1989

CHAIRMAN FARRELL, MEMBERS OF THE COMMITTEE

H.B. 118 provides the authority to licensed morticians to enter into preneed or prearranged contracts with an individual or family prior to death. During a Federal Trade Commission audit of the Board of Morticians the FTC discovered that the board does not have the authority to grant this privilege to licensed morticians or funeral homes. The Federal Trade Commission audited and reviewed the law and rules of all licensing agencies regulating the funeral industry in the past 5 years. This was the only area of concern expressed in their report on our law and rules.

The policy of the board concerning licensing of funeral homes is outlined in Sections 3 and 4 of the bill. It has been the policy of the board to inspect new facilities, charge fees, require mortuaries to renew their license the same as a licensed mortician and did not realize that the law only states that an operating mortuary must be licensed. Under this proposal, the board would be granted rule making authority to set standards for all phases of operation from the day the application is filed until the facility is closed or sold. The board has had several problems with new facilities opening up without applying for license in a timely manner or holding funerals without a license.

The board requests authority to revoke or suspend a license for not renewing a mortician, funeral home license if the license has not been renewed and the licensee is working or the mortuary is in operation.

The request for fine provisions is a negotiable means of disciplinary action. It allows the board to have legal staff prepare the necessary notice stating a fine rather than revocation. Under a report recently released by the Office of Inspector General under a study of state licensure and discipline practices of dentists, chiropractors, optometrists and podiatrists their recommendation stated that state governments should ensure that the state boards have sufficient enforcement authority and a full range of disciplinary options available to them.

Members of the board are present and we would be happy to answer any questions you may have in this proposed legislation. Thank you for your consideration of H.B. 118.

*Ann B. Brewer*  
Board Member

HERRMANN AND COMPANY

*Funeral Home*

314 N. RODNEY

HELENA, MONTANA 59601

PHONE (406) 442-1234

MARCH 9th, 1989

SENATOR BILL FARRELL CHAIRMAN.

STATE ADMINISTRATION

HOUSE BILL 118.

MY NAME IS LLOYD LINDEN, I AM HERE TODAY REPRESENTING THE MONTANA FUNERAL

DIRECTORS ASSOCIATION WHICH REPRESENTS

75% OF THE FUNERAL HOMES AND MORTICIANS

IN MONTANA. THE OBJECTIVES OF THE ASS-

OCIATION IS TO PROMOTE AND ELEVATE PRO-

FESSIONAL CHARACTER AND EDUCATION OF

MORTICIANS THROUGHOUT THE STATE, AND TO

FOSTER AND MAINTAIN AMONG THEM HIGH PRO-

FESSIONAL IDEALS OF PUBLIC SERVICE.

DEATH IS A FACT OF LIFE AND BY ALLOWING

LICENSEES TO ENTER INTO PRENEED AND PRE-

ARRANGED FUNERALS IS A BENEFIT TO THE

PUBLIC WE SERVE.

THIS BILL ALSO PROVIDES FOR REGULATION

OF THE FUNERAL HOME AND GIVES THE BOARD

THE AUTHORITY TO SET STANDARDS.

PLEASE GIVE HOUSE BILL 118 A DO PASS.

THANK YOU!

WITNESS STATEMENT

EXHIBIT NO. 12  
DATE 3/9/89  
BILL NO. HB118

To be filled out by a person testifying or a person who would not like to stand up and speak but wants their testimony entered into the record.

NAME: Margaret Richardson DATE: March 8/89

Address: Montana Funeral Dir. Assoc.  
P.O. Box 6276

Phone: Helena - 449-7244

Representing whom?  
\_\_\_\_\_

Appearing on which proposal?  
# HB 118

Do you: SUPPORT?  AMEND?  OPPOSE?

Comments:  
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PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY



FINANCE/CITY CLERK OFFICE

201 W. SPRUCE • MISSOULA, MT 59802-4297 • (406) 721-4700

SENATE STATE ADMIN.  
BUDGET AND ANALYSIS  
EXHIBIT NO. 13  
CITY CLERK  
DATE 3/9/89  
UTILITY BILLING  
RISK MANAGEMENT

BILL NO. HB372

**CITY OF MISSOULA  
CHUCK STEARNS TESTIMONY ON HOUSE BILL #372**

The City of Missoula supports House Bill #372 and thanks Representative Gould for agreeing to sponsor the bill. The idea for this bill arose out of our frustration in trying to pass General Obligation Bond issues when 40% voter turnout is not achieved.

In the early 1980's, the City of Missoula placed a \$500,000 open space G.O. Bond before the voters and it took three elections before the 40% turnout was achieved, even though the majority of voters approved it in each election. At the second election, there was a 40% turnout for the candidates, but not everyone voted in the bond election and a 40% turnout for the bond issue was not attained. There was speculation that the cause of the lower turnout was because the bond issue was the last item on the ballot. The bond issue passed by a 54%-46% margin at the third and final election.

More recently, the City of Missoula proposed a bond issue for fire equipment at last year's City general election. Despite overwhelming approval by 82% of the voters, the issue failed because of only 23.5% voter turnout. We had to have another special election as part of last fall's general election and, with a 57% turnout, a larger bond issue for fire equipment passed with 72% approval. This special election cost the City's taxpayers \$1,275.

However, despite these frustrations, HB372 does not give cities unbridled power to issue bonds. It would only allow cities and counties the same turnout requirements that school districts currently have pursuant to Section 20-9-428 MCA. School districts issue more bonds than do cities and counties and it only makes sense for the three bond issuing jurisdictions to have the same turnout requirements in law.

Montana's cities and towns are not large issuers of debt compared to the rest of the nation and our G.O. bond issues tend to be for the "plain old vanilla" types of uses such as fire equipment, city hall additions, and other community facilities. Comparing Missoula to the top 50 cities nationwide, we would rank 45th out of the 50 largest cities in long term general debt per capita.<sup>1</sup> Missoula's debt is \$127.00/per capita and this figure is quite conservative in keeping with Montana traditions. We do not expect to be issuing alot of bonds, but we do not feel that we should have to wait for a general election every two years to be sure of a forty percent turnout.

Being able to put bond issues on the same ballot as city officials are elected on makes voting sense and is more efficient as well. The turnout trend for city precincts is listed on the back of this sheet. The City of Missoula supports HB372 and encourages your concurrence.

<sup>1</sup> "The Top 50 Cities - 3rd Annual City Financial Report" *City and State*, (Chicago: Crain Publishing Co., 1988), December 5, 1988 issue, p.12.

<u>Election</u>	<u>City Voters - Registered</u>	<u>City Voters - Election Turnout</u>	<u>Turnout Percent</u>
1988 City Special Election	25,806	14,771	57.2%
* 1988 Primary Election	24,992	9,413	37.7%
1987 City General Election-Bond	21,749	5,113	23.5%
1987 City Primary Election	21,153	823	3.9%
* 1986 General Election	24,284	15,237	62.7%
* 1986 Primary Election	22,785	5,816	25.5%
1985 City General Election	18,846	7,890	41.9%
1985 City Primary Election	18,342	7,675	41.8%
* 1984 General Election	32,560	21,458	65.9%
* 1984 Primary Election	29,542	7,489	25.4%
1983 City General Election	29,250	9,761	33.4%
1983 City Primary Election	22,820	2,789	12.2%

\* Elections office did not keep precise totals on number of city voters as there was not a city election in this year. Figures shown are close approximations, based on tabulation of precincts.

SENATE STATE ADMIN.

WITNESS STATEMENT

EXHIBIT NO. 14

DATE 3/9/89

BILL NO. HB 372

To be filled out by a person testifying or a person who would not like to stand up and speak but wants their testimony entered into the record.

NAME:

DATE:

Shelly Ann Laine 3/9/89

Address:

316 N. Park  
Helena MT 59623

Phone:

442-9920

Representing whom?

City of Helena

Appearing on which proposal?

HB 372

Do you:

SUPPORT?

