

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON STATE ADMINISTRATION**

**Call to Order:** By DICK SIMPKINS, CHAIRMAN, on February 5, 1993,  
at 8:05 a.m.

#### **ROLL CALL**

##### **Members Present:**

Rep. Dick Simpkins, Chairman (R)  
Rep. Ervin Davis, Vice Chairman (D)  
Rep. Beverly Barnhart (D)  
Rep. Pat Galvin (D)  
Rep. Bob Gervais (D)  
Rep. Harriet Hayne (R)  
Rep. Gary Mason (R)  
Rep. Brad Molnar (R)  
Rep. Bill Rehbein (R)  
Rep. Sheila Rice (D)  
Rep. Sam Rose (R)  
Rep. Dore Schwinden (D)  
Rep. Carolyn Squires (D)  
Rep. Jay Stovall (R)  
Rep. Norm Wallin (R)

**Members Excused:** Rep. Wilbur Spring, Vice Chairman

**Members Absent:** None.

**Staff Present:** Sheri Heffelfinger, Legislative Council  
Dorothy Poulsen, Committee Secretary

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

##### **Committee Business Summary:**

Hearing: HB 249; HB 377; HB 406  
Executive Action: HB 239 (tabled); HB 377; HB 406  
(tabled); HB 329 (reconsidered)

##### **Announcements/Discussion:**

Letters received from Howard and Joyce Kinsey, Glendive, and Ove  
Madsen, Glendive, in support of HJR 6 were introduced. **EXHIBITS**  
1, 2



A letter from Gerry G. Hudson, Billings, Member of the Montana Board of Housing, regarding **REP. ROYAL JOHNSON'S** testimony on HB 188 was introduced. **EXHIBIT 3**

**REP. SQUIRES** reported the Senate had amended HJR 5 and asked whether the bill came back. **REP. SIMPKINS** replied the bill would go back to the House floor and the amendments would be considered; the bill would not return to committee.

**REP. TOOLE** described amendments for HB 227. **EXHIBIT 4**  
He said the amendments addressed two subjects: (1) removing school board trustees from the bill; and (2) tightening the revolving door provision.

**REP. MASON** asked **REP. TOOLE** who would be classified as "state officer." **REP. TOOLE** answered "state officer" would include all elected officials and agency heads.

**REP. BARNHART** asked **REP. TOOLE** whether the amendments covered the concerns of the county commissioners. **REP. TOOLE** responded the amendment removes any new requirement for financial disclosure except when the Commissioner of Political Practices receives a complaint.

**REP. SCHWINDEN** asked **REP. TOOLE** his intent in having a two-year ban on lobbying and gave examples of individuals who might be affected by the ban. **REP. TOOLE** agreed the individuals mentioned would be affected and stated the committee might want to change that portion of the bill.

**REP. ROSE** asked **REP. TOOLE** whether he would have a conflict of interest if in choosing investments for him, his broker invested some funds in state board of housing bonds. **REP. TOOLE** responded a conflict of interest must directly affect decision-making thus **REP. ROSE** would not have a conflict. **REP. TOOLE** pointed out HB 227 excludes legislators from its provisions.

**REP. SQUIRES** asked **REP. TOOLE** whether the bill changed the financial disclosure form legislators currently file with the Commissioner of Political Practices. **REP. TOOLE** said the form would remain the same.

**REP. SIMPKINS** asked **REP. TOOLE** whether "represent" on page 6, line 2, applied only to attorneys. **REP. TOOLE** said, in his opinion, "represent" applies to everyone.

**REP. WALLIN** asked **REP. TOOLE** if the bill applied to city commissioners and members of the soil conservation districts. **REP. TOOLE** said the basic ethical provisions would apply. **REP. TOOLE** distributed newspaper articles discussing who would be affected by HB 227. **EXHIBIT 5**



EXECUTIVE ACTION ON HB 239

(Executive action was continued from February 3, 1993.)

**Motion:** REP. WALLIN moved HB 239 be amended to have voluntary work and independent expenditures subject to candidate's expenditure limit. EXHIBIT 6

Discussion:

REP. SQUIRES asked REP. WALLIN what dollar value would be placed on volunteer work. REP. WALLIN said volunteer work would be valued at minimum wage. REP. SQUIRES asked how a candidate would keep track of volunteer work. REP. ROSE said the candidate would be like any other employer and would be responsible for keeping track of volunteer work hours.

REP. RICE asked REP. WALLIN if the candidate's own time would be charged against the expenditure limit. REP. WALLIN said the candidate's time would be treated the same as a cash contribution by the candidate. REP. RICE asked if the candidate's cash contribution counted against the expenditure limit. REP. WALLIN said the bill would not change things.

REP. DAVIS said that in the course of his legislative campaign, he frequently performs voluntary work in support of other candidates. He asked REP. WALLIN who would be responsible for reporting his work. REP. WALLIN replied the intent of the amendment was to place a value on voluntary work; and if REP. DAVIS is performing work for another candidate, then that work should be charged. REP. SIMPKINS compared REP. DAVIS' volunteer work to services performed by the political parties which are counted as in-kind contributions.

REP. REHBEIN asked whether the \$7,500 limit in HB 239 included personal contributions or contributions from others. REP. RICE responded that HB 239 referred to expenditures, not contributions.

REP. GALVIN reported his name appeared in the newspaper almost every day in the last campaign in advertisements by his opposition. He asked REP. WALLIN how he would apply the amendment to his opposition's advertisements. REP. WALLIN said he did not think it would apply. REP. SQUIRES said that according to section 3(c), the amendment could apply, and REP. GALVIN would be responsible for determining the cost of the advertisements. REP. SIMPKINS said the section applied to committees, not individuals, and the committees would be required to report the expenditure. REP. SQUIRES contended the amendment required the candidate to report all activities for or against the candidate. Sheri Heffelfinger clarified that the candidate or committee must report expenditures made for or against a candidate and report the name of the candidate for whom the work was for or against. REP. GALVIN contended the candidate would



also have to report the expenditure. **Ms. Heffelfinger** referred to the amendment to Section 1 on page 2, and clarified the amendment referred to the reporting requirement and required that whoever made the expenditure must report the expenditure.

