

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By REP. TOM ZOOK, on February 23, 1993, at 7:00 A.M.

ROLL CALL

Members Present:

Rep. Tom Zook, Chair (R)
Rep. Ed Grady, Vice Chair (R)
Rep. Francis Bardanouve (D)
Rep. Ernest Bergsagel (R)
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: None

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: None
Executive Action: HB 427, HB 11 Discussion

EXECUTIVE ACTION ON HB 427

Sponsor: REP. COBB said the 12 assumed counties have the option of becoming non-assumed within 30 days after passage of this Bill and every October 1 precede the next July 1 so they can always get out and give notice. If they stay in they have to pay their 12 mills and that basically pays for the DFS operating costs and

state employees who work at the county level. As of January 1, 1994 there will be no more GA or state medical. Effective upon passage, state medical will be reduced to preventive care only. Right now the state pays for hospital care. By just making it preventive care, the mills will decrease by 4 or 5 mills. As soon as they do preventive care, the state will not be paying for hospital costs anymore. That will be effective July 1, 1994. If a county opts out and decides it wants to run its own operating program then it will pay for its own Department of Family Services' costs and those costs are frozen just like the nonassumed counties at the 1987 level. At the same time, there is no more state grant-in-aid program.

If the voters decide, they can levy up to 25.5 mills to support county administrated general assistance or medical assistance programs. These programs have been expanded so that the counties can do their own work and training programs because Project Work will no longer be in existence. They can do their own Work Fair and can raise the mills, if the voters approve, for their own medical requirements for their entire county. They can use it for whatever they want for medical purposes except they can't build buildings.

Also in the amendments, the 12 mills will not stay stationary if the county remains assumed. As the operating costs go up in the future, so will the mills to make sure that the ratio that is being paid now in operating costs remain that way.

The most important parts of the amendments are: on page 14. The counties have to notify SRS within 30 days and by October 1, of subsequent years, if they want to change their status or get out; page 15, county transfers; page 16, new Section for general relief and Section 22, more language getting rid of project work; page 18, Sections 26 and 28.

Discussion: REP. QUILICI asked about the employees now employed by the counties. REP. COBB said if they are assumed counties the state pays their salaries and benefits. If they are non-assumed counties, they will still be under the state rate and the counties have to pay salaries and benefits. REP. QUILICI said under this amended bill if a county elects to be assumed the state will pay the employees. REP. COBB said nothing will change in Silver Bow county. They will still pay their 12 mills and the state will pay the cost on the operating costs. If the operating costs amount to 15 mills, the county would pay the 12 mills and the state will pay the difference. The state is actually paying for the county employees.

REP. KADAS asked if the county stays assumed, will the 12 mills apply to operating costs but not apply to any of the benefit programs or the loss of state medical or GA? REP. COBB said that is right because these programs are going to be eliminated on January 1, 1994. REP. KADAS asked if the county could not use any of those 12 mills to finance these programs if their

operating costs were less than 12 mills? REP. COBB said they could and referred to Mineral County's operating cost of 7.7 mills. They are paying 12 mills right now and since the 7.7 mills are less than 12 they are very likely to opt out and take the extra money to use for health care. REP. KADAS asked, if a county stays state assumed, is there anyway to provide for state medical or GA? REP. COBB said between now and January 1 the state will still pay for preventive care and a lower payment of GA. After January 1 the county will have to go to the voters to ask them to raise another 12 mills. REP. KADAS said regardless whether the county is assumed or not, state medical and GA become the sole authority of the counties. REP. COBB agreed, saying there is no more state medical or GA.

REP. KADAS referred to Section 28, page 18 where the inpatient and outpatient hospital service is limited. Is this in reference to GA or state medical? REP. COBB said state medical. REP. KADAS said you are eliminating state medical altogether and is this just a 6 month program? REP. COBB said effective upon passage state medical is limited as a preventive care (physicians, x-ray, lab services and prescription drugs). On January 1, 1994 the program and this section disappears. REP. KADAS said immediate downsizing and then it disappears. REP. COBB said that is correct.

REP. KADAS referred to REP. COBB's statement that if a county stays assumed and the operating costs go up then will the locality have to increase its number of mills that it contributes to the state? REP. COBB said if that is the way it is voted, yes. REP. KADAS asked how does that mechanism work? REP. COBB said the way it is supposed to work is the Department of SRS will tell how much money is owed. For instance, if the total operating cost goes up, after adding up all the 6 or 8 remaining assumed counties, and if the cost went up 10%, SRS would write the counties saying you owe us the equivalent of 12.2 mills overall. The counties would have to give them the extra .2 mills in order to keep the operating costs the same ratio as it is now. REP. KADAS said all the assumed counties would go up together. REP. COBB said together, not separately, because then there will be the same problem as Deer Lodge. REP. KADAS asked how that works in relation to I-105? REP. COBB said right now it does not work because the counties have to find the money and would have to get a vote of the people to put that in or would have to take the money from another source. REP. KADAS asked if it affects the cap? Won't the additional cost have to come out of some other program. REP. COBB said that is right.

REP. MENAHAN asked REP. COBB to explain what is left without a vote of the people. REP. COBB said all that would be left, using Deer Lodge County as an example, is it would cost 33 mills to run their operating cost. What that county would do is raise their 12 mills as usual, give it to the state and the state would pay all their operating costs. There will be no more GA or state medical as of January 1, 1994 and they will phase out state

medical effective immediately on passage. There will only be preventive care, basically for the doctor, drugs and x-rays. They will not pay for any hospitals. **REP. MENAHAN** asked what happens to the people who were on the program? **REP. COBB** said the counties will have to find ways to take care of them. The people coming in from out of state are not going to come here anymore because they can't get the medical care. The ones hurt the worst are the older people who do not get SSI yet. The bill will leave some money in for legal services to try to pick up more of those people to make sure they are eligible for federal programs. **REP. MENAHAN** asked how many FTE will be replaced. **REP. COBB** said basically there will not be any FTE let go in the field because if the counties are assumed the state will continue to pay those costs. The non-assumed counties will have to pay those costs. At the state level there will be a couple of FTE let go. Mostly it has been a transfer down to the county level. The SRS budget shows approximately 900 employees and about 410 are in the field to do these programs, whether state assumed or non-assumed.

Ms. Cohea said if she understands the amendment correctly, the additional mills over 12 mills that state assumed counties would have to raise in the future, if administrative costs rise, are exempt from I-105. On page 11, Section 53-2-322, the amendment says that state assumed counties would have to levy an additional amount, but that levy is exempt on page 5.

REP. QUILICI asked what does this do to I-105? Can the counties raise these mills or will the legislature repeal I-105? **REP. COBB** said the way the Bill is now, with this one exception, if they want to raise mills to take care of health care or GA, the county will have to go to the vote of the people to get around I-105 and they can raise up to 12 more mills. **REP. QUILICI** said on page 18, in-patient, out-patient hospital services will be eliminated. In the event a person needs this kind of emergency service, who pays for it? **REP. COBB** said the hospitals said they would take care of people and basically the hospital would have to take care of the cost or pass the cost on. There is actually a lot more money available for health care. It will all balance out. **REP. QUILICI** said this will have a chain reaction all the way down to the counties. He called a local hospital in Butte to see what affect this would have. Their bad debt charity equals to about 6% of their revenues, or \$2 million. Bad debt in 1992 was \$1.1 million. St. James in Butte billed state medical programs approximately \$650,000 in 1992, of which only \$430,000 was collected. The chain reaction will have a detrimental affect.

REP. KADAS referred to **REP. MENAHAN's** question concerning the pull back of state medical so it doesn't apply to hospitals. That is the first six months and will apply to all of the assumed counties. Then on January 1, 1994 there may be a few counties that have decided to become unassumed and the rest stay assumed. The few that become unassumed, as they all will, have to figure

out what to do in that case because the whole program gets eliminated at that point. **REP. COBB** said that is right. **REP. KADAS** said so after January 1 it is the responsibility of the county, no matter whether they are assumed or not, to deal with the situation of an indigent person who needs hospital care. **REP. COBB** said this is a state program and it is ending. The bill is not requiring counties to do a thing. The impression has been that the state will require the counties to pick up these people and the legislature is saying we are not helping these people. **REP. KADAS** asked if an older person has a health problem what recourse does he have? **REP. COBB** said they can go to the hospital and if the hospitals say they will not take them they should say that. **REP. KADAS** said one shift regarding hospitals is that, effective immediately when the state stops providing any hospital services, then the hospitals will make the decision as to whether someone deserves those services. It is simply a question of whether they want to provide the service or not. **REP. COBB** said that is correct, just like they do now for a lot of people who do not have insurance. The state is not shifting anything as far as the hospitals are concerned.

REP. KADAS said the next issue is the GA and state medical that are non-hospital. Beginning in January, those issues will no longer be taken care of by the state. Can a county decide whether they want to or whether to turn them over to charitable organizations in the county? **REP. COBB** said it is up to the voters to decide if people get any help. **REP. KADAS** said whether the county is assumed or not does the vote apply to assumed counties as well? **REP. COBB** said yes. **REP. KADAS** said what his vote question is, can a particular county provide some kind of program to fill in part or all of what has been lost here that the state was providing? **REP. COBB** said yes and can expand that for state issues and health care for a small group of people in the community or for an entire community. **REP. KADAS** asked what the people would be voting on, whether up to 25 mills or 25 minus 12 mills? **REP. COBB** said 25 minus 12 mills. **REP. KADAS** said an increase up to 13 mills over what is being levied now, would be above the I-105 cap or below the I-105 cap? **REP. COBB** said they would have to vote on those mills to get out of I-105. **REP. KADAS** said if they want to eliminate library services in order to provide health care services, the county could do that without voting. **REP. COBB** said yes. **REP. KADAS** said if they don't want to do that but want to raise additional mills and go above the I-105 cap, they have to vote. Is that an emergency levy they have to do every year or is that a vote they have once? **REP. COBB** said he understood it would have to be every year but would have to check on that.

REP. WANZENRIED said when the bill was introduced he thought he understood the goal but now he's not sure and asked for a summarization. **REP. COBB** said the original goal, according to **SEN. KEATING**, was to eliminate state assumed counties and turn it back to the counties. They can run their own programs up to 18 mills and after talking to county welfare directors and health

people it was assumed that instead of ending the program immediately they would phase it out, pay for the operating costs, if the assumed counties wanted the state to do so, and if they wanted to run their own health care and work programs they could do so if they want to raise their own mills. **REP. WANZENRIED** asked if they retained the existing system of state assumption and simply phased out the programs, wouldn't it accomplish the same thing? **REP. COBB** said the reason for the amendments is to clean up the bill and make it simple. **REP. WANZENRIED** asked if they just took all this and set it aside and introduced a bill to phase out GA, state medical and Project Work, wouldn't that accomplish the same thing? **REP. COBB** said he wanted to give the counties the opportunity for running their own programs and that is what most of this bill is. **REP. WANZENRIED** referred to **REP. COBB's** statement that single adults are the lowest priority group. From a practical standpoint, how many counties do you think will actually approve a levy to establish a program of the type he is talking about? **REP. COBB** said most of them will. For example, Powell County just bought a hospital and the community will support it.

REP. PETERSON referred to Section 7, page 12, money that can be raised and used for other medical kinds of assistance county-wide, not necessarily to those designated as desperately poor or indigent or any source the county chooses to enter that kind of program. It also says "may not be used for buildings". Could there be a district in the county that raised mills on themselves to help operate a clinic to expand immunization for all the children? **REP. COBB** said this bill would not affect that. This is for county-wide programs and a district can do what they want. **REP. PETERSON** says if it does not fall under this, could there be a health district such as fire or recreation districts?. **REP. COBB** said he thinks the law allows something like that but it is not in this bill.

REP. QUILICI said on page 18 the counties may require participation in job search, training and work programs and in a program of drug and alcohol rehabilitation. Do the assumed counties now have to assume this responsibility or do these counties get any help from the state on these programs? **REP. COBB** said the counties get some help on assumed counties and they were going to expand under Project Work but the department wanted another program for more alcohol and drug treatment, so the program for expansion of PWP was killed in committee. **REP. QUILICI** asked how can we expect counties to assume these responsibilities when the state won't assume? **REP. COBB** said first of all the counties don't have to assume it and secondly, if the voters who spent hundreds of mills on education won't take 5 or 10 mills from education to help the poor people in their communities then he questions why they are running any program.

REP. WISEMAN said he would like **REP. COBB** to go through the voting mechanism because that seems to be one of the big points of contention. All of us here in the state expect the school

levy to come up for a vote in April. When will this levy come up? **REP. COBB** said with I-105 you can ask for an emergency levy and go to the voters. However, he is not clear about whether you have to keep voting every year and he will check on it.

REP. KADAS wondered if **REP. COBB** accepted the notion that when people in rural areas have difficult times they tend to migrate to urban areas and impact urban welfare services? **REP. COBB** said that has occurred some places in Montana, other places he feels that rural Montana is poorer. There is some validity in what **REP. KADAS** is saying but not 100%. **REP. KADAS** asked if he feels the state has any responsibility to deal with that as an issue since that movement is state-wide and is what we're doing here is making everything individualized by counties? **REP. COBB** said if **REP. KADAS** uses that argument then that is one of the reasons why everyone is moving to the cities. They created the 12 assumed counties and everyone moved to them. Now we are going to de-create them, if we can, and if that is a concern, people can move back to where they came from. **REP. KADAS** said you don't have to look very far to see that general trend in the world. It appears to him, the state assumed program recognizes that reality and now we are going to try to deny that. We are shifting a state burden that could be shared by everyone to urban counties. **REP. COBB** said you could argue that for the rural counties, not just a migration of the poor, the urban areas become trade centers, wiping out a lot of little towns.

REP. KASTEN said in the Human Services' subcommittee they heard from **Dr. Karlin**, Administrator of Schools in Helena, that statewide there are between 400 and 500 new students a month and there are several reasons why their families are coming in. One reason is to come back to this area but 65% of them are at risk because they have no jobs but they find a safe haven here. There is an in-migration of people coming to the state because we do provide a wide array of welfare programs and ask very few questions. We cannot continue this trend.

CHAIRMAN ZOOK asked if the state of Idaho offers a program similar to this? **REP. COBB** said he didn't know. **CHAIRMAN ZOOK** said the most generous benefits are in Montana and Orange County, California.

REP. QUILICI referred to HR 2 which said the legislature would not put an added burden on the local governments and local taxpayers. He feels this committee is going against its own Resolution.

REP. GRADY said the Resolution stated the legislature would not put a mandatory program onto the counties. This is not mandatory to the counties. They can go to the voters if they want this program.

REP. ROYAL JOHNSON asked if they are discussing the amendments or the whole Bill and would like to speak to both. What **REP. COBB**

has done is use as much money to help people who do need help in this state but not help those people who: 1) don't need that help but just exist on help and; 2) not going to give the counties the money to run the program any way they see fit. If you look at the numbers, that is what is happening.

