

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON STATE ADMINISTRATION

Call to Order: By DICK SIMPKINS, CHAIRMAN, on February 15, 1993,
at 9:00 a.m.

ROLL CALL

Members Present:

Rep. Dick Simpkins, Chairman (R)
Rep. Wilbur Spring, Vice 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: None.

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: HJR 13; HJR 17; HB 517; HB 485
Executive Action: HB 176; HB 319; HB 320; SB 131; HB 520;
HB 227

HEARING ON HJR 13

Opening Statement by Sponsor:

REP. BEVERLY BARNHART, House District 80, Bozeman, introduced HJR
13 requesting the establishment of an interim committee to study

solutions to misrepresentations which occur during political campaigns. She said as she was working on legislation pertaining to political campaign reform, she discovered SEN. KLAMPE and REP. MOLNAR were interested in similar issues. She reported their research on campaign misrepresentations had shown that the issue was very complicated and involved constitutional questions; therefore, they had decided an interim committee to study the issues should be recommended. She said the committee would study the problem of misleading campaign materials, have public input, and draft legislation for the next legislative session.

Proponents' Testimony:

REP. BRAD MOLNAR, House District 85, Laurel, reviewed his difficulties with campaign misrepresentations and declared the public had a right to hear true statements in the course of political campaigns. He asked the committee to support HJR 13.

Amy Kelley, Executive Director, Common Cause/Montana, contributed written testimony in support of HJR 13. EXHIBIT 1

Opponents' Testimony: None.

Informational Testimony: None.

Questions From Committee Members and Responses:

REP. ROSE asked REP. BARNHART whether HB 227 would affect HJR 13. REP. BARNHART responded the bills addressed different issues with HJR 13 establishing an interim committee to study campaign misrepresentations. REP. ROSE asked REP. BARNHART whether HJR 13 would result in additional FTEs for the office of political practices. REP. BARNHART said no additional FTEs were required.

REP. DAVIS asked REP. BARNHART to describe the role of the Commissioner of Political Practices on the interim committee. REP. BARNHART said as they had studied the issue, they realized they were not sure where the commissioner fit. She contended, however, the commissioner needed to be present.

REP. SPRING asked REP. BARNHART what the committee would be able to accomplish that the Commissioner of Political Practices could not already do. REP. BARNHART reported their research had shown the League of Women Voters in other states had set up commissions to study campaign advertising during campaigns.

Closing by Sponsor:

REP. BARNHART said she was willing to answer further questions and bring other information to the committee. She asked for favorable consideration.

HEARING ON HB 517Opening Statement by Sponsor:

REP. HAL HARPER, House District 44, Helena, introduced HB 517 which would provide a retirement incentive for members of the Public Employees' Retirement System (PERS) who are eligible to retire and terminate between July 1, 1993, and January 1, 1994. He said the intent of the bill is to use a retirement incentive to reduce staff in state agencies. He explained by holding vacated positions open, the state would realize savings in personnel costs. He said if the retiree is replaced, the state would still save money because replacements would most likely be younger, less expensive employees. He noted many other states and cities have successfully used retirement incentives to save money. He explained although several alternative incentives were considered, the incentive chosen in HB 517 is to allow public employers to buy up to three years of additional service for an eligible employee's retirement benefit. The employee is allowed to buy an additional two years service. He pointed out the incentive would be offered to employees for only a short period of time. The program would be mandatory for state agencies and the university system and optional for local governments.

Proponents' Testimony:

Lois Menzies, Director, Department of Administration, said she supported HB 517 on behalf of Governor Racicot's administration. She distributed written testimony describing the major provisions, proposed amendments, supporting arguments, and fiscal impact of the bill and showing examples of how the incentive enhanced individual retirement benefits. EXHIBIT 2

Tom Schneider, Montana Public Employees' Association, reported the bill was the result of work and collaboration by many different groups of people. He reported they had looked at the experience of other states who were in the process of "right-sizing" their state governments. He said their objective was to find a way to reduce the state work force through retirement rather than lay-offs. He said they had looked at various methods including changing retirement formulas, providing pre-paid health insurance, and early retirement incentives; HB 517 most closely reflects the actions of other states. He explained PERS differed from other public retirement systems in Montana because it does not currently have an early retirement provision. He noted the bill would not result in any cost to the system and asked for committee support.

Terry Minow, Montana Federation of Teachers, Montana Federation of State Employees, Montana Federation of Health Care Employees, supported HB 517 saying the bill would ease the pain inevitably caused by the budget-cutting actions of the legislature. She said she hoped there also would be support for a similar bill for the Teachers' Retirement System.

John Donwen, state employee, provided written testimony in support of HB 517 and suggested the bill would help state government better manage its employee reductions. **EXHIBIT 3**

David Evenson, Montana University System, supported HB 517.

Larry Williams, employee, Department of Transportation, said he was eligible to retire under HB 517. He suggested changing the bill to include an earlier starting date because he had been told employees working only one day of a month could not count that month toward retirement. He suggested a beginning date of July 1 would encourage many employees staying on the payroll for the entire month. He concluded there was strong support for the bill and encouraged its passage.

Jim Martin, employee, Department of Transportation, reported 240 employees at the Department of Transportation were eligible for retirement under the bill. He explained he had experienced a four-grade reduction in pay under the last reduction in force and had not yet regained those grades. He said he had noted top management was not affected by reductions because, he contended, top management does not eliminate itself. He maintained the bill would be effective in reducing individuals in the higher grades and thus reduce the cost of state government.

Art Whitney, Vice-President, Association of Montana Retired Employees, stated their support for the bill.

Opponents' Testimony: None.

Informational Testimony: None.

Questions From Committee Members and Responses:

REP. DAVIS asked Mr. Schneider to compare HB 517 to early retirement under the Teachers' Retirement System (TRS). Mr. Schneider said TRS had an on-going, 25-year retirement benefit with no penalty and no incentive. He asserted retirement systems needed an incentive to make early retirement clauses work.

REP. DAVIS referred Ms. Menzies to page 3 of her written testimony and asked her to explain the fiscal impact. Ms. Menzies responded they had looked at various possible outcomes of the bill and the costs or savings which could be associated with these outcomes. She explained if 100 percent of vacancies created through the bill are filled, then costs to the general fund are projected. On the other hand, if only 50 percent of vacancies are filled, then savings to the general fund are projected. The greater the percentage of vacancies which remain unfilled, the greater the savings to the general fund.

REP. SPRING recalled REP. HARPER had testified that with proper management, the state would realize great savings and asked him to describe an example of mismanagement. REP. HARPER said if an

agency were to fill all its vacancies, then the agency would experience greater costs. **REP. SPRING** asked **REP. HARPER** whether agency directors would make the decision to fill vacancies. **REP. HARPER** said he assumed in most cases the agency director would make the decision.

REP. MOLNAR noted the bill did not target positions and asked **REP. HARPER** whether any employee could choose to take early retirement. **REP. HARPER** agreed all eligible employees could choose early retirement. He explained they had rejected the idea of managers determining which employees were eligible for the program. He said the bill allowed all eligible employees to opt for early retirement, and management had the discretion in deciding which positions should be refilled.