**REP. BARNHART** asked **REP. WALLIN** to explain the purpose of the amendment. **REP. WALLIN** said the purpose was to put a value on volunteer time just like cash contributions and to include it in the expenditure limit. **REP. BARNHART** asked whether candidates would have to report the time of all the volunteers who do literature drops and count their time against the expenditure limit. **REP. WALLIN** confirmed that she would need to report the volunteer work.

**REP. DAVIS** asserted the amendment would require the candidate to spend all their time bookkeeping.

**REP. RICE** said she opposed the amendment, but if volunteer time was to be counted, then the candidate's own time should also be counted. She said she was employed full-time and thus could not spend the time available to candidates who were retired or unemployed.

**REP. MOLNAR** said he did not think the amendment would create a bookkeeping nightmare; he suggested volunteers could be given time cards to be turned in for reporting.

**REP. STOVALL** said he thought the amendment followed from the intent of HB 239.

**Vote:** Motion to amend HB 239 to include voluntary work and independent expenditures as subject to expenditure limit passed 9-7 on a roll call vote. **REPS. DAVIS, BARNHART, GALVIN, GERVAIS, RICE, SCHWINDEN, and SQUIRES** voted no. **EXHIBIT 7**  
**REP. SPRING** voted by proxy. **EXHIBIT 13**

**Motion:** **REP. MOLNAR** moved to amend HB 239 to establish requirements for independent committees. **EXHIBIT 8**

**Discussion:**

**REP. MOLNAR** described his amendment. He said PAC and in-kind contributions have been capped by legislation and the amendment would limit the activities of independent committees.

**REP. BARNHART** asked whether the amendment changed the scope of HB 239. **Ms. Heffelfinger** said that subsection (ii) of the amendment, which relates to voluntary expenditure limitations, made the amendment pertinent to the bill.

**REP. DAVIS** referred **REP. MOLNAR** to (2), page 1, of the amendment which states "if a committee intentionally or negligently fails to comply" and asked about the phrase "intentionally or



negligently." Ms. Heffelfinger responded the language was consistent with current statute.

REP. GALVIN related an incident during his campaign in which he was sent a questionnaire which he returned unmarked. After his election, he received a letter of congratulations from the questionnaire's senders stating their endorsement was a factor in his success. He asked REP. MOLNAR how the amendment would apply to this incident. REP. MOLNAR said the amendment would require the group to indicate in their activities whether or not the candidate agreed to their actions.

REP. BARNHART described advertisements by United We Stand which included a variety of information including candidates' names and asked REP. MOLNAR whether the amendment would apply to these advertisements. REP. MOLNAR said the advertisements were informational and probably would not count. He said there would be many gray areas in any campaign legislation; he explained his intent with the amendment was to prevent expenditures by a group which was unacceptable to the candidate from being applied to the candidate's expenditure limit.

Vote: Motion to amend HB 239 to establish requirements for independent committees passed 10-6 on a roll call vote. REPS. DAVIS, BARNHART, GALVIN, GERVAIS, SCHWINDEN, and SQUIRES voted no. REPS. SPRING and SQUIRES voted by proxy. EXHIBITS 9, 13, 14

Motion: REP. SQUIRES MOVED HB 239 DO PASS AS AMENDED.

Discussion:

REP. SIMPKINS asserted the bill originally opened a loophole which would have allowed political action committees to have their supporters work as volunteers in support of a candidate. He also declared the bill was too broad because it applied to elected officials at all levels.

REP. RICE disagreed with REP. SIMPKINS, referring to pages 7-8, and stating the bill applied primarily to statewide candidates and state representatives. REP. SIMPKINS referred to line 25, page 2, which listed "state representative or for county elected official".

Vote: HB 239 DO PASS AS AMENDED. Motion failed 7-9 on a roll call vote. REPS. SPRING, DAVIS, HAYNE, MASON, MOLNAR, REHBEIN, ROSE, STOVALL, and WALLIN voted no. REP. SPRING voted by proxy. EXHIBITS 10, 13

Motion: REP. RICE MOVED HB 239 DO NOT PASS.

Motion: REP. SIMPKINS MADE A SUBSTITUTE MOTION THAT HB 239 BE TABLED. Motion passed 9-7 on a roll call vote. REPS. DAVIS, BARNHART, GALVIN, GERVAIS, RICE, SCHWINDEN, and SQUIRES voted no; REP. SPRING voted by proxy. EXHIBITS 11, 13



HEARING ON HB 377Opening Statement by Sponsor:

REP. JOE BARNETT, House District 76, Belgrade, introduced HB 377 by request of the Commissioner of Political Practices (COPP). The bill provides that the office of the COPP be the only office to distribute the Code of Fair Campaign Practices, Form C3, to candidates. The Secretary of State, county registrar, and city and county clerks would no longer provide these forms to candidates. REP. BARNETT stated a copy of the Code of Fair Campaign Practices would be provided to each candidate when the candidate files a statement of candidacy. Since subscribing to the Code is voluntary, once the form has been provided to the candidate, no further follow-up is required. If the candidate chooses to subscribe to the Code, the candidate returns the signed and dated form to the Commissioner's office; the form is filed with the candidate's financial reports. REP. BARNETT stated if a form is not received from a candidate, it is assumed the candidate has chosen not to subscribe to the Code.