He said this is a radical departure and REP. COBB has done an outstanding job with the help of a lot of people to put the whole process into some sort of reasonable perspective.

REP. BARDANOUVE said he has to compliment REP. COBB whether he agrees with him or not. He asked what this does to balance the budget? REP. COBB presented some figures which have to be updated because the amendments phase in preventive care upon passage. The bottom line is, when he first made the motion to de-assume counties, the savings were supposed to be \$14 million but because he is phasing in preventive care and leaves I-105 alone, the savings would be close to \$11 million over the biennium.

REP. KADAS asked what the mechanism is for an initial window for de-assumption of counties? REP. COBB said every October 1 counties can decide for the next July if they want to stay in or not.

Motion/Vote: REP. COBB MOVED THE AMENDMENTS on HB 427, EXHIBIT 2. Motion carried with Reps. Menahan and Quilici voting no.

Motion: REP. MENAHAN MOVED HB 427 DO NOT PASS. REP. MENAHAN withdrew the motion.

Motion: REP. BARDANOUVE MOVED AN AMENDMENT TO HB 427 that as in the School Equalization Program, the poor fund will be removed from I-105 and the amendment is to be drafted by the Legislative Fiscal Analyst.

Discussion: REP. ROYAL JOHNSON referred the committee to page 4, (8) EXHIBIT 2 which will undo the limitations, then (K) (L) which mentions poor fund moneys. As a point of information, does this not do what REP. BARDANOUVE's amendment is trying to do? REP. COBB said the way the Bill is written you still have to go to I-105. He will oppose the motion at this time because if they are going to exempt I-105, we might as well make the bill effective July 1. He was asked to phase this in over a period of time so the voters could decide whether they want to help these people or not and also if they want to expand health care for their own communities.

REP. GRADY asked why can't the people decide? In reference to I-105 there was another issue which was in relation to Proposition 13. He feels the legislature should listen to the people. All they are trying to do is get a cap on the welfare program in this state, especially the 12 assumed counties.

REP. QUILICI said the people who voted for I-105 wanted no more

taxes.

REP. KADAS said he agreed with REP. QUILICI but what we call I-105 today is considerably different from what was voted on. What was originally voted on was a referendum that if taxes were not decreased in 6 classifications of property, not 21, just 6, then the taxes on those 6 classifications would be frozen. What the legislature acknowledged, and agreed to, was that that was absolutely unconstitutional and wouldn't work so they re-wrote the whole thing. The vast majority of people who voted on I-105 had no idea what it did. It was poorly written. It passed, largely because there was another initiative on the ballot, CI-27, and was seen as a lesser measure.

Vote: Motion failed 3 - 15.

Motion/Vote: REP. COBB MOVED HB 427 DO PASS AS AMENDED. Motion carried 13 - 5 with Reps. Bardanouve, Kadas, Menahan, Quilici and Wanzenried voting no.

CHAIRMAN ZOOK asked if there are any subcommittee recommendations concerning the bills.

REP. ROYAL JOHNSON said his subcommittee on education voted to reduce funding on the Metnet bill (HB 11) and send it to this committee that way. SEN. SWYSGOOD's bill (SB 77) is \$11,000 for a study of the continuation of the educational post-secondary. This will also be sent to this committee and suggested their concurrence with that.

Executive Action on HB 11

Sponsor: REP. ROYAL JOHNSON said the subcommittee cut the funding in half on this Bill and it came out of that committee with a Do Pass recommendation. He referred to Page 1, line 19 where the suggestion is to raise the fee from \$1 to \$5 for full-time equivalent students and the amendment is to reduce the fee from \$5 to \$2. Page 2, line 3 shows the appropriation went from \$500,000 a year to \$300,000 a year for a total reduction of \$400,000 over the biennium. The subcommittee voted a Do Pass on that.

Discussion: REP. WISEMAN asked what is the anticipated revenue, charging \$2 per student? REP. KADAS said there are two places they can charge. In the University system they can charge up to \$2 a year. Their representation to the committee was they would probably charge just \$1 a year so that would be about \$25,000. He thinks they are going to charge \$2 a year for K-12 so that would be approximately \$300,000 a year.

REP. FISHER asked if this Bill is to put in the TV program to replace public television? REP. JOHNSON said no. There was \$75,000 included in this Bill that would link up the TV situation in Bozeman with a link that would allow that broadcast from

Missoula. One of the things people in Flathead Valley and western Montana were adamant about is they did not want to build a public television station. This is the only link with Metnet in the funding process and that is \$75,000 the second year of the biennium. The cost for the television station **REP. FISHER** referred to was \$480,000 and in the budget cuts the University system went through, assured the committee they had cut that public television station in Missoula.

REP. BARDANOUVE asked how do we weigh this program against cuts we're making elsewhere? This is new appropriation for a new program. **REP. ROYAL JOHNSON** said the subcommittee took a 40% cut off the top of the program, which is not a new program. This program is fairly well implemented now. It is a combination of the Department of Administration, the OPI and the University system. It is an expensive system but is a way to reach a lot more people than any other we have. Also, in eastern Montana the Rural Electrical Telephone Co. has a linkup through a system of fiber optics for a number of communities, schools and libraries. When Metnet was integrated into that system, several cities in Montana could have a broadcast that would link all of them together. It isn't a fantastic system, not inexpensive but did everything he could to keep it at a minimum.

REP. KASTEN said Metnet is an outdated way of doing things. In eastern Montana the Fiber-optic Interactive Television is proving to be what we really need. The Colleges in Miles City and Glendive and schools are being hooked up. She would like to offer an amendment to this Bill that says the money that is raised in a district or from schools could be used in the most modern technology available rather than putting all this money into Metnet. We need to go with the Interactive Television where it is available. **Ms. Cohea** referred to the language on Page 2, Sub 2. The bill is not a mechanism for districts to raise the money. The money is appropriated directly from the state school equalization account, depending on the number of ANB for that year. She asked **REP. KASTEN** if she wanted an amendment drawn up that each district would determine whether \$2 is taken from their voted and permissive levy? **REP. KASTEN** said she would bow to whoever has a better idea on how the school budget is done. The concept is to be able to use the money where the newer technology exists and to enforce that rather than be tied to the Metnet system.

Motion: **REP. KASTEN** moved an amendment to HB 11 that money raised in a district or from schools could be used in the most modern technology available rather than putting all money into Metnet.

REP. KADAS said he is familiar with the Mid-River Telephone Co-op who are doing a lot with fiber optics and are the leading edge in the state in this area. However, that gives a good example of some of the pitfalls in doing something like this because everyone develops at a different speed and often using different

technologies. It will be impossible for the legislature to enforce any specific set-up technologies, nor would we want to. A system does have to be established to allow the different technologies to work together and Metnet helps tie the Mid-River's area in with the rest of the state. Metnet will be established to set up a state-wide system. The subcommittee is not trying to restrict what any individual district does itself but a structure is needed that allows everybody to work together.

REP. JOHN JOHNSON said he would agree with REP. KASTEN concerning the development of the fiber-optics program in eastern Montana. Eventually all programs will be in fiber-optics. They could use the ANB in each district to recapture the \$2 so the funding that comes from each district could be utilized for their best technology.

REP. BERGSAGEL said by the end of next year the entire northeastern part of the state will be linked with most of the western part of the state. Fiber-optic technology is far in advance of copper wire technology. Metnet will be tied to the more populated areas and the concept, as it was sold last year, is to use this technology to bring education into our rural communities and it just doesn't work that way because it is too expensive for the schools.

REP. ROYAL JOHNSON referred to REP. KASTEN, saying in this particular bill, on a statewide basis the money will be taken out of OPI, the university system and the administration. If the districts want to do those kinds of things she mentioned, then there has to be another mechanism. It should not be put through this bill. Metnet has made a link and found a way to integrate the three systems in such a way that could reach almost every school and city in the state with this program. Financing should not be reinvented in this particular bill.

REP. BERGSAGEL said the bill that came out of the legislature last year had 56 sites for the compressed video area, one for each county and that is essentially the Metnet program. It is not going to get to all the schools in Montana.

REP. PECK said it would be a mistake to take \$2 out of the fund to distribute to schools. It might be significant to REP. JOHN JOHNSON in Glendive or to REP. PECK in Havre but going to the smaller towns along the Highline the \$2 will not mean anything. It does mean a lot, in terms of putting in place, a statewide program. This Metnet program coordinates the public schools, University system and state government in Helena to handle this and try to bring it together.

REP. KASTEN said she is not too sure it is meaningless. To put an interactive TV setup in a school costs between \$25,000 and \$40,000. Right now the schools that have the access to this technology and want the ability to communicate with the schools

within their district have to come up with this money. She is asking that money be left in those school districts to actually fund the equipment they need in their schools to tie into the system.

REP. KADAS said the money used here, particularly the money from the foundation program, is money coming out of schools, \$2 per ANB. The door is open to do the kinds of things **REP. KASTEN** wants to do on regional and local basis but the proper mechanism is probably the local district's budget to do that. Metnet is not just video it's also electronic mail, etc. Much of the money that goes to the OPI for this program is used to buy telephone lines and toll-free service so schools can call in to a centralized place and get various information on curriculum etc. at a much cheaper cost. It would cost more if each school was made to pay for it individually.

Vote: Motion failed 3 - 15 with Reps. John Johnson, Kasten and Peterson voting yes.

Motion: **REP. ROYAL JOHNSON** moved to accept the subcommittee's recommendation to this general appropriation committee on the Metnet bill HB 11.

Discussion:

REP. BARDANOUVE said there is no question this is a very good bill but will have to face reality this coming week. In other words, \$600,000 will have to be cut out of programs. **CHAIRMAN ZOOK** said actually \$1 million when the SEA is taken into consideration.

REP. WANZENRIED asked why the committee is acting on these bills now? He would like to know what the whole picture looks like. **CHAIRMAN ZOOK** said these bills have been heard and acted on in subcommittees. The way we are treating the bills is just like the committee relationship to the House, except that if you want to re-hear the bill it will require a majority vote. He asked **REP. WANZENRIED** if he feels like he hasn't enough background on the bill. **REP. WANZENRIED** said those people not on the Education subcommittee have no idea how important this program is compared to all the other things that have or have not been cut.

REP. GRADY said if this is a \$1 million "cat and dog" bill, he would agree with **REP. WANZENRIED** that it would be too soon to vote on it.

Motion/Vote: **REP. KADAS** moved to pass the bill for the day. Motion passed.

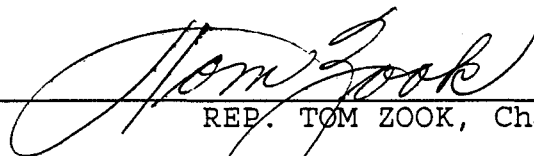
ADJOURNMENT

Adjournment: 9:00 A.M.

HOUSE APPROPRIATIONS COMMITTEE

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REP. TOM ZOOK, Chair



MARY LOU SCHMITZ, Secretary

TZ/mls

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL

DATE

2/23/93

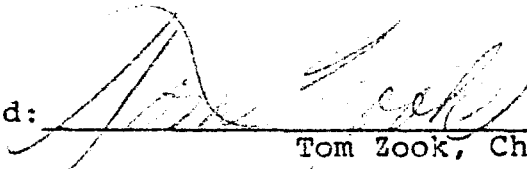
NAME	PRESENT	ABSENT	EXCUSED
REP. ED GRADY, V. CHAIR	✓		
REP. FRANCIS BARDANOUVE	✓		
REP. ERNEST BERGSAGEL	✓		
REP. JOHN COBB	✓		
REP. ROGER DEBRUYKER	✓		
REP. MARJ. FISHER	✓		
REP. JOHN JOHNSON	✓		
REP. ROYAL JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BETTY LOU KASTEN	✓		
REP. WM. "RED" MENEHAN	✓		
REP. LINDA 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 23, 1993

Page 1 of 22

Mr. Speaker: We, the committee on Appropriations report that House Bill 427 (first reading copy -- white) do pass as amended

Signed: 

Tom Zook, Chair

And, that such amendments read:

1. Title, line 4.

Strike: "ELIMINATING"

Insert: "GENERALLY REVISING THE LAWS RELATING TO PUBLIC ASSISTANCE; REVISING THE"

2. Title, line 6.

Following: ";

Insert: "REVISING GENERAL RELIEF;"

Following: "SECTIONS"

Insert: "7-6-2512, 7-6-2523, 15-10-412, 15-16-117, 39-71-118, 41-3-1122, 52-1-110, 53-2-207,"

3. Title, line 7.

Following: "53-2-304,"

Insert: "53-2-306,"

Following: "53-2-322,"

Insert: "53-2-801, 53-2-802, 53-2-803, 53-2-811, 53-2-812, 53-2-813, 53-2-1101, 53-2-1109,"

Strike: "53-3-110,"

Strike: "53-3-113,"

4. Title, lines 8 and 9.

Strike: "53-3-209, 53-3-304, 53-3-308," on line 8

Insert: "53-3-207, 53-3-303,"

Following: "53-3-310," on line 8

Strike: remainder of line 8 through "53-3-323," on line 9

5. Title, lines 10 and 11.

Following: "SECTIONS" on line 10

Insert: "53-2-321,"

Following: "53-2-323," on line 10

Strike: remainder of line 10 through "53-2-813," on line 11

Committee Vote:

Yes ☐ No ☐

4411516C.Hpf

Following: "53-2-822,"

Insert: "53-3-109, 53-3-110, 53-3-113,"

6. Title, line 12.

Following: line 11

Insert: "53-3-121, 53-3-122, 53-3-201, 53-3-205, 53-3-208, 53-3-209, 53-3-210, 53-3-211, 53-3-212, 53-3-215, 53-3-304, 53-3-305, 53-3-307, 53-3-308, 53-3-310, 53-3-311, 53-3-314, 53-3-318, 53-3-321, 53-3-322, 53-3-323,"

Following: "53-3-324,"

Insert: "53-3-325, 53-3-326,"

Strike: "AN"

7. Title, line 13.

Strike: "DATE"

Insert: "DATES"

8. Page 1, line 16 through page 23, line 21.

Strike: everything after the enacting clause

Insert: "NEW SECTION. Section 1. Legislative findings. (1)

The legislature finds that in order to use the limited resources of the state for the purposes of providing public assistance to persons whom it has determined are in need, certain programs must be eliminated and the provision of public assistance programs must be reorganized for more efficient delivery of services.

(2) The legislature finds that county governments are in the best position to efficiently and effectively deliver the general relief program provided for in Title 53, chapter 3.

(3) (a) The legislature finds that the needs of persons who are aged, infirm, or misfortunate are adequately and appropriately provided for through the following programs:

- (i) medicaid;
- (ii) aid for dependent children;
- (iii) food stamps;
- (iv) commodities; and
- (v) low-income energy assistance.