REP. STOVALL asked **REP. HARPER** to explain how an employee buys years. **REP. HARPER** explained employees were eligible to buy one year for each five years of service and would make a cash contribution based on a percentage of their salaries to their PERS accounts. **REP. STOVALL** asked if money actually changed hands, and whether the employee had to pay the whole amount at one time. **REP. HARPER** confirmed both questions.

REP. ROSE asked **REP. HARPER** why only PERS employees were eligible under HB 517, and whether he expected lawsuits to be filed against the state because of the bill. **REP. HARPER** responded he did not think the bill risked lawsuits nearly as much as alternatives which had been considered and rejected. **REP. ROSE** asked whether employees in other systems were able to retire early. **REP. HARPER** responded retirement systems differed in their allowance for early retirement, and PERS was the most restrictive with no early retirement without substantial penalty. **REP. ROSE** asked **REP. HARPER** whether the bill would lead to a leapfrog effect. **REP. HARPER** answered PERS was the last frog to leap. He explained HB 517 was the best bill that could be drafted in the time allowed. He encouraged **REP. ROSE** to ask questions and said if **REP. ROSE** could make the bill more fair or offer state employees a better deal or more protection, he would consider it. **REP. ROSE** asked **REP. HARPER** about fairness to agencies with few employees. **REP. HARPER** agreed small programs or agencies would have less flexibility in leaving positions vacant, and the bill could result in greater costs to those agencies.

REP. GALVIN asked **REP. HARPER** whether employees could transfer to different departments. **REP. HARPER** said qualified employees could transfer to other positions. He noted **Ms. Menzies** had proposed an amendment which would require a retiree to forfeit the incentive if the retiree returned to work for the same jurisdiction for 600 hours or more per year. He said the amendment would prevent a state employee from taking the early retirement benefit and then returning to work for the state.

REP. REHBEIN asked Ms. Menzies to specify the break-even point between the number of early retirements and the number of vacancies filled. Ms. Menzies said they had not had time to determine the break-even point but could return later and give the committee the range for breaking even.

REP. RICE asked Ms. Menzies whether the benefit would be first come, first served, or whether the benefit was open to all eligible employees. Ms. Menzies confirmed the benefit was open to all eligible employees. REP. RICE asked Ms. Menzies whether they had assumed vacancies would be refilled by lower cost employees. Ms. Menzies agreed although she noted in some circumstances the vacancy would be filled through a promotion to a current employee. REP. RICE asked Ms. Menzies whether the ten-year period for employers to pay for the retirement incentive applied only to local governments. Ms. Menzies responded no, the ten-year period would apply to all employers and allowed agencies to spread the cost of the incentive over a period of time. She noted small agencies with few early retirements might want to pay off the benefit immediately, but large agencies may need the longer time period.

REP. ROSE asked Ms. Menzies whether it would be possible to reduce employees through the bill and then upgrade 300 employees in Social and Rehabilitative Services as was done last summer. Ms. Menzies responded the two issues, early retirement and reclassification of employees, were unrelated. She said upgrading employees could occur although she maintained agency heads would be cautious in their reclassification. She noted in order to reclassify employees, agencies must have money available. She also explained reclassification was based on job duties and was warranted when employees' jobs included more duties.

REP. ROSE asked Ms. Menzies whether the state could reduce the number of employees and still not save any money because agencies upgraded their remaining employees. Ms. Menzies responded, while such a situation was possible, the number of layoffs being projected indicated money would be very tight and upgrading opportunities would not exist.

REP. SIMPKINS asked Mr. Schneider whether the bill was understood as a temporary benefit. Mr. Schneider responded HB 517 was not a retirement bill; he described it as an administrative bill giving the employer an opportunity to buy a benefit which is already available.

REP. SIMPKINS asked Ms. King whether the dates for taking advantage of early retirement needed to be changed. Ms. King contended increasing the window of opportunity for early retirement with an earlier beginning date would not make any difference. She said employees who decided to take advantage of the early retirement incentive would probably not retire until December because they would need to make plans. She said unless

employees were already planning to retire, they would not retire June 1 or July 1.

REP. SIMPKINS asked Ms. King whether employees were allowed to buy extra years of service over a period of time. Ms. King responded, if employees are terminating employment, they are not allowed to contribute to the system over time and must make a lump sum contribution. She said the retirement system was not designed to have retirees making contributions.

Closing by Sponsor:

REP. HARPER observed HB 517 had both a fiscal and human side. On the fiscal side he noted the bill did not mandate a reduction in positions by requiring a specific percentage of vacancies because filling positions was considered to be a management decision. On the human side REP. HARPER asserted state employees bear the brunt of budget cuts, and the bill provided some compensation.

HEARING ON HJR 17

Opening Statement by Sponsor:

REP. LIZ SMITH, House District 48, Deer Lodge, introduced HJR 17 requesting an interim or statutory committee to study the retirement benefits for public safety and security personnel. She said public safety and security personnel have special needs in comparison to other state employees because of their job-related risk and security, safety benefits, and stress. She described the resolution as directing attention to the retirement needs of these employees.

Proponents' Testimony:

Tom Schneider, Montana Public Employees' Association (MPEA), reported he had asked the interim retirement committee to study benefits for public safety and security personnel after he had received a number of inquiries. He said these personnel included correctional officers, investigators at the Department of Justice, motor carrier employees, and others in health/safety situations, all of whom would like to be considered in the study. He supported the resolution as a mandate to the permanent retirement committee proposed in legislation considered earlier in the session. He explained small retirement systems were expensive and hard to maintain. He asserted a study was critical in order to avoid developing small, piecemeal retirement systems.

Terry Minow, Montana Federation of State Employees, supported HJR 17. She reported the Federation represents correctional officers, counselors, and other employees of the Montana State Prison, as well as probation and parole officers and other employees in hazardous job classifications. She asserted the public retirement systems should address the needs of employees

in hazardous occupations. She said the prison administration had planned to propose an early retirement option for their employees but decided the fiscal realities of this legislature dampened any chance for such legislation. She explained correctional officers were not present to testify because they were testifying at the institutional subcommittee hearing on their budget. She asked the committee to support HJR 17.

Opponents' Testimony: None.

Informational Testimony: None.

Questions From Committee Members and Responses:

REP. MOLNAR asked REP. SMITH whether the study could be done by the retirement system. REP. SMITH said the prison employees were currently under the Public Employees Retirement System (PERS), but their jobs were more similar to other safety and security employees who wanted a retirement system which addressed their needs. She said the intent of the resolution was to ensure the retirement systems of safety and security employees were studied and revised to make them less costly.

REP. MASON asked REP. SMITH whether she considered the proposed statutory interim retirement committee the appropriate study group. REP. SMITH agreed, and said she would highly recommend the interim committee because she would want a comprehensive study.

