

MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON STATE ADMINISTRATION

Call to Order: By Chairperson Eleanor Vaughn, on March 26, 1991,
at 10 A.M. in room 331.

ROLL CALL

Members Present:

Eleanor Vaughn, Chairman (D)
Bob Pipinich, Vice Chairman (D)
John Jr. Anderson (R)
Chet Blaylock (D)
James Burnett (R)
Bill Farrell (R)
Harry Fritz (D)
Bob Hockett (D)
Jack Rea (D)
Bernie Swift (R)

Members Excused: None

Staff Present: David Niss (Legislative Council).

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Announcements/Discussion: None

EXECUTIVE ACTION ON HOUSE BILL 711

Discussion:

Senator Vaughn called for discussion and questions regarding
benefits given in House Bill 711.

Representative Connelly answered that there are 154 retired, 10
disabled and 18 survivors. After June 30 there would be 38 more
and 8 more the following year.

Senator Swift asked if this continues after 1993? Rep. Connelly
said yes, it does. The plan is set up so that the more they
receive from regular retirement the less they get from this bill.

Tom Schneider said there is presently 144 people eligible for
benefits under this bill. Next year 38 more would become eligible
because they would then be retired 5 years. After the people are
retired for 5 years, they become eligible for the benefit. There
are 2 exclusions. 1. Anyone who has retired and taken another

job in state government. 2. There is a provision that says any officer who receives a current benefit, which is 60% or more of the probationary patrolman's salary of \$1033.

Senator Farrell asked if they work in state government does that make them eligible for Social Security? Tom Schneider said they would be eligible for Social Security if they work enough quarters to qualify. Obviously, their S. S. benefit would be quite small because they had been patrolmen until age 50. We don't know how many have S. S. benefits.

Linda King explained that you must have 20 quarters in the Social Security System to be eligible for benefits, but it's based on how many you have over your entire life time whether you have full or partial. She said this bill covers any retired highway patrol person, their survivor or a disabled patrolman. They are eligible to participate in the lump sum payment unless they are currently working in another job that is covered by another retirement system. They could work in the private sector and be eligible, but not if they are working in a PERD covered job. The recent retirees will receive less than the people who have been retired a longer time. Linda King explained the fiscal note and said there would not be an additional fiscal impact as the bill is now.

Senator Farrell asked if there is any other retirement system that has this supplemental? Tom Schneider said there is no other that has this plan. However, if you go back and look at TRS and PERS you've granted biennial increases by legislative action. Other retirement systems have received considerable ad hoc increases each biennium.

Senator Hockett asked if there are other groups in the retirement categories that are not under S. S. Tom Schneider said police and highway patrol don't come under S.S. Presently, they can join S.S. if they wish.

Linda King explained that the only group of public employees in Montana which may not belong to S.S. under Federal Law are the firefighters. Sometimes a city or town call them public employees and then they are covered. To get S.S. coverage, an employer has to pass a resolution of intent to cover their people. Then they hold an election of the people they propose to cover. They can elect to be covered or not to be covered. Then it becomes a contractual coverage agreement. Once you elect in, it's forever. Police, fire and highway patrol all have a minimum benefit, which was in lieu of the ad hoc increases that were granted other systems. The minimum benefit is 2% times your years of service times the newly confirmed highway patrol officers. House Bill 711 is an added benefit. They figure there will be more and more cars each year. Then each year whatever is collected will be totally distributed to those who are eligible.

Linda King explained that this bill provides a lump sum distribution of about \$210,000 per year starting in FY 94.

Senator Farrell asked why are we continuing this benefit into eternity? If we want to help the older patrolmen, that's fine but let's put an end to the benefit.

Tom Schneider said you can do that, because that is what was originally intended.

Amendments, Discussion, and Votes:

Representative Connelly said that she wants some amendments put on this bill. Senator Vaughn said the attorney had them. The amendment they have clarifies that the cost would be \$5.25. Senator Pipinich MOVED that we do put 25 cents on motor vehicle fees. The VOTE was 9 yes and 1 no. The amendments do pass to House Bill 711.