(b) The legislature further finds that the counties may in their discretion provide other programs of public assistance that they determine are appropriate and that may be funded with money derived from the county poor fund mill levy.

Section 2. Section 7-6-2512, MCA, is amended to read:

"7-6-2512. County tax levy for nursing homes and hospital facilities. The board of county commissioners may, annually at the time of levying county taxes, fix and levy a tax, not to exceed 10 mills on each dollar of taxable valuation of property, upon all property within the county for the erection,

maintenance, and operation of county-owned or county-operated hospitals and nursing homes or other hospital facilities created under 7-8-2102, 7-34-2201, 7-34-2301, and 7-34-2502. "Hospital facilities" as used in this section means a hospital or hospital-related facility, including outpatient facilities, public health centers, rehabilitation facilities, long-term care facilities, and infirmaries. The combined total number of mills levied under this section and for the county poor fund under ~~53-2-321~~ 53-2-322 may not exceed 18 mills. A higher levy may be made upon compliance with 7-6-2531 through 7-6-2537. If a hospital district is created under Title 7, chapter 34, part 21, the mill levy authorized by this section may not be imposed on property within that hospital district."

Section 3. Section 7-6-2523, MCA, is amended to read:

"7-6-2523. Special service levies replaced by all-purpose levy. A county using the all-purpose levy may not impose any of the following levies:

- (1) general fund levy, as provided in 7-6-2501;
- (2) bridge levy, as provided in 7-14-2502;
- (3) recreation levy, as provided in 7-16-101;
- (4) county fair levy, as provided in 7-21-3410;
- (5) weed levy, as provided in 7-22-2142;
- (6) insect pest levy, as provided in 7-22-2306;
- (7) poor fund levy, as provided in ~~53-2-321~~ 53-2-322; or
- (8) developmental disabilities facility levy, as provided in 53-20-208."

Section 4. Section 15-10-412, MCA, is amended to read:

"15-10-412. Property tax limited to 1986 levels -- clarification -- extension to all property classes. Section 15-10-402 is interpreted and clarified as follows:

- (1) The limitation to 1986 levels is extended to apply to all classes of property described in Title 15, chapter 6, part 1.
- (2) The limitation on the amount of taxes levied is interpreted to mean that, except as otherwise provided in this section, the actual tax liability for an individual property is capped at the dollar amount due in each taxing unit for the 1986 tax year. In tax years thereafter, the property must be taxed in each taxing unit at the 1986 cap or the product of the taxable value and mills levied, whichever is less for each taxing unit, except in a taxing unit that levied a tax in tax years 1983 through 1985 but did not levy a tax in 1986, in which case the actual tax liability for an individual property is capped at the dollar amount due in that taxing unit for the 1985 tax year.
- (3) The limitation on the amount of taxes levied does not mean that no further increase may be made in the total taxable valuation of a taxing unit as a result of:
 - (a) annexation of real property and improvements into a

taxing unit;

- (b) construction, expansion, or remodeling of improvements;
 - (c) transfer of property into a taxing unit;
 - (d) subdivision of real property;
 - (e) reclassification of property;
 - (f) increases in the amount of production or the value of production for property described in 15-6-131 or 15-6-132;
 - (g) transfer of property from tax-exempt to taxable status;
- or
- (h) revaluations caused by:
 - (i) cyclical reappraisal; or
 - (ii) expansion, addition, replacement, or remodeling of improvements.

(4) The limitation on the amount of taxes levied does not mean that no further increase may be made in the taxable valuation or in the actual tax liability on individual property in each class as a result of:

- (a) a revaluation caused by:
- (i) construction, expansion, replacement, or remodeling of improvements that adds value to the property; or
- (ii) cyclical reappraisal;
- (b) transfer of property into a taxing unit;
- (c) reclassification of property;
- (d) increases in the amount of production or the value of production for property described in 15-6-131 or 15-6-132;
- (e) annexation of the individual property into a new taxing unit; or
- (f) conversion of the individual property from tax-exempt to taxable status.

(5) Property in classes four and eleven is valued according to the procedures used in 1986, including the designation of 1982 as the base year, until the reappraisal cycle beginning January 1, 1986, is completed and new valuations are placed on the tax rolls and a new base year designated, if the property is:

- (a) new construction;
- (b) expanded, deleted, replaced, or remodeled improvements;
- (c) annexed property; or
- (d) property converted from tax-exempt to taxable status.

(6) Property described in subsections (5) (a) through (5) (d) that is not class four or class eleven property is valued according to the procedures used in 1986 but is also subject to the dollar cap in each taxing unit based on 1986 mills levied.

(7) The limitation on the amount of taxes, as clarified in this section, is intended to leave the property appraisal and valuation methodology of the department of revenue intact. Determinations of county classifications, salaries of local government officers, and all other matters in which total taxable valuation is an integral component are not affected by 15-10-401 and 15-10-402 except for the use of taxable valuation in fixing

tax levies. In fixing tax levies, the taxing units of local government may anticipate the deficiency in revenues resulting from the tax limitations in 15-10-401 and 15-10-402, while understanding that regardless of the amount of mills levied, a taxpayer's liability may not exceed the dollar amount due in each taxing unit for the 1986 tax year unless:

(a) the taxing unit's taxable valuation decreases by 5% or more from the 1986 tax year. If a taxing unit's taxable valuation decreases by 5% or more from the 1986 tax year, it may levy additional mills to compensate for the decreased taxable valuation, but in no case may the mills levied exceed a number calculated to equal the revenue from property taxes for the 1986 tax year in that taxing unit.

(b) a levy authorized under Title 20 raised less revenue in 1986 than was raised in either 1984 or 1985, in which case the taxing unit may, after approval by the voters in the taxing unit, raise each year ~~thereafter~~ an additional number of mills but may not levy more revenue than the 3-year average of revenue raised for that purpose during 1984, 1985, and 1986;

(c) a levy authorized in 50-2-111 that was made in 1986 was for less than the number of mills levied in either 1984 or 1985, in which case the taxing unit may, after approval by the voters in the taxing unit, levy each year ~~thereafter~~ an additional number of mills but may not levy more than the 3-year average number of mills levied for that purpose during 1984, 1985, and 1986.

(8) The limitation on the amount of taxes levied does not apply to the following levy or special assessment categories, whether or not they are based on commitments made before or after approval of 15-10-401 and 15-10-402:

- (a) rural improvement districts;
- (b) special improvement districts;
- (c) levies pledged for the repayment of bonded indebtedness, including tax increment bonds;
- (d) city street maintenance districts;
- (e) tax increment financing districts;
- (f) satisfaction of judgments against a taxing unit;
- (g) street lighting assessments;
- (h) revolving funds to support any categories specified in this subsection (8);
- (i) levies for economic development authorized pursuant to 90-5-112(4);
- (j) levies authorized under 7-6-502 for juvenile detention programs; ~~and~~
- (k) elementary and high school districts; and
- (l) poor fund levies authorized under 53-2-322.

(9) The limitation on the amount of taxes levied does not apply in a taxing unit if the voters in the taxing unit approve an increase in tax liability following a resolution of the

governing body of the taxing unit containing:

- (a) a finding that there are insufficient funds to adequately operate the taxing unit as a result of 15-10-401 and 15-10-402;
- (b) an explanation of the nature of the financial emergency;
- (c) an estimate of the amount of funding shortfall expected by the taxing unit;
- (d) a statement that applicable fund balances are or by the end of the fiscal year will be depleted;
- (e) a finding that there are no alternative sources of revenue;
- (f) a summary of the alternatives that the governing body of the taxing unit has considered; and
- (g) a statement of the need for the increased revenue and how it will be used.

(10) (a) The limitation on the amount of taxes levied does not apply to levies required to address the funding of relief of suffering of inhabitants caused by famine, conflagration, or other public calamity.

(b) The limitation set forth in this chapter on the amount of taxes levied does not apply to levies to support:

(i) a city-county board of health as provided in Title 50, chapter 2, if the governing bodies of the taxing units served by the board of health determine, after a public hearing, that public health programs require funds to ensure the public health. A levy for the support of a local board of health may not exceed the 5-mill limit established in 50-2-111.

(ii) county, city, or town ambulance services authorized by a vote of the electorate under 7-34-102(2).

(11) The limitation on the amount of taxes levied by a taxing jurisdiction subject to a statutory maximum mill levy does not prevent a taxing jurisdiction from increasing its number of mills beyond the statutory maximum mill levy to produce revenue equal to its 1986 revenue.

(12) The limitation on the amount of taxes levied does not apply to a levy increase to repay taxes paid under protest in accordance with 15-1-402."

Section 5. Section 15-16-117, MCA, is amended to read:

"15-16-117. Personal property -- treasurer's duty to collect certain taxes. (1) The county treasurer shall demand payment of poor fund taxes, authorized by ~~53-2-324~~ 53-2-322, and road taxes, authorized by 7-14-2206 or 7-14-2501 through 7-14-2504, of every person liable ~~therefor~~ for the taxes whose name does not appear on the assessment lists. On the neglect or refusal of ~~any such~~ a person to pay the ~~same~~ taxes, the treasurer shall collect the taxes by seizure and sale of any property owned by the person.

(2) These taxes must be added upon the assessment lists to other property taxes of persons paying taxes upon real and personal property and paid to the county treasurer at the time of payment of other taxes.

(3) The procedure for the sale of ~~such~~ property by the county treasurer for ~~such~~ the taxes must be regulated by 15-16-113 and 15-17-911.

(4) The provisions of this section do not apply to property for which delinquent property taxes have been suspended or canceled under the provisions of Title 15, chapter 24, part 17."

Section 6. Section 39-71-118, MCA, is amended to read:

"39-71-118. Employee, worker, ~~workman~~, and volunteer firefighter defined. (1) The terms "employee", ~~"workman"~~, or "worker" mean:

(a) each person in this state, including a contractor other than an independent contractor, who is in the service of an employer, as defined by 39-71-117, under any appointment or contract of hire, expressed or implied, oral or written. The terms include aliens and minors, whether lawfully or unlawfully employed, and all of the elected and appointed paid public officers and officers and members of boards of directors of quasi-public or private corporations while rendering actual service for ~~such~~ the corporations for pay. Casual employees as defined by 39-71-116 are included as employees if they are not otherwise covered by workers' compensation and if an employer has elected to be bound by the provisions of the compensation law for these casual employments, as provided in 39-71-401(2). Household or domestic service is excluded.

(b) a recipient of general relief who is performing work for a county of this state under the provisions of 53-3-303 ~~through 53-3-305~~ and any juvenile performing work under authorization of a district court judge in a delinquency prevention or rehabilitation program;

(c) a person receiving on-the-job vocational rehabilitation training or other on-the-job training under a state or federal vocational training program, whether or not under an appointment or contract of hire with an employer as defined in this chapter and whether or not receiving payment from a third party. However, this subsection does not apply to students enrolled in vocational training programs as outlined above while they are on the premises of a public school or community college.

(d) students enrolled and in attendance in programs of vocational-technical education at designated vocational-technical centers;

(e) an airman or other person employed as a volunteer under 67-2-105; or

(f) a person, other than a juvenile as defined in subsection (1)(b), performing community service for a nonprofit

organization or association or for a federal, state, or local government entity under a court order, or an order from a hearings officer as a result of a probation or parole violation, whether or not under appointment or contract of hire with an employer as defined in this chapter and whether or not receiving payment from a third party. For a person covered by the definition in this subsection (f):

(i) compensation benefits must be limited to medical expenses pursuant to 39-71-704 and an impairment award pursuant to 39-71-703 that is based upon the minimum wage established under Title 39, chapter 3, part 4, for a full-time employee at the time of the injury; and

(ii) premiums must be paid by the employer, as defined in 39-71-117(3), and must be based upon the minimum wage established under Title 39, chapter 3, part 4, for the number of hours of community service required under the order from the court or hearings officer.

(2) The term "volunteer firefighter" means a firefighter who is an enrolled and active member of a fire company organized and funded by a county, a rural fire district, or a fire service area.

(3) (a) If the employer is a partnership or sole proprietorship, such the employer may elect to include as an employee within the provisions of this chapter any member of such the partnership or the owner of the sole proprietorship devoting full time to the partnership or proprietorship business.

(b) In the event of such an election, the employer must serve upon the employer's insurer written notice naming the partners or sole proprietor to be covered and stating the level of compensation coverage desired by electing the amount of wages to be reported, subject to the limitations in subsection (3) (d). A partner or sole proprietor is not considered an employee within this chapter until such notice has been given.

(c) A change in elected wages must be in writing and is effective at the start of the next quarter following notification.

(d) All weekly compensation benefits must be based on the amount of elected wages, subject to the minimum and maximum limitations of this subsection. For premium ratemaking and for the determination of weekly wage for weekly compensation benefits, the electing employer may elect not less than \$900 a month and not more than 1 times the average weekly wage as defined in this chapter.

(4) The trustees of a rural fire district, a county governing body providing rural fire protection, or the county commissioners or trustees for a fire service area may elect to include as an employee within the provisions of this chapter any volunteer firefighter. A volunteer firefighter who receives workers' compensation coverage under this section may not receive

disability benefits under Title 19, chapter 12.

(5) An employee, ~~workman~~, or worker in this state whose services are furnished by a person, association, contractor, firm, or corporation, other than a temporary service contractor, to an employer as defined in 39-71-117 is presumed to be under the control and employment of the employer. This presumption may be rebutted as provided in 39-71-117(3).

(6) For purposes of this section, an "employee, ~~workman~~, or worker in this state" means:

(a) a resident of Montana who is employed by an employer and whose employment duties are primarily carried out or controlled within this state; or

(b) a nonresident of Montana whose principal employment duties are conducted within this state on a regular basis for an employer."

Section 7. Section 41-3-1122, MCA, is amended to read:

"41-3-1122. Payment for support of youth in need of care, youth in need of supervision, or delinquent youth -- reimbursement by county. (1) Whenever a youth who is a youth in need of care, a youth in need of supervision, or a delinquent youth is placed by the department of family services in a youth care facility, the department shall pay, within the limits of the appropriation for that purpose, a foster care payment to the youth care facility at a rate established by the department for board, clothing, personal needs, treatment, and room of the youth.

(2) On or before the 20th of each month the department shall present a claim to the county of residence of the youth for no more than one-half of the nonfederal share of the payments so made during the month. The county must make reimbursement to the department within 20 days after the claim is presented.

(3) Except as provided in subsection (4), when a county's level of expenditure for any year reaches the level of reimbursement for foster care in fiscal year 1987, the county has no further obligation for foster care expenditures.

(4) If a county's level of expenditure for foster care in fiscal year 1987 is \$10,000 or less, the county's level of expenditure for purposes of determining the county's reimbursement specified in subsection (3) is the level of expenditures for fiscal year 1987 or the average of expenditures for fiscal years 1984 through 1987, whichever is less.