REP. ROSE asked REP. SMITH whether game wardens would be included in the safety/security classification. REP. SMITH agreed they could be included. REP. SIMPKINS noted game wardens already have a retirement system. REP. ROSE said his point was that there were so many systems, and a more comprehensive and uniform system would be preferable. REP. SIMPKINS agreed but noted game wardens had a 20-year retirement system and PERS does not. He alluded to the difficulty of addressing the safety/security personnel who were under PERS by giving them retirement benefits similar to the game wardens' system.

REP. SCHWINDEN referred to the potential risk in the safety/security occupations and asked Ms. Minow how many prison staff had been killed in recent years. Ms. Minow responded all the news about the prison riots raised awareness of the danger at the prisons, but she was not aware of any prison staff who had died in recent times. REP. SCHWINDEN said he was uncomfortable with developing separate retirement systems for various categories of employees. He noted state employees in other agencies whose jobs would not fall in the safety/security classification had been killed on the job. He said he was not convinced of the need to single out particular occupations. Ms. Minow reported two years ago there had been a hearing on hazardous pay, and correctional officers and other personnel whose jobs involved daily exposure to danger had testified. She agreed there were probably hazards

in all jobs but suggested jobs in which there was daily exposure to hazards were different from others. **Ms. Minow** stated HJR 17 just asked for the nature of different occupations to be considered in making recommendations about retirement systems. She noted employees under PERS did not have a 20-year early retirement option whereas game wardens had the option. **REP. SCHWINDEN** responded he did not agree prison employees had hazardous jobs. He pointed out they were at least aware of the potential danger in their jobs compared to regular state employees who may not suspect the danger they may encounter. He reported he had visited the prison and found it to be a relatively safe place. **Ms. Minow** responded the employees taken hostage during the riot would disagree.

REP. SIMPKINS asked **Ms. Minow** whether she had considered hazardous duty pay in the form of extra payment which would not count toward retirement. **Ms. Minow** said there was currently a pay plan proposal which included a provision for hazardous duty pay. She said they had considered the hazardous duty issue in terms of retirement benefits and workers' compensation and found it was a very complex issue with a number of possible solutions.

Closing by Sponsor:

REP. SMITH said she had two comments in closing. First, she reported a prison employee had been killed when a boiler had blown up and suggested prisoners had planned the event. She said prison employees also frisked inmates as they enter showers and thus faced the risk of exposure to human waste. Secondly, she reported prison employees were willing to be included in the highway patrol or game wardens' retirement systems. She encouraged the committee to support the resolution to study the issue.

EXECUTIVE ACTION ON HB 176

Motion: **REP. SPRING MOVED HB 176 DO PASS.**

Motion/Vote: **REP. RICE** moved to amend HB 176 to change the ballot language. Motion passed unanimously. **EXHIBIT 4**

Motion/Vote: **REP. SPRING MOVED HB 176 DO PASS AS AMENDED.**
Motion carried 14 to 1 with **REP. GALVIN** voting no.

EXECUTIVE ACTION ON SB 131

Motion/Vote: **REP. DAVIS MOVED SB 131 BE CONCURRED IN.** Motion carried unanimously.

EXECUTIVE ACTION ON HB 319

Motion/Vote: REP. SPRING MOVED HB 319 BE TABLED. Motion carried 11 to 3 with REPS. GERVAIS, DAVIS, and BARNHART voting no.

EXECUTIVE ACTION ON HB 320

Discussion:

REP. RICE suggested although HB 320 had been introduced as a companion bill to HB 319, the bill could be considered independently. She asked whether the legislature would want to meet on the third Monday of January, as proposed in HB 320, if SB 131 were to pass.

REP. ROSE suggested a later meeting date may be difficult for rural people.

Motion/Vote: REP. RICE MOVED HB 320 BE TABLED. Motion passed 10 to 6 with REPS. DAVIS, GALVIN, BARNHART, GERVAIS, SQUIRES, and SCHWINDEN voting no.

EXECUTIVE ACTION ON HB 319 AND HB 320

Motion: REP. SQUIRES MOVED TO RECONSIDER HB 319 AND HB 320.

Discussion:

REP. SPRING stated SB 131 was the stronger of the two annual session bills. He noted SB 131 had already passed the Senate, and he was not sure HB 319 would even pass the House. For that reason, he said he was not in favor of reconsidering HB 319.

REP. SQUIRES stated SB 131 would need 73 votes in the House to be placed on the ballot, and she doubted it would have that much support. She recalled HB 126 calling for a unicameral legislature had already been defeated in the House. She said she had heard requests for restructuring of the legislature and asserted the public wants change.

REP. REHBEIN expressed his preference to send only one annual session bill out of committee.

REP. DAVIS stated he preferred to have all the bills be debated in the House.

REP. SIMPKINS agreed with REP. DAVIS but suggested there could be a problem if all the bills passed the House and were placed on the ballot.

REP. SPRING acknowledged the possibility of all passing, but contended if SB 131 were to receive sufficient support in the House, the Senate would defeat HB 319.

Motion/Vote: RECONSIDERATION OF HB 319 AND HB 320. Motion carried 10 to 6 with REPS. MOLNAR, WALLIN, MASON, HAYNE, REHBEIN, and ROSE voting no.

Motion/Vote: REP. SQUIRES MOVED HB 319 DO PASS. Motion carried 12 to 4 with REPS. MOLNAR, WALLIN, REHBEIN, and HAYNE voting no.

Motion/Vote: REP. SQUIRES MOVED HB 320 DO PASS. Motion carried 12 to 4 with REPS. MOLNAR, WALLIN, REHBEIN, and HAYNE voting no.

HEARING ON HB 485

Opening Statement by Sponsor:

REP. ED GRADY, House District 47, Canyon Creek, introduced HB 485 which provides an ad hoc and automatic post-retirement cost-of-living adjustment for the game wardens' retirement system funded through an increase in the state's contribution from fines and forfeitures. He stated the proposed legislation affects 45 retirees, uses only money already dedicated to the system, and does not impact the general fund. REP. GRADY described three objectives of the legislation: (1) continue to fund the normal costs of the retirement system by designating one percent of salaries be set aside to fund normal costs; (2) provide a one-time, five percent cost-of-living increase to retirees who have been retired five years or more; and (3) provide a three percent annual cost-of-living increase after the system's unfunded liability has been funded, which is predicted to occur in 1998.

REP. GRADY stated the cost of living has increased 339 percent since 1963, and yet the system's retirees have received only one, two-percent cost-of-living increase and three retirement adjustments for a total five-percent increase. He said current retirees who have been retired five or more years receive less than 60 percent of the actual cost-of-living standard set by the original retirement benefit. He insisted the legislation would correct the losses suffered by retirees and will help in offsetting future losses due to inflation. He noted the bill increases the amortization period of the unfunded liability by 1.53 years, and the system would be fully funded in 5.5 years. He stated the system would be actuarially sound with passage of HB 485.

Proponents' Testimony:

Don Ryan, retiree, Fish and Game Department, supported HB 485 stating he had retired in 1977 and his retirement pay had not kept pace with the cost of living.