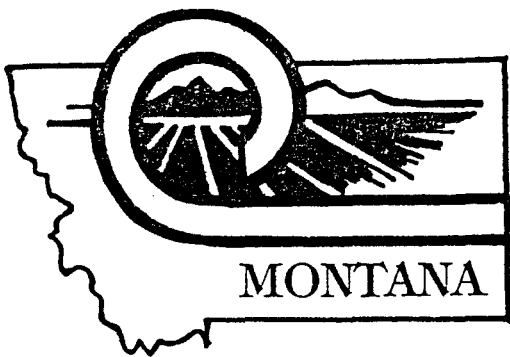
AMEND?

OPPOSE?

Comments:

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PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY



MONTANA

Association of Conservation Districts

1 South Montana      443-5711  
Helena, MT 59601  
March 9, 1989

Testimony to the Senate State Administration Committee on HB 101.

For the Record, my name is Peggy Haaglund and I am executive vice president of the Montana Association of Conservation Districts.

Today I want to offer an amendment to HB 101. I have passed around a copy of our proposed amendment and would like to explain why MACD is asking for it.

The conservation districts are sub-division of state government. Under law, conservation district can levy 1.5 mills on real property within their district for their operations. They, like the schools, have these monies collected by the counties. Conservation districts have the choice of having the county administer these funds, which is done by the district informing the county commissioners what the district budget is and the county putting this information into their system. The districts then submit a warrant for the dispersal of the funds. If the district should choose, and some of them do, they by law could draw their money out and administer it themselves.

Many of the districts also receive grant monies for various projects. This money can either be put into their funds within the county or they can administer them themselves. Both ways are done.

At the end of the fiscal year, the conservation districts funds do not revert to county general funds. They remain with the district. Most often, the balance is used to offset the next years budget.

For these reasons, I am asking that this committee amend HB 101 in the following manner: on page 1, line 24, following "district" insert, "or a conservation district."

I will be available for questions if you have any.

Thank you.

SENATE STATE ADMIN.

EXHIBIT NO. 16

DATE 3/9/89

BILL NO. HB101

CONSERVATION DISTRICT'S AMENDMENTS

HOUSE BILL NO. 101

Third Reading

1. Page 1, line 24.

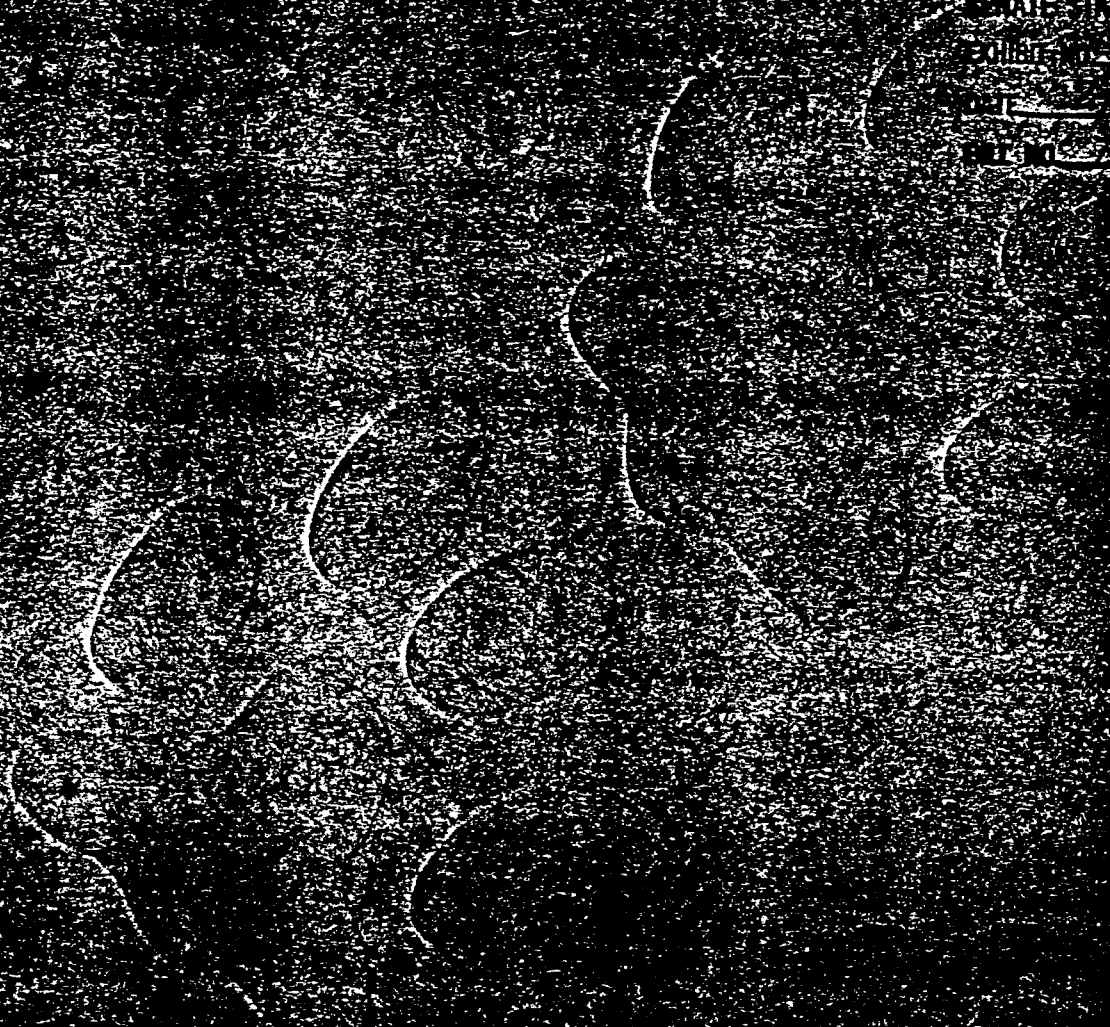
Following: "district"

Insert: "or a conservation district."



# ZOO

STATE OF  
ILLINOIS  
JAN 11 1968  
LIBRARY



MCCORMICK

WITNESS STATEMENT

EXHIBIT NO. 18

DATE 3/9/89

BILL NO. HB 385

To be filled out by a person testifying or a person who would not like to stand up and speak but wants their testimony entered into the record.

NAME: Jan Fager DATE: 3/9

Address: 3139 Gregory Dr  
Billings Mont

Phone: 656-5497

Representing whom? LOOMMOUTHIA

Appearing on which proposal? House Bill 385

Do you: SUPPORT?  AMEND?  OPPOSE?

Comments:  
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SENATE STATE ADMIN.

EXHIBIT NO. 19

DATE 3/9/89

BILL NO. HB385

WITNESS STATEMENT

To be filled out by a person testifying or a person who would not like to stand up and speak but wants their testimony entered into the record.

NAME: Susan J. Carlson DATE: 3/9/89

Address: P.O. Box 955  
Billings, MT 59103

Phone: 252-7100

Representing whom? Zoo Montana

Appearing on which proposal? HB 385

Do you: SUPPORT?  AMEND?  OPPOSE?

Comments:  
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ZOOMONTANA CAPITAL CAMPAIGN

FACT SHEET

SENATE STATE ADMIN.

EXHIBIT NO. 20

DATE 3/9/89

BILL NO. HB 385

**What is ZooMontana?** A private, nonprofit organization establishing a regional zoological and botanical garden to serve Billings, and the surrounding Northern Rockies region.

**ZooMontana's Goals?** Education, Recreation, Conservation, Economic Development.

**How much will it cost?** \$4.5 million.

**When will the Zoo open?** Major construction on the zoo will not begin until the Campaign is completed (Fall 89). Partial zoo opening will be 1990. Construction time: 15 months.