REP. BARNETT explained the bill was prompted by candidates who had not filed the form because they had not received one. In the past several different offices have had the forms available and distributed them to candidates. In the most recent campaign, the Commissioner received many inquiries as to whether or not specific candidates had subscribed to the Code, and, if so, when they had signed and filed the form. Some candidates complained they were not aware of the Code and had never received copies. REP. BARNETT stated the COPP has the statutory responsibility to prepare, distribute, and keep the forms, but the present method of distribution does not ensure all candidates receive copies of the Code. By making the Commissioner's office the sole distributor of the form, the Commissioner can ensure all candidates receive a copy of the Code of Fair Campaign Practices and eliminate any confusion on the part of the candidates about the forms.

Proponents' Testimony:

Ed Argenbright, Commissioner of Political Practices, stated the purpose of the bill is to make sure all candidates have the opportunity to sign the Code of Fair Campaign Practices. He urged the committee's support.

Opponents' Testimony: None.

Informational Testimony: None.

Questions From Committee Members and Responses: None.

Closing by Sponsor:



REP. BARNETT closed.

HEARING ON HB 249

Opening Statement by Sponsor:

REP. BRAD MOLNAR, House District 85, Laurel, introduced HB 249 which would prohibit public employees from receiving compensation from their public employer while they served as members of the legislature. He suggested the bill would avoid the perception of public employees being paid to be in the legislature. He said if it were possible, he would extend the prohibition to private employees. He stated, because the insurance contribution was already covered by law, he was proposing an amendment to strike "insurance contribution" from the bill. **EXHIBIT 12**

Proponents' Testimony: None.

Opponents' Testimony: None.

Informational Testimony: None.

Questions From Committee Members and Responses:

REP. GERVAIS suggested the bill does not go far enough. He suggested farmers receiving farm subsidies should be covered by the bill. He pointed out several legislators receive compensation from public funds, although not as employees, and should be included in the bill. REP. MOLNAR differentiated between compensation for past actions and compensation for current employment.

REP. SQUIRES said she understood teachers discuss arrangements for serving in the legislature with their school boards. She asked REP. MOLNAR whether the bill would preclude the contractual agreements teachers would have with school boards. REP. MOLNAR said the bill would not affect existing contracts, but it would preclude arrangements in future contracts.

REP. ROSE stated if employees are paid by a school district, then their obligation is to the school district. He asked REP. MOLNAR if this was the intent of his bill. REP. MOLNAR concurred if the school board was paying someone to teach, then they should teach. If the employee is granted leave to work in the legislature, the school board should not pay the employee to not teach. He also objected to having teachers paid by taxpayers for both their teaching and legislative positions.

REP. GALVIN said he was under the impression when teachers were absent, they were replaced by substitutes, and the teachers paid the substitutes. REP. MOLNAR said the process depended on the school district. Some school districts continue to pay teachers serving as legislators; others do not. For school districts who continue to pay the teacher, the teacher pays the substitute. He



said these teachers also receive retirement for both their teaching and legislative positions. He contended these teachers were receiving dual forms of compensation while only performing one job.

REP. SCHWINDEN asked REP. MOLNAR why the fiscal note did not reflect savings under the bill. REP. MOLNAR suggested the fiscal note was not accurate. He said the primary abusers of the system are teachers; but he suggested state employees would probably strike, and they could include this provision in their state contract. He maintained the bill was preventing the spread of the practice. REP. SCHWINDEN said he thought the strike issue was an entirely different scenario and asked REP. MOLNAR how many people would be affected by the bill. REP. MOLNAR said he knew of four or five legislators who would be affected; he said other public employees could possibly be affected.

REP. ROSE responded to REP. SCHWINDEN'S question explaining affected individuals would be on individual contracts with various employers, and therefore it is difficult to figure out who would be affected. REP. SCHWINDEN responded if it is difficult to figure out, then it is difficult to determine the alleged abuse. He asked REP. MOLNAR how he knew the abuse was occurring. REP. MOLNAR said he knew the individuals personally.

REP. GALVIN asked REP. MOLNAR how HB 249 affected individuals receiving retirement from the U.S. government. REP. MOLNAR responded the bill would not affect them; retirement pay is excluded from the bill.

REP. SQUIRES asked REP. MOLNAR why he limited the bill to public employees and asked if there were private employees who received compensation while they served in the legislature. REP. MOLNAR reiterated the state does not have the right to dictate the pay policies of private companies; company shareholders determine their pay policies. He said he was trying to make sure taxpayers were not paying an employee twice. He said trying to apply the bill to private companies might be unconstitutional.

REP. SQUIRES suggested the bill would also be unconstitutional if it applied only to public employees.

REP. GERVAIS said it appeared the bill singled out certain groups of people.

REP. DAVIS said he thought the bill singled out public employees, teachers in particular. He asked REP. MOLNAR whether the lack of a fiscal impact was because the bill would likely reduce the number of teachers serving in the legislature. REP. MOLNAR protested he was not singling out teachers but including all tax-paid employees. He said he was not trying to limit who could serve as legislators; his intent was to protect public funds.

Closing by Sponsor:



REP. MOLNAR asked the committee for a do pass motion.

EXECUTIVE ACTION ON HB 377

Motion/Vote: REP. ROSE MOVED HB 377 DO PASS. Motion passed unanimously with REP. SPRING voting by proxy. EXHIBIT 13

HEARING ON HB 406

Opening Statement by Sponsor:

REP. BEVERLY BARNHART, House District 80, Bozeman, opened and asked HB 406 be tabled.

Proponents' Testimony: None.

Opponents' Testimony: None.

Informational Testimony: None.

Questions From Committee Members and Responses: None.

Closing by Sponsor:

REP. BARNHART closed.

EXECUTIVE ACTION ON HB 406

Motion: REP. MASON MOVED HB 406 DO NOT PASS.

Motion/Vote: REP. GALVIN MADE A SUBSTITUTE MOTION THAT HB 406 BE TABLED. Motion carried unanimously. REP. SPRING voted by proxy. EXHIBIT 13

EXECUTIVE ACTION ON HB 329

REP. SIMPKINS announced REP. VIVIAN BROOKE had asked for reconsideration of HB 329.

