

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION
COMMITTEE ON FINANCE AND CLAIMS

Call to Order: By PETE STORY, CHAIRMAN, on MARCH 14, 1989,
at 8:00 A.M.

ROLL CALL

Members Present: Senator Gary Aklestad, Senator Loren
Jenkins, Senator Esther Bengtson, Senator Matt Himsl,
Senator Paul Boylan, Senator Tom Keating, Senator Judy
Jacobson, Senator H.W. "Swede" Hammond, Senator Pat
Regan, Senator Larry Tveit, Senator Fred Van
Valkenburg, Senator Dennis Nathe, Senator Greg
Jergeson, Senator Gerry Devlin, Senator Richard
Manning, Senator Sam Hofman, Senator Lawrence Stimatz,
Senator Ethel Harding, Senator Pete Story

Members Excused: None

Members Absent: None

Staff Present: Curt Nichols, LFA

Announcements/Discussion: None

HEARING ON HOUSE BILL 472

Presentation and Opening Statement by Sponsor:

Representative Bob Raney, District 82, presented HB 472. He noted that the bill needed an amendment. He said the bill was for senior property tax deferral program. This would enable property tax relief by being able to borrow money from the State. He said the deferral program would apply to people that were 62 years of age, who own their own home, and who are 125% of poverty level or less. These senior citizens would be able to defer up to 50% of their taxes due in any one year up to 50% of the appraised value of their property and no more than 90% of their property can have a lien against it. This would protect the State's interest, he said. Representative Raney mentioned an amendment that was being drafted to lower that percentage to 75% to further protect the State.

Representative Raney explained that the county would get 100% of the deferred taxes, so the cost of the program

would have to be absorbed by the Department of Revenue. The money that is borrowed would have to be repaid to the State at 8% annual interest. The interest and the payments become due in four cases:

1. When the taxpayer dies, the State has a lien against the property and collects the deferred taxes plus interest;
2. If the property is sold;
3. If the property is no longer a homestead, when the senior citizen moves out of his home;
4. If the property is moved out of the State, like in the case of a mobile home.

He explained that if two senior citizens are living together and one of them passes away, the tax can be continued to be deferred. The tax can be repaid at any time. In case the property is passed down to heirs, there is an extension of up to five years for repayment.

Representative Raney said the account that the money comes from is the senior citizen property tax deferral account. One million dollars would be taken from the Education Trust Fund. The one million dollars is being borrowed so all the deferred taxes and the interest when repaid, go back into the Education Trust Fund. He pointed out that there would be no loss to the fund except perhaps in the difference in interest.

He pointed out the opportunity for people to stay in their own home rather than go to nursing homes could be a savings on Medicaid.

List of Testifying Proponents and What Group they Represent:
None

List of Testifying Opponents and What Group They Represent:
None

Testimony:
None

Questions From Committee Members:

Senator Bengtson asked if this program was a model from another state. Representative Raney replied that Oregon had the program but offers total deferral of taxes. He said that 16 other states were doing some form of a deferral program. The deferral amount was limited in Montana due to the financial impact.

Senator Regan asked if the people could not defer any more taxes would the State foreclose on them or wait for them to die. Representative Raney replied that they

could not defer any more taxes but do not have to begin repaying the taxes they have deferred. The taxes would go up in the following year. Senator Regan clarified that they would not have to pay any back taxes but start paying taxes of that one year.

Senator Hammond asked who would do the research on these people or what type of evidence was needed. Representative Raney said the people would supply the evidence and the Department of Revenue would check against their income tax records. If there were property taxes due, the county would know that. If there were back taxes due they could not apply for the program.

Senator Regan commented that if the home owner was delinquent in taxes shouldn't they be helped. Representative Raney pointed out that there was no way of knowing how much money that would cost, but it could be substantial.

Senator Aklestad pointed out there was a potential for people to use this deferral program a long period of time. There is no time frame until they use up 50% of their equity. Representative Raney mentioned that there was 8% accruing on their unpaid balance.