**Has anything been constructed yet?** Yes. Bridges, Water Wells, the Plant Material Nursery, Pathways, etc....

**How will the Zoo be funded once open?** Self-funded.

Projected Annual Zoo Operations Cost.....	\$ 488,000
Projected Annual Zoo Revenue.....	495,000
Annual Revenue Breakdown	
General Admissions.....	\$ 287,000
Zoological Society.....	60,000
Gift Shop.....	45,000
Concessions.....	58,000
Revenue Producers.....	25,000
Gifts / Grants / Donations.....	20,000
Total.....	<u>\$ 495,000</u>

Once the capital campaign is completed ZooMontana will begin to build an endowment to help insure operational and maintenance costs.

**Projected ZooMontana Annual Attendance:** 130,000 visitors per year.

**Zoo Fact:** More people visit zoos than attend all professional sporting events combined.

**Is Billings too small for a zoo?** No, Bismark and Minot, North Dakota and Sioux Falls, South Dakota are cities with smaller populations than Billings that have zoos.

**Economic Benefits?** Preliminary estimates show that ZooMontana will bring 2.2 million new dollars to Montana's economy, increase state government revenues by \$13,500 and create new jobs through the lodging and restaurant industry for a total economic impact of over \$6 million annually.

**ZooMontana Location?** Shiloh Road at Canyon Creek, north of Interstate 90, just west of Billings. 70 acres.

**Any connection with the Red Lodge Zoo?** No. We see the two zoos as very different conceptually, although complementary, and we plan to cooperate with each other.

**Cages?** No, the animals will be housed in large, natural habitat displays recreating each individual species' native environment as closely as possible.

**What kind of animals?** Only those which are from the northern latitudes (North America, Asia, and Europe) and can adapt to our seasonal climate. The animals are more at home and it is more feasible for operations.

**Botanical Gardens?** Yes, a major part of the zoo's plan. Plant life of the Northern Hemisphere will be exhibited to compliment the wildlife exhibits.

**How will I be recognized for my gift to the zoo?** All gifts of \$1000 and above will be permanently and dramatically recognized at the zoo; either on specific exhibits or buildings, or at a central location.

**May I purchase a specific exhibit at the zoo?** Yes, there are a variety of gift opportunities available for gifts of \$25,000 and above. A list of specific exhibits and their respective costs are available from ZooMontana's Campaign Office in the Northern Hotel. Recognition for these gifts will be made on the exhibits.

**May I make an in-kind gift?** Yes, there are several opportunities for in-kind gifts — from construction supplies to medical supplies for animal facilities. A list of in-kind gift opportunities is available in the Campaign Office. These gifts will receive the same recognition as cash contributions.

**Is it possible to make a donation to ZooMontana over several years? If I make an "investment" in the zoo, will my previous gifts to the zoo be included in my total donation?** We encourage your gift to the Capital Building Program be made over a 3 to 5 year period. All contributions from individuals, businesses, foundations and community organizations will be cumulative, and appropriate donor recognition will be given.

EXHIBIT NO. 21

DATE 3/9/89

BILL NO. HB605

WITNESS STATEMENT

To be filled out by a person testifying or a person who would not like to stand up and speak but wants their testimony entered into the record.

NAME: Dulcie Van Vleet

DATE: 3/9/89

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: 444-2040

Representing whom? State Auditor's office

Appearing on which proposal? HB 605

Do you: SUPPORT?  AMEND?  OPPOSE?

Comments: \_\_\_\_\_  
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PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

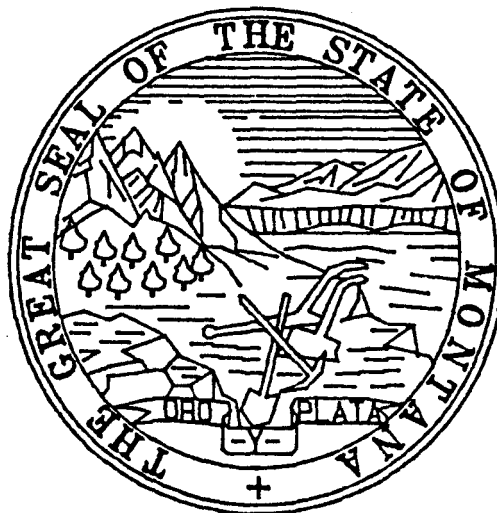
SENATE STATE ADMIN.

EXHIBIT NO. 22

DATE 3/9/89

BILL NO. HB605 ps1

REPORT OF THE  
JOINT COMMITTEE  
TO STUDY RELOCATION  
OF THE BAD DEBTS  
COLLECTION FUNCTION  
FROM THE DEPARTMENT  
OF REVENUE TO THE  
STATE AUDITOR'S  
OFFICE



JANUARY, 1989

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INTRODUCTION

This report was prepared in response to a proposal by the State Auditor's Office to move the Bad Debts collection function, currently operated within the Department of Revenue, to the Auditor's office to operate in conjunction with the offset processing planned as a function of the new State Warrant System. A joint task force was assembled to study this recommendation, to detail the current and planned processes involved both in the Auditor's offices and the Department of Revenue, to propose solutions to any anticipated problems with the proposed move, to make a joint recommendation and to set up a work plan for implementing the transfer. The members of this task force included:

Cleo Anderson	Paralegal Assistant, Office of Legal Affairs, Department of Revenue
Brenda Haseman	Data Processing Division Administrator, Department of Revenue
Marsha Jean	Manager of the Support Payments Unit, Child Support Enforcement Bureau, Investigations and Enforcement Division, Department of Revenue
Ken Rudio	Collections Section Chief, Centralized Services Division, Department of Revenue
Debbie Van Vliet	Fiscal Management and Control Division Administrator, State Auditor's Office
Susan Witte	Staff Attorney, State Auditor's Office
Chuck Wowerit	Collections Supervisor, Audit Bureau, Income Tax Division, Department of Revenue

The final joint committee recommendation is that the Bad Debts Section be relocated to the State Auditor's Office only if the appropriate level of staffing is approved to properly administer and make use of the expanded offset capability that will be available through the new Warrant System. All tasks to implement this transfer could be completed by December 31, 1989

CURRENT PROCESS FOR ADMINISTERING THE BAD DEBTS FUNCTION WITHIN  
THE DEPARTMENT OF REVENUE

In 1974, the 43rd Legislature created a Bad Debt Collection Unit within the Department of Revenue. The stated purpose of the enabling legislation was for "...centralizing the collection of

all debts owing to the State of Montana". The function was placed within the Department since it is the State's major collection agency. The Legislature anticipated this collection unit to be a focal point for all collection effort to include any possible offset against tax refunds before an ultimate write-off. The intention was to establish some uniformity in the various State agencies' write-off practices by supplying a "last resort" collection effort for all agencies after their internal collection efforts have failed. It was also anticipated that this collection effort would provide an incentive for agencies to write-off their uncollectible accounts in a more timely manner. Additionally, this program would allow identification of the State's Bad Debt receivables in order to aid the process of estimating future revenues and provide information as to the extent of the State's Bad Debt situation. The Bad Debts Section was given the authority to operate under 17-4-101 through 17-4-111 Montana Codes Annotated (MCA). Management memo 2-1100 in the Information Control Core (I.C.C.) Indexes of the Montana Operations Manual (M.O.M.) defines the policies and procedures for other State agencies to follow to enlist the Bad Debt services.

The Bad Debt Section is staffed with three full time employees: a collection supervisor, a collection specialist, and a collection technician. Currently, 6,700 accounts are on file representing \$9.6 million in outstanding debt. These accounts receive full collection activity, including: generation of a letter series, offset of tax refunds, and referral to private collection agencies for debts over \$100. An additional 20,000 debt accounts are maintained solely for offset against Income Tax refunds. The largest user of this program is the Child Support Enforcement Bureau of the Department of Revenue with approximately 10,000 accounts. The remainder is comprised of other outstanding debts to the State such as: Employment Security Division benefit overpayments; Defense Student Loan defaults from the University System; and welfare and food stamp fraud from the Department of Social and Rehabilitation Services. The Bad Debts Section currently has contracts with five private collection agencies to which approximately \$5 million in debt has been transferred for their action.