Motion/Vote: REP. BARNHART MOVED HB 329 BE RECONSIDERED. Motion carried unanimously.

REP. VIVIAN BROOKE, House District 56, Missoula, asked the committee to consider reinstating Section 1 of HB 329. She said the Missoula Clerk and Recorder had contacted other clerks and recorders and they did not want Section 1 eliminated. REP. BROOKE argued Section 1 provided an additional, optional procedure for finding election judges for those counties who had difficulty in doing so.



REP. DAVIS suggested adding "potentially" after "elector" in line 14, page 2, would eliminate the mandatory nature of the section.

REP. SIMPKINS suggested the "shall's" be stricken. REP. DAVIS disagreed, insisting the insertion of "potentially" removed the threat of "shall".

REP. SIMPKINS asked REP. BROOKE whether there was a penalty for not serving as an election judge. REP. BROOKE said there was no penalty; serving as an election judge was optional.

REP. DAVIS asked REP. BROOKE if the bill provided an after-all-else-fails option, and REP. BROOKE concurred.

REP. REHBEIN said he thought allowing part-time judges provided an adequate option.

REP. MOLNAR objected to forcing an individual to be part of the process.

REP. SIMPKINS suggested lines 19-22, page 2, could be eliminated because the elector would not need to be excused.

Doug Mitchell, Secretary of State's Office, agreed with the committee's concern about the mandatory section of the bill.

REP. SIMPKINS stated Ms. Heffelfinger would draft an amendment to HB 329.

REP. BROOKE thanked the committee for their indulgence and openness.

#### ADJOURNMENT

Adjournment: 10:14 a.m.



DICK SIMPKINS, Chair



DOROTHY POULSEN, Secretary

DS/DP



HOUSE STANDING COMMITTEE REPORT

February 5, 1993

Page 1 of 1

Mr. Speaker: We, the committee on State Administration report  
that House Bill 377 (first reading copy -- white) do pass.

Signed: *Dick Simpkins*  
Dick Simpkins, Chair



EXHIBIT 1  
DATE 2/5/93  
HB HJR 6

HJR 6

Glendine, Mt.  
1-27-93

To whom it may concern:

I really think that is a terrible thing to even think about not building the Veterans Nursing Home. That money that has been collected for it does not belong to another project. My husband is a disabled Veteran and it is bad enough to have to drive to Miles City for med. attention. I have been injured at work and have a hard time driving and who knows what will happen to me in a few years.

Also I think that there are other places to cut except Casmont. It is a very well established place and a place much needed in Eastern Mt. It seems as tho any of you think about is cutting something in Eastern Mt. I think it is about time something is cut elsewhere. It is not our fault our gov. is in such a mess. We have lived here all our lives and it has always been the same thing when it comes to cuts, just cut something in the East.

Also I sure would like to see some laws for the working women as I have been discriminated against since and can't seem to do anything about it. Human rights and my lawyer says Mt. laws don't protect me. I have at present a suit pending with School Dist #1, but the settlement will never come to what



(2)

I had to put up. I was told they needed a man for the job after I had done it for about 1 year & done an excellent job. Then the principals told me that when I got a College ed. I could do it. I met all the qualifications that was needed for the job and the 1st time I settled just to be placed in the position if it became available again. Well it did and they hired a man with no experience & I had to show him I was told I was still on probation after 6 years. I would really like to see some changes in the Comp. It won't do me any good as due to the injuries I am unable to full fill the job.

I also think the Workman Comp. could make a lot of changes to save money. I can give you some hints if you would care to listen. After thinking it for year I sure can see why they are in debt so bad.

Thank You.

Howard & Joyce Kinsey

195 Highway 200 S  
Glendale, MT. 59230

406-365-2275



HJR 6

January 26, 1993

Glendive, Mt. 59330

Dear Sirs;

We, the residence of Dawson County are getting very impatient with the delay in getting the Construction of the Veterans Nursing Home underway.

We were under the impression that the funding was all in place quite awhile ago. Now it has already suffered a reduction from 100 beds to 80 beds and if there is any further delay The Federal Government may withdraw their funding they have set aside for this project. We urge you to support this project and help us get construction started immediately.

We also would appreciate your support for the continuation of the Paddlefish egg collection bill.

Thank You,

Sincerely,

OVE MADSEN  
1711 N. MERRILL  
GLENDDIVE, MT. 59330

*Ove Madsen*

EXHIBIT 2  
DATE 2/5/93  
HB HJR 6





# INTERMOUNTAIN MORTGAGE CO., INC.

January 21, 1993

P.O. Box 20339  
3333 2nd Ave. N. Suite 250  
Billings, Montana 59104-0339  
(406) 252-2600

The Honorable Richard Simkins  
Chair, House State Administration Committee  
House of Representatives  
State Capitol Building  
Helena, MT 59624

Dear Representative Simkins:

As a member of the Montana Board of Housing, I am enclosing the attached letter relative to testimony given in your Committee on HB 188.

I apologize for not appearing at the hearing for the bill, but as I point out in my letter to Representative Johnson, I just don't feel that any of the Board members feel they serve on the Board in any other way than at the pleasure of the Governor. We have no opposition to the bill.

I am concerned however, as is Representative Johnson I'm sure, that the record be clear and undistorted.

I would also like you to know that the Board is most anxious to work with the Legislature and the Administration in assuring the continued operation of the Board to the best benefit of low income Montanans.

Should you or any of your Committee have any questions about Board of Housing functions, operations, programs, please do not hesitate to contact any one of us, especially myself. We will make ourselves available to you.

Sincerely,



Gerry G. Hudson  
2964 Millice Avenue  
Billings, MT 59102  
Business Telephone: 252-2600

cc: Governor Marc Racicot

Enc.