Robert Bird, retiree, Poplar, provided written testimony in support of HB 485 in which he reiterated **REP. GRADY'S** points.
EXHIBIT 5

Art Whitney, Vice-President, Montana Retired Public Employees Association, explained many of the retired game wardens were associate members of the Association. He said the Association supported HB 485.

Tom Schneider, Montana Public Employees Association, emphasized that health insurance costs were having a calamitous effect on retirees. He reported retirees' rates are rising at a much higher rate than cost of living or inflation and so it is becoming very difficult for them to maintain their health insurance. He contended it was very important to keep retirement benefits consistent with current costs to avoid the loss of health insurance for retirees. **Mr. Schneider** maintained the bill was good legislation because it provided a cost-of-living increase and fully funded the increase through fines and forfeitures. He asked for the committee's support.

Linda King, Assistant Administrator, Public Employees' Retirement Division, urged support for the bill on behalf of the Public Employees' Retirement Board. She said the Board considers HB 485 important because it provides a cost-of-living adjustment and adequately funds the retirement system. She said the Board recognized health care costs are a major problem for retirees.

Opponents' Testimony:

David Ashley, Deputy Director, Department of Administration, said the department agrees conceptually with the enhanced benefits for retired game wardens proposed in HB 485. He said the department's concern was the funding source for the bill. He described the revenue from fines and forfeitures as relatively static. **Mr. Ashley** said funding from fines and forfeitures was sufficient for the proposed five-percent ad hoc increase, but he was concerned whether this funding source would be sufficient for the three-percent cost-of-living adjustment (COLA) included in the bill. He predicted, after the three-percent COLA took effect, an expenditure pattern which would grow at least three percent or faster until the benefit totally exhausted revenues. He predicted at that point system members would request additional revenues to fund the benefit and would lead to the Department of Fish, Wildlife, and Parks asking for increased license fees to fund their department.

Mr. Ashley stated a second concern with HB 485 was equity with other retirement systems. He noted Fish, Wildlife, and Parks had both employees who belonged to the public employees retirement system (PERS) and to the game wardens' retirement system. He reported the Senate State Administration Committee had just passed SB 300 which includes a two-percent annual increase for PERS and the teachers' retirement system. He compared this two-

percent increase for PERS with the proposed three-percent increase for the game wardens' retirement system. He noted HB 485 was funded completely by the state whereas SB 300 was funded jointly by employees and employers. **Mr. Ashley** explained this difference demonstrated the concern of the department about equity among different retirement systems because one system, already considered better, would be improved through the bill.

Informational Testimony: None.

Questions From Committee Members and Responses:

REP. GALVIN asked **REP. GRADY** whether forfeitures used to fund HB 485 came from confiscated game and equipment. **REP. GRADY** deferred the question to **Orville Lewis**, retired game warden. **Mr. Lewis** explained all fines and forfeitures collected by justices of the peace were divided between the state and the county, and nine percent of the money received by the state goes to Fish, Game, and Parks. He stated game wardens were far removed from the collection of fines and forfeitures. He also noted revenue from fines and forfeitures has increased over time, and the bill was written to limit the COLA for game wardens to the money available from the fines and forfeitures fund. **REP. GALVIN** asked whether the money came from confiscated game and equipment. **Mr. Lewis** responded no.

REP. ROSE asked **REP. GRADY** to describe the differences between PERS and the game wardens' retirement system. **REP. GRADY** deferred the question to **Ms. King** who referred committee members to the Legislator's Guide to Montana's Public Retirement Systems. She stated the game wardens' system paid two percent per year of service compared to 1.7 percent by PERS. Additionally, the game wardens can retire with 20 years of service and age 50 compared to 30 years of service or 60 years of age for full retirement eligibility under PERS. She said salaries of the game wardens' retirement system members were higher than the average salaries for PERS so retirees in the game wardens' system receive higher average benefits.

REP. ROSE asked **Ms. King** whether members of PERS would want the same increase given to the game wardens. **Ms. King** responded, in general, retirement systems seek parity. **REP. ROSE** asked whether the bill would lead to a leapfrog effect. **Ms. King** said there are always leapfrogs when there are disparities.

REP. REHBEIN noted there was a conflict between the testimony of **Mr. Ashley** and the proponents on whether or not the game wardens' retirement system would be fully funded in 1998. He asked **Mr. Schneider** to clarify the conflict. **Mr. Schneider** stated **Mr. Ashley** had referred to a possibility which was contradictory to HB 485. He said the bill specified retired game wardens would receive a maximum three-percent COLA if money was available from fines and forfeitures. He said **Mr. Ashley** predicts the money will not be available. **Mr. Schneider** stated **Mr. Ashley** is trying

to infer that if the money is not available, the game wardens would return to the legislature and ask for more money. He said the bill limits the COLA to the money available, and therefore the benefit would be fully funded.

REP. ROSE asked Tom Bivens, game warden, how the game wardens viewed their retirement system. Mr. Bivens said everyone wished they were in one system. He noted there were many differences between the game wardens' system and PERS including longer average years of service for game wardens and more flexibility for PERS because of its size. He said the game wardens had no complaints about PERS and supported HB 485 because of their own retirement needs.

Closing by Sponsor:

REP. GRADY reported PERS had received a 290-percent increase over the last eight years compared to 17 percent for the game wardens' retirement system. He argued the game wardens' could not wait for the state's retirement systems to be restructured. He maintained the leapfrog effect was just part of the system. He said the adjustment was much needed and urged the committee to pass the bill.

EXECUTIVE ACTION ON HB 520

Motion/Vote: REP. GERVAIS MOVED HB 520 DO PASS. Motion carried 15 to 1 with REP. MOLNAR voting no and REPS. WALLIN and SQUIRES voting by proxy. EXHIBITS 6, 7

EXECUTIVE ACTION ON HB 227

Discussion:

Sheri Heffelfinger distributed a gray bill showing the effect of the subcommittee's amendments to HB 227 and a summary sheet of the subcommittee's amendments. She reviewed the subcommittee's changes to HB 227. EXHIBITS 8, 9

HOUSE STATE ADMINISTRATION COMMITTEE

February 15, 1993

Page 15 of 15

ADJOURNMENT

Adjournment: 12:04 p.m.


DICK SIMPKINS, Chairman


DOROTHY POULSEN, Secretary

DP/DS

HOUSE STANDING COMMITTEE REPORT

February 15, 1993

Page 1 of 1

Mr. Speaker: We, the committee on State Administration report that House Bill 176 (first reading copy -- white) do pass as amended .

Signed: *Dick Simpkins*
Dick Simpkins, Chair

And, that such amendments read:

1. Page 1, line 25.

Following: "FOR"

Insert: "changing the meeting time of"

Strike: "meeting in"

Insert: "from odd-numbered to"

2. Page 2, line 1.

Following: "AGAINST"

Insert: "changing the meeting time of"

Strike: "meeting in"

Insert: "from odd-numbered to"

Committee Vote:
Yes 14, No 1.