Bad Debt processing is currently performed with a microcomputer system written using the Datastar database software package. This system processes all new debts, all payments, all new debt and tax offset letters, and all distribution of funds to State agencies, plus generates five status reports. The system is operated on an IBM-XT model personal computer and requires 15 megabytes of disk for the system files.

The Bad Debt Section performs five basic functions. The percentage of total staff time spent on each is reflected in the following:

16%	Administrative duties (computer processing, personnel training, and the like)
18%	Tax offset of refunds
22%	Referral of accounts to collection agencies (appearances at trials, explaining the files to the private agencies, etc.)
30%	Internal collections
14%	Write-offs
<u>100%</u>	

From FY81 through FY88 these functions produced the following:

FY 1988  
BAD DEBT COLLECTION UNIT  
SCHEDULE OF DEBTS RECEIVED, WRITTEN OFF  
COLLECTED AND COSTS INCURRED

<u>FY</u>	<u>DEBTS TRANSFERRED IN</u>	<u>DEBTS WRITTEN OFF</u>	<u>DEBTS COLLECTED</u>	<u>COST INCURRED</u>	<u>NET ANNUAL GAIN/LOSS</u>
1981	983,938	306,673	186,665	41,823	144,842
1982	1,087,057	265,610	232,532	58,711	173,821
1983	1,481,737	858,938	304,887	70,400	234,487
1984	654,737	1,460,864	226,101	75,672	147,910
1985	1,565,494	288,825	253,470	71,274	182,196
1986	1,500,322	435,467	339,744	65,103	274,640
1987	3,605,398	692,256	405,103	73,440	331,663
1988	3,038,444	943,275	618,891	77,467	541,424

During FY88 the various collection activities produced the following collections and ratio of collections to costs expended:

<u>Activity</u>	<u>Collections</u>	<u>Costs</u>	<u>Ratio of Collections to Costs Incurred</u>
Tax Offset	\$ 216,781	\$ 13,944.06	15.55
Collection Agencies	187,802	23,240.10	8.80
Internal Collections	214,308	10,845.38	19.76
Administrative and Write-Offs		29,437.46	
	<u>\$ 618,891</u>	<u>\$ 77,467.00</u>	<u>7.99</u>

The Bad Debts Section provides three basic types of services: a basic collection service for receivables which an agency has actively pursued with either no results or incomplete results, a

"tax offset only" collection service for receivables that an agency will continue to actively pursue, and a write-off service for receivables which an agency believes should not be further pursued. When an agency has made all reasonable attempts and cannot collect a valid debt, the debt is transferred to the Department of Revenue by submitting the entire debt file, a completed Bad Debt Certification and Transfer Form (DR-AA20), and the appropriately completed SBAS No-Warrant Transfer (232) or Journal Voucher (271) form. The Bad Debt Section reviews the file and accompanying documents for approval. If accepted, the methods available to the Department are used to collect the debt and return any collected money to the originating agency. The SBAS documents submitted with the file are used to record the transfer of the debt to the Department of Revenue and remove the account from the agency's books.

Section 17-4-104, MCA, allows each agency to formulate their own criteria for considering a debt uncollectible taking into account their resources, any applicable statutes, and the time and personnel available for their collection efforts. Information concerning the criteria used to determine uncollectability, all information concerning correspondence and other contacts with the debtor during the agency collection efforts, and any applicable statutes, rules or regulations that explain how the debt originated, are required to be submitted with the debt file so that the Bad Debts Section will know how to approach collection of the account.

If an agency desires to continue collection activities on a particular debt but would like it only offset against tax refunds, they complete an abbreviated "Bad Debt Transfer Form for Tax Offset Only" and remit the form the Bad Debts Section. The only action taken on such a debt is to include it on the Delinquency File within the Individual Income Tax System for identification of any tax refund due the individual from the Department of Revenue. Large volumes of debts, such as those for Child Support, can be transferred without completing a form for each debt. In these cases the Bad Debts Section will accept a computer listing or computer files in the prescribed format for input into the Delinquency File. No receivable is transferred at the time the "Tax Offset Only" form is sent to the Department.

When a possible tax offset is identified by the Bad Debt Collection Section, the appropriate agency will be contacted for information concerning the most current balance on the debt. The debtor is then informed by registered letter that his refund is being offset against this debt and that he is entitled to a hearing. Any disputes or questions on the account will be referred back to the transferring agency. Section 17-4-111, MCA guarantees a hearing if one is requested. A transferring agency must represent itself at the hearing which is held by the Department of Revenue. When the debt has been resolved by the

hearing process or the time to request a hearing has lapsed, the refund or a portion of the refund is confiscated as a collection by the Bad Debts Section and returned to the agency by submitting a No-Warrant Transfer (232) document to SBAS.

The Bad Debts Section will also accept debts for write-off only. If an agency knows that continued collection activities will be fruitless (usually in the case of bankruptcy of the debtor), or that the debt is not definite in amount because it is very old and there has been no recent contact with the debtor, the remarks section of the Bad Debt Certification and Transfer Form is completed with the words "for write-off only" and a brief explanation of the reason for this status is included. A list is provided to each house of the legislature each session reflecting all debts written entirely off the State's books during the biennium.

OFFSET PROCESSING PLANNED IN THE NEW WARRANT SYSTEM WITHIN THE  
STATE AUDITOR'S OFFICE AND ANTICIPATED IMPROVEMENTS IT WILL  
OFFER TO THE BAD DEBTS COLLECTION EFFORT

A new Warrant System is scheduled to be installed by the State Auditor's office mid-1989. Offset processing has been defined as a function of this new system. It is anticipated that the installation of the offset function of the Warrant System will substantially improve the total collections of bad debts as the offset would provide access to all State warrants instead of only the tax refunds as is currently the case. It is a well known fact that offset is the easiest and most effective method of debt collection and experience from other states indicates that total collections as a result of offsets from other sources could be as much as three times greater than from tax refund offset alone. The proposal also includes moving the current Bad Debts Section to the State Auditor's Office. This proposal anticipates elimination of duplication and confusion by having a Bad Debts Section in the Department of Revenue and also providing staff to administer the offset functions of the new Warrant System in the State Auditor's Office. It is also anticipated that Bad Debt collection might receive a higher priority in a smaller organization, such as the Auditor's Office, resulting in additional collections.

The purpose of the offset function defined in the new Warrant System is to permit interception of payments made through the warrant writing system to payees who have debts which have been filed with the Auditor's Office. For practical purposes the offset function will probably serve more as a location service than an actual collection service because a large number of warrants, such as AFDC and State payroll, will still be written outside this system and only placed on the database for tracking

and cashing purposes. When such external warrants are placed on the database a report will be made of the payees who would have been subject to offset had the warrant been written on the system. This report can then be made available to creditors.

The offset recipient is the individual or entity which seeks to intercept payments. Each recipient will be given a unique number which identifies the person or entity and indicates the type of debt involved. The following scheme could be used: an alphabetical character which would show the type of recipient (judgement in favor of a private individual, tax debt owed a unit of government, etc.), followed by a four digit number showing the agency, if any, to which the debt was originally owed. This method of identifying the offset recipient is suggested simply because it appears that the State's Bad Debt collection section would probably be the largest user of the offset function, followed by a four digit sequence number.

Offset recipient numbers will be system generated. The Auditor's Office will maintain the offset recipient file adding new recipients as the need arises. The number of offsets maintained in favor of the recipient will be kept as part of the recipient information as well as a status date which will be changed each time an offset is initiated or dropped. When the number has been zero for a specified period (perhaps, one year) the offset recipient will be purged from the database. There will be no online delete function for offset recipients. The Auditor's Office will change information relating to an offset recipient upon receipt of documentation.

When a document is filed at the Auditor's Office showing the existence of a debt, the staff will determine whether the payee is on the payee file. If not, the payee will be added. An offset recipient will be added to the database, if necessary. The recipient and the payee will then be associated through a third entity which will contain information as to the start and stop date for the offset, the total amount of the debt, the amount offset since initiation, and such parameters as how much may be taken from a single warrant and what the minimum residual amount of a warrant must be (although the latter may be a function of the type of warrant being written and, therefore, require manual intervention).

