

MINUTES

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

COMMITTEE ON APPROPRIATIONS

Call to Order: By REP. TOM ZOOK, on February 17, 1993, at 3:10 P.M.

ROLL CALL

Members Present:

Rep. Tom Zook, Chair (R)
Rep. Ed Grady, Vice Chair (R)
Rep. Francis Bardanouve (D)
Rep. John Cobb (R)
Rep. Roger DeBruycker (R)
Rep. Marj Fisher (R)
Rep. John Johnson (D)
Rep. Royal Johnson (R)
Rep. Mike Kadas (D)
Rep. Betty Lou Kasten (R)
Rep. Red Menahan (D)
Rep. Linda Nelson (D)
Rep. Ray Peck (D)
Rep. Mary Lou Peterson (R)
Rep. Joe Quilici (D)
Rep. Dave Wanzenried (D)
Rep. Bill Wiseman (R)

Members Excused: Rep. Ernest Bergsagel

Members Absent: None

Staff Present: Terry Cohea, Legislative Fiscal Analyst
Mary Lou Schmitz, Committee Secretary

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

Committee Business Summary:

Hearing: HB 529, HB 531
Executive Action: HB 193, HB 376

HEARING ON HB 529

An Act statutorily appropriating driver's license reinstatement fee money to the Department of Justice for the purchase and maintenance of equipment used to analyze breath for the presence of alcohol.

Opening Statement by Sponsor: REP. BILL STRIZICH, HD 41, Great Falls said this Bill allows for support for the Department of Justice's Forensic Science Division to utilize excess funds in the driver's license reinstatement fee fund for maintenance and replacement of intoxilyzers that are in place around the state. The intoxilyzers are machines used to determine the blood alcohol content of those individuals under suspicion for drunken driving. The intended use of the funds has been for the DUI task forces and eradication programs directed at drunk driving in the state of Montana. Only about 2/3 of revenue goes through highway traffic safety for the DUI task forces. A lot of the equipment is purchased by federal funds and this is an obligation the state will have to face up to in the future. The Department of Justice is being very responsible in suggesting the use of these funds.

Proponents' Testimony: Beth Baker, Department of Justice said the purpose of this venture is to redirect a portion of the Driver License Reinstatement fees to the Department to maintain and replace breath analysis equipment. The Bill amends Sections 61-2-107 which was enacted in 1987 to fund county drinking and driving prevention programs. When that law was passed the state's intention was funds would be distributed to those counties that had DUI task forces in place. The law was amended in 1981 to raise the fee from \$50 to \$100 and add a requirement that one-half of that be placed in the special revenue account for distribution by appropriated cities or towns for similar purposes. The fees provided by the statute are paid by persons whose drivers' licenses have been suspended or revoked. In 1984 the Department of Justice purchased approximately 71 breath analysis instruments commonly known as breathalyzers or intoxilyzers with federal money made available through the highway traffic safety program. Although there are a few breathalyzers in the state that were purchased by federal and local entities the vast majority are owned by the Department and maintain those purchased by the entities. Consistent with other federal programs, there is no money for ongoing maintenance or replacement.

The structure of the Bill assures that no portion of the fees will be reverted from county to DUI task forces or from a local government entitled to a remainder of fees. Rather the Department's appropriation is limited to that portion of the first \$50 of the reinstatement fee that is remaining after distributions of the local task force. At present there are 18 DUI task forces in operation. This number has been fairly constant over the last few years and as a result funds have been left over after distribution between task forces.

The fiscal note estimates that \$90,000 will be available to meet the Department's equipment and maintenance needs each year of the next biennium. During the past two fiscal years the amount has been somewhat less than that, approximately \$75,000 or \$80,000. The current replacement costs of the breathalyzers range from \$7,000 to \$8,000. Assuming that the appropriation will be \$90,000 they would anticipate being able to replace 10 or 11 instruments this year on a rotating basis and provide maintenance on the others.

HB 529 brings DUI prevention and enforcement program full circle. Reinstatement needs are paid by those who commit DUI offenses. Properly functioning equipment is a vital tool. The Bill does not jeopardize important funding to local programs. It simply insures that reinstatement fees are recycled back into the program that provides the service.

REP. DAVE BROWN, HD 72, Butte-Silver Bow said what they tried to do is work out reinstatement of driver's licenses after DUI and the fee was raised to \$100. He referred to the statutes in this Bill, Page 3, lines 2 - 24, sub (b). What this Bill does is give the first \$50 to the DUI task forces as has always been the case. In addition the money that is left over, approximately \$90,000, would go for replacement or repair of the breathalyzers that are used throughout the state which has to be done. His Bill, which passed on the 90th day of last session and wasn't able to come back to Appropriations, said the other \$50 goes for the programs listed on Page 3, sub (b); local teams and anti-alcohol and drug institutes, police equipment, DARE programs, other types of programs related to educational information or police kinds of things that have something to do with why the fine was paid. There was a long discussion on the floor last session about using fines and fees for what they were intended and not for something else. They are not intended for general fund money.

Bill Ware, Chief of Police, Helena, Montana Association of Chiefs of Police and the Lewis and Clark County Stop DUI Task Force said one of the things from a law enforcement perspective, each time one of these machines goes down and the law enforcement officer has a DUI, he is required to take that DUI to the hospital to have blood drawn and that is very expensive for local government. The importance of this Bill is to keep those machines going.

Opponents' Testimony: None

Questions From Committee Members and Responses: **REP. KASTEN** asked **REP. STRIZICH** if this type of equipment cannot be purchased under subsection (b) now. **REP. STRIZICH** said there are two issues involved. First of all, the equipment they are talking about is purchased and maintained, at the present time, in the Department of Justice. Second, subsection (b) is for local government use, such as law enforcement agencies. This has a new twist on the money. The first \$50 is currently not being used for the DUI programs so they are trying to utilize the entire fund. No, under strict instruction, that subsection would not be used for the stated purposes under this Bill.