Closing by Sponsor: Representative Raney closed.

HEARING ON HOUSE BILL 723

Presentation and Opening Statement by Sponsor:

Representative John Cobb, District 42, discussed HB 723. He said the bill was requested by the Department of SRS in order to revise and clarify general relief assistance laws. He pointed out changes throughout the bill. Section 1 changed the word "work" to "workfair". The term "ablebodied" was taken out of the bill because the Supreme Court threw the term out. Children were defined as both minor and adult children living in the same household since income has to be counted for all those living in the household in order to determine the benefits. Presumptive income was defined since the department wants to weed out fraud. Representative Cobb explained the bill as clean up language. He pointed out a controversial part of the bill. He said if there is a job 20-50 miles away the department may require a person to perform that work. The bill allows for more clarification on forms of relief other than cash or benefits. He pointed out that the bill would be a savings to the department.

List of Testifying Proponents and What Group they Represent:
Russell Cater, SRS

List of Testifying Opponents and What Group They Represent:
Virginia Jellison, Low Income Coalition

Testimony:

Proponents:

Russell Cater, Chief Legal Counsel for Department of Social and Rehabilitative Services, testified in support of the bill (Exhibit 1). He explained that the department wants to ensure that the program is for training and finding people employment. He pointed out that the department does not want to pay social security but does pay for workers compensation.

Opponents:

Virginia Jellison pointed out that the bill deleted language that would allow reimbursement for transportation for more than 10 miles. Since there are so many rural areas and general assistance people don't have resources to pay for transportation, she asked that the language stay in the bill.

Questions From Committee Members:

Senator Jergeson asked if the department considered bank balances when giving cash relief to a person whether the person would just loose it to service charges. Russell Cater replied that under current law the department hadn't considered bank balances. In fact people had a problem cashing checks. Senator Jergeson pointed out there was no way of knowing about hidden money. Russell Cater replied that eligibility was made strict and other factors were not taken into account.

Senator Aklestad asked if applicants furnished documentation on earnings. Russell Cater replied the Department asks for wage receipts and routinely checks banks. Food Stamp processing of claims matches with the Employment Insurance Agency to see if there are any unemployment benefits.

Senator Bengtson asked if the change in the law would require more case management. Russell Cater replied that it would not and was intended to be just the opposite by doing it on a month by month basis.

Senator Van Valkenburg asked if the Low Income Coalition thought the bill was ok with the exception of the provisions regarding transportation reimbursement. Ms. Jellison said she was not prepared to comment.

Senator Aklestad asked about an amendment to other general assistance and welfare bills regarding the workfair projects which would allow the Governor latitude to look at all the programs and avoid duplication and get maximum benefits out of the programs. He asked if it would be appropriate to put that amendment on this bill. Russell Cater replied that it would be ok with the department but was not sure it was necessary in this bill.

Senator Manning asked how receptive the department would be to amend the bill to include travel pay. Russell Cater pointed out that it may not be cost beneficial to the department to pay for mileage to bring someone from Augusta to Helena, as an example.

Closing by Sponsor: Representative Cobb Closed.

HEARING ON SENATE BILL 465

Presentation and Opening Statement by Sponsor:

Representative Pipinich presented SB 465 which would allow smoke management by the Department of Health by rules and fees on open burning permits. (2-A-195)

List of Testifying Proponents and What Group they Represent:

Jeffrey Chaffee, Chief of the Air Quality Bureau, Department of Health and Environmental Sciences

Chris Kaufman, Montana Environmental Information Center

List of Testifying Opponents and What Group They Represent:

Don Allen, Montana Wood Products Association

Testimony:

Proponents:

Jeffrey Chaffee testified in favor of SB 465. He discussed smoke management and funding curtailments of the monitoring unit (See Exhibit 2).