BF 2/15/93

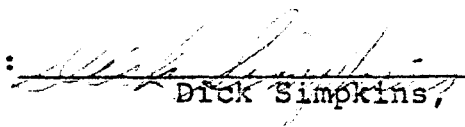
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HOUSE STANDING COMMITTEE REPORT

February 16, 1993

Page 1 of 1

Mr. Speaker: We, the committee on State Administration report
that House Bill 320 (first reading copy -- white) do pass.

Signed: 

Dick Simpkins, Chair

Committee Vote:

GF 1/13

HOUSE STANDING COMMITTEE REPORT

February 15, 1993

Page 1 of 1

Mr. Speaker: We, the committee on State Administration report that Senate Bill 131 (third reading copy -- blue) be concurred in.

Signed: *Dick Simpkins*
Dick Simpkins, Chair

Carried by: Rep. S. Rice

Committee Vote:
Yes 11. No 0.

OK 2/15/93
4:45 PM

371630SC.Hss

HOUSE STANDING COMMITTEE REPORT

February 15, 1993

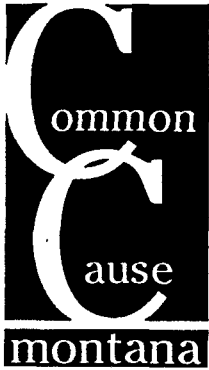
Page 1 of 1

Mr. Speaker: We, the committee on State Administration report
that House Bill 520 (first reading copy -- white) do pass.

Signed: _____
Dick Simpkins, Chair

Committee Vote:
Yes 15, No 1.

371614SC.HSC



COMMON CAUSE TESTIMONY
IN SUPPORT OF HJR 13
FEBRUARY 15, 1993

EXHIBIT 1
DATE 2/15/93
HB HJR 13

P.O. Box 623
Helena, MT
59624
406/442-9251

Mister Chairman, members of the House State Administration Committee, for the record my name is Amy Kelley, Executive Director of Common Cause/Montana.

Representative Barnhardt, Representative Molnar, Senator Klampe and I have met several times this session to discuss the increasing problem of negative campaigning. What we discovered was that, while it is easy for politicians and the public alike to agree that something must be done, solutions are extremely difficult to come up with, let alone agree upon.

Negative campaigning is as old as American politics itself. Even the venerable Thomas Jefferson received campaign accusations of being an atheist and of keeping a slave mistress. However, our founding fathers well understood that erroneous statements of fact are inevitable in the context of public debate. They established the First Amendment specifically to ensure free political speech and protect against punishment for such error.

As a result, it is extremely difficult for a politician to seek remedy by suing for libel. And that remedy may be inadequate if, as a result of the slander, the candidate lost the election. What's more, many have speculated that negative campaigning may discourage potential candidates and voters alike from participating in elections. In the words of journalist David Broder:

...the serious threat is that its not just potentially good candidates and officeholders who are opting out, more and more voters are opting out. To the extent to which people are saying "...If they're not talking about the choices that are relevant to my life ... why should I participate?" You cannot have a functioning democracy based on that degree of cynicism.

Many other states have searched for solutions to the problem, with varying degrees of success. Many state statutes have been challenged in court for being unconstitutionally overbroad.

We strongly urge your support of HJR 13, to call for an interim committee to examine the work of other states and make recommendations to the next Legislature on how Montana can pull the reins on negative campaigning. The public will commend this effort.

TESTIMONY ON HOUSE BILL NO. 517 (HARPER)

Submitted by Lois Menzies, Director
Department of Administration
February 15, 1993

Major Provisions

Eligible employees. State employees and local government employees if their employer elects to participate who:

- * have at least 25 years of service; or
- * are age 50 with at least 5 years of service.

Window period. Must terminate on or after July 1, 1993 but before January 1, 1994.

Retirement incentive. Employer must purchase up to three years of additional service that member is qualified to purchase. If member has already purchased the service, a refund will be provided.

Funding. Employer payments may be made in installments spread over 10 years.

Local government option. Local government may elect to participate.

Report. Department of Administration must report to the 1995 Legislature on the effect of the retirement incentive.

Proposed Amendments

Nos. 1 and 2. Clarify language providing for refunds of previously purchased service.

No. 3. Requires a local government that elects to participate to notify the retirement division by July 1, 1993.

No. 4. Requires retiree to forfeit extra service received if retiree returns to work for the same jurisdiction for 600 or more hours in a year.

EXHIBIT 2
DATE 2/15/93
HB 517

AMEND HB 517, AS FOLLOWS:

1. Page 3, line 3.
Following: "is"
Strike: "eligible"
Insert: "qualified"
2. Page 3, line 4.
Following: "member"
Strike: the remainder of the sentence.
Insert: "is entitled to a refund for that portion of previously purchased additional service that would otherwise cause the member to be unqualified to receive all or part of the additional service provided in this section".
3. Page 3, line 13.
Following: "a"
Strike: "policy to purchase additional service for eligible employees"
Insert: "written notice of election on or before June 1, 1993, and complying with any rules adopted pursuant to subsection (4)"
4. Page 3, line 19.
Following: subsection (4).
Insert:
"(5) A member who has received additional service under this section and who returns to employment for the same jurisdiction for 600 or more hours in any calendar year shall forfeit the additional service. The employer's contributions to purchase that member's additional service, minus any retirement benefits already paid, must be refunded to the employers. For purposes of this subsection, any agency of the state, including the university system, is considered the same jurisdiction, and individual contracting employers are considered separate jurisdictions."

Supporting Arguments

The Racicot Administration supports HB 517 for the following reasons:

- * Encourages voluntarily retirements, which may reduce the number of lay-offs
- * Provides managers with opportunities for reorganizing
- * Leaves retirement formula intact
- * Provides a benefit enhancement for all eligible employees plus permits an employee to increase his/her benefit by purchasing additional years of service
- * Cost to agencies is proportionate to number of employees retiring
- * Permits, rather than mandates, local government participation
- * Allows state agencies to spread cost of incentive over 10-year period

Fiscal Impact

- * Number of eligible state employees: 2,206 (684 general funded; 1,522 nongeneral funded).
- * If 653 state employees retire (50% with 20 years or more and 15% with less than 20 years), 203 will be general funded and 450 will be nongeneral funded.
- * If 100% of the positions are refilled after employees retire, the following costs to the general fund are projected: (\$914,941) in FY94 and (\$223,564) in FY95.
- * If 50% of the positions are refilled after employees retire, the following savings to the general fund are projected: \$725,378 in FY94 and \$3,102,508 in FY95

EXAMPLES OF INDIVIDUAL BENEFIT ENHANCEMENTS DURING RETIREMENT INCENTIVE WINDOW

1. Employee A: Age 51, 25 years of service, Salary = \$21.75/hour.

	<u>Benefit</u>	<u>Cost</u>
Without window:	\$1,170/mo.	
With window:	\$1,650/mo.	\$18,100
If Employee buys 2 more years:	\$2,010/mo.	\$12,065

2. Employee B: Age 59, 32 years of service, Salary = \$13.50/hour.

	<u>Benefit</u>	<u>Cost</u>
Without window:	\$1,337/mo.	
With window:	\$1,462/mo.	\$11,288
If Employee buys 2 more years:	\$1,546/mo.	\$7,525

3. Employee C: Age 58, 22 years of service, Salary = \$18.16/hour.

	<u>Benefit</u>	<u>Cost</u>
Without window:	\$1,088/mo.	
With window:	\$1,237/mo.	\$15,185
If Employee buys 2 more years:	\$1,336/mo.	\$10,123

4. Employee D: Age 48, 27 years of service, Salary = \$9.32/hour.

	<u>Benefit</u>	<u>Cost</u>
Without window:	\$ 639/mo.	
With window:	\$ 865/mo.	\$7,793
If Employee buys 2 more years:	\$ 923/mo.	\$5,195

retire7

February 12, 1993

TO: House State Administration Committee

FROM: John Donwen, State Employee

SUBJECT: HB 0517 - Retirement Incentive and Eligibility Window
For Certain Employees Under PERS

During 1992, an informal group of state employees met with MPEA representatives and talked with MFSE staff and Governor Racicots' staff to discuss concepts of 'early retirement' for legislative consideration in the upcoming 53rd session.