REP. MENAHAN said in the past biennium the counties had \$1,222,000 collected in these fines. Could they not afford to buy these breathalyzers, which are not too expensive? **REP. STRIZICH** said one of the issues is the fact these DUI processing centers are multi-agency and multi-jurisdictional and that is why the Department of Justice is taking the lead in these things. The DUI processing center in Great Falls is used by, not only the

Highway Patrol, but the Sheriff's Department and the Police Department. The balance that has occurred there is that the Police Department provides space and personnel to make sure the machine is calibrated. The Sheriff's Office participates with certain other pieces of equipment and the Highway Patrol is involved with processing DUIs. That is why he thinks it is important for the state to continue to support these pieces of equipment.

REP. FISHER referred to **Ms. Baker** saying she mentioned 18 task forces so assumes she has 18 machines. **Ms. Baker** said actually there are approximately 71 machines the Department purchased in 1984 and they have an additional 8 machines that are used for training. The machines are used by law enforcement agencies across the state not by the Task Force itself. **REP. FISHER** asked what was the average age of the machines. **Ms. Baker** said most of the machines were purchased in 1984, however, some of those were manufactured in 1982 so they range in age 8 to 11 years old. **REP. FISHER** asked how long should they last. **Ms. Baker** said 5 to 8 years.

CHAIRMAN ZOOK closed the Hearing on HB 529.

HEARING ON HB 531

An Act requiring the Department of Corrections and Human Services to develop and administer a pathological gambling treatment program.

Opening Statement by Sponsor: **REP. BILL STRIZICH, HD 41, Great Falls** said this Bill addresses problem gambling. During the last session they were able, with limited funds, to conduct a study by the foremost expert in the field of gambling problems, Dr. Rachel Volberg, **EXHIBITS 2 and 3**. Her analysis of the problem in the state of Montana confirms that there are sufficient levels of people who have serious problems to warrant attention. This Bill will provide a treatment program aimed at Montanans who are diagnosed as pathological in their behavior with gambling. Her other part of the study conducted is what the legislature needs to do to insure that licensed professionals deal with the problem. It is clear they have an obligation to provide for these services as part of the state's responsibility to allow gambling to occur in Montana.

The revenues that were suggested to be used in this Bill come from all sorts of legalized gambling in the state.

Proponents' Testimony: **Darryl Bruno, Administrator Alcohol and Drug Abuse Division, Department of Corrections and Human Services** read testimony from **EXHIBIT 1**.

Janet Jessup, Administrator of Gambling Control Division is here to represent the Department of Justice in support of this Bill. They believe this Bill reflects the public policy that is stated

in the 1989 gambling legislation. This legislation stated "that the legislature declares it is necessary to promote programs necessary to provide assistance to those who are adversely affected by legalized gambling, including compulsive gamblers and their families". She believes this Bill does meet that public policy.

There are some errors in the numbers that are included at the end of the Bill. The total appropriations for the biennium as included under section 5 is \$711,000. That number is correct. However, during the drafting of the Bill an error was made in the distribution on the sources of those funds and the actual sources are too high. Under Section 5, subsection (1) the total amount taken each quarter from video gambling machines gross should not be \$136,000 but closer to \$81,000. The amount to be taken on a quarterly basis from the lottery enterprise fund should be \$19,600. She will meet with the original drafter of the Bill to verify those corrections to make sure that complies with the directions given to her by the Gaming Advisory Council and will have that information for the Committee before executive action is taken.

Charmaine Murphy, Montana Lottery, said their concern was one of clarification as the numbers did not add up. It is unclear in Section 5 whether the Lottery is getting appropriation authority to transfer the money requested. The way she reads this is the distribution would be that of net revenue, which means the funds transferred to the School Equalization Aid account would decrease by the approximate amount per quarter. Those funds would have to be made up from another source other than the lottery. If the intent was to decrease operating expenses to fund the quarterly money this would likely decrease the lottery's ability to generate revenues from other state programs. They are asking that a proposed amendment be done to clarify what the intent of the funding and the appropriation authority would be.

Gloria Hermanson, representing a group called "Don't Gamble with the Future". The group she represents helped fund the study done last year. It's their feeling if the state has legalized gambling it also has a responsibility to deal with the social issues it creates.

Harley Warner, Association of Churches, said he has offered testimony to the Gaming Advisory Council on various occasions in the past supporting this type of legislation and rise in support of the Bill, especially the points where they are not just taking from the video gaming machine income but taking from the other gambling sources.

Sharon Hoff, Montana Catholic Conference said the Conference is concerned about the social impact of gambling upon communities and as gaming increases see a higher incidence of problems in compulsive gamblers. She supports educational programs to help compulsive and problem gamblers counteract their addiction to

games of chance.

Opponents' Testimony: None

Questions From Committee Members and Responses: REP. WANZENRIED said REP. STRIZICH indicated gambling created certain behavior problems, pathological gamblers, impulsive gamblers and problem gamblers. This Bill says specifically the departments develop prevention and treatment programs. What is the distinction between those definitions? REP. STRIZICH said it really comes down to what's available to a counselor who is able to do a diagnosis. The counselor has a document or manual called DSM3 which contains all the psychological diagnoses that are available to psychologists, psychiatrists and social workers who do counseling. In doing diagnosis of a person's behavioral problem, the only thing available to psychologists, in terms of diagnosis, is the DSM3 for pathological gambling. It's defined by the kind of behavior exhibited by the person and kinds of deleterious effects those behaviors have on an individual's life. REP. WANZENRIED asked how a prevention program could be targeted to identify pathological gamblers and prevent them from becoming pathological gamblers. REP. STRIZICH said prevention programs have, as people with an alcohol problem have, the predilection to engage in that behavior in a manner that is deleterious to their lives. The same is true of pathological gamblers and there are support systems to offer them that allow them another avenue to escape from that path.