(5) A county that was state-assumed prior to 1987 is responsible for reimbursement of foster care expenditures up to the county's calculated level of expenditures for fiscal year 1987 as if the county had not been state-assumed.

~~(5)~~ (6) The department shall conduct or arrange for the review required under 41-3-1115 of a youth placed in a youth care facility if the youth is placed by the department; repealing

sections 53-2-321, 53-3-109, 53-3-110, 53-3-113, 53-3-121, 53-3-122, 53-3-201, 53-3-205, 53-3-208, 53-3-209, 53-3-210, 53-2-211, 53-2-212, 53-3-215, 53-3-304, 53-3-305, 53-3-307, 53-3-308, 53-3-310, 53-3-311, 53-3-314, 53-3-318, 53-3-321, 53-3-322, 53-3-323, 53-3-325, and 53-3-326, MCA."

Section 8. Section 52-1-110, MCA, is amended to read:

"52-1-110. County contribution for salaries and travel of protective services employees. (1) Upon transfer of certain functions of the county welfare department to the department of family services as provided in section 12, Chapter 609, Laws of 1987, the salaries and travel expenses, as provided in 2-18-501 through 2-18-503, of protective services employees must be paid by the department of family services. The board of county commissioners shall reimburse the department of family services from county poor funds in an amount equal to that county's expenditures for salaries, travel expenses, and indirect costs of protective services employees in fiscal year 1987, adjusted for annual inflation.

(2) A county that was state-assumed prior to 1987 is responsible for reimbursement of salaries, travel expenses, and indirect costs up to the county's calculated level of expenditures for fiscal year 1987 as if the county had not been state-assumed.

~~(2)~~ (3) On or before the 20th day of the month following the month for which payments were made for protective services employees' salaries, travel, and indirect costs, the department of family services shall present to the board of county commissioners a claim for the required reimbursement. The board of county commissioners shall make ~~such~~ the reimbursement within 20 days after the presentation of the claim."

Section 9. Section 53-2-207, MCA, is amended to read:

"53-2-207. Power of department in administering state ~~grants in aid~~ and federal funds. In administering or supervising any state or federal funds appropriated or made available to the department for public assistance purposes, the department ~~shall have~~ has the authority to:

(1) ~~require as a condition for receiving grants in aid that the county shall to~~ bear the proportion of the total of local public assistance as is fixed by law relating to ~~such the~~ assistance;

(2) make use of all legal processes to enforce the minimum standards prescribed for public assistance purposes by the department ~~under laws providing for grants in aid, provided that such standards shall not exceed in cost the amount derived from levies established by state law; and~~

(3) require that each part of the public assistance laws ~~shall~~ be in effect in all counties of the state."

Section 10. Section 53-2-301, MCA, is amended to read:

"53-2-301. County departments to be established. There ~~shall~~ must be established in each county of the state, ~~except in a county that has transferred its public assistance and protective services responsibilities to the state under the provisions of part 8 of this chapter,~~ a county department of public welfare, which shall consist of a county board of public welfare and ~~such~~ staff personnel as may be necessary for the efficient performance of the public assistance activities of the county. If conditions warrant and if two or more county boards enter into an agreement, two or more counties may combine into one administrative unit and use the same staff personnel throughout the administrative unit."

Section 11. Section 53-2-302, MCA, is amended to read:

"53-2-302. County commissioners ex officio county welfare board. ~~Except in a county that has transferred its public assistance and protective services responsibilities to the state under part 8 of this chapter,~~ the The board of county commissioners ~~shall be~~ is the ex officio county welfare board and ~~is hereby authorized to devote such additional time for public assistance matters as may be found necessary.~~ The members of the county welfare board shall receive the same compensation for their services and the same mileage when acting as the county board of public welfare as they receive when acting as the board of county commissioners. ~~and shall be~~ The board is limited as to meetings as ~~now~~ provided by law, and the compensation and mileage of the members of the board ~~shall must~~ be paid from county funds. They may transact business as a board of county commissioners and as a county welfare board on the same day, and in such cases they ~~shall must~~ be paid as a board of county commissioners but may not receive compensation for more than 1 day's work for all services performed on the same calendar day."

Section 12. Section 53-2-304, MCA, is amended to read:

"53-2-304. Staff personnel of county department. (1) Each county board shall select and appoint from a list of qualified persons furnished by the department ~~of social and rehabilitation services such~~ staff personnel as ~~are~~ the board determines necessary. The staff personnel in each county shall consist of at least one qualified staff worker (or investigator) and ~~such~~ clerks and stenographers as ~~may be decided~~ the board determines necessary. If conditions warrant, the county board, with the approval of the department ~~of social and rehabilitation services,~~ may appoint ~~some~~ a fully qualified person listed by the department as supervisor of its staff personnel. The staff personnel of each county department are directly responsible to the county board, but the department ~~of social and rehabilitation services~~ may supervise ~~such~~ the county employees in respect to

the efficient and proper performance of their duties. The county board of public welfare may not dismiss any member of the staff personnel without the approval of the department ~~of social and rehabilitation services~~. The department may request the county board to dismiss any member of the staff personnel for inefficiency, incompetence, or similar cause. The final authority for dismissal is the county board. ~~In counties where the department has assumed the administration of welfare duties, the final authority for dismissal is the director of the department.~~

(2) Public assistance staff personnel attached to the county board ~~shall~~ must be paid from state public assistance funds both their salaries and their travel expenses as provided for in 2-18-501 through 2-18-503 when away from the county seat in the performance of their duties, but the county board of public welfare shall reimburse the department ~~of social and rehabilitation services~~ from county poor funds the full amount of the salaries and travel expenses not reimbursed to the department by the federal government and the full amount of the department's administrative costs ~~which that~~ are allocated by the department to the county for the administration of county welfare programs and not reimbursed to the department by the federal government. Under circumstances prescribed by the department ~~of social and rehabilitation services~~, the reimbursement by the county board of public welfare may be less than the county share as prescribed ~~above in this subsection~~. All other administrative costs of the county department ~~shall also~~ must be paid from county poor funds.

(3) On or before the 20th day of the month following the month for which the payments to the public assistance staff personnel of the county were made, the department ~~of social and rehabilitation services~~ shall present to the county department of public welfare a claim for the required reimbursements. The county board shall make ~~such~~ the reimbursements within 20 days after the presentation of the claim, and the department ~~of social and rehabilitation services~~ shall credit (add) all ~~such the~~ reimbursements to its account for administrative costs.

~~(4) If a county has transferred its public assistance and protective services responsibilities to the state under part 8 of this chapter, the appropriate department shall select, appoint, and supervise all necessary public assistance and protective services personnel, including if necessary a supervisor of staff personnel. All such personnel are directly responsible to that department."~~

Section 13. Section 53-2-306, MCA, is amended to read:

"53-2-306. County department charged with local administration of public assistance. ~~Except in a county that has transferred its public assistance and protective services responsibilities to the state under part 8 of this chapter, the~~ The county department of public welfare ~~shall be~~ is charged with

the local administration of ~~all forms of~~ public assistance operations in the county. All ~~such~~ local administration of public assistance must conform to federal and state law and the rules as established by the department of social and rehabilitation services."

Section 14. Section 53-2-322, MCA, is amended to read:

"53-2-322. County to levy taxes, budget, and make expenditures for public assistance activities. (1) The board of county commissioners in each county shall levy 13.5 mills for the county poor fund as provided by law or so much ~~thereof~~ of that amount as may be necessary. The board may levy an additional 12 mills if approved by the voters in the county for fiscal year 1993. A county shall levy sufficient mills to reimburse the state for any administrative or operational costs in excess of the administrative and operational costs for fiscal year 1993. The department shall notify the counties of the number of mills required to be levied. ~~Counties transferring public assistance and protective services responsibilities to the state under part 8 of this chapter may not levy more than the difference between 13.5 mills and the state levy pursuant to 53-2-813.~~

(2) The board shall budget and expend so much of the funds in the county poor fund for public assistance and protective services purposes as will enable the county welfare department to pay the general relief activities of the county and to reimburse the department ~~of social and rehabilitation services~~ and the department of family services for the county's proportionate share of the administrative costs of the county welfare department and of all public assistance and protective services and its proportionate share of any other public assistance activity that may be carried on jointly by the state and the county.

(3) The amounts set up in the budget for the reimbursements to the department ~~of social and rehabilitation services~~ and the department of family services ~~shall~~ must be sufficient to make all of these reimbursements in full. The budget ~~shall~~ must make separate provision for each one of these public assistance and protective services activities, and proper accounts ~~shall~~ must be established for the funds for all ~~such~~ the activities.

(4) The department ~~of social and rehabilitation services~~ shall submit to the counties, no later than May 10, the most current county participation percentages that are necessary to establish preliminary county budgets. As soon as the county proposed budget provided for in 7-6-2315 has been agreed upon, a copy ~~thereof~~ shall without delay must be mailed to the department ~~of social and rehabilitation services~~, and at any time before the final adoption of the budget, the department shall make ~~such~~ recommendations with regard to changes in any part of the budget relating to the county poor fund as considered necessary in order

to enable the county to discharge its obligations under the public assistance laws.

(5) The department ~~of social and rehabilitation services~~ shall promptly examine the county proposed budget in order to ascertain if the amounts provided for reimbursements to the department are likely to be sufficient and shall notify the county clerk of its findings. The board shall make ~~such~~ changes in the amounts provided for reimbursements, if any are required, in order that the county will be able to make the reimbursements in full.

(6) The board of county commissioners may not make any transfer from the amounts budgeted for reimbursing the department ~~of social and rehabilitation services~~ without having first obtained a statement in writing from the department to the effect that the amount to be transferred will not be required during the fiscal year for the purposes for which the amounts were provided in the budget.

(7) ~~No part of the~~ The county poor fund, irrespective of the source of any part ~~thereof~~ of the fund, may not be used directly or indirectly for the erection or improvement of any county building so long as the fund is needed for general relief expenditures by the county or is needed for paying the county's proportionate share of public assistance and protective services or its proportionate share of any other public assistance activity that may be carried on jointly by the state and the county. Expenditures for improvement of any county buildings used directly for care of the poor, except a county hospital or county nursing home, may be made out of ~~any moneys~~ money in the county poor fund, whether ~~such moneys are~~ the money was produced by the ~~13.5 mill mill~~ levy provided for in subsection (1) ~~of this section or from any additional levy authorized or to be authorized by law.~~ ~~Such~~ The expenditure ~~shall~~ may be authorized only when any county building used for the care of the poor must be improved in order to meet legal standards required for ~~such buildings~~ the building by the department of health and environmental sciences and when ~~such the~~ expenditure has been approved by the department of social and rehabilitation services and the department of family services.

(8) Money in the county poor fund may be used as matching funds for the receipt of federal money."

Section 15. Section 53-2-801, MCA, is amended to read:
"53-2-801. Purpose. The purpose of this part is to provide for the department of social and rehabilitation services to assume all responsibilities for public assistance programs, except for general relief as provided in chapter 3, and for the department of family services to assume all responsibilities for protective services for children and adults that, as of July 1, 1983, are provided by the counties pursuant to Titles 41 and 53.

The assumption may become effective only at the option and with the express consent of each individual county requesting state assumption."

Section 16. Section 53-2-802, MCA, is amended to read:

"53-2-802. Definitions. Unless the context requires otherwise, in this part the following definitions apply:

(1) "County department" means the county department of public welfare provided for in part 3 of this chapter.

(2) "Mill levy equivalent" means the prior year's expenditure divided by the value of 1 mill.

(3) "Needy person" is one who is eligible for public assistance under the laws of this state.

(4) "Protective services" means services to children and adults to be provided by the department of family services as permitted by Titles 41 and 53.

(5) "Public assistance" or "assistance" means any type of monetary or other assistance furnished under this title to a person by a state or county department, regardless of the original source of assistance, except general relief as provided in chapter 3.

(6) "State assumption" means the transfer to the department of social and rehabilitation services and the department of family services for the county by the board of county commissioners of all powers and duties, including staff personnel as provided in 53-2-301 through 53-2-306 and public assistance and protective services, respectively, provided by the county department pursuant to Titles 41 and 53, except as otherwise specifically provided in this part."

Section 17. Section 53-2-803, MCA, is amended to read:

"53-2-803. Authority to adopt rules. ~~(1)~~ The department of social and rehabilitation services and the department of family services may adopt rules necessary to carry out the purposes of this part, including implementing transfer of the county programs to each department, respectively.

~~(2) The department of social and rehabilitation services may adopt rules:-~~

~~(a) to determine the amount, scope, and duration of general relief, which may not exceed those services and amounts payable under the department of social and rehabilitation services' programs of medicaid and aid to families with dependent children as necessary to carry out the purposes of this part; and~~

~~(b) establishing a system of penalties and sanctions applicable to providers of health related services to state-assumed counties in accordance with 53-6-111(2) through (5)."~~

Section 18. Section 53-2-811, MCA, is amended to read:

"53-2-811. Transfer of county public assistance and

protective services to state departments -- reassumption of responsibility. (1) All authority granted to the board of county commissioners to establish and operate a public assistance program and provide protective services for children and adults pursuant to Titles 41 and 53 may be transferred to the department of social and rehabilitation services and the department of family services, respectively, except that the county attorney shall continue to provide legal assistance and representation for the purposes of adult and child protective services without charge and all debts and obligations incurred prior to the effective date of state assumption continue as the responsibility of the county.

(2) The board of county commissioners, after public hearing, may by resolution or ordinance transfer to the department of social and rehabilitation services and the department of family services all powers and duties for public assistance and protective services for children and adults, respectively, including the selection, supervision, and termination of staff personnel associated with the performance of these activities. Upon the effective date of ~~such~~ the transfer, the department of social and rehabilitation services and the department of family services shall assume all powers and duties related to public assistance and protective services, respectively, and accorded by law to the county welfare department. If the notice required in subsection (3) is given, the transfer is effective at the start of the next state fiscal year.

(3) Counties opting for state assumption or reassuming responsibility shall notify the department of social and rehabilitation services and the department of family services at least 90 days prior to the start of the state fiscal year unless the time period is waived in whole or in part by the director of each department within 30 days after [the effective date of this section]. A county shall notify the department of social and rehabilitation services and the department of family services by October 1 if the county wishes to change its status on the following July 1.

(4) Counties opting for state assumption shall permit the department of social and rehabilitation services and the department of family services to use the same facilities currently occupied by the county department or substantially equal facilities, with fair rental value for ~~such~~ the facilities to be paid by each department. Counties opting for state assumption shall transfer to the appropriate department all materials, equipment, and supplies used in the operation of the county department and which were paid for in whole or in part with federal or state funds."