Senator Blaylock said we must fix this bill for the present retirees, who do not have enough money, who receive a small retirement and who need help. Beyond that, this must stop, when all of these people have been taken care of.

Linda King explained that sooner or later you are going to have more tax being collected than you need for benefits. What do you want to do with that? It could be actuarially determined that there was enough money in the account to pay the benefits, then the tax could stop.

Tom Schneider said you could establish eligibility based on those retired as of a certain date. Then you could calculate and that would establish the ongoing benefit to those already retired. Then you could provide that the money collected in excess could either go to the general fund or the pension fund.

Senator Farrell said we could help the unfunded liability in the retirement system. Senator Hockett shared the same opinions. He wants to help those in need, and then stop it. Will other retired state employees going to be looking at this?

Senator Vaughn said we should have a sunset provision. Attorney Niss was instructed to work with Linda King and to write amendments to House Bill 711 that would answer all the problems raised by the committee and return with them.

Recommendation and Vote:

None

EXECUTIVE ACTION ON HOUSE BILL 896

Senator Vaughn said that House Bill 896 is revising the powers and duties of the State Fire Marshall.

Beth Baker, Attorney with the Department of Justice, stood before the committee and asked them to hold House Bill 896 because some other legislation that is companion to this has not come out of the House yet. She asked the committee to not take any action at this time. They agreed and will await a call from her. The other bill, House Bill 809, was the companion to this one. She gave the committee a fact sheet about the 2 bills regarding the State Fire Marshall. (Exhibit 2)

EXECUTIVE ACTION ON HOUSE BILL 500Motion:

Senator Farrell moved that we AMEND HOUSE BILL 500 as outlined in exhibit 3.

Amendments, Discussion, and Votes:

Senator Blaylock asked why they didn't want the Senate chambers moved? Senator Farrell likes the Senate where it is.

Senator Pipinich asked why did they want to move the Senate in prior history. Senator Blaylock said if you move the Senate to one end and the House on the other end and the rotunda separates the 2 bodies. That chamber could be remodeled to be surpassingly beautiful. This would free up this space for the House and they wouldn't be in the Senate's wing.

Senator Pipinich thinks those are uncomfortable rooms. Senator Farrell said there is a plan to have the gallery about 4 feet high. There was a lengthy discussion on the different rooms, their architectural design and what would be the best use.

Senator Vaughn called for the committee to vote on the amendments. The VOTE to AMEND HOUSE BILL 500 was 7 yes and 3 no. Motion carried.

Recommendation and Vote:

Senator Pipinich moved that we DO CONCUR IN HOUSE BILL 500 AS AMENDED. The VOTE was UNANIMOUS in favor of House Bill 500 as amended and Senator Fritz will carry it to the Senate floor.

Recommendation and Vote:

The VOTE to DO CONCUR IN HOUSE BILL 404 was 6 yes and 4 opposed. Motion carried and Senator Farrell will carry House Bill 404 to the Senate floor.

EXECUTIVE ACTION ON SENATE RESOLUTION 10

Motion:

Senator Farrell moved that we DO PASS SENATE RESOLUTION 10. He said Gibson Goodman is nominated to the Board of Horseracing.

Discussion:

None

Amendments, Discussion, and Votes:

None

Recommendation and Vote:

The ROLL CALL VOTE was 4 yes and 6 no to DO PASS SENATE RESOLUTION 10. Motion failed. Senator Farrell requested a Minority Standing Committee Report be filed as well as a Majority Standing Committee Report. This will be done.

ADJOURNMENT

Adjournment At: 11:45 A.M.


ELEANOR VAUGHN, Chairman


DOLORES HARRIS, Secretary

EV/dh

EXECUTIVE ACTION ON HOUSE BILL 404

Motion:

Senator Farrell moved that we DO CONCUR IN HOUSE BILL 404.