REP. FISHER asked if some counties have already implemented this program. REP. STRIZICH said they may have something like Gamblers Anonymous which is a volunteer organization which offers support. This Bill takes it a step further and that is to authorize the state Department of Corrections and Human Services a plan by which in-patient and out-patient treatment is available for those people.

REP. FISHER said usually when it says "it's requiring the department to develop and administer a program" it turns out to have FTE and money and wondered why there isn't a fiscal note on this. Ms. Cohea said none was requested. If the committee requested a fiscal note be prepared, it could facilitate the discussion of this Bill.

REP. WISEMAN said he would like to know more about the study. He heard that 1-1/2% to 2% of people who touch gambling machines will become pathological gamblers. What was found in the study? Norma Jean Boles, Drug and Alcohol Abuse Division, Department of Corrections and Human Services, said not necessarily. The study did show that 3.6% of the adult population showed signs of problems or pathological gambling.

REP. WISEMAN referred to the figure of \$710,000 now for the biennium and what do they anticipate that going to. Ms. Boles said based on the prevalent numbers the first year was lower

because the Administration is developing the plan, contracting for services and delivering specific training. The figure for the second year of the biennium did come in and they have to work the numbers a little more carefully but will be close to \$600,000. **REP. WISEMAN** said the pressure is on for Montana to go to gambling Las Vegas style, then what will the bill be? **Ms. Boles** said nationally the more availability of gambling, the higher the increase in problem and pathological gambling as evidenced by New Jersey and some of those states.

REP. QUILICI referred to the \$711,140 and if it wasn't used for this express purpose where would it go? **Ms. Jessup** said the money actually comes out of three major sources. One is the video gambling machine source and 1/3 of that goes to the state general fund and 2/3 goes to local governments. Another smaller portion comes out of the lottery enterprise fund. A very small portion comes out of the horseracing special revenue account, about \$5600 on the biennium. The major portion comes out of the video gaming machine money.

REP. WANZENRIED said **Ms. Jessup** indicated the lottery responded to a request about where the money goes and it goes to the School Equalization Account. Why then is the Department of Justice taking the \$19,600 out of the net revenue after the Board of Crime Control gets its share? Does it come out of the net revenue or come out of operating expenses? **Ms. Jessup** said she is not sure as she was not sure when this was discussed at the Advisory Council. She will check that and have the information available.

REP. MENAHAN asked if the money comes from the state share or the county share or both. **Ms. Jessup** said both, on the same 1/3 2/3 ratio and comes off the top of the revenues before it is distributed to state general fund and to local governments.

REP. GRADY asked if they will be taking money away from some other program. **Ms. Jessup** said in essence, that is correct. There is no additional funding at all. The Gaming Advisory Council did look at other sources of funding, possibly increasing the tax on machines and decided this Bill was the best way to go. The loss to the general fund over the biennium is about \$160,000.

REP. GRADY referred to the Chemical Dependency budget in the Institutions Subcommittee which he chairs. Can this program be worked into the existing Chemical Dependency program? **Mr. Bruno** said basically they would incorporate it within the existing treatment network of approved programs. Services would be specifically laid out for those pathological gamblers. They would treat them within the existing system and not create new programs but would need additional funding to treat these individuals. **REP. GRADY** asked if they were treating some now. **Mr. Bruno** said some of the in-patient programs have been treating pathological gamblers. **REP. GRADY** understood from the study a majority of gamblers have an alcoholic problem too. **Ms. Boles**

said they did a treatment study by polling all the credentialed treatment professionals in Montana and in that survey there was one area that stated, of the people treated, about 40% were also addicted to chemicals. Some of the national literature has projected 60%.

REP. NELSON said she was wondering about the numbers of pathological gamblers that are in need of this program and the projections for the future. REP. STRIZICH said that is part of what's missing in terms of a fiscal note. When the Department puts this together, what they can do is give a figure as to how many people are projected to have pathological gambling problems. REP. NELSON said she thinks they need the fiscal note and further information in a condensed form at this point.

REP. WISEMAN referred to spending \$700,000 to help treat these gamblers and asked what they gross off of gambling per biennium? Ms. Jessup said the total tax revenues are about \$24 or 25 million right now.

REP. BARDANOUE said they have heard that the gambling problem has increased rapidly but have seen nothing but happy lottery winners on TV. Ms. Murphy said what they at the Lottery are promoting is not only a chance for players to win a prize but also benefit state programs. REP. BARDANOUE said if this gambling has created a situation he thinks it should be paid for by assessment on the gambling operation in Montana.

Closing by Sponsor: REP. STRIZICH said he would like to emphasize this is a responsibility that currently exists with the state of Montana. It was very strongly held by the Gaming Advisory Council that this should be done within existing revenues. It should have been done when they started this but they didn't know how to proceed. They have a clearer idea now and don't need an additional assessment.

EXECUTIVE ACTION ON HB 376

Sponsor: REP. DAVIS said briefly what the Bill does is to allow some of the schools districts to be able to transfer money to the Building Reserve fund or other service funds as long as it is not foundation program money or guaranteed tax base.

Motion: REP. MENAHAN MOVED HB 376 DO PASS.

Discussion: REP. PECK said this Bill excludes foundation dollars and guaranteed tax base funds so it's local money only. It would be up to the Trustees in local districts to determine whether they want to re-appropriate that as cash or transfer to one of the three funds the Bill lists; debt service fund, building reserve fund, or building fund.