EXHIBIT 3  
DATE 2/5/93  
HB 188



EXHIBIT 3  
DATE 2/5/93  
HB 188



## INTERMOUNTAIN MORTGAGE CO., INC.

P.O. Box 20339  
3333 2nd Ave. N. Suite 250  
Billings, Montana 59104-0339  
(406) 252-2600

January 21, 1993

The Honorable Royal Johnson  
House of Representatives  
State Capitol Building  
Helena, MT 59624

Dear Royal:

Thanks for taking the time to visit with me last Friday. Sorry my schedule prevented me from returning after the House adjourned.

As we discussed, I don't believe that any of the members of the Board of Housing would have a problem with HB 188. We always have felt that we serve at the pleasure of the Governor, even though precise terms are set by the current law.

I have been made aware of your testimony in the Administration Committee on Thursday the 21st. The reason for this letter is that I am confused by your testimony. I want to take this opportunity to set the record straight as it relates to our conversation on the 15th. I know you also want a correct and undistorted record. Therefore, I am making this letter available to the members of the House State Administration Committee.

First, I am disappointed that your testimony has perpetuated the rumor that the Board of Housing has initiated the RFP process with the intention of signing a "four year contract" with a new investment banking team. If you will recall, I had told you that at our public meeting in Billings in May, 1991, the RFP was discussed at length. At that time I felt that I had made a personal commitment to see that a RFP was done within the next year. At our December, 1992, meeting in Billings, I made the motion for action with the feeling that I was at least six months late in following up what I had resolved to do a year earlier. In your testimony you indicated that the Board of Housing had committed to do an RFP once a year. To my knowledge no such commitment has ever been made by the Board of Housing. Nor does the Board sign contracts with investment bankers for specified terms. As I pointed out, and am sure you agree, without "checking prices" (i.e. doing an RFP) the Board of Housing has nothing against which to measure the value it receives for the price it pays. Our sole intention in this regard is to assure the lowest



Honorable Royal Johnson  
January 21, 1993  
Page Two

cost of issuance of bonds and therefore the lowest possible mortgage interest rates to Montana's first time home buyer.

In another part of your testimony you indicated that the Board of Housing had authorized the refunding of two issues. Royal, the successful refunding of these two issues has made more money available to address the dire need for low income multi-family and disabled housing. Any surreptitious motives on the part of the Board of Housing are pure fantasy. Our primary objective is the delivery of housing services and financing to those who are most in need in Montana. I know that you feel the reserves of the Board of Housing are over-funded. This is simply not the case and this has been substantiated in the past by the Office of the Legislative Auditor. Having read our financials I know that you are making note of the fact that our reserves appear to be above the reserve requirements. However, older issues of bonds had higher reserve requirements. We are sure that the reserves are in line with what is called for in the various Trust Indentures for each of the separate issues. Our excellent rating with Moody's (Aa) is evidence of the soundness of the Board of Housing bonding programs. At this time it is true that the reserves are kept out-of-state. Until the Summer and Fall of 1991, we had two in-state co-trustees (First Interstate Bank of Kalispell and Norwest Trust in Helena and Billings). They resigned at that time and as a result we are forced to rely, at least for the time being on our principal trustees, First Interstate of Denver and Norwest Bank Minnesota.

I want to assure you that a major concern of the Board of Housing since I have been a member has been how to get "more of the action" within the state. We have had many discussions with the lead investment banker over the past two years to work at getting the most bonds delivered in Montana and at the same time achieving the lowest possible mortgage rates. If you look at the comparisons from around the country, the Montana Board of Housing consistently reaches our goal of the lowest possible rates for our low income first time homebuyers.

I feel very badly that you referred to the Board as "free-wheeling" as we are attempting to execute the duties for which we were appointed and per our legislative mandate. To interpret the RFP and/or the refunding as a way to either thwart the desires of the legislature or get "a jump" on any changes which might be forthcoming is to misinterpret our intentions. Since its inception, the Board of Housing has made housing loans available to over 17,000 Montanans who might not otherwise have realized the dream of home ownership. I can assure you again, that our only goal is continuation of the programs in a manner most beneficial to those we serve.



Honorable Royal Johnson  
January 21, 1993  
Page Three

Royal, I hope this letter serves to set the record straight in regards to the conversation we had on the 15th. I know that your interest is the same as the Board's and am confident that you will be able to help put to rest the rumors we spoke of last Friday which I have reiterated here.

I look forward to hearing from you and would welcome any dialogue from any of your colleagues who might have an interest in serving the housing needs of the low-income segments of our population.

Best Personal Regards and thanks for your ear!

Sincerely,



Gerry G. Hudson  
2964 Millrice Avenue  
Billings, MT 59102  
Business Telephone: 252-2600

cc: House State Administration Committee:  
Representative Richard Simkins, Chair✓  
Representative Wilbur Spring, Vice-Chair  
Representative Beverly Barnhart  
Representative Ervin Davis  
Representative Patrick Galvin  
Representative Bob Gervais  
Representative Harriet Hayne  
Representative Gary Mason  
Representative Brad Molnar  
Representative Bill Rehbein  
Representative Sheila Rice  
Representative Sam Rose  
Representative Dore Schwinden  
Representative Carolyn Squires  
Representative Jay Stovall  
Representative Norm Wallin



Amendments to House Bill No. 227  
First Reading Copy

Requested by Rep. Howard Toole  
For the Committee on House State Administration

Prepared by Sheri S. Heffelfinger  
February 4, 1993

1. Page 6, line 4.

Following: "on"

Insert: "particular cases or"

2. Page 14, lines 3 and 4.

Following: "official-elect"

Strike: "[other]" on line 3 through "legislator]" on line 4

Insert: " other than [a legislator or] a school board trustee  
covered under 20-9-204"