An offset may be removed in two different ways. It may expire at the time the stop date has been passed. There will be a batch report which shows those offsets which are no longer in effect. It will be part of the maintenance function for the Auditor's Office to remove these through an online process. An active offset may be removed at any time through the same online process.

There will be a batch pre-process which will identify warrants which may be subject to offset and change the status on each to held. At the same time, an offset history will be built and stored. This record will show who the recipient of the proposed offset is and how much will be offset. It will also contain a release date. If the payee is subject to offset from more than one recipient, a history record will be built for each one. The history records will be stored in ascending order of offset start date. This will implement a "first-come-first-served" priority system for offsets. Information regarding the warrants being held as a result of a proposed offset will be reported. If no affirmative action is taken by the Auditor's Office to accept the offset before the expiration of a five day waiting period, the warrant will be written as it was put on the system with no offset taken. If this is the case, the offset history record will be deleted. If there is more than one offset for a warrant, all are deleted if no affirmative action is taken; only those offset history records which represent offsets actually taken are left on the database.

The amount of the warrant will be left as it was entered. This amount will be added to the total amount of warrants written. The amount of the offset will be kept on the offset history record and tracked separately.

Offsets will be managed through an online process. The amount taken for a given recipient may be raised, lowered or eliminated entirely. The amount of a warrant may not be reduced to less than zero. If the amount of a warrant is reduced to zero by offset, the status of the warrant is set to offset and the physical warrant is not written. Otherwise, the status will be changed to released and the warrant will be written during the next processing cycle. Likewise, if a warrant is still in held status at the end of the allowable period for action, it will be written at its original value during the next cycle and all evidence of a proposed offset will be deleted from the database.

TAX REFUND CONFISCATION PROCESSING TO REMAIN AS A FUNCTION OF THE  
DEPARTMENT OF REVENUE'S ACCOUNTS RECEIVABLE PROCESSING

Many tax refund confiscation capabilities are currently planned as functions of the new Departmentwide Accounts Receivable System within the Department of Revenue. This processing is also tied to tax processing systems which currently reside on an integrated Departmentwide Database. It should be noted that although Child Support accounts reside on the Department Database they have not been included in the Accounts Receivable System or the associated confiscation processing since these monies represent debts owed to individuals and not the State. These confiscation functions would remain within the Department's Accounts Receivable System

regardless of the decision as to where the Bad Debts Section is located. A great deal of system processing has been defined to serve the Bad Debts Section within the Accounts Receivable System. The following, however, outlines only those processes that would remain if Bad Debts is ultimately relocated to the State Auditor's Office.

The confiscated refunds processing begins with the building of delinquency records within the Accounts Receivable. All back year refund returns are automatically routed to the Compliance Section of the Income Tax Division where the refund can be confiscated or suspended before the return clears the Income Tax System. Compliance personnel then create a delinquency record through an online process for all taxpayers whose refunds they might need to confiscate. Additionally, the Collections Section of the Income Tax Division creates delinquency records for all Bankruptcy Trustees through this same online process. In the Compliance and Bankruptcy Trustee instances, no amounts due are retained in the delinquency record, since all of a back year refund may be suspended pending a complete audit of the return and all monies due the taxpayer are sent to the Bankruptcy Trustee in those cases. All Accounts Receivable are automatically considered within the delinquency pool for the amounts outstanding on each account for each tax type.

All refunds issued for those taxes on the Departmentwide Database are matched nightly to the delinquency records and a daily Pending Refund Report is generated for all refunds scheduled to be issued to persons on the delinquency list. No matches are recorded for Income Tax refunds under \$5. A set order of priority is maintained when the matching and subsequent confiscation takes place. A delinquency set up by the Compliance section has first priority and only income tax refunds will be matched. If Compliance has not set up a delinquency or has released the refund from further consideration, Accounts Receivable accounts are satisfied next. For Accounts Receivable, the delinquency will first be matched with the refund tax type. For example, Motor Fuels refunds are first used to satisfy Motor Fuels A/R accounts, Withholding refunds to satisfy Withholding A/R, and so on. All refunds will then be used to satisfy Individual Income Tax and then Withholding Tax obligations, followed by the remaining A/R accounts. If there is no A/R account for the taxpayer or A/R technicians have released the refund, the Individual Income Tax and Withholding Tax refunds are matched against those delinquency records set up as Bankruptcy Trustees. For all refunds entering the confiscation process, a second pass is made through the A/R accounts to insure that no further delinquencies have occurred, before the transactions are automatically created to produce a warrant through the State Auditor's Warrant System.



The daily Pending Refund Report is produced by delinquency type (Compliance, A/R, or Bankruptcy) and staff code. This report contains both taxpayer social security numbers with indication of which matched the delinquency list if the refund is for a joint return, the license number or federal identification number if the refund is for a business, and indication if the refund is for an Income Tax short form and therefore should receive priority consideration during the 15 day refund period.

Appropriate sections of the Pending Refund report are routed daily to each of the three areas responsible for each delinquency type where the refund or part of the refund is either confiscated, suspended, or released for further processing. This is accomplished by entry of the appropriate action and amount to be confiscated or suspended into the system through an online process. The system insures that the amount indicated for confiscation or suspension is not greater than the amount owing on the appropriate Accounts Receivable Accounts. Compliance can only confiscate or suspend a portion of the refund if an Income Tax Accounts Receivable exists for the amount of the confiscation or less. When any amount is confiscated for Accounts Receivable Accounts, the system automatically updates the appropriate Accounts Receivable balances, updates the tax processing system to indicate any remaining refund available for further confiscation or issuance to the taxpayer, and creates all necessary transactions to automatically update the Statewide Budgeting and Accounting System to reflect the collection of the debt. Additionally, when the A/R confiscation is made, an indication whether to send a legal notification or to generate a notice of levy must be made along with indication of an appropriate paragraph of text to be sent the taxpayer if the confiscation is of an Income Tax refund. These documents are then automatically created that evening by the system. If certain other letters are scheduled to be sent as a result of processing by the tax systems, the paragraph may be automatically appended to this correspondence, otherwise, a separate piece of correspondence will be issued. If the refund is confiscated by those responsible for Bankruptcy Trustees, the system will insure that a valid code is entered representing the trustee. The warrant will then be issued with the taxpayers name in care of this bankruptcy trustee. The system insures that a refund can only be confiscated and not suspended for a delinquency created for bankruptcy. Again, in this case, the appropriate updating of SBAS accounts is automatically performed by the automated system.

A series of daily, weekly and monthly reports will also be generated by the confiscation processing to report pending and suspended refunds to the appropriate supervisors for their action. Monthly listings will be provided of all delinquencies on file. Online processing then can be used to update these records. Additionally, a monthly report will be provided of the total amounts confiscated by each delinquency type.

Accounts Receivable accounts would automatically be routed to Bad Debts by the nightly processing. If a predetermined amount of time has elapsed for the particular tax type, the account will be flagged as inactive, the account balance offset to zero and all SBAS transactions created to record the transfer of the monies to the Bad Debts Section.

#### ANTICIPATED PROBLEMS WITH THE TRANSFER AND PROPOSED SOLUTIONS

Are Child Support payments legally available for confiscation by the State for other debts considering they do not represent payment of State funds? If not, will the Auditor's system recognize the warrant as pass through monies and allow the warrants to be mailed?

It is arguable that Child Support payments are not legally available for confiscation. Section 40-5-402, MCA, states that, "The purpose of the (Child Support Enforcement Act) is to ... ensure that the support of children is the highest priority in the allocation of a responsible parent's income." Additionally, Section 25-13-608 specifically exempts maintenance and child support from execution. It can also be argued that any monies issued for child support are technically not the property of the payee (the parent) but belong to the children involved and, therefore, should not be confiscated for a debt of the parent to the State. In the absence of clearer definition in the law regarding such payments, legal staff indicate that it would be difficult to argue that satisfaction of a State debt should take precedence over maintenance payments for a child. It is suggested that clear language be included in the law that does not allow Child Support Payments to be used for offset.