REP. KADAS asked REP. DAVIS how do you tell if the money is not foundation program money or guaranteed tax base? Since all that

money goes into the same pool at the start of the year he assumes what gets left over is a part of the whole amalgamation. The dollars were not labeled where they came from when they went in. **Bruce Moerer, Montana School Board Association** said once you have spent that level of money up through the Foundation and GTB dollars, the money left over would have to be local moneys. The other alternative would be if you want to prorate it. They anticipated it as a first in, first out type of thing, Foundation would go out first, then GTB. **REP. KADAS** asked if the reason behind this Bill so that you don't have to use cash reappropriated and put it into the next year's budget? **Mr. Moerer** said a couple of things happened. This particular resolution came from one of the reservation districts and a number of these reservation districts had a problem. It was the Attorney General's opinion they couldn't transfer P.L. 874 funds from the general fund to the debt service fund. They had been doing that historically because they have problems with their tax base. Schools are under a different accounting mechanism now and any money left over at the end of the year in the budget has to go into either reserves or cash reappropriated. They are in a situation where a number of districts don't have the incentive to be fiscally prudent.

REP. KADAS said if they do this what is the incentive for the district to provide a budget that is somewhat accurate. The problem now is districts push their budgets up to 104% cap even though they don't intend to spend that much money in the first place and then have a big difference left over and have to figure out what to do with that at the end of the year. This is allowing that practice to continue. **Mr. Moerer** said from the worst case scenario that is possible. However, they are seeing sufficient pressure from taxpayers on voted levies that those levies just don't automatically escalate unless the school board can justify to the taxpayers that they should be passed.

REP. DeBRUYCKER said when they passed HB 28 a few years ago they had a little trouble at the Box Elder School in Choteau County because they built a shop with P.L. 874 money. Would this promote something like that? **Mr. Moerer** said he was not sure that was illegal when they did that. **REP. PECK** said the problem was they had P.L. 874 money that they had been using in their operational budget. They decided to build a shop and took all their P.L. 874 out and set it aside, which was legal, and built the shop and that escalated the levies way up to fund what P.L. 874 had been funding. **REP. DeBRUYCKER** asked if a Bill like this promotes something like that? **REP. PECK** said he did not think this would have any affect on that specific situation. Now P.L. 874 is kind of free money and he and others are concerned about it because there is no control over it and afraid to put any control of it because of the federal requirements that are related to it that no one is willing to interpret for them. He feels the Bill will promote good management.

REP. WANZENRIED said to follow up on the question **REP. KADAS**

asked, if the sponsor was adverse to having an amendment offered to the Bill that would clarify that only that part of the unexpended balance in the general fund at the end of the year in the proportion it bears to just the local money would be allowed to be transferred to those other funds. **REP. DAVIS** said he would not be opposed to that.

REP. BARDANOUVE said he is not clear on the fiscal note which shows \$412 million and increased to \$414 million, then \$421 million to \$423 million. **Ms. Cohea** referred the committee to Assumption #7 on the fiscal note and what they are assuming is when the districts move this money off into building reserve it is not available in the next year to reduce the amount of the voted levy or the permissive levy. So, the state's guaranteed tax base cost will, under the assumptions listed here, increase over the biennium by almost \$4 million. That is combined with the personal service cost that OPI says they will have. The impact of the Bill based on the assumptions in the Fiscal Note is essentially a \$4 million cost to the SEA, which then is translated to a general fund cost because that account is insolvent. **REP. PECK** said under current circumstances school districts are rushing out and emptying their coffers now on expenditures that may be marginal and probably going to see this happen anyway. The money is going to be spent and is not going to be in the building fund or other accounts that are allowed to do this.

REP. JOHN JOHNSON said his Bill was for reappropriated cash, which would have taken it out of the district's voted levy. Will this Bill take funds out of the district's voted levy or where will it come from? **Mr. Moerer** said no, it won't work quite the same. What you are saying is if you wanted to reappropriate it you could put it into the voted levy as well as the permissive. This would say, instead of having to reappropriate it, you could transfer it into the building fund or the debt service fund instead.

REP. FISHER said there is another 0.5 FTE in this if this Bill goes through, according to the fiscal note.

REP. ROYAL JOHNSON asked why the OPI would need a 0.5 FTE position for local schools to put money into their own account?

REP. KADAS said it's because it takes people to calculate a guaranteed tax base and this is going to change the guaranteed tax base.

In response to **REP. FISHER's** question, **Ms. Cohea** said in the Fiscal Note process agencies are asked to give an estimate of the impact. Agencies do that and the Budget Office goes through them for reasonability. Expenditures on fiscal notes don't occur until the legislature, in conference committee, puts it in HB 2. At this point, the fiscal notes show the agency's estimate of what it would cost.

CHAIRMAN ZOOK said as he recalls they gave the OPI some additional FTE to implement the guaranteed tax base and believes it was just for a few years but thinks they are still there.

REP. KADAS said they gave them additional FTE to implement GAAP.

REP. KADAS said he needs to speak against the Bill. He understands the arguments for good management here but on the other hand here is the kind of management that isn't taking place if you allow this. Right now the districts can, within their existing budgeting process, set aside a certain amount of money to go to any of these other funds; debt service, building reserve or building fund. What this Bill is saying is that if there is money left over at the end of the year, then you can put it in the building fund. This encourages districts to over-budget what their expenditure base is going to be because they always know they can do something with the money at the end of the year if they don't spend it.

The part that is going to affect the general fund is that under current law this money is required to go back into their budget before guaranteed tax base is calculated. If we allow them to take it out, put it away for next year, that means we have to cover that much more GTB. It's too big of a price tag for us.

REP. GRADY also spoke against the Bill because in view of the present situation and how they are trying to address the budget at this time, he thinks it is bad legislation to be getting into.

REP. PECK said he thinks this Bill will encourage good management and it will encourage them to spend less than all of their budget where now they are encouraged to spend all of it. The Bill is a worthy Bill and should be passed.