As a result of those discussions and other interest shown by several legislators, Repr. Cobb requested the Legislative Council prepare legislation in the form of HB 0517 now under consideration by this committee. That bill is sponsored by Repr's. Harper and Cocchiarella and signed by many other senators and representatives and is supported by the Governor.

Your support and positive action on this widely supported bi-partisian bill is requested for, in addition to the obvious reason, the following reasons:

1. HB 2 from the 2nd Special Session in 1992 mandated all departments to implement a 5% staff reduction;
2. The late December, 1992 'vacant positions' report and joint House/Senate action accepting that report;
3. Current actions taken by various sub-committees dealing with department FTE staffing patterns;
4. Projected minimum participants, beyond those projected to retire in 1993, of 200 will allow some management flexibility to cope with FTE staffing pattern reductions;
5. Provide upward mobility for remaining staff, thus enhancing the ability to retain highly qualified staff who are considering employer changes;
6. Ability of management to comply with legislative intent to 'rightsize' state government;
7. Implement legislative initiatives and voter mandates to reduce cost of state government.

In closing, many other states and private industry companies have implemented this early retirement benefit and it has accomplished their stated objectives.

EXHIBIT 3
DATE 2/15/93
UP 5/7

Amendments to House Bill No. 176
First Reading Copy

Requested by Representative Grinde
For the Committee on

Prepared by Greg Petesch
February 3, 1993

1. Page 1, line 25.

Following: "FOR"

Insert: "changing the meeting time of"

Strike: "meeting in"

Insert: "from odd-numbered to"

2. Page 2, line 1.

Following: "AGAINST"

Insert: "changing the meeting time of"

Strike: "meeting in"

Insert: "from odd-numbered to"

WARDEN RETIREMENT ADJUSTMENT

HB-485

The warden retirement system has a total of 150 members, 61 retired and 89 actively employed. Because this is a small system it has been difficult to obtain cost of living adjustments, as a result, while the cost of living has sky rocketed more than 80% since 1980 retired members of this system have had a total of 7% benefit adjustments. In 1989 the 27 lowest income retirees were given a one time adjustment that brought them up to within 50% of the current level retirement income. Since 1984 the cost of health insurance alone has risen nearly 90%. In most cases health insurance is now running over \$200.00 a month. More than a third of some members retirement income is being paid for health insurance. Inflation diminished the purchasing power of retirement income to the point where it was necessary for some individuals to obtain welfare. This is unfortunate in view of their many years service to the state.

A total of 45 retired, disabled and survivors will be affected by this legislation. This bill will not correct the past losses due to inflation but will help decrease future losses to the retirees.

This system is actuarially sound and will continue to be actuarially sound with the enactment of this bill. The funding of this retirement system is statutorily appropriated and will not be increased by this bill.

This bill accomplishes three objectives:

(1) it will continue to fund normal costs of the system by designating that 1% of salaries will be set aside to fund normal costs. This provision does not actually change the effect of present law except to insure that it will continue into the future. In other words, there is no increase due to this provision.

(2) The second objective is to provide a one-time cost of living increase to retirees, disabled and survivor members of the system, effective July 1, 1993. Because of the five year waiting period, this bill will only affect 45 individuals with the lowest retirement benefits. This bill

EXHIBIT 5
DATE 2/15/93
HB HB 485

provides an average 5% adjustment but because that adjustment will be distributed on years of service, it will give a higher percentage to those who need it most and a lower percentage to the more recent retirees and of course, no increase to members who have been retired for less than 5 years, even though this later group has lost up to 20% of its purchasing power due to inflation. This provision is designed to help those who need it most. This provision is funded by increasing the unfunded liability by 1 1/2 years. This system will be fully funded in 1998 with the enactment of this provision.

(3) The third objective of this bill is to provide an annual cost of living increase after the unfunded liability of the system has been fully funded. Actuarial evaluation indicates this will happen in 1998. Following are the restrictions contained in this portion of the bill:

- (1) must be retired 5 years or more to be eligible
- (2) may not exceed 3% annually
- (3) adjustments may not exceed available funds
- (4) total annual retirement adjustments may not exceed annual increase in CPI.

I would again like to emphasize this bill does not require additional funding nor does it impact the general fund. I would urge the committee to concur with HB-485.

Wilbur to be proxy for me
Joan Wilbur

EXHIBIT 6
DATE 2/15/93
HB 520

I give my proxy to Bob
Gerasis on all votes in
this Committee 2/15/93 -

Aguires -

EXHIBIT 7
DATE 2/15/93
HB 520

Amendments to House Bill No. 227
First Reading Copy

Requested by Subcommittee on HB 227

For the Committee on House State Administration

Prepared by Sheri S. Heffelfinger
February 12, 1993

1. Title, line 6.

Strike: "PUBLIC OFFICIALS"

Insert: "STATE OFFICERS AND LEGISLATORS"

2. Title, lines 9 through 11.

Strike: "AUTHORIZING" on line 9 through "OPINIONS;" on line 11

3. Title, line 12.

Following: "EXPANDED"

Insert: "IN CERTAIN CIRCUMSTANCES"

4. Title, line 15.

Strike: "2-2-104, 2-2-105,"

Following: "2-2-121,"

Strike: "2-2-125,"

5. Title, line 16.

Strike: "2-2-201, 5-7-103,"

6. Page 1, line 20.

Strike: "[section 11]"

Insert: "5-7-213"

7. Page 1, lines 23 and 24.

Strike: "[section 11]"

Insert: "5-7-213"

8. Page 2, line 4 through page 18, line 19.

Strike: everything after the enacting clause

Insert:

"Section 1. Section 2-2-102, "MCA, is amended to read:

"2-2-102. Definitions. As used in this part, the following definitions apply:

(1) "Business" includes a corporation, partnership, sole proprietorship, trust or foundation, or any other individual or organization carrying on a business, whether or not operated for profit.

(2) "Commissioner" means the commissioner of political practices as established in 2-15-411.

~~(2)~~ (3) "Compensation" means any money, a thing of value, or an economic benefit conferred on or received by any person in return for services rendered or to be rendered by himself the person or another.