Section 19. Section 53-2-812, MCA, is amended to read:

"53-2-812. State assumption -- permanent transfer to state -- exceptions. ~~(1) A county opting for state assumption does so on a complete and permanent basis, unless the county requests to retain or reassume responsibility for medical assistance or monetary payments to needy persons as provided in Title 53, chapter 3.~~ State assumption must be made pursuant to the adoption of a resolution or ordinance as provided in 53-2-811(2) and notice to the department of social and rehabilitation services and the department of family services as provided in 53-2-811(3). A county that has opted for state assumption prior to [the effective date of this section] may reassume responsibility for public assistance and protective services if notice is provided pursuant to 53-2-811(2) and (3). A county shall notify the department of social and rehabilitation services and the department of family services by October 1 if the county wishes to change its status on the following July 1. ~~Under such a retention or reassumption, staff personnel continue under the supervision and control of the department of social and rehabilitation services but the~~ The department may contract with the counties for the operation of programs provided in Title 53, chapter 3. A county may not retain or reassume assistance programs partially funded by the federal government.

~~(2) A county transferring all duties and responsibilities to the state may reassume limited responsibility for medical assistance or monetary payments to needy persons as provided in subsection (1) but may not thereafter request full state assumption. A county initially requesting limited state assumption may not thereafter request full state assumption. A county opting for limited or full state assumption does so on a permanent basis, except as provided in this section."~~

Section 20. Section 53-2-813, MCA, is amended to read:

"53-2-813. Mill levy for counties transferring public assistance and protective services. (1) For the purpose of this part, 12 mills must be levied annually in those counties opting for state assumption.

~~(2) For a county electing state assumption before July 1, 1986, the proceeds of the mill levy established in subsection (1) must be deposited in the state special revenue fund in the state treasury for the purpose of paying the expenses of the department of social and rehabilitation services. The mill levy may not exceed 12 mills, notwithstanding actual expenditures made by the department.~~

~~(3) For a county electing state assumption on or after July 1, 1986, the proceeds of the mill levy established in subsection (1) must be deposited in the state special revenue fund in the state treasury to the credit of the department of social and rehabilitation services. The general fund authority of the~~

department of social and rehabilitation services ~~shall~~ must be reduced and the general fund authority of the department of family services ~~shall~~ must be increased by an amount equal to the county's expenditures for child and adult protective services in the fiscal year immediately preceding state assumption. ~~The mill levy may not exceed 12 mills, notwithstanding actual expenditures made by the department of social and rehabilitation services and the department of family services.~~

~~(4) For a county retaining or reassuming operational responsibility for medical assistance or monetary payments to needy persons as provided in 53-2-812, the levy provided in subsection (1) must be reduced by the mill levy equivalent expended by that county or the department for such purposes in the fiscal year immediately preceding the option to retain or reassume such responsibility."~~

NEW SECTION. Section 21. General relief -- optional county program. (1) A county may provide a program of general relief that it determines necessary. The program may include assistance for food, clothing, shelter, transportation, and medical assistance for individuals not eligible for state or federal programs providing similar assistance. A county may provide for the burial of indigents. The general relief activities of the county include:

- (a) job training and employment programs authorized under Title 53, chapter 2, part 11;
 - (b) general relief assistance benefits as provided in Title 53, chapter 3, part 2; and
 - (c) health care, preventive care, and wellness programs as determined by the county commissioners.
- (2) A county may establish the criteria for determining eligibility for assistance, including but not limited to residency requirements, limits on income and resources, and the amount, scope, and duration of assistance.
- (3) A county may deny assistance for a reasonable period if a person has voluntarily left employment without good cause or is discharged due to misconduct.
- (4) The program may be funded with money derived from the county poor fund mill levy established in 53-2-322.

Section 22. Section 53-2-1101, MCA, is amended to read:
"53-2-1101. Legislative findings. The legislature finds and declares that:

(1) many economically disadvantaged persons are unable to take their place in the economic mainstream of society because they lack the skills and training needed to obtain productive employment or to avoid long-term dependency on public assistance programs;

(2) existing state and federal employment and training

programs, including the work incentive program, ~~the work programs provided for in 53-3-304,~~ and the programs administered under Title II-A of the Job Training Partnership Act, have proved to be a multiple, uncoordinated response to the needs of the economically disadvantaged; and

(3) a successful job training program will require a comprehensive, integrated range of nonduplicative employment and training services for economically disadvantaged persons that will result in economic self-sufficiency through placement of economically disadvantaged persons in long-term, sustainable employment."

Section 23. Section 53-2-1109, MCA, is amended to read:

"53-2-1109. Coordination of services. The state job training coordinating council shall identify, in coordination with the appropriate state and local agencies, the employment, training, and vocational education needs throughout the state and assess the extent to which employment and training, vocational education, rehabilitation services, public assistance, economic development, and other federal, state, and local programs and services represent a consistent, integrated, and coordinated approach to meeting such needs. In carrying out this coordinating function, the council shall consider state policy set forth in 2-15-101 to eliminate overlapping and duplication of services within state government and in accordance with the provisions of section 121 of the Job Training Partnership Act (29 U.S.C. 1531) and other employment and training programs, including:

(1) programs operated under the federal Family Support Act of 1988; and

(2) programs and services of public assistance agencies, ~~including the programs established in 53-3-304."~~

Section 24. Section 53-3-112, MCA, is amended to read:

"53-3-112. Fraud and recovery of overpayments. (1) The county department of public welfare shall deny general relief for a reasonable period of time to any household determined to have received any assistance by means of fraud.

(2) The county department of public welfare or its agent may recover or offset any amounts of general relief made available to a household ~~which~~ that, because of fraud or mistake, are above the amounts that should have been provided."

Section 25. Section 53-3-207, MCA, is amended to read:

"53-3-207. Application for other state and federal programs -- interim relief -- subrogation of department to receipt of federal payments. (1) General relief is available to a recipient to the extent ~~such~~ the relief is not duplicative of resources or benefits reasonably available to the recipient.

(2) If other federal or state programs of assistance are

reasonably available to meet the needs of a household, an applicant must apply for those programs before general relief may be provided. A household may be provided general relief after initial application for other programs of assistance. If denied ~~such the~~ other assistance, the applicant must pursue available administrative appeals for those programs to the final administrative appeal level. If the applicant becomes eligible for other assistance covering the same period of time that interim general relief is provided, ~~such the~~ interim relief must be repaid to the county department or offset from lump sums or retroactive payments from other programs of assistance.

(3) To the extent necessary for repayment of interim general relief provided to an applicant, the county department is subrogated to the right of an attorney to recover from the federal government the costs of providing the applicant legal assistance in obtaining eligibility for supplemental security income under Title XVI of the Social Security Act."

Section 26. Section 53-3-303, MCA, is amended to read:
"53-3-303. Conditions of eligibility. (1) As a condition of eligibility for general relief, an employable or temporarily unemployable recipient must:

(a) register for employment with the department of labor and industry;

(b) maintain an active job registration file; and

(c) ~~comply with and actively participate in any job search, training, workfare, or self sufficiency program required by the department; and~~

~~(d) actively pursue and accept available employment within his or her the recipient's capability.~~

(2) ~~Refusal without good cause to comply with the requirements of subsection (1) will render the individual recipient, but not the rest of that recipient's household, ineligible for general relief for 3 months following the first refusal and for 6 months following any subsequent refusal. The period of ineligibility begins on the first day of the next month in which the person would otherwise be eligible for general relief. A county may require participation in job search, training, and work programs or in a program of drug or alcohol rehabilitation as a condition of the receipt of assistance. General relief may be withheld until participation in a program is completed. A county may deny assistance for a reasonable period of time for any person refusing to participate in a required program."~~

Section 27. Section 53-3-309, MCA, is amended to read:
"53-3-309. Form of relief. The choice as to the form or forms of relief provided is at the discretion of the county welfare department ~~in counties without state assumed welfare~~

~~services or the department if the state has assumed responsibility for the welfare services in a county.~~ The form of relief may include but is not limited to cash, checks, vouchers, lines of credit, in-kind goods and services, and food commodities."

Section 28. Section 53-3-310, MCA, is amended to read:

"53-3-310. Scope of general relief medical assistance -- limitations. (1) General relief medical assistance is limited to ~~inpatient and outpatient hospital services,~~ physician services, laboratory services, x-ray services, and prescription drugs. Assistance may not exceed the scope or duration of similar services provided under the Montana medicaid program pursuant to Title 53, chapter 6, part 1, and rules adopted by the department to administer the program.

(2) General relief medical assistance in a county without state-assumed welfare services must, within the limitations of subsection (1), be provided in amounts determined by the county welfare board.

(3) General relief medical assistance in counties with state-assumed welfare services must, within the limitations of subsection (1), be provided in amounts not to exceed payments under the medicaid program. Services must be limited to the least costly method of alleviating the serious medical condition.

(4) General relief medical assistance is limited to covered medical needs not met by other services or benefits available to the person. Available services or benefits include but are not limited to health and accident insurance, veterans' benefits, industrial accident benefits, medicare and medicaid benefits, and other liable third parties.

(5) A person who is chronically ill may receive general relief medical assistance for services limited to treatment of a serious medical condition related to chronic illness.

(6) A person who has an acute medical need but who is not chronically ill may receive general relief medical assistance but only for services necessary to treat a serious medical condition that requires immediate medical attention to alleviate a serious health risk.

(7) A child less than 18 years of age may receive the same scope and duration of services as provided under the Montana medicaid program provided for in Title 53, chapter 6.

(8) A person who requires medical services in order to obtain or retain employment may receive services similar to those provided under the Montana medicaid program but only for the duration of need.

(9) Except as provided in subsection (7), nothing in this chapter may be construed to require the same scope of medical services as provided under the Montana medicaid program."

Section 29. Section 53-3-325, MCA, is amended to read:

"53-3-325. Transition-to-work allowance. (1) As an alternative to the programs and services provided in 53-3-304, the county department of public welfare may pay recipients a transition-to-work allowance. This allowance may be used only for relocation expenses for recipients who have obtained employment in another county or state.

(2) Notwithstanding any other provision of this chapter, a person who elects to receive the allowance provided in subsection (1) is ineligible for general relief for a period of 16 months."

Section 30. Section 53-3-326, MCA, is amended to read:

"53-3-326. Transportation assistance. The county department of public welfare may provide necessary transportation or reimbursement of transportation costs for persons enrolled in job search, training, workfare, or self-sufficiency programs provided in 53-3-304."

NEW SECTION. Section 31. Repealer. Sections 53-2-321, 53-2-323, 53-2-821, 53-2-822, 53-3-109, 53-3-110, 53-3-113, 53-3-114, 53-3-121, 53-3-122, 53-3-201, 53-3-205, 53-3-208, 53-3-209, 53-3-210, 53-2-211, 53-2-212, 53-3-215, 53-3-304, 53-3-305, 53-3-307, 53-3-308, 53-3-310, 53-3-311, 53-3-314, 53-3-318, 53-3-321, 53-3-322, 53-3-323, 53-3-324, 53-3-325, 53-3-326, 53-3-327, and 53-3-328, MCA, are repealed.

NEW SECTION. Section 32. Codification instruction. [Sections 1 and 21] are intended to be codified as an integral part of Title 53, and the provisions of Title 53 apply to [sections 1 and 21]."

NEW SECTION. Section 33. Effective dates. (1) [Sections 18, 19, 28, and 32 and this section] are effective on passage and approval.

(2) [Sections 1 through 17, 20 through 27, and 29 through 31] are effective January 1, 1994."

-END-

Amendments to House Bill No. 427
First Reading Copy

Requested by Representative Cobb
For the Committee on Appropriations

Prepared by Greg Petesch
February 22, 1993

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1. Title, line 4.

Strike: "ELIMINATING"

Insert: "GENERALLY REVISING THE LAWS RELATING TO PUBLIC
ASSISTANCE; REVISING THE"

2. Title, line 6.

Following: ";

Insert: "REVISING GENERAL RELIEF;"

Following: "SECTIONS"

Insert: "7-6-2512, 7-6-2523, 15-10-412, 15-16-117, 39-71-118, 41-
3-1122, 52-1-110, 53-2-207,"

3. Title, line 7.

Following: "53-2-304,"

Insert: "53-2-306,"

Following: "53-2-322,"

Insert: "53-2-801, 53-2-802, 53-2-803, 53-2-811, 53-2-812, 53-2-
813, 53-2-1101, 53-2-1109,"

Strike: "53-3-110,"

Strike: "53-3-113,"

4. Title, lines 8 and 9.

Strike: "53-3-209, 53-3-304, 53-3-308," on line 8

Insert: "53-3-207, 53-3-303,"

Following: "53-3-309," on line 8

Following: "53-3-310,"

Strike: remainder of line 8 through "53-3-323," on line 9

5. Title, lines 10 and 11.

Following: "SECTIONS" on line 10

Insert: "53-2-321,"

Following: "53-2-323," on line 10

Strike: remainder of line 10 through "53-2-813," on line 11

Following: "53-2-822,"

Insert: "53-3-109, 53-3-110, 53-3-113,"

6. Title, line 12.

Following: line 11

Insert: "53-3-121, 53-3-122, 53-3-201, 53-3-205, 53-3-208, 53-3-
209, 53-3-210, 53-3-211, 53-3-212, 53-3-215, 53-3-304, 53-3-
305, 53-3-307, 53-3-308, 53-3-310, 53-3-311, 53-3-314, 53-3-
318, 53-3-321, 53-3-322, 53-3-323,"

Following: "53-3-324,"

Insert: "53-3-325, 53-3-326,"

Strike: "AN"

7. Title, line 13.

Strike: "DATE"

Insert: "DATES"

8. Page 1, line 16 through page 23, line 21.

Strike: everything after the enacting clause

Insert: "NEW SECTION. Section 1. Legislative findings. (1)

The legislature finds that in order to use the limited resources of the state for the purposes of providing public assistance to persons whom it has determined are in need, certain programs must be eliminated and the provision of public assistance programs must be reorganized for more efficient delivery of services.

(2) The legislature finds that county governments are in the best position to efficiently and effectively deliver the general relief program provided for in Title 53, chapter 3.

(3)(a) The legislature finds that the needs of persons who are aged, infirm, or misfortunate are adequately and appropriately provided for through the following programs:

- (i) medicaid;
- (ii) aid for dependent children;
- (iii) food stamps;
- (iv) commodities; and
- (v) low-income energy assistance.

(b) The legislature further finds that the counties may in their discretion provide other programs of public assistance that they determine are appropriate and that may be funded with money derived from the county poor fund mill levy.