REP. NELSON asked **Mr. Moerer** how much of a building reserve are we allowed to have now and how much of this money can be put away by school boards? **Mr. Moerer** said right now the law prohibits the transfer from the general fund to the building reserve or debt service fund. It has to be a separate levy. There is no cap, as such, on the building reserve. **REP. NELSON** said if this Bill passed and they were able to transfer the money, could they do this indefinitely. **Mr. Moerer** said they could build up a larger fund as they have the flexibility to. He does not think they have many districts that have that much flexibility in the general fund at the end of the year.

REP. ROYAL JOHNSON said as he understands it, **REP. PECK** is saying that in a school's budget they cannot, in fact, budget any money into a building fund or a building reserve fund as a part of their budget each year. **REP. PECK** said they can do that in a separate levy if it is approved at an election by a vote of the people. They can set up that account and they must specify how many dollars in how many years it will be run and there is a 3 year maximum.

Motion: REP. WANZENRIED made a substitute motion to amend Page 2, Subsection 4. Transfer is limited to the proportion the local revenue bears to the total general fund budget.

Discussion: Ms. Cohea said by local money, did they mean total money raised through a property tax levy, or the district's portion of the permissive levy, exclusive of the GTB, and the voted levy?

Mr. Moerer referred to REP. WANZENRIED and said if you want to prorate in terms of those districts that first needed help, the P.L. 874 districts, it may be easier to prorate based on saying the percentage is set on the money you can't transfer (which is the GTB foundation dollars) and say the proportioned share cannot be transferred but the rest could. If you start talking local property tax dollars, those P.L. 874 districts would lose the ability to transfer some of that because that wouldn't be local property tax dollars. If you could protect the share that is proportional to the state share and if by definition the rest could be transferred that would accomplish that. There is a technical difference how you define those local dollars.

REP. COBB asked Mr. Moerer why couldn't you say up to 6% of the unexpended portion of the general fund budget can be transferred then you know exactly the total amount you've already budgeted and at the end of the year if you have any money left in that budget, can transfer that. Mr. Moerer said that would be another way to do it, just to put a cap on the amount that could be transferred and not worry about prorating it.

REP. WANZENRIED said his intent would be to only allow the locally generated amount of the general fund budget exclusive of all the other money from the state guaranteed tax base foundation or P.L. 874 money or any other money will not be included.

Vote: Motion carried 14 - 3 with Reps. Grady, Bardanouve and Wiseman voting no.

Discussion:

CHAIRMAN ZOOK said the amendment would change the fiscal ramifications of the Bill so maybe we should postpone final action on this and ask for another fiscal note in face of the amendment. REP. KADAS said there still may be some confusion with the amendment and asked Ms. Cohea how the county equalization revenues would be accounted for. Ms. Cohea said she was envisioning only the voted levy portion of this would be involved because the county equalization money is part of the school foundation program so is not available to transfer under the Bill. The only money that would be allowed to be transferred would be the voted levy portion and the permissive levy portion that was not GTB supported.

Ms. Cohea said after the amendment that was made in the July

special session, all 95 mills come into the state and are deposited in the school equalization account.

REP. ROYAL JOHNSON said getting an updated fiscal note will answer why OPI needs a 0.5 FTE in this situation. **REP. KADAS** said the fiscal note does not put an FTE in the Agency, even if the Bill passes. That takes other specific action, either in one of these Bills or in the budget Bill.

EXECUTIVE ACTION ON HB 193

Sponsor: **REP. CARLEY TUSS, HD 35, Cascade County** said the Bill essentially updates inspection protocol which had not been attended to in 50 years. It calls for very sound inspection protocol and the industry backs this Bill.

Discussion: **REP. GRADY** asked if this is to set up an account? It does not transfer dollars. **REP. TUSS** said it sets up the account and funnels moneys generated by the work that has been done into that special revenue account.

REP. ROYAL JOHNSON said it may set up an account and it may not do anything special but looking at the fiscal note, item 7 "Revenue to FY 1993 general fund will be reduced by \$137,281" is slightly more than setting up an account, in his mind.

REP. QUILICI asked **REP. TUSS** if there was any opposition to this Bill from people who sell these products when her Bill was in the other committee. **REP. TUSS** said there was no opposition in committee hearing. There was some negotiation in the hall and that had to do with who would be subject to license and she increased the dollar amount from \$10,000 to \$15,000 so producer can produce \$15,000 and not be subject to the licensing fee.

REP. KASTEN asked what is produce assessment? **REP. TUSS** said produce assessment has to do with the grading procedures. There are to levels of graders; the federal grader level and the state grader level. The federal grader level cannot be overturned, the state can be. All produce generated has to be graded and that grading has to be in accordance with certain specifications and has to be able to be verified. **REP. KASTEN** said, in essence, we are reducing the fee by \$10 and increasing the grading fee by \$84,000 plus per year. **REP. TUSS** said that was agreed to by members of the industry. **REP. KASTEN** asked where the graders are located. **REP. TUSS** said the graders are employees of the Department of Agriculture and they track.

REP. DeBRUYCKER asked the Department why the loss of \$142,226 FY 93 general fund. **Will Kissinger, Administer, Plant Industry Division, Department of Agriculture** said the reason for that is under the present law the fees are assessed on a monthly basis. That was switched in this Bill to a quarterly basis primarily because it reduced the amount of paper shuffling for the people doing the assessment. For the first quarter after July 1 there

would be no money coming in to fund the program. Therefore, it is necessary to take the funded program out of FY 93 general fund or ask for additional appropriation FY 94 for that first quarter. **REP. DeBRUYCKER** said then after this assessment is put on will the \$142,226 be paid back? **Mr. Kissinger** said no.