EXHIBIT

1 DATE 2/15/93 HB022703.ash

~~(3)~~ (4) "Employee" means ~~any a~~ temporary or permanent employee of the state or ~~any a~~ subdivision thereof ~~of the state~~ or a member of the judiciary, including a member of a board, commission, or committee except a legislator and an employee under contract to the state.

~~(4)~~ (5) "Financial interest" means an interest held by an individual, ~~his~~ or by the individual's spouse, or minor children ~~which that~~ is:

- (a) an ownership interest in a business;
- (b) a creditor interest in an insolvent business;
- (c) an employment or prospective employment for which negotiations have begun;
- (d) an ownership interest in real or personal property;
- (e) a loan or other debtor interest; or
- (f) a directorship or officership in a business.

~~(5)~~ (6) "Official act" or "official action" means a vote, decision, recommendation, approval, disapproval, or other action, including inaction, ~~which that~~ involves the use of discretionary authority.

~~(6)~~ (7) "Public officer" includes ~~any a~~ state officer ~~except a legislator or member of the judiciary or any an~~ elected officer of ~~any a~~ subdivision of the state. The term does not include a legislator or a member of the judiciary.

~~(7)~~ (8) "State agency" includes the state; the legislature and its committees; all executive departments, boards, commissions, committees, bureaus, and offices; the university system; and all independent commissions and other establishments of the state government except the courts.

~~(8)~~ (9) "State officer" includes all elected officers and directors of the executive branch of state government as defined in 2-15-102."

Section 2. Section 2-2-103, MCA, is amended to read:

"2-2-103. **Public trust.** (1) The holding of public office or employment is a public trust, created by the confidence ~~which that~~ the electorate reposes in the integrity of public officers, legislators, and employees. A public officer, legislator, or employee shall carry out ~~his~~ the individual's duties for the benefit of the people of the state.

(2) A public officer, legislator, or employee whose conduct departs from ~~his~~ the individual's fiduciary duty is liable to the people of the state as a trustee of property, ~~and~~ is liable to a beneficiary under 72-34-105, ~~and shall suffer such other liabilities as~~ The individual is subject to the liability that a private fiduciary would suffer for an abuse of his trust. The county attorney of the county where the trust is violated ~~or the commissioner~~ may bring appropriate judicial proceedings on behalf of the people. ~~Any moneys~~ Money collected in ~~such actions shall~~ an action must be paid to the general fund of the aggrieved agency.

~~(3) The following sections set~~ This part sets forth:

- ~~(a) various rules of conduct, the transgression of any of which is, as such, a violation of fiduciary duty,~~ and
- ~~(b) various ethical principles, the transgression of any of which is not, as such, a violation of fiduciary duty."~~

Section 3. Section 2-2-121, MCA, is amended to read:

"2-2-121. Rules of conduct for state officers and state employees. (1) Proof of commission of ~~any an~~ act enumerated in this section is proof that the actor has breached ~~his~~ a fiduciary duty.

(2) A state officer or a state employee may not:

(a) use state time, facilities, or equipment for ~~his~~ the individual's private business purposes;

(b) engage in a substantial financial transaction for ~~his~~ the individual's private business purposes with a person whom ~~he~~ the individual inspects or supervises in the course of ~~his~~ official duties;

(c) assist ~~any a~~ person for a fee or other compensation in obtaining a contract, claim, license, or other economic benefit from ~~his~~ the individual's agency;

(d) assist ~~any a~~ person for a contingent fee in obtaining a contract, claim, license, or other economic benefit from ~~any a~~ state agency;

(e) perform an official act directly and substantially affecting to its economic benefit a business or other undertaking in which ~~he~~ the individual either has a substantial financial interest or is engaged as counsel, consultant, representative, or agent; or

(f) solicit or accept employment, or engage in negotiations or meetings to consider employment, with a person whom ~~he~~ the individual regulates in the course of ~~his~~ official duties without first giving written notification to ~~his~~ the individual's supervisor and department director.

(3) A state officer may not, within 2 years following termination of employment, represent, whether as an attorney or other advocate, a private interest before the agency that employed the former official on particular cases or matters in which the former official was personally and substantially involved during state employment.

(4) A department head or a member of a quasi-judicial or rulemaking board may perform an official act notwithstanding subsection (2)(e) if ~~his~~ participation is necessary to the administration of a statute and if ~~he~~ the individual complies with the voluntary disclosure procedures under 2-2-131.

~~(4)(5)~~ Subsection (2)(d) does not apply to a member of a board, commission, council, or committee unless ~~he~~ the member is also a full-time state employee.

(6) A state officer or employee who violates the provisions of subsection (2) may be reprimanded or suspended."

Section 4. Section 2-2-131, MCA, is amended to read:

"2-2-131. Voluntary disclosure. A public officer or employee may, prior to acting in a manner ~~which~~ that may impinge on ~~his~~ a fiduciary duty, disclose the nature of ~~his~~ the private interest ~~which~~ that creates the conflict. ~~He~~ The public officer or employee shall make the disclosure in writing to the ~~secretary of state commissioner~~, listing the amount of ~~his~~ the financial interest, if any, the purpose and duration of ~~his~~ services rendered, if any, and the compensation received for the services or such other information as is necessary to describe ~~his~~ the

interest. If ~~he~~ the public officer or employee then performs the official act involved, ~~he~~ the individual shall state for the record the fact and summary nature of the interest disclosed at the time of performing the act."

Section 5. Section 2-2-132, MCA, is amended to read:

"2-2-132. Powers of the ~~secretary of state~~ commissioner -- investigation -- hearing. (1) The ~~secretary of state~~ commissioner may:

(1)(a) issue advisory opinions with ~~such~~ deletions as are necessary to protect the identity of the requesting party or the party about whom the opinion is written;

(2)(b) keep and permit reasonable public access to voluntary disclosure statements;

(3)(c) make rules for the conduct of ~~his~~ affairs under this part;

(d) publish a practical guide to assist public officers, state officials, and employees in understanding the ethical principles and conflict of interest disclosure requirements of this part.

(2) Upon the filing of a complaint alleging a violation of 2-2-104 or 2-2-121, the commissioner shall investigate the complaint. If the commissioner determines that there are grounds for the complaint, the commissioner may refer the matter to the county attorney having jurisdiction of the matter or may conduct a contested case hearing. If the commissioner determines that a violation of 2-2-104 or 2-2-121 has occurred, the commissioner may issue a public reprimand or impose a civil penalty not to exceed \$500 on the violator. Civil penalties collected under this subsection must be deposited in the general fund."

Section 6. Section 5-7-213, MCA, is amended to read:

"5-7-213. Disclosure by ~~elected~~ public officials. (1) Prior to December 15 of each even-numbered year, each ~~elected~~ public official or official-elect shall file with the commissioner a business disclosure statement on a form provided by the commissioner under penalty for false swearing, as provided in 45-7-202. The statement shall must provide the following information: the name, address, and type of business of ~~such~~ the individual and each member of ~~such~~ the individual's immediate family. For this purpose purposes of this section, "immediate family" ~~includes~~ means the individual's spouse and minor children only.