In any event the proposed offset process in the State Auditor's Warrant System will allow warrants that should not be matched for offset to be released from the system.

Are the Child Support confidentiality requirements breached by any information that would be released to the State Auditor's Office? What restrictions would the Auditor need to observe in the use of this data?

The concern here appears to focus on the release of confidential information to third party creditors. Federal regulations on confidentiality and safeguarding of information on public benefits were provided by the Child Support Enforcement Bureau to the State Auditor's Office. The regulations allow limited disclosure of information about applicants or recipients of Child Support services for proceedings in connection with the administration of Child Support programs. Section 53-2-504,

MCA, also prohibits disclosure of information obtained by the Department of Revenue during investigations of public assistance and vendor payments.

The confidentiality requirements are not breached by release of information to the State Auditor's office for collection of Child Support debts because that information consists of the debtor's name, address and social security number. Sections 53-2-503 and 504 of the Montana Code provide for the dissemination of certain information pertinent to investigations and enforcement actions by the Department of Revenue, which consists of the above mentioned information which is necessary to execute on wages or withhold income tax refunds. One of the statutes to be amended also prohibits release of information where that information is "specifically prohibited by law" (Section 17-4-104(2), MCA).

In short, the confidentiality requirements are not breached and any restrictions currently observed by the Department of Revenue on collections of Child Support debts will be observed by the State Auditor.

Would the Child Support claims continue to have priority over other State claims within the Bad Debts processing?

Section 40-5-310, MCA, provides that deduction of income for the payment of delinquent Child Support payments is to take precedence over a number of other claims. Section 40-5-402, MCA, states that support of children is the highest priority in the allocation of a responsible parent's income. Read in conjunction with Section 40-5-308, MCA, it could be argued that priority of payment would occur only where a wage order is directed to the employer by the district court.

In short, the State Auditor hopes to handle such deductions in a manner similar to that currently in place within the Department of Revenue.

Will there be an automated process whereby volume delinquencies such as Child Support can be loaded and updated on a monthly basis?

Although it is not currently included as a requirement, it is anticipated that an automated process will be included in the offset portion of the new State Auditor's Warrant System to allow mass updating of information on the delinquency file.

Would other Department claims continue to have priority over other State claims within the Bad Debts processing?

Debts would maintain the same priority or order they now have.

Are the Income Tax confidentiality requirements breached by any information that would be released to the State Auditor's Office? What restrictions would the Auditor need to observe in the use of this, and other tax information and data?

The information must remain confidential within the agency. The same guidelines currently used by the Department of Revenue would apply to the State Auditor's use of such information.

Will the offset processing in the State Auditor's office impact the Department of Revenue's commitment to 15 day refund processing for short forms filed before April 1 of each year? Will these refunds be identified such that they receive the appropriate priority processing?

Although it is not currently outlined as a requirement of the offset processing of the new Warrant System, it is now the intention to include an indication on the warrant file that the particular warrant is for a 15 day refund such that any offset activity can be expedited for those warrants. This would operate in a manner similar to the current process in the Department of Revenue.

What is the potential for delaying all warrants as a result of intercepting a relatively small number of warrants written?

Since the processing outlined for the offset function within the Auditor's Warrant System would hold individual warrants only there would be no possibility of delaying other warrants.

Will the Divisions of the Department be informed timely that a refund has been held such that they can answer taxpayer inquiries? How will they be able to quickly determine this? Will the Auditor's office respond to calls from taxpayer's whose refunds have cleared the Department of Revenue's systems but are delayed in their office?

Processing outlined for installation in the Individual Income Tax System in January of 1990 would include a function whereby actual warrant numbers and warrant amounts would be retrieved from the Auditor's Warrant System and recorded with the appropriate Income Tax return on the Individual Income Tax System. If this processing is in place, Income Tax staff would

be able to determine that no warrant had been issued even though the refund had cleared the Income Tax System, by the absence of this information when they made their online inquiry into the return. This absence would indicate that the warrant was being held in the Auditor's Office for potential offset or that the refund had been entirely confiscated. In a similar manner, if the warrant had been issued (a warrant number displayed) and the warrant amount is less than the refund amount for the return, this would indicate that the Auditor's Office had confiscated part of the refund. In these situations, Income Tax Division staff would refer the taxpayer to the Auditor's Office who would be responsible for answering the taxpayer inquiry.

Would the State Auditor's Office continue to provide the necessary notifications and due process (30 day period required for the taxpayer to request a hearing) required of the Income Tax statutes?

Yes, under the Department of Revenue's amendment to the legislation. The regulation set forth at 42.5.105, ARM, will, along with other relevant regulations, reflect the transfer of this duty to the State Auditor's office.

Will the Income Tax Division receive timely notification and a copy, as they do now, of the letter sent to the taxpayer advising that the refund will be confiscated if a hearing is not requested within 30 days?

The State Auditor's office will send a copy of the offset letter to the Income Tax Division for the taxpayer's file as the Bad Debts Section does now.

Will the taxpayer continue to receive adequate notification of the particulars of the offset made from his tax refund?

The State Auditor's office would use the same offset letters and perform the same processes as the Bad Debts Section does now.

Will the State Auditor's system handle the particulars of a bankruptcy situation? Will they be responsible for filing all claims and taking all appropriate legal actions in these bankruptcy cases?

Yes.

Will the State Auditor's system account for the fact that a refund could, in the case of a joint return, offset debts by two different taxpayers? Will the process account for the fact that one of these taxpayers could later file an "Injured Spouse" return to reclaim their personal share of the return that was taken to satisfy a debt owed only by the joint filer?

Although it is not currently within the requirements definition for the offset function of the new Auditor's Warrant System, it is now intended that both Social Security Numbers from a joint return be included in the warrant file to be used to match the warrant for possible offset.

The State Auditor's office, upon notification by the debtor or the Income Tax Division within the 30 day period, will transfer back to the Income Tax Division the refund confiscated. The Child Support Enforcement Bureau holds all refunds involving "injured spouse" returns or returns where this situation may arise for a period of time after the 30 day period. This takes care of most of the "injured spouse" returns.

Will the State Auditor's Office be as effective at collections considering that this is one of the Department of Revenue's major functions and that many taxpayers will be more likely to satisfy a debt with this Department rather than get involved in a dispute with a tax collection agency?

Experience of the Bad Debts Collection Section indicates that the Department of Revenue would likely be more effective. Taxpayers have a basic fear that if the debt is not satisfied, their Income Tax returns will be audited. There is also a great deal of confusion with the Internal Revenue Service. On many occasions, agencies have sent numerous letters to the debtor only to have one letter from the Department of Revenue result in satisfaction of the debt. It very well could be that the word "auditor" may have a similar impact if the function is in the State Auditor's Office. It also may be that more registered letters are accepted by debtors when they are sent in a State Auditor's envelope. Currently, a number of debtors reject correspondence that is received from the Department of Revenue.

It is anticipated, however, that the benefits of the new Warrant Writing Offset System would outweigh these effects. If the Bad Debt program is moved to the State Auditor's Office, the base of warrants to be offset would broaden significantly. Broadening the base of warrants to be offset would substantially increase debt collection. A transfer of the program would also eliminate duplication of the offset process and may decrease debtor confusion.

Will the close involvement and cooperation that currently exists and is required between the tax collection Divisions and the Bad Debts section continue if the Bad Debts function is relocated to the State Auditor's office?

Absolutely yes. The State Auditor's Office and specifically the Fiscal Management and Control Division where the Bad Debts program would be placed works daily with all agencies and the University System. Coordinating efforts and cooperating with agencies is not new to this Division.

Will the State Auditor's Office be responsible for all hearings related to Bad Debts collection?