Section 2. Section 7-6-2512, MCA, is amended to read:

"7-6-2512. County tax levy for nursing homes and hospital facilities. The board of county commissioners may, annually at the time of levying county taxes, fix and levy a tax, not to exceed 10 mills on each dollar of taxable valuation of property, upon all property within the county for the erection, maintenance, and operation of county-owned or county-operated hospitals and nursing homes or other hospital facilities created under 7-8-2102, 7-34-2201, 7-34-2301, and 7-34-2502. "Hospital facilities" as used in this section means a hospital or hospital-related facility, including outpatient facilities, public health centers, rehabilitation facilities, long-term care facilities, and infirmaries. The combined total number of mills levied under this section and for the county poor fund under ~~53-2-321~~ 53-2-322 may not exceed 18 mills. A higher levy may be made upon compliance with 7-6-2531 through 7-6-2537. If a hospital district is created under Title 7, chapter 34, part 21, the mill levy authorized by this section may not be imposed on property within that hospital district."

Section 3. Section 7-6-2523, MCA, is amended to read:

"7-6-2523. Special service levies replaced by all-purpose levy. A county using the all-purpose levy may not impose any of the following levies:

- (1) general fund levy, as provided in 7-6-2501;

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- (2) bridge levy, as provided in 7-14-2502;
- (3) recreation levy, as provided in 7-16-101;
- (4) county fair levy, as provided in 7-21-3410;
- (5) weed levy, as provided in 7-22-2142;
- (6) insect pest levy, as provided in 7-22-2306;
- (7) poor fund levy, as provided in ~~53-2-321~~ 53-2-322; or
- (8) developmental disabilities facility levy, as provided in 53-20-208."

Section 4. Section 15-10-412, MCA, is amended to read:

"15-10-412. Property tax limited to 1986 levels --

clarification -- extension to all property classes. Section 15-10-402 is interpreted and clarified as follows:

(1) The limitation to 1986 levels is extended to apply to all classes of property described in Title 15, chapter 6, part 1.

(2) The limitation on the amount of taxes levied is interpreted to mean that, except as otherwise provided in this section, the actual tax liability for an individual property is capped at the dollar amount due in each taxing unit for the 1986 tax year. In tax years thereafter, the property must be taxed in each taxing unit at the 1986 cap or the product of the taxable value and mills levied, whichever is less for each taxing unit, except in a taxing unit that levied a tax in tax years 1983 through 1985 but did not levy a tax in 1986, in which case the actual tax liability for an individual property is capped at the dollar amount due in that taxing unit for the 1985 tax year.

(3) The limitation on the amount of taxes levied does not mean that no further increase may be made in the total taxable valuation of a taxing unit as a result of:

- (a) annexation of real property and improvements into a taxing unit;
 - (b) construction, expansion, or remodeling of improvements;
 - (c) transfer of property into a taxing unit;
 - (d) subdivision of real property;
 - (e) reclassification of property;
 - (f) increases in the amount of production or the value of production for property described in 15-6-131 or 15-6-132;
 - (g) transfer of property from tax-exempt to taxable status;
- or

- (h) revaluations caused by:
- (i) cyclical reappraisal; or
- (ii) expansion, addition, replacement, or remodeling of improvements.

(4) The limitation on the amount of taxes levied does not mean that no further increase may be made in the taxable valuation or in the actual tax liability on individual property in each class as a result of:

- (a) a revaluation caused by:
- (i) construction, expansion, replacement, or remodeling of improvements that adds value to the property; or
- (ii) cyclical reappraisal;
- (b) transfer of property into a taxing unit;
- (c) reclassification of property;
- (d) increases in the amount of production or the value of production for property described in 15-6-131 or 15-6-132;

(e) annexation of the individual property into a new taxing unit; or

(f) conversion of the individual property from tax-exempt to taxable status.

(5) Property in classes four and eleven is valued according to the procedures used in 1986, including the designation of 1982 as the base year, until the reappraisal cycle beginning January 1, 1986, is completed and new valuations are placed on the tax rolls and a new base year designated, if the property is:

(a) new construction;

(b) expanded, deleted, replaced, or remodeled improvements;

(c) annexed property; or

(d) property converted from tax-exempt to taxable status.

(6) Property described in subsections (5)(a) through (5)(d) that is not class four or class eleven property is valued according to the procedures used in 1986 but is also subject to the dollar cap in each taxing unit based on 1986 mills levied.

(7) The limitation on the amount of taxes, as clarified in this section, is intended to leave the property appraisal and valuation methodology of the department of revenue intact. Determinations of county classifications, salaries of local government officers, and all other matters in which total taxable valuation is an integral component are not affected by 15-10-401 and 15-10-402 except for the use of taxable valuation in fixing tax levies. In fixing tax levies, the taxing units of local government may anticipate the deficiency in revenues resulting from the tax limitations in 15-10-401 and 15-10-402, while understanding that regardless of the amount of mills levied, a taxpayer's liability may not exceed the dollar amount due in each taxing unit for the 1986 tax year unless:

(a) the taxing unit's taxable valuation decreases by 5% or more from the 1986 tax year. If a taxing unit's taxable valuation decreases by 5% or more from the 1986 tax year, it may levy additional mills to compensate for the decreased taxable valuation, but in no case may the mills levied exceed a number calculated to equal the revenue from property taxes for the 1986 tax year in that taxing unit.

(b) a levy authorized under Title 20 raised less revenue in 1986 than was raised in either 1984 or 1985, in which case the taxing unit may, after approval by the voters in the taxing unit, raise each year ~~thereafter~~ an additional number of mills but may not levy more revenue than the 3-year average of revenue raised for that purpose during 1984, 1985, and 1986;

(c) a levy authorized in 50-2-111 that was made in 1986 was for less than the number of mills levied in either 1984 or 1985, in which case the taxing unit may, after approval by the voters in the taxing unit, levy each year ~~thereafter~~ an additional number of mills but may not levy more than the 3-year average number of mills levied for that purpose during 1984, 1985, and 1986.

(8) The limitation on the amount of taxes levied does not apply to the following levy or special assessment categories, whether or not they are based on commitments made before or after approval of 15-10-401 and 15-10-402:

(a) rural improvement districts;

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- (b) special improvement districts;
- (c) levies pledged for the repayment of bonded indebtedness, including tax increment bonds;
- (d) city street maintenance districts;
- (e) tax increment financing districts;
- (f) satisfaction of judgments against a taxing unit;
- (g) street lighting assessments;
- (h) revolving funds to support any categories specified in this subsection (8);
- (i) levies for economic development authorized pursuant to 90-5-112(4);
- (j) levies authorized under 7-6-502 for juvenile detention programs; and
- (k) elementary and high school districts; and
- (l) poor fund levies authorized under 53-2-322.

(9) The limitation on the amount of taxes levied does not apply in a taxing unit if the voters in the taxing unit approve an increase in tax liability following a resolution of the governing body of the taxing unit containing:

(a) a finding that there are insufficient funds to adequately operate the taxing unit as a result of 15-10-401 and 15-10-402;

(b) an explanation of the nature of the financial emergency;

(c) an estimate of the amount of funding shortfall expected by the taxing unit;

(d) a statement that applicable fund balances are or by the end of the fiscal year will be depleted;

(e) a finding that there are no alternative sources of revenue;

(f) a summary of the alternatives that the governing body of the taxing unit has considered; and

(g) a statement of the need for the increased revenue and how it will be used.

(10) (a) The limitation on the amount of taxes levied does not apply to levies required to address the funding of relief of suffering of inhabitants caused by famine, conflagration, or other public calamity.

(b) The limitation set forth in this chapter on the amount of taxes levied does not apply to levies to support:

(i) a city-county board of health as provided in Title 50, chapter 2, if the governing bodies of the taxing units served by the board of health determine, after a public hearing, that public health programs require funds to ensure the public health. A levy for the support of a local board of health may not exceed the 5-mill limit established in 50-2-111.

(ii) county, city, or town ambulance services authorized by a vote of the electorate under 7-34-102(2).

(11) The limitation on the amount of taxes levied by a taxing jurisdiction subject to a statutory maximum mill levy does not prevent a taxing jurisdiction from increasing its number of mills beyond the statutory maximum mill levy to produce revenue equal to its 1986 revenue.

(12) The limitation on the amount of taxes levied does not apply to a levy increase to repay taxes paid under protest in

accordance with 15-1-402."

Section 5. Section 15-16-117, MCA, is amended to read:

"15-16-117. **Personal property -- treasurer's duty to collect certain taxes.** (1) The county treasurer shall demand payment of poor fund taxes, authorized by ~~53-2-321~~ 53-2-322, and road taxes, authorized by 7-14-2206 or 7-14-2501 through 7-14-2504, of every person liable ~~therefor~~ for the taxes whose name does not appear on the assessment lists. On the neglect or refusal of ~~any such~~ a person to pay the ~~same~~ taxes, the treasurer shall collect the taxes by seizure and sale of any property owned by the person.

(2) These taxes must be added upon the assessment lists to other property taxes of persons paying taxes upon real and personal property and paid to the county treasurer at the time of payment of other taxes.

(3) The procedure for the sale of ~~such~~ the property by the county treasurer for ~~such~~ the taxes must be regulated by 15-16-113 and 15-17-911.

(4) The provisions of this section do not apply to property for which delinquent property taxes have been suspended or canceled under the provisions of Title 15, chapter 24, part 17."

Section 6. Section 39-71-118, MCA, is amended to read:

"39-71-118. **Employee, worker, ~~workman~~, and volunteer firefighter defined.** (1) The terms "employee", "~~workman~~", or "worker" mean:

(a) each person in this state, including a contractor other than an independent contractor, who is in the service of an employer, as defined by 39-71-117, under any appointment or contract of hire, expressed or implied, oral or written. The terms include aliens and minors, whether lawfully or unlawfully employed, and all of the elected and appointed paid public officers and officers and members of boards of directors of quasi-public or private corporations while rendering actual service for ~~such~~ the corporations for pay. Casual employees as defined by 39-71-116 are included as employees if they are not otherwise covered by workers' compensation and if an employer has elected to be bound by the provisions of the compensation law for these casual employments, as provided in 39-71-401(2). Household or domestic service is excluded.

(b) a recipient of general relief who is performing work for a county of this state under the provisions of 53-3-303 ~~through 53-3-305~~ and any juvenile performing work under authorization of a district court judge in a delinquency prevention or rehabilitation program;

(c) a person receiving on-the-job vocational rehabilitation training or other on-the-job training under a state or federal vocational training program, whether or not under an appointment or contract of hire with an employer as defined in this chapter and whether or not receiving payment from a third party. However, this subsection does not apply to students enrolled in vocational training programs as outlined above while they are on the premises of a public school or community college.

(d) students enrolled and in attendance in programs of

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vocational-technical education at designated vocational technical centers;

(e) an airman or other person employed as a volunteer under 67-2-105; or

(f) a person, other than a juvenile as defined in subsection (1)(b), performing community service for a nonprofit organization or association or for a federal, state, or local government entity under a court order, or an order from a hearings officer as a result of a probation or parole violation, whether or not under appointment or contract of hire with an employer as defined in this chapter and whether or not receiving payment from a third party. For a person covered by the definition in this subsection (f):

(i) compensation benefits must be limited to medical expenses pursuant to 39-71-704 and an impairment award pursuant to 39-71-703 that is based upon the minimum wage established under Title 39, chapter 3, part 4, for a full-time employee at the time of the injury; and

(ii) premiums must be paid by the employer, as defined in 39-71-117(3), and must be based upon the minimum wage established under Title 39, chapter 3, part 4, for the number of hours of community service required under the order from the court or hearings officer.

(2) The term "volunteer firefighter" means a firefighter who is an enrolled and active member of a fire company organized and funded by a county, a rural fire district, or a fire service area.

(3) (a) If the employer is a partnership or sole proprietorship, ~~such~~ the employer may elect to include as an employee within the provisions of this chapter any member of ~~such~~ the partnership or the owner of the sole proprietorship devoting full time to the partnership or proprietorship business.

(b) In the event of ~~such~~ an election, the employer must serve upon the employer's insurer written notice naming the partners or sole proprietor to be covered and stating the level of compensation coverage desired by electing the amount of wages to be reported, subject to the limitations in subsection (3)(d). A partner or sole proprietor is not considered an employee within this chapter until ~~such~~ notice has been given.

(c) A change in elected wages must be in writing and is effective at the start of the next quarter following notification.

(d) All weekly compensation benefits must be based on the amount of elected wages, subject to the minimum and maximum limitations of this subsection. For premium ratemaking and for the determination of weekly wage for weekly compensation benefits, the electing employer may elect not less than \$900 a month and not more than $1\frac{1}{2}$ times the average weekly wage as defined in this chapter.

(4) The trustees of a rural fire district, a county governing body providing rural fire protection, or the county commissioners or trustees for a fire service area may elect to include as an employee within the provisions of this chapter any volunteer firefighter. A volunteer firefighter who receives workers' compensation coverage under this section may not receive

disability benefits under Title 19, chapter 12.

(5) An employee, ~~workman~~, or worker in this state whose services are furnished by a person, association, contractor, firm, or corporation, other than a temporary service contractor, to an employer as defined in 39-71-117 is presumed to be under the control and employment of the employer. This presumption may be rebutted as provided in 39-71-117(3).

(6) For purposes of this section, an "employee, ~~workman~~, or worker in this state" means:

(a) a resident of Montana who is employed by an employer and whose employment duties are primarily carried out or controlled within this state; or

(b) a nonresident of Montana whose principal employment duties are conducted within this state on a regular basis for an employer."

Section 7. Section 41-3-1122, MCA, is amended to read:

"41-3-1122. Payment for support of youth in need of care, youth in need of supervision, or delinquent youth -- reimbursement by county. (1) Whenever a youth who is a youth in need of care, a youth in need of supervision, or a delinquent youth is placed by the department of family services in a youth care facility, the department shall pay, within the limits of the appropriation for that purpose, a foster care payment to the youth care facility at a rate established by the department for board, clothing, personal needs, treatment, and room of the youth.

(2) On or before the 20th of each month the department shall present a claim to the county of residence of the youth for no more than one-half of the nonfederal share of the payments so made during the month. The county must make reimbursement to the department within 20 days after the claim is presented.

(3) Except as provided in subsection (4), when a county's level of expenditure for any year reaches the level of reimbursement for foster care in fiscal year 1987, the county has no further obligation for foster care expenditures.

(4) If a county's level of expenditure for foster care in fiscal year 1987 is \$10,000 or less, the county's level of expenditure for purposes of determining the county's reimbursement specified in subsection (3) is the level of expenditures for fiscal year 1987 or the average of expenditures for fiscal years 1984 through 1987, whichever is less.

(5) A county that was state-assumed prior to 1987 is responsible for reimbursement of foster care expenditures up to the county's calculated level of expenditures for fiscal year 1987 as if the county had not been state-assumed.