Discussion:

House Bill 404 is an amendment to the Constitution because the sponsor wanted state land to be given to the city of Lewistown.

This does not affect State School Trust Land. Senator Pipinich told of his area having a race track on a 99 year lease.

Senator Hockett said he couldn't see anything wrong with transferring land from the state to local governments. Local people will probably do a better job and less costly to the State of Montana to deal with some of these items. We did something like this for Lewis and Clark County.

Senator Anderson said that the other bill called for fair market value. That does vary from one area to another. In Lewistown that's in the middle of prime residential land.

Senator Fritz said this bill proposes we amend the State Constitution in order to let them acquire that land. It seems there should be an easier way, without changing the fundamental organic law of the state.

Senator Vaughn said we had a committee bill to allow state lands to go to county governments.

Senator Anderson said that it didn't provide for a competitive bid, but they could acquire this land on the basis of fair market value.

Senator Blaylock asked what would prevent them from getting a 99 year lease? The State Land Board has great leeway on this and they should try for a 99 year lease. Particularly in view of the way the State acquired the land, which was a gift.

Senator Rea said Lewis & Clark County could deduct the amount of funds spent on the grounds as part of the payment. This parcel was in a flood plain and wasn't good for a subdivision.

Senator Farrell said that the city of Lewistown couldn't afford to buy the land at fair market value. And they didn't want to invest that money unless they owned the land.

ROLL CALL

STATE ADMINISTRATION COMMITTEE

DATE March 26, 1991

52 LEGISLATIVE SESSION _____

NAME	PRESENT	ABSENT	EXCUSED
SENATOR ELEANOR VAUGHN	X		
SENATOR BOB PIPINICH	X		
SENATOR JOHN ANDERSON	X		
SENATOR CHET BLAYLOCK	X		
SENATOR JAMES BURNETT	X		
SENATOR "BILL" FARRELL	X		
SENATOR HARRY FRITZ	X		
SENATOR BOB HOCKETT	X		
SENATOR JACK "DOC" REA	X		
SENATOR BERNIE SWIFT	X		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 26, 1991

MR. PRESIDENT:

We, your committee on State Administration having had under consideration House Bill No. 404 (third reading copy -- blue), respectfully report that House Bill No. 404 be concurred in.

Signed: Eleanor Vaughn
Eleanor Vaughn, Chairman

LB 3/26/91
Amd. Coord.

SA 3/26 2:25
Sec. of Senate

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 26, 1991

MR. PRESIDENT:

We, your committee on State Administration having had under consideration House Bill No. 500 (third reading copy -- blue), respectfully report that House Bill No. 500 be amended and as so amended be concurred in:

1. Page 2, line 25.

Following: "improvements"

Insert: ", except changes in the location of the Montana senate chambers"

Signed: Eleanor Vaughn
Eleanor Vaughn, Chairman

LB 3/26/91
Amd. Coord.

LR 3/26 2:25
Sec. of Senate

MAJORITY REPORT

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 27, 1991

MR. PRESIDENT:

We, the majority of your committee on State Administration having had under consideration Senate Resolution No. 10 (first reading copy -- white), respectfully report that Senate Resolution No. 10 not be adopted.

Eleanor Vaughn
Eleanor Vaughn, Chairman

Bob Pipinich
Bob Pipinich, Vice Chairman

Chet Blaylock
Chet Blaylock

Harry Fritz
Harry Fritz

Bob Hockett
Bob Hockett

Jack "Doc" Rea
Jack "Doc" Rea

191 3-27-91
And. Coord.

SP 2-27 10:30
Sec. of Senate

MINORITY REPORT

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 27, 1991

MR. PRESIDENT:

We, the minority of your committee on State Administration having had under consideration Senate Resolution No. 10 (first reading copy -- white), respectfully report that Senate Resolution No. 10 be adopted.


John Anderson, Jr.


James H. "Jim" Burnett


William E. "Bill" Farrell


Bernie A. Swift


And. Coord.