Yes.

Since the system proposed by the State Auditor will increase the collection activity beyond the resources currently allocated to the Bad Debts function, will the additional staffing be provided to handle the additional volume?

This question will be addressed in the State Auditor's fiscal note and will require additional study by the budget staff.

Will the current Bad Debts system written in Datastar operate on the State Auditor's Wang computer system?

No. Since the microcomputer equipment on which the Bad Debts System currently operates is shared with other functions within the Department of Revenue, it would not be transferred to the State Auditor's Office if the Bad Debts Section is relocated. It is the intention to request the needed equipment in the State Auditor's fiscal note.

#### ADDITIONAL COSTS AND/OR REVENUES RESULTING FROM THE TRANSFER

The new Warrant System currently being developed by the State Auditor's Office will give State agencies the opportunity to offset all State warrants and apply them to debts owed to those agencies. The Bad Debt Collection Section has been offsetting State income tax refunds against debts to the State since 1975. In 1983, the Bad Debt Section contacted all State agencies encouraging them take advantage of this collection activity. Collections can be increased from this type of offset activity by one of two methods: increasing the amount of debts available for offset or increasing the amount of funds or monies available for offset. Through this effort in 1983, the Section increased

the number of debts available for offset from 4,000 to 20,000 accounts.

The following page contains a graph comparing dollars offset to the debts available to the Section from 1980 to 1988. Three key points should be noted.

1. Monies collected from offset activity increased at a ratio of 1 to 5 or \$40,000 to \$200,000 for 1983 through 1988.
2. From 1983 through 1988 the debts available remained constant, indicating that most all State agencies are using the Bad Debts service and this source no longer has potential for increasing debt collections.
3. The average dollar of refunds available for offset from 1980 through 1988 was \$34 million.

The State Auditor's Office in 1988 issued approximately 119 million dollars in all purpose warrants that would be available for the offset program. The new Warrant System being developed should increase this figure considerably as the University System and additional Workers Compensation warrants are anticipated to be generated through the system. For the purpose of this analysis, it is assumed that the Bad Debts Section will have access to the current \$119 million for offset. Of this total, \$34 million represents tax refunds which are used for the current Bad Debts processing. This would increase the funds available for possible confiscation by \$85 million or 3.5 times the amount currently available to the Section. Assuming that increasing the supply of money available for offset will effect the amount offset in the same manner as increasing the number of debts available for offset, collections from offset purposes would increase from \$200,000 to \$700,000.

Using this collection information, three alternatives were considered in the cost/benefit analysis:

#### Alternative 1

The Bad Debts Section is transferred to the State Auditor's Office with two additional employees to support the new system.

#### Costs:

2 grade seven Administrative Clerks	\$ 31,156
Computer system & development	3,155
Moving expenses (telephones, equipment, etc.)	8,566
Total	\$ 42,877

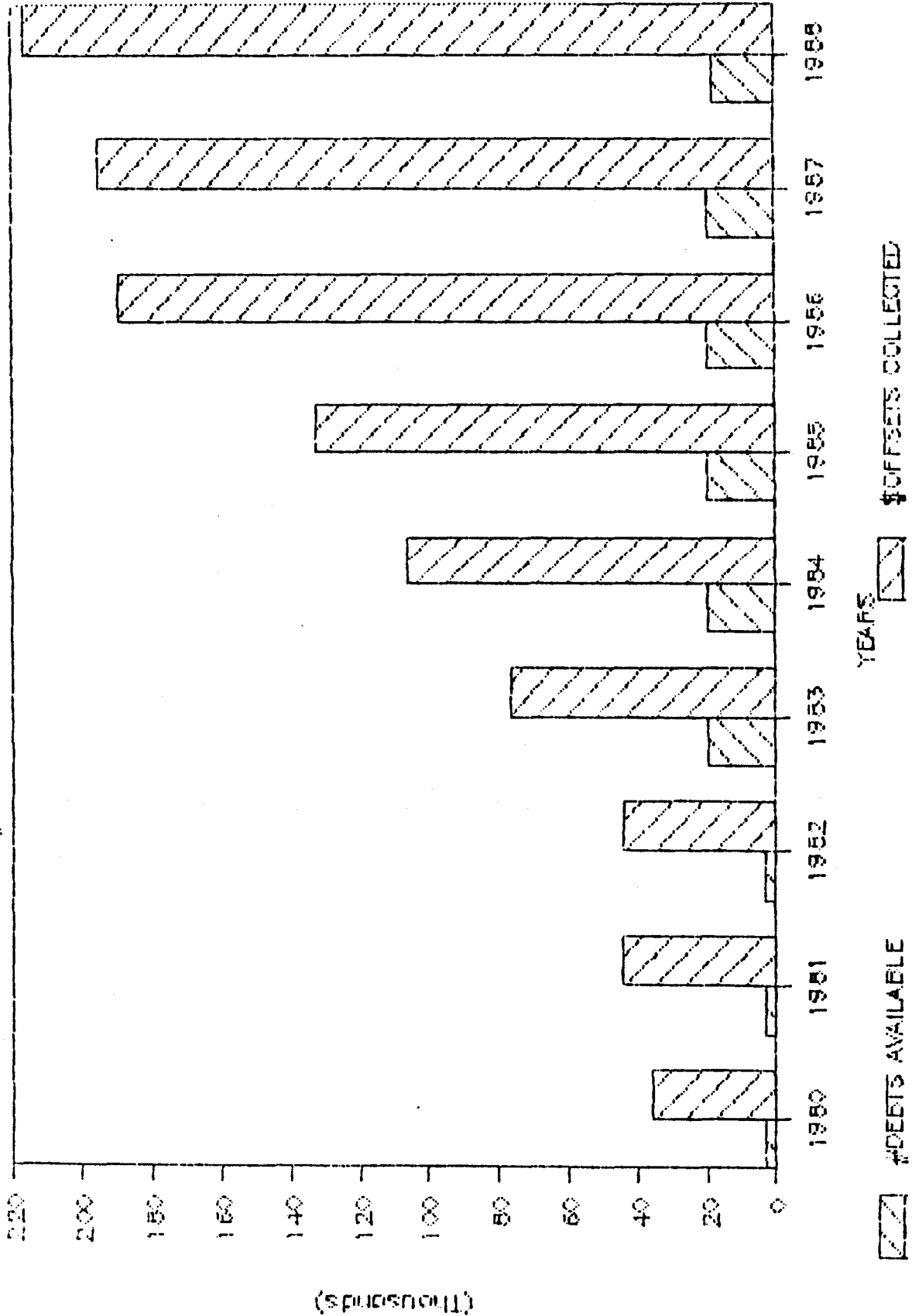
#### Benefits:

1. Increase in collections from offsets by \$500,000 or a net increase of \$457,123.



# BAD DEBTS COLLECTION UNIT

#DEBTS TO \$OFFSETS COLLECTED



2. Increase in locate service. The new Warrant System will flag accounts on the offset list for which special series warrants (AFDC and State payroll) have been issued and provide a new address or current address to the Bad Debts Section to aid in locating debtors.
3. Centralization of the offset function. Child Support, for example, is currently offset through the Department of Revenue for Income Tax refunds and Workers Compensation for workers compensation benefits. These offsets would be combined in one location.

### Alternative 2

The Bad Debts Section remains within the Department of Revenue.

#### Costs:

Employees	\$ 0
Computer cost (charge for Bad Debts processing in new Accounts Receivable System)	5,000
Total	\$ 5,000

#### Benefits:

1. The new Accounts Receivable System will automate the Income Tax and other refund offset functions. This would increase collections as Motor Fuels and other taxes are included and would decrease manual steps in the process. Benefits from this automation are difficult to quantify in dollar terms.

### Alternative 3

The Bad Debts Section is transferred to the State Auditor's Office without the additional staff support.