~~(5)~~ (6) The department shall conduct or arrange for the review required under 41-3-1115 of a youth placed in a youth care facility if the youth is placed by the department; repealing sections 53-2-321, 53-3-109, 53-3-110, 53-3-113, 53-3-121, 53-3-122, 53-3-201, 53-3-205, 53-3-208, 53-3-209, 53-3-210, 53-2-211, 53-2-212, 53-3-215, 53-3-304, 53-3-305, 53-3-307, 53-3-308, 53-3-310, 53-3-311, 53-3-314, 53-3-318, 53-3-321, 53-3-322, 53-3-323, 53-3-325, and 53-3-326, MCA."

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Section 8. Section 52-1-110, MCA, is amended to read:

"52-1-110. County contribution for salaries and travel of protective services employees. (1) Upon transfer of certain functions of the county welfare department to the department of family services as provided in section 12, Chapter 609, Laws of 1987, the salaries and travel expenses, as provided in 2-18-501 through 2-18-503, of protective services employees must be paid by the department of family services. The board of county commissioners shall reimburse the department of family services from county poor funds in an amount equal to that county's expenditures for salaries, travel expenses, and indirect costs of protective services employees in fiscal year 1987, adjusted for annual inflation.

(2) A county that was state-assumed prior to 1987 is responsible for reimbursement of salaries, travel expenses, and indirect costs up to the county's calculated level of expenditures for fiscal year 1987 as if the county had not been state-assumed.

(2)(3) On or before the 20th day of the month following the month for which payments were made for protective services employees' salaries, travel, and indirect costs, the department of family services shall present to the board of county commissioners a claim for the required reimbursement. The board of county commissioners shall make ~~such~~ the reimbursement within 20 days after the presentation of the claim."

Section 9. Section 53-2-207, MCA, is amended to read:

"53-2-207. Power of department in administering state grants-in-aid and federal funds. In administering or supervising any state or federal funds appropriated or made available to the department for public assistance purposes, the department ~~shall~~ have ~~has~~ the authority to:

(1) ~~require as a condition for receiving grants-in-aid that the county shall to bear the proportion of the total of local public assistance as is fixed by law relating to such the assistance;~~

(2) make use of all legal processes to enforce the ~~minimum standards prescribed for public assistance purposes by the department under laws providing for grants-in-aid, provided that such standards shall not exceed in cost the amount derived from levies established by state law;~~ and

(3) require that each part of the public assistance laws ~~shall~~ be in effect in all counties of the state."

Section 10. Section 53-2-301, MCA, is amended to read:

"53-2-301. County departments to be established. There ~~shall must~~ be established in each county of the state, ~~except in a county that has transferred its public assistance and protective services responsibilities to the state under the provisions of part 8 of this chapter,~~ a county department of public welfare, which shall consist of a county board of public welfare and ~~such~~ staff personnel as may be necessary for the efficient performance of the public assistance activities of the county. If conditions warrant and if two or more county boards enter into an agreement, two or more counties may combine into

one administrative unit and use the same staff personnel throughout the administrative unit."

Section 11. Section 53-2-302, MCA, is amended to read:

"53-2-302. County commissioners ex officio county welfare board. ~~Except in a county that has transferred its public assistance and protective services responsibilities to the state under part 8 of this chapter, the~~ The board of county commissioners ~~shall be~~ is the ex officio county welfare board and ~~is hereby authorized to devote such additional time for public assistance matters as may be found necessary.~~ The members of the county welfare board shall receive the same compensation for their services and the same mileage when acting as the county board of public welfare as they receive when acting as the board of county commissioners, ~~and shall be~~ The board is limited as to meetings as now provided by law, and the compensation and mileage of the members of the board ~~shall~~ must be paid from county funds. They may transact business as a board of county commissioners and as a county welfare board on the same day, and in such cases they ~~shall~~ must be paid as a board of county commissioners but may not receive compensation for more than 1 day's work for all services performed on the same calendar day."

Section 12. Section 53-2-304, MCA, is amended to read:

"53-2-304. Staff personnel of county department. (1) Each county board shall select and appoint from a list of qualified persons furnished by the department ~~of social and rehabilitation services such~~ staff personnel as are the board determines necessary. The staff personnel in each county shall consist of at least one qualified staff worker (or investigator) and ~~such~~ clerks and stenographers as ~~may be decided~~ the board determines necessary. If conditions warrant, the county board, with the approval of the department ~~of social and rehabilitation services,~~ may appoint ~~some~~ a fully qualified person listed by the department as supervisor of its staff personnel. The staff personnel of each county department are directly responsible to the county board, but the department ~~of social and rehabilitation services~~ may supervise ~~such~~ the county employees in respect to the efficient and proper performance of their duties. The county board of public welfare may not dismiss any member of the staff personnel without the approval of the department ~~of social and rehabilitation services.~~ The department may request the county board to dismiss any member of the staff personnel for inefficiency, incompetence, or similar cause. The final authority for dismissal is the county board. ~~In counties where the department has assumed the administration of welfare duties, the final authority for dismissal is the director of the department.~~

(2) Public assistance staff personnel attached to the county board ~~shall~~ must be paid from state public assistance funds both their salaries and their travel expenses as provided for in 2-18-501 through 2-18-503 when away from the county seat in the performance of their duties, but the county board of public welfare shall reimburse the department ~~of social and rehabilitation services~~ from county poor funds the full amount of the salaries and travel expenses not reimbursed to the department

by the federal government and the full amount of the department's administrative costs ~~which that~~ are allocated by the department to the county for the administration of county welfare programs and not reimbursed to the department by the federal government. Under circumstances prescribed by the department of ~~social and rehabilitation services~~, the reimbursement by the county board of public welfare may be less than the county share as prescribed ~~above in this subsection~~. All other administrative costs of the county department ~~shall also~~ must be paid from county poor funds.

(3) On or before the 20th day of the month following the month for which the payments to the public assistance staff personnel of the county were made, the department of ~~social and rehabilitation services~~ shall present to the county department of public welfare a claim for the required reimbursements. The county board shall make ~~such the~~ reimbursements within 20 days after the presentation of the claim, and the department of ~~social and rehabilitation services~~ shall credit (add) all ~~such the~~ reimbursements to its account for administrative costs.

~~(4) If a county has transferred its public assistance and protective services responsibilities to the state under part 8 of this chapter, the appropriate department shall select, appoint, and supervise all necessary public assistance and protective services personnel, including if necessary a supervisor of staff personnel. All such personnel are directly responsible to that department."~~

Section 13. Section 53-2-306, MCA, is amended to read:

"53-2-306. County department charged with local administration of public assistance. ~~Except in a county that has transferred its public assistance and protective services responsibilities to the state under part 8 of this chapter, the~~ The county department of public welfare ~~shall be~~ is charged with the local administration of all ~~forms of~~ public assistance operations in the county. All ~~such~~ local administration of public assistance must conform to federal and state law and the rules as established by the department of social and rehabilitation services."

Section 14. Section 53-2-322, MCA, is amended to read:

"53-2-322. County to levy taxes, budget, and make expenditures for public assistance activities. (1) The board of county commissioners in each county shall levy 13.5 mills for the county poor fund as provided by law or so much ~~thereof of that~~ amount as may be necessary. The board may levy an additional 12 mills if approved by the voters in the county for fiscal year 1993. A county shall levy sufficient mills to reimburse the state for any administrative or operational costs in excess of the administrative and operational costs for fiscal year 1993. The department shall notify the counties of the number of mills required to be levied. ~~Counties transferring public assistance and protective services responsibilities to the state under part 8 of this chapter may not levy more than the difference between 13.5 mills and the state levy pursuant to 53-2-813.~~

(2) The board shall budget and expend so much of the funds in the county poor fund for public assistance and protective

services purposes as will enable the county welfare department to pay the general relief activities of the county and to reimburse the department ~~of social and rehabilitation services~~ and the department of family services for the county's proportionate share of the administrative costs of the county welfare department and of all public assistance and protective services and its proportionate share of any other public assistance activity that may be carried on jointly by the state and the county.

(3) The amounts set up in the budget for the reimbursements to the department ~~of social and rehabilitation services~~ and the department of family services ~~shall~~ must be sufficient to make all of these reimbursements in full. The budget ~~shall~~ must make separate provision for each one of these public assistance and protective services activities, and proper accounts ~~shall~~ must be established for the funds for all ~~such~~ the activities.

(4) The department ~~of social and rehabilitation services~~ shall submit to the counties, no later than May 10, the most current county participation percentages that are necessary to establish preliminary county budgets. As soon as the county proposed budget provided for in 7-6-2315 has been agreed upon, a copy ~~thereof shall without delay~~ must be mailed to the department ~~of social and rehabilitation services~~, and at any time before the final adoption of the budget, the department shall make ~~such~~ recommendations with regard to changes in any part of the budget relating to the county poor fund as considered necessary in order to enable the county to discharge its obligations under the public assistance laws.

(5) The department ~~of social and rehabilitation services~~ shall promptly examine the county proposed budget in order to ascertain if the amounts provided for reimbursements to the department are likely to be sufficient and shall notify the county clerk of its findings. The board shall make ~~such~~ changes in the amounts provided for reimbursements, if any are required, in order that the county will be able to make the reimbursements in full.

(6) The board of county commissioners may not make any transfer from the amounts budgeted for reimbursing the department ~~of social and rehabilitation services~~ without having first obtained a statement in writing from the department to the effect that the amount to be transferred will not be required during the fiscal year for the purposes for which the amounts were provided in the budget.

(7) ~~No part of the~~ The county poor fund, irrespective of the source of any part ~~thereof~~ of the fund, may not be used directly or indirectly for the erection or improvement of any county building so long as the fund is needed for general relief expenditures by the county or is needed for paying the county's proportionate share of public assistance and protective services or its proportionate share of any other public assistance activity that may be carried on jointly by the state and the county. Expenditures for improvement of any county buildings used directly for care of the poor, except a county hospital or county nursing home, may be made out of ~~any moneys~~ money in the county poor fund, whether ~~such moneys are~~ the money was produced by the

~~13.5 mill mill~~ levy provided for in subsection (1) of ~~the~~ ~~section~~ or from any additional levy authorized ~~or to be~~ ~~authorized~~ by law. ~~Such~~ The expenditure ~~shall~~ may be authorized only when any county building used for the care of the poor must be improved in order to meet legal standards required for ~~such~~ ~~buildings~~ the building by the department of health and environmental sciences and when ~~such~~ the expenditure has been approved by the department of social and rehabilitation services and the department of family services.

(8) Money in the county poor fund may be used as matching funds for the receipt of federal money."

Section 15. Section 53-2-801, MCA, is amended to read:

"53-2-801. Purpose. The purpose of this part is to provide for the department of social and rehabilitation services to assume all responsibilities for public assistance programs, except for general relief as provided in chapter 3, and for the department of family services to assume all responsibilities for protective services for children and adults that, as of July 1, 1983, are provided by the counties pursuant to Titles 41 and 53. The assumption may become effective only at the option and with the express consent of each individual county requesting state assumption."

Section 16. Section 53-2-802, MCA, is amended to read:

"53-2-802. Definitions. Unless the context requires otherwise, in this part the following definitions apply:

(1) "County department" means the county department of public welfare provided for in part 3 of this chapter.

(2) "Mill levy equivalent" means the prior year's expenditure divided by the value of 1 mill.

(3) "Needy person" is one who is eligible for public assistance under the laws of this state.

(4) "Protective services" means services to children and adults to be provided by the department of family services as permitted by Titles 41 and 53.

(5) "Public assistance" or "assistance" means any type of monetary or other assistance furnished under this title to a person by a state or county department, regardless of the original source of assistance, except general relief as provided in chapter 3.

(6) "State assumption" means the transfer to the department of social and rehabilitation services and the department of family services for the county by the board of county commissioners of all powers and duties, including staff personnel as provided in 53-2-301 through 53-2-306 and public assistance and protective services, respectively, provided by the county department pursuant to Titles 41 and 53, except as otherwise specifically provided in this part."

Section 17. Section 53-2-803, MCA, is amended to read:

"53-2-803. Authority to adopt rules. ~~(1)~~ The department of social and rehabilitation services and the department of family services may adopt rules necessary to carry out the purposes of this part, including implementing transfer of the county programs

to each department, respectively.

~~(2) The department of social and rehabilitation services may adopt rules:~~

~~(a) to determine the amount, scope, and duration of general relief, which may not exceed those services and amounts payable under the department of social and rehabilitation services' programs of medicaid and aid to families with dependent children as necessary to carry out the purposes of this part; and~~

~~(b) establishing a system of penalties and sanctions applicable to providers of health related services to state assumed counties in accordance with 53-6-111(2) through (5)."~~

Section 18. Section 53-2-811, MCA, is amended to read:

"53-2-811. Transfer of county public assistance and protective services to state departments -- reassumption of responsibility. (1) All authority granted to the board of county commissioners to establish and operate a public assistance program and provide protective services for children and adults pursuant to Titles 41 and 53 may be transferred to the department of social and rehabilitation services and the department of family services, respectively, except that the county attorney shall continue to provide legal assistance and representation for the purposes of adult and child protective services without charge and all debts and obligations incurred prior to the effective date of state assumption continue as the responsibility of the county.

(2) The board of county commissioners, after public hearing, may by resolution or ordinance transfer to the department of social and rehabilitation services and the department of family services all powers and duties for public assistance and protective services for children and adults, respectively, including the selection, supervision, and termination of staff personnel associated with the performance of these activities. Upon the effective date of ~~such~~ the transfer, the department of social and rehabilitation services and the department of family services shall assume all powers and duties related to public assistance and protective services, respectively, and accorded by law to the county welfare department. If the notice required in subsection (3) is given, the transfer is effective at the start of the next state fiscal year.

(3) Counties opting for state assumption or reassuming responsibility shall notify the department of social and rehabilitation services and the department of family services at least 90 days prior to the start of the state fiscal year unless the time period is waived in whole or in part by the director of each department within 30 days after [the effective date of this section]. A county shall notify the department of social and rehabilitation services and the department of family services by October 1 if the county wishes to change its status on the following July 1.

(4) Counties opting for state assumption shall permit the department of social and rehabilitation services and the department of family services to use the same facilities currently occupied by the county department or substantially

equal facilities, with fair rental value for ~~such~~ the facilities to be paid by each department. Counties opting for state assumption shall transfer to the appropriate department all materials, equipment, and supplies used in the operation of the county department and which were paid for in whole or in part with federal or state funds."

Section 19. Section 53-2-812, MCA, is amended to read:

"53-2-812. State assumption -- permanent transfer to state -- exceptions. ~~(1)~~ A county opting for state assumption does so on a complete and permanent basis, ~~unless the county requests to retain or reassume responsibility for medical assistance or monetary payments to needy persons as provided in Title 53, chapter 3.~~ State assumption must be made pursuant to the adoption of a resolution or ordinance as provided in 53-2-811(2) and notice to the department of social and rehabilitation services and the department of family services as provided in 53-2-811(3). A county that has opted for state assumption prior to [the effective date of this section] may reassume responsibility for public assistance and protective services if notice is provided pursuant to 53-2-811(2) and (3). A county shall notify the department of social and rehabilitation services and the department of family services by October 1 if the county wishes to change its status on the following July 1. ~~Under such a retention or reassumption, staff personnel continue under the supervision and control of the department of social and rehabilitation services but the~~ The department may contract with the counties for the operation of programs provided in Title 53, chapter 3. A county may not retain or reassume assistance programs partially funded by the federal government.