3. Page 14, lines 7 and 8.

Following: "provide" on line 7

Strike: "the" through "(i)" on line 8

4. Page 14, lines 11 and 12.

Following: "family" on line 11

Strike: "; and" through "(3)" on line 12

5. Page 14, line 17.

Following: "official-elect"

Strike: "[other]" through "legislator]"

Insert: "other than [a legislator or] a school board trustee  
covered under 20-9-204"

6. Page 14, lines 21 through 24.

Following: "commissioner" on line 21

Strike: "may" through "interest" on line 24

Insert: "shall require a public official or official-elect other  
than [a legislator or] a school board trustee covered under  
20-9-204 to report additional financial data if the  
commissioner has reasonable grounds to believe that there is  
a violation of a provision of 2-2-103, 2-2-104, 2-2-121, 2-  
2-125, or 2-2-131"

7. Page 14, line 25.

Following: "reported"

Insert: "under this subsection (3)"

8. Page 16, line 3.

Following: "(4)"

Insert: "The commissioner may require the disclosure of financial  
information not listed in subsection (3) if the information  
is necessary for determining if there is a conflict of  
interest and may adopt rules to implement the provisions of  
this section.

(5) "

EXHIBIT 4

1 DATE 2/5/93 hb022701.ash

227



## 53rd SESSION

# Ex-state health chief lobbies

### Criticized by waste burning foes, who tried to hire him too

By the Associated Press

Only five weeks after leaving office as head of the state department that regulates hazardous waste burning, Dennis Iverson is lobbying for a cement plant that wants to burn hazardous waste, it was reported Wednesday.

Iverson says he sees nothing wrong with the job, but critics say it's the revolving door, swinging again.

Brady Wiseman, a Bozeman computer consultant who is a volunteer lobbyist for Montanans Against Toxic Burning, called Iverson's lobbying "an outrageous abuse of the public interest."

"THIS MAN WAS REGULATING this industry five weeks ago and now he's working for them," Wiseman said.

But Iverson said the Department of Health and Environmental Sciences under his direction adopted the most stringent rules in the nation on hazardous waste burning.

A Republican House member for 12 years, Iverson said he was hired for his skills, knowledge of the Legislature and ability to build consensus, not for his ties to the Health Department.

Some 600 public comments were submitted to DHES when it was writing rules on hazardous waste burning, and a large number demanded that the state ban burning at any site close to homes, schools and rivers, Wiseman said.

THAT COULD HAVE effectively prevented hazardous waste burning at the Ash Grove Cement Co. near Helena, which is a half-mile from a school, and the Holnam Inc. cement plant near Three Forks, which sits at the headwaters of the Missouri River.

The Health Department refused to impose siting rules and instead left the issue up to the Legislature, Wiseman said.

"Now Iverson is signed on with the cement industry to defeat the siting proposal," he said. Iverson lobbies for Ash Grove.

HE PREDICTED THE cement companies could spend as much as \$100,000 lobbying against the bill, while his group will likely have spent \$10,000 over the past year.

Hiring Iverson "is just another example of the cement industry having really deep pockets and having no qualms about spending whatever they have to to defeat" the anti-burning bill, Wiseman said.

But the former director says the history fails to show any improper influence.

Iverson said he didn't have any direct involvement with writing the rules for waste burning, which was done by technical staff. And it was the technical and legal staff that advised him DHES didn't have the authority from the Legislature to impose siting rules.

IVERSON SAID HE did decide against adopting federal rules that would have let companies start burning immediately, while the state considered granting permits.

"I took a lot of hell for that" from the cement companies.

Iverson also said he was approached about lobbying for foes of the hazardous waste burning, but decided not to pursue it. If he had gone to work for them, he said he doubted they'd be complaining now.

EXHIBIT 5  
DATE 2/5/93  
HB 227



# Congress bails out Steinbrenner

WASHINGTON (AP) — Baseball team owner George Steinbrenner failed in the first round of a contract dispute with the government. But his second try was a sweet success — a \$58 million bailout for his family shipbuilding business provided quietly by Congress.

Having already made \$16,500 in political contributions to key congressmen since 1987, Steinbrenner enlisted two lobbyists with connections to the Appropriations subcommittees that control Pentagon spending.

The imposing owner of professional baseball's New York Yankees even made a few personal calls on Congress along the way.

Last October, without a single public hearing and without even consulting the government officials who steadfastly refused to pay the claims, Congress quietly added the money to the Defense Department's 1993 budget.

The final amount ordered paid to Steinbrenner's Tampa, Fla., shipyard was even more than he originally sought in negotiations and a lawsuit he filed against the Navy and U.S. Maritime Administration.

Steinbrenner accused federal officials of trying to shut his struggling American Ship

## Uses clout to get \$58M for company

Building Co. out of an exclusive club of favored contractors, and said Congress was his only recourse.

THE STEINBRENNER CASE distills several key issues that will test a reform-minded Congress this year: the role of special-interest donations, the "revolving door" through which officials pass between government and lobbying, and the survival of defense contractors with a slimmed-down Pentagon.

The dispute arose over two contracts: a 1987 agreement to convert and refurbish a pair of crane ships for a fixed price of \$43.1 million, and a 1989 pact to complete two fuel supply ships for \$49 million.

But Steinbrenner said the government saddled him with "rust buckets" that required more extensive repairs than he expected.

The Navy and the Maritime Administration took a hard line. They offered minor price adjustments, but sought for the most part to make the yard honor its fixed-price contract.

Steinbrenner at first went to court, suing to recover \$13.3 million in overruns on the crane ship contract and \$24 million in "extraordinary contractual relief" on the Navy oilers.

BUT A SHORT WHILE LATER, he set his sights on Congress' two gatekeepers of Pentagon spending: Rep. John Murtha, D-Pa., and Sen. Daniel Inouye, D-Hawaii, the chairmen of the House and Senate Appropriations defense subcommittees.

Sometime last spring, unknown to the government bureaucrats and lawyers dealing with his claims, Steinbrenner dispatched two lobbyists to Capitol Hill.