#### Costs:

Employees	\$ 0
Computer System & Development	3,155
Moving Expenses	8,566
Total	\$ 11,721

#### Benefits:

1. Some benefit would accrue if the Bad Debts Collection Section was relocated without additional staff due to the increased collection potential it would provide. However, in order to

legally, efficiently, and correctly use this increase in collection activity of three and one half times that would be experienced in the Auditor's Office more staff resources would be required. Write offs and other administrative duties are abandoned from January through August. Additionally, the Office of Legal Affairs has transferred the offset hearing duties to this Section. The number of hearings, injured spouse returns, phone calls, etc. would be overwhelming at the current level of funding and the anticipated increase in offset activity. It is very likely that eventually someone would be denied due process or a confidentiality statute would be breached due to the lack of attention to each offset account. Undoubtedly, limits would have to be set to determine which offsets are pursued in order to keep the workload within the available resources. This would significantly reduce the benefit of the offset process in the new Warrant System.

#### Conclusion:

The Bad Debt Section currently uses \$13,944 of its budget to account for and properly administer \$216,000 in tax offset collections (reference tables presented in the section of this document titled Current Process for Administering the Bad Debts Function). The projected collections from the State Auditor's new Warrant System represents \$500,000. The Bad Debts Section would need \$42,877 in additional resources to correctly administer this additional volume of offsets. Transferring the Section to the Auditor's Office would not provide the anticipated benefits to the State agencies unless funded properly.

#### SCHEDULE FOR IMPLEMENTATION OF THE TRANSFER FROM THE DEPARTMENT OF REVENUE TO THE STATE AUDITOR'S OFFICE

The following is an anticipated schedule for the major tasks that would be required to move the Bad Debts Section and functions to the State Auditor's Office. Due to the fact that necessary modifications to the Individual Income Tax System that would allow Income Tax staff to have information to indicate whether a refund had been held or confiscated by the Auditor's Office are scheduled to be installed in January, 1990 and the fact that the large volume of refunds with which the Bad Debts Section must deal are still being processed in the June time frame making a July implementation, the Committee recommends that the transfer not be made until the end of the 1989 calendar year.

MAJOR TASKSTIME TO COMPLETE

1. Begin to adopt administrative rules. July 1
2. Order all required personal computer hardware. Oct. 1
3. Design a cash receipts system at the Auditor's Office which includes establishing accounting entity or revolving fund in SBAS to track receipts and expenditures. Oct. 1 - Oct. 31
4. Notify State agencies of the change and have them submit all outstanding SBAS documents. Oct. 1 - Dec. 31
5. Notify collection agencies of the change and modify any legal agreements. Oct. 1 - Dec. 31
6. Notify all debtors on repayment agreements of the change and where to send their payments. Nov. 1 - Dec. 31
7. Transfer computer program to the Auditor's Office. Dec. 15 - Dec. 31
8. Transfer all office equipment (desks, chairs but not including personal computer equipment) and fixtures to the Auditor's Office. Dec. 15 - Dec. 31
9. Make all SBAS entries which will transfer cash & receivables to accounting entity or revolving fund set up in the Auditor's Office. Dec. 25 - Dec. 31
10. Make sure personnel and payroll records are transferred to the Auditor's Office. Dec. 25 - Dec. 31

JOINT RECOMMENDATION OF THE COMMITTEE

The committee found no insurmountable problems with relocating the Bad Debts Section from the Department of Revenue to the State Auditor's Office to operate in conjunction with the offset function of the new Warrant System. It is anticipated that collections from offset could increase from \$200,000 to \$700,000 annually due to the broader base of warrants which would be offset within the new system. The committee, therefore, recommends that the Bad Debts Section be relocated only if the additional staffing necessary to administer the expanded offset provided by the new system is approved. Without this increased staffing level, the potential of the new system will not be realized and additional problems will likely result.

In consideration of the fact that necessary function to facilitate this move will not be installed in the Individual Income Tax System until January, 1990, and the fact that the heaviest volume of Income Tax offsets currently occurs between April and July of each year, the committee further recommends that the transfer of the Bad Debts Section not take place until December 31, 1989.

PROPOSED LEGISLATION

The following pages contain a draft of the proposed legislation enabling the relocation of the Bad Debts Section from the Department of Revenue to the State Auditor's Office. This language has been drafted to consider all problems that were identified by the committee that required consideration in the law.

EXHIBIT NO. 23

DATE 3/9/89

BILL NO. HB605

WITNESS STATEMENT

To be filled out by a person testifying or a person who would not like to stand up and speak but wants their testimony entered into the record.

NAME:

*[Handwritten signature]*

DATE:

3-9-89

Address:

\_\_\_\_\_  
\_\_\_\_\_

Phone:

444-4000

Representing whom?

Dept. of Rev.

Appearing on which proposal?

HB605

Do you: SUPPORT? \_\_\_\_\_ AMEND? \_\_\_\_\_ OPPOSE? \_\_\_\_\_

Comments:

Technical Witness

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PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

VISITORS' REGISTER

STATE ADMINISTRATION COMMITTEE

DATE: March 9, 1989

NAME	REPRESENTING	BILL #	Support	Oppose
<i>Supporter</i>		HB 11	✓	
<i>Bill Wolfe</i>				
<i>Peggy Naaglund</i>	MARD	HB 101	amended ✓	
<i>Chuck Stearns</i>	City of Missoula	HB 171	✓	
<i>Chuck Stearns</i>	City of Missoula	HB 372	✓	
<i>Newell Anderson</i>	Dept of Commerce	HB 101	At request of Rep Daily	
<i>Marylou Garrett</i>	Bd of Mentoring	HB 118	✓	
<i>Wm B Brown</i>	Bd of Mentoring	HB 118	✓	
<i>Lloyd Lindem</i>	FUNERAL DIRECTORS ASSN	HB 118	✓	
<i>Bette Galda</i>	Dept. of Highway	HB 385		
<i>Wm Wilson</i>	MAPP	HB 171		
<i>Bob Akain</i>	MVP.			
<i>CHRIS GALLUS</i>	BUTTE SILVER BON	HB <sup>HB 372</sup> 101	✓	
<i>Darryl Bon</i>	Butte-Silver Bon	HB 101	✓	
<i>Bearie &amp; Gerry Lucif</i>	SELF	—	—	—
<i>John M. Mottley</i>	Leg. Auditor	H-B. 408	✓	
<i>John Ruder</i>	P. O R	HB 605		
<i>Conky Hankins</i>				
<i>Lola Hankins</i>				

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

ROLL CALL VOTE

STATE ADMINISTRATION COMMITTEE  
51ST LEGISLATIVE SESSION

DATE 3/9/89  
BILL NO. HB11

DATE: 3/9/89 BILL NO. HB11 TIME: 11:30 AM

NAME	YES	NO
HUBERT ABRAMS	✓	
JOHN ANDERSON, JR.		✓
ESTHER BENGTON	✓	
WILLIAM E. FARRELL		✓
ETHEL HARDING		✓
SAM HOFMAN		✓
PAUL RAPP-SVRCEK	✓	
TOM RASMUSSEN		✓
ELEANOR VAUGHN		✓

*Mary Lynch*  
Secretary

*William E. Farrell*  
Chairman

Motion: THAT HB11 BE CONCURRED IN

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ROLL CALL VOTE

STATE ADMINISTRATION COMMITTEE  
51ST LEGISLATIVE SESSION

DATE 3/9/89  
BILL NO. HB207

DATE: 3/9/89 BILL NO. HB207 TIME: 11:50 AM

NAME	YES	NO
HUBERT ABRAMS	✓	
JOHN ANDERSON, JR.	✓	
ESTHER BENGTON	✓	
WILLIAM E. FARRELL	✓	
ETHEL HARDING		✓
SAM HOFMAN	✓	
PAUL RAPP-SVRCEK	✓	
TOM RASMUSSEN		✓
ELEANOR VAUGHN	✓	

Mary Lepand  
Secretary

William E. Farrell  
Chairman

Motion: THAT AMENDMENTS #13 AND #14 TO HB207  
BE ADOPTED

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