(2) ~~No such individual~~ A public official or official-elect may not assume or continue to exercise the powers and duties of the office to which that individual has been elected or appointed until ~~such~~ the statement has been filed.

(3) The commissioner shall require a public official or official-elect to report additional financial data, which the commissioner may prescribe by rule, 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. The financial data required may include but is not limited to information on income, securities and other investments, debts and creditors, and gifts or favors.

(4) The commissioner shall make ~~such~~ business disclosure statements available to any individual upon request."

Section 7. Section 5-11-203, MCA, is amended to read:

"5-11-203. **Distribution of senate and house journals and session laws.** (1) Immediately after the senate and house journals and the session laws are bound, the legislative council shall distribute them.

(2) The council shall distribute the house and senate journals as follows:

(a) to each county clerk, one copy of each for the use of the county;

(b) to the Montana state library, 20 copies of each for the use of the library and distribution to depository libraries, of which two copies will be deposited with the state historical library for security purposes;

(c) to the state law librarian, two copies of each for the use of the library and such additional copies as may be necessary for the purposes of exchange;

(d) to the library of congress and each public officer as defined in 2-2-102, two copies of each; and

(e) to each member of the legislature, the secretary of the senate, and the chief clerk of the house of representatives from the session at which the journals were adopted, one copy of each.

(3) The council shall distribute the session laws as follows:

(a) to each cabinet level department of the executive branch of the United States, one copy each; to any agency, commission, conference, or corporation established by the United States government or any other subdivision thereof upon request and approval by the legislative council, one copy;

(b) to the library of congress, eight copies;

(c) to the state library, two copies;

(d) to the state historical library, two copies;

(e) to the state law librarian, four copies for the use of the library and ~~such~~ additional copies as may be required for exchange with libraries and institutions maintained by other states and territories and public libraries;

(f) to the library of each custodial institution, one copy;

(g) to each Montana member of congress, each United States district judge in Montana, each of the judges of the state supreme and district courts, and each of the state officers as defined in 2-2-102~~(8)~~, one copy;

(h) to any agency, board, commission, or office of the state other than a state officer and to any other subdivision of the state upon request and approval by the legislative council, one copy;

(i) to each member of the legislature, the secretary of the senate, and the chief clerk of the house of representatives from the session at which the laws were adopted, one copy;

(j) to each of the community college districts of the state, as defined in 20-15-101, and each unit of the Montana university system, one copy;

(k) to each county clerk, three copies for the use of the county; and

(1) to each county attorney and to each clerk of a district court, one copy.""

Summary Sheet
HB 227 as Amended by the Subcommittee
Introduced by Rep. Toole

Prepared by Sheri S. Heffelfinger

Substantive changes

Affecting Commissioner of Political Practices

1. Transfers authority and responsibility for enforcement of ethics laws from the secretary of state to the commissioner of political practices. (Section 5)
2. Requires the commissioner to investigate complaints of ethics laws violations. (Section 5)
3. Allows commissioner to:
 - publish a guide to ethics laws (Sec. 5)
 - refer a complaint of violations to the county attorney (Sec. 5)
 - issue a public reprimand and impose a civil penalty (Sec. 5)
 - bring appropriate judicial action against a person who violates the public trust (Sec. 2)

Affecting ethics laws for state officials

1. Establishes a 2-year "revolving door" provision for elected and appointed officers of the executive branch (Sec. 3)
2. Provides that state officers and state employees may be reprimanded or suspended for violating current ethics laws. (Sec. 3)

Financial disclosure

1. Extends current financial disclosure requirements for elected officials to appointed executive officials (Sec. 6)
2. Provides a penalty for false swearing (Sec. 6)
3. Allows the commissioner to require further financial disclosure if there are reasonable grounds to believe there has been a violation of current ethics and conflict of interest laws. (Sec. 6)

EXHIBIT 9
DATE 2/15/93
HB HB 227

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

State Administration

COMMITTEE

BILL NO. HJR 17

DATE 2/15/93

SPONSOR(S) Rep. Smith

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<i>Tom Schmuck</i>	<i>MPER</i>	X	
<i>BETH STEEN</i>	<i>MPER</i>	X	
<i>Liz Small</i>	<i>Rep #48</i>	X	
<i>Terry Minow</i>	<i>MFS E</i>	X	

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

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

State Administration

COMMITTEE

BILL NO. HB 517

DATE 2/15/93

SPONSOR(S) Rep. Harper

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<i>Tom Schneider</i>	<i>MPEA</i>	<i>X</i>	
<i>BEA STEEN</i>	<i>MPEA</i>	<i>X</i>	
<i>Norman Hobbs</i>		<i>X</i>	
<i>LARRY WILLIAMS</i>		<i>X</i>	
<i>Frank Morgan</i>		<i>X</i>	
<i>Jim Martin</i>	<i>SELF</i>	<i>X</i>	
<i>John Downen</i>	<i>SELF</i>	<i>X</i>	
<i>Walter D. Smith</i> <i>Ct. Falls</i>	<i>Self</i>	<i>x</i>	
<i>JIM POWELL</i> <i>GREAT FALLS</i>	<i>SELF</i>	<i>X</i>	
<i>Wilbur Kramlich</i> <i>Great Falls</i>	<i>Self</i>	<i>X</i>	
<i>LOIS MENZIES</i>	<i>DOR / GOV'S OFFICE</i>	<i>X</i>	
<i>Nick Morrison</i> <i>Great Falls</i>	<i>Self</i>	<i>X</i>	
<i>MARVIN OLDF - Helenn</i>	<i>self</i>	<i>X</i>	
<i>James O. Brown</i>	<i>Self</i>	<i>✓</i>	

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

W James Kembel

Self

✓

Bob Moon

Assoc. M. Rep. Enn

✓

X

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

COMMITTEE _____

BILL NO. 517

DATE _____

SPONSOR(S) _____

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PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
DARWIN BARNES ^{2124 F 5TH} HELENA	SELF	X	
JOE BAUMGARDNER	SELF	✓	
Terry Mow	MFT / MFSE	✓	
Tom Bivins	MGW A	✓	

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

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

State Administration

COMMITTEE

BILL NO. HB 485

DATE 2/15/93

SPONSOR(S) Rep. Grady

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Robert BIRD Box 75 Poplar MT	Self	✓	
Tom Schneider	MPBA	✓	
John DeW Herder	Assoc MT Retired Public Employees (AMRPE)	✓	
BETH STEEN	MPBA	✓	
DAVE ASHLEY	Dept of Admin.		✓
LINDA KING	Pub. Employees Retirement Board	✓	
Art Whitman	Assoc. MT Ret. Pub. Employees	✓	
Lee Cloninger	Self	✓	
JOE BAUMGARDNER	SELF	✓	
Orville Lewis	Self		
Ray Wright	SELF		
DON L. Brown	SELF		
Bill Maloit	SELF		
FLORAN C. HIGGINS	SELF	✓	

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