REP. PECK said he found the fiscal note confusing. He referred to the revenues and noted an increase in the revenues under this Bill, \$79,000 FY 94 and \$79,000 FY 95 and yet there is the loss in general fund of \$142,226 FY 93 because of a switch to quarterly collections. **Ms. Cohea** said what this Bill does is take money that used to be put in the general fund and put it in a state special revenue account. Yes, you lose revenue in FY 93, lose revenue in FY 94 and FY 95. In the 1995 biennium the loss of general fund revenue is mitigated by the fact that you will no longer be funding the program from the general fund, you will be funding it from the state special. **Mr. Kissinger** said the Bill will save the general fund \$80,000.

REP. GRADY asked **REP. DeBRUYCKER** if his committee took this portion out of their budget? **REP. DeBRUYCKER** said it was passed contingent on the passage of this Bill. No, general fund was not taken out of their budget. If this Bill passes, it will come out of here, otherwise it still comes out of general fund. **REP. GRADY** said we are seeing a lot of Bills taking general fund money, replacing with special revenue.

REP. ROYAL JOHNSON asked for an explanation of FY 93, \$142,226, and does it turn positive? **Ralph Peck, Deputy Director, Montana Department of Agriculture** said the Department of Agriculture approached the produce industry this year and requested three things from them: 1) for them to review their law to determine if they still wanted it; 2) to determine what level of services they wanted; and 3) to provide feedback in regard to potential legislation. When they did that the produce industry told the department and through this legislation are requesting two things: 1) they continue to have services the state of Montana offers; and 2) they said they are willing to pay for those services. In the past, the general fund has provided some of the funding to provide the services to that produce industry. Under this Bill the produce industry would be totally self-supporting and the general fund would no longer have to provide any funding to the program, they would pay for it themselves. In developing the fiscal note, the Central Management Division tried to show that it was actually going to pay for itself. The general fund would no longer have to supplement the program by about \$80,000 per year during the next two fiscal years. **REP. ROYAL JOHNSON** referred to the fiscal note and said it takes \$142,000 out of the general fund for FY 93 and did **Mr. Peck's** explanation include that? **Mr. Peck** said in order to make the transfer to the state special revenue account, the \$142,000 is lost revenue to the general fund in FY 1993 because that would go into the state revenue account to run the program until the revenue comes in in FY 1994. When the Bill passes, the revenue would start going

into the state special revenue account under this Bill and in FY 1994 the funds would be there to operate the program.

REP. MENAHAN said that money would have to be appropriated to them anyway and if we are going to do that for one more year then they are going to be self-sufficient.

Ms. Cohea said on the status sheets that show each subcommittee's work toward the HJR 2 target, the Natural Resource and Commerce subcommittee shows the contingent appropriation. So as **REP. DeBRUYCKER** has noted, the subcommittee has left a general fund appropriation for this program but says that if HB 193 is passed and approved, general fund is reduced and the state special increased. Three Bills the subcommittee has looked at and are moving through the process (HB 167, HB 193 and SB 98) would decrease general fund revenue by \$583,000 because money that used to be deposited in the general fund will no longer be deposited there. Thus, there will be that loss of revenue from these three Bills.

REP. KADAS referred to the negative \$349,000 and asked if it should be a positive? **Ms. Cohea** said according to the Budget Office, while general fund revenue will be \$240,000 less in FY 94, expenditures from the general fund will be \$319,000 less so the net effect is the general fund is \$79,000 better off.

REP. KASTEN asked the Sponsor of the Bill if the \$84,000 was new assessment but now what **Mr. Peck** is saying that proportion is coming out of the general fund now will be covered with fees. Is that right? **Mr. Peck** said that is correct.

REP. GRADY said if they are good programs they should be funded out of the general fund, if they're not, let's cut them out. Why transfer the burden to somebody else? They are not cutting the departments by doing this.

REP. PECK asked **Ms. Cohea** what **SEN. GROSFIELD's** Bill does, doesn't it abolish a lot of statutory appropriations and would it impact any of these things that are going through with statutory appropriations? **Ms. Cohea** said what **SEN. GROSFIELD's** Bill does is de-earmark a lot of accounts. She said this account would be affected. There are at least 25 to 30 sources of revenue that would be taken from earmarked accounts and put in the general fund under this Bill.

REP. KASTEN asked **REP. COBB** if he had amendments for this Bill and is he still intending to put them on? **REP. COBB** said the amendments are to get rid of the special revenue fund and put it in the general fund.

REP. MENAHAN said according to the testimony they need to have some inspection and if they don't pass the Bill will it stifle the cherry industry? **REP. DeBRUYCKER** said no it won't change that because they have already passed the Bill funded out of

general fund contingent on this Bill passing. What it will do is put the industries back into the general fund. It will save the assessment on the produce people and will pay for it out of the general fund.

REP. WISEMAN said in his subcommittee there are some agencies that have gotten through because they have zero general fund. Why is that? REP. GRADY said it is because of all the special revenue that can't be touched and that is what SEN. GROSFIELD is trying to do. Out of a \$4 billion budget for this state there is \$1.8 billion general fund they can touch.

CHAIRMAN ZOOK said the sheep industry raised the predator tax on themselves because they realize if they had to go to the legislature to get money in order to save their business from predators how would they get it so they levied it on themselves and put it in special revenue. If those kinds of funds were de-earmarked and put in the general fund, some industries would be in trouble.


REP. KADAS spoke for the Bill and said if it is killed they are turning down \$155,000 of new revenue over the biennium.

Motion/Vote: REP. COBB moved to amend HB 193, EXHIBIT 1. Motion carried 15 - 2 with Reps. Peterson and Wiseman voting no.


Motion/Vote: REP. WANZENRIED MOVED DO PASS AS AMENDED. Motion passed unanimously.

ADJOURNMENT

Adjournment: 5:30 P.M.