~~(2) A county transferring all duties and responsibilities to the state may reassume limited responsibility for medical assistance or monetary payments to needy persons as provided in subsection (1) but may not thereafter request full state assumption. A county initially requesting limited state assumption may not thereafter request full state assumption. A county opting for limited or full state assumption does so on a permanent basis, except as provided in this section."~~

Section 20. Section 53-2-813, MCA, is amended to read:

"53-2-813. Mill levy for counties transferring public assistance and protective services. (1) For the purpose of this part, 12 mills must be levied annually in those counties opting for state assumption.

~~(2) For a county electing state assumption before July 1, 1986, the proceeds of the mill levy established in subsection (1) must be deposited in the state special revenue fund in the state treasury for the purpose of paying the expenses of the department of social and rehabilitation services. The mill levy may not exceed 12 mills, notwithstanding actual expenditures made by the department.~~

~~(3) For a county electing state assumption on or after July 1, 1986, the proceeds of the mill levy established in subsection (1) must be deposited in the state special revenue fund in the~~

state treasury to the credit of the department of social and rehabilitation services. The general fund authority of the department of social and rehabilitation services ~~shall~~ must be reduced and the general fund authority of the department of family services ~~shall~~ must be increased by an amount equal to the county's expenditures for child and adult protective services in the fiscal year immediately preceding state assumption. ~~The mill levy may not exceed 12 mills, notwithstanding actual expenditures made by the department of social and rehabilitation services and the department of family services.~~

~~(4) For a county retaining or reassuming operational responsibility for medical assistance or monetary payments to needy persons as provided in 53-2-812, the levy provided in subsection (1) must be reduced by the mill levy equivalent expended by that county or the department for such purposes in the fiscal year immediately preceding the option to retain or reassume such responsibility."~~

NEW SECTION. Section 21. General relief -- optional county program. (1) A county may provide a program of general relief that it determines necessary. The program may include assistance for food, clothing, shelter, transportation, and medical assistance for individuals not eligible for state or federal programs providing similar assistance. A county may provide for the burial of indigents. The general relief activities of the county include:

- (a) job training and employment programs authorized under Title 53, chapter 2, part 11;
 - (b) general relief assistance benefits as provided in Title 53, chapter 3, part 2; and
 - (c) health care, preventive care, and wellness programs as determined by the county commissioners.
- (2) A county may establish the criteria for determining eligibility for assistance, including but not limited to residency requirements, limits on income and resources, and the amount, scope, and duration of assistance.
- (3) A county may deny assistance for a reasonable period if a person has voluntarily left employment without good cause or is discharged due to misconduct.
- (4) The program may be funded with money derived from the county poor fund mill levy established in 53-2-322.

Section 22. Section 53-2-1101, MCA, is amended to read:
"53-2-1101. Legislative findings. The legislature finds and declares that:

- (1) many economically disadvantaged persons are unable to take their place in the economic mainstream of society because they lack the skills and training needed to obtain productive employment or to avoid long-term dependency on public assistance programs;
- (2) existing state and federal employment and training programs, including the work incentive program, ~~the work programs provided for in 53-3-304,~~ and the programs administered under Title II-A of the Job Training Partnership Act, have proved to be a multiple, uncoordinated response to the needs of the

economically disadvantaged; and

(3) a successful job training program will require a comprehensive, integrated range of nonduplicative employment and training services for economically disadvantaged persons that will result in economic self-sufficiency through placement of economically disadvantaged persons in long-term, sustainable employment."

Section 23. Section 53-2-1109, MCA, is amended to read:

"53-2-1109. **Coordination of services.** The state job training coordinating council shall identify, in coordination with the appropriate state and local agencies, the employment, training, and vocational education needs throughout the state and assess the extent to which employment and training, vocational education, rehabilitation services, public assistance, economic development, and other federal, state, and local programs and services represent a consistent, integrated, and coordinated approach to meeting ~~such~~ the needs. In carrying out this coordinating function, the council shall consider state policy set forth in 2-15-101 to eliminate overlapping and duplication of services within state government and in accordance with the provisions of section 121 of the Job Training Partnership Act (29 U.S.C. 1531) and other employment and training programs, including:

(1) programs operated under the federal Family Support Act of 1988; and

(2) programs and services of public assistance agencies, ~~including the programs established in 53-3-304.~~"

Section 24. Section 53-3-112, MCA, is amended to read:

"53-3-112. **Fraud and recovery of overpayments.** (1) The county department of public welfare shall deny general relief for a reasonable period of time to any household determined to have received any assistance by means of fraud.

(2) The county department of public welfare or its agent may recover or offset any amounts of general relief made available to a household ~~which that~~, because of fraud or mistake, are above the amounts that should have been provided."

Section 25. Section 53-3-207, MCA, is amended to read:

"53-3-207. **Application for other state and federal programs -- interim relief -- subrogation of department to receipt of federal payments.** (1) General relief is available to a recipient to the extent ~~such~~ the relief is not duplicative of resources or benefits reasonably available to the recipient.

(2) If other federal or state programs of assistance are reasonably available to meet the needs of a household, an applicant must apply for those programs before general relief may be provided. A household may be provided general relief after initial application for other programs of assistance. If denied ~~such~~ the other assistance, the applicant must pursue available administrative appeals for those programs to the final administrative appeal level. If the applicant becomes eligible for other assistance covering the same period of time that interim general relief is provided, ~~such~~ the interim relief must

be repaid to the county department or offset from lump sums or retroactive payments from other programs of assistance.

(3) To the extent necessary for repayment of interim general relief provided to an applicant, the county department is subrogated to the right of an attorney to recover from the federal government the costs of providing the applicant legal assistance in obtaining eligibility for supplemental security income under Title XVI of the Social Security Act."

Section 26. Section 53-3-303, MCA, is amended to read:

"53-3-303. **Conditions of eligibility.** (1) As a condition of eligibility for general relief, an employable or temporarily unemployable recipient must:

(a) register for employment with the department of labor and industry;

(b) maintain an active job registration file; and

(c) ~~comply with and actively participate in any job search, training, workfare, or self sufficiency program required by the department; and~~

~~(d) actively pursue and accept available employment within his or her the recipient's capability.~~

(2) ~~Refusal without good cause to comply with the requirements of subsection (1) will render the individual recipient, but not the rest of that recipient's household, ineligible for general relief for 3 months following the first refusal and for 6 months following any subsequent refusal. The period of ineligibility begins on the first day of the next month in which the person would otherwise be eligible for general relief. A county may require participation in job search, training, and work programs or in a program of drug or alcohol rehabilitation as a condition of the receipt of assistance. General relief may be withheld until participation in a program is completed. A county may deny assistance for a reasonable period of time for any person refusing to participate in a required program.~~"

Section 27. Section 53-3-309, MCA, is amended to read:

"53-3-309. **Form of relief.** The choice as to the form or forms of relief provided is at the discretion of the county welfare department ~~in counties without state assumed welfare services or the department if the state has assumed responsibility for the welfare services in a county.~~ The form of relief may include but is not limited to cash, checks, vouchers, lines of credit, in-kind goods and services, and food commodities."

Section 28. Section 53-3-310, MCA, is amended to read:

"53-3-310. **Scope of general relief medical assistance -- limitations.** (1) General relief medical assistance is limited to inpatient and outpatient hospital services, physician services, laboratory services, x-ray services, and prescription drugs. Assistance may not exceed the scope or duration of similar services provided under the Montana medicaid program pursuant to Title 53, chapter 6, part 1, and rules adopted by the department to administer the program.

(2) General relief medical assistance in a county without state-assumed welfare services must, within the limitations of subsection (1), be provided in amounts determined by the county welfare board.

(3) General relief medical assistance in counties with state-assumed welfare services must, within the limitations of subsection (1), be provided in amounts not to exceed payments under the medicaid program. Services must be limited to the least costly method of alleviating the serious medical condition.

(4) General relief medical assistance is limited to covered medical needs not met by other services or benefits available to the person. Available services or benefits include but are not limited to health and accident insurance, veterans' benefits, industrial accident benefits, medicare and medicaid benefits, and other liable third parties.

(5) A person who is chronically ill may receive general relief medical assistance for services limited to treatment of a serious medical condition related to chronic illness.

(6) A person who has an acute medical need but who is not chronically ill may receive general relief medical assistance but only for services necessary to treat a serious medical condition that requires immediate medical attention to alleviate a serious health risk.

(7) A child less than 18 years of age may receive the same scope and duration of services as provided under the Montana medicaid program provided for in Title 53, chapter 6.

(8) A person who requires medical services in order to obtain or retain employment may receive services similar to those provided under the Montana medicaid program but only for the duration of need.

(9) Except as provided in subsection (7), nothing in this chapter may be construed to require the same scope of medical services as provided under the Montana medicaid program."

Section 29. Section 53-3-325, MCA, is amended to read:

"53-3-325. **Transition-to-work allowance.** (1) As an alternative to the programs and services provided in 53-3-304, the county department of public welfare may pay recipients a transition-to-work allowance. This allowance may be used only for relocation expenses for recipients who have obtained employment in another county or state.

(2) Notwithstanding any other provision of this chapter, a person who elects to receive the allowance provided in subsection (1) is ineligible for general relief for a period of 16 months."

Section 30. Section 53-3-326, MCA, is amended to read:

"53-3-326. **Transportation assistance.** The county department of public welfare may provide necessary transportation or reimbursement of transportation costs for persons enrolled in job search, training, workfare, or self-sufficiency programs provided in 53-3-304."

NEW SECTION. Section 31. **Repealer.** Sections 53-2-321, 53-2-323, 53-2-821, 53-2-822, 53-3-109, 53-3-110, 53-3-113, 53-3-114, 53-3-121, 53-3-122, 53-3-201, 53-3-205, 53-3-208, 53-3-209,

53-3-210, 53-2-211, 53-2-212, 53-3-215, 53-3-304, 53-3-305, 53-3-307, 53-3-308, 53-3-310, 53-3-311, 53-3-314, 53-3-318, 53-3-321, 53-3-322, 53-3-323, 53-3-324, 53-3-325, 53-3-326, 53-3-327, and 53-3-328, MCA, are repealed.

NEW SECTION. Section 32. {standard} Codification instruction. [Sections 1 and 21] are intended to be codified as an integral part of Title 53, and the provisions of Title 53 apply to [sections 1 and 21]."

NEW SECTION. Section 33. Effective dates. (1) [Sections 18, 19, 28, and 32 and this section] are effective on passage and approval.

(2) [Sections 1 through 17, 20 through 27, and 29 through 31] are effective January 1, 1994."

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 2/23/93 BILL NO. HB 427 NUMBER MOTION: Rep. Cobb moved to adopt the amendments, Exhibit 2

Motion carried 15 - 2

NAME	AYE	NO
REP. ED GRADY, V, CHAIR	X	
REP. FRANCIS BARDANOUVE	X	
REP. ERNEST BERGSAGE	X	
REP. JOHN COBB	X	
REP. ROGER DEBRUYKER	X	
REP. MARJ. FISHER		
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 WENZENREID	X	
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	15	2

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 2/23/93 BILL NO. HB 427 NUMBER MOTION: Rep. Menahan moved HB 427 DO NOT PASS.Rep. Menahan withdrew the motion

NAME	AYE	NO
REP. ED GRADY, V, CHAIR		
REP. FRANCIS BARDANOUVE		
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 2/23/93 BILL NO. HB 427 NUMBER

MOTION: Rep. Bardanouve moved an amendment that as in the
School Equalization program, the poor fund will be removed from
I-105 and the amendment is to be drafted by the Legislative Fiscal
Analyst

Motion failed 3 - 15

NAME	AYE	NO
REP. ED GRADY, V. CHAIR		X
REP. FRANCIS BARDANOUVE	X	
REP. ERNEST BERGSAGEI		X
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 WENZENREID		X
REP. BILL WISEMAN		X
REP. TOM ZOOK, CHAIR		X
	3	15

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 2/23/93 BILL NO. HB 427 NUMBER MOTION: Rep. Cobb moved HB 427 DO PASS AS AMENDED.Motion carried 13 - 5

NAME	AYE	NO
REP. ED GRADY, V, CHAIR	X	
REP. FRANCIS BARDANOUVE		X
REP. ERNEST BERGSAGE	X	
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. MARV LOU PETERSON	X	
REP. JOE QUILLICI		X
REP. DAVE WANZENREID		X
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	13	5

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 2/23/93 BILL NO. HB 11 NUMBER

MOTION: Rep. Kasten moved an amendment to HB 11 that money
raised in a district or from schools could be used in the
most modern technology available rather than putting all
money into Metnet.

Motion failed 3 - 15

NAME	AYE	NO
REP. ED GRADY, V, CHAIR		x
REP. FRANCIS BARDANOUVE		x
REP. ERNEST BERGSAGEI		x
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
	3	15

HOUSE OF REPRESENTATIVES

APPROPRIATIONS

COMMITTEE

ROLL CALL VOTE

DATE 2/23/93

BILL NO. HB 11

NUMBER

MOTION: Rep. Royal Johnson moved to accept the subcommittee's
 recommendation to this general appropriation committee on
 the Metnet bill HB 11.

NAME	AYE	NO
REP. ED GRADY, V, CHAIR		
REP. FRANCIS BARDANOUVE		
REP. ERNEST BERGSAGER		
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. MARV LOU PETERSON		
REP. JOE QUILLICI		
REP. DAVE WANZENREID		
REP. BILL WISEMAN		
REP. TOM ZOOK, CHAIR		

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL VOTE

DATE 2/23/93 BILL NO. HB 11 NUMBER

MOTION: Rep. Kadas moved to pass the bill for the day

Motion carried unanimously

NAME	AYE	NO
REP. ED GRADY, V. CHAIR	X	
REP. FRANCIS BARDANOUVE	X	
REP. ERNEST BERGSAGEI	X	
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. MARV LOU PETERSON	X	
REP. JOE QUILLICI	X	
REP. DAVE WANZENREID	X	
REP. BILL WISEMAN	X	
REP. TOM ZOOK, CHAIR	X	
	18	0

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

Appropriations COMMITTEE BILL NO. 427
DATE 2/23/93 SPONSOR(S) _____

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
CHARLES ROCK	MINERAL CO		
William R Hedstrom	Flathead Co - BCC		
Charley Mancini	Mineral Co.		✓
J. STANG	Mineral		✓
DAVE KASTEN		✓	
Craig Young	MT Low income coal		

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