Paul Magliocchetti, an aide on the House subcommittee from 1981 to 1987, approached Murtha. William F. Ragan, a longtime Inouye supporter and fund raiser, approached the senator.

When Inouye and Murtha won final passage of their bill on Oct. 5, it contained provisions awarding American Ship Building the full \$13.3 million it had sued for on the crane ships — rendering moot the government's efforts to fight it in court — and ordering a \$45 million additional payment for the oilers, some \$20 million more than Steinbrenner originally had sought.

BUT TO GOVERNMENT OFFICIALS, Congress' action was a sneak attack.

Debbie Kossow, a Justice Department lawyer handling the crane ship case, was sent a copy of Murtha's bill by a colleague late last July. "Not true," she wrote in the margin. "Never asked to comment on bill or these allegations."



Steinbrenner



Amendments to House Bill No. 239

First Reading Copy

Requested by Rep. ~~Dick Simpkins~~ <sup>Norm Wallin</sup> (#3)  
For the Committee on House State Administration

Prepared by Sheri S. Heffelfinger  
February 2, 1993

[Voluntary work and independent expenditures subject to limit]

1. Page 5, line 15.

Following: "Section 4."

Strike: "Exclusion" through "expenditures"

Insert: "Expenditures subject to voluntary limitation"

2. Page 5, line 16.

Following: line 15

Insert: "(1)"

3. Page 5, line 17.

Following: "expenditures"

Strike: "do not"

Insert: "subject to voluntary limitation"

Following: "include:"

Insert:

"(a) an expenditure as defined in 13-1-101;

(b) volunteer work, which for the purposes of this definition, must be valued as if the candidate paid each volunteer worker minimum wage as determined under 39-3-409, performed:

(i) on behalf of the candidate;

(ii) by a committee independently of the candidate's campaign but that influences the election in favor of the candidate; and

(c) an expenditure made by a committee, including a committee acting independently of the candidate's campaign, made in support of the candidate or in opposition to the candidate's opponent

(2) Campaign expenditures not subject to limitation include:"

4. Page 5, line 18.

Strike: "(1)"

Insert: "(a)"

5. Page 5, line 22.

Strike: "(2)"

Insert: "(b)"

6. Page 5, line 23.

Strike: "(3)"

Insert: "(c)"

EXHIBIT 6  
DATE 2/5/93  
HB 239



7. Page 8, line 2.  
Following: line 1  
Insert:

**"Section 1. Section 13-37-225, "MCA, is amended to read:**

**"13-37-225. Reports of contributions and expenditures required. (1) Except as provided in 13-37-206, each candidate and political committee shall file periodic reports of contributions and expenditures made by or on the behalf of a candidate or political committee.**

**(a) Each candidate and political committee, shall, for the purposes of expenditures subject to voluntary limitation under [section 4], also report all voluntary work performed to influence the outcome of an election, whether or not the work was performed in conjunction with a candidate's campaign. The report must include the name of the candidate the volunteer workers worked for or against.**

**(b) All reports required by this chapter shall be filed with the commissioner and with the election administrator of the county in which a candidate is a resident or the political committee has its headquarters. However, where residency within a district, county, city, or town is not a prerequisite for being a candidate, copies of all reports shall be filed with the election administrator of the county in which the election is to be held or, if the election is to be held in more than one county, with the election administrator in the county that the commissioner specifies.**

**(2) In lieu of all contribution and expenditure reports required by this chapter, the commissioner shall accept copies of the reports filed by candidates for congress and president of the United States and their political committees pursuant to the requirements of federal law."**

Renumber: subsequent sections



# HOUSE OF REPRESENTATIVES

STATE ADMINISTRATION

COMMITTEE

## ROLL CALL VOTE

DATE 2/5/93 BILL NO. 239 NUMBER #Amendment #3 (Wallin)

MOTION: Do Pass amendment #3 (Norm Wallin)

NAME	AYE	NO
REP. DICK SIMPKINS, CHAIR	✓	
REP. WILBUR SPRING, VICE CHAIR	✓	
REP. ERVIN DAVIS, VICE CHAIR		✓
REP. BEVERLY BARNHART		✓
REP. PAT GALVIN		✓
REP. BOB GERVAIS		✓
REP. HARRIET HAYNE	✓	
REP. GARY MASON	✓	
REP. BRAD MOLNAR	✓	
REP. BILL REHBEIN	✓	
REP. SHEILA RICE		✓
REP. SAM ROSE	✓	
REP. DORE SCHWINDEN		✓
REP. CAROLYN SQUIRES		✓
REP. JAY STOVALL	✓	
REP. NORM WALLIN	✓	
TOTAL	9	7

EXHIBIT 7

DATE 2/5/93

IF 239



Amendments to House Bill No. 239  
First Reading Copy

Requested by Rep. Brad Molnar  
For the Committee on House State Administration

Prepared by Sheri S. Heffelfinger  
February 3, 1993

1. Title, line 7.

Following: "FINES;"

Insert: "ESTABLISHING CERTAIN REQUIREMENTS FOR INDEPENDENT  
COMMITTEES;"

2. Page , line 16.

Following: "through"

Strike: "5"

Insert: "6"

3. Page 5.

Following: line 23

Insert:

NEW SECTION. Section 5. Independent committee activities approved or disapproved by candidate. (1) Before a political committee operating independently of a candidate's campaign may engage in activities that will benefit a candidate, the committee must contact the candidate and ask the candidate if the candidate approves of the committee's activities.

(a) If the candidate approves of the committee's activities:

(i) the committee must acknowledge on all literature, posters, advertisements, radio or television spots, or other material promulgated in a way that benefits a candidate's campaign that the candidate approves of the committee's activities; and

(ii) the committee's expenditures relevant to the candidate's campaign must be counted toward the candidate's expenditure limit if the candidate has agreed to voluntary expenditure limitations under [section 1].