REP. TOM ZOOK, Chair



MARY LOU SCHMITZ, Secretary

TZ/mls

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL

DATE

2/17/93

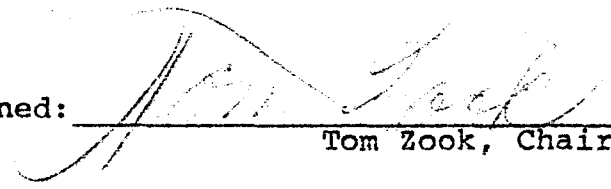
NAME	PRESENT	ABSENT	EXCUSED
REP. ED GRADY, V. CHAIR	✓		
REP. FRANCIS BARDANOUVE	✓		
REP. ERNEST BERGSAGEL			✓
REP. JOHN COBB	✓		
REP. ROGER DEBRUYKER	✓		
REP. MARJ. FISHER	✓		
REP. JOHN JOHNSON	✓		
REP. ROYAL JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BETTY LOU KASTEN	✓		
REP. WM. "RED" MENEHAN	✓		
REP. LINDA NELSON	✓		
REP. RAY PECK	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI	✓		
REP. DAVE WANZENREID	✓		
REP. BILL WISEMAN	✓		
REP. TOM ZOOK, CHAIR	✓		

HOUSE STANDING COMMITTEE REPORT

February 18, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that House Bill 193 (second reading copy -- yellow) do pass as amended .

Signed: 

Tom Zook, Chair

And, that such amendments read:

1. Page 4, line 10.

Following: "4."

Strike: remainder of line 10

Insert: "Disposition"

2. Page 4, lines 11 through 12.

Following: "funds."

Strike: "(1) There is a produce account in the state special revenue fund."

3. Page 4, lines 14 through 21.

Following: "in the"

Strike: remainder of line 14 through line 21

Insert: "general fund."

4. Page 12, line 25.

Following: "shall"

Strike: "transfer"

Insert: "retain"

5. Page 12, line 25.

Following: "fee"

Strike: "to the"

6. Page 13, line 1.

Strike: "produce account established in [section 4]"

Insert: "and deposit it in the general fund"

Committee Vote:
Yes __, No __.

400952SC.Hss

HOUSE OF REPRESENTATIVES

ADDDDDDDITIONS

COMMITTEE

ROLL CALL VOTE

DATE 2/17/92 BILL NO. HB 376 NUMBER _____

MOTION: Rep Menahan moved HB 376 DO PASS

NAME	AYE	NO
REP. ED GRADY, V, CHAIR		
REP. FRANCIS BARDANOUE		
REP. ERNEST BERGSAGEI		
REP. JOHN COBB		
REP. ROGER DEBRUYKER		
REP. MARJ. FISHER		
REP. JOHN JOHNSON		
REP. ROYAL JOHNSON		
REP. MIKE KADAS		
REP. BETTY LOU KASTEN		
REP. WM. RED MENAHAN		
REP. LINDA NELSON		
REP. RAY PECK		
REP. MARY LOU PETERSON		
REP. JOE QUILLICI		
REP. DAVE WANZENREID		
REP. BILL WISEMAN		
REP. TOM ZOOK, CHAIR		

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 2/17/93 BILL NO. HB 376 NUMBER _____

MOTION: Rep. Wanzenried made a substitute motion to amend
Page 2, Subsection 4. Transfer is limited to the proportion the
local revenue bears to the total general fund budget.

Motion carried 14 - 3

NAME	AYE	NO
REP. ED GRADY, V, CHAIR		X
REP. FRANCIS BARDANOUE		X
REP. ERNEST BERGSAGEI		
REP. JOHN COBB	X	
REP. ROGER DEBRUYKER	X	
REP. MARJ. FISHER	X	
REP. JOHN JOHNSON	X	
REP. ROYAL JOHNSON	X	
REP. MIKE KADAS	X	
REP. BETTY LOU KASTEN	X	
REP. WM. RED MENAHAN	X	
REP. LINDA NELSON	X	
REP. RAY PECK	X	
REP. MARY LOU PETERSON	X	
REP. JOE QUILLICI	X	
REP. DAVE WANZENREID	X	
REP. BILL WISEMAN		X
REP. TOM ZOOK, CHAIR	X	
	14	3

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 2/17/93 BILL NO. HB 193 NUMBER _____

MOTION: Rep. Cobb moved to amend HB 193, EXHIBIT 1.

Motion carried 15 - 2

NAME	AYE	NO
REP. ED GRADY, V, CHAIR	X	
REP. FRANCIS BARDANOUVE	X	
REP. ERNEST BERGSAGEI		
REP. JOHN COBB	X	
REP. ROGER DEBRUYKER	X	
REP. MARJ. FISHER	X	
REP. JOHN JOHNSON	X	
REP. ROYAL JOHNSON	X	
REP. MIKE KADAS	X	
REP. BETTY LOU KASTEN	X	
REP. WM. RED MENAHAN	X	
REP. LINDA NELSON	X	
REP. RAY PECK	X	
REP. MARY LOU PETERSON		X
REP. JOE QUILICI	X	
REP. DAVE WANZENREID	X	
REP. BILL WISEMAN		X
REP. TOM ZOOK, CHAIR	X	
	15	2

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 2/17/93 BILL NO. HB 193 NUMBER _____

MOTION: Rep. Wanzenried moved DO PASS AS AMENDED.

Motion carried unanimously.