Chris Kaufman representing the Montana Environmental Information Center, testified in support of the bill. She said this was important for air quality of the state and also for public health. The bill imposes a fee on those that produce the smoke and helps maintain a management program that is critical to the public health.

Opponents:

Don Allen said he was concerned and wanted to point out some things in the bill. He said the wood products group was not opposed to the program. However, the department did not go to the advisory council to work

things out. Concerns were raised by Chuck Homer in a memo discussing shortfalls in the funding program. He said that the shortfalls would be between 60-90 thousand dollars, which was a large swing, yet the department was only talking about 21 thousand dollars. Don Allen pointed out that there was no documentation from EPA showing loss of funding and this should be clarified. He did not approve of the blank check aspect. For example, if the Forest Service later decided they did not want to participate, then the industry would be responsible for the fees in order to keep the program running.

Questions From Committee Members:

Senator Hims1 questioned whether the bill was necessary since there were already controls now. Jeffrey Chaffey replied that the bill was targeted at major open burners including the forest service.

Senator Devlin asked how much loss of funding would there be to the program. Jeffrey Chaffey replied that federal funds were redirected so there was a \$23,300 loss to the program. Senator Devlin suggested a cap be placed on the fees so they would not get out of hand.

Senator Nathe asked if there was any relation to the open burning permits. Jeffrey Chaffey replied that the burning would be generally more than 2000 acres. Senator Nathe asked if this would be statewide. Jeffrey Chaffey replied that it would be statewide. He clarified that it would not include residential and small agricultural burners.

Senator Hammond pointed out that there was a difference in areas of Montana and these should be shown.

Chairman Story appointed a subcommittee of Senators Nathe, Devlin and Van Valkenburg to work with the timber industry and the department on an amendment.

Closing by Sponsor: Representative Pipinich closed.

ADJOURNMENT

Adjournment At: 10:00 a.m.



PETE STORY, Chairman

DAILY ROLL CALL

FINANCE AND CLAIMS

COMMITTEE - 1989

DATE 3-14-89

NAME	PRESENT	ABSENT	EXCUSED
Senator Gary Aklestad			
Senator Loren Jenkins			
Senator Esther Bengtson			
Senator Matt Himsl			
Senator Paul Boylan			
Senator Tom Keating			
Senator Judy Jacobson			
Senator H.W. "Swede" Hammond			
Senator Pat Regan			
Senator Larry Tveit			
Senator Fred Van Valkenburg			
Senator Dennis Nathe			
Senator Greg Jergeson			
Senator Gerry Devlin			
Senator Richard Manning			
Senator Sam Hofman			
Senator Lawrence Stimatz			
Senator Ethel Harding			
Senator Pete Story			

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

NO. 1
DATE 3-14-89
BILL NO. HB 723

3/14/89
HB 723

STEPHENS, GOVERNOR

P.O. BOX 4210

STATE OF MONTANA

HELENA, MONTANA 59604-4210

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EXPLANATION TO HOUSE BILL 723
INTRODUCED COPY, GENERAL RELIEF

ellaneous general relief and workfare: Revisions
to Title 53, chapter 3, part 3 of the MCA as fol-

Changes are made to 53-3-304(4), MCA to clarify
public assistance recipient performing work for gen-
relief is not considered to be an employee nor does it
the department is responsible for tax withholding,
security, etc. This would also clarify that benefits
d would be considered "unearned" income for purposes
aining eligibility for other assistance programs.
re, a recipient who was later found to have been
ble for benefits but who has participated in workfare
be subject to recoupment of benefits. (Pages 1, 15-20
723.)

Participation in job search, training and work
ms will no longer be limited to six months. 53-3-304
MCA. This amendment is consistent with SB 101.
19, l. 22-23 of HB 723.)

Persons living more than ten miles from work sites
v be required to participate in the work program.
ndment is consistent with SB 101. (Page 19, l.
HB 723.)