(b) If the candidate does not want the endorsement of the committee and does not approve of the committee's activities:

(i) the committee must acknowledge on all literature, posters, advertisements, radio or television spots, or other material promulgated in a way that benefits the candidate's campaign that the candidate does not approve of the committee's activities; and

(ii) the committee's expenditures do not count toward the candidate's limit if the candidate has agreed to voluntary expenditure limitations under [section 1].

(2) If a committee intentionally or negligently fails to comply with the requirements of this section, the committee may be fined under the provisions of 13-37-128."

Renumber: subsequent sections

EXHIBIT 8  
1 DATE 2/5/93 hb023907.ash  
HB 239



4. Page 8, line 3.  
Following: "through"  
Strike: "5"  
Insert: "6"

5. Page 3, line 5.  
Following: "through"  
Strike: "5"  
Insert: "6"



# HOUSE OF REPRESENTATIVES

STATE ADMINISTRATION

COMMITTEE

## ROLL CALL VOTE

DATE 2/5/93 BILL NO. 239 NUMBER Amend by Molnar

MOTION: Do pass amendment

NAME	AYE	NO
REP. DICK SIMPKINS, CHAIR	✓	
REP. WILBUR SPRING, VICE CHAIR	✓	
REP. ERVIN DAVIS, VICE CHAIR		✓
REP. BEVERLY BARNHART		✓
REP. PAT GALVIN		✓
REP. BOB GERVAIS		✓
REP. HARRIET HAYNE	✓	
REP. GARY MASON	✓	
REP. BRAD MOLNAR	✓	
REP. BILL REHBEIN	✓	
REP. SHEILA RICE	✓	
REP. SAM ROSE	✓	
REP. DORE SCHWINDEN		✓
REP. CAROLYN SQUIRES		✓
REP. JAY STOVALL	✓	
REP. NORM WALLIN	✓	
TOTAL	10	6

EXHIBIT 9  
DATE 2/5/93  
HB 239



# HOUSE OF REPRESENTATIVES

STATE ADMINISTRATION

COMMITTEE

## ROLL CALL VOTE

DATE 2/5/93 BILL NO. 239 NUMBER \_\_\_\_\_

MOTION: Do Pass HB 239 as amended.

NAME	AYE	NO
REP. DICK SIMPKINS, CHAIR	✓	
REP. WILBUR SPRING, VICE CHAIR		✓
REP. ERVIN DAVIS, VICE CHAIR		✓
REP. BEVERLY BARNHART	✓	
REP. PAT GALVIN	✓	
REP. BOB GERVAIS	✓	
REP. HARRIET HAYNE		✓
REP. GARY MASON		✓
REP. BRAD MOLNAR		✓
REP. BILL REHBEIN		✓
REP. SHEILA RICE	✓	
REP. SAM ROSE		✓
REP. DORE SCHWINDEN	✓	
REP. CAROLYN SQUIRES	✓	
REP. JAY STOVALL		✓
REP. NORM WALLIN		✓
TOTAL	7	9

EXHIBIT 10  
DATE 2/5/93  
HB 239



# HOUSE OF REPRESENTATIVES

STATE ADMINISTRATION

COMMITTEE

## ROLL CALL VOTE

DATE 2/5/93 BILL NO. 239 NUMBER \_\_\_\_\_

MOTION: Move to table HB 239.

NAME	AYE	NO
REP. DICK SIMPKINS, CHAIR	✓	
REP. WILBUR SPRING, VICE CHAIR	✓	
REP. ERVIN DAVIS, VICE CHAIR		✓
REP. BEVERLY BARNHART		✓
REP. PAT GALVIN		✓
REP. BOB GERVAIS		✓
REP. HARRIET HAYNE	✓	
REP. GARY MASON	✓	
REP. BRAD MOLNAR	✓	
REP. BILL REHBEIN	✓	
REP. SHEILA RICE		✓
REP. SAM ROSE	✓	
REP. DORE SCHWINDEN		✓
REP. CAROLYN SQUIRES		✓
REP. JAY STOVALL	✓	
REP. NORM WALLIN	✓	
TOTAL	9	7

EXHIBIT 11  
DATE 2/5/93  
HB 239



Amendments to House Bill No. 249  
First Reading Copy

Requested by Rep. Brad Molnar  
For the Committee on House State Administration

Prepared by Sheri S. Heffelfinger  
February 4, 1993

1. Page 3, line 22.  
Strike: "insurance contribution,"
2. Page 5, line 8.  
Strike: "insurance contribution,"

EXHIBIT 12  
DATE 2/5/93  
HB 249





*The Big Sky Country*

MONTANA HOUSE OF REPRESENTATIVES

Feb. 5, 1993

William Spring

EXHIBIT 13

DATE 2/5/93

HB 239; 377; 406



2-05-93

Give my proxy to Ben  
Bannhart on all votes  
with amendments and  
tubing motion  
Agrees

EXHIBIT 14  
DATE 2/5/93  
HB 239



HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER

State Administration

COMMITTEE

BILL NO.

HB 377

DATE

2/5/93

SPONSOR(S)

Rep. Barnett

PLEASE PRINT

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PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<u>Ed Augenbraun</u>	<u>Com. of Pol. Practice</u>		
<u>Donna Muffin</u>	" "		

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS  
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.



**HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER**

## State Administration

**COMMITTEE**

**BILL NO.**

H B 249

DATE 2/5/93

**SPONSOR (S)**

Rep. Molnar

**PLEASE PRINT**

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**PLEASE PRINT**

[illegible]

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HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER

State Administration COMMITTEE BILL NO. HB 406  
DATE 2/5/93 SPONSOR(S) Rep. Barnhart

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Eliza Lake	MT Women's Lobby	X	
Terry M. Mowbray	MT Ed SLL Employees	X	

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