NAME	AYE	NO
REP. ED GRADY, V, CHAIR	X	
REP. FRANCIS BARDANOUVE	X	
REP. ERNEST BERGSAGEI		
REP. JOHN COBB	X	
REP. ROGER DEBRUYKER	X	
REP. MARJ. FISHER	X	
REP. JOHN JOHNSON	X	
REP. ROYAL JOHNSON	X	
REP. MIKE KADAS	X	
REP. BETTY LOU KASTEN	X	
REP. WM. RED MENAHAN	X	
REP. LINDA NELSON	X	
REP. RAY PECK	X	
REP. MARY LOU PETERSON	X	
REP. JOE QUILLICI	X	
REP. DAVE WANZENREID	X	
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	17	0

Amendments to House Bill No. 193
First Reading Copy

Requested by Representative Cobb
For House Appropriations

Prepared by Roger Lloyd
February 13, 1993

EXHIBIT 1
DATE 2/17/93
HB 193

*Large -
Please
be on
time
2-18-93*

Page NO

Done

1. Page 4, line 10.
Following: "4."
Strike: remainder of line 10
Insert: "Disposition"
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5. Page 12, line 25.
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Strike: "to the"
6. Page 13, line 1.
Strike: "produce account established in [section 4]"
Insert: "and deposit it in the general fund"

EXHIBIT _____
DATE 2/17/93
HB 531

TESTIMONY FOR HB 531

HB 531 requires the Department of Corrections and Human Services to develop and administer a Pathological Gambling treatment program.

This bill was introduced at the request of the Gaming Advisory Council after presentation of two studies contracted for by DCHS Alcohol and Drug abuse Division (ADAD). DCHS contracted for a Incidence and Prevalence study of problem and pathological Gambling in Montana and a study of treatment services for people afflicted with gambling addictions and the qualifications of people providing these services. The Incidence and Prevalence study was at the request of Gaming Advisory Council and from Funding raised by the Gambling Control Division. The treatment study was a mandate from HB 909 (past session) with funding from the state special revenue gambling fee account.

The draft bill was drafted, at the request of the Gaming Council, by staff from DCHS and the Gambling Control Division. One major difference should be noted from the draft bill and HB 531. The draft bill included the treatment of problem gamblers. HB 531 excludes them.

The research contracted by the Department of Corrections and Human Services is the conceptual framework for this bill. The results of the Incidence and Prevalence study and the Treatment of Pathological Gamblers in Montana Study provide the foundation for policy making and planning for services for individuals who experience difficulties related to their involvement in gambling.

HB 531 incorporates the major recommendations of both surveys and provides for a comprehensive and integrated program to address treatment services for the problem and pathological gambler. The Department will further incorporate specific recommendations into its rules and procedures for administering the program.

The Department will be responsible for administering the treatment program, which will be integrated into existing services and developing a system of credentialing. This credentialing system is defined in HB 274.

In order to provide comprehensive well integrated services, the first year will focus on planning, establishing policies and procedures, developing methods of contracting with pre-existing programs (approved chemical dependency programs and mental health centers), formulating priorities, establishing a system of credentialing and delivery of required training for gambling addiction counselors.

EXHIBIT 1
DATE 2/17/93
HB 531

The second and subsequent years will focus on case management activities, continuation of the credentialing system, crisis intervention, public education, outreach and prevention. Case management duties would include referral, monitoring, and reimbursement for services provided to pathological gamblers. A managed care approach will be used to ensure the most effective, appropriate and cost efficient utilization of services. Based on the research, the majority of services contracted will be outpatient and intensive outpatient. Inpatient services will be provided on a limited basis, for those individuals who are unable to stop gambling in outpatient treatment or are severely depressed or suicidal. Inpatient services would be provided by state approved private inpatient facilities at a negotiated state rate or the Montana Chemical Dependency Center.

Dr. Rachel Volberg recommended in the treatment study" In developing services for problem and pathological gamblers in Montana, a broad array of services is necessary. In terms of professional treatment, the most cost-effective approach would be to provide outpatient and intensive outpatient services, as one element of existing full services mental health or chemical dependency treatment programs. Such an approach, coupled with a certification program for treatment professional and counselors and with public information and outreach efforts, would go far in mitigating the social costs of legalized gambling in Montana.

Respectfully submitted by Darryl L. Bruno

Administrator Alcohol And Drug Abuse Division
Department of Corrections and Human Services

House Committee
Appropriations

EXHIBIT 2
DATE 2/17/93
HB 529

DCJ 02 1996

**GAMBLING INVOLVEMENT AND PROBLEM GAMBLING
IN MONTANA**

The original is stored at the Historical Society at 225 North Roberts Street
Helena, MT 59620-1201. The phone number is 444-2694.

Rachel A. Volberg, Ph.D
Gemini Research
353 Mountain Street
Albany, NY 12209
(518) 432-8937

September 31, 1992

House Committee on
Appropriations

EXHIBIT 3
DATE 3/17/93
HB 529

**TREATMENT OF PATHOLOGICAL GAMBLERS IN MONTANA:
Past, Present and Future**

The original is stored at the Historical Society at 225 North Roberts Street,
Helena, MT 59620-1201. The phone number is 444-2694.

Rachel A. Volberg, Ph.D.
Gemini Research
353 Mountain Street
Albany, NY 12209

November 21, 1992

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

HB 529

Appropriation

COMMITTEE

BILL NO. ~~HB 531~~

DATE 2/17/93 SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
HARLEY WARNER	ASSOC. OF CHURCHES	X ⁵²⁹	
BETH BAKER	DEPT OF JUSTICE	HB529	
LARRY AKEY	COIN OPERATORS ASSOC	HB531	
Dorothy Morris	MA Co	HB531	
Janet Jessup	Dept of Justice	HB531	
Bill WARE Chief	City of Helena & Mc ASSO. of Chiefs of Police	HB529	
Linda Brander, coordinator	Lewis & Clark county DUI Task Force	HB529	
SHARON HOFF	MT CATHOLIC CONFER.	X HB531	
Phil Lively	Dept of Justice	HB529	
ASbert Goffe	Dept. of Justice	HB529	
DAVE BROWN	State Reg. #10 #72	X HB529	
Gloria Hermanson	Don't Gamble w/ the Future	531	

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