Prohibit persons penalized or sanctioned in feder-
ams from becoming eligible for general relief. See
0(11), 53-3-205(2) and 53-3-206(5), MCA.

Limits on able-bodied are removed to comply with
eme Court ruling in B.C.U. v. Lewis. 53-3-205(3),

The definition of a "household" (53-3-109(5)) and
ctions of the law dealing with household eligibility
5(5)) are rewritten to clarify current department
Current policy allows the deeming of spouses and
income to adult and minor children but not that of
s. 53-3-206(3), MCA is also rewritten to limit
bility for legal relationship as set forth above.
l. 24 to page 4, l. 5 of HB 723.)

SENATE FINANCE AND CLAIMS
DATE 3-14-89
BILL NO. 465

TESTIMONY
ON
SENATE BILL NO. 465

BEFORE THE FINANCE & CLAIMS
COMMITTEE OF THE MONTANA
SENATE

BY JEFFREY CHAFFEE, P.E., CHIEF OF THE
AIR QUALITY BUREAU OF THE MONTANA
DEPARTMENT OF HEALTH AND ENVIRONMENTAL
SCIENCES

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES TO ADOPT RULES IMPOSING FEES FOR ANY PERMITS REQUIRED TO CONTROL EMISSIONS FROM MAJOR OPEN BURNING SOURCES; CREATING A SMOKE MANAGEMENT ACCOUNT; AND PROVIDING EFFECTIVE DATES."

Montana is one of a few Rocky Mountain States that disposes of large quantities of forestry waste materials (i.e., slash) by prescribed open burning. Because of the concerns about air quality impacts from prescribed forestry and wildland burning, Montana has cooperatively developed a nationally recognized Smoke Management Program. Private forestry companies, state and federal land management agencies, the Montana Department of Health and Environmental Sciences (DHES) and others have formed the Montana Smoke Management (Airshed) Group which oversees the program.

Each fall season, the Smoke Management Group operates a monitoring unit in Missoula to provide daily air dispersion forecasts which are used to control air quality impacts from prescribed burning. The monitoring unit is staffed by a Montana Department of State Lands Forestry Representative and a contract meteorologist; daily messages from the unit explaining any burning restrictions are provided to each airshed in western Montana through the U.S. Forest Service DG Communication Network and to the public through a toll-free hotline at DHES. The monitoring unit has an excellent overall track record of assuring that burning is completed without allowing smoke buildup in populated areas.

The U.S. Environmental Protection Agency (EPA) adopted new ambient air quality standards for ten-micron particulate (PM-10) in 1987. Because forestry and wildland burning is a significant source of PM-10 in western Montana, these new standards have placed new emphasis on the smoke management program. EPA requires areas that violate the PM-10 standards to develop control plans and to come into compliance within three years; failure to achieve compliance could result in the application of EPA sanctions, including a construction ban on new air pollution sources in the area. DHES strongly feels that continuance of the smoke management program is key to achieving the PM-10 standards in numerous western Montana communities which have experienced violations of the standards.

EX #2
3/14/89
SB 465

In past years, DHES has funded the participation of the contract meteorologist and field meteorological station operators in the monitoring unit, and has provided staff support for the smoke management program. Because of funding curtailments and because of EPA emphasis on other air quality activities in the State-EPA Agreement, DHES is forced to look for alternate sources of funding for the program during the 1990-91 biennium. The program provides a service to member burners by assuring that land management goals are achieved while protecting air quality. Through this bill, DHES is proposing to collect fees to support the costs of the monitoring unit meteorologist and field station operators; however, staff support for the program would continue to be funded by the DHES. Fees would be fairly divided among members of the Smoke Management (Airshed) Group based upon their use of the program and recognizing their voluntary contributions to the program. As stated in the bill, program costs would be reviewed annually to assure that group members have input on the establishment of fees and to assure that they are maintained at a reasonable level.

DHES asks that the committee favorably consider this bill and we would be glad to answer any questions.