Sec. of Senate

FACT SHEET: HB 809
Office of the Attorney General
March 21, 1991

SENATE STATE ADMIN.

EXHIBIT NO. 2

DATE 3-26-91

BILL NO. HB 896

Purpose: To fund the fire prevention and investigation activities of the State Fire Marshal Bureau of the Department of Justice.

Funding Source: Presently, state law requires a tax on fire insurance premiums of 3/4 of one percent for the purpose of funding the Fire Marshal Bureau. That tax raises nearly \$480,000 per year, which goes into the general fund; however, the Fire Marshal Bureau historically has not received the full appropriation of the funds generated. The Bureau's budget for FY 91 was just under \$347,000, nearly \$125,000 less than the revenue generated.

Under HB 809, the tax would be increased to one and one-half percent, which would generate an additional \$480,000 each year of the next biennium. Rather than going into the general fund, however, the revenue would be placed into a special revenue account out of which the Fire Marshal Bureau would be funded.

Because the revenue above and beyond that appropriated for the Fire Marshal's budget has historically remained in the general fund, HB 809 would have a net negative impact on the general fund of approximately \$100,000 each year of the next biennium. The Fire Marshal Bureau, however, would no longer be funded by general fund monies. It is expected that the Bureau would hire an additional 16 FTEs, including ten additional deputy state fire marshals.

Need: State law requires regular fire safety inspections of all public buildings, as well as annual inspections of schools, day care centers, homes for the disabled, units of the Montana university system, and state institutions. The fire marshal also is responsible for arson investigations throughout the state (100 last year), maintaining reports of all fires occurring in the state, and providing training and information to local fire officials. The Bureau cooperates in programs with local, state and federal governments as well as with insurance organizations and model code bodies on fire-related issues. There are presently six deputy state fire marshal positions, located throughout the state, who are expected to meet these responsibilities. Lack of adequate staffing results in only a fraction of the necessary inspections being conducted, and training programs have been severely limited. Recent reports show that 6 out of 11 state institutions (a total of 81 buildings), 3 out of 6 units of the university system (a total of 79 buildings), 1 unit of state government (a total of 27 buildings), 83 of approximately 275 day care centers, 529 of 774 schools, and approximately one-half of the estimated public buildings in the state have not had a fire safety inspection as required by law.

Relationship of Funding to Services Performed: The tax has always been assessed against all residential and commercial buildings covered by fire insurance. That would remain the same under HB 809. It is estimated that there are approximately 500,000 such buildings in the state. Even though the Fire Marshal Bureau does not inspect private single-family dwellings, the Bureau does respond to many requests from private individuals and provides inspection services to publicly- and privately-owned buildings frequented by all members of the public. Additionally, the Bureau regularly investigates home fires to determine cause and origin, and provides training and information to local fire departments for application to all types of structures.

SENATE STATE ADMIN.

EXHIBIT NO. 3

DATE 3-26-91

BILL NO. HB 500

Amendments to House Bill No. 500
Third Reading Copy

Requested by Sen. Farrell
For the Committee on State Administration

Prepared by David S. Niss
March 14, 1991

1. Page 2, line 25.

Following: "improvements"

Insert: ", except changes in the location of the Montana senate
chambers"

ROLL CALL VOTE

SENATE COMMITTEE STATE ADMINISTRATION

52st LEGISLATIVE SESSION

Date 3-26-91 Bill No. SR10 Time 11:30

NAME	YES	NO
Chairman Eleanor Vaughn		X
Vice Chairman Bob Pipinich		X
Senator John Anderson	X	
Senator Chet Blaylock		X
Senator James Burnett	X	
Senator "Bill" Farrell	X	
Senator Harry Fritz		X
Senator Bob Hockett		X
Senator Jack "Doc" Rea		X
Senator Bernie Swift	X	

Dolores Harris
Secretary Dolores Harris

Eleanor Vaughn
Chairman Eleanor Vaughn

Motion: do pass SR10. motion failed
Senator Farrell requested